



NOTICE OF MEETING

The special meeting of the Incline Village General Improvement District will be held starting at 9:00 a.m. on Wednesday, September 10, 2014 in the Boardroom, 893 Southwood Boulevard, Incline Village, Nevada.

- A. PLEDGE OF ALLEGIANCE*
- B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES*
- C. ROLL CALL OF THE CANDIDATES FOR IVGID BOARD OF TRUSTEES*
Tim Callicrate Sheila Leijon Robert Olmer Kendra Wong
- D. PUBLIC COMMENTS* *(During the Public Comment section of the agenda, the public may comment on any subject pertaining to Incline Village General Improvement District, that is in Reports and/or on the Consent Calendar and/or is not on the agenda for action. Comments from the public, relating to a General Business agenda item, will be taken during the Board's consideration of that item. When recognized by the Chair, speakers are requested to come to the podium at the front of the room, state their name and address, and direct their comments to the Chair. All speakers are made aware that their comments will be included in the minutes of the meeting. Speaking time is limited to three minutes and yielding of time is prohibited. Persons are invited to submit comments in writing on the agenda items and/or attend and make comment. The Chair may or may not provide a response or may take the comment under advisement. The Board of Trustees conducts the business of Incline Village and Crystal Bay and its citizens during its meetings. The Chair may order the removal of any person whose conduct disrupts the orderly, efficient or safe conduct of the meeting. Warnings against disruptive behavior may or may not be given prior to removal. Reasonable restrictions may be imposed upon the time, place and manner of speech.)*
- E. DISTRICT STAFF UPDATE – GENERAL MANAGER
- F. APPROVAL OF AGENDA *(for possible action)*
- G. CONSENT CALENDAR *(for possible action)*
- H. GENERAL BUSINESS *(for possible action)*
 - 1. Authorize a contract change order for roof repairs at the Recreation Center; 2013/2014 Capital Improvement Project; Fund: Community Services; Division: Recreation; Project # 4884BD1304; Vendor: Alpine Roofing Co. Inc. (Requesting Staff Member: Engineering Manager Brad Johnson) – **pages 1 - 6**
- I. APPROVAL OF MINUTES *(for possible action)*
 - 1. Regular Meeting of August 13, 2014 – **pages 7 - 48**
- J. RELEASE OF PAYMENT FOR BILLS OVER \$10,000 DURING THE PERIOD STATED *(for possible action)* – **pages 49 - 53**
- K. REPORTS TO THE IVGID BOARD OF TRUSTEES*

Incline Village General Improvement District

Incline Village General Improvement District is a fiscally responsible community partner which provides superior utility services and community oriented recreation programs and facilities with passion for the quality of life and our environment while investing in the Tahoe basin.

893 Southwood Boulevard, Incline Village, Nevada 89451 • (775) 832-1100 • FAX (775) 832-1122

www.ivgid.org



NOTICE OF MEETING

Agenda for the Special Board Meeting of September 10, 2014 - Page 2

1. District Staff Updates (*written updates may have been provided; if there are any questions, from the Board of Trustees, they may be asked at this time*)
 2. District General Counsel T. Scott Brooke
- L. BOARD OF TRUSTEES UPDATE (**NO DISCUSSION OR ACTION**) ON ANY MATTER REGARDING THE DISTRICT AND/OR COMMUNITIES OF CRYSTAL BAY AND INCLINE VILLAGE, NEVADA*
- M. CORRESPONDENCE RECEIVED BY THE DISTRICT* – **pages 53 - 136**
- N. PUBLIC COMMENTS*
- O. ADJOURNMENT (*for possible action*)

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Friday, September 5, 2014 at 9:00 a.m., a copy of this agenda (IVGID Board of Trustees Session of September 10, 2014) 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 six 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

/s/ Susan A. Herron, CMC

Susan A. Herron, CMC

Clerk to the Board of Trustees (e-mail: sah@ivgid.org/phone # 775-832-1207)

Board of Trustees: Joe Wolfe, Chairman; Bruce Simonian, Bill Devine, Jim Hammerel, and Jim Smith

Notes: Items on the agenda may be taken out of order; combined with other items; removed from the agenda; moved to the agenda of another meeting; moved to or from the Consent Calendar section; or may be voted on in a block. Items with a specific time designation will not be heard prior to the stated time, but may be heard later. Items listed in the Consent Calendar section of the agenda are voted on as a block and will not be read or considered separately unless removed from the Consent Calendar section by Board action. Once a motion is made on the Consent Calendar, Trustees may or may not ask questions regarding an item on the Consent Calendar prior to the vote being taken. 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 available at IVGID's web site, www.ivgid.org. Go to News & Event, BOT Agendas and Packets, and click on the agenda for the date of the Board meeting. The agenda is linked to the complete agenda packet. 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

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

FROM: Bradley A. Johnson, P.E.
Engineering Manager

SUBJECT: Authorize a contract change order for roof repairs at the Recreation Center; 2013/2014 Capital Improvement Project; Fund: Community Services; Division: Recreation; Project # 4884BD1304; Vendor: Alpine Roofing Co. Inc.

DATE: September 2, 2014

I. RECOMMENDATION

That the Board of Trustees moves to:

1. Authorize a contract change order with Alpine Roofing Co. Inc. in the amount of \$102,306 for roof repairs at the Recreation Center.
2. Authorize Staff to execute the necessary contract change order documents.

II. BACKGROUND

At the October 9, 2013 meeting, the Board of Trustees awarded a contract to replace the 20-year old asphalt shingle roofing system and sky lights at the Recreation Center (see attached meeting minutes and agenda packet pages). This work was originally scheduled for completion in the fall of 2013 but, due to weather and delays in the sky light fabrication, the work was postponed to the summer of 2014.

During removal of the existing asphalt shingle system, it was discovered that the roof structure above the natatorium contained substantial water damage. The project design team investigated the damage and determined it was caused by

water vapor migration from the humid natatorium below into the roof structure and rigid insulation due to inadequate vapor barrier membrane between the natatorium ceiling and roof structure. Without an adequate vapor barrier, water vapor was allowed to migrate into the roof structure where it then condensed into liquid form upon contact with cold outside temperatures at the roof exterior. The liquid then became trapped in the roof insulation causing damage to the roof structure.

The permanent repair in the proposed change order will remove the damaged exterior roof structure and rigid foam insulation, install a vapor barrier over the entire natatorium, and then install new rigid foam insulation and roof structure. The new asphalt shingle roofing system will then be installed per the original contract.

III. BID RESULTS

The original contract with Alpine Roofing was competitively bid and therefore the proposed contract change order does not require competitive bidding.

Staff and the project design team have reviewed the pricing from Alpine Roofing and determined it to be at fair market rate.

IV. FINANCIAL IMPACT AND BUDGET

A total of \$164,120 is included in the 2013/2014 Capital Improvement Program (CIP) budget (see attached data sheet). The revised project construction budget is presented in the following table:

Revised Project Budget

Description	Amount
Original Construction Contract	\$157,156
Design and Engineering	\$6,900
Miscellaneous Change Orders to Date	\$6,234
Proposed Contract Change Order	\$102,306
Additional Design Associated with Change Order	\$5,000
Project Total	\$277,596

Authorize a contract change order for
roof repairs at the Recreation Center;
2013/2014 Capital Improvement
Project; Fund: Community Services; Division:
Recreation; Project #4884BD1304; Vendor:
Alpine Roofing Co. Inc.

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September 2, 2014

There is not adequate available project CIP budget to allow completion of the proposed change order and the associated repairs. The additional \$113,476 required will come from the Community Services Fund reserves.

V. ALTERNATIVES

None. The roof structure damage above the natatorium is extensive enough that a repair must be made to allow installation of the asphalt shingle roof system prior to winter.

VI. BUSINESS IMPACT

This item is not a "rule" within the meaning of NRS, Chapter 237, and does not require a Business Impact Statement.



Project Summary

Project Number:	4884BD1304
Title:	Replace Roof Recreation Center
Asset Class:	
Division:	84 - Operations
Budget Year:	2014
Scenario Name:	
Budget Status:	Data Entry
Locations:	
Project Something:	BD - Buildings & Structures
	Active: Yes

Project Description			
The roof is showing major wear and tear, shingles are cracking around the sky lights and the roof peak areas. There is leakage in the pool area and the lobby and indications in the gym as well. Damage to the gym floor could necessitate repairs to the gym floor which was replaced several years ago. It will be re-roofed with 50 year shingles, as per recommendation from roofing contractor when providing the estimate. 50 year shingles are most effective commercial option for quality and durability. There have been repairs made to the roof, but building was constructed in 1992 with 20 year shingles and it needs to be replaced.			
Project Internal Staff			
Buildings Staff will supervise and inspect contractor installed project			
Project Justification			
The general purpose of this project is to improve our facilities through required maintenance and remodel improvements that directly or indirectly reflect on our guest experience. This project is designed primarily to maintain the value of the Recreation Center asset and customer service.			
Forecast			
Budget Year	Total Expense	Total Revenue	Difference
2014			
Contingency	17,400	0	17,400
Internal Service	620	0	620
Permitting	1,100	0	1,100
Roof	145,000	0	145,000
Year Total	164,120	0	164,120
	164,120	0	164,120
Year Identified	Start Date	Project Partner	Manager
2012	Sep 1, 2013		Buildings Superintendent
			Est. Completion Date
			Sep 30, 2013

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a bear looking into the Racquet Club and then moved on to Montclair where it was chased out and then it went to someone's home where a can was set out. We can't prevent it unless we have bear proof trash cans because we have so many people who don't live here. The people who live here are careful. It isn't the case with second homeowners where the owners don't reside here. Trash needs to be wildlife proof unless we want to exterminate and then we won't have an issue but until we do have a moral turpitude, it has to be responsibly taken care of. Humans need to be responsible for what they eat and how they dispose of it.

D. APPROVAL OF AGENDA (for possible action)

Clerk to the Board of Trustees Susan Herron noted that the description for Agenda Item E.3. contained the incorrect dollar amount of \$84,005 and it should read \$71,005 which matches the submitted memorandum and for Agenda Item E.4. there is also an incorrect dollar amount of \$226,200 and it should read \$248,000 which matches the submitted memorandum.

Trustee Wolfe made a motion to approve the agenda as revised. Trustee Hammerel seconded the motion. Chairman Simonian called the question and the motion was passed unanimously.

E. CONSENT CALENDAR (for possible action)

- E.1. Authorization to Purchase One Replacement Loader Mounted Snow Blower as part of the 2013/2014 Capital Improvement Project; Fund: Community Service; Division: Ski; Project #3463AT746; Vendor: Cashman Equipment (Requesting Staff Member: Fleet Superintendent Rich Allen)**
- E.2. Award a construction contract for roof and skylight replacement at the Recreation Center; 2013/2014 Capital Improvement Project; Fund: Community Services; Division: Recreation; Project # 4884BD1304; Vendor: Alpine Roofing Co. Inc. (Requesting Staff Member: Engineering Manager Brad Johnson/Buildings Superintendent Ken Bell)**
- E.3. Enter into an Agreement for Diamond Peak Marketing and Creative Services with Augustine Ideas in the total amount of \$84,005.; Term is October 9, 2013 through June 30, 2014 (Requesting Staff Member: Marketing Manager Andrew Baird/General Manager Diamond Peak Ski Resort Brad Wilson)**

E.4. Enter into an Agreement for Diamond Peak Media Buying Services with EXL Media in the total amount of \$226,220.; Term is October 9, 2013 to June 30, 2014 (Requesting Staff Member: Marketing Manager Andrew Baird/General Manager Diamond Peak Ski Resort Brad Wilson)

Trustee Wolfe made a motion to approve the Consent Calendar items as submitted; Trustee Devine seconded the motion. Chairman Simonian called the question and the motion was passed unanimously.

F. GENERAL BUSINESS (for possible action)

F.1. Appeal of Solid Waste Ordinance Violations, Pinebrook HOA, 872 Tanager (Requesting Staff Member: Interim General Manager/Director of Public Works Joe Pomroy)

Interim General Manager/Director of Public Works Joe Pomroy gave an overview of the violations and reported that one additional fine had been given on September 29, 2013.

Trustee Hammerel said that he is interested in hearing from Mr. Flanders. Greg Flanders said that he hasn't seen the report. Trustee Hammerel said that the report that the Board has here are the letters with the photos that have dates/times and exactly what the infractions were. Mr. Flanders concurred that he has seen those letters.

Greg Flanders, a Pinebrook homeowner and member of the Board, provided detailed information regarding the position of the Pinebrook Homeowner Association regarding the violations.

The Board of Trustees asked various pertinent questions to which Staff and/or Mr. Flanders responded.

Trustee Devine confirmed that the Board is here to make a decision regarding the appeal of the fines; District General Counsel Brooke confirmed that the only action available to Pinebrook, regarding the fines, is an appeal to the Board of Trustees.

Chairman Simonian opened the matter for public comment.

MINUTES

REGULAR MEETING OF AUGUST 13, 2014 Incline Village General Improvement District

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Chairman Joe Wolfe on Wednesday, August 13, 2014 at 3:00 p.m. at the Boardroom located at 893 Southwood Boulevard, Incline Village, Nevada.

A. PLEDGE OF ALLEGIANCE

The pledge of allegiance was recited.

B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES

On roll call, present were Trustees Jim Hammerel, Bill Devine, Bruce Simonian, Joe Wolfe, and Jim Smith. Also present were District Staff Members Engineering Manager Brad Johnson, Marketing Manager/Public Information Officer Kayla Anderson, General Manager of Diamond Peak Ski Resort Brad Wilson, Director of Human Resources Dee Carey, Director of Finance, Accounting, Risk Management and Information Technology Gerry Eick, and Parks and Recreation Director Hal Paris. Members of the public present were Paul Reynolds, Frank Wright, Chuck Otto, Tom Bruno, Bea Epstein, Don Epstein, Judith Miller, Aaron Katz, Patrick McBurnett, and others. *(41 individuals in attendance which includes Trustees, Staff and members of the public.)*

C. ROLL CALL OF THE CANDIDATES FOR IVGID BOARD OF TRUSTEES

Tim Callicrate, Sheila Leijon, and Kendra Wong were present on roll call. Robert Olmer was absent.

Chairman Wolfe presented the June Board Employee of the Month to Serena Quarelli and the July Board Employee of the Month to Samantha Gough. Both women received an appreciative round of applause from those present.

D. PUBLIC COMMENTS

Patrick McBurnett said he is a 21-year resident and that his comment is regarding item G.2. on the Consent Calendar. He started skiing at Tahoe and since he came here, Diamond Peak has continued to be a small, intermediate ski area which serves the local families well. A major expansion, at taxpayer's

expense, should be off the table. He would ask that the District General Manager take a ride to Squaw to see its summer activities. The last thing we need is more summer beach visitors. This plan sounds as though the District wants to make this into a resort town and that is not why he moved here and he doesn't think that the amenities offered in this plan are worthwhile. Stop talking about stakeholders and realize that we are stakepayers and that we are the ones who will get stuck with the bill; if it doesn't work, who pays for it? IVGID has a lot of room for improvement and our excellent new General Manager knows this. The Board needs to ask themselves some questions and they need to closely monitor the Staff because they like to do things for them. Cease all work with SE Group and do moderate expansion work at Diamond Peak.

Mike Abel said he is a 10-year resident who skis fifty days around the basin. The Diamond Peak Master Plan has many misstatements and that he would grade the SE Group with a C- so he would not pursue this contract extension. There are six points that needs addressing – parking, high speed quad lift at Lakeview needs to be installed as soon as possible, replacing Snowflake Lodge, summer activities are super optimistic and they should be done with private partners and long term agreements, need to look at, on an annual basis, a full financial summary of Diamond Peak operations, and the current Board and SE Group have overlooked the requests with bequests, etc.

Frank Wright said that he would like to announce that Washoe County is not going to pursue the land swamp any further and that this information came from Washoe County Commissioner Marsha Berkbigler. Mr. Wright continued that he has a two page paper prepared on the Diamond Peak Master Plan and that he isn't going to read the whole thing. He is concerned about kicking up the ante for SE Group to do a study to take away our uniqueness and, to him, that is sick. We came here not to have parking problems, etc. This plan will take this community and turn it into a parking lot and is that what we want. Everyone who comes here will keep coming here and fill up this town as a tourist mecca. He loves the time from September to ski season because it is a nice, quiet place. We have to pay to destroy our community and that is just sick. This is jumping and moving very fast and not bringing in the people who live here into this mix. Look at Tunnel Creek – it is a bike mecca and it has been ruined because all of these people and Craig Olson. That is what it is going to look like year round.

Aaron Katz said that he sent an e-mail to the Board with a request to transfer four items from the Consent Calendar to General Business. The Consent Calendar is supposed to be for only routine items and the expenditure of the four items he requested totals \$660,000 yet the Board doesn't think it is important to have

discussion on these items. If the Board doesn't allow public hearings on these items it makes him and others ask the question what is the Board here for. He looks to the Board to be last line of defense and to ask tough questions and make tough decisions. If the Board members own real property and you contract for work done at your house and you are given a written bid and the contractor performed the work and then came back and told you that they want 37% more what would you tell them, he knows what he would say and yet on the Consent Calendar this is exactly what is happening with SE Group. It was a fixed price contract and now it is being increased. This is wrong, allow public comment on it, and make the transfer. Mr. Katz concluded by stating that he has another comment and has a copy of the submitted e-mail.

Gigi Kamila said that her enterprise is staging with an emphasis in problem solving and that she has put a lot of energy into her business and she has examples to stand by. These are great projects at Diamond Peak and those here in the community don't agree with the big expansion as they are concerned with noise, parking space, access, profitability, and do we need tourists. She doesn't see big development in this community but there is work to be done at the present time. The remodeling of Snowflake Lodge is necessary and she sees the project plan being divided as there is a request for Snowflake to be remodeled. This is the most essential project for our ski facility and she can help with this renovation and have it ready for this winter.

Margaret Martini said to keep in mind that we are looking at \$18.2 million dollars in projects and that the first consideration should be to the property owners and who is going to pay for this and even though it is being broken down into bits, the bottom line is still \$18.2 million dollars of indebtedness.

E. DISTRICT STAFF UPDATE – GENERAL MANAGER

General Manager Pinkerton said because there are no agenda items that we will be cancelling the meeting of August 27 and that for the first meeting in October, due to school breaks, Staff is considering moving that meeting to October 15 unless there are objections. The next Ordinance 7 Forum will be Tuesday, August 19, at 5 p.m.

F. APPROVAL OF AGENDA (for possible action)

Trustee Devine asked that Consent Calendar Item G.2. be moved to General Business Item H.1. and that General Business Item H.1. be moved to General Business Item H.2.

Trustee Simonian made a motion to approve the agenda as amended. Trustee Devine seconded the motion. Chairman Wolfe called the question and the motion was passed unanimously.

G. CONSENT CALENDAR (for possible action)

- G.1. Enter into an agreement for Diamond Peak media buying services with EXL Media in the total amount of \$256,555 effective August 15, 2014 through June 30, 2015 (Requesting Staff Member: General Manager Diamond Peak Ski Resort Brad Wilson)**

- G.2. Authorize a Contract Amendment for the Ski Area Master Plan Update and Summer Activities Assessment – 2013/2014 and 2014/2015 CIP Project: Fund: Community Services; Program: Ski; Project # 3499BD1399 and 3653BD1501; Vendor: SE Group (Requesting Staff Member: General Manager Diamond Peak Ski Resort Brad Wilson) – *moved to General Business Item H.1.***

- G.3. Award a Contract for Pavement Slurry Seal at Multiple District Locations; 2012/2013 and 2013/2014 Capital Improvement Projects; Funds: Community Services and Beaches; Divisions: Tennis, Championship Golf, and Beach; Project # 4588LI1201, 3141LI1201, and 3972LI1202; Vendor: Intermountain Slurry Seal, Inc. (Requesting Staff Member: Engineering Manager Brad Johnson)**

- G.4. Award of Construction Contract for the Incline Park Fields 2 & 3 Improvements Project – 2014/2015 CIP Project: Fund: Community Services; Division: Parks; Project # 4378LI1304; Vendor: Rapid Construction, Inc. (Requesting Staff Member: Engineering Manager Brad Johnson)**

- G.5. Award a Contract for Centrifuge Rebuild and Servicing – 2013/2014 & 2014/2015 Capital Improvement Project: Fund: Utilities; Division: Sewer; Project # 2599SS1102; Vendor: Centrisys Corporation (Requesting Staff Member: Engineering Manager Brad Johnson)**

G.6. Authorize additional spending, in the amount of \$40,000, under the existing agreement for Information Technology Services with Averill Consulting Group (Requesting Staff Member: Director of Finance, Accounting, Risk Management and Information Technology Gerry Eick)

Trustee Hammerel asked, regarding Consent Calendar Item G.3., is the slurry seal appropriate at the Tennis Center. Engineering Manager Brad Johnson said that during construction the contractor failed to meet compaction and that they will pay for this service and that the District will have a deductive change order to offset the slurry costs.

Trustee Simonian asked, regarding Consent Calendar Item G.4., if out of eight bidders we really only got Rapid and are they qualified. Engineering Manager Johnson said that Staff worked the phone to encourage bidders and that there were five bidders in attendance at the site walk. Rapid was the only one to bid and they met the qualifications. Chairman Wolfe asked if they met the budget. Engineering Manager Johnson said yes and that there will be a loan to contingency from another project and that it will go back if not spent. Trustee Simonian asked if Rapid had the experience in this area; Engineering Manager Johnson said yes, they meet the qualifications.

Trustee Smith thanked General Manager Pinkerton and General Manager Diamond Peak Ski Resort Brad Wilson for meeting with him this afternoon and that he is happy with the Consent Calendar.

Trustee Simonian made a motion to approve the amended Consent Calendar and Trustee Devine seconded the motion. Chairman Wolfe called the question and the motion was unanimously passed.

H. GENERAL BUSINESS (for possible action)

H.1. Authorize a Contract Amendment for the Ski Area Master Plan Update and Summer Activities Assessment – 2013/2014 and 2014/2015 CIP Project: Fund: Community Services; Program: Ski; Project # 3499BD1399 and 3653BD1501; Vendor: SE Group (Requesting Staff Member: General Manager Diamond Peak Ski Resort Brad Wilson) – moved from Consent Calendar Item G.2.

General Manager Diamond Peak Ski Resort Wilson briefly went over the submitted memorandum.

Trustee Devine said that he asked for this to be moved because there is a lot of interest and alternatives and thus why not compile the comments. General Manager Diamond Peak Ski Resort Wilson said that SE Group will be compiling the comments. Trustee Devine said so we could ask our Staff to do it and if we don't award this extension does that mean we are unable to move forward. General Manager Diamond Peak Ski Resort Wilson said not awarding this extension would slow it down and cause it to be start and stop and that yes, Staff can make the necessary changes. Trustee Devine asked at what point we take ownership of our Master Plan. General Manager Diamond Peak Ski Resort Wilson said that happens when the Board votes to adopt it then we own it and that it is a conceptual document. We then start with the first steps which are outlined in Phase 1 and we start the entitlements in Phase 1 once the Board approves it. Trustee Devine asked if there will be added costs to SE Group beyond this. General Manager Diamond Peak Ski Resort Wilson said there will be added costs to seek approvals with other entities which are budgeted and they could be through other consultants as we don't have the experience with the other entities. Trustee Devine said so they would have a heads up. General Manager Diamond Peak Ski Resort Wilson said they are the most experienced and our first choice but that we can look at someone else but they will still be his first choice. Trustee Simonian asked when Staff set the scope of work for the SE Group, the one that was on the outset of the project, was this in place or is this an open ended scope. General Manager Diamond Peak Ski Resort Wilson said that Staff anticipated a certain numbers of trips and hours and we have extended those hours and trips in order to keep everyone apprised. Trustee Simonian asked if the amount of trips were specified; General Manager Diamond Peak Ski Resort Wilson said yes. Trustee Simonian asked if we have gone beyond that; General Manager Diamond Peak Ski Resort Wilson said yes.

Hearing no further comments from the Board, Chairman Wolfe opened the matter for public comment.

Patrick McBurnett said that he owned an aerospace engineering company and that the revenue projections look highly suspicious as it says we will be competing with Squaw Valley; are you kidding him. Stop this thing right now and spend no more money on it as this is a nightmare and no one

wants a Disneyland at Diamond Peak. The surveys that they say were done are basically worthless because they are statistically invalid. Stop the summer operations exploration now and spend no money with this group please.

Mike Abel said that he agrees with Mr. McBurnett's comments and further he is surprised that the District doesn't have hundreds of copies of this Master Plan available for the public. We, as a community, don't know if Diamond Peak has made a profit last year so this is drawing unreasonable comparisons with only 700 responses to the survey. We have a community of roughly 5,000 people and he never got anything yet he is interested in the venue, etc. He agrees with Mr. McBurnett about taking a pause and going out to the community and getting a real survey done with the residents and stakeholders so as to find out what we want and then taking it from there. This is a pig in the poke and it is fraudulent as a document and a disgrace.

Chuck Otto said that he was struck by an earlier comment which triggered a broader thought and that was the comment about \$18.2 million dollars. At what point does the District do surveys and at what point does the community vote? Remember the Chateau redo, while he doesn't recall how the decision got made to put it out to vote, the public spoke, the vote was accepted, and the project was done. A vote is the purest form or touch point and thus he is wondering what is the threshold and has the Board had a discussion on that topic and perhaps it should be when do we not make the decision and put this out to the community. Mr. Otto concluded by stating that he is putting this out on the table as food for thought.

Tom Kenna said that it is pretty obvious that SE Group has sold us a bill of goods, Staff is incompetent, these questions were asked before, he talked to Staff before, and it was ignored. Staff has proceeded and the Board has proceeded no matter how much hullabaloo and he doesn't know if there is a record of voting but this is like the NSA or something. This whole idea is a ramrod and just giving SE Group an open checkbook.

Margaret Martini was wondering why she didn't see anything about an outside company doing this project with a guaranteed payment and giving them a five year contract and then having IVGID get a guaranteed return – just like Disneyland. If the Board persists in pursuing this, there are a lot of avenues that haven't been explored. Have you brought in a recreational company to look at it? Not in the planning part but in the operations part.

Minutes

Meeting of August 13, 2014

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You should ask Six Flags and get their comments on this proposal. Think about \$18.2 million dollars and think about who is paying for it because it isn't the tourists it is the beach funds being rechanneled. Staff is playing a shell game with the money just like the Engineering Manager said earlier; moving money around. The Board needs to really to look at the alternatives and then build it and manage it so we can get guaranteed income because right now the only guaranteed income IVGID has is the Recreation Fee.

Barbara Ansel said that she hasn't been involved but that it would behoove this Board to consider this more and slow down the process and get into a more thoughtful mode. School buildings stay empty all summer and it is okay for the ski area to stay empty especially if they are not making money. We don't want a circus in this town rather we want things tamped down and consideration given to people who live here so slow this down.

Frank Wright said that he has listened with an intense interest and reading between lines with Staff, this is selling us something that we don't want and it says things that we can't really believe. He has done a lot of things with USFS and TRPA and it doesn't take a rocket scientist to do it rather it only takes SE Group because they live on the other side of the world and we don't know any better because we are stupid. We have paid a lot of money for someone from the other side of the world to tell us that we are stupid. We have to make applications but we have already gone forward with the permits. We have to do all kinds of applications and that takes three to five years and having SE Group running up the bill which was fixed but they are going to keep running up that bill. Staff didn't tell you what they do all day long but he thinks it is work 24 hours on this crap yet Staff is being paid by us and that isn't added to this bill and he can guarantee that there are lots of Staff working on this so what is it costing us. He would like this stuff to come to the public because there have been a lot of embarrassing questions. In watching Staff answer the question, they said if they go over they will find the money – why are we shifting money around, we can't do that.

Tim Callicrate said that he is not going to beat up on Staff or pick out particular names since there are still a lot of questions on this Master Plan. SE Group has spent a considerable amount of time, as have others, and he thinks that it would be more prudent for IVGID to get their managerial and fiscal house in order by making all its venues either break even or making a profit. We should also look into public/private partnerships and

then look at summer activities on a small, limited basis of success instead of taking it all on at once. There are exciting opportunities with trails. We need to look at this more closely and look at our own fiscal house and make sure everything is running effectively and efficiently. He has been here for 29 years and we need to take a deep breath, as a community, and get our own house in order as a community.

Aaron Katz thanked Trustee Devine for transferring this item to General Business as it was very appropriate. The issue here is to spend another \$23,000 for a Master Plan that isn't really a Master Plan because whatever it is, you already have it. He thinks there is a hearing set for September 17 so nothing more is necessary for this plan so we can stop it right now. He has seen some Master Plans in his life and this is not a Master Plan because you don't put in financial projections for something thirty years into the future. You don't put comments into a Master Plan and he was against spending the \$111,000 in the first place and he has complained about the additional spending which Staff made a unilateral amendment so why has this come before the Board today – why not just make a unilateral amendment as he thinks the General Manager has the authority of \$50,000 so why come before the Board. Don't spend this money and he will make another prediction – SE Group is not equipped to handle the USFS entitlement process nor the comprehensive environmental protection report because it is not what they do.

Gigi Kamila said that we have such an investment in Incline Village and that the ski area is an assessment to this village that a lot of people bought because of the ski area. The ski area can be expanded on as there is room to expand the runs and there is room for Snowflake to be remodeled. She has a view of the mountain and there is no activity at the top. There are only two places, in Incline Village, of expansive views of the lake and they are at the top of Snowflake and at the Lone Eagle Grille. The summer expansion is in order for the use of Snowflake as a wedding or events place and it is a perfect project. It needs a tram to get to the top and the ski area needs expansion on the runway. We can't use the ski area as an amusement park but everyone would enjoy going up to Snowflake and enjoying the view.

Hearing no further public comment, Chairman Wolfe brought the matter back to the Board.

Trustee Devine said that he knows what he is hearing as well as his instincts and he is not attacking Staff because he has a lot of faith in our Staff but that he does think there is a point where we take ownership and thus he is not in favor of extending this contract rather he wants the District to take a hold of it as he feels like there is a disconnect with SE Group and while they do sell him on a good product, he is not in favor of extending their contract.

Chairman Wolfe said that maybe it is time for us to figure out how to get information from the community and find out for our own selves what the community wants but he doesn't know quite how to go about it. A small percentage of the community did participate in the survey and that he would side with Trustee Devine to stop it right now, take a break, and figure out where to go.

Trustee Hammerel said that hearing from the residents is important and that as to a way to collect information FlashVote would be a great device. What we are dealing with today is approving an amount to allow SE Group to come back on September 10 and hear about the plan and allow them to help us compile the final plan. We set off on a course and have invested a ton of time and energy and now we are fourth and inches and it seems like we are about to pull the rug out and quit. There is a ton of support and a ton of non-support and if we stop the funding now, we would have a weird master plan in limbo.

Chairman Wolfe offered, as a thought, that we could table this item.

Trustee Hammerel said that time is of the essence was the message and we could wait five years but then the landscape would change and we would have to start all over. He is in favor of this action as we have put our faith and trust into it so let's finish it up and then make the decision. He is not opposed to it going to a vote as that would be a great example of democracy.

Trustee Simonian said that he sides with Trustee Hammerel and if we decide to put it out to a vote how do we do that. We have a lot invested in this process and derailing it now wouldn't be serving the community.

Trustee Devine said as to derailing that he is not saying to kill the SE Group plan but rather at what point is it signed, sealed, and delivered to the District and that he is focused on the contract.

General Manager Steve Pinkerton said that Staff brought this forward because it is near completion, transition is already underway, there was an increase in the scope of work, and that there will be more public feedback as we go through the process because there are more things to look at. The contract has maxed out Staff authority and thus it comes to the Board. September 10 will be a better time for more discussion as this item is very limited and is just about completion.

Trustee Smith said for the additional \$23,000 expense, in general, what are we getting – another visit, compiling the comments, etc. and is this value very important.

General Manager Pinkerton said that you don't have a Master Plan until you have a final hearing if that is needed. The next presentation is primarily a Staff presentation then the Board decides what's next.

Trustee Smith said that comps, etc. would be important to the Board decision.

Trustee Hammerel said that why we went over the original budget was because, at the eleventh hour, it was determined we could expand on the backside of the mountain and that the last plan was done twenty years ago. Staff made the correct decision to take a look at this and they spent the money. As to scope creep, sometimes scope creep is good and noted that he is happy to spend this money so that ten years from now we aren't saying why; let's do it right the first time.

Trustee Devine asked what the difference was between SE Group and Staff. General Manger Diamond Peak Ski Resort Wilson said that if there are changes to the financials or amenities, SE Group would make need to make them because Staff doesn't have those documents as SE Group owns them and we need them to help finish the product. Trustee Devine asked what the expectations were. General Manger Diamond Peak Ski Resort Wilson said to incorporate the last meeting changes and that Mr. Sharp came out on three different occasions to meet with various entities on the new expansion which is a big enough issue to spend time and money on.

Trustee Hammerel made a motion to authorize a time and materials not to exceed contract amendment with SE Group

totaling up to \$23,395 for additional fees and expenses associated with additional work necessary for the finalization of Diamond Peak's Master Plan update. Trustee Simonian seconded the motion. Chairman Wolfe called the question and Trustees Smith, Hammerel, Simonian and Wolfe voted in favor of the motion and Trustee Devine voted opposed. The motion passed.

H.2. Accept Settlement of pending litigation (SJD Case No. CV-07-00596) by granting a non-exclusive private driveway access easement on APN 125-010-03 and accepting a non-exclusive access on the adjacent drive for fire protection and administrative purposes on APN 125-251-05 (Requesting Staff Member: District General Counsel T. Scott Brooke and Director of Public Works Joe Pomroy) – WAS General Business Item H.1.

Director of Public Works Joe Pomroy gave an overview of the areas in question. District General Counsel Scott Brooke gave a brief summary of the history and of the proposed litigation settlement.

Chairman Wolfe asked if any of this circumvents any deed on IVGID's behalf or puts the Board in trouble for doing this. District General Counsel Brooke said there is no circumvention because there is no diminishment and that in the past, the District has declined to entertain it before and that now there is ability, by Mr. Machata, to access through the Kraft property so it is possible for the courts to grant an easement to use that land.

Trustee Simonian asked if the public will have access to the driveway. District General Counsel Brooke said no except for what they have right now and that the public will not be able to go up Mr. Machata's driveway and that there will be no change in the use of IVGID property other than a portion of the improvement. Trustee Simonian asked about the trail and would the public have to find another area of access. District General Counsel Brooke said that the public already uses another property to access the trail so no change.

Trustee Hammerel asked if an easement removes the liability from IVGID. District General Counsel Brooke said yes and that it will include administrative rights and hold harmless, defended, etc. by use by Mr. Machata. Trustee Hammerel asked if Mr. Machata should wait for definitive

TRPA approval or disapproval. District General Counsel Brooke said that the court has accepted the action of TRPA as final and stayed the litigation so he could do that. TRPA issued a decision that the court views as adequately final which is no development from Randall and it has been submitted if it goes forward to trial.

Trustee Devine made a motion to accept settlement of pending litigation (SJD Case No. CV 07-00596) by:

1. Granting a non-exclusive private driveway access easement consisting of 1687 square feet across IVGID property Parcel A (APN 125-010-03).
2. Accepting a non-exclusive access on the adjacent driveway to be constructed from Randall Drive to the residence at the end of the driveway (APN 125-251-05) for fire protection purposes; and from Geraldine Drive to the IVGID property Parcel A for administrative purposes;
3. Accepting a payment of Ten Thousand Dollars (\$10,000) as additional consideration; and
4. Accepting entry of a Court Order confirming the propriety and authority of the District to enter into this settlement, and dismissing the pending litigation matter with prejudice, each party to bear own costs, expenses and fees.
5. Allow Staff, with concurrence from District General Counsel, to execute any and all required documents.

Trustee Smith seconded the motion.

Chairman Wolfe opened the matter for public comment.

Tom Bruno said that he is concerned with a number of items and that he is basically knowledgeable in this venue being a real estate broker since 1971. He is concerned about how the easement will read and only finding that out after it is passed and that he is not sure if it is a non-exclusive easement regarding access. He is also concerned about how was the

value established at \$10,000 because this would be a defacto sale that can't be sold and that, in essence, it is a sale where there would no longer be access so a sale has occurred. Further, will Mr. Machata be able to gate off the access from Randall, will this be a liability to IVGID, who is responsible for care of that property, and that IVGID may be changing a document which they may not have the authority to change. How will the beaches be affected and he is not sure that TRPA has denied this or just made it more costly.

Margaret Martini said that she agrees with Mr. Bruno wholeheartedly because if Mr. Machata didn't do his due diligence then the burden is on IVGID and that when he purchased the property back when then he should have known that just as she did when she purchased her property as Mr. Machata had the same opportunity to do the research and yes the TRPA was in place but he didn't do his due diligence and thus it is not the responsibility of the property owners. She understands easements and knows that you can write them for a period of time and that maybe Mr. Machata wouldn't have wanted easement and that she is not convinced that this is his only access and asked why he isn't dealing with TRPA or doing a huge, long driveway. Ms. Martini concluded by asking the Board not to approve this settlement.

Judith Miller said that she has sympathy for someone who has to work through the TRPA regulations and that she doesn't mind accommodations to owners but that she doesn't know how much we have spent on this matter. Looking at the width, along the contour lines, do we know how much cut and fill will be done, will be a retaining wall be required and that she would like to see some protection so that hikers or pedestrians can cross that driveway and not scale up that embankment and that these items should be clearly included as a requirement; something like a walkable path.

Frank Wright said that he would like to know who did the appraisal, what are we getting for doing this, is it real in today's market because \$10,000 seems like a low number for any land in Incline Village. He doesn't know about the legal tangent but that this isn't for public recreation accommodation so it could be taking away from the deed so due diligence is necessary as is a legal opinion; not killing it but he thinks an appraisal is needed.

Mike Alber said he would like to follow on with the amount being paid and that based on personal experience, they came to IVGID and the Board to get a small easement to get a driveway which was a flagpole lot off of Allison and the IVGID Staff was in support until the lawyer with the Kraft's came forth and protested which affected the Kraft/Machata case. Based on that, the Board turned them down. After an assessment was done on the 1993 value of the 50-200 square feet, they were charged \$3,000 to keep an existing driveway and that this action is for 1,600 square feet at a cost of \$10,000 so he is now feeling gouged.

Aaron Katz said he too is feeling gouged but for a different reason. He read about the Community Service fund and asked why is it going into that fund as there has to be some legal bills which the General Fund has paid for so he wants to the \$10,000 to go back to the General Fund otherwise this is playing footloose and fancy free with our funds. He is worried about the \$10,000 of excess cash and now we have more money that is available for pet projects, etc. We have recently published our Operating Budget for 2014/2015, on agenda packet page 83, it lists revenues and expenses for Community Services and it now has the Recreation Fee and expenses included and the bottom line shows \$1,796,000 left over so the public was charged nearly \$2 million dollars too much and either the Board doesn't know it or they don't care; well, now you know about it. The Recreation Fee is for nothing more than making the recreational facilities available so reduce the Recreation Fee and rebate \$240 per parcel owner. Mr. Katz concluded by stating that he had a written statement to submit.

Jean Starr said it is the beautiful view that she and her husband purchased and that she didn't know about this matter and they did their due diligence. She trusted the Board and she trusts the Board to save the view. The \$10,000 won't begin to cover the loss and it isn't fair to us so please do the right thing.

Bea Epstein said this is a déjà vu situation as not long ago she listened to the Kraft family and the Machata family and this is an IVGID property that is protected by a covenant and the Board said it was protected and that they weren't empowered to break that covenant for us. Mr. Machata has worn down the Kraft family and there are other ways to gain access to that property but he is persistent and this is his attempt to wear the District down. Don't be worn down and don't giveaway this property for any amount of money no matter what it is worth because it is a deed restricted property that can't be sold.

Trustee Devine asked District General Counsel to clarify whether the District is selling this property or not. District General Counsel Brooke said that the District is not selling this property rather they are doing a use right to access by driveway. Trustee Devine said the District is not selling a piece of property.

Chuck Otto said that he couldn't have said it any better than Ms. Epstein and that it appears that Mr. Machata didn't do his due diligence. Another access is available and that the reason that he is not pursuing that, and let's be very clear, it is will place the home lower and, under this proposal, it places it higher and he will get the value which will enhance the value of the property. Mr. Machata ran off Mr. Kraft and now he is doing the same thing with IVGID. Don't feel sorry for him and nor does he have the right. We are giving away a right and the Board needs to factor that in when they are voting.

Hearing no further public comment, Chairman Wolfe brought the matter back to the Board.

Trustee Simonian said what the Board is dealing with is that the Kraft's sold an easement or possible easement to Mr. Machata and that Mr. Machata may win that easement by necessity. District General Counsel Brooke said that there has to be an easement and that, as to the plans for the home, that is up to Washoe County to approve or disapprove. Neither the District nor he was involved in the Kraft settlement and he is very concerned about continuing legal fees and losing in a court battle. Trustee Simonian said that the fact is that he owns property, through the Kraft's, and that he may gain an easement by necessity. District General Counsel Brooke said that if the Board votes this down, the case will continue, Mr. Machata will seek an easement by necessity, and that the District will be the only remaining defendant and that the judge may say yes or no; the Defense Attorney is recommending settlement. Trustee Simonian asked if the District could go back for more money or is it a wash because there is no other access. District General Counsel Brooke said that they won't approve any plans that go through a stream zone. Trustee Simonian asked what we were left with; District General Counsel Brooke said to sue TRPA.

Trustee Hammerel asked if District General Counsel Brooke could give the Board a rough estimate on defending this action and what would be spent going forward. District General Counsel Brooke said that he is unable to do

that as the case has been handled by POOL/PACT and that as a factor of insurance, it could impact rates into the future. As to paying going forward, he would estimate up to \$50,000 for a trial and noted that any trial is significant. Trustee Hammerel asked about previous easements and other locations where we have done others like this. District General Counsel Brooke said that each one is fact specific and stands on its own and that there is an attempt to accommodate each owner thus it does not set a precedent and gives the District more flexibility.

Trustee Devine said that he appreciates what Ms. Epstein said and hopes that she will understand that the criteria is not the same as it was in the past and that the Board takes what Counsel tells us and then we look at those risk factors which he is not sure of how much we can divulge but that we believe we are making the right decision.

Chairman Wolfe called the question and the motion was unanimously passed.

I. APPROVAL OF MINUTES (for possible action)

I.1. Regular Meeting of July 30, 2014

Trustee Hammerel made a motion to accept the minutes of July 30, 2014 as submitted; Trustee Simonian seconded the motion. Chairman Wolfe called the question and the motion was unanimously passed.

J. RELEASE OF PAYMENT FOR BILLS OVER \$10,000 DURING THE PERIOD STATED (for possible action)

Treasurer Devine presented the bills for the period of July 23, 2014 through and including August 5, 2014 in the total amount of \$252,795.38 and made a motion to accept the bills as submitted. Trustee Simonian seconded the motion. Chairman Wolfe called the question and the motion was unanimously passed.

K. REPORTS TO THE IVGID BOARD OF TRUSTEES

K.1. District Staff Updates (written updates have been provided; if there are any questions, from the Board of Trustees, they may be asked at this time)

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There were no District Staff updates at this time.

K.2. District General Counsel T. Scott Brooke

District General Counsel Brooke reported that there was a court hearing last week regarding the litigation with Mr. Katz and the court acted on all pending motions and every motion, by the District, was granted and the court dismissed the entire case. The court will be preparing documents which Counsel will review and then act from there.

K.3. Information Technology Strategic Plan (Requesting Staff Member: Director of Finance, Accounting, Risk Management and Information Technology Gerry Eick)

Director of Finance, Accounting, Risk Management and Information Technology Gerry Eick said that the plan was provided as a piece of information and asked if there were any questions. Chairman Wolfe said that he thinks that plan is moving the District in the right direction; Trustee Hammerel seconded that thought.

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

Chairman Wolfe said he is going to Las Vegas to attend his final Nevada League of Cities meeting and that the General Improvement Districts have a menu of about twenty one items to act upon under NRS 318 and that after their establishment, if they want to do something else, they have to go back to the creating County to get that authority and that the League is working on this to get authorization to simply pick and choose from that menu.

M. CORRESPONDENCE RECEIVED BY THE DISTRICT

Clerk to the Board of Trustees Susan Herron reported that correspondence had been received from Dan Dominy, Tom Bruno, Ronald Starr, Mr. & Mrs. Allen Adkins, Barbara and Leonard Brosnan, Susan Hughes, Lana Corless, Mike Abel, Steve Pulver, Karen Johnson, Jane Bekowich, Mary McKenna, Judy Heinbaugh, and Aaron Katz and it has been distributed, and will be included, in hard copy form, in the next Board packet.

N. PUBLIC COMMENTS*

Margaret Martini said that the Board has made an egregious mistake and she thinks that District General Counsel has also made an egregious mistake in presenting it. There have been no changes made by the TRPA and she deals with property on a daily basis. There has been no change in what Mr. Machata purchased and we are paying legal fees for him not doing his due diligence and giving a right way which is entirely wrong. A very egregious decision this Board has made. She has a lot of property in the SEZ and the new ratios are three to one and that she would suggest that all of the Board members go to the TRPA and study it and see what Mr. Machata could have done because it is not your responsibility to decide. She has greenbelt property and she would like to have a whole easement on her property. The fire road is very accessible so when she comes to the Board is she going to get it and is she going to get a unanimous decision; that is exactly the precedent that the Board just set. Mr. Machata didn't go to the TRPA and get the options and obviously the Board didn't know about that. This should have been studied way more thoroughly as Mr. Machata didn't do his due diligence.

Tom Kenna said what we have got here today is government in action and we all know how bad it is in Washington DC and Sacramento and it is debatable in Carson City. If this Board is not being secret then they are being ridiculous with what we have given up and to say that they don't want to spend the money on a court battle well we have just spent money with bogus action which is irrational. People are getting frustrated, some could care less, hope and change are promoters, and yet someone just came out and said we can't talk about so things are being done in secret. Spend more money as people are feed up and mention names because we will. You can smell the resentment in this room as there are people who aren't listening and who have constituents other than the property owners. A couple of you do listen but the rest of you are giving us the figurative raspberry all the time.

Frank Wright said ouch, ouch, ouch. You guys were elected by the people who were hoping that you would do the right thing which might have been to table it but no; you went ahead and did it because you already had your mind made up. He doesn't think you did the right thing but that is only his opinion and not something that you consider. As to the vote of the people, that's a concept. People would have a chance to vote on something or not and the people that are sucking in the bond would get to vote whether they want it or don't want it. It is only the parcel owners, not the renters, that are the people who are paying the fees thus these are the ones that should vote. He doesn't trust the Board nor

does he trust anything that takes place here. He doesn't trust the bookkeeping and he doesn't trust anything. We have people who laugh, make comments, don't pay attention, shut the public down, and have people who tell us they don't like it. He has lived here a long time and he will be here for a long time. Giving SE Group more money was stupid and he doesn't know what all is going on, he doesn't understand this, he has been screaming for five years, and because he lives here and pays the Recreation Fee, he should have a voice as should anyone else.

Judith Miller said that she didn't have the map anymore but that one of the parcels that IVGID owns is in that vicinity at Barbara and Jennifer. Washoe County is now considering a new law for dogs on leashes, in congested areas, and perhaps that particular land could be used for off leash dogs and she hopes that the Board will make it that designation so that people can continue to use it as they are using it right now and consider this for other pieces of land.

Aaron Katz said, following up on Mr. Wright's comments, he would like to ask the Board whether they want to finance Disneyland and directed attention to agenda packet page 128, which is a letter from Bill Hoffman, who told us about his enthusiastic support of the Diamond Peak Master Plan. This is an example from someone who doesn't live in the District and who takes from the property owners. He has the right to send a letter to which he has no problem and Mr. Hoffman's letter tells the truth that it is for the business owners to make more money and all his business owners are excited about it because they don't have to pay for it so let's ask the business owners to pay for it as he wants Mr. Hoffman and his organization and the business owners to pony up the \$18.2 million dollars to pay for it. Many of us moved here because this is the only bedroom community left and now the District is turning it into a tourist mecca and destroying what people came here for. He has a written statement and asked that everyone take a look at his letter. You need to ask if they are a property owner who is paying the Recreation Fee, etc.

O. ADJOURNMENT (for possible action)

The meeting was adjourned at 5:05 p.m.

Respectfully submitted,

Susan A. Herron, CMC
Clerk to the Board of Trustees

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: (4 pages) Written Statement to be included in the Written Minutes of this August 13, 2014 Regular IVGID Board Meeting – Agenda Item C – Public Comments – The Visitors Bureau's letter of support for Diamond Peak's Master Plan is an example of everything that's wrong with the plan

Submitted by Aaron Katz: (12 pages) Written Statement to be included in the Written Minutes of this August 13, 2014 Regular IVGID Board Meeting – Agenda Item H(1) – To accept the proposed settlement of Machata litigation

Submitted by Tom Bruno: (2 pages) Non-exclusive easement

Submitted by Aaron Katz: (2 pages) Request to transfer agenda items G(1), G(2), G(4) and G(6) to this afternoon's General Business calendar – Email

Submitted by Aaron Katz: (2 pages) Letter to members of our community who care about our community

**WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS AUGUST
13, 2014 REGULAR IVGID BOARD MEETING – AGENDA ITEM C – PUBLIC
COMMENTS – THE VISITORS BUREAU’S LETTER OF SUPPORT FOR
DIAMOND PEAK’S MASTER PLAN IS AN EXAMPLE OF
EVERYTHING THAT’S WRONG WITH THE PLAN**

Introduction: At page 128 of the packet of materials prepared by staff in anticipation of this regular meeting of the IVGID Board¹, appears an undated letter from Bill Hoffman, Executive Director of the Incline Village/Crystal Bay Visitors Bureau². The letter memorializes a presentation by Brad Wilson and his staff supporting the pending, controversial, updated Diamond Peak Master Plan (“the Plan”), as well as the Visitors Bureau’s Board of Directors’ “unanimous and enthusiastic support” for the Plan. In my opinion this letter represents much of what’s wrong with the Plan, and that’s the purpose of this written statement.

Bill Hoffman is Neither a Resident of Incline Village/Crystal Bay, Nor Does He Pay the Recreation Facility Fee (“the RFF”) Which Will be Used to Secure Payment of the Plan’s Proposed Capital Improvements: Mr. Hoffman is a resident of Reno. A search of the public records discloses he owns no “dwelling unit” in Incline Village/Crystal Bay. Thus he doesn’t pay the RFF. Nor does the building which houses the Visitors Bureau. The land underneath this building is owned by IVGID, and the Visitors Bureau pays IVGID a measly \$1/year and no RFF/BFF to conduct its business thereon.

Simply stated, Mr. Hoffman has no financial stake in this decision yet he has no reservations about “chiming in” on the many benefits to the business owner members of the Bureau. I submit he has no standing.

The Letter Makes it Clear That the Capital Improvements Suggested by the Plan are NOT for the Benefit of Local Residents But Rather, the World’s Tourists: According to Mr. Hoffman, the Plan “has the ability to provide long needed tourism infrastructure” which is financed by local “dwelling unit” owners rather than the businesses, on “the entire North Shore” no less, which will directly benefit from that tourism which “seem critical to maintaining our tourism base.” Is it any surprise then that “our business community will...be excited with the prospects?”

Accordingly the Letter Makes Clear That the Capital Improvements Suggested by the Plan Will Forever Change the Fabric of the Community Most of Us Moved Here to Enjoy: The Plan has the very real potential to destroy the very community which attracted many of us. Our community is already overridden by tourists a good portion of the year. This makes it difficult for local residents to travel the streets in town or to shop at our local businesses. Many residents have shared that during the Fourth of July, Labor Day and Martin Luther King holiday periods, they actually escape the

¹ See http://ivgid.org/client_uploads/bot_regular_packet_8_13_2014.pdf (“the Board packet”).

² I have attached a copy of this letter as Exhibit “A” to this written statement.

community they moved here to be a part of, because it is not pleasant for them to remain and fight with outsiders. Thus one of the two real threats that the Plan proposes is to overrun our isolated community and turn it into another tourist mecca like Vail, Aspen or Park City. Although Mr. Hoffman may not care about this because he doesn't live here, those of us who do live here do!

I Hope Brad Wilson Will Share a Copy of My Written Comments With Mr. Hoffman Because I Want to Suggest What He and the Bureau Can Do to "Assist in Insuring (the Plan's) Adoption and Implementation:" as his letter has volunteered. Maybe you don't understand Mr. Hoffman that the Plan's proposed capital improvements will be financed and secured by the RFF local property owners are involuntarily assessed. This represents the second real threat presented by the Plan. Most residents I have spoken to are not interested in going on the "financial hook" for a project of this magnitude which returns nothing tangible to us for at least the first twelve years of the Plan³, if ever, assuming all of the Plan's financial projections are actually realized. More likely, the Plan will actually cost local property owners in the form of a RFF which is higher than it would otherwise be if there were no Plan because its projections are inaccurate. Since the Plan is contingent on the expenditure of at least \$18.2 Million of public funds and probably closer to \$20 Million, we ask you take the public out of the financial equation.

After All, Isn't Our Community Financing the Visitors Bureau's Operations With its Transient Occupancy Tax Which is Not Shared With IVGID? How many millions are paid each year to the County in the form of transient occupancy taxes generated in Incline Village and Crystal Bay? How many of those millions are turned over to the Visitors Bureau? How many are turned over to IVGID⁴? Doesn't the Visitors Bureau exist to promote tourism? If the purpose of the Plan is to promote tourism, then why aren't the funds which come from our community to support tourism used to pay for the Plan's capital infrastructure requirements?

Put Your Money Where Your Mouth is Mr. Hoffman and Pony Up the Necessary \$18.2-\$20 Million! If you're not willing to do this, then you and your organization's support for the Plan are nothing more than another example of having someone else pay the costs associated with providing an attractant for more tourism business which benefits the business community you represent at the expense and detriment of local property owners.

And By the Way, Why Isn't Staff Time Reported Which is Subsidized by the RFF? Staff never reports the tens if not hundreds of thousands of dollars worth of staff time that has gone into the preparation and selling of the Plan. Why not? Before Mr. Hoffman's letter I knew that Brad Wilson

³ According to the Plan's rosy financial projections, 100% of the positive revenue the Plan supposedly will throw off during its first twelve years, is reinvested into its latter phase's proposed capital improvements. In other words, during this time period there is no financial return to local property owners whose RFF will be used to finance those improvements.

⁴ The answer to this question is NONE.

and his staff had politicked the local Board of Realtors for their Plan support. Now I see they also politicked the Visitors Bureau. This raises at least four questions. First, who else have they politicked? Second, how many tens of thousands of dollars in staff time have then spent politicking, rather than attending to their public jobs? Third, do we have so little work for staff that they have all sorts of “free time” to spend promoting initiatives such as the Plan? And most importantly, why are public employees actively advocating a proposal which the Board has yet to endorse? It’s one thing to assist others in preparing a Plan authorized by the Board and quite another to become an advocate. In my opinion, Brad Wilson and his staff have crossed over the line and should be reigned in.

Conclusion: The basic issues with the Plan is twofold. Do local residents want to change the fabric of their community from its current “bedroom” status to become one of the world’s tourist meccas, with all that entails? And do local property owners want to go on the financial hook for infrastructure improvements which are primarily intended for the world’s tourists, rather than our community? Proponents of the Plan like Mr. Hoffman who are “outsiders” and will not be picking up the financial cost, are really the problem rather than the solution.

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



LAKE TAHOE

INCLINE VILLAGE & CRYSTAL BAY

Brad Wilson
General Manager
Diamond Peak
1210 Ski Way
Incline Village, NV 89451

Dear Brad,

Thanks to you and your staff for the comprehensive presentation on Diamond Peak's Master Plan and its' exciting potential, should such a direction be adopted. From our discussion following your presentation, I know it was no surprise that the Master Plan implementation garnered unanimous and enthusiastic support from the Incline Village Crystal Bay Visitors Bureau board of directors.

A project as innovative and financially solid as the one detailed in your plan has the ability to provide long needed tourism infrastructure that would positively affect not only the Incline Village and Crystal Bay communities, but the entire North Shore. Our business community will certainly be excited with the prospects. Of particular note, is the diversification of activities to provide recreational alternatives not tied to snowfall amounts and timing. With our last three years' experience, such alternative activities seem critical to maintaining our tourism base.

Please keep us informed about progression of the Master Plan, Brad, and let this agency know how we may assist in insuring its' adoption and implementation. Your team is to be commended for leading the charge to innovation within our ski resort community.

Sincerely,

Bill Hoffman
Executive Director
Incline Village/Crystal Bay Visitors Bureau

"A"

**WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS AUGUST
13, 2014 REGULAR IVGID BOARD MEETING – AGENDA ITEM H(1) – TO ACCEPT
THE PROPOSED SETTLEMENT OF MACHATA LITIGATION**

Introduction: Here staff seeks the Board’s “rubber stamp” acceptance of a proposed public works settlement with a local property owner by the name of “Machata.” According to the August 4, 2014 staff Memorandum in support of this agenda item¹ (“the Memorandum”), the proposed settlement involves the resolution of ongoing litigation concerning a private driveway access easement across IVGID property in favor of Mr. Machata. Although I cannot comment on the merits, or lack thereof of the proposed settlement, I can comment on one aspect of the proposed settlement. And that’s the purpose of this written statement.

A \$10,000 Payment to IVGID: The proposed settlement involves “accepting a payment of... \$10,000 (from Mr. Machata) as additional consideration.” Listen to ¶III of the Memorandum:

*“The monies received in this settlement will be used for Capital Projects
within the Community Services Fund.”*

But Payment of Legal Fees Associated With the Machata Litigation Has Come From IVGID’s General Fund: If you’ve been monitoring Mr. Brooke’s legal bills, you understand that Mr. Brooke has been billing IVGID’s General Fund for legal expenses associated with the Machata litigation. Don’t believe me?

I have attached as Exhibit “A” to this written statement copies of portions of Mr. Brooke’s legal billings to IVGID for the months of April through July of this year. On each of these billing statements you can see detailed descriptions of the matters giving rise to Mr. Brooke’s legal work in connection with the Machata matter. To make them easier to spot, I have even placed asterisks next to each.

As you can see, it is IVGID’s General Fund which has been billed for and paid our legal expenses associated with the Machata matter.

Why Then is Staff Proposing the \$10,000 Payment be Credited to IVGID’s Community Services Fund? Why isn’t the General Fund being reimbursed for the expenses it has advanced towards the Machata litigation? In fact, why has the General Fund been billed for public works matters²?

¹ See pages 30-31 of the packet of materials prepared by staff in anticipation of this regular August 13, 2014 Board meeting [http://ivgid.org/client_uploads/bot_regular_packet_8_13_2014.pdf (“the Board packet”)].

² According to page 30 of the Board packet, “accepting a non-exclusive access” is “for fire protection purposes.”

What Difference Does it Make to Which Accounting Fund This \$10,000 Payment is Credited?

To those not familiar with IVGID's accounting funds, its Community Services Fund is the accounting fund used to report revenues and expenses associated with staff's operation of each of the public's recreational facilities (i.e., our two golf courses, recreation and tennis center, Diamond Peak, etc.). ***So what does this public works litigation have to do with public recreation?***

Each year staff budgets to spend more in our General Fund than the revenues we budget to receive. The deficiency is made up by transfers from our Community Services, Beach and Utility Enterprise Funds³. In order to create a positive balance in these enterprise funds which are capable of being transferred to our General Fund, our Community Services Fund relies upon the subsidy of the Recreation Facility Fee ("the RFF"); our Beach Fund relies upon the subsidy of the Beach Facility Fee ("the BFF"); and, our Utility Fund relies upon the sewer, water and solid waste disposal rates, tolls and charges we utility customers pay⁴. Stated differently, the RFF, the BFF and the utility rates, tolls and charges local residents pay have been *improperly* paying the legal fees associated with the Machata public works litigation.

By not assigning these settlement funds in IVGID's General Fund, at the end of the year the General Fund is going to represent \$10,000 more in losses than it would otherwise represent. This means it will require \$10,000 more of a subsidy from the RFF, BFF and the utility rates, tolls and charges we utility customers pay than would otherwise be required if the \$10,000 were properly assigned.

But Doesn't This Mean We Will Have \$10,000 More of Revenue in the Community Services Fund Than Budgeted? The answer is yes! I have attached to this written statement as Exhibit "D," page 83 from the budget. This page represents budgeted revenues and expenses assigned by staff to the Community Services Fund. I have placed an arrow above the revenue portion of this page for the current fiscal year because nowhere has the subject \$10,000 in settlement funds been budgeted. In other words, by crediting this \$10,000 to the Community Services Fund, staff has now manufactured \$10,000 more to spend on unidentified, unbudgeted "pet" projects like electric vehicle charging stations.

³ What staff disingenuously labels "central services costs."

⁴ I have attached to this written statement as Exhibit "B," page 53 of our current fiscal year's operating budget [http://ivgid.org/client_uploads/2014_2015_operating_budget_194_pages.pdf] ("the budget"); a summary of budgeted revenues and expenses assigned by staff to our General Fund. I have placed an asterisk next to the \$1,101,000 revenue subsidy assigned by staff labeled "central services." I have attached to this written statement as Exhibit "C," page 164 of the budget. This page depicts the source of funds giving rise to this \$1,101,000 of transfers to the General Fund. As you can see, \$745,000 comes from Community Services; \$73,000 comes from the Beaches; and, \$283,000 comes from the utility rates, tolls and charges assigned by staff to our Utility Fund.

Or more bothersome, staff can now pay unwarranted Diamond Peak Master Plan charges with the SE Group [see agenda item G(2) on the Consent Calendar] asserting the RFF doesn't need to increase because it has excess sums in reserves.

I Therefore Ask That the IVGID Board Direct Staff to Assign the \$10,000 in Machata Settlement Proceeds to the General Fund: rather than the Community Services Fund, so it reimburses the public for the legal expenses it has paid which have been charged against the General Fund.

Conclusion: This discussion has been but one example of the accounting maneuvers staff will go to when it's less than transparent in its spending. Here's another.

Unnecessarily Excessive RFF: Return to Exhibit "D" if you will. I have placed an asterisk at the bottom of the column which depicts "net income" for the current fiscal year. **NOTE THE POSITIVE \$1,976,070 FIGURE!** Also note the \$5,971,400 RFF number I have placed an asterisk next to on the revenue portion of the page. In other words, *the Board has budgeted to extract \$1,976,070 MORE of the RFF than is necessary to pay ALL budgeted operating expenses, debt service and capital expenditures whether or not appropriate. That's over \$240 MORE per "dwelling unit" than what is necessary to pay all budgeted expenses associated with the public's recreational facilities!*

Why is it our Board hasn't reduced the RFF?

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

Brooke * Shaw * Zumpft

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Incline Village General Improvement District
893 Southwood Boulevard
Incline Village, NV 89451-9425

30 April, 2014

Inv #: 148232
File #: 0998

Professional Services

			<u>Hours</u>	<u>Amount</u>
<u>Matter:</u>	<u>0998.500</u>	<u>Code 1099 - General Fund</u>		
Apr-02-14	adm	L. Tognotti - Legal research regarding eminent domain.	1.00	120.00
	CSZ	Research regarding candidate qualifications	0.60	118.80
	TSB	telephone call J. Pomroy; research, correspondence regarding appraisal issue	0.60	118.80
Apr-03-14	TSB	correspondence T. Beko	0.20	39.60
Apr-07-14	CSZ	Conference with General Counsel Brooke	0.20	39.60
	CSZ	Research regarding elector qualifications (NSCLL) in states of California and Nevada	4.20	831.60
Apr-08-14	CSZ	Perform additional research regarding candidate qualifications; prepare memorandum for General Counsel Brooke	3.10	613.80
Apr-09-14	CSZ	Prepare for and attend meetings (X2)	5.50	1,089.00
Apr-10-14	TSB	correspondence, research regarding records issue; regarding facility use	0.60	118.80
	TSB	review Machata pleadings & Order; revise litigation status report	0.80	158.40
	CSZ	Work on Elector qualification issues; research procedure	2.10	415.80
Apr-11-14	CSZ	Revise research memorandum to General Counsel Brooke; research regarding challenging candidate qualifications	2.30	455.40
	TSB	correspondence S. Herron regarding records issues, review same; review pleadings, correspondence T. Beko	1.40	277.20

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Incline Village General Improvement District
893 Southwood Boulevard
Incline Village, NV 89451-9425

31 May, 2014

Inv #: 148319
File #: 0998

Professional Services

			<u>Hours</u>	<u>Amount</u>
<u>Matter:</u>	<u>0998.500</u>	<u>Code 1099 - General Fund</u> ★		
May-01-14	CSZ	Candidate qualification conference with Attorney Brooke	0.40	79.20
May-02-14	TSB	review Machata litigation & status, prepare memorandum ★	0.70	138.60
May-05-14	TSB	research, correspondence regarding union contract issue	0.20	39.60
May-09-14	TSB	review litigation background & files	6.10	1,207.80
May-12-14	TSB	telephone call S. Herron regarding agenda; review records matters, telephone call G. Eick regarding same	0.80	158.40
	CSZ	Review court documents gathered by Attorney Brooke	1.00	198.00
May-13-14	TSB	conference call G. Eick regarding financial records matters records; review documents, research, conference C. Zumpft regarding litigation issues	1.50	297.00
	CSZ	Conference with General Counsel Brooke regarding California court documents	0.30	59.40
May-14-14	CSZ	Conference with General Manager Pinkerton and General Counsel Brooke (2.2)	1.00	198.00
	TSB	conference S. Pinkerton regarding pending matters; review records correspondence & issues	1.50	297.00
May-15-14	CSZ	Review meeting packet; attend regular meeting	2.40	475.20
May-16-14	CSZ	Conference with General Counsel Brooke	0.20	39.60

Date	Code	Description	Rate	Amount
May-19-14	CSZ	Phone call with Deputy DA Liparelli; phone call with Deputy DA Kaplan; draft letter to registrar of voters; conference with General Counsel Brooke	1.90	376.20
	TSB	correspondence & telephone call S. Herron regarding records issues; research	0.30	59.40
May-20-14	CSZ	Communications with General Counsel Brooke (multiple)	0.40	79.20
	TSB	research regarding records issue, review correspondence; correspondence S. Herron regarding same	1.80	356.40
May-21-14	TSB	review correspondence; correspondence regarding Katz complaint; follow up T. Beko regarding same	1.00	198.00
May-22-14	CSZ	Revise communication to registrar; conference with general counsel Brooke	0.40	79.20
May-23-14	CSZ	Phone call with Mr. Pinkerton; Phone call with Ms. Herron; Phone call with Mr. Kaplan; finalize packet for mailing; conference with General Counsel Brooke	0.80	158.40
May-27-14	TSB	review records requests & correspondence; telephone call S. Herron; research regarding payroll & records issue;	1.60	316.80
	TSB	review file, research, memorandum regarding investigation	2.30	455.40
May-28-14	CSZ	Review General Counsel draft memorandum; conference with Counsel Brooke	0.60	118.80
	TSB	telephone call S. Herron, correspondence R. Becker, review correspondence & documents regarding records request issues	1.50	297.00
	TSB	correspondence B. Brown regarding Machata litigation status; review same	0.50	99.00
	TSB	work on memorandum regarding investigation issue	1.20	237.60
May-29-14	TSB	review litigation pleadings & status	2.20	435.60
	TSB	research regarding records issues; correspondence regarding same	3.40	673.20
May-30-14	TSB	work on litigation background & research	3.00	594.00
	TSB	conference S. Pinkerton, J. Pomroy regarding pending matters; conference S. Herron regarding same	1.80	356.40
	TSB	prepare, attend Board meeting	3.00	594.00
	TSB	conference S. Herron regarding records matter	0.20	39.60
<u>Matter Totals:</u>			44.00	\$8,712.00

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Incline Village General Improvement District
893 Southwood Boulevard
Incline Village, NV 89451-9425

30 June, 2014

Inv #: 148368
File #: 0998

Professional Services

			<u>Hours</u>	<u>Amount</u>
<u>Matter:</u>	<u>0998.500</u>	<u>Code 1099 - General Fund</u> *		
Jun-02-14	TSB	preparation & review records matter regarding conference call	0.60	118.80
	TSB	review files regarding retention; telephone call S. Balkenbush regarding appeal	0.80	158.40
Jun-03-14	TSB	review litigation matters; review records research material	1.60	316.80
Jun-04-14	TSB	correspondence S. Herron regarding records mater; review & research regarding same	1.50	297.00
	TSB	correspondence B. Brown regarding Machata matter; review settlement proposal; review background & file *	1.50	297.00
Jun-05-14	TSB	review documents, telephone call S. Pinkerton, S. Herron regarding pending matters; correspondence regarding records issue;	1.30	257.40
		correspondence B. Brown regarding offer		
Jun-06-14	TSB	review records request; review documents, prepare summary response regarding same	1.50	297.00
Jun-09-14	TSB	review, correspondence regarding records requests	1.00	198.00
Jun-10-14	TSB	review Machata litigation status & correspondence; correspondence L. Humphrey, B. Brown *	1.50	297.00
Jun-12-14	TSB	conference S. Herron regarding records issues; regarding agendas & hearing matters; conference S. Pinkerton regarding matters; prepare, attend Board meeting	5.50	1,089.00

	TSB	work on litigation matters, correspondence regarding County issue	1.40	277.20
Jun-23-14	TSB	correspondence regarding meeting; review Machata amended complaint; review records matters	1.60	316.80
Jun-25-14	TSB	correspondence regarding records requests; review documents	0.40	79.20
	TSB	prepare, attend Board meeting; conferences S. Pinkerton, D. Carey regarding pending matters	4.50	891.00
Jun-26-14	TSB	telephone call, correspondence B. Brown regarding Machata matter; review file & status	0.50	99.00
	TSB	research regarding tax matters, regarding cooperative agreements	1.00	198.00
Jun-27-14	TSB	telephone call B. Brown	0.20	45.00
Jun-30-14	TSB	correspondence D. Carey regarding personnel matter; review records requests	0.20	39.60
	TSB	review file, telephone call B. Brown regarding litigation matter	0.50	99.00
	TSB	memorandum S. Pinkerton regarding litigation	0.50	99.00
		<u>Matter Totals:</u>	27.60	\$5,470.20

Matter: 0998.507 IVGID - Code 3499 - Ski

Jun-26-14	TSB	correspondence J. Pomroy, telephone call attorney J. Spencer; review complaint & status	0.50	99.00
Jun-27-14	TSB	telephone conference J. Pomroy, B. Johnson regarding litigation matters; correspondence attorney J. Spencer regarding Shankle matter	0.30	59.40
		<u>Matter Totals:</u>	0.80	\$158.40

Matter: 0998.508 IVGID - Code 3999 - Beach Fund

Jun-26-14	TSB	research deed issues regarding access, regarding background; correspondence regarding same	0.50	99.00
		<u>Matter Totals:</u>	0.50	\$99.00

**General Fund Summary
Sources and Uses**

	2012-13 Actual	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget	\$ Chg Bud to Bud	\$ Chg Est Act to Bud
Revenues						
Ad Valorem Property Tax	1,307,715	1,297,540	1,284,600	1,392,186	94,646	107,586
Consolidated Taxes	1,192,792	1,195,000	1,234,100	1,248,000	53,000	13,900
Rents	3,711	1,600	2,700	3,600	2,000	900
Central Services Revenue	1,000,200	1,069,000	1,069,000	1,101,000	32,000	32,000
Other Financing Sources						
Investment Earnings	30,618	18,000	35,900	25,000	7,000	(10,900)
Proceeds from capital assets dispositions	3,769	-	13,500	-	-	(13,500)
Total Revenues and Other Sources	3,538,805	3,581,140	3,639,800	3,769,786	188,646	129,986
Expenditures and Uses						
Personnel Cost						
Salaries and Wages	1,533,554	1,745,655	1,674,500	1,553,684	(191,971)	(120,816)
Employee Fringe	697,383	800,195	772,400	764,398	(35,797)	(8,002)
Professional Services	171,178	228,700	145,900	348,100	119,400	202,200
Services and Supplies	371,584	483,750	407,700	655,786	172,036	248,086
Insurance	89,631	82,300	71,500	80,900	(1,400)	9,400
Utilities	43,733	52,000	45,900	50,400	(1,600)	4,500
Extraordinary Items	694,817	220,000	-	-	(220,000)	-
Capital Expenditures						
Capital Outlay	46,452	24,000	45,100	189,120	165,120	144,020
Debt Service						
Interfund Transfers and Adjustments						
Transfers In/Out	-	-	-	400,000	400,000	400,000
Total Expenditures and Uses	3,648,332	3,636,600	3,163,000	4,042,388	405,788	879,388
Net Sources and Uses	(109,527)	(55,460)	476,800	(272,602)	(217,142)	(749,402)



**Incline Village General Improvement District
Central Services Cost Allocation Plan
For the Fiscal Year Ending June 30, 2015**

	General	Utility	Community Services	Beach	Internal Services	Total District
Base Cost						
Budgeted FTE by Fund Allocation	28.03 11.74%	31.88 13.35%	147.52 61.77%	17.785 7.45%	13.6 5.69%	238.815 100%
Budgeted Wages by Fund Allocation	\$ 1,553,684 14.81%	\$ 2,276,634 21.70%	\$ 5,015,109 47.80%	\$ 631,509 6.02%	\$ 1,015,874 9.68%	\$ 10,492,810 100%
Budgeted Benefits by Fund Allocation	\$ 763,395 17.63%	\$ 1,178,632 27.21%	\$ 1,683,803 38.88%	\$ 171,035 3.95%	\$ 533,986 12.33%	\$ 4,330,851 100%
Budgeted Services & Supplies by Fund Allocation	\$ 655,600 8.62%	\$ 1,566,300 20.60%	\$ 4,494,650 59.12%	\$ 378,520 4.98%	\$ 507,500 6.68%	\$ 7,602,570 100%
Budgeted Accounting						\$ 873,743
Percentage of Costs Allocated						80%
Allocation based on Services & Supplies	60,277	144,009	413,246	34,802	46,660	698,994
Blended Allocation	15%	21%	49%	6%	9%	
Budgeted Human Resources						496,369
HR + 20% Accounting						671,118
Based on Wages, Benefits & FTE	98,813	139,282	332,084	38,958	61,980	671,118
Central Services Cost Allocation to Enterprise Funds	\$ 283,290	\$ 745,330	\$ 73,760			\$ 1,102,381
Annual Billing for Adopted Budget	\$ 283,000	\$ 745,000	\$ 73,000			\$ 1,101,000

Prepared and calculated in accordance with NRS 354.613 Subsection C and IVGID Board Policy 18.1.0

IVGID Departmental Budget Summary

Community Services Fund Summary

Operating and Net Income (Loss)

	2012-13 Actual	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget	\$ Chg Bud to Bud	\$ Chg Est Act to Bud
Operating Revenues						
Sales and Fees	11,108,579	11,645,300	10,463,100	11,571,800	(73,500)	1,108,700
Concessions	83,587	84,500	75,900	85,100	600	9,200
Sales Allowance	(734,250)	(699,960)	(439,700)	(654,200)	45,760	(214,500)
Facilities Fees	5,962,384	5,967,750	5,967,000	5,971,400	3,650	4,400
Rents	285,669	499,400	365,900	352,700	(146,700)	(13,200)
Intergovernmental - Operating Grants/Revenue	93,123	94,000	103,100	81,400	(12,600)	(21,700)
Internal Service Charges	58,372	59,000	58,900	98,100	39,100	39,200
Total Operating Revenue	16,857,464	17,649,990	16,594,200	17,506,300	(143,690)	912,100
Operating Expenses						
Personnel Cost						
Salaries and Wages	4,771,543	4,815,720	4,634,500	5,015,109	199,389	380,609
Employee Fringe	1,490,561	1,615,685	1,482,900	1,682,800	67,115	199,900
Professional Services	30,190	50,400	61,800	125,900	75,500	64,100
Services and Supplies	3,279,610	3,719,680	3,541,000	3,666,750	(52,930)	125,750
Insurance	237,836	265,300	279,000	280,000	14,700	1,000
Utilities	962,524	1,111,800	1,104,600	1,090,300	(21,500)	(14,300)
Cost of Goods and Services Sold	912,809	918,350	930,600	827,900	(90,450)	(102,700)
Central Services Cost	673,500	706,000	706,000	745,000	39,000	39,000
Depreciation	2,246,216	2,317,308	2,294,500	2,306,400	(10,908)	11,900
Fuels Management	99,957	100,000	100,000	100,000	-	-
Total Operating Expenses	14,704,746	15,620,243	15,134,900	15,840,159	219,916	705,259
Operating Income (Loss)	2,152,718	2,029,747	1,459,300	1,666,141	(363,606)	206,841
Non Operating Revenues						
Investment Earnings	28,421	11,000	23,500	30,000	19,000	6,500
Non Operating Leases	68,594	67,600	116,300	82,600	15,000	(33,700)
Gain (loss) on disposal of assets	(12,384)	-	26,900	-	-	(26,900)
Total Nonoperating Revenue	84,631	78,600	166,700	112,600	34,000	(54,100)
Non Operating Expense						
Interest on bond debt	371,235	285,824	285,824	244,400	(41,424)	(41,424)
Amortization issuance cost	(26,044)	(49,670)	(49,670)	(42,487)	7,183	7,183
Fiscal Agent Fee	984	1,078	1,078	758	(320)	(320)
Total Non Operating Expenses	346,175	237,232	237,232	202,671	(34,561)	(34,561)
Interfund Transfer						
Transfers In/Out	-	-	-	(400,000)	(400,000)	(400,000)
Net Operating Transfers	-	-	-	(400,000)	(400,000)	(400,000)
Net Income	1,891,174	1,871,115	1,388,768	1,976,070	104,955	587,302

T. BRUNS

Non-exclusive easement:

- How will the easement read? Or will we find out only after the proposal is approved?
- How is the easement non-exclusive?
- How was the value established?
- In effect, the proposal is a de facto sale to the owner of 125 010 20 (formerly 125 251 05) a portion of a piece of property which cannot be sold for the purpose proposed. When the residents of Incline Village no longer have the use of a portion of the land which is their right in perpetuity, a sale/taking has occurred. As outlined in the restrictions on this property: this property is for recreational purposes by and for the benefit of property owners, their tenants and guests **within the IVGID**. The covenant shall be in perpetuity, etc.
- Will the owner of 125 010 20 be able to gate off the access point from Randall?
- What is the liability to IVGID for granting the easement?
- Who is responsible for the care and maintenance? The CCRs state that IVGID is responsible for the maintenance. Will the Board be going against what has been passed and approved by Washoe County and agreed to by all of the owners of Incline Village? By the stroke of a pen you will be changing a document which you may not have the authority to change? Sounds somewhat familiar to what is happening nationally.
- How would other properties which have similar restrictions, such as our beaches, be effected by this precedent?
- Further, the CCRs state that IVGID may improve said property at its sole discretion which it deems as reasonable and necessary. Is providing a less costly access for a single property reasonable and necessary? Is the true purpose of the easement for significant cost reduction in constructing access to the parcel which also would result in more the impervious coverage for construction of a home? The statement that the purpose is for reduction of fire danger is a ruse. Other homes have been constructed and approved by all necessary government agencies, one being the fire department, which have equally or more difficult access such as 763 Judith Ct. and 456 Ponderosa. In particular Judith Ct has many switchbacks in order to gain access to the home. Mr. Machata's parcel has more than sufficient frontage on Geraldine to create access to a home. As I see it, Mr. Machata will be using significantly less impervious coverage resulting in the ability to construct a much larger home and being able to position the home higher on the parcel to gain a greater lake view. This will result in a parcel of many more hundreds of thousands dollars in value to Mr. Machata. And all he is paying for this benefit is \$10,000 for his personal economic benefit. What a deal...for Mr. Machata.

Because of these factors, I would urge the Board of Trustees to not approve the proposal and to resist it with the same vigor you resist the attempts to take away our exclusive easement to our 3 beaches.

Request to Transfer Agenda Items G(1), G(2), G(4) and G(6) to This Afternoon's General Business Calendar

From: s4s@ix.netcom.com
To: joe_trustee@ivgid.org
Cc: bruce_trustee@ivgid.org, jimsmith@ivgid.org, jimhammerel@ivgid.org, billdevine@ivgid.org, Herron Susan <Susan_Herron@ivgid.org>, "Steve J. Pinkerton" <steve_pinkerton@ivgid.org>, Pinkerton Steve <sjp@ivgid.org>
Subject: Request to Transfer Agenda Items G(1), G(2), G(4) and G(6) to This Afternoon's General Business Calendar
Date: Aug 13, 2014 11:25 AM

To Chairperson Wolfe and the other Honorable Members of the IVGID Board -

Again you have allowed staff to prepare an agenda which places most NON-routine matters on the Consent Calendar which deprives the Board and the public of a public hearing where important issues can be identified and vetted.

This is wrong and it bothers me that our new GM is perpetuating this policy when he should know better, and I thought was brought here to start making IVGID operate like the political subdivision it is.

Any one trustee can ask that a matter on the Consent Calendar be transferred to the General Business Calendar and I ask that at least one of you make the request for Agenda Items G(1), G(2), G(4) and G(6) to be transferred.

G(1) - Is the expenditure of \$256,555 a ROUTINE matter? First, it does NOT represent a professional services agreement as staff represents. EXL Media is nothing more than a salesperson to place media buys on IVGID's behalf. Thus the contract should go out to public bid as it has in the past and all Board members know this to be fact. And every time we've gone out to public bid, taxpayer monies have been SAVED.

Second, Susan Herron STILL hasn't given me the monthly trade reports for free Diamond Peak lift ticket vouchers and other free recreational facility benefits given by staff last year purportedly pursuant to last year's contract. If the public can't get these reports from last year, then why are we proposing the same "hidden" arrangement for this year?

Third, staff has produced no evidence that a single media buy last year resulted in \$1 of increased revenue that would not have otherwise been realized without media buys. Without this evidence we're simply wasting our Rec Fee on unnecessary expenditures without any proof they accomplish anything. Thus for Brad Wilson to state these media buys are "a critical component to successful operations at IVGID" (rather than Diamond Peak which is allegedly the beneficiary of these media buys), is an outright misstatement of fact. Brad is buddies with Wendy Hummer so his motivations are suspect.

By and large we don't have a problem attracting skiers to Diamond Peak on weekends and holidays (thus we don't require advertising for this purpose). Our problem is mid-week, as is the problem of most other ski areas, and there's no evidence throwing money at media buys is going to increase mid-week skier visits. And Brad Wilson knows this to be fact.

G(2) - Is the expenditure of another \$23,400 after spending nearly \$130,000 on a FIXED FEE contract a ROUTINE matter? If SE Group were a building contractor; it gave you a fixed fee bid for a remodel project at your home; and when it finished the work it asked you for an additional 37.41% because it had made a mistake in giving you the fixed fee bid that it did; would you pay it so quickly with your money the way you propose paying SE Group this additional nearly \$23,400 with the public's moneys? Of course you wouldn't.

SE Group has COMPLETED the task for which it was engaged. There's no need to waste more of the public's moneys when the issue before the Board is whether we even want to go down this road. Moreover, master plans DON'T include the kinds of things staff has been stuffing into this "plan." Financial analyses are NOT part of master plans. Nor is "the inclusion of public comments." The reason we have meeting minutes is to include public comments which are then preserved for eternity. And the reason we have future public hearings is to decide if we want to spend the \$18.2 MILLION represented by this plan and if so, from where will the moneys come? To spend an additional nearly \$23,400 at this juncture to accomplish the same purposes is irresponsible and unnecessary. We didn't need

this "plan" to tell us the Snowflake Lodge was an under utilized gem. Nor did we need this "plan" to tell us we have a problem with the Lakview Lift. We've already paid way, way too much for what we've received.

G(4) - Is the expenditure of \$341,503 on irrigation and draining for two athletic fields which generate essentially zero revenue a ROUTINE matter? These are the same fields staff gives away for free or essentially free to the middle school, AYSO, Little League, Babe Ruth Baseball, Lake Tahoe School, visiting tournaments, etc., etc. rather than at least recouping the public's out of pocket costs. So to state these improvements are required for IVGID's NON-PAYING "customers" is disingenuous at best.

Take a look at page 116 of the budget; revenues and expenses assigned by staff to the Parks sub-fund. Throw out all the revenue entries which have nothing to do with the operating income we actually realize from the rental of our athletic fields (like a portion of the Rec Fee) and what are we left with? \$50,900 of revenue of which \$25,000 really has nothing to do with the rental of our athletic fields because it pays for landscape maintenance of the high school field paid by the school district. So that leaves roughly \$25,000 of rental income to pay for over \$1.022 MILLION of expenses! Before \$341,503 of our Rec Fee is spent on athletic field improvements which benefit persons who don't pay their fair share, don't you think we need to have a discussion as to why staff REFUSES to make those who use the public's athletic fields at least cover the public's costs to make them available for our "customers" use?

G(6) - Is the expenditure of another \$40,000 after spending over \$100,000 with Averill Consulting a ROUTINE matter? Moreover, look at the dysfunctionality of our "so called" IT Dept. Apparently our last (and third) programmer has resigned. For all intents and purposes we no longer have an IT Dept. and yet we apparently have an IT Director - Gerry Eick! What does he know about IT? Why is he the head of a department which for all intents and purposes no longer exists? How much more did staff decide to pay one of its own to wear the new title "IT Director?" All of these questions need to be answered before we spend this kind of money.

These items combined (over \$660,000 of expenditures), in my opinion, demonstrate the dysfunctionality of IVGID. To those less informed in our community who tell the Board what a good job it is doing you should ask yourselves why we have the problems we do demonstrated by these items on the Consent Calendar? They should also ask why the Board and staff go out of their way to hide these matters by burying them on the Consent Calendar rather than being open, honest and up front about them (it's called transparency)?

Please do what each of you was elected to do, and allow these Consent items to be discussed as part of this afternoon's Board Meeting General Business.

Thank you, Aaron Katz

To Members of our community who care about our community,

Our Recreation Fee is going to build "Disneyland at Diamond Peak" for the WORLD'S TOURISTS and local businesses which make money off the use of our Recreation fee. Are you willing to spend your money to finance others fun? Are you willing to give up the great life? Are you willing to turn Incline into a "Traffic Jam"

Our Recreation Fee is used, and will continue to be used to finance millions of dollars of expenditures designed to attract the WORLD'S TOURISTS TO OUR COMMUNITY. Don't believe me? Take a look at the Consent Calendar for the current (8/13/14) Board Meeting.

EXL Media's owner, Wendy Hummer, is getting \$256,555 of your money to buy advertising so Wendy's EXL media can attract more of the WORDLD'S TOURISTS to Diamond Peak. And this expenditure is on the Consent Calendar which means no public hearing, no public questions, just a big fat "rubber stamp."

SE Group was hired to come up with a plan for "under utilized" use of Diamond Peak during our summer months. The Board approved a fixed fee contract of \$111,000 to learn the types of uses you and I could have figured out by us in about 15 minutes. SE Group is another one of Brad Wilson's favored collaborators. Well \$111,000 wasn't enough. Behind closed doors staff agreed to pay first \$12,640 and then \$5,500 more. Now Brad is pushing for another \$23,395 price augmentation bringing the price tag just for this "study" to \$152,535. And again, this expenditure is on the Consent Calendar which means no public hearing, no public questions, just another big fat "rubber stamp." And you are paying for it with your recreation fee.

Each year we lose nearly \$1 million on the maintenance/operation of our parks. We allow staff's favored groups to exclusively use our facilities for free or at a cost which is light years less than our actual costs and our Recreation Fee is used to pick up the shortfall while you and I are deprived of the ability to use the facilities we're subsidizing. Now staff proposes spending up to \$341,503 to replace the irrigation and drainage systems on two fields. This replacement is necessary, according to staff, because these systems were negligently designed in the first place - a common theme to nearly every project staff has administered in the recent past. And again, this expenditure is on the Consent Calendar which means no public hearing, no public questions, no accountability, just another big fat "rubber stamp."

Our Recreation Fee is being used to finance nearly \$7 million in LOSSES EVERY YEAR. Losses artfully labeled "investments in our future" by staff and created by pathetic management which is never held accountable. That's almost \$70 million OVER JUST THE LAST 10 YEARS!
Take a look around town. Tell me where you see \$70 million of value. The money is GONE! IT WAS YOUR MONEY FOR YOUR RECREATAION, HOW DID THAT WORK OUT?

Our Recreation Fee is being used to turn our community into a "TOURIST MECCA" just like a Vail, or Aspen or Park City. Is this the type of community you had in mind when you chose to buy and live here? IVGID WANTS THE NORTH SHORE TO LOOK LIKE THE SOUTH SHORE, AND WEST SHORE. TRAFFIC, TRAFFIC AND MORE TRAFFIC.

Whether you are for or against turning Incline/Crystal Bay into staff's vision of a worldwide "TOURIST MECCA," understand that WE ARE THE ONES PAYING FOR THE COSTS with our Recreation Fee so local businesses can benefit without having to pay their fair share. And as a bonus, our community recreational facilities are so over burdened many residents don't even bother frequenting them (on average the owners/occupants of 85% of local parcels never frequent any one of our recreational facilities; NOT ONCE). And we won't leave our homes because the traffic and lack of parking is overwhelming, and heaven forbid we should have to go to the store. And when Fourth of July comes, rather than enjoying our community many of us end up leaving town! Is this what you had in mind when you chose to buy and live here?

EFFECTS ON OUR COMMUNITY:

HUGE TRAFFIC PROBLEMS. Drive by business owner Greg Olsen's "Tunnel Creek" and look at all the cars jam packed on both sides of Highway 28. Greg wants more summer time facilities constructed in our community (at someone else's expense) so even more tourists will frequent the businesses which operate at Tunnel Creek.

TRY FINDING A PARKING SPOT AT OUR BEACHES! And if you think it's bad now, wait until Disneyland is built with nearly \$20 million of OUR moneys (that's right, nearly \$20 million). IVGID has never spent anywhere near \$20 million on ANY recreational facility ANYWHERE. And now it is seriously considering this type of expenditure which you and I will be guarantying with our Recreation Fee? If it all fails, we pay, and pay and pay.

Staff claims its financing plan for this kind of spending is solid and its projections are conservative. Aren't these the lies staff told us 12 years ago when they sought public support for over \$5 million of improvements to The Chateau? How did those projections pan out? Who ended up paying the tab? And now we're supposed to believe the same misrepresentations again? Understand that if ANY of staff's projections are wrong, (odds are they are all wrong), every parcel owner is going to be paying, and paying big time to pay off this TOURIST MECCA. While the parcels get stuck with the bills, the employees and their families will use our facilities for free and we will be the ones footing the bill and fighting the traffic jams. Staff will be collecting their out of whack salaries and bonuses, while we get a tourist trap, with traffic, and we guarantee all the debts and cost for this "Fantasy Land" or as one citizen called it "Six Flags of Incline".

WHO IS BEHIND DESTROYING OUR COMMUNITY? CHECK OUT THE FOLLOWING:

At page 128 of the Board Packet for the Board's 8/13/14 meeting there is a letter of support of Diamond Peak's Master Plan authored by Bill Hoffman of the IV/CB Visitors Bureau. Mr. Hoffman is neither a resident of our community (he lives in Reno), nor does he pay our Recreation Fee. Mr. Hoffman recites that after Brad Wilson's biased presentation of the Plan (and remember, our Recreation Fee was paying the salaries of Brad and his staff to politic for public support) to the Visitors Bureau's Board of Directors [i.e., the business owners of Lake Tahoe's North Shore (not even limited to IV/CB)], the "Plan...garnered unanimous and enthusiastic support."

He then recites the REAL PURPOSE of the Plan: it "has the ability to provide long needed TOURISM infrastructure that would positively affect...the entire North Shore. (Thus) our BUSINESS COMMUNITY (is) certainly...excited...With our last three years' (lack of snowfall) experience, such alternative activities seem CRITICAL TO MAINTAINING OUR TOURISM BASE...Please...let this agency know how we may assist in insuring (the Plan's) ...implementation."

Some of us know how Mr. Hoffman's agency can assist. It's called NEARY \$20 MILLION! But how do you think the Bureau will respond if our Board tells it the Visitors Bureau to foot the \$20 million of capital improvements.

So now you have your choice. Keep the bedroom community you moved to, or enjoy a new tourism Mecca financed by local property owners. Why do we have to pay to ruin our community? Why do the supporters of this "Megga Monster" show up and shout down residents who oppose spending their money to build something that will ruin their homes. Rather arrogant, someone tells you to pay to ruin your community just to benefit their business model. And if you don't like it you can MOVE!

Then there's Board member Jim Hammerel. Jim's not happy with our community recreational facilities so he wants BIGGER, BETTER and MORE of them. Because he thinks we're "special" (hey, we're Incline Village). And he doesn't just want "bigger and better," he wants THE BEST! Well "the best" costs money and that's where you and I come in. Jim wants you and me to pay for the next 12 or more years so the public can pay for another plaque which feeds his ego by forever memorializing this initiative.

If you are happy with the plan, great, you won't mind using your property, and recreational fee to fund it, just don't expect others who are against this plan to use their property and their money to guarantee its success. And after it is built, get ready for the next "BIG THING" and don't complain that the traffic and cost are unreasonable. If you are against this MEGGA TOURIST TRAP, WE CAN STOP THE BOND AND STOP THE WHOLE IDEA OF RUINING OUR COMMUNITY.

Send your email address to the following and when the bond is submitted by IVGID we can vote it out with your support. No money, no Disneyland.

BILLS
(\$10,000.00 and Any Final CIP payments)

		Amount		Department	Program	Project Name, Description & CIP information
	08/06 thru 08/12/2014					
1	Airgas USA, LLC	11,645.44	*			
2				Trt Plant	PW	\$2,903.25 - Barrel mount sleeve 0" - 24" opening adjustment equipment for confined space entry as designated by the Risk Management Manager - inv 07/08
3				Trt Plant	PW	\$8,460.36 - equipment for confined space entry - inv 07/30
4				Aquatics	Rec	\$150.74 - oxygen tank refills - inv 07/31
5				Aquatics	Rec	\$131.09 - oxygen tank rentals - inv 07/31
6	Averill Consulting Group	2,208.40	*	PW	IT	District wide Microsoft Office Software Upgrade Project - 1 ea SQL Server 2014 Std Open Gov plus 10 ea SQL Server User Cal Open Gov Licenses - inv 07/18
7						Project Mgr - Eick, CIP #1213CO1502, Total Contract this Task \$2,208.40, Complete to Date 100% or FINAL
8	Cashman Equipment	3,784.19	*	Sewer	PW	Sewer Pumping Station Improvements Project - Repairs to District generator per contract - inv 08/04
9						Project Mgr - Lochridge, CIP #2599D11104, Total Contract this task \$3,784.19, Complete to Date 100% or FINAL
10	F.W. Carson Co.	8,557.90	*			
11				Eng	PW	Pavement Maintenance, Utility Facilities Project - \$3,250.00 - Professional services contract for curb repairs - inv 07/28
12						Project Mgr - Lefrancois, CIP #2097LI1401, Total Contact \$3,250.00, Complete to Date 100% or FINAL
13				Eng	Rec	Pavement Maintenance, Recreation Center Area Project - \$5,307.90 - Professional services contract for curb repair and replacement - inv 07/28
14						Project Mgr - Lefrancois, CIP #2097LI1401, Total Contact \$5,307.90, Complete to Date 100% or FINAL
15	Hertz Equipment Rental	1,550.00	*	Snow Making	Ski	Snow Making Pipe Replacement Project - Rental of backhoe for 2 week period - inv 07/19
16						Project Mgr - Coughlin, CIP #3464SI1104, Total Contract \$1,550.00, Complete to Date 100% or FINAL
17	High Sierra Patrol, Inc	18,589.65		All	All	Regular plus Special holiday security patrols for all IVGID facilities to include parks and beaches 07/01 thru 07/31 - inv 08/01

BILLS
(\$10,000.00 and Any Final CIP payments)

		Amount		Department	Program	Project Name, Description & CIP information
18	SAK Construction, LLC	28,150.53		Eng	PW	Replace & Reline Sewer Mains & Manholes Project - Professional services contract for reline of sewer mains - inv 07/31
19						Project Mgr - Lefrancois, CIP #2599SS1203, Total Contract \$475,863.50, Complete to Date \$452,070.33 or 95%
20	USDA Forest Service	14,225.00	*	General	Ski	07/01/13 thru 06/30/14 - Special Use Permit for Ski area - final fee - inv 08/11
21	Verde Design	1,202.19	*	Parks	Rec	Replace Irrigation and Drainage - Fields 2 & 3 Project - Professional contract for grading and irrigation of baseball/softball fields - inv 07/30
22						Project Mgr - B. Johnson, CIP #4378LI1304, Total Project \$14,975.00, Complete to Date 100% or FINAL
23	Village Ski Loft	19,576.05	*	Hyatt Shop	Golf	82% of total JUL 2014 sales \$23,873.23 = \$19,576.05 as per contract - inv 08/05
24	Sub Total	109,489.35				
25	08/13 thru 08/19/2014					
26	CH2M Hill	12,360.02				
27				Eng	Ski	Diamond Peak Project - \$4,302.02 - Professional services contract for preliminary engineering services - inv 08/04
28						Project Mgr - B. Johnson, CIP #3499LI1101, Total Contract \$36,862.00, Complete to Date \$17,250.67 or 46.80%
29				Eng	PW	Upgrade Ozone Facility Project (Task Order No. 16) - \$6,067.20 - Professional services contract for comprehensive SCADA system evaluation for the service period of 06/12 thru 07/25 - inv 08/04
30						Project Mgr - B. Johnson, CIP #2223DI0903, Total Contract \$69,678.00, Complete to Date \$6,067.20 or 8.71%
31				Eng	PW	Upgrade Ozone Facility Project (Task Order No. 12) - \$1,990.80 - Professional services contract for Burnt Cedar WDP technical support services for the service period 01/01 thru 07/25 - inv 08/04
32						Project Mgr - B. Johnson, CIP #2223DI0903, Total Contract \$20,000.00, Complete to Date \$2,904.40 or 14.52%
33	NV Energy	113,912.81	*	All	All	JUL 2014 energy costs for all IVGID facilities - inv 08/03
34	S E Group	12,644.25		Admi	SKI	Ski Area Master Plan Update and Summer Activities Assessment Project - Professional services contract for service dates 07/01 thru 07/31 - inv 08/11

BILLS
(\$10,000.00 and Any Final CIP payments)

		Amount		Department	Program	Project Name, Description & CIP information
35						Total Contract \$23,000.00 (awarded by BOT 08/13/14 meeting), Complete to Date \$12,644.25 or 54.98%
36	US Postmaster	6,500.00	*	Beaches	Rec	Incline Beach Facility Study Project - Postage for beach survey mailing project - inv 08/15
37						Project Mgr - Paris, CIP #4973LI1302, Total Contract this Vendor \$6,500.00, Complete to Date 100% or FINAL
38	Sub-Total	254,906.43				
39	Combined 08/12 & 08/19/2014	364,395.78				
40	08/20 thru 08/26/2014					
41	Great Basin Welding Services, LLC	8,193.50	*			
42				Snowmaking	Ski	Snowmaking Pipe Replacement Project - \$2,675.00 - Professional Services contract for welding services - inv 08/21
43						Project Mgr - Coughlin, CIP #3464SI1104, Total Contract \$10,189.00, Complete to Date 100% or FINAL
44				Slope Maintenance	Ski	\$5,518.50 - Welding services for Wiggle Valve station and valve upgrade at the bottom of Showoff - inv 08/21
45	Ferguson Enterprises, Inc	583.55	*	Snowmaking	Ski	Snowmaking Pipe Replacement Project - pipe purchase - inv 08/04
46						Project Mgr - Coughlin, CIP #3464SI1104, Total Contract \$583.55, Complete to Date 100% or FINAL
47	K.G. Walters Construction Co, Inc	8,500.00	*	Trt Plant	PW	Building Upgrades Treatment Plant Project - Installed two sets of dumpster stops and one column protector per contract - inv 08/18
48						Project Mgr - Jenks, CIP #2599BD1105, Total Contract \$8,500.00, Complete to Date 100% or FINAL
49	Kjeldsen Sinnock & Neudeck, Inc	5,000.00	*	Eng	PW	Spooner Pumping Station Project (Effluent Export Line - Phase I /USACE 75% Funding) - Professional services contract for pipeline lease - inv 08/13
50						Project Mgr - B. Johnson, CIP #2522DI0904, Total Contract \$5,000.00, Complete to Date 100% or FINAL
51	Sub- Total	22,277.05				
52	Combined 08/12, 08/19 and 08/26/2014	386,672.83				

BILLS
(\$10,000.00 and Any Final CIP payments)

		Amount		Department	Program	Project Name, Description & CIP information
53	08/27 thru 09/02/2014					
54	Averill Consulting Group	12,750.66	*			
55				IT	General	\$3,525.66 - Consulting services on IT System and Process for the period 08/18 thru 08/28 - inv 08/31
56				IT	General	\$2,625.00 - Network diagnosis and engineering plan - 07/09 thru 07/30 - inv 08/31
57				IT	General	\$6,600.00 - Network diagnosis and engineering plan 08/06 thru 08/22 - inv 09/02
58	CalFirst	15,677.00				
59				Carts	Champ Course	\$9,314.36 - Club Car Golf Cart lease for Oct 2014 - inv 08/31
60				Carts	Mtn Course	\$6,362.64 - EZ-Go Golf Cart Lease for Oct 2014 - inv 08/31
61	EXL Media	12,011.51				
62				Mktg	Champ Golf	JUL 2014 - \$7,277.93 - Advertising fees for print, internet and fees less credit from inv IVCG14-05-06 (\$6,189.91) - inv 08/26
63				Mktg	Facilities	JULY 2014 - \$2,978.24 - Internet and Miscellaneous agency fee - inv 08/26
64				Mktg	Mtn Golf	JULY 2014 - \$4,365.06 For print specialty media, television, internet and fee plus Balance due for May/June media \$3,580.19 - inv 08/26
65	Erickson, Thorpe & Swainston, LTD	30,581.74		Admin	General	Katz Lawsuit legal fee invoice- inv 08/14
66	Resco - Reno	3,947.66	*	Admin	Rec	Recreation Center Lobby Update Project - Café tables, chairs for lobby CIP project - inv 08/15
67						Project Mgr - Springsteel, CIP #4899FF1501, Total Contract \$3,947.66, Complete to Date 100% or FINAL
68	Village Ski Loft	19,769.22	*	Hyatt Sports Shop	Golf	AUG 2014 - 82% of total sales of \$24,108.80 = \$19,769.22 - inv 09/02
69	Sub- Total	94,737.79				
70	Combined 08/12, 08/19, 08/26 & 09/02/2014	481,410.62				

Herron, Susan

From: Leo and Kathy Craft [leocraft@pacbell.net]
Sent: Friday, September 05, 2014 8:17 AM
To: Herron, Susan
Subject: RE: The new survey

To the IVGID Board of Trustees;

The IVGID survey that we all received this week has a major flaw. There is no way to confirm that the respondent is an Incline parcel owner. The survey could be copied by the 100's, circulated in other communities of Lake Tahoe, could be filed in multiple copies by the same person(s), or completed by renters, family of parcel owners, and others. How can the survey possibly be considered valid or meaningful unless this issue is corrected?"

It is very likely that the results of the survey will be used by someone in IVGID to build a 'case' for someone's agenda, modification of ordinances, or even legislation. This simply cannot be done.

1. The first Google 'hit' on the definition of survey research was:
- 2.
3. **"Survey research** is one of the most important areas of measurement in applied social **research**. The broad area of **survey research** encompasses any measurement procedures that involve asking questions of respondents."

For someone to say that IVGID has a 'count' of the number of surveys that were mailed and this 'count' will be used to confirm that multiple copies were not made is without foundation. The most recent Washoe County election, June 11, had only 23.4 % turnout.

If a single non parcel owner completes the survey then the survey, in my opinion, should be declared void.

What now?

Leo Craft, 982 Tee Court, IV 89451

WRITTEN STATEMENT TO BE INCLUDED IN THE IVGID BOARD'S PACKET OF MATERIALS PREPARED BY STAFF IN ANTICIPATION OF THE BOARD'S REGULAR SEPTEMBER 10, 2014 MEETING AS WELL AS TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN MINUTES OF THE BOARD'S SEPTEMBER 10, 2014 REGULAR MEETING AS WELL AS ATTACHED TO AND MADE A PART OF THE FINAL VERSION OF THE SE GROUP'S UPDATED DIAMOND PEAK MASTER PLAN – APPROVAL OF THE SE GROUP'S PROPOSED UPDATED DIAMOND PEAK MASTER PLAN BLINDLY PROMOTED BY STAFF – MORE EVIDENCE STAFF IS MISLEADING IN ITS REPRESENTATIONS CONCERNING DIAMOND PEAK'S FAIR MARKET VALUE.

Introduction: I and others have been publicizing the fact that the fair market value ("FMV") of Diamond Peak, based upon earnings, is **LESS THAN \$0.00** because of its outstanding indebtedness. In other words, it is underwater. This being the case, why would any responsible business person consider investing another \$18.2 Million or more of capital improvements into the black hole we now know as Diamond Peak? Faced with this grim reality, IVGID's new GM, Steve Pinkerton, has gone into full damage control. Like his predecessor, Mr. Pinkerton attacks the critics of this folly project with unsubstantiated figures claiming that Diamond Peak is purportedly worth more than \$70 Million¹.

Local Property Owners Have Invested Far More Into Diamond Peak Than it is Worth, So Why Are We Contemplating Investing Another \$18.2 Million or More So We Can be Even More Underwater? On July 30, 2014 I submitted a written statement to the Board which was made a part of the written minutes of that regular meeting². In that statement I addressed Diamond Peak's FMV. I asked the question that if we had to sell Diamond Peak today, what could be realized and how would that number compare to our cost (i.e., the capital costs we've invested)? Although I did not share a number at that time, I concluded that we were underwater making it irresponsible to invest an additional \$18.2 million and probably more than \$20 million in the new capital improvements suggested by the SE Group's proposed Diamond Peak Master Plan Update.

In Response, IVGID's GM, Steve Pinkerton, Has Gone Into Full Damage Control: Mr. Pinkerton has publicly announced that local property owners are not underwater insofar as Diamond Peak is concerned, because it is worth an unbelievable \$70 Million¹. And what facts has he produced to back up his assertion? *NONE!*

Given Kirkwood Ski Area Sold in February of 2012 for \$18 Million, How Can Mr. Pinkerton Seriously Represent Diamond Peak Has a Fair Market Value of \$70 Million? Kirkwood was sold to Vail Associates in February of 2012 and the purchase price was \$18 Million⁹. So let's compare

¹ I have been informed that this revelation was made at the August 15, 2014 Bonanza meeting.

² See pages 86-99 at http://ivgid.org/client_uploads/bot_regular_packet_8_13_2014.pdf.

Diamond Peak's statistics to Kirkwood's to determine whether Diamond Peak is worth nearly four times what Kirkwood actually sold for.

I have prepared a spreadsheet (below) which compares relevant statistics insofar as the two ski areas are concerned. I submit that you don't need to be the SE Group nor IVGID's GM to understand that Diamond Peak's FMV is but a fraction of Kirkwood's. Which means ***Diamond Peak is not worth anywhere near \$70 Million!***

Comparing Diamond Peak to Kirkwood		
	Diamond Peak ³	Kirkwood ⁴
Annual Snowfall (in Inches)	325 ⁵	600
Skiable Terrain (in Acres)	655	2,300
Trails	30	72
Ski Lifts	7	15
Base Elevation (in Feet)	6,700	7,800
Top Elevation (in Feet)	8,540	9,800
Vertical Rise (in Feet)	1,840	2,000
Privately Owned Land ⁶ (in Acres)	0	733
Annual Skier Visits	93,935 ⁷	>400,000 ⁸
Fair Market Value	\$70M¹	\$18M⁹

So How Do We Value a Ski Resort? Although just like any other business a ski resort is ultimately worth whatever a willing seller and ready, willing and able buyer are able to agree upon, there *is* an industry recognized formula. I have attached as Exhibit "A" to this written statement an article published November 25, 2009 in the Wall Street Journal which discusses this formula: "*Tough Timing for Ski-Resort Sale.*" I have placed an asterisk next to the following language on page 2 of the article:

³ See <http://www.diamondpeak.com/about/facts-figures>.

⁴ See <http://news.kirkwood.vailresorts.com/mountain/kirkwood/fact+sheet/>.

⁵ See <http://www.onthesnow.com/nevada/diamond-peak/ski-resort.html>.

⁶ Developed or capable of being developed and privately sold.

⁷ See page 336 at http://ivgid.org/client_uploads/bot_regular_packet_6_11_2014_p3.pdf.

⁸ See <http://www.skinet.com/skiing/resorts/rockies/colorado/1999/12/kirkwood-breaks-skier-visits-record>.

⁹ See February 22, 2012 announcement at <http://www.laketahoenews.net/2012/02/vail-resorts-buys-kirkwood-mountain-for-18-mil/>.

"Near the peak of the market in about 2006, ski resorts traded at prices close to about 10 times earnings. Prices for resorts these days are more likely to be in the seven-to-eight multiple range."

Thus in order for Diamond Peak to have a FMV of \$70 Million, it would mean that it would have to have yearly *earnings of roughly \$10 Million!* But we've seen from Diamond Peak's financials which are shared with the public that it barely generates half this amount (roughly \$5.25 Million to be exact) just in *gross revenues*¹⁰.

What Are Diamond Peak's "Earnings" So We Can Apply the Seven to Eight Times Earnings Industry Formula? UNBELIEVABLY, LESS THAN \$0.00! I have replicated below the spreadsheet I prepared in my companion written statement which documents the *LOSSES* Diamond Peak incurred for 2013-14:

2013-14 Diamond Peak Net Losses	
Reported Revenues	\$ 6,436,850
Less Estimated Unreported Sales Allowances	(\$ 150,000)
Less Recreation Facility Fee	(\$ 997,350)
Estimated Net Revenue	\$ 5,289,500
Reported Operating Expenses	(\$ 6,762,341)
Funded Capital Resources Added Back	(\$ 111,000)
Unreported Central Services Expenses	(\$ 302,874)
Unreported Workers' Comp Expenses	(\$ 237,862)
Estimated Adjusted Net Expenses	(\$ 7,414,077)
Net Gain/(Loss)	(\$ 2,124,577)

But staff and the SE Group don't like to include all of the expenses a ski area incurs when it comes time to determining its "earnings" for purposes of valuation and misleading the public into believing Diamond Peak is making money when it really isn't. So instead, they want to subtract taxes, depreciation, debt service and capital improvement costs ("EBITDA"¹¹) because they (wrongly) assert these expenses don't really represent a ski area's "operational expenses"¹² even though they

¹⁰ I have submitted a companion written statement which using IVGID's own numbers, demonstrates that last season Diamond Peak incurred over a \$2 Million LOSS! In that statement you will find documentation supporting the roughly \$5.25 Million (actually \$5,289,500) number.

¹¹ <http://www.investinganswers.com/financial-dictionary/financial-statement-analysis/earnings-interest-tax-depreciation-and-amortization>.

¹² Listen to what the SE Group has to say about EBITDA at page 63 of its Diamond Peak Master Plan Update: "EBITDA...represents the earnings of the project prior to subsequent deductions for interest, taxes, depreciation and amortization. EBITDA values in the initial phase (of the Plan) are anticipated at approximately \$1.5 to \$1.6 million. With the implementation of Phase 2, this increases to roughly \$2.2

accurately represent any business's profitability. Listen to what Warren Buffett had to say about EBITDA in his 2000 report to Berkshire Hathaway investors¹³: "***Does management think the tooth fairy pays for capital expenditures?***" Apparently the SE Group and staff would answer "yes!"

We've had this discussion before. "EBITDA allows analysts to focus on the outcome of operating decisions while *excluding* the impacts of non-operating decisions like interest expenses (a financing decision), tax rates (a governmental decision), or large non-cash items like depreciation and amortization (an accounting decision). By minimizing the non-operating effects that are unique to each company, EBITDA allows investors to focus on operating profitability as a singular measure of performance...However, EBITDA can also be deceptive when applied incorrectly. It is especially *unsuitable* for firms saddled with high debt loads or those who must frequently upgrade costly equipment (like ski areas¹⁴). Furthermore, EBITDA can be trumpeted by companies with low *net income in an effort to 'window-dress' their profitability. EBITDA will almost always be higher than reported net income.*" ***These shortcomings describe IVGID and Diamond Peak in particular to a "T"*** and if you don't understand the niceties of EBITDA, you can be fooled into believing Diamond Peak makes money when it does not.

Nevertheless, let's "ignore (Diamond Peak's)...capital investment, working capital changes, taxes, borrowing, debt repayment¹⁵ and financing costs, which all affect (its)...cash flow"¹³ so we can go through the SE Group's and staff's skewed methodology to determine its 2013-14's "earnings." Thus I have created another spreadsheet (below) which adds back the debt service interest, principal and capital improvement costs Diamond Peak *actually incurred* in 2013-14 which were included in my initial spreadsheet (replicated above):

million and grows to about \$3.4 million by the end of the ten year modeling period. Cumulative EBITDA for the initial ten years of operation is estimated at more than \$25 million." But once you exclude debt interest and \$18.2 Million of capital improvements over this ten year period, exactly what is left over?

¹³ See <http://www.northbaybusinessjournal.com/27609/commentary-famed-investor-references-to-ebitda-make-us-shudder/>.

¹⁴ "Almost all ski resorts make their money off residential real estate sales...Without real estate (sales) it places the buyer (of a ski area) dependent on just the ski industry" which because of its massive capital improvement requirements (ski lifts, snowmaking, groomers, etc.) is almost *always* unprofitable [see that June 8, 2012 article in the Denver Post: "*Colorado's Echo Mountain ski area for sale in August auction*" (http://www.denverpost.com/ci_20809529/echo-mountain-ski-area-sale-august-auction) which is attached as Exhibit "B" to this written statement].

¹⁵ Not just the "interest" in EBITDA, but the \$1,022,322 of principal as well.

Diamond Peak's 2013-14 EBITDA Minus All Debt Service	
Reported Revenues	\$ 6,436,850
Less Estimated Unreported Sales Allowances	(\$ 150,000)
Less Recreation Facility Fee	(\$ 997,350)
Estimated Net Revenue	\$ 5,289,500
Reported Operating Expenses	(\$ 6,762,341)
Funded Capital Resources Added Back	(\$ 111,000)
Unreported Central Services Expenses	(\$ 302,874)
Unreported Workers' Comp Expenses	(\$ 237,862)
Taxes Added Back	\$ 0 ¹⁶
Depreciation Added Back	\$ 0 ¹⁷
Debt Service Interest Added Back	\$ 226,837
Debt Service Principal Added Back	\$ 1,022,322
Capital Improvement Costs Added Back	\$ 937,800
Estimated Adjusted Net EBITDA Expenses	(\$ 5,227,118)
EBITDA Earnings Minus All Debt Service/(Losses)	\$ 62,382

There you go. According to staff's "earnings" methodology, last year it earned a whopping \$62,382!

But Remember, Diamond Peak Isn't Debt Free: As I have previously shared with the Board², there are approximately \$3.5 Million of bonds outstanding which were used to finance construction of Diamond Peak's Skier Services Building and the Crystal detachable quad chairlift. And we've already begun the \$3.5 Million restoration of the "culvert to nowhere" which staff belatedly discovered during the construction of the Diamond Peak Skier Services Building (and rather than addressing the problem then and there, staff decided to move full steam ahead by kicking the can down the road until today). Since both of these expenses would have to be paid if there were a sale of Diamond Peak, just as I represented in my written statement to the Board of July 30, 2014, when we (generously) multiply Diamond Peak's 2013-14 EBITDA earnings of \$62,383 by eight, we see that **we owe more against Diamond Peak than it is worth!** This represents Diamond Peak's real worth unless someone is willing to pay a premium for its vast real estate holdings which are capable of private development and sale¹⁴ (i.e., *NONE*).

Faced With These Facts Mr. Pinkerton Now Contends His \$70 Million Figure Didn't Represent Diamond Peak's Fair Market Value But Rather, the Capital Expenditures Local Property Owners Have Involuntarily Invested Into This Black Hole: When the stark facts the subject of this written

¹⁶ IVGID pays no taxes.

¹⁷ Depreciation is not included as a reported expense at page 102 of IVGID's 2013-14 Operating Budget ["the Budget" (http://ivgid.org/client_uploads/2014_2015_operating_budget_194_pages_rev_8_14_14.pdf)].

statement were shared with Mr. Pinkerton, I am informed he immediately retreated claiming we didn't understand what his \$70 Million figure represented (even though we knew *exactly* what he asserted he had represented). Now Mr. Pinkerton contends that his \$70 Million figure represents the amount of capital invested into Diamond Peak. In other words, a FMV of *less than \$0.00* after having sunk \$70 Million into Diamond Peak!

If You Find Mr. Pinkerton's Representations Concerning Diamond Peak's Current FMV to be Misleading, Should You Not Be Suspicious of All of His Other Financial Projections Pertaining to Diamond Peak's Master Plan Update? This is why I and others I know ***DON'T BELIEVE ANY OF THE SE GROUP'S FINANCIAL PROJECTIONS CONCERNING SUMMERTIME OPERATIONS AT DIAMOND PEAK!*** Or stated differently, why would anyone whose "goal is to make sure...we...responsibly manage the assets of our District"¹⁸ spend another \$18.2 Million if not greater than \$20 Million on the underwater asset we know as Diamond Peak?

Conclusion: The issue here is whether we pour more good money after bad into an asset which is already worth less than the indebtedness thereagainst. Staff has an agenda to ram this Diamond Peak Fantasyland program down local property owners' throats, regardless of the expense, and then to look to us to pick up the tab for their irresponsibility. When public employees do not share the truth with and rather look out for their personal interests rather than the public they were hired to serve, it's time to call for a "culture change."

Diamond Peak's Master Plan Update came about because staff felt it was an "under-utilized" asset that could generate new revenue better utilizing existing facilities. More efficiently using an under-utilized asset would be to open the Grille Restaurant for dinners in addition to lunches. Or using the existing Snowflake Lodge during the summer as well as winter months. Or like retailer Target, staying open until 12 midnight. But investing another \$18.2 Million or more on massive upgrades to Diamond Peak doesn't represent more efficient utilization. Rather, it represents the creation of an entirely new recreational facility which exists primarily for the benefit of the tourist industry.

And that's the point of this written statement. Insofar as Updated Diamond Peak Master Plan is concerned, its financial representations simply *cannot* be trusted. If you don't care and don't mind paying more, then ignore what I have said and blindly embrace whatever it is that staff has represented concerning this Plan. But do so at your peril, and don't be mistaken into believing that I am the only one who doesn't believe staff's rosy financial projections.

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

¹⁸ This quote comes from Mr. Pinkerton himself made at community Ordinance 7 meetings.

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DEAL OF THE WEEK

Tough Timing for Ski-Resort Sale

By MAURA WEBBER SADOVI

Updated Nov. 25, 2009 12:01 a.m. ET



Powdr will soon add the Copper Mountain Resort in Colorado to its stable of properties. *Copper Mountain*

About three years after betting big on ski resorts, Fortress Investment Group LLC is selling a large Colorado ski area and trimming its exposure to an industry that has seen demand chilled by the financial downturn.

The Copper Mountain Resort ski area is one of several that Fortress acquired in 2006 when it bought Intrawest Corp., a Canadian owner of North American resorts, luxury golf courses and leisure travel businesses for \$2.8 billion in cash and assumed debt. Last year, Fortress restructured some debt related to Intrawest.

Copper Mountain, a resort with 22 chairlifts about 75 miles from Denver, is being purchased by Powdr Corp., a closely held Park City, Utah, company that owns seven other ski resorts, including Park City Mountain Resort in Utah and Killington Resort in Vermont. Representatives of Fortress and Powdr declined to comment on the sale. But a person familiar with the property said Powdr paid more than \$100 million. The deal is expected to close before year's end.

The deal, one of the biggest sales of a ski resort since the financial crisis, provides a glimpse into the current value of such properties that have been suffering from declining revenue and visits. It isn't clear why Fortress and Intrawest decided to sell Copper Mountain when the ski business is so weak.

 Near the peak of the market in about 2006, ski resorts traded at prices close to about 10 times earnings. Prices for resorts these days are more likely to be in the seven-to-eight multiple range, according to Jerry Jones & Associates a brokerage in Avon, Colo.

An Intrawest spokesman said the company wanted to focus on its core resorts, but declined further comment. Some analysts believe the move was part of a debt-reduction strategy. "No one wants to sell anything if you don't have to now," said William Marks, a managing director with JMP Securities in San Francisco.

While the market rally has helped Fortress's performance, the deal comes as Fortress has been struggling with other souring investments and weak results. For the three months ended Sept. 30, the firm posted a loss of \$190 million.

The big question facing Powdr and the ski industry: When will the market for new condo and commercial development recover?

The industry saw the number of skier visits fall to about 57.4 million in the 2008-2009 season, down about 5.1% from the 60.5 million visits logged in the year-earlier season, according to the National Ski Areas Association. Steep discounting by ski areas and special promotions such as free ski lessons are widely believed to have resulted in substantial drops in revenue.

At the same time, the real-estate market in ski-resort areas also is feeling the pinch as fewer mortgage companies are interested in financing second homes or investment properties, according to Brooke Roberts, director of sales at Denver-based Land Title Guarantee Co. The Copper Mountain area saw the total volume of property transactions completed this year through September fall to about \$20 million, from about \$40 million in the year earlier period, Ms. Roberts said. That total includes condominiums, single-family homes, commercial property and land.

The average price of condominiums and townhomes sold this year in Summit County, where Copper Mountain is located, from January through September was about \$394,784 this year, down from about \$463,633 for all of 2008, Ms. Roberts said.

Intrawest owns and operates Copper's on-mountain operations such as the ski lifts, ski school and the base village. It also has a permit from the U.S. Forest Service to operate on about 7,343 acres, which will need to be reissued to the new owners.

Intrawest purchased Copper Mountain in the mid 1990s for a price that was reported at the time to be in the \$192 million range. At one point Intrawest owned about 480 acres in the Copper Mountain area, said Rob Pyzel, a senior planner with the Summit County Planning Department. Intrawest has since sold some of that to developers, but Mr. Pyzel said it still owns a majority of the property, which includes the base village, a golf course, open space and approvals to develop additional residential and commercial property.

Copper Mountain, whose name reflects its mining history, has its own following and is viewed by some as offering a down-to-earth vibe that is more popular with retired executives and their families rather than the movie stars that often frequent Vail or Aspen, Colo. "It's striving to be destination resort but the reality

of life is Copper is an extremely good ski mountain that is loved by the Denver crowd," said Tom Malmgren, owner and president of Carbonate Real Estate in Copper Mountain.

Write to Maura Webber Sadovi at maura.sadovi@wsj.com

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Colorado's Echo Mountain ski area for sale in August auction

By Jason Blevins

The Denver Post (mailto:jblevins@denverpost.com?subject=The Denver Post:)

POSTED: 06/08/2012 01:00:00 AM MDT | UPDATED: 2 YEARS AGO

1 COMMENT (HTTP://WWW.DENVERPOST.COM/CI_20809529/ECHO-MOUNTAIN-SKI-AREA-SALE-AUGUST-AUCTION#DISQUS_THREAD)

NEXT ARTICLE IN NEWS ₀



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Echo Mountain ski area — the small ski hill 35 miles from downtown Denver that has enjoyed robust growth since opening six years ago — is for sale in an auction scheduled for early August.

"We've had six years of steady growth," said owner Jerry Pettitt, the Maryland hotelier who bought the 226-acre dormant Squaw Pass ski area at a 2002 auction for \$700,000 and has since plowed several million dollars into developing the area. "But to reach the next level, Echo needs investment and expansion. And it's time for new ownership to take it to that next level."

Under Pettitt, Echo Mountain has grown from 12,000 visits in its inaugural 2005-06 season to 32,000 last season. Just about every resort in the country limped through the 2011-12 ski season — the worst in two decades nationally for both snowfall and visitation. (http://www.denverpost.com/rockies/ci_20569463?source=bb) But Echo had decent snow and saw strong visitation, with revenue climbing 30 percent and daily ticket sales up 50 percent.

"It was a record year for us overall," said Pettitt, chief executive of the 14-team summer collegiate baseball Coastal Plain League who has bought and sold hotels across the country for decades.

The Denver office of international auction firm Sheldon Good & Co. is handling the sale. The firm offers swift sales and moves 90 percent of its listings, said chief executive Mark Troen.

"We get the deal done," Troen said.

Without discussing a price, Pettitt said: "Our whole aim is to get it sold, but we are not going to give it away either."

"I asked the auction people what they think and it's a wide range. The market sets the price so it's hard to say what it's going to sell for," said Pettitt, who will not close the ski area if bidders do not reach his undisclosed reserve price in the sealed bid auction.

The market for ski resorts is sporadic, especially in today's troubled economic climate, which has pinched commercial real estate.

Recent ski-resort sales cover a broad range. Jackson Hole's Storm King and Utah's Brian Head have been on the market for more than a year. Last August, the Powderhorn ski area atop the Grand Mesa sold at auction for a paltry \$1.4 million (http://www.denverpost.com/business/ci_19567465) in a deal that included 600 developable acres. Vail Resorts picked up Lake Tahoe's venerable and relatively expansive Kirkwood ski area in February (<http://blogs.denverpost.com/thebalancesheet/2012/02/22/vail-resorts-buys-tahoes-kirkwood-ski-area/3062/>) for \$18 million. Florida real estate investment trust CNL grabbed Washington's uber-snowy Stevens Pass for \$20.5 million last fall.

It's a tough market, with almost no consensus in terms of pricing a ski area, said Mike Cahill, whose Greenwood Village-based Hospitality Real Estate Counselors specializes in commercial real estate and is listing Jackson's 465-acre Storm King ski area, which includes a 204-room hotel, for an undisclosed price.

"Almost all ski resorts make their money off residential real estate sales," Cahill said. "Without real estate it places the buyer dependent on just the ski industry."

But skiing has worked for Echo. The hill straddling Squaw Pass has developed a loyal following as it evolved from pure terrain park to family-centric ski hill (http://www.denverpost.com/outdoors/ci_17721826?source=rss).

Troen and Pettitt will trumpet the opportunities for Echo as they reach out to ski-industry veterans, resorts looking to expand their offerings and investors. The area's summertime potential is ripe for expansion and the ski area could more than double its vertical drop.

"This will be valued not just on its tangibles but also its intangibles," said Troen, who noted the parcel could host some residential development. "Not only by what the ownership has put in place but what the new ownership can add to that."

Pettitt has built parking lots, two base-area buildings, three lifts and 16 trails on 80 acres of the 226-acre parcel, which boasts top-tier snowmaking and lights for night skiing. His team has developed only a third of the parcel, opening the opportunity to expand its 660 feet of vertical to 1,500 feet.

Bids in the sealed auction are due Aug. 2. More information can be found at [echomtnauction.com](http://www.echomtnauction.com) (<http://www.echomtnauction.com>).

Jason Bleivins: 303-954-1374 or jbleivins@denverpost.com



(portlet/article/html/imageDisplay.jsp?contentItemRelationshipId=4453961)

A snowboarder grinds one of several features at Echo Mountain last year. Without discussing a selling price, ski-area owner Jerry Pettitt says, "Our whole aim is to get it sold, but we are not going to give it away, either." (Denver Post file)



WRITTEN STATEMENT TO BE INCLUDED IN THE IVGID BOARD'S PACKET OF MATERIALS PREPARED BY STAFF IN ANTICIPATION OF THE BOARD'S REGULAR SEPTEMBER 10, 2014 MEETING AS WELL AS ATTACHED TO AND MADE A PART OF THE WRITTEN MINUTES OF THE BOARD'S SEPTEMBER 10, 2014 REGULAR MEETING AS WELL AS ATTACHED TO AND MADE A PART OF THE FINAL VERSION OF THE SE GROUP'S UPDATED DIAMOND PEAK MASTER PLAN – APPROVAL OF THE SE GROUP'S PROPOSED UPDATED DIAMOND PEAK MASTER PLAN BLINDLY PROMOTED BY STAFF – IF YOU FIND STAFF HAS UNTRUTHFULLY OR MISLEADINGLY REPORTED DIAMOND PEAK'S CURRENT FINANCIAL PERFORMANCE, SHOULD YOU NOT QUESTION THE ACCURACY OF THE PROPOSED PLAN'S FINANCIAL PERFORMANCE?

Introduction: The so called “Plan” before the IVGID Board¹ is being enthusiastically marketed to the public by Brad Wilson and our General Manager. They have represented that *NONE* of the costs associated with the Plan will rely upon nor be paid by the Recreation Facility Fee (“the RFF”) the Board *involuntarily* collects from some but not all local property owners. In order to evaluate the truthfulness of these representations, I and others believe that the Board and the public need to evaluate the truthfulness of other financial matters pertaining to Diamond Peak that staff is propagating specifically with reference to the Plan. Because *if you find staff to have been untruthful or misleading insofar as its representations concerning Diamond Peak’s current financial performance, you should question ALL of its projected financial performance.* And that’s the purpose of this written statement.

IVGID’s Misrepresentations Concerning Diamond Peak’s Current Financial Performance: On August 13, 2014 the North Lake Tahoe Bonanza (“the Bonanza”) published an article discussing the “Plan.” It was captioned “Ambitious Tahoe Ski Resort Master Plan 1 Month From IVGID Vote,”² and I have attached as Exhibit “A” to this written statement a true and accurate online copy of the article.

In the article unnamed “officials” are quoted as having stated the following concerning Diamond Peak’s current financial performance (I have placed an asterisk next to the quoted language):

Diamond Peak is “a resort that currently...makes money or breaks even in winter.”

¹ You can read the Plan at http://www.diamondpeak.com/uploads/pages/Diamond_Peak_Master_Plan_July2014.pdf.

² You can view the original of the article at <http://www.taohedailytribune.com/news/12589034-113/plan-master-phase-board>.

So is This a True Statement? Does Diamond Peak Currently Make Money or Financially Break Even? The answer is an emphatically *NO!*

I have attached as Exhibit "B" to this written statement page 102 from IVGID's 2014-15 operating budget³ ("the Budget"). This page represents a summary of sources (IVGID terminology for "Revenues") and uses (IVGID terminology for "Expenses") for the Enterprise accounting Fund known as "Ski" (IVGID terminology for Diamond Peak). I have placed an arrow pointing downwards to the column labeled 2013-14 "Est(imated) Actual." Although it is my position that IVGID's financials over report revenues⁴ and under report expenses⁵, for purposes of this discussion, let's just accept these numbers as being fact. And remember, *these are staff's numbers*, and not mine.

At first blush Diamond Peak's financial performance for this last season (i.e., its "net") was a *NEGATIVE* \$325,491. But as you will see, it was really much, much more. At the top of the page under "Revenues" you will find a \$997,350 entry which has been labeled "Facilities Fees." This entry represents the allocated portion of the RFF staff unilaterally assigns to this accounting fund. It is the financial *subsidy* the RFF provides to mask the full extent of *losses* staff racks up year-after-year. Since this subsidy has nothing to do with the operational revenue staff is able to, this number should be subtracted from the summary's bottom line "net" number.

At the bottom of the page under "Expenditures," you will find a MINUS \$111,000 entry which has been labeled "Funded Capital Resources." At page 189 of the Budget this term is defined as: "amounts earned and retained *in prior periods...*to acquire specific capital improvements."⁶ In other words, this entry represents unspent moneys in prior years used to offset some of the \$937,000 of 2013-14 "Capital Improvement" expenditures. Since these reserves in no way represent any of the revenue or negative operational expenses staff incurred last season at Diamond Peak, this number should be similarly subtracted from the summary's bottom line "net" number.

When we add back these two numbers to Diamond Peak's estimated *actual* financial performance for last season, we see that not only did Diamond Peak *NOT* break even nor generate a profit as staff represented to the Bonanza, but rather, ***it lost \$1,322,952 which was subsidized by the RFF!***

So Who Was Telling the Truth?

³ See http://ivgid.org/client_uploads/2014_2015_operating_budget_194_pages_rev_8_14_14.pdf.

⁴ As an example, consider the "Sales Allowances" discussion below.

⁵ As examples, consider the "Central Services" and "Workers' Compensation" discussions below.

⁶ Have you asked yourself why previous years' unspent RFF subsidies aren't returned or credited to the local property owners who have involuntarily paid them, rather than being available for future unbudgeted expenditures?

Actually, the Loss Last Year at Diamond Peak Was A Lot *More* Than \$1,322,952; it Was at Least \$1,863,518, and More Likely in Excess of \$2 Million! And as you will see, this number can by-and-large be calculated from staff's own numbers it buries in other parts of the Budget⁷ if you know how staff manipulates its financial reporting and you know where to look.

On June 11, 2014, I submitted a written statement to the Board which estimated Diamond Peak's loss last season based upon preliminary and less than complete monthly and year-to-date financial reporting submitted to the Board at its regular meeting of even date⁸. In that statement I highlighted two expense entries properly attributable to Diamond Peak's financials which were conveniently omitted from the Ski Fund summary, and I identified a third I identified with a "?" Since all three have again been omitted from this page of the Budget, let's review them again.

Central Services: according to staff are additional costs assigned to each of the public's recreational facilities "to cover the cost of services (allegedly) provided by the General Fund" (see page 188 of the Budget). However rather than assigning these costs to each of the accounting funds to which they are incurred, staff combines them with similar costs incurred in all of its accounting funds and then reports the lump sum total in a completely different and innocuous accounting fund; the Enterprise "Other Recreation" Fund. I have attached as Exhibit "C" to this written statement page 122 of the Budget which depicts a summary of sources and uses for the "Other Recreation" Fund. Again I have placed an arrow pointing downwards to the column labeled 2013-14 "Budget," and I have placed an asterisk next to the \$745,000 "Central Services Cost" entry. Since this expense represents total central services costs assigned to all Enterprise Funds under the umbrella of the Enterprise Community Services Fund, one needs to extract the allocated portion attributable to the Enterprise Ski Fund. In my June 11, 2014 statement I went through the necessary calculations and estimated⁹ that cost to be \$302,874¹⁰. Since this cost has *everything* to do with some of the operational expenses staff actually incurred last season at Diamond Peak, this number should be subtracted from the Ski Fund's summary's bottom line "net" number.

⁷ Why does staff bury some of the expenses it incurs [including sales allowances (see discussion below)] operating the public's recreational facilities? *Because it is embarrassing.* If the public knew the truth, as I am attempting to explain it, I believe it would be "mad as hell."

⁸ You can examine my written statement submitted to the Board at that meeting which appears at pages 45-50 of the packet of materials prepared by staff in anticipation of the Board's regular June 25, 2014 meeting [http://ivgid.org/client_uploads/bot_regular_packet_6_25_2014.pdf ("the June 25, 2014 Board packet")].

⁹ The public wouldn't have to "estimate" if staff were open and transparent in its financial reporting. But it's not.

¹⁰ If you are interested in seeing how I arrived at this number, take a look at page 46 of the June 25, 2014 Board packet at footnote 3.

Workers' Compensation: is an additional cost assigned by staff to each of the public's recreational facilities to cover insurance premiums and payouts to those employees assigned to its various accounting funds. However rather than assigning these costs to each of the accounting funds to which they are incurred, staff combines them with similar costs incurred in all of its accounting funds and then reports the lump sum total in a completely different accounting fund; the "Workers Compensation" Fund. I have attached as Exhibit "D" to this written statement page 142 of the Budget which depicts a summary of sources and uses for the "Workers Compensation" Fund. Again I have placed an arrow pointing downwards to the column labeled 2013-14 "Budget," and I have placed an asterisk next to the \$308,000 "Total Expenditures" entry. Since this expense represents total workers' compensation costs assigned to all accounting funds, one needs to extract the allocated portion attributable to the Enterprise Ski Fund. In my June 11, 2014 statement I went through the necessary calculations and estimated⁹ that cost to be \$237,692¹¹. Since this cost has *everything* to do with some of the operational expenses staff actually incurred last season at Diamond Peak, this number should be subtracted from the Ski Fund's summary's bottom line "net" number.

Sales Allowances: Unfortunately, staff doesn't report the "sales and fee" revenues *actually* generated at each of the public's recreational facilities within its respective summaries of sources and uses. Rather, it reports the hypothetical revenue which would have been realized had their users paid the full published retail "rack" rate ("the retail rate"). In other words, when a resident Picture Pass Holder ("PPH") receives a Diamond Peak discount, rather than reporting the *actual* revenue received, staff reports the retail rate. And then to get its financial books to "balance," staff deducts the amount of the discount somewhere else. And just like Central Services Costs (see discussion above), rather than assigning the allocated portion of this deduction to the accounting fund to which it should be assigned, staff assigns all discounts to the Enterprise "Other Recreation" Fund (see Exhibit "C"). If you again examine the "Revenues" portion of Exhibit "C," you will see I have placed an asterisk next to the "Sales Allowances" entry of MINUS \$570,200. This number represents total discounts combined staff has reported in all of its Community Services Funds. But since this negative revenue or expense represents the total discounts assigned to all recreation funds, one needs to extract the portion attributable to the Enterprise Ski Fund. Unfortunately, and unlike Central Services and Workers' Compensation expenses, there's no way for me to calculate the negative revenue which should have been assigned to the Enterprise Ski Fund. But given Diamond Peak generates the lion's share of discounts given to PPHs, a good portion of the \$570,200 of negative revenue actually declared in the Enterprise "Other Recreation" Fund belongs to Diamond Peak. How much I can't represent⁹. But it seems likely that the amount (I am conservatively estimating \$150,000 or roughly 26% of all discounts system wide) is sufficient to push Diamond Peak's losses last season to *more than \$2 Million*.

Conclusion: So let's recap what we've learned (see the spreadsheet below):

¹¹ If you are interested in seeing how I arrived at this number, take a look at page 46 of the June 25, 2014 Board packet at footnote 4.

2013-14 Diamond Peak Net Losses	
Reported Revenues	\$ 6,436,850
Less Unreported Sales Allowances	(\$ 150,000)
Less Recreation Facility Fee	(\$ 997,350)
Estimated Net Revenue	\$ 5,289,500
Reported Operating Expenses	(\$ 6,762,341)
Funded Capital Resources Added Back	(\$ 111,000)
Unreported Central Services Expenses	(\$ 302,874)
Unreported Workers' Comp Expenses	(\$ 237,862)
Estimated Adjusted Net Expenses	(\$ 7,414,077)
Net Gain/(Loss)	(\$ 2,124,577)

In other words, when we add back these three additional expense entries into Diamond Peak's estimated *actual* financial performance for last season, we find the LOSS to total a minimum of **\$1,863,518 and probably in excess of \$2 Million, all of which was subsidized either directly or indirectly by the RFF!**

If You Find IVGID's Current Financial Reporting for Diamond Peak to be Untruthful or Misleading, Should You Not Be Suspicious of All of its Other Financial Representations Concerning the Updated Diamond Peak Master Plan? Those of us who have served on a jury know that one of the instructions given to us by the judge is that if we find a witness's testimony to be untruthful, we may disregard the remainder of his/her testimony. And how does this legal maxim apply to IVGID? ***DON'T BELIEVE ANY OF ITS FINANCIAL REPRESENTATIONS CONCERNING SUMMERTIME OPERATIONS AT DIAMOND PEAK BECAUSE THEY'RE LIKELY EQUALLY UNTRUE!***

Do You Really Think I Enjoy Criticizing Staff? I'm no naysayer. I'm not against "everything." I don't have a personal interest in embarrassing any IVGID employee. But here staff and the Board are asking us to guarantee payment of many millions of dollars for a program which offers us little if any value and according to staff's own Plan, returns *nothing* tangible to us for a minimum of twelve years. Why, then, don't I have a legitimate interest in registering my opposition? **LOUDLY?**

Conclusion: The issue here is honesty. Staff has an agenda to ram this Diamond Peak Fantasy-land program down local property owners' throats, regardless of the expense, and then to look to us to pick up the tab for their irresponsibility. My agenda is to return IVGID to what it was supposed to be; the provider of local services at the lowest possible cost for the primary use and benefit of us local inhabitants. When public employees do not share the truth with the public they were hired to serve, it's time to call for a "culture change."

The point of this written statement is that insofar as Updated Diamond Peak Master Plan is concerned, its financial representations simply *cannot* be trusted. Staff needs to openly share the

details of its financial reporting, not just for this project, but for all district activities, so collectively we can make the best decisions for our community. If you don't care and don't mind paying more, then ignore what I have to say and blindly embrace whatever it is that staff has represented concerning this Plan. But don't be mistaken into believing that I'm the only one who doesn't believe staff's rosy financial projections, because I'm not.

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



Kevin MacMillan

kmacmillan@sierrasun.com

August 13, 2014

Ambitious Tahoe ski resort master plan 1 month from IVGID vote

INCLINE VILLAGE, Nev. — The Incline Village General Improvement District continues to seek feedback on an upgraded master plan for Diamond Peak Ski Resort.



Question 2 of 3 or fewer:

When you think about smoke detectors for the home, what brands come to mind?

Separate answers by commas

Thanks! You unlocked this page by answering the first question.

Answer the rest to earn 7 days of survey-free access to this site.

No thanks

Google

[Learn more - Privacy](#)

On Sept. 10, resort staff and the SE Group (IVGID's hired planning firm) are scheduled to present for approval a final document that includes plans for increased summer operations, improved facilities and added terrain at the district-owned ski area.

Many of the potential additions — such as canopy tours, an aerial challenge course and an alpine coaster — are designed to bring year-round revenue to a resort that currently only makes money or breaks even in winter, officials said.



While some have supported growth at Diamond Peak, others are skeptical of the potential for increased traffic and noise, as well as a perceived likelihood residents would pay for amenities that mostly only tourists would enjoy.

“The real critical issue we want people to understand is the master plan is merely a conceptual document, and we’re asking the board to approve it knowing that every element in that master plan, the community will have many, many chances for input on,” Diamond Peak General Manager Brad Wilson said.

The master plan proposes \$18.2 million in capital upgrades, spent across four phases across many years, all while not raising resident recreation fees.

The first phase would add the aforementioned and other summer recreation options. Phase two includes a brand-new, 8,500-square-foot Snowflake Lodge, while the third phase focuses on winter upgrades, including a new detachable lift for Lakeview. Phase four would look at enhancing terrain.

The master plan’s goal is to let revenue from phase one help fund phase two, and so on.

It calls for roughly \$8 million in bonded debt, half for each of the first two phases, which the district would need to pay back, perhaps through the taxpayers. With that, the concept also assumes the upgrades will eventually pay for themselves through revenue gained from increased visitation.

Moving forward, if the board approves the master plan on Sept. 10, staff can look at potential elements — meaning not everything written in the plan could be proposed in the future — in Phase One before presenting them for board approval.

“It’s easily going to be an 18- to 24-month process, and within that process, there will be time for feedback on every single one of the elements proposed in Phase One,” Wilson said.

“Everything will be looked at from the board’s standpoint, and those elements must fit within our community values and the values of regulatory agencies. The board will ultimately approve the items ... and funding of those items.

“There are many, many steps in that process ... in no way does (approving the master plan) mean carte blanche of \$18.2 million of improvements.”

Residents can learn more by viewing the proposed plan and the SE Group’s July 30 presentation to the IVGID board at diamondpeak.com/about/master-plan-update-process/.

Comments prior to Sept. 10 should be emailed to brw@ivgid.org.

The resort’s master plan has not been updated since 1986.

IVGID Departmental Budget Summary

Ski Summary
Sources and Uses

	2012-13 Actual	2013-14 Budget	2013-14 Est. Actual	2014-15 Budget	\$ Chg Bud to Bud	\$ Chg Est Act to Bud
Revenues						
Sales and Fees	5,967,266	6,516,500	5,308,900	6,690,500	174,000	1,381,600
Concessions	79,667	84,500	63,000	85,100	600	22,100
Sales Allowance	(158,898)	(84,000)	-	(84,000)	-	(84,000)
Facilities Fees	158,774	997,350	997,350	997,960	610	610
Rents	-	-	2,800	-	-	(2,800)
Interfund Services	-	-	300	23,700	23,700	23,400
Other Financing Sources						
Non Operating Leases	37,295	36,400	77,800	51,400	15,000	(26,400)
Proceeds from capital assets dispositions	(16,519)	-	(13,300)	-	-	13,300
Debt Proceeds	173,750	-	-	-	-	-
Total Revenues and Other Sources	6,241,335	7,550,750	6,436,850	7,764,660	213,910	1,327,810
Expenditures and Uses						
Personnel Cost						
Salaries and Wages	1,708,037	1,984,082	1,825,700	1,990,484	6,402	164,784
Employee Fringe	531,067	710,875	599,700	702,877	(7,998)	103,177
Professional Services	9,859	10,500	34,200	85,500	75,000	51,300
Services and Supplies	1,179,328	1,376,800	1,298,100	1,421,800	45,000	123,700
Insurance	137,316	160,200	168,400	166,600	6,400	(1,800)
Utilities	439,589	578,800	550,900	558,000	(20,800)	7,100
Cost of Goods and Services Sold	216,407	235,000	208,900	235,400	400	26,500
Capital Expenditures						
Capital Improvements	597,223	1,098,166	937,800	1,608,100	509,934	670,300
Capital Carry Forward	(227,976)	-	-	-	-	-
Debt Service						
Principal	905,565	1,022,322	1,022,322	1,061,509	39,187	39,187
Interest	251,684	226,837	226,837	182,211	(44,626)	(44,626)
Fiscal Agent Fees	454	482	482	429	(53)	(53)
Interfund Transfers and Adjustments						
Funded Capital Resources	-	(111,000)	(111,000)	(250,000)	(139,000)	(139,000)
Total Expenditures and Uses	5,748,553	7,293,064	6,762,341	7,762,910	469,846	1,000,569
Net Sources and Uses	492,782	257,686	(325,491)	1,750	(255,936)	327,241

(325,491)
 (111,000)
 (997,350)

2013-14 est.
 losses using
 IVGID's numbers

(1,322,952)

IVGID Departmental Budget Summary

**Other Recreation Summary
Sources and Uses**



	2011-12 Actual	2012-13 Budget	2012-13 Est. Actual	2013-14 Budget	\$ Chg Bud to Bud	\$ Chg Est Act to Bud
Revenues						
Sales and Fees	16,139	-	11,500	-	-	(11,500)
Sales Allowance	(564,550)	(570,200)	(437,500)	(570,200) *	-	(132,700)
Facilities Fees	2,146,599	1,577,775	1,577,025	1,578,740	965	1,715
Other Financing Sources						
Investment Earnings	28,421	11,000	23,500	30,000	19,000	6,500
Proceeds from capital assets dispositions	-	-	17,500	-	-	(17,500)
Total Revenues and Other Sources	1,629,317	1,018,575	1,192,025	1,038,540	19,965	(153,485)
Expenditures and Uses						
Personnel Cost						
Salaries and Wages	142,647	76,893	69,000	207,852	130,959	138,852
Employee Fringe	60,396	45,331	29,200	89,646	44,315	60,446
Professional Services	1,607	10,000	4,500	10,000	-	5,500
Services and Supplies	18,053	174,480	161,000	70,000	(104,480)	(91,000)
Central Services Cost	673,500	706,000	706,000	745,000 *	39,000	39,000
Capital Expenditures						
Capital Improvements	(42,243)	80,000	-	-	(80,000)	-
Capital Carry Forward	42,243	-	-	-	-	-
Fuels Management	99,957	100,000	100,000	100,000	-	-
Interfund Transfers and Adjustments						
Transfers In/Out	-	-	-	(400,000)	(400,000)	(400,000)
Total Expenditures and Uses	996,160	1,192,704	1,069,700	822,498	(370,206)	(247,202)
Net Sources and Uses	633,157	(174,129)	122,325	216,042	390,171	93,717

IVGID Departmental Budget Summary

Workers Compensation Summary
Sources and Uses

	2011-12 Actual	2012-13 Budget	2012-13 Est. Actual	2013-14 Budget	\$ Chg Bud to Bud	\$ Chg Est Act to Bud
Revenues						
Interfund Services	167,554	230,000	195,600	285,100	55,100	89,500
Other Financing Sources						
Investment Earnings	139,450	20,700	21,300	22,900	2,200	1,600
Total Revenues and Other Sources	307,004	250,700	216,900	308,000	57,300	91,100
Expenditures and Uses						
Personnel Cost						
Salaries and Wages	9,066	-	-	-	-	-
Employee Fringe	5,399	-	-	-	-	-
Professional Services	35,044	27,700	26,100	33,100	5,400	7,000
Insurance	49,610	48,000	42,500	48,000	-	5,500
Worker Compensation Claims	144,634	175,000	74,100	226,900	51,900	152,800
Total Expenditures and Uses	243,753	250,700	142,700	308,000	57,300	165,300
Net Sources and Uses	63,251	-	74,200	-	-	(74,200)

IVGID Departmental Budget Summary

Workers Compensation Summary
Operating and Net Income (Loss)

	2011-12 Actual	2012-13 Budget	2012-13 Est. Actual	2013-14 Budget	\$ Chg Bud to Bud	\$ Chg Est Act to Bud
Operating Revenues						
Internal Service Charges	167,554	230,000	195,600	285,100	55,100	89,500
Total Operating Revenue	167,554	230,000	195,600	285,100	55,100	89,500
Operating Expenses						
Personnel Cost						
Salaries and Wages	9,066	-	-	-	-	-
Employee Fringe	5,399	-	-	-	-	-
Professional Services	35,044	27,700	26,100	33,100	5,400	7,000
Insurance	49,610	48,000	42,500	48,000	-	5,500
Worker Compensation Claims	144,634	175,000	74,100	226,900	51,900	152,800
Total Operating Expenses	243,753	250,700	142,700	308,000	57,300	165,300
Operating Income (Loss)	(76,199)	(20,700)	52,900	(22,900)	(2,200)	(75,800)
Non Operating Revenues						
Investment Earnings	139,450	20,700	21,300	22,900	2,200	1,600
Total Nonoperating Revenue	139,450	20,700	21,300	22,900	2,200	1,600
Net Income	63,251	-	74,200	-	-	(74,200)

Herron, Susan

From: Frank Wright [alpinesportss@gmail.com]
Sent: Wednesday, September 03, 2014 11:09 AM
To: Herron, Susan
Subject: Re: policy

Please add this to the board packet and give a copy to each board member and Mr. Pinkerton

Susan,

I have asked for and I have yet to get the form to opt out of the Recreation Fee. Not all parcels fall within your attached document.

Hence they don't pay a Beach Fee and some don't even pay a Recreation Fee, I want the form and or methodology to stop paying the Recreation Fee, because it does nothing for me. The funds collected by IVGID are not used as stated in the attached document you provided. Please comply with my request for an administrative hearing to refund my recreation fee I am paying under protest. And Please provide me the form to opt out of the Recreation fee. The same form and methodology used for those parcels not paying the beach fee even though their parcels are located in the 1968 boundries of IVGID.

Please provide me the districts procedures to Opt out of the recreation fee.

Under NRS statues the district is required to have such a procedure.

I have legal remedies and to save the district legal cost please just provide what I request.

Thank you,
Frank Wright
Crystal Bay

On 9/3/14, Herron, Susan <Susan.Herron@ivgid.org> wrote:

> Frank,
>
> Attached is the Recreation Roll policy 16.1.1; I believe this is what
> you are seeking.
>
> This completes your document request in its entirety.
>
> Susan A. Herron, CMC
> Executive Assistant/Clerk to the Board of Trustees Incline Village
> General Improvement District
> 893 Southwood Boulevard, Incline Village, NV 89451
> P: 775-832-1207
> F: 775-832-1122
> M: 775-846-6158
> sah@ivgid.org
> <http://ivgid.org>

> -----Original Message-----

> From: Frank Wright [<mailto:alpinesportss@gmail.com>]
> Sent: Tuesday, August 19, 2014 9:33 PM
> To: Herron, Susan
> Subject: policy

> Susan,

> Please give me the policy, or board action which allowed parcels along
> lakeshore to opt out of the beach fee. Precisely the action taken by
> the board which was the genesis of the opt out clause. Having the

> ability to opt out of the beach fee had to have board approval and a
> legal basis for this event to take place. Please provide the above
> information under the public information statues to be provided by a
> governing agency. This board action should be readily available so
> others can study the basis for the action and engage in similar opt
> out provisions of the district. If you extend this option to some you
> must extend this option to all, and could you provide me the forms to
> be used to opt out of fees for public recreation offered by IVGID.
> Surely those who opted out had to file a form, and or an application
> with the district otherwise how would you know who has and hasn't
> opted out. If you want you can just send me a copy of one of their
> forms and I can copy it myself.
> Thank you,
>
> Please add this to the board packet and make a copy available to each
> board member, and our new general manager.
>
> Thank you,
> Frank Wright
> Crystal Bay, Nevada
>

Herron, Susan

From: Bob Lyons [bob@lyonsoffice.com]
Sent: Wednesday, September 03, 2014 1:21 PM
To: 'Barta Leslie'; 'Craig and Carla Kirk'; 'Donna Karam'; 'Carol Hayes'; 'Nancy'; 'Curtis McLachlan'; hblr@pacbell.net; 'Louie Tall'; TVHSFL@aol.com; 'Arnold Sullivan'; Bob Lyons; 'Mary Becker'; JaniceSchumacher37@yahoo.com; tahoepamela@yahoo.com; 'Lee Koch'; vjfrank@sbcglobal.net; holmestahoe@charter.net; 'Charlene Meenan'; 'Mike Brown'; 'Troy Browning'
Cc: Wolfe, Joseph; Hammerel, Jim; Devine, Bill; Smith, Jim; Simonian, Bruce E.; Pinkerton, Steve J.; Paris, Hal; Wilson, Brad R.; Herron, Susan
Subject: FW: IVGID white form meeting at 719 Joyce Lane

Thank you Messrs. Pinkerton, Paris and Wilson for attending the meeting on 8/29. The dialogue was open, cordial and informative. Our group now has a good understanding of the white form process and a deeper insight into rec pass issues, the various methods of beach access and related governance / control processes. I have been requesting feedback from the team members and I have summarized our observations and recommendations below for your consideration. We would like to understand the point of view of each Trustee and potential Trustee on the recommendations. Since this is a rather long document I have highlighted the summary of recommendations immediately below and detailed analysis and recommendations are in the body of the text.

Summary Recommendations: Everyone agrees that the beaches are overcrowded, but there seems to be a difference in opinion re: who are the abusing parties. Our team is more interested in identifying problems and implemented fixes going forward vs. punishing the abusers. Regardless, here are our recommendations:

1. The boat ramp at Ski Beach should be for residents only. Send the part time guests / visitors to Sand Harbor. There is a safety issue re: inexperienced Tahoe boaters using the ramp at Ski Beach.
2. Rec passes, visitor access cards and white forms need a technology refresh. The team requests a follow up meeting to discuss.
3. OR7 should be a document that is jointly owned and approved by the parcel owners, IVGID and the Board of Trustees.
4. Apply the \$831.00 resident fee to beach access of each parcel and financially dissuade abusers and overuse parcel owners from continued use once the \$831.00 cap has been reached.
5. Properly define a 'guest' and modernize the family tree and OR7 articles to include this definition.
6. Limit the Hyatt to its' own private beach but do not ignore the needs of the local businesses and property management companies.
7. Drill down into the 11,000 white forms issues last year and identify the requesting parcels to see if abusers can be identified – not to punish, but to determine what loopholes they have mastered and plug these holes with improved governance.
8. On forecasted heavy use days staff the kiosks at the same time the gates are opened.

Background information and general observations:

1. Specific to the white form, no one in attendance knew exactly when the procedure was implemented. There is no known documentation of its' origin in the IVGID records as far as we can tell. The best estimate was sometime in the 1980's and the white form apparently pre-dates the plastic rec passes and punch cards. Since the form was created long before the digital age came to being it is easy to understand how one could gain access to the beaches using white forms. Specifically, there is no electronic edit back to the rec centre when a white form is shown to a kiosk attendant to validate that it is a valid white form. There are no reference

numbers, nothing to scan at the kiosk, nothing to validate. A parcel owner can obtain a white form at the rec centre and scan and duplicate it on any color printer. There is no forms control process in place, no form control number, no form creation date. Due to the passage of time the procedure is dated, obsolete and flawed, with the exception that the kiosk employee takes the form from the guest upon the expiration date on the form.

2. The original intent of the white form are that a parcel owner can give it to a guest and **1)** not have to accompany them to the beach and **2)** the guest pays their own beach access fee and **3)** It is more economical and convenient for property management firms than sending a guest to the rec centre and creating a plastic access card for a guest who is only visiting for a couple of days.
3. The negative features of the white form are **1)** the parcel owner declares the beginning and end date of the access privileges. This means a parcel owner can initiate access on Jan 1 and end it on Dec 31, essentially giving a guest (or anyone) an annual pass and **2)** there is no limit to the amount of white forms a parcel owner can request. This includes the Hyatt and property management firms. Fill them out and hand them out, apparently with no / little recourse back to the parcel owner. **3rd,** the white forms are exempt from any kind of governance except the honesty of the requesting parcel owner, including the family tree nor is the process mentioned in any way in OR7 of 1998.
4. The issue of whether or not the white form has inadvertently made the beaches public is a matter of debate. Their issuance still remains under the domain of the parcel owner. Our team is split on this issue.
5. Mr. Pinkerton made the comment that beach access was increasing even though the flow of effluent (sewage pumped) was decreasing in town. Mr. Paris agreed that the beach access was indeed on the rise. When I asked Mr. Paris his view on why beach access was increasing while sewage pumped was decreasing Mr. Paris told the group it is because parcel owners are granting too much beach access to guests. We believe further research is required. One point of view is that the only way beach access can be increasing while sewage pumped is being decreased is because the majority of beach visitors are not staying here in Incline Village. Another point of view is that the parcel owners are abusing the system by granting access privileges to unqualified guests **1)** outside the family tree and **2)** who are not connected to Incline Village in any way. The **3rd** possible reason for the indirect correlation is that when homes are modernized these days toilets, et al. are equipped with water conservation features.

Further detail on summary recommendations:

1. Access to the boat ramp should not be included with white forms or any future medium invented for guest access. For those of you who do not boat, the ramp requires a decent amount of skill to launch and retrieve a boat because there is no dock. You need two experienced people (boat captain and car / trailer driver) to launch and retrieve a boat at Ski Beach. When the wind is up it is very challenging and potentially dangerous for inexperienced boaters. For example, when retrieving a boat, you have to hit your trailer dead on and increase your speed as you approach the trailer to counter the lateral drift created by the wind. A mistake can create a traffic jam (and potentially an injury) and tie up the ramp for some time. At Sand Harbor one person can handle the job because **1)** there is a dock at Sand Harbor and **2)** there is a breakwater. Send the visitors to Sand Harbor. Part time and first time visitors to the lake should not use the ramp at Ski Beach. It will be safer for everyone to send them to Sand Harbor.
2. The paper white form is obsolete and needs to be replaced with another form of plastic card when IVGID re-vamps their IT process. The replacement technology should have a limit / edit on the allowable access time duration. If the new, electronic white form is for short term visitors, then put a limit on the amount of time the visitor can access a beach. Educate the businesses in town re: the revised process. Our team members have several recommendations for how this can be accomplished and would like a follow up meeting to discuss. Concurrent with modernizing the white form additional punch cards should have a cap re: **1)** how many extra cards are allowed per parcel and **2)** the limit to the monetary value a single card can hold. Unspent funds on punch cards should roll over into the next year vs. be confiscated by IVGID when the cards expire. The additional punch card is essentially a special use pre paid private label debit card and should be in compliance with federal regulations. (Dodd Frank Act and Durbin Amendment)
3. On heavy beach use days IVGID should consider opening the gates at the same time the kiosks are manned. Right now the gates open at 6 AM (most likely for maintenance) and the kiosks are not staffed until 8 AM.

- a. When IVGID staff opens the kiosk there is no process to check in and validate people already on the beach.
 - b. This means anyone can get on the beaches between 6 and 8 AM. That being said, I did visit Burnt Cedar beach at 7:50 this morning (8/31) and **1**) there were only two maintenance cars in the parking lot and **2**) there was no one on the beach nor were there any beach umbrellas, blankets, etc set out. So this may be a small problem that can be addressed on forecasted heavy use days only.
4. Jon Frank had a very good idea, which we discussed after the meeting had adjourned. We were discussing exactly what a parcel owner gets in return for their \$831.00 while guests pay click fees of \$12.00. Following is what Jon came up with. Discounts / activities from other amenities are excluded from this recommendation to track beach access.
- a. The parcel owner is king / queen: he / she can allow as many guests as they like, using whatever access medium is chosen. However it is felt that some kind of cap needs to be applied to the number of access cards / white forms, day passes, etc that are requested by the parcel owners. Controlling excessive use and abuse of the system can be accomplished by implementing the following control points:
 - i. Each beach access is memo posted (not a real debit) \$12.00 to the parcel owner's \$831.00 amenity fee. (time period 1/1 – 12/31)
 - ii. Once \$831.00 worth of beach access has been reached for the calendar year one of two things occur:
 1. No more access for the year or for anyone connected with that parcel or:
 2. Beach access fees increase exponentially so as to dissuade the parcel owner from granting more access. Controlled access via price increases / overuse penalties will work. IVGID to set the tiers for penalty access fees and update OR7.
 - a. For those who own multiple parcels, it is $[(\$831.00 \times \# \text{ of parcels}) / \$12.00]$ to calculate the limit.
5. Pursuant to observation 5, (above – observations) there is no definition of a guest in OR7 of 1998 nor in the deed to my home. When the family tree is modernized, the definition of a guest needs to be documented. Should a guest be a house guest or can a guest be anyone? For example, can a parcel owner claim that 500 friends, currently owning at Martis Camp, are his / her guests and have beach access granted for a full year? The lack of control / definition of a 'guest' seems to be stretch of the family tree, our deed restrictions, the intent of OR7 and as a result the issuance of these passes is possible in today's environment.
6. The Hyatt should not be allowed to issue white forms or whatever replacement medium is invented. The Hyatt should be subjected to the same rules that apply to several lakefront homeowners – which is – if you have your own private beach then you do not need access to another entity's private beach granted to them under a deed restriction that cites an exclusive right to perpetual use. The needs of the local businesses and property management companies needs to be included in future changes, but the Hyatt is a separate issue because they have their own private beach. If Hyatt guests walk across the creek or use the bridge onto Ski / Incline Beach there is not much that can be done about that.
7. IVGID has stated that 11,000 white forms were issued last year. We would like an analysis of this statistic. Specifically, how many parcel owners, in total, requested white forms and the total number of white forms requested per parcel. If the beach overcrowding is due to an identifiable number of parcel owners who are abusing the system then this information can be applied to the solution.

Personal viewpoint:

8. To me, this issue is solvable with **1**) the proper application of technology, **2**) renewed awareness to parcel owners that beach access will be tracked with an updated system and procedures for **3**) increased governance / controls and **4**) increased commitment from IVGID to the parcel owners. The parcel owner is the ultimate customer who pays dearly for private beach access and should have full and unrestricted access to the beaches at all times. If a parcel owner cannot

get on a beach because it is overcrowded this is a violation of the deed restrictions. It is IVGID's job to properly manage the amenities and it is the responsibility of the Board of Trustees to ensure the legal rights of the parcel owners (aka: shareholders) are preserved and protected. Because our property values could be at stake, neither IVGID nor the Board of Trustees should have power or authority that exceeds the right of a parcel owner – specifically to grant rec passes to anyone that the Board or District chooses without the approval or at a minimum the awareness of the community they serve. (Reference: OR7 of 1998, article 68) In return, no parcel owner should have the right to grant rec passes to anyone that violates OR7 and the current and hopefully re-defined family tree.

There are very well documented procedures in OR7 of 1998 re: how to handle an abusing parcel owner, but no similar disciplinary procedures exist if IVGID, with the Trustees approval modify the rec rules / regs and violate or call into question the legal rights of the parcel owners in the process. IVGID was very likely correct last Friday evening when it was stated they have the legal right to issue passes to anyone of their choosing. But that is not the point. The point is when IVGID takes actions under the protection of article 68 of OR7 they are offending the parcel owners in the process and creating an atmosphere of distrust. I recommend that equal checks and balances be applied to the parcel owners, IVGID and the Board of Trustees. To accomplish this, OR7 should be a document equally owned by the parcel owners, (75% vote needed to approve) the Board (protecting the rights of the shareholders) and IVGID (to manage the amenities).

Again, thank you IVGID management for an open and educational dialogue and I will contact Sue Heron to schedule a follow up meeting where members of our team would like to present their thoughts on a more detailed solution to the issue of beach / amenity overcrowding.

Herron, Susan

From: Barbara Frederic [bswims2bfit@gmail.com]
Sent: Thursday, August 28, 2014 5:29 PM
To: Herron, Susan
Subject: Diamond Peak Master Plan

IVGID Board of Trustees:

In mulling over the presentations regarding the proposed year round plans for Diamond Peak, we are unaware of any discussion regarding the cost of liability insurance, maintenance or increases in staff costs. If operating Diamond Peak year round is to "pay for itself" then it seems a full operating budget should be available for consideration.

Of major concern is the fact that this may become another venue where financial promises are not kept.

Thank you,
George and Barbara Frederic

Herron, Susan

From: Wilson, Brad R.
Sent: Friday, August 29, 2014 1:53 PM
To: Herron, Susan
Subject: FW: DP master plan

For the Board...

Brad Wilson
General Manager
Diamond Peak Ski Resort
(775) 832-1129
www.DiamondPeak.com
Live Cam

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

From: Grace Davidson [<mailto:ghuener@gmail.com>]
Sent: Friday, August 29, 2014 12:31 PM
To: Wilson, Brad R.
Subject: DP master plan

I have heard that your plans for summer activities at Diamond Peak are at risk due to a small, yet vocal, resident minority. I am writing to express my support for developing the year-round enjoyment and revenue resource of Diamond Peak. We have two children, 12 and 8, who most likely won't get to enjoy much of it before they are out of the house. Nonetheless, I think it would be great for children and adult residents and a nice option for visitors. I doubt it will draw additional visitors to Incline, but will simply be an added bonus to those already here.

From what I can tell, Diamond Peak is used in the summertime by few people, and for an activity that one can do in numerous other places around Incline. I am one of those people, but I am willing to give it up, or share it, so that Incline residents and Diamond Peak can benefit both financially and from the additional recreation opportunities.

Thank you,
Grace Davidson

Sent from my iPad

Herron, Susan

From: Frank Wright [alpinesportss@gmail.com]
Sent: Monday, August 25, 2014 2:11 PM
To: Herron, Susan
Subject: BULK Six flags east

Importance: Low

Susan,
Please provide a copy to each board member and add this letter to the next board package.
Thanks
Frank

Dear Members of the Board,

You are about to adopt a master plan for what staff has described as an "under utilized" ski area. September 10th's resolution will pass with unanimous Board approval so this letter is not really an attempt to change the boards collected minds. Rather, it is an attempt to let our community know this is a mistake and not something the Board should be supporting with their votes.

Mr. Simonian and Mr. Hammerel have been telling everyone in town they're going to vote for this summertime "Disneyland." And because Mr. Pinkerton has become a "cheerleader" for staff, he has crawled on board this sinking ship. And now I've heard that at least three of you plus Mr. Wilson and possibly Mr. Pinkerton have made plans to travel to Vail, CO. (at the public's expense) to see their summertime operations "up close and personal" (wouldn't a drive to Heavenly suffice? And if so, how many trustees does it take to screw in this light bulb?). So in reality, this letter is for our community's benefit to help it understand how little those who spend our money (an unbelievable \$18.2M according to the Plan) really care about those who live here.

If this new Master Plan is actually implemented, it will cost those who live here dearly. And we will never see a tangible return on our investment (according to the Plan local property owners who are financially backing these proposed new facilities won't see one penny of return for at least ten years after it becomes operational, which won't be for at least 3-5 years from today! One need only look at IVGID's past business ventures. They have all been extreme business failures. Nearly \$7M a year in losses (or at the least "negative cash flow") directly paid by our Rec Fee, year after year after year! And now we're going to take on another business venture we all know will be funded and guaranteed by our Rec Fee? And IVGID staff could care less.

They know from past experience that the losses will be covered by those who will never use these facilities; the local property owners who are forced to pay the Rec Fee. And they know that Gerry Eick will manipulate their financial reporting to make it look as if we're making money when we're really not. If you're being truthful with the public, you all know these facilities are for tourists (in fact, isn't that exactly what the SE Group has told you?); the Hyatt Hotel, the Visitors Bureau's members and the customers of those businesses in town who benefit from tourism. Why then do those of us who will never use these facilities have to fund them?

I know, We've heard the SE Group's empty claims that none of the proposed \$18.2M in new improvement costs will be reliant upon our Rec Fee. But do any of you really, really believe this? If so, then how about getting those who are pushing this plan the most to put their money where their mouths are? How about demanding personal guarantees from the SE Group, the

Hyatt Hotel, the Visitors Bureau, Craig Olson's Tunnel Creek businesses, Brad Wilson and Brad Johnson? After all if they're wrong, local property owners (rather than they) will be the ones left holding the bag.

On the other hand, if the Plan is a financial success, those of us who live here will suffer because the Board will have converted our community into a worldwide, year long, tourist mecca, Traffic, noise, overcrowding, rowdy outsiders and the loss of our identity as a bedroom community and great place to raise our families (isn't that the reason Mr. Pinkerton decided to become our GM and make Incline Village his family's home?). Either way, local property owners will have become proponents' or extremely unwilling SAPS! For what?

Our new General Manager thinks Diamond Peak is worth \$70M (even though Kirkwood which is worth many times more recently sold for but \$18M).

Others are convinced it is worth nothing because we owe more in bonds and ongoing capital projects than it is worth. Consider the REAL facts.

Mr. Katz has demonstrated in cold, hard facts, that last year Diamond Peak LOST over \$2M! Now staff can play games with the truth and call these losses "cash flow" and really not "earnings." Or they can rely upon deceiving earnings formulas Wall Street uses (like EBITDA) to report operational income rather than actual cash flow. Or they can create financial reports which include our Rec Fee subsidy as part of revenue which instantly wipes out Diamond Peak's losses. But at the end of the day, regardless of what you call it, Diamond Peak took in over \$2M LESS in sales and fee revenue than the actual expenses it incurred which were directly or indirectly assignable to its operations.

That's \$2M million in negative revenues at a ski area that according to the SE Group's Plan, is operating at over capacity during the busy weekends, and holidays.

According to the SE Group's Plan, you just can't get any more people on the mountain and deliver an acceptable product. So it is impossible to make money or even break even at Diamond Peak unless staff is able to increase MID-WEEK skier visits. This is a challenge for every ski area, and it is a challenge Diamond Peak is ill equipped to meet given Incline Village is unable to attract captive "destination" visitors who will travel to a Vail or Aspen or Steamboat Springs. So why did the Board just spend another \$265,000 of our Rec Fee with EXL Media to advertise in the Bay and Sacramento areas for more WEEKEND skiers/snowboarders?

Without clear evidence this spending directly translates into many times the hard dollars spent on new Diamond Peak revenue, it just doesn't make business sense. That is, unless your real purpose is to "spread the wealth" with favored local collaborators (Brad Wilson's "cozy" relationship with EXL Media's Wendy Hummer being one of them) at local property owners' expense.

If you read the SE Group's proposed financial projections, you will see they think \$80 dollars/day [$\$7,733$ divided by 102 days of operation (see Table 21 at page 61 of the Plan)] is all IVGID will spend on employee salaries, benefits, central services costs and workers' comp premiums/claims operating just the Lakeview chairlift taking visitors to the base of Snowflake Lodge. If we have two employees, one running the lift at the top and one loading the lift at the bottom of the chairlift, we have a minimum of two employees for this single asset. If they work an eight hour day, at minimum wages plus benefits, it will cost us more than twice the represented \$80! And of course this doesn't include utility, maintenance or repair costs.

Let's look at the Plan's revenue projections. At Table 20, page 59 of the Plan, the SE Group projects IVGID will sell nearly 93 Canopy Tours (i.e., zip line adventures with platform stops along the way) per day (9,450 tours divided by 102 days of operation), for 102 straight days, rain or shine, at an average sales price of \$100. Granlibakken charges \$50 per adult and \$40 per child for its

2-1/2 hour "Treetop Adventure" which includes tree platforms, bridges and zip lines. Heavenly Valley charges \$60 per adult and \$30 per child for their zip line tours. Given ours may include a "guide," does anyone really think our customers will pay this kind of premium for a guide? And if

\$100 per sale is the SE Group's projection, how many more sales than the average 93 will be required because of lower priced children and discounted resident sales? If these kinds of numbers are examples of the SE Group's mathematical projections, can we really believe any of its other global financial projections? Are we as local property owners comfortable "rolling the dice" on \$18.2M of proposed new capital expenditures when the net revenues which are projected to pay for them are based upon obviously faulty operational revenues and expenses such as these?

And BTW, have you seen a zip line? What about a mountain coaster? They are ugly, and destroy the natural beauty of the forest. Have you heard the noise of people screaming? What about projected entertainment and concerts up at Snowflake Lodge? Our snowbird homeowners living in the area will surely love listening to these sounds careening off the mountains at all hours of the day and night during these 102 days of operation; right? And this will surely have a positive effect on property values!

The Plan is a bad, bad, idea. And do you really think IVGID staff is smart enough to operate this "Disneyland?" I don't.

How much will it cost us just to prepare and secure an Environmental Impact Statement ("EIS") and finding of no measureable environmental effect?

How much more will we have to pay the SE Group (we've already paid them over \$153,000) just to shepherd approval of the EIS before TRPA and the Forest Service? Since as a condition of applying for such approvals we will be required to reimburse TRPA and the Forest Service for their administrative time and expenses (Placer County estimates that cost at another 70% of the cost just for preparation of an EIS)? Why don't you examine Kirkwood's 2003 EIS at <http://winter.kirkwood.com/site/sites/default/files/v1.pdf>. The SE Group's 170 page Master Plan Update has cost us over \$153,000. How much do you think Kirkwood's 442 page EIS cost? Why doesn't Brad Wilson ask his friend Tim Cohee who was Kirkwood's General Manager at the time? I think Brad would learn the cost to be somewhere in the \$300,000-\$1M range!

And what about the costs to secure entitlements (i.e., approval to build and operate the plan's proposed facilities) with the TRPA and the County?

And what about the cost of the building permits themselves? The SE Group's estimate of \$560,000 for ALL of these costs (see table 18 on page 55) is amateurish. And if they're wrong, who exactly picks up the shortfall (remember, the SE Group has represented that none of these costs nor shortfall is reliant upon the Rec Fee?

Moreover, where exactly does the money come from given these costs will be Incurred for at least the 3-5 years BEFORE IVGID can issue its first proposed \$4M+ bond required under the Plan (according to Gerry Eick, all funds raised from a municipal bond must actually be spent within a short period of time on the project for which it is issued in order for it to qualify for IRS tax exempt treatment)?

Again, remember that the SE Group has represented that NONE of the costs associated with its Plan will be reliant upon our Rec Fee.

The SE Group states Diamond Peak must compete with the Jones' of Lake Tahoe (Squaw Valley, Heavenly, Northstar, Homewood, etc.). But securing approvals and completing construction will take a minimum of 3-5 years and all of these areas already have a leg up on us. So aren't we already well "behind the curve?" And does anyone really think we can compete with the Jones of the ski world?

Does anyone think that it made sense to invest \$70M (according to Mr. Pinkerton) in purchasing and improving a ski area that primarily faces West?

Does anyone (other than IVGID staff) think it makes sense to spend millions more on new SOUTH FACING terrain, ski lifts and snowmaking to replenish the melting south facing snow? Are these new proposed improvements going to attract more MID-WEEK EXPERT skiers/snowboarders?

These are some of the reasons why I and others I know don't want our bedroom community destroyed. And they are also some of the reasons why we don't want to get stuck with paying off the proposed \$18.2M of new capital improvement costs because we don't believe staff's financial projections which those who stand to benefit from them won't personally guarantee!

If history proves me to be correct, let the record so reflect. And then accept IVGID staff for what they really are rather than what they purport to be. And if I am wrong, I will not have been the one to cost my fellow property owners \$18.2M! Money we will never get back, and money which could have been used for so many other things to make our community better.

Frank Wright
Crystal Bay, Nevada

Herron, Susan

From: Frank Wright [alpinesportss@gmail.com]
Sent: Tuesday, August 19, 2014 10:12 PM
To: Herron, Susan
Subject: punch card usage

please add to the next board packet and give a copy to Mr. Pinkerton and the board members,

Susan,

Tonight at the ordinance 7 community get together I ask the following question, "If I have a white pass to enter the beaches can I use my punch card to pay the 12.00 entry fee," and Mr. Paris told me no, because I don't have beach access. But that is not the case here I have the white paper which gives me access, I just want to do what every other parcel owner who has beach access does and use my punch card to pay for my beach access. It has a value of money associated via my recreation fee and I want to spend it.

If a out of town guest enters the beaches with a white form I believe a beach parcel owner can use their punch card to pay the fee, why is it different for a resident, parcel owner without beach access with a white paper?

Please show me where this policy has been implemented by IVGID staff via board approval, or why this discrimination in useage of punch cards exist.

Under the public records act and common sense doctrine please provide me the information I request. If this policy does not exist please tell Mr. Paris to back off and honor punch cards issued by the district. Can you explain who makes the rules, and why they are so diverse with regards to cards with monetary value issued by the district and discriminatory spending rules. If I do not get a response and verification of policy implemented by board action I will proceed to do what others do, Thank you, Frank Wright Crystal Bay

Herron, Susan

From: Frank Wright [alpinesportss@gmail.com]
Sent: Tuesday, August 19, 2014 9:46 PM
To: Herron, Susan
Cc: spinkerton@ivgid.org

Susan, Please make a copy of this email available to each board member and add it to the next board packet.

Re: Request for Refund of the 2014-15 Recreation Facility Fee

Dear Mr. Pinkerton, and members of the board,

As you know I am a local property owner of a dwelling unit (APN 123-022-05 who pays the Recreation ("the RFF")

IVGID has adopted a Resolution (1830) which orders collection of the RFF through the offices of the County Department of Revenue (as its collection agent) together with the County's collection of general ad valorem taxes. Although that resolution states, in part, that "all laws applicable to the levy, collection and enforcement of general taxes of the county, including, but not limited to, those pertaining to the matters of...REFUND...are applicable to such charges," no mechanism has been adopted for the administrative resolution of challenges to IVGID's assessment, nor claims for refund.

The right to claim refund of a general tax arises after the Board of Equalization ("the BOE") has certified that there have been changes in a property's assessed valuation. However in order to secure that certification, an owner of property (or his/her agent) must first exercise administrative remedies challenging its assessment. I have checked with the County Assessor who informs me the County will neither accept nor resolve claims for refund of the RFF/BFF for at least two reasons. First, the BOE resolves appeals based upon assessed valuation. Since the RFF/BFF is uniform in amount and not based upon assessed valuation, the BOE has no jurisdiction to hear my appeal.

Second, the BOE resolves appeals based upon a property's assessed valuation. Since the RFF/BFF is assessed against dwelling units rather than properties, the BOE has no jurisdiction to hear my appeal.

The Assessor informs me that since it is nothing more than IVGID's collection agent, my refund request must be addressed to IVGID. Therefore I am addressing it to IVGID. Next Monday I plan on paying the 2014-15 RFF/BFF for my property, under protest. Contemporaneously, I am putting you on notice (as IVGID's GM) that I seek its refund. I make request that IVGID provide the administrative remedy, by a disinterested third party, the County is unable to provide.

If you have not advised me in writing of the administrative tribunal which will hear my claim for refund, as well as a date and time for the hearing, by August 15, 2014, I will construe IVGID's conduct to be the equivalent of offering me no administrative remedy whatsoever, and I shall act accordingly.

Thank You,

Frank Wright
Crystal Bay, Nevada

Herron, Susan

From: Frank Wright [alpinesportss@gmail.com]
Sent: Tuesday, August 19, 2014 9:33 PM
To: Herron, Susan
Subject: policy

Susan,

Please give me the policy, or board action which allowed parcels along lakeshore to opt out of the beach fee. Precisely the action taken by the board which was the genesis of the opt out clause. Having the ability to opt out of the beach fee had to have board approval and a legal basis for this event to take place. Please provide the above information under the public information statutes to be provided by a governing agency. This board action should be readily available so others can study the basis for the action and engage in similar opt out provisions of the district. If you extend this option to some you must extend this option to all, and could you provide me the forms to be used to opt out of fees for public recreation offered by IVGID.

Surely those who opted out had to file a form, and or an application with the district otherwise how would you know who has and hasn't opted out. If you want you can just send me a copy of one of their forms and I can copy it myself.

Thank you,

Please add this to the board packet and make a copy available to each board member, and our new general manager.

Thank you,
Frank Wright
Crystal Bay, Nevada

Herron, Susan

From: David Briscoe [tahoe0116@gmail.com]
Sent: Tuesday, August 26, 2014 3:40 PM
To: Herron, Susan
Subject: Please include our comments in the upcoming board packet, thank you!

To the IVGID Board,

We wish to register our strong opposition to the proposed expansion of recreational activities at Diamond Peak as proposed by the SE Group, due to their related costs and negative impacts to our community and our IVGID budget.

We feel that our recreation venues are over subsidized by the district taxpayers now, and that further expansion will be a Lose/ Lose prospect for most of us whom you represent. Once something like this is approved we, the taxpayers, will be liable for any negative impacts, both financial and quality of life, for years to come.

We much prefer the low impact opportunities at Diamond Peak as they currently exist.

Please do not allow this expansion to proceed.

Sincerely,

David and Lynne Briscoe
592 Lariat Circle
P O Box 5775
Incline Village, Nv. 89450
775 832 2282

Herron, Susan

From: Arnold Landau [alandau@jps.net]
Sent: Wednesday, August 27, 2014 7:30 AM
To: Herron, Susan
Subject: expansion of diamond peak

Please advise the IVGID Board members that I am opposed to the expansion of Diamond Peak.

I have lived in Incline and Crystal Bay since 1986. It is not the same place I moved to in 1986. It is more congested because of policies encouraging visitors to come here for short stays which policies have been financed thru increases in the recreational fees and in the bonded indebtedness. These policies have increased demand but have not increased the quality of life in Incline. I do recognize that it has made it easier for nonresident home owners to rent their properties thru vrbo but this has been done at the expense of reducing our quality of life. This is a choice as to the type of community we want to live in. I for one want to live in a more laid back community. I guess I am a nimby.

Arnold Landau
10 Crystal Drive
Crystal Bay, Nevada
89402
775-848-1318

REC'D AUG 26 2014

August 26, 2014

TO: IVGID BOARD OF TRUSTEES

RE: Proposed Diamond Peak Master Plan

Dear Trustees,

When my husband Bill and I selected Incline Village, NV. as our retirement destination in 1989, it was a perfect fit for us. The well kept, all inclusive small residential community was a gem on the edge of an alpine pristine lake. The recreational amenities were outstanding, churches, a hospital, library, post office, schools for all ages including a college, fire and police protection, adequate shopping and a General Improvement District Board of Trustees to keep a watchful eye on the growth, protection, improvement, regulation and management of a small, near perfect mountain town and all it's facilities. Could anyone ask for more?

Many changes and additions have been made over the years as well as in our town's chosen leaders who have a roll of responsibility to property owners to truthfully inform us, listen to us and do what is best for the community at large. Property owners also are responsible to keep themselves informed and have a voice. When there is honesty and trust between these two groups as well as compromise, things can run smoothly and amicably. In the past few years, there seems to be increasing dissension in the ranks and less trust in our leaders because of non-fulfillment of promises and false dissemination of information. Where is the trust going in the name "Trustee" and where are the voices of the property owners? Are we all conforming to the increasing behavior pattern of being afraid to stand up for what we truly believe in, stand for and want?

Currently, we are looking at several issues of change and more importantly, expenditure of huge amounts of money, essentially, property owners money. If my memory serves me well, when there was controversy over the remodeling/reconstruction of "The Chateau", property owners were told that the costs would not be passed on to them. That proved to be false. Bonds have been purchased for improvements over the years, have been fully paid off by property owners utility and recreation bills going up, but never going down upon fulfillment of payment. Then one bond after another for various reasons, a recreation center, beach, ski and golf course improvements and additions, etc., and the property owners continue to pick up the tab. Where and when does this stop and begin to pay off? Where are we going? My concern is that we are at a point of going too far too fast.

I believe the proposed Diamond Peak Master Plan will only have a detrimental effect on our community and our pocketbooks. Our beaches are already over crowded, streets and parking lots full, too many continuous competitive events, the post office is jammed, and grocery shopping has to be planned around tourist invasion. It is true that this magnificent location is a tourist attraction, but it is also our home. If, in fact, the residents were getting some benefit from this increasing influx of people, I could understand moving forward, but that is not the case. We continue to lose money on our current attractions and it will eventually cause many long time residents to relocate and it will change the entire profile of this charming community.

I ask our current trustees, elected at the last election, to remember what you promised us: to take control of our district, eliminate financial waste, operate our facilities on a break even or positive cash flow basis, reduce our recreational and beach fees, make staff accountable for the operation of our facilities, and save our community. After 3 years, I've not seen any of these promises fulfilled. In fact, the monetary losses at all of our recreational facilities continue, our water and sewer bills have increased, and now you are proposing to increase our trash rates as much as 30%. Fortunately, because of public outcry, you have not opened our beaches to everyone.

This community has been my home for 25 years and I intend to stay here unless I can no longer afford the living expenses or enjoy the beauty and amenities for which I came. I urge you to carefully listen and consider my opposition to the Diamond Peak Plan for increased recreation.

Most sincerely,

Doris L. Spain

Doris L. Spain
972 Agate Court
P.O. Box 5678
Incline Village, NV.
89450
775-831-8815

Herron, Susan

From: regsmk@aol.com
Sent: Monday, August 25, 2014 9:44 AM
To: Herron, Susan
Subject: destination resort

I DO NOT WANT INCLINE A DESTINATION RESORT!.....Richard Goodman. 23 years full time resident.

Herron, Susan

From: barbara ansel [barbattahoe@gmail.com]
Sent: Sunday, August 24, 2014 8:46 PM
To: Herron, Susan
Subject: opposed

My name is Barbara Ansel I reside at 710 Golfers Pass Rd. I am opposed the plan for Diamond Peak. There is not a chance that revenue will be generated in less then 8 weeks of summer activity to offset the costs for this project. It is simply bad math. It is not a project IVGID should be taking on-- Please do not pass this. You are going to have a community that is up in arms when they realize the boon doggle this will create. There is no rush to make this happen. Barbara Ansel barbara ansel barbattahoe@gmail.com

Herron, Susan

From: Wilson, Brad R.
Sent: Saturday, August 23, 2014 11:55 AM
To: Herron, Susan
Cc: Pinkerton, Steve J.
Subject: FW: Master Plan
Attachments: IVGD Board Members.doc

Brad Wilson
General Manager
Diamond Peak Ski Resort
(775) 832-1129
www.DiamondPeak.com
Live Cam

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

From: Deo Nellis [<mailto:Deo@nova.edu>]
Sent: Wednesday, August 20, 2014 10:18 AM
To: Wilson, Brad R.
Cc: Deo Nellis
Subject: Master Plan

Please allow the attached memo to serve as or response and concern to the proposed "Master Plan".

IVGID Board Members,

This letter is meant to express our concerns of the "Diamond Peak Master Plan". The proposed summer usage stands to disrupt our quiet enjoyment of the property that we have owned for ten years and limit its usage and diminish its future value. There are several concerns that we will list that seem to have not been addressed by IVGID's consulting firm or members of the board;

- Public Safety – because traffic ingress and egress will remain the same, the emergency vehicles will need to navigate any traffic created by summer usage and a call for additional police protection and traffic control should be considered. Winter traffic is slowed by the weather conditions and much different from summer.
- Noise intrusion – because sound travels up the existing valley many of the homes whose lack of air conditioning requires them to leave doors and windows open will serve to limit usage of the property and disturb the existing peace in the Diamond Peak area. This presents a potential loss of use concern that stands to reduce value of any affected property.
- Public Health – dust, air borne viruses and pollen will be lifted into the existing atmosphere from bicycle traffic and mechanics using dirt pathways and trails, many mountain bikers use masks to prevent this potential health hazard. The residents will need to tolerate this environment issue each day while the bikers are limited to usage. Homes with open doors and windows will need to increase maintenance.
- Flora and fauna loss – many of our birds and small animals will be chased from their existing environment due to noise and potential environmental damage. Many of these animals control the insects and other intrusive species. What damage to the trees and small plants will be affected? The threat of fire will increase dramatically.
- Income vs. cost – has the board reviewed the cost ratios with other local ski resorts? Nowhere in the "Master Plan" does this data demonstrate cost effectiveness. The roadways will be subjected to increase use thus limiting their lifetime and increasing maintenance. As demonstrated during the July 4th activity our beaches were left in disarray and while the local nonprofits saw fit to pitch in to clean up, Diamond peak will need to address this concern on a 24/7 basis. Additional facilities will be subjected to additional wear decreasing lifespan and increasing replacement expense.

While we applaud the board for offering numerous means to communicate with the local residents, we do not see where any of our concerns have been addressed. Is the board going to offer eminent domain to purchase of homes because the summer use will prevent the use of the properties? What will be done to decrease the noise being created by construction and later high impact use of a ski resort? Has the board applied for a change of use permit or variance to the current zoning controls? This all normally requires a vote by residents. Open hearings and solicitations serve very little and are quite capricious in their data collection. It is the role of the board to serve and protect the value of properties in the area.

To: UAGID Governing Board

From: Patricia ^{Therese} & John Morris # 11
Mike ^{Therese} & Debbie # 4
Jordan & Marnie Love # 3

all students of Alpine Terrace +
holders of UAGID Restoration passes.

Subject: Comments on Ordinance 7

Please do nothing that would in any
way dilute the value of an

restoration pass and/or the value of
the restoration privilege and process

entirely as to: We have paid and

continue to pay dearly for these privileges.

If you wish to earn more revenue by

prohibiting our abilities to people like us
continue to pay the full price to us.

them, we had not signed that.

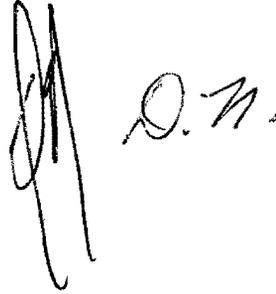
(signed)
Patricia & John Morris / J.M.

UAG: We are signing on behalf of the Farmers
and the Board

To: IVGD Board

From: Deo and Debbra Nellis

Date: 8-20-2014

Handwritten signature in black ink, appearing to be 'D. N.' with a large flourish.

Subject: Diamond Peak Master Plan

Please allow the attached memo to serve as our response and concern for the proposed future of Diamond Peak and the surrounding community.

IVGD Board Members,

This letter is meant to express our concerns of the “Diamond Peak Master Plan”. The proposed summer usage stands to disrupt our quiet enjoyment of the property that we have owned for ten years and limit its usage and diminish its future value. There are several concerns that we will list that seem to have not been addressed by IVGD’s consulting firm or members of the board;

- **Public Safety** – because traffic ingress and egress will remain the same, the emergency vehicles will need to navigate any traffic created by summer usage and a call for additional police protection and traffic control should be considered. Winter traffic is slowed by the weather conditions and much different from summer.
- **Noise intrusion** – because sound travels up the existing valley many of the homes whose lack of air conditioning requires them to leave doors and windows open will serve to limit usage of the property and disturb the existing peace in the Diamond Peak area. This presents a potential loss of use concern that stands to reduce value of any affected property.
- **Public Health** – dust, air borne viruses and pollen will be lifted into the existing atmosphere from bicycle traffic and mechanics using dirt pathways and trails, many mountain bikers use masks to prevent this potential health hazard. The residents will need to tolerate this environment issue each day while the bikers are limited to usage. Homes with open doors and windows will need to increase maintenance.
- **Flora and fauna loss** – many of our birds and small animals will be chased from their existing environment due to noise and potential environmental damage. Many of these animals control the insects and other intrusive species. What damage to the trees and small plants will be affected? The threat of fire will increase dramatically.
- **Income vs. cost** – has the board reviewed the cost ratios with other local ski resorts? Nowhere in the “Master Plan” does this data demonstrate cost effectiveness. The roadways will be subjected to increase use thus limiting their lifetime and increasing maintenance. As demonstrated during the July 4th activity our beaches were left in disarray and while the local nonprofits saw fit to pitch in to clean up, Diamond peak will need to address this concern on a 24/7 basis. Additional facilities will be subjected to additional wear decreasing lifespan and increasing replacement expense.

While we applaud the board for offering numerous means to communicate with the local residents, we do not see where any of our concerns have been addressed. Is the board going to offer eminent domain to purchase of homes because the summer use will prevent the use of the properties? What will be done to decrease the noise being created by construction and later high impact use of a ski resort? Has the board applied for a change of use permit or variance to the current zoning controls? This all normally requires a vote by residents. Open hearings and solicitations serve very little and are quite capricious in their data collection. It is the role of the board to serve and protect the value of properties in the area.



Where some do what others
only dream about.

How long have we lived in Incline Village? ~ before there was a Raleus, the Stuart House was King's Castle, there were no stoplights in the village, before we built our own hospital, Diamond Peak was Ski Incline, before there was a TRPA.

We all understand why those in the real estate and travel industry, temporary residents; some WAID managers may wish to attract more visitors to our community but remember, they were turned down 2 to 1 when we were given a vote on becoming a Township. We are not against change but do we really want to take on a debt of \$8.2 million and up to \$1,000,000 for "a"? We don't want to toss the dice to make Incline Village a better place to live.

By all standards, Incline Village is one of the most desirable places in America... will a ZipLine ('Diamond Peak Master Plan) improve our lives? Do we really want to be like California's



Where some do what others
only dream about.

King's Beach, South Shore, Squaw Valley, Disneyland? "Be careful what you ask for ~ you may get it." You will be voting for some WAID trustees this November.

Bob & Marilyn Gilbert
(831-1442

Herron, Susan

From: s4s@ix.netcom.com
Sent: Tuesday, August 12, 2014 9:28 AM
To: Pinkerton, Steve J.; Pinkerton, Steve J.
Cc: Wolfe, Joseph; Simonian, Bruce E.; Smith, Jim; Hammerel, Jim; Devine, Bill; Herron, Susan
Subject: Political Subdivisions Within the County of Washoe That Have Liquor Licenses

Hello Steve -

I and others have raised the question: what political subdivisions, anywhere, have liquor licenses which allow them to sell alcoholic beverages to the public?

I have heard that you have publicly announced that there are "lots of them." Yet when asked to provide evidence of any, all of a sudden you have "clammed up" and become silent.

I have asked you to point me to any political subdivision in the California County of Yolo (within which the City of Davis is located) which sells alcoholic beverages to the public at public facilities operated by public employees, and you have provided no evidence whatsoever.

So I have asked Marsha Berkgigler to provide evidence of any political subdivision in the County of Washoe which has secured a liquor license which permits it to sell alcoholic beverages to the public using public facilities operated by public employees. And it turns out there is only one; IVGID.

The question ISN'T whether political subdivisions can legally hold liquor licenses but rather, why is it that NONE do other than IVGID?

Since I am sending a copy of this e-mail to the Board, I am including my communications with Marsha (below) concerning this issue so all can see for themselves.

I and others who supported your becoming IVGID's new GM did so because we expected you would put an end to inappropriate activities such as these which are simply not performed by political subdivisions. Selling alcohol to the public using public facilities operated by public employees is not appropriate and in your heart you know that what I say is accurate. If it were appropriate, why wouldn't everyone be doing it? So do something to make a change which returns IVGID to the types of limited activities traditionally performed by government.

If you won't, then what stops IVGID from engaging in any activity its staff can conjure up? How about slot machines at our recreational facilities. What about a brothel? How about the sale of medical marijuana? To the extent we don't engage in any of these businesses, wouldn't you agree that the public's facilities are being under utilized?

Respectfully, Aaron

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

>From: Marsha Berkgigler
>Sent: Aug 12, 2014 8:51 AM
>To: s4s@ix.netcom.com
>Subject: RE: From Aaron in Incline - Political Subdivisions That Have Liquor Licenses

>
>Morning Aaron

>
>Yes it is true that the County leaves the sale of liquor at all events to private businesses.

>The County actually owns 2 golf courses - Washoe County Golf Course and Stead Golf Course - and yes I believe all services are outsourced to private concessionaires.

>Obviously neither the libraries or school district have liquor licenses.

>In regard to other special districts I could not find any government or quasi-government entity that currently holds a liquor license.

>
>Marsha L. Berkgigler
>Washoe County Commissioner

>District 1

>2090 Allen Street

>Reno, NV

>775-843-0150

>

>-----Original Message-----

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

>Sent: Monday, August 11, 2014 11:19 AM

>To: Marsha Berkgigler

>Subject: Re: From Aaron in Incline - Political Subdivisions That Have Liquor Licenses

>

>Thank you Marsha -

>

>So this was my point.

>

>"cities...do not sell liquor during any event since that is left to businesses."

>

>You didn't answer as to Washoe County, but would the answer be the same? I.e., Washoe County does not sell liquor because those sales are left to businesses?

>

>Doesn't the County own at least one municipal golf course? Aren't alcoholic beverages sold either in a mobile cart while golfers are playing, or at the clubhouse? If so, are you telling me those operations are outsourced to private concessionaires?

>

>No GIDS have liquor licenses.

>

>What about special districts? I don't know all the special districts in the County but I would imagine the library would be one. And the school district would be another. And then there's a tourist authority. I don't know if this is a special district.

>

>But regardless, is there any special district in Washoe County that has a liquor license?

>

>Is it a true statement that insofar as Washoe County is concerned, no political subdivision, whether it be the County, a city, a GID, a special district or otherwise, has a liquor license other than IVGID?

>

>Thank you, Aaron

>

>-----Original Message-----

>>From: Marsha Berkgigler

>>Sent: Aug 11, 2014 10:47 AM

>>To: "s4s@ix.netcom.com"

>>Subject: Re: From Aaron in Incline - Political Subdivisions That Have Liquor Licenses

>>

>>My understanding is that no other government has one at this time. As to the cities, they do not sell liquor during any event since that is left to businesses.

>>

>>Marsha Berkgigler

>>Washoe County Commissioner

>>District 1

>>Sent from my iPad

>>

>>> On Aug 11, 2014, at 10:38 AM, wrote:

>>>

>>> Thank you Marsha -

>>>

>>> I won't make you run down the situation in other counties. But how about Washoe County?

>>>

>>> And it's NOT just GIDs. It's cities, towns, special districts, GIDs and counties.

>>>

>>> How about just for Washoe County? What political subdivision other than IVGID has secured a liquor license?

>>>

>>> Frank called Community Development and couldn't get a straight nor comprehensive answer.

>>>
>>> Thank you, Aaron

Herron, Susan

From: Tom Bruno [tbruno@chaseinternational.com]
Sent: Friday, August 15, 2014 3:44 PM
To: Herron, Susan
Subject: RE: Please send the email to the Trustees
Attachments: Scan from Chase Incline Xerox.pdf

Here it is.

Tom



TOM BRUNO
tbruno@chaseinternational.com
(775) 831-7300
(866) 831-8999
(775) 742-3106 cell
(775) 831-7301 fax
[AGENT'S BIO](#)

Chase International
The Leader in Luxury Real Estate
917 Tahoe Boulevard, Suite 100
Incline Village, Nevada 89451
www.chaseinternational.com



From: Herron, Susan [mailto:Susan_Herron@ivgid.org]
Sent: Friday, August 15, 2014 11:44 AM
To: 'Tom Bruno'
Subject: RE: Please send the email to the Trustees

Tom,

Did you mean to attach something?

Thanks, S

Susan A. Herron, CMC
Executive Assistant/Clerk to the Board of Trustees
Incline Village General Improvement District
893 Southwood Boulevard, Incline Village, NV 89451
P: 775-832-1207
F: 775-832-1122

M: 775-846-6158

sah@ivgid.org

<http://ivgid.org>

From: Tom Bruno [<mailto:tbruno@chaseinternational.com>]

Sent: Friday, August 15, 2014 11:37 AM

To: Herron, Susan

Subject: Please send the email to the Trustees

Susan

I would appreciate it if you would send my email to the Board of Trustees.

Thanks

Tom



TOM BRUNO

tbruno@chaseinternational.com

(775) 831-7300

(866) 831-8999

(775) 742-3106 cell

(775) 831-7301 fax

[AGENT'S BIO](#)

Chase International

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917 Tahoe Boulevard, Suite 100

Incline Village, Nevada 89451

www.chaseinternational.com



CHAPTER 30: LAND COVERAGE

**30.5 Prohibition of Additional Land Coverage in Land Capability Districts 1a, 1c, 2, 3, and 1b (Stream Environment Zones)
30.5.2 Exceptions to Prohibition in Land Capability District 1b (Stream Environment Zone)**

Regional Planning Agency Regarding Erosion Control Improvements and Reclassification of Upper Tyrolian Village," dated May 26, 1983.

30.5.2. Exceptions to Prohibition in Land Capability District 1b (Stream Environment Zone)

The following exceptions shall apply to the prohibition of land coverage and disturbance in Land Capability District 1b (Stream Environment Zone):

A. Stream Crossings

Land coverage and disturbance for projects to provide access across stream environment zones to otherwise buildable sites, if such projects otherwise comply with applicable development standards in Chapter 32: *Basic Services*, may be permitted in Land Capability District 1b (Stream Environment Zone) if TRPA finds that:

1. There is no reasonable alternative, including relocation, that avoids or reduces the extent of encroachment in the stream environment zone, or that encroachment shall be necessary to reach the building site recommended by IPES; and
2. The impacts of the land coverage and disturbance are fully mitigated in the manner set forth in subparagraph 30.5.1.B.5, with the exception that the restoration requirement in such subsection shall apply exclusively to stream environment zone lands and shall include coverage and disturbance within the permitted Bailey coefficients.

B. Public Outdoor Recreation

Land coverage and disturbance for public outdoor recreation facilities may be permitted in Land Capability District 1b (Stream Environment Zone) if TRPA finds that:

1. The project is a necessary part of a public agency's long-range plans for public outdoor recreation;
2. The project is consistent with the Recreation Element of the Regional Plan;
3. The project by its very nature must be sited in a stream environment zone, such as bridges, stream crossings, ski run crossings, fishing trails, and boat launching facilities, in accordance with the guidelines regarding public outdoor recreation facilities and activities that create additional land coverage or permanent disturbance and that by their very nature need not be sited in sensitive lands (1a, 1b, 1c, 2, 3 or SEZs), *Water Quality Management Plan for the Lake Tahoe Region*, Volume I, Table 16, dated November, 1988;
4. There is no feasible alternative that would avoid or reduce the extent of encroachment in the stream environment zone; and
5. The impacts of the land coverage and disturbance are fully mitigated in the manner set forth in subparagraph 30.5.1.B.5, with the exception that the restoration requirement in such subsection shall apply exclusively to

Herron, Susan

From: Dan Dominy [dandominy@me.com]
Sent: Wednesday, August 13, 2014 11:49 AM
To: Herron, Susan
Subject: Re: IVGID Board of Trustees Meeting Agenda for Wednesday, August 13 at 3 p.m. at 893 Southwood Blvd.
Attachments: Randall easement map.pdf; ATT00001.htm

Dear IVGID Trustees....

PLEASE VOTE NO ON THE ITEM TO SELL PRIVATE IVGID PROPERTY FOR SOMEONE'S DRIVEWAY TO SETTLE A LAWSUIT!!!

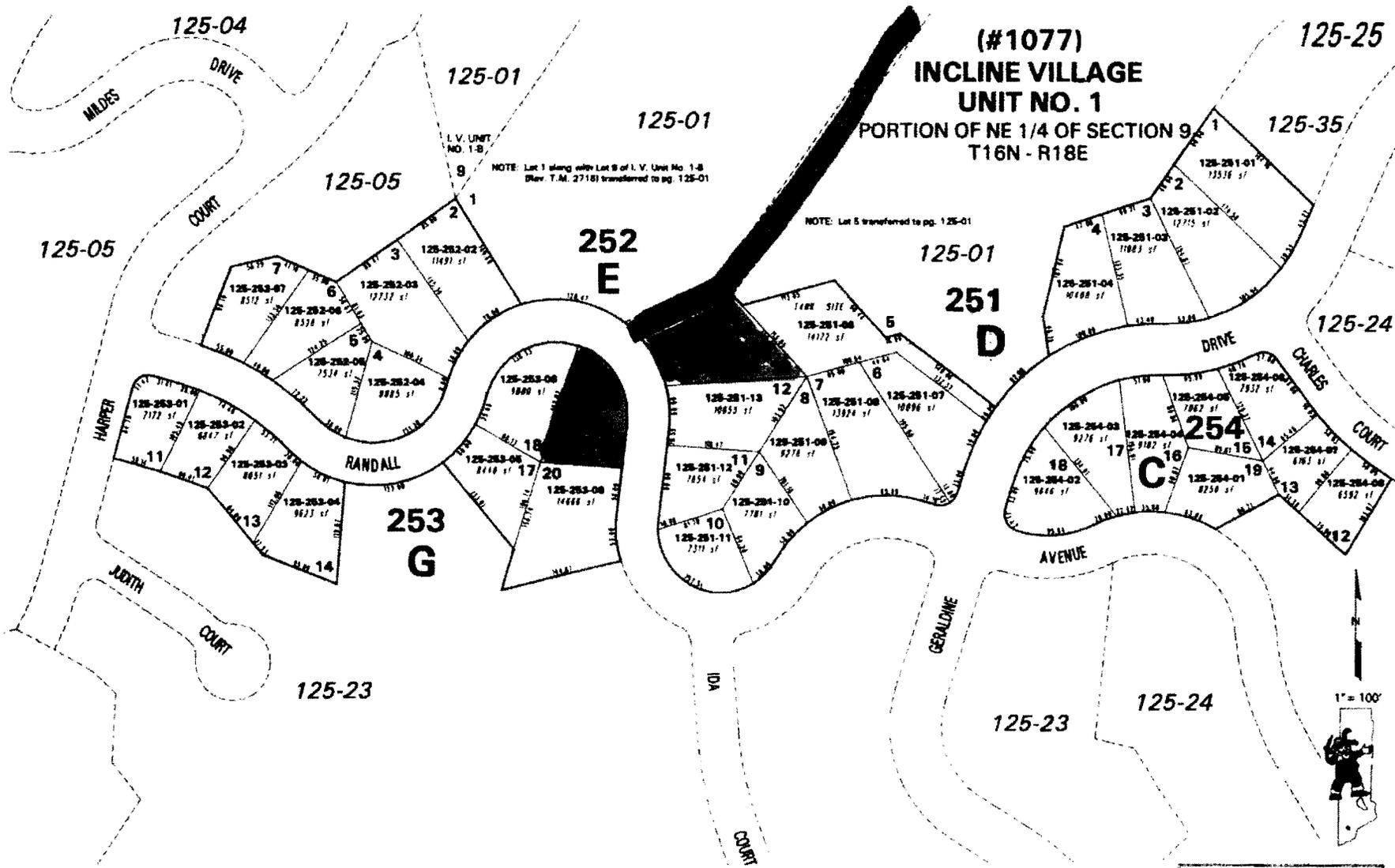
This IVGID recreation easement has been reviewed for 7 years as the property owner wants to convert this to his private driveway while he ignores the fact that TRPA has approved a plan for access off of Geraldine Drive (see 251-D). Building on this easement might do great damage to the property at 772 Randall Avenue because of the spring environment in this area, in addition to decreased privacy and value of that home. Have the owners of 772 Randall Avenue been given a equal opportunity to purchase this easement?

If this is IVGID land why has there been zero current review with the neighbors on Randall Avenue? Do we have a voice on this lawsuit? Selling IVGID land seems a matter for every resident of Incline Village...

Thank you for your consideration that this is NOT a well considered plan of action...

Dan Dominy

24 years full time resident: 754 Randall Avenue, Incline Village, NV 89451



**(#1077)
INCLINE VILLAGE
UNIT NO. 1
PORTION OF NE 1/4 OF SECTION 9
T16N - R18E**

NOTE: Lot 1 along with Lot 8 of I. V. Unit No. 1-B
Div. T.M. 27181 transferred to pg. 125-01

NOTE: Lot 5 transferred to pg. 125-01

NOTE: This map is prepared for the use of the Washoe County Assessor for assessment and illustrative purposes only. It does not represent a survey of the premises. No liability is assumed as to the sufficiency or the accuracy of the data delineated hereon.

Office of Washoe County Assessor, Nevada - Joshua G. Wilson

This area previously shown on

NOTE: Areas of parcels which are less than 2 acres are shown in square feet.

Drawn by	T.M.T. 08/16/03
Revised	

Non-exclusive easement:

- In effect, the proposal is the same as selling to the owner of 125 010 20 (formerly 125 251 05) a portion of a piece of property which cannot be sold for the purpose.
- How will the easement read?
- Will the owner of 125 010 20 be able to gate off the access point from Randall?
- What is the liability to IVGID for granting the easement?
- Who is responsible for the care and maintenance? The CCRs state that IVGID is responsible for the maintenance. Will the Board be going against what has been passed and approved by Washoe County and agreed to by all of the owners of Incline Village? By the stroke of a pen you will be changing a document which you may not have the authority to change.
- How would other properties which have similar restrictions, such as our beaches, be effected by this precedent?
- As outlined in the restrictions on this property: this property is for recreational purposes by and for the benefit of property owners, their tenants and guests **within the IVGID**. The covenant shall be in perpetuity, etc. Further, the CCRs state that IVGID may improve said property at its sole discretion which it deems as reasonable and necessary. Is providing a less costly access for a single property reasonable and necessary? Is the true purpose of the easement for significant cost reduction in constructing access to the parcel which also would result in more the impervious coverage for construction of a home? The statement that the purpose is for reduction of fire danger is a ruse.

8/8/14

Jon Bruno
563 ANJLER Ct
IV, NV 89451

3

SEP 10 1968

DECLARATION OF RESTRICTIONS
INCLINE VILLAGE UNIT NO. 1

124970

THIS DECLARATION, made this 9TH day of SEPTEMBER, 1968, by INCLINE VILLAGE, INC., a Nevada corporation, herein referred to as "Declarant", is made in light of the following facts and circumstances:

A. Declarant is the owner of all of the real property set forth and described on that certain Official Plat (herein called "Plat") entitled "Incline Village Unit No. 1", consisting of five (5) sheets marked respectively, 1 through 5, which Plat was recorded in the Office of the County Recorder of Washoe County, Nevada, on SEPTEMBER 9, 1968, being Document No. 123993.

B. There are two hundred seventy-five (275) subdivided lots set forth and described in the recorded Plat as well as Parcels A and B.

C. Declarant is about to sell and/or convey said lots and parcels and before doing so desires to subject them to and impose upon them mutual and beneficial restrictions, covenants, conditions and charges, hereinafter collectively referred to as "Restrictions", under a general plan or scheme of improvement for the benefit and complement of all of said lots and the future owners of said lots.

D. All of the real property described in the Plat comprises in the aggregate a portion of Incline Village general subdivision (herein called "Subdivision"), to which other real property of Declarant may be annexed in the manner hereinafter provided and upon such annexation shall become a part of the Subdivision and shall become subject to said Restrictions.

NOW, THEREFORE, Declarant hereby declares that all of said lots and parcels are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied, and improved subject to the following Restrictions, all of which are declared and agreed to be in furtherance of a plan for the subdivision, improvement, and sale of said lots and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the property described in the Plat and of the Subdivision as a whole. All of the Restrictions shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in the real property or any part thereof subject to such Restrictions.

BOOK 342 PAGE 237

1. APPLICABILITY

These Restrictions shall apply to subdivided, numbered lots only and are specifically excluded from application to other lands designated on the Plat except as follows:

Declarant hereby covenants and agrees that Parcels A and B, set forth and described in the Plat, together with any and all improvements now or hereafter located thereon, shall be held, maintained and used by Declarant, its grantees, successors or assigns, only for the purposes of recreation by, and for the benefit of, property owners, their tenants and guests (including occupants of motels and hotels), within the Incline Village General Improvement District (herein called "District") and as the Board of Trustees of the District may determine. This covenant shall be in perpetuity; shall be binding upon Declarant, its grantees, successors and assigns; shall run with the land and be a charge against the land; shall be for the benefit of each parcel of real property located within the District (including that of Declarant); and shall be enforceable by the owners of such real property, their heirs, successors and assigns; provided, however, that the Board of Trustees of

124970

3

SEP 10 1968

DECLARATION OF RESTRICTIONS
INCLINE VILLAGE UNIT NO. 1

124370

THIS DECLARATION, made this 9TH day of SEPTEMBER, 1968, by INCLINE VILLAGE, INC., a Nevada corporation, herein referred to as "Declarant", is made in light of the following facts and circumstances:

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124370

County Home => Assessor's Office => Property Assessment Data Search => Parcel Search

WASHOE COUNTY QUICK INFO (Summary data may not be complete representation of property)

08/07/2014

Owner Information & Legal Description
APN 125-010-20
 Card 1 of 1
Situs 789 GERALDINE DR
Owner MACHATA, ANDREW R
Mail Address 3060 AIRPORT WEST DR
 VERO BEACH FL 32960
Rec Doc No 1091735 **Rec Date** 08/11/1986
Prior Owner
Prior Doc CHK 07/01/1986
Keyline Desc INCLINE VILLAGE 1 LT 5 BLK D
Subdivision INCLINE VILLAGE 1
Lot 5 Block D Sub Map#
Record of Survey Map Parcel 0
Map#
Section Township 16 SPC
Range 18
Tax Dist 5200 **Add'l Tax Info** **Prior APN** 125-251-05
Tax Cap Use does not qualify for Low Cap, High Status Cap Applied

Building Information
Quality
Bldg Type
Stories
Year Built 0
W.A.Y. 0
Square Feet 0
 Square Feet does not include Basement or Garage Conversion Area.
Click here for Building Square Footage, Special Feature and Yard Item Details.
Bedrooms 0
Full Baths 0
Half Baths 0
Fixtures 0
Fireplaces 0
Heat Type
Sec Heat Type
Ext Walls
Sec Ext Walls
Roof Cover
%Incomplete
Obso/Bldg Adj 0
Construction 0
Mod
Finished Bsmt 0
Unfin Bsmt 0
Bsmt Type
Gar Conv Sq Foot 0
Total Gar Area 0
Gar Type
Det Garage 0
Bsmt Gar Door 0
Sub Floor
Frame
Units/Bldg 0
Units/Parcel 0

Land Information

Land Use 170 **Zoning** GR **Sewer** Municipal **Neighborhood** TAGG
Size 6.01 Acre **Water** Muni **Street** Paved **Neighborhood Map** **Neighborhood Map Index**

Valuation Information

	2013/14 FV	2014/15 FV
Taxable Land Value	14,500	14,500
Txble Improvement Value	0	0
Taxable Total	14,500	14,500
Assessed Land Value	5,075	5,075
Assessed Improvement Value	0	0
Total Assessed	5,075	5,075

Sales/Transfer Information/Recorded Document

V-Code	LUC	Doc Date	Value	Grantor
		08/11/1986	0	
1G	100	07/01/1986	15,000	

All data on this form is for use by the Washoe County Assessor for assessment purposes only. Zoning information should be verified with the appropriate planning agency. All Parcels are reappraised each year.

PAID \$13,846

Sketch Is Not Available On-Line.

If the property sketch is not available on-line you can obtain a copy by calling (775) 328-2277 or send an email to exemptions@washoecounty.us with 'Sketch Request' in the subject line. Please include the APN.

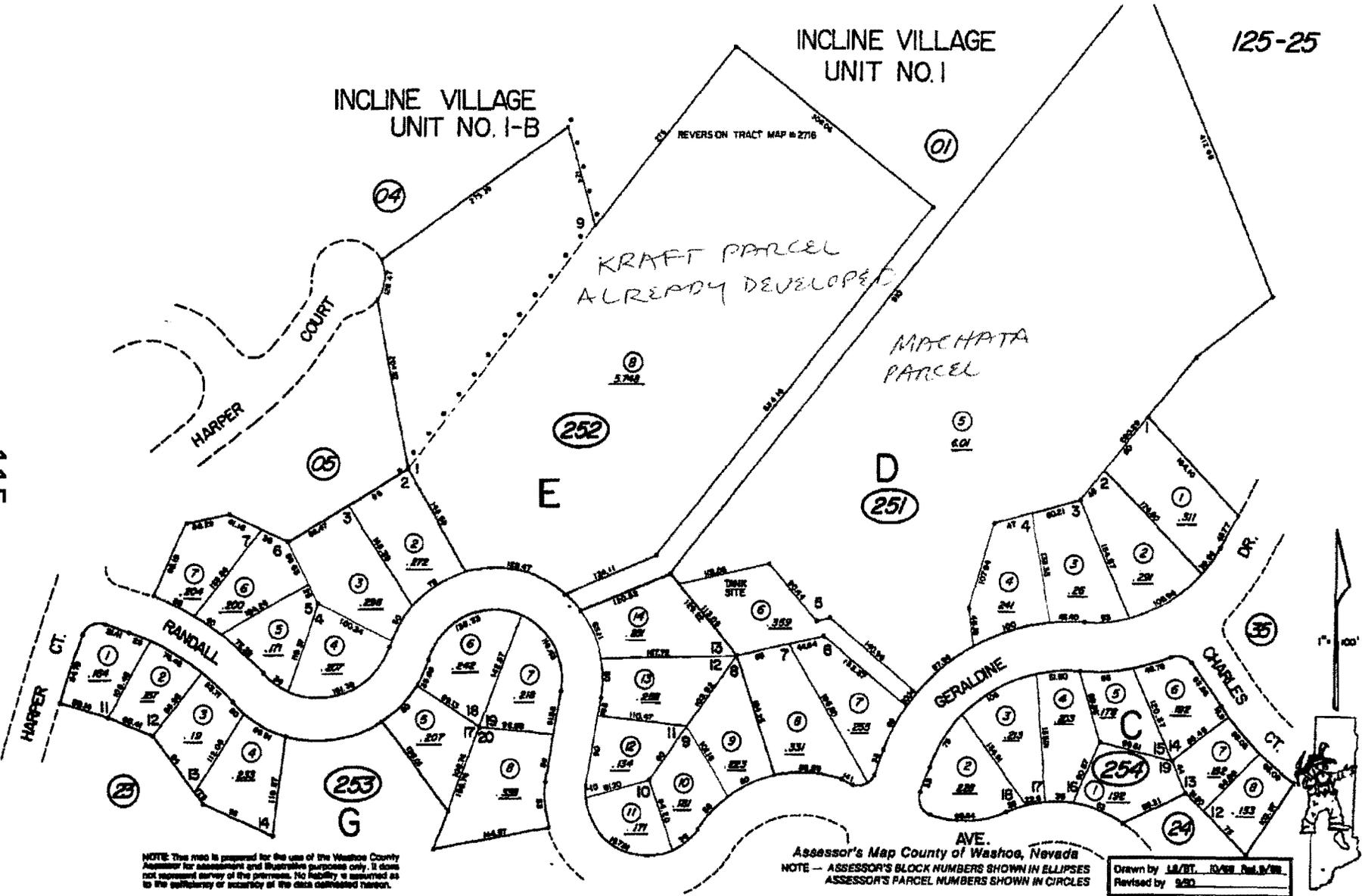
This is a true and accurate copy of the records of the Washoe County Assessor's Office as of 08/06/2014.

15,000
 1.1 / 16.50
 - 11
 = 50

INCLINE VILLAGE
UNIT NO. 1-B

INCLINE VILLAGE
UNIT NO. 1

125-25



August 9, 2014

Joe Wolfe, Board of Trustees Chairman
Steven J. Pinkerton, General Manager
Incline Village General Improvement District
893 Southwood Boulevard
Incline Village, Nevada 89451

Dear Chairman Wolfe and Mr. Pinkerton

My name is Ronald Starr and I live at 771 Randall Avenue. I am writing to voice my strong opposition to any type of land swap involving Mr. Andrew Machata and his property located off Geraldine. I purchased this property in January 2014. I had no knowledge of this litigation after doing my due diligence of checking the properties around the house and ownership of each.

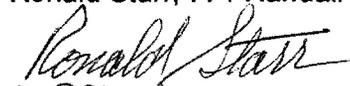
I was informed about this meeting on August 8, 2014, by a neighbor. No notice was sent !!! I don't have time to circulate a petition, but this will effect every home from Mt. rose to the property and beyond. My driveway is across the street from the proposed new driveway. During my first winter a car got stuck on the ice in front of my house. I am concerned about a car sliding down the proposed driveway, going across the street and into my house. There is heavy snow in this area and it turns to ice.

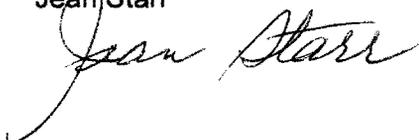
Just because Mr. Machata did not do his due diligence, why should I loose my beautiful view, loose my property value, and have limited access to my house during construction, which could take 2 to 3 years (no access during winter months)? Anybody willing to construct a driveway up a hill with a 10 ft. retaining wall leading to a large lot will probably build a huge property, which will take a long time and a lot of traffic with excavators, cement trucks, lumber trucks, workmen, etc. We strongly request the new board members come visit this site before making a decision.

1. Will this open up properties bordering IVGID easements to anyone who wants to "swap"?
2. How about other property owners who have an IVGID easement? Should they be concerned that the quiet, beautiful open space that they thought they were purchasing near their home now have to re-consider their purchase?
3. Will this deter people from purchasing a home in Incline in that even after doing their due diligence someone could build where they thought they couldn't?
4. The IVGID litigation team has been defending IVGID's rights for the past seven years in the court system. The disposition of this lawsuit should remain in the court system for ultimate decision. The Board should not be coerced to "settle" a lawsuit by giving someone something they are not entitled to.

Sincerely,

Ronald Starr, 771 Randall Ave., Incline Village


Jean Starr



TO THE INCLINE BOARD OF TRUSTEES

HAVING LIVED AT 759 HARPER COURT SINCE 1985, WE ARE APPALED THAT THE ISSUE OF THIS UNBUILDABLE LOT IS BEING CONSIDERED ONCE AGAIN USING PARCEL A PROPERTY, WHICH IS DEED RESTRICTED.

WHEN WE HAD TO REBUILD OUR HOME DUE TO AN ARSON FIRE CAUSED BY LOCAL TEEN AGERS, WE HAD TO COMPLY WITH ALL CODES AND CONDITIONS BY ALL AGENCYS WITH NO EXCEPTIONS. IF WEE NEED MORE DEVELOPMENT IN THIS NEIGHBORHOOD WHY DID THE FOREST SERVICE AND THE STATE OF NEVADA SPEND MILLIONS OF DOLLARS ACQUIRING MANY BUILDABLE, AND IN SOME CASES PARTLY DEVELOPED LOTS? THIS GREENBELT SHOULD BE LEFT AS IS FOR THE ENJOYMENT AND USE OF RESIDENTS AND WILD LIFE.

MR & MRS ALLEN ADKINS
759 HARPER COURT
INCLINE VILLAGE NEVADA

August 8, 2014

Joe Wolfe, Board of Trustees Chairman
Steven J. Pinkerton, General Manager
Incline Village General Improvement District
893 Southwood Boulevard
Incline Village, Nevada 89451

Dear Chairman Wolfe and Mr. Pinkerton:

This letter is to object to item H under General Business section of the Board's agenda for August 13, 2014, the recommendation of District General Counsel to accept settlement of pending litigation instituted by Plaintiff Machata against IVGID in 2007 by: "GRANTING A NON-EXCLUSIVE PRIVATE DRIVEWAY" access easement across 150 feet of IVGID owned property that was deeded to the village in 1968 as Parcel A, with certain restrictions and covenants (attached). We vehemently oppose this recommendation.

The Deed of Parcel A property to the Village does NOT contemplate "selling" portions of Parcel A to private individuals. Beginning in 2002, Mr. Machata has requested the Board to "sell" him the easement off of Randall Street. In 2002 the Board refused, and then again in 2004 and 2007. Each time the Board had a recommendation to accept Mr. Machata's proposal, there has been strenuous resident opposition to violating the deed restrictions governing this parcel.

By "selling" the easement for \$10,000, violating the CC&R's and Deed Covenants, the Board abdicates its responsibility to, in the words of the deed:

"...SHALL hold, maintain and use the parcel for recreation only." The Deed states :

"To have and to hold....and to its successors and assigns forever....only for the purposes of recreation by and for the benefit of property owners...." "This covenant shall be in perpetuity...."

There is nothing in the Deed or the CC&Rs about "multiple-use" of this parcel. I speak for many residents when I say our homes were purchased because of the unobstructed view of the greenbelt. Parcel A wraps around dozens of homes here in the Village and we all appreciate very much the natural beauty of the forest.

The IVGID litigation team has been defending IVGID's rights for the past seven years in the court system. The disposition of this lawsuit should remain in the court system for ultimate decision. The Board should not be coerced to "settle" a lawsuit by giving someone something they are not entitled to.

Again, we urge the Board to take NO action in this matter.

Sincerely,

LEONARD A. BROSINAN

BARBARA BROSINAN

772 Randall Avenue, Incline Village, Nevada

(Parcel located across the road from 7711 Randall Avenue)

129350

RAV.T. Stone

NOV 12 1968

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Commission has been \$100.00

BOOK 354 PAGE 302

80 Canal Street

THIS INDENTURE, made this 28th day of August, 1968, between INCLINE VILLAGE, INC., a Nevada corporation, party of the first part, (hereinafter referred to as "Grantor"), and INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT, a quasi-municipal corporation organized and existing pursuant to the provisions of the General Improvement District Law, Chapter 318, Nevada Revised Statutes, party of the second part (hereinafter referred to as "Grantee"),

W I T N E S S E T H:

That the said party of the first part, for and in consideration of the sum of TEN DOLLARS (\$10.00), lawful money of the United States, to it in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, does by these presents grant, bargain, sell and convey unto the said party of the second part, and to its successors and assigns, all that certain lot, piece or parcel of land situate in the County of Washoe, State of Nevada, more particularly described in Exhibit "A" attached hereto.

TOGETHER with all and singular the tenements, hereditaments and appurtenances therunto belonging, or in anywise appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD, all and singular the said premises, together with the appurtenances, unto the said party of the second part, and to its successors and assigns forever.

It is hereby covenanted and agreed that the real property above described, and any and all improvements now or hereafter located thereon, shall be held, maintained and used by

129350

NOV 12 1968

1 granted, its successors and assigns, only for the purposes of
2 recreation by, and for the benefit of, property owners and their
3 tenants (specifically including occupants of motels and hotels)
4 within the Incline Village General Improvement District as now
5 or hereinafter constituted, and, as the Board of Trustees of
6 said District may determine, the guests of such property owners,
7 and for such other purposes as are herein expressly authorized.

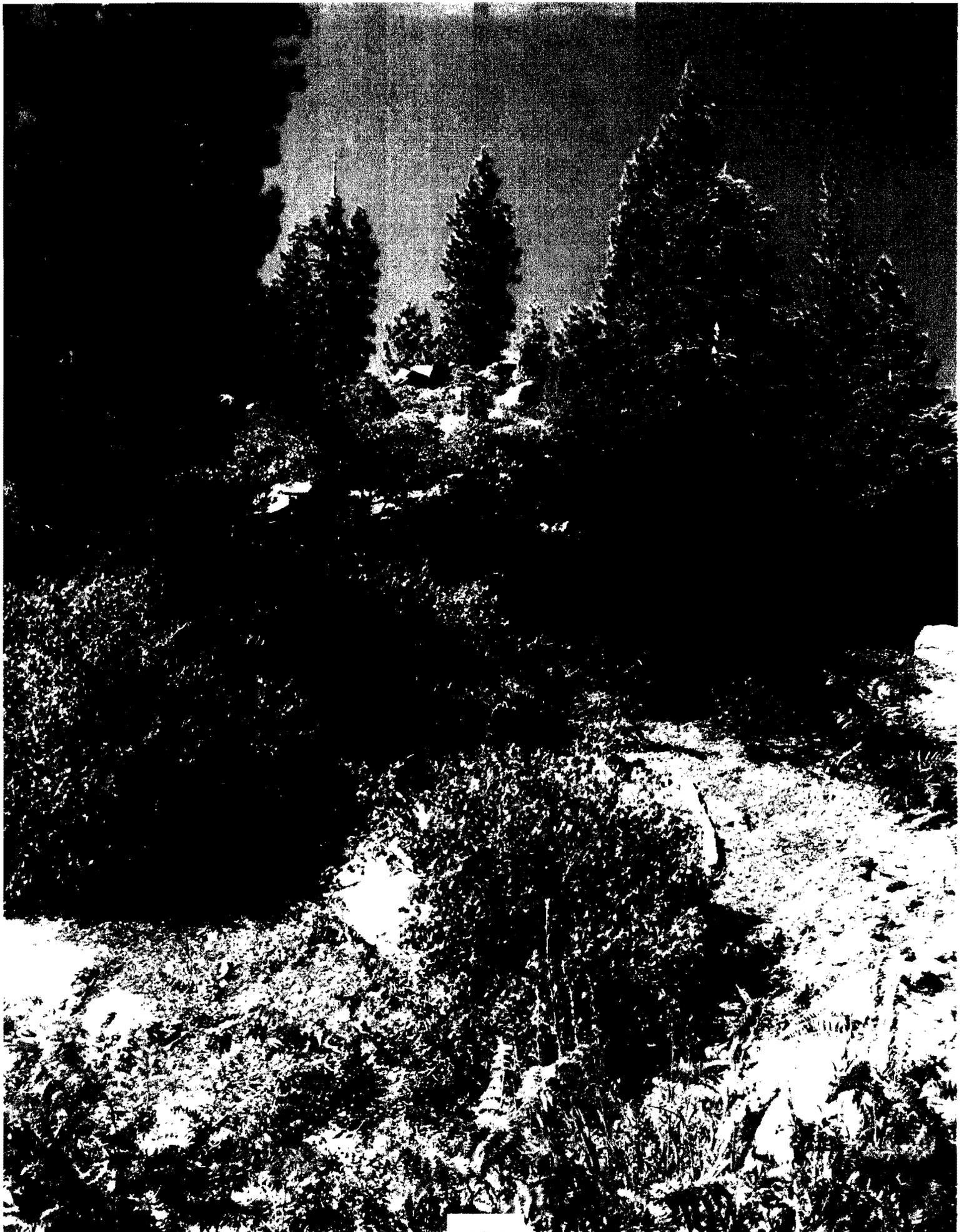
8 This covenant shall be in perpetuity, shall be binding
9 upon the successors and assigns of grantee, shall run with and
10 be a charge against the land herein described, shall be for the
11 benefit of each parcel of real property located within the area
12 designated and described as Incline Village General Improvement
13 District as now or hereinafter constituted, and shall be enforce-
14 able by the owners of such parcels and their heirs, successors
15 and assigns; provided, however, that said Board of Trustees shall
16 have authority to levy assessments and charges as provided by
17 law, and to control, regulate, maintain and improve said property
18 as in its sole discretion it shall deem reasonable and necessary
19 to effectuate the purposes herein mentioned.

20 IN WITNESS WHEREOF, the said party of the first part
21 has hereunto set its hand and seal the day and year first above
22 written.

24 ATTEST: SECRETARY INCLINE VILLAGE, INC.
25 SECRETARY By DC M... [SEAL]
26

27 ACCEPTED AND APPROVED:
28 INCLINE VILLAGE GENERAL IMPROVE-
29 MENT DISTRICT
30 ATTEST: SECRETARY By ... [SEAL]
Secretary President

BOOK 354 PAGE 303



Herron, Susan

From: Sue Hughes [suehughes747@gmail.com]
Sent: Wednesday, August 13, 2014 9:37 AM
To: Herron, Susan
Subject: Aug 13 item H 1. - vote no

Dear IVGID trustees,

Please vote no on this agenda item:

H. GENERAL BUSINESS (*for possible action*)

1. Accept Settlement of pending litigation (SJD Case No. CV-07-00596) by granting a non-exclusive private driveway access easement on APN 125-010-03 and accepting a non-exclusive access on the adjacent drive for fire protection and administrative purposes on APN 125-251-05 (Requesting Staff Member: District General Counsel T. Scott Brooke and Director of Public Works Joe Pomroy)

This IVGID parcel on Randall avenue is for recreational use and is a greenbelt in my neighborhood. I am very much opposed to putting asphalt and/or a driveway on this parcel. IVGID land is for all of us and not for one landowners private use.

Susan Hughes
797 Charles Court

Sue Hughes
suehughes747@gmail.com
775-287-7026 (cell)

On Aug 6, 2014, at 3:17 PM, Herron, Susan <Susan_Herron@ivgid.org> wrote:

<0813 - Regular.pdf>

Herron, Susan

From: Mike Abel [MikeAbel@Pacbell.net]
Sent: Tuesday, August 12, 2014 10:42 PM
To: Herron, Susan
Subject: SE Group Master plan Critique and suggestions
Attachments: Diamond_Peak_critique.doc; ATT00001.htm

Please include these remarks in the record of the meeting tomorrow.

Diamond Peak – Master Plan critique of SE Group analysis

My name is Michael Abel – 900 Southwood Blvd. I am a 10-year resident of Incline Village. Formerly, I owned a sales company with 10 employees in the Bay Area. I ski about 50 days per year at Northstar, DP, Squaw, and Heavenly.

In critiquing the proposed Master Plan, I see that there are many mis-statements, irregularities and spurious presumptions made by SE Group. In this context, I would grade SE group with a C- for the quality of their work, and this would make me look with great reluctance to continuing IVGID's contracts with them.

Below is a list of my challenges to the assumptions made by SE Group.

- 1. *Off site parking is only utilized 10 times a season* this stated on page 15.
This is an incorrect statement. Every day of the 2 week Christmas holiday is parking madness with overflow utilized. This same crush Also is present on Presidents Day weekend. (I count 19 days)**
- 2. *DP has enough parking based on existing CCC* this stated on page 15.
Again a ridiculous statement.**
- 3. *DP's financial performance in terms of revenue generation, expense management and profitability is excellent.* Pg 16
These numbers should be shared with the taxpayers in an annual report.**
- 4. Summer visitor figures seem overstated and exaggerated on page 20.
Inferring that someone stopping at Memorial point is a potential customer for DP activities is ridiculous, as well as the obvious overstatement that 85,000 people come here every year to participate or watch athletic tournaments!
bottom Pg 21 – assumptions on visitor counts are optimistic.**
- 5. Pg 34. Proposed increase in CCC from 2440 to 3150 includes no provision for parking the extra 710 customers. This represents a major error in the report. Are people to levitate to the venue?**
- 6. The snowflake lodge depiction seems to me an impractical and expensive design and a maintenance nightmare. Pg 36-37**
- 7. pg 43 – the correlation between the community survey responses and the proposal seems absurd. When the survey asked, "Do these programs fit your vision for the future of DP" 50-60% said yes! Is that 50% or is that 60% -there is a big difference there. If it is 50% it means that for 50% of the people it does NOT fit within their 124 .**

8. Phasing..... if DP is such a screamingly profitable enterprise why is the installation of the HS Quad on the Lakeview area put off till the last phase? If DP's winter profits could fund the summer proposals set forth in the book, then why not use winter profits to fund the summer improvements.

In summary my feelings are summarized by 6 key points:

1. Parking at DP is a nightmare during the key holidays and Christmas week periods. With my multi-area skiing experiences, I have little doubt that one main reason people do NOT go to DP is because of the poor parking facilities. DP desperately needs close-in parking, probably in the form of a major parking structure.

2. A HS quad lift for Lakeview is a must to keep DP competitive in the local market. It should be installed ASAP. For expert skiers to endure the pain of a long lift line and super slow lifts to access the Crystal express lift is a profit killer for DP.

3. The idea of replacing the snowflake lodge is great, but as a facility that will be used for only 100-170 days a year, it must be cost optimized for low maintenance, durability, and decent capacity, rather than the schematic for the pictured snowflake palace-on-the-hill. The view up there will take care of the esthetics.

4. I feel that many if not most of SE Group's plans are exaggerated and super optimistic. It is hard to see a lot of these ideas as moneymakers. If the Board wants to proceed with these summer venue plans, then it should be done with private industry partners. Give such partners a 25-year lease to develop the summer venues, but those developments should not be done on the backs of the taxpayers. Such developers must do the design, construction, environmental mitigation. If SE Group's ideas are so good and sound, let the market decide if that is accurate.

5. Provide the community on an annual basis with an on-line financial summary of DP operation. This should include ALL expenses including interest on loans, pro-rated pension and health care costs, and pro-rated insurance expenses.

6. The current board and SE group have overlooked Incline Village's biggest asset; our awesome generous residents. To implement a lot of the plans that SE Group and myself have proposed here, why doesn't the Board look to the community for charitable donations, final bequests, and corporate branding to garner funds for a new HS quad and a parking structure. Make us real stakeholders rather than just stake-payers.

Herron, Susan

From: smpulver@aol.com
Sent: Monday, August 11, 2014 10:54 AM
To: Wilson, Brad R.; Herron, Susan
Cc: bill@jpm-tahoe.com
Subject: Fwd: IVGID Master Plan Letter
Attachments: 20140807160404.pdf

Brad, Susan

Attached for your and the Trustee" information is a letter the Bitterbrush II HOA Board sent to our homeowners re: the proposed summer operations and improvements proposed for Diamond Peak.

Sincerely,

Steven Pulver, President
Bitterbrush II HOA

Bitterbrush II Homeowners Association

C/O Incline Property Management
848 Tanager St., Suite M,
Incline Village, NV 89451
Phone (775) 832-0284 Fax (775) 832-4036
www.ipm-tahoe.com

Dear Bitterbrush II Homeowner,

On July 30, the Diamond Peak Master Plan was presented to the IVGID Trustees at a public meeting at the Chateau. Several members of your HOA Board attended the presentation and were very concerned with the impact it might have on both traffic and noise to our Bitterbrush II community. The presentation and Master Plan can be seen on the IVGID web site: www.ivgid.org. Public comment is being solicited via e-mail at brw@ivgid.org. The plan is to be voted upon at the IVGID Trustee's public meeting on September 10 at 3pm at the Chateau.

Your Board recommends you look at both the presentation and Master Plan and communicate any concerns you might have to IVGID, via e-mail, letter, or public comment at the September 10th meeting.

In the opinion of our HOA Board, the Master Plan brings both positive and negative impacts to our Bitterbrush II community. We believe the installation of the canopy tours and mountain biking trails in the upper mountain, along with lift upgrades, backside ski expansion and bigger snowflake lodge will be positive; however, we also believe that the alpine coaster ride, the kid's pump track and the beginner mountain biking course located under the Schoolhouse lift along Ski Way will create noise to our residents. We are asking the IVGID Trustees and Diamond Peak management to reconsider the alpine coaster or at least reconsider the location of these activities that are essentially adjacent to our homes. In the summertime most residents of Bitterbrush II do not have air conditioning and need to leave their windows open in the summer for cooling and ventilation. In addition, we would like to see the proposed operating hours be reduced from the proposed 9am-8pm to a more reasonable time such as 9am-4pm.

We are not asking for the IVGID Trustees to scrap the Master Plan but to take into account the fact that unlike most ski resorts who have summer activities, Diamond Peak is located adjacent to a large residential community.

Your Board is committed to continue working with IVGID and Diamond Peak management to make them aware of the impact some of the proposed programs could have on Bitterbrush II residents and make recommendations for modifying the plan dealing with noise, traffic, and parking issues.

Sincerely,

Bitterbrush II HOA Board

Steve Pulver (President), Hal Berheisel (Vice President), Joe Tafs (Treasurer), Donna Young (Secretary),
Frank Calfa (Director), Ken Cash (Director), Jim Goodin (Director)

Herron, Susan

From: Wolfe, Joseph
Sent: Sunday, August 10, 2014 2:19 PM
To: Herron, Susan
Subject: FW: Zip Line and Summer Mountain Biking

For the record.
Joe

From: Karen Johnson [karenj@pacificozone.com]
Sent: Sunday, August 10, 2014 1:01 PM
To: Don/Pam Wight; Devine, Bill; Wolfe, Joseph; Smith, Jim; Simonian, Bruce E.; Hammerel, Jim; Pinkerton, Steve J.
Cc: vjfrank@sbcglobal.net; Bob Lyons; STEPHEN WIEL (steve@wiel.com)
Subject: Zip Line and Summer Mountain Biking

Hello IVGID Trustees -

I am against a zip line as well as summer mountain bike use at the ski resort. Incline is already too full of folks during the summer. The Tunnel Creek business has already created traffic on the rim and tunnel creek trails that takes away from the remote Tahoe feel of the trails from 6 years ago. Hauling bikers up to the rim trail will just increase day traffic to the area. As a homeowner and very small part owner of the ski resort I don't feel it is my responsibility to supply entertainment to folks just to make more money for IVGID. How many of our homeowners use the Northstar mountain biking? Northstar is used by 12-30 year olds for biking and there aren't many residents in that age category in Incline. We should only be investing in activity capital improvements that Incline residents will utilize and have them open to the public only to help pay for the activity.

Regards,

Karen Johnson
707-696-4196

Herron, Susan

From: Jane Bekowich [jbekowich@aol.com]
Sent: Thursday, August 07, 2014 6:48 AM
To: Wolfe, Joseph; Smith, Jim; Simonian, Bruce E.; Hammerel, Jim; Devine, Bill
Cc: Pinkerton, Steve J.; Paris, Hal; Herron, Susan
Subject: Ordinance #7
Attachments: August 7.docx

To the Board of Trustees and IVGID:

Please read the attached letter which give my thoughts on addressing Ordinance #7.

Thank you,
Jane Bekowich

August 7, 2014

Dear Board of Trustees,

Having attended some of the meetings about Ordinance #7 and listening carefully to concerns of property owners, it seems to me that the issue of Ordinance #7 is easily solved to meet the needs and desires of most property owners.

With the beach usage in 2013 at 167,887 people (picture pass holders approx. 42% and guest pass holders approx. 58%) it is necessary to put a cap on the number of passes issued. The numbers will increase in the years to come if this isn't done.

As it stands now, each parcel may have five picture passes, or combination picture pass/punch card with additional punch cards available, with no limits on how many may be purchased. The punch card has a value of \$166 (think Starbucks gift card) and once it is presented at the gate, the beach fee is subtracted. There is also a 'white form' available at the rec center that can be picked up by a parcel owner or agent whereby the holder pays a fee at the gate to use our beaches or launch their boats. There is no limit to how many of these forms can be obtained.

The white forms are primarily used by the owners of the 200 or so time share properties (including the Hyatt time shares) or vacation rentals. There are approximately 700 rentals listed on VRBO and Home Away alone, not to mention the various real estate agencies and rental agencies that use the forms. The forms are often included in the rental packets to be filled out by the agent or tenant. These forms are also used by the Hyatt Hotel and the Parkside Inn.

At this time the white form holders comprise about 14% of the guest passes, but even these 10,00 to 12,000 people on the beaches, especially at peak periods, impact the area. And with unlimited availability the potential of hoards of tourists having them is there.

Based on the above, and the need to be cognizant that a court ruling in 2011 in favor of Incline Village keeping their beaches private could be overturned, we must limit the number of people who have access to the Incline Village beaches.

I propose the following:

- 1- Within Ordinance #7 make a separation between the private beaches and the public golf course, Diamond Peak, the tennis center and the recreation center.
- 2- Put a cap on the parcel owner passes as follows:
Five picture passes or combination of picture passes/punch cards with the availability of five additional punch cards per parcel per year. The punch cards will expire at the end of the year if not used. If there is an absolute cap

on these passes it really doesn't matter whether we use the 'family tree', however it is imperative that the wording of the court ruling is taken into consideration to ensure we are not overstepping the court's intent.

- 3- Eliminate the white forms, which are not part of Ordinance #7. The rental property owners and the time share units will have to figure how they want to use the allotted passes per parcel.
- 4- Should a parcel owner require beach 'special occasion' guest passes for a specific date, a list of guests will be provided to the Recreation Department along with the beach access fees as determined by IVGID. Individual beach passes will be issued accordingly. IDs will be required at the gate for all adults. Parcel owners will be able to do this on a one time per year basis.

With fewer people using our beaches less revenue will be received. However, there will be less wear and tear on the property and require fewer employees to maintain and run the beach operation offsetting some of this lose.

I don't believe the residents of Incline Village really want their community to become a world destination resort, drawing in scores and scores of tourists. It is the job of our elected Board of Trustees to ensure that the quality of life here is maintained and the beach usage is primarily for the residents of Incline Village and their guests.

Jane Bekowich

IVGID Should Not Be In The Business of Running A Business

IVGID trustees are elected by the registered voters of Incline Village. They should be representing the best interests of the residents of this community. IVGID should not be trying to run a for profit enterprise which is what they are proposing to do under the projected mega-million Diamond Peak Updated Master Plan. History tells us they are not very good at it. I know that Squaw Valley, Northstar, Heavenly Valley and Granlibakken have similar facilities, but those are all run by private equity firms, resort management companies or family owned businesses. If approved, this plan will create a Disneyland at Diamond Peak which will bring in even more people than we currently experience in the summer. Most of us live here because of the small town ambience which we reluctantly relinquish to visitors in peak summer and winter seasons. I'm all for improving our existing facilities, but isn't this over the top? Is this really in the best interests of the residents?

Mary McKenna
Incline Village

Diamond Peak Updated Master Plan

I read the 170 page Diamond Peak Updated Master Plan and attended last week's IVGID board meeting. This Plan is a ten year project which includes, among other capital investments, an Alpine Coaster (roller coaster), climbing wall and canopy tour –also known as a zip line. It is projected to cost \$18 million. The first \$8.2 million will be funded by a bond issue which is intended to be repaid, along with interest, from the revenues of the project. While I appreciate IVGID's stated intention of not raising recreational fees, given IVGID's dubious history of running recreational facilities profitably, I can't help but think that it's the property owners who will end up being saddled with this debt. A debt that we don't get to vote on. I'm all for continuing to maintain and upgrade our existing recreational facilities, but this proposal will create an amusement park that the residents will ultimately, I believe, get to pay for.

Judy Heinbaugh
Incline Village

It's time to limit the number of tourists

Once members of the IVGID Board of Trustees are elected, they are endowed a wide ranging authority to conduct the business affairs of Incline Village — but that authority does not extend to intrusion on the spirit of Incline.

Indeed, Incline Village has a spirit of its own, a spirit that was born of the aspirations and dreams of all those who came here before us. Dreams of oneness with nature. Dreams of inner freedom. Dreams of an environment not spoiled yet by the clutter of man.

Unfortunately, at times, the Board of Trustees trudges along seemingly unaware of the aspirations of the people. A case in point is the recent proposed changes to Ordinance No 7, which establishes recreation privileges by the Incline Village General Improvement District.

The ordinance states in part that 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.

Wowee! Aren't we cowed by this strident and provocative proclamation of authority? Ladies and gentlemen of the Board: How about a little bit of humility? How about some foresight? Do you indeed

wish to issue unlimited number of recreation privileges to '...anyone else in the past, present or future...?'

Another part of the proposed (now tabled) changes to Ordinance 7, which deals with the purchase of additional Picture Passes or Guest Access Cards states: 'If any owner wishes to purchase additional Picture Passes or Guest Access Cards, the owner may do so by paying an additional fee as determined annu-

Sid Bekowich
Guest Column

ally with the District Annual Operating Budget. Additional Guest Access Cards '...can be used by any individual....'

So what prevents an unscrupulous property owner in Incline Village from buying an unlimited number of Picture Passes or Guest Access Cards as 'gifts' to any number of travel agents, say, in New York or for that matter any entity in the world which is in the business of selling vacations to Lake Tahoe?

It should be obvious that an influx of tourists would intrude on the spirit of Incline: Already the shoulders along Incline Way, Lakeshore Boulevard and Village have become an unsightly and dangerous parking lot as far as the eye can see.

Owners who built multimillion-dollar dream homes along Lakeshore have to live with this eyesore every time they step out of their property.

Sirens wailing through the late

hours of the night shatter the dream of oneness with nature. Beaches are overcrowded with unfamiliar faces who bring more of the clutter of man.

This is not the Lake Tahoe and Incline Village I dreamt about.

It is time for the Board of Trustees to pay full attention to the quality of life and wellbeing of the people who elected them.

With this in mind, it is necessary to establish a limit on the number of tourists — because should their numbers continue to increase, it would arrive at a critical mass, which, regardless of the financial benefits realized, would render the quality of life that so many of us came here for to be untenable.

Therefore, instead of searching for ways — such as becoming vendors of picture passes, guest access cards and the like to obtain more revenue from tourists — it behooves the Board of Trustees to search for ways to reduce expenditures and limit the number of tourists.

I have been a resident of Incline Village for the past 36 years and I believe there is ample space to reduce expenses and balance the budget with the current revenue — without resorting to collecting additional income through the sale of unlimited number of Picture Passes and Guest Access Cards to yet more tourists.

Sid Bekowich is an Incline Village resident.

Herron, Susan

From: s4s@ix.netcom.com
Sent: Wednesday, August 13, 2014 11:24 AM
To: Wolfe, Joseph
Cc: Simonian, Bruce E.; Smith, Jim; Hammerel, Jim; Devine, Bill; Herron, Susan; Pinkerton, Steve J.; Pinkerton, Steve J.
Subject: Request to Transfer Agenda Items G(1), G(2), G(4) and G(6) to This Afternoon's General Business Calendar

To Chairperson Wolfe and the other Honorable Members of the IVGID Board -

Again you have allowed staff to prepare an agenda which places most NON-routine matters on the Consent Calendar which deprives the Board and the public of a public hearing where important issues can be identified and vetted.

This is wrong and it bothers me that our new GM is perpetuating this policy when he should know better, and I thought was brought here to start making IVGID operate like the political subdivision it is.

Any one trustee can ask that a matter on the Consent Calendar be transferred to the General Business Calendar and I ask that at least one of you make the request for Agenda Items G(1), G(2), G(4) and G(6) to be transferred.

G(1) - Is the expenditure of \$256,555 a ROUTINE matter? First, it does NOT represent a professional services agreement as staff represents. EXL Media is nothing more than a salesperson to place media buys on IVGID's behalf. Thus the contract should go out to public bid as it has in the past and all Board members know this to be fact. And every time we've gone out to public bid, taxpayer monies have been SAVED.

Second, Susan Herron STILL hasn't given me the monthly trade reports for free Diamond Peak lift ticket vouchers and other free recreational facility benefits given by staff last year purportedly pursuant to last year's contract. If the public can't get these reports from last year, then why are we proposing the same "hidden" arrangement for this year?

Third, staff has produced no evidence that a single media buy last year resulted in \$1 of increased revenue that would not have otherwise been realized without media buys. Without this evidence we're simply wasting our Rec Fee on unnecessary expenditures without any proof they accomplish anything. Thus for Brad Wilson to state these media buys are "a critical component to successful operations at IVGID" (rather than Diamond Peak which is allegedly the beneficiary of these media buys), is an outright misstatement of fact. Brad is buddies with Wendy Hummer so his motivations are suspect.

By and large we don't have a problem attracting skiers to Diamond Peak on weekends and holidays (thus we don't require advertising for this purpose). Our problem is mid-week, as is the problem of most other ski areas, and there's no evidence throwing money at media buys is going to increase mid-week skier visits. And Brad Wilson knows this to be fact.

G(2) - Is the expenditure of another \$23,400 after spending nearly \$130,000 on a FIXED FEE contract a ROUTINE matter? If SE Group were a building contractor; it gave you a fixed fee bid for a remodel project at your home; and when it finished the work it asked you for an additional 37.41% because it had made a mistake in giving you the fixed fee bid that it did; would you pay it so quickly with your money the way you propose paying SE Group this additional nearly \$23,400 with the public's moneys? Of course you wouldn't.

SE Group has COMPLETED the task for which it was engaged. There's no need to waste more of the public's moneys when the issue before the Board is whether we even want to go down this road. Moreover, master plans DON'T include the kinds of things staff has been stuffing into this "plan." Financial analyses are NOT part of master plans. Nor is "the inclusion of public comments." The reason we have meeting minutes is to include public comments which are then preserved for eternity. And the reason we have future public hearings is to decide if we want to spend the \$18.2 MILLION represented by this plan and if so, from where will the moneys come? To spend an additional nearly \$23,400 at this juncture to accomplish the same purposes is irreponsible and unnecessary. We didn't need this "plan" to tell us the Snowflake Lodge was an under utilized gem. Nor did we need this "plan" to tell us we have a problem with the Lakview Lift. We've already paid way, way too much for what we've received.

G(4) - Is the expenditure of \$341,503 on irrigation and draining for two athletic fields which generate essentially zero revenue a ROUTINE matter? These are the same fields staff gives away for free or essentially free to the middle school,

AYSO, Little League, Babe Ruth Baseball, Lake Tahoe School, visiting tournaments, etc., etc. rather than at least recouping the public's out of pocket costs. So to state these improvements are required for IVGID's NON-PAYING "customers" is disingenuous at best.

Take a look at page 116 of the budget; revenues and expenses assigned by staff to the Parks sub-fund. Throw out all the revenue entries which have nothing to do with the operating income we actually realize from the rental of our athletic fields (like a portion of the Rec Fee) and what are we left with? \$50,900 of revenue of which \$25,000 really has nothing to do with the rental of our athletic fields because it pays for landscape maintenance of the high school field paid by the school district. So that leaves roughly \$25,000 of rental income to pay for over \$1.022 MILLION of expenses! Before \$341,503 of our Rec Fee is spent on athletic field improvements which benefit persons who don't pay their fair share, don't you think we need to have a discussion as to why staff REFUSES to make those who use the public's athletic fields at least cover the public's costs to make them available for our "customers" use?

G(6) - Is the expenditure of another \$40,000 after spending over \$100,000 with Averill Consulting a ROUTINE matter? Moreover, look at the dysfunctionality of our "so called" IT Dept. Apparently our last (and third) programmer has resigned. For all intents and purposes we no longer have an IT Dept. and yet we apparently have an IT Director - Gerry Eick! What does he know about IT? Why is he the head of a department which for all intents and purposes no longer exists? How much more did staff decide to pay one of its own to wear the new title "IT Director?" All of these questions need to be answered before we spend this kind of money.

These items combined (over \$660,000 of expenditures), in my opinion, demonstrate the dysfunctionality of IVGID. To those less informed in our community who tell the Board what a good job it is doing you should ask yourselves why we have the problems we do demonstrated by these items on the Consent Calendar? They should also ask why the Board and staff go out of their way to hide these matters by burying them on the Consent Calendar rather than being open, honest and up front about them (it's called transparency)?

Please do what each of you was elected to do, and allow these Consent items to be discussed as part of this afternoon's Board Meeting General Business.

Thank you, Aaron Katz

MEMORANDUM

TO: Steven J. Pinkerton
General Manager

FROM: Gerald W. Eick, CPA CGMA
Director of Finance, Accounting, Risk Management and Information
Technology

SUBJECT: Status Report for July 2014 – Finance/Accounting, Risk
Management and Information Technology

DATE: August 29, 2014

Finance and Accounting

Capital Projects Review for the Prior Fiscal Year As a part of closing the fiscal year for the audit, all projects are reviewed for their status as complete, in progress or affecting some sort of carryover. A report for the year ending June 30, 2014 is attached.

Audit for the year ending June 30, 2014 Kafoury Armstrong has scheduled preliminary work for August to be exchanged electronically. Staff has already completed most of the schedules. The audit work in September will be a combination of remote from their offices and a week in our location. They plan to meet with the Audit Committee on September 24 and deliver the report for acceptance November 12.

Annual Debt Management Reporting to the Department of Taxation The report was filed as required with the State and a copy was also provided to Washoe County for their county-wide Debt Management Report. The State has changed the nature of some of the report, to be more reflective of the immediately concluded year. In the past some of the reporting was more prospective based on recent assessed valuation figures to recalculate a debt limit.

Initiative for Fiscal Year 2015-16 Service Measures The General Manager has directed we explore formats of accounting and presentation that emphasize service levels. We have begun to record a history of metrics to allow comparisons in future financial statements. We are also looking for other measurements that would be helpful for reporting.

Risk Management

POOL/PACT Support Matters The POOL/PACT is planning a Board Retreat Nov. 17 and 18 to shape initiative to serve the membership. The IVGID Director of Finance is a member of the Executive Committee and has agreed to attend. The POOL's Executive Director has also consulted with us on the use of a lobbyist for the upcoming Legislative Session. The POOL is moving from having a contract lobbyist to participating more through trade and industry associations. The District is considering following that same tactic, while also being engaged through the NV League of Cities.

Debriefing with Public Safety agencies following the July Holiday District staff reviewed a number of safety matters for operations with Washoe County Sheriff and the No. Lake Tahoe Fire Protection District, as well as our contract security, for events surrounding the July holiday time frame. A similar set of reviews last year resulted in changes to traffic and security patterns used for 2014. The highest profile item was increased lighting along Lakeshore Blvd and an additional exit gate following the fireworks. It was agreed these and other initiatives were effective. Several new lessons were learned for next year. These included more traffic control, having a greater capacity for entry into the Beach in the hour and a half before the fireworks and increased lighting in the general beach area following the fireworks.

Safety Initiatives The District's Safety Specialist is working with all venue staff to meet the next phase of Hazardous Material handling. This will include cataloging items we use in an online data base offered as a member service by the NV POOL. This allows us to maintain a log of materials and access to resources if they do not arrive from the vendor. The Safety Committee is actively promoting this work to each venue. In preparation for the summer safety week programs, we have developed the acronym SAFETY; **S**ituational **A**wareness **F**or **E**verything **T**hat **Y**ou do. This will be something that can resonate with staff and customers.

Information Technology

Development of a Strategic Plan Staff including those from IT and its Steering Committee have continued to shape a plan for moving forward with a system that serves our venue and customer needs through a modern technology environment. We have formulated a Strategic Plan and related attributes. We have a preliminary set of objectives that will be finalized once the overall IT implementation plan and report is received from Averill Consulting Group.

Progress for the development of an IT Report and Plan The Averill Consulting Group has given us a preliminary indication on the direction they suggest we take under a new plan for IT. Such a plan will emphasize utilizing mature technology and operating third party software under a combined internal staff for daily support and outside contractors for system management and annual compliance reviews. With this premise in place, we are re-evaluating scheduled projects in the current CIP 5 Year Summary. Many of the projects are being re-scoped. On September 24, we will propose accelerating the virtualization of the servers and reschedule the software and licensing projects. It makes the most sense to load new programs onto new machines. Over the last several months a group of staff and our consultant has actively evaluated solutions for both Recreation and Ski for point of sales systems. A selection has been made for the replacement of Capstone and will also be presented Sept. 24.

Status of Proof of Concept Projects The District has operated a project to test feasibility of better WI-FI service for 2 months. The Admin Building is the proof of concept site because it has the best fiber connection. The concept appears feasible and we have identified the type of equipment that will be more effective. However, any public access Wi-Fi will be limited to our ability to maintain adequate connections. Our general community continues to struggle with limited fiber and higher capacity internet services and the District does not have a way to mitigate that limitation at many of our venues.

Consultant's Progress on System Review The Averill Consulting Group is continuing to make its assessment. They will be commenting on a wide range of items including hardware, software, security, operating methodologies, separation of internal and public access in communication systems and processes for change management. As a part of operating methods they have encouraged us to begin a new method for support system calls management and tracking. This system will also serve to plan for proper periodic general maintenance of our equipment and systems. The program was acquired in June and implementation began in July and should be completed in September.

Webcasting for Board of Trustee Meetings IT staff and the consultant have been exploring causes for limitations we've experienced during live broadcasts. The IT staff has found several resolution settings that can be adjusted that recently overcame those issues. We will continue to test and monitor the issue. Live streaming is challenged by the same capacity issues we face for Wi-Fi.

**Incline Village General Improvement District
 Transaction Authority for Identified Vendors
 for the fiscal Year ended June 30, 2015**

Vendor Number	Vendor	Board Authorization	July YTD
Known single or series transactions totaling more than \$25,000			
02786	CalFirst National Bank (Championship-Carts)	\$ 55,886	\$ 9,314
02786	CalFirst National Bank (Mountain-Carts)	38,176	6,363
02514-3	Harris Computer (MS Govern)	43,000	33,394
02630	Hercules (Ashland Specialty Chemicals)	60,000	6,732
02090	High Sierra Patrol, Inc.	58,000	18,590
02281	Hill Brothers Chemical Company	30,000	-
03002	Mark E Smith Foundation (Bear Services of IV)	30,000	4,910
01945	North Lake Tahoe Fire Protection District	200,000	555
02749	Olin Corporation	70,000	3,556
02124	Washoe County Public Works (street cuts)	70,000	-
Annual spending (non-CIP) anticipated greater than \$25,000			
01818	AlSCO	40,000	5,187
02998	Belcorp AG, LLC	26,000	1,514
01902	Burgarello Alarm, Inc.	32,000	1,270
02549	California Electronics Assets Recovery	28,000	3,340
01052	Crop Production Services, Inc.	36,000	4,507
01790	Data Print, LLC (includes Data West)	52,000	2,896
01692	Dell Computer	30,000	1,107
01760	Doppelmayr USA, Inc.	40,000	9,744
01328	Grainger	40,000	3,529
01004	Kassboher All Terrain Vehicles	40,000	960
01750	OfficeMax Inc.	30,000	1,652
02892	Porters Auto Parts, Inc.	30,000	2,533
01256	PSC Environmental Service, LLC	35,000	-
02272	S & G Transportation	60,000	2,900
01854	Sierra Chemical Co	27,000	1,276
02161	Sierra Nevada Media Group	35,000	1,835
01729	Sierra Pacific Turf Supply, Inc.	42,000	11,907
01182	Tahoe Supply Company, LLC	50,000	6,407
02287	Target Specialty Products	25,000	-
02223	Turf Star, Inc.	25,000	1,141
01915	Village Ace Hardware	49,000	4,032
01862	Western Nevada Supply	60,000	8,978
02181	Wilbur-Ellis Company	35,000	-

**Incline Village General Improvement District
 Transaction Authority for Identified Vendors
 for the fiscal Year ended June 30, 2015**

Vendor Number	Vendor	Board Authorization	July YTD
Fuel purchases under buying group, aggregate \$250,000			
02663	Allied Washoe Petroleum Inc.		-
02735	Flyers Energy, LLC		6,584
02745	Petroleum Distributors		-
02744-2	Thomas Petroleum, LLC		-

**Incline Village General Improvement District
 Transaction Authority for Identified Vendors
 for the fiscal Year ended June 30, 2015**

Purchases of Inventory for Resale			
Vendor Number	Vendor	Board Authorization	July YTD
01293	Callaway Golf	100,000	(882)
01886	Capital Beverage	40,000	3,101
02434	Comstock Wine & Spirits	75,000	8,547
02726	Pepsi Beverage Co.	45,000	3,869
01918	Produce Plus	28,000	1,050
02245	Sierra Meat Co.	75,000	5,442
02177	Sysco Food Services	200,000	4,892
01339	TaylorMade	50,000	6,053
01038/01039	Titleist/Footjoy	70,000	8,445
02532	US Foodservice, Inc.	200,000	23,489

MEMORANDUM

TO: Board of Trustees

Initiating

Trustee: Staff Initiated

THROUGH: Steven J. Pinkerton
General Manager

FROM: Gerald W. Eick, CPA CGMA
Director of Finance, Accounting, Risk Management and Information
Technology

SUBJECT: Carryover Capital Improvement Projects from the Fiscal Year ended
June 30, 2014

DATE: August 29, 2014

I. RECOMMENDATION

This is a Staff Report and no action is being requested. It is a supplement to the July Status Report.

II. BACKGROUND

The District does not re-budget for a project or its resources year to year. Beginning with June 30, 2012, Finance has taken the initiative to prepare a detailed calculation of prior carryover plus the new year's budget, applied to projects completed, cancelled or carryover to another year. Given the constraints of a restricted Tahoe Basin construction season and the desire to avoid conflicts with operations, projects often are shifted or combined to create a carryover. The large amounts in Utilities are to be expected given the multi-year projects that can often be combined to get better efficiency or pricing.

The reconciliation also allows the Board to identify the nature of savings, unbudgeted projects and general flow of activity.

III. COMMENTS

Each line of the reconciliation represents a different stage of the process for Capital Improvement Projects over the fiscal year ended June 30, 2014. The significant project generating a savings was the replacement of rental skis which has been established with as a change from every 3 years to 4. There were no cancelled projects.

Most notable item are the projects for the re-plastering the Recreation Center Pool and the Pool Deck Recoating. These were accelerated as a result of vandalism. At the time they were started, staff indicated they might be paid from reserves and then subsequently recovered in 2014-15 as originally scheduled. Since there are considerable savings in other areas of Community Services, reserves were not used nor will these funds have to be recovered in a future period.

The following recaps activity for the year ending June 30, 2014:

	General	Internal Services	Utilities	Community Services	Beach
Capital Carry Forward to 2013-14	\$ -	\$ -	\$ 5,767,577	\$ 810,712	\$ 41,081
Budgeted Capital Expenditures 2013-14	24,000	-	3,943,620	2,691,214	366,520
Unspent budget on finished projects	(5,739)	-	(107,614)	(688,637)	(17,023)
Cancelled projects	-	-	-	-	-
Unbudgeted projects	21,987	-	28,213	157,090	8,350
Capital Carry Forward to 2014-15	-	-	(6,595,823)	(773,343)	(240,343)
Capital Expenditures Incurred 2013-14	<u>\$ 40,248</u>	<u>\$ -</u>	<u>\$ 3,035,973</u>	<u>\$ 2,197,036</u>	<u>\$ 158,585</u>

**Incline Village General Improvement District
Capital Projects Carry Forward to Fiscal Year 2014 - 2015**

Fund		Carry Forward
Project #	Project Description	
Utilities		
Water		
2223DI0903	Upgrade Ozone Facility - (AKA Burnt Cedar Water Disinfection Facility)	\$ 293,296
2299DI1103	Replace Commercial Water Meters, Vaults, Lids	51,643
2299DI1102	Equipment Rehabs (Pumps/Motors/Telemetry)	69,096
2299DI1305	Water Pump Station Roof Replacement	16,334
2299DI1401	Burnt Cedar Plant Improvements	31,767
Public Works Shared		
2097BD1204	Building A Carpet	6,138
2097BD1502	Fueling Facility Upgrade	67,000
2097DI1401	Raise Manholes & Valve Boxes	30,000
2097LI1401	Pavement, Utility Facilities	9,722
2297BD1301	Public Works Equipment Storage Building	191,120
2297LI1201	Repave Utility Facilities	11,935
Sewer		
2522DI0904	Spoooner Pumping Station Project (Effluent Export Line - Phase I (USACE 75% Funding))	704,339
2524SS1010	Effluent Export Line - Phase II (USACE 55% Funding)	4,551,836
2599BD1105	Building Upgrades Treatment Plant	33,700
2599DI1104	Upgrade Sewer Pump Stations	274,792
2599SS1102	Wastewater Treatment Plant Improvements	38,189
2599SS1103	Upgrade Wetlands Facility	37,520
2599SS1203	Replace & Reline Sewermains	127,396
2599SS1301	Aeration Basin & Wet well Evaluation	50,000
Total Utilities Fund		<u>\$ 6,595,823</u>

**Incline Village General Improvement District
Capital Projects Carry Forward to Fiscal Year 2014 - 2015**

Fund		Carry
Project #	Project Description	Forward
Community Services		
Golf		
3143GC1006	Driving Range Netting	\$ -
3141LI1201	Pavement Improvements	31,974
3141LI1202	Pavement Maintenance of Cart Paths	17,980
3242LI1205	Pavement Maintenance of Cart Paths	3,257
3299BD1403	Mountain Clubhouse Replacement	10,724
Facilities		
3350BD1301	Repair Front Entrance Concrete	9,020
3352BD1302	Resurface Patio Deck - Chateau	11,805
3350ME1503	Replace Lochinvar Boiler	87,970
Ski		
3464BD1302	Vehicle Shop Pump house Roof	24,190
3469LI1105	Pavement Maintenance of Diamond Peak and Ski Way	6,179
3499LI1101	Incline Creek Culvert Rehabilitation	29,932
3499LI1404	Diamond Peak BMP Revegetation	35,000
Recreation Center		
4884BD1304	Replace Roof Recreation Center	122,017
4884LI1102	Pavement Maintenance, Recreation Center	6,520
4899OE1399	Web Site Redesign and Upgrade	20,000
Parks		
4378LI1006	Inclien & Third Creek Restoration	75,000
4378BD1204	Village Green Restroom	178,186
4378LI1206	Village Green Pathway	30,000
4378LI1203	Pathway Village Green & Rec. Center, Tennis	15,043
4378LI1303	Pavement Maintenance, Aspen Grove	6,300
4378RS1004	Retro Fit Ballfield Lights IP #3	10,000
Tennis		
4588LI1201	Repave Tennis Facility	42,246
Total Community Services Fund		\$ 773,343

**Incline Village General Improvement District
Capital Projects Carry Forward to Fiscal Year 2014 - 2015**

Fund Project #	Project Description	Carry Forward
Beach		
3970RS1304	Replace Baby Pool Boiler	\$ 12,920
3972LI1201	Pavement Replacement, Incline Beach	1,897
3972LI1202	Repave Parking Lot Burnt Cedar	19,355
3973LI1302	Incline Beach Facility Study	50,000
3999BD1303	Ski Beach Bathroom Remodel ADA Compliant	156,171
	Total Beach Fund	<u>\$ 240,343</u>

MEMORANDUM

TO: Steve Pinkerton
General Manager

FROM: Dee Carey
Director of Human Resources

SUBJECT: Human Resources Status Report for July 2014

DATE: August 8, 2014

Recruiting: We are currently interviewing for a Sr. HR Analyst/Risk Management (FT/YR) position and recruiting for a Recreation Supervisor – Aquatics (FT/YR) position. We have received very good applicants for both positions. We hope to have these filled very soon. We continue to assist the summer venues as limited turnover occurs and with job description updates.

Training: We continue with weekly District Orientations and bi-weekly Customer Service Trainings for both new and returning employees, with additional training options offered to ensure staff remains empowered to provide exceptional customer service. The Customer Care Card program continues to be utilized by our employees and cards have been distributed.

Employee Relations: Plans have been finalized for the semi-annual All Employee Meeting to be held on August 14th at Aspen Grove which will consist of various fun games for the employees to enjoy. Management staff will once again be cooking and serving-up food for employees; and we will present awards for longevity and Safety.

Labor Relations: We have a tentative agreement with the Non-Supervisory and Superintendent bargaining units for multi-year contracts. Those will be finalized as soon as legal agrees to the contracts.

Workers' Compensation: July Workers' Compensation: There were three (3) new workers' compensation claims in July. They were in Parks Maintenance, Aquatics and Beaches. No claims were closed in the month of July. This brings the current total number of open claims to eighteen (18). There is one (1) open claim from FY 1999. The total number of claims assigned to individual divisions is: Ski (6), Parks & Recreation (6), Grounds (1), Utilities (4), and Food & Beverage (1).

PUBLIC WORKS BENCHMARKS

Benchmark Item	JULY					
	Totals for the Month			Year-to-Date Totals		
	2014	2013	3-Year Average	2014	2013	3-Year Average
Water Flow (acre-feet)	496	521	512	496	521	512
Wastewater Flow (million gallons)	40	38	40	40	38	40
Fleet Work Orders, PM & CM, % of Total Time	56%	53%	57%	56%	53%	57%
Buildings Work Orders Completed (each)	108	78	92	108	78	92
Customer Service Requests (each)	186	159	151	186	159	151
Backflow Testing (each)	277	285	300	277	285	300
Plan Checking (each)	28	35	25	28	35	25
Trash Complaints (actual call-outs)	43	19	25	43	19	25

MEMORANDUM

TO: Steven J. Pinkerton
General Manager

THROUGH: Joe Pomroy, P.E.
Director of Public Works

FROM: Ronnie Rector
Public Works Contracts Administrator

SUBJECT: Public Works Department's Monthly Status Report for July, 2014

DATE: August 13, 2014

DIRECTOR HIGHLIGHTS

The Director, General Manager and Board Chairman traveled to Washington D.C. to visit the Nevada Congressional Delegation. Marcus Faust had arranged visits with Senator Heller, Congressman Amodei, Congresswoman Titus and Senator Reid's staff (Senator Reid was on the Senate Floor). We were able to thank the delegation for the funding we have received through the Section 595 program and the passage of the new WRDA bill that raised the authorization level of Section 595. We will next be working on getting new appropriations for Section 595 and working with the Army Corps on a new Project Cooperation Agreement for the Effluent Export Project Phase II.

Staff is conducting a new evaluation of the community needs for residential garbage and recycling containerization. This effort involves detailed case studies of containerization in other communities. The City of Reno has completed containerization and has seen a dramatic increase in recycling participation and diversion rates. The District has been stuck on an 18% diversion rate for several years. The County has a goal of 35% diversion, which has been met county-wide.

Staff is reviewing its trash inspection program and evaluating new fine structures and the use of proactive trash enforcement.

The table below presents the trash violation statistics for the current and previous fiscal year, plus the totals for the last nine years (since the inception of the trash violation enforcement program). The goal of the Public Works Department is to achieve trash compliance through proactive enforcement. Staff has contracted with a local company for proactive enforcement of the Solid Waste Ordinance. A total of 150 dumpsters will be inspected monthly and 12 hours of residential route will be driven to inspect for

compliance with the Ordinance. Fines are issued for violations of the Solid Waste Ordinance and credits are issued for installation and use of animal resistant containers. All fines are collected through the utility bill.

	Fines Paid	Credits Issued	Net of Fines	Total Complaints	Wildlife Violations
2013-14	\$37,670.00	\$11,845.00	\$25,825.00	229	57
2014-15	\$2,040.00	\$1,812.00	\$228.00	43	11
2005-14	\$129,369.00	\$39,123.00	\$90,246.00	1060	387

WASTE NOT HIGHLIGHTS

On July 17, staff submitted verbal and written comments regarding the Lahontan Region Water Quality Control Board's *Tentative Water Quality Certification and Waste Discharge Requirements for the Tahoe Keys Property Owners Association*.

Staff has been leading a TWSA subcommittee to address the water supplier concerns over the emerging potential for direct chemical use in Lake Tahoe as part of aquatic invasive species management.

Staff assisted IVGID Parks and Recreation staff with solid waste dumpster needs/staging for Red, White and Tahoe Blue (RWTB).

Staff offered the Waste Not outreach booth at the Community Fair during the RWTB events on July 4 & 5. An estimated 500 people were contacted during the event.

Staff coordinated staging of the mobile water fill stations for RWTB. The stations were heavily utilized during the 3 days of events.

Staff conducted zero waste service at the Lions and Firehouse pancake breakfasts. 2,300 people attended the 2 events. Diversion included approximately 5 tons of compostable and recyclable material; total garbage generated was less than 200 pounds.

Staff reestablished the Garbage Can Enclosure (Bear Box) Rebate Program. The program went live in mid-July with 40 applications already received. The \$150 rebates are available to customers who install a metal bear box on their property.

ENGINEERING HIGHLIGHTS

The Engineering Department is working on several CIP projects currently under construction, including:

- 2014 Reline Sewer Mains Project – This project was awarded to SAK Construction, LLC, by the Board on March 12, 2014, and rehabilitated approximately 9,485 lineal feet of sewer mains using a cast-in-place process. Construction on this project is complete and the project is ready for final payment.
- Pavement Maintenance, Tennis Facility – This project was awarded to West Coast Paving by the Board on April 30, 2014, and repaired the parking lot and pathways at the District's tennis complex. Work on this project is substantially complete and the project is ready for final payment.
- Recreation Center Roof Replacement – This project was awarded to Alpine Roofing in October, 2013 and was delayed due to weather. Skylight replacement has been completed and the asphalt shingle roof is underway and expected to be complete by the end of August 2014.
- 2014 Watermain and Fire Flow Enhancement Project – This project was awarded to Burdick Excavating, Inc. by the Board on July 30, 2014 and work is expected to begin in the second half of August 2014. This project will replace approximately 2,600 lineal feet of watermains and related appurtenances along Dale Drive, Knotty Pine, Willow Court and Lark Court.
- Ski Beach and Village Green Restrooms Replacement Project – This project was awarded to Walker River Construction by the Board on July 30, 2014 and work is expected to begin on September 2, 2014. This project will replace the aging and failing bathrooms at Ski Beach and Village Green with two packaged restroom buildings supplied by Romtec, Inc.
- Incline Village Baseball Field Improvements Project – This project will improve the drainage and irrigation at Incline Park Fields 2 & 3. Bids were opened on July 31, 2014 and a construction contract will be considered for award by the Board of Trustees on August 13, 2014.

In addition, the Engineering Department is overseeing various pavement maintenance projects throughout the District. Projects in the planning and design phase include the Incline Beach and Burnt Cedar Beach Facilities Study, the Mountain Golf Course

Facilities Study, the Diamond Peak Incline Creek Culvert Rehabilitation, the Public Works Cold Storage Building, and the second phase of the Effluent Export Pipeline Replacement Project.

UTILITIES HIGHLIGHTS

Monthly compliance reports were submitted with no permit violations for the water and wastewater systems reported to the state and local agencies. Water production was 5.121 million gallons per day (MGD) and Wastewater flows were 1.277 MGD.

Wastewater Operations

As well as routine maintenance and testing, staff installed a new 4" plug valve on the grit airlift and a new timer was ordered for the grit system control panel. Work continues with Thunderbird communications on telemetry upgrades and CH2M Hill worked on the Wonder Ware upgrades. Parts are here to rebuild the south bank #2 recirculation pump.

Water Operations

In addition to routine inspections, laboratory analysis, instrument calibration, chemical deliveries, and routine maintenance, staff met all regulatory requirements for the production of potable water. The Burnt Cedar Water Disinfection Plant (BCWDP) met all residual requirements and all Ultra Violet Transmittance (UVT) and intensity sensor calibrations and checks were completed. Staff replaced some UV lamps in both reactors.

Water Pump Stations

All water pump stations continued to provide reliable service throughout July. Staff replaced two 4" gate valves and rebuilt the #2 cla-valve pump control at WPS 8B-1 as well as bleeding the flow transducer at WPS 3-1.

Sewer Pump Stations

Most sewer pump stations continued to provide reliable service throughout July. Staff repaired a control issue at SPS # 6 and assisted with and monitored the temporary bypass to California during BMP work for drainage installations by Burdick Construction. All pump station preventative maintenance rounds were completed.

Water Distribution

In addition to the normal work load, staff repaired 3 water main line leaks, 4 water main shutdowns for contractors, 139 extensive line locations, 4 service line repairs, 2 non-pay turn-offs and 13 commercial water meters scheduled and tested. Crews assisted Engineering with digging test pits for the Ski Area. Other big projects consisted of

ordering meters and materials for the ongoing commercial meter project and our district-wide water main line valve exercising and mapping program.

Wastewater Collection

Pipeline crews completed 288 feet of sewer main TV work and 21,270 feet of sewer main hydro flushing plus installed the check valve on the service line feeding the Hyatt's Lone Eagle Grille area as part of our pump station failure contingency plan. Crews cleared a main line blockage at 614 Country Club and installed an internal quick lock repair clamp, plus installed a clean-out on the Reservoir Road line for accessibility and cleaning. They performed 2 sewer main repairs and set up stakes for Washoe County's overlay project for later identification and locating. Staff also completed all of the summer scheduled BMP drains and basins for Golf and Ski facilities.

Miscellaneous / Training / Safety

Staff attended gas monitor training in the operation of new monitors. Two new employees from the Pipeline Division and one new employee at the treatment plant attended orientation and customer service training with the HR Department. Drew Morris with the Pipeline Division passed his Grade III Water Distribution test.

Staff continued hauling of bio-solids from the treatment plant, green waste products from the golf course and spoils from the pipeline yard, plus backhauling of base rock materials. Crews spent 2 days performing road repairs at the wetlands created by the flooding in the Carson Valley. Staff assisted NDOT on drain basin cleaning from the export line break a few months earlier.

Treatment Plant staff will be holding bi-weekly workshops with the Director of Public Works and the Public Works Superintendent, identifying individual pump stations and developing advanced SOP's and station improvement plans.

There were a total of 22 call-out alarms from the Plant Division and 9 call-outs for the Pipeline Division. Call-outs consisted of customer service calls, water main leaks, blower alarms, low chlorine, ozone, sludge blankets, low / high water tanks, high wet wells, no pump calls and the back draining of Spooner Pump Station due to the NDOT road wash out.

BUILDINGS HIGHLIGHTS

- Completed Annual District Fire Extinguisher Inspections
- Administration –
Striped parking lot
- Public Works –

Recharged two A.C. cooling units

- Treatment Plant –
Performed repairs and maintenance on sample room air conditioner
- Chateau –
Cleaned coils on all HVAC units
Installed AED
Performed repairs and maintenance on main boiler's circulation pump motor
Replaced condensate pumps in two HVAC units
Cut holes in wall for cooling ventilation into AV room
Installed new fan vent assembly motor for Grill Kitchen dishwasher unit
- Aspen Grove –
Cleaned carpets
Re-attached broken alarm sensor on sliding door
Installed new faucet and sink
Began installation of new storage shed at facility
- Golf –
Purchased and installed new water feature pump on Hole 18
Repair pro shop lighting
Removed audible bell from Mountain Golf alarm panel
- Ski –
Installed new sink in Ski Patrol room
- Parks –
Repaired/replaced lighting around outside of Parks building
Restriped "No Parking" throughout overflow parking lot
Performed repairs and maintenance on entrance sign lights
- Tennis –
Completed crack repair all courts
Replaced pathway light timer in storage room
- Recreation Center –
Replaced broken alarm keypad
Checked and repaired motion sensors in lobby and gym
Recharged two A.C. cooling units
- Incline Beach F&B –
Repaired reach in 3-door freezer
- Burnt Cedar Beach F&B –
Performed repairs and maintenance on evaporative make-up air cooler
- Beaches -

Serviced F&B hood fan, greased, changed belts
Removed broken gate at top of stairs, Burnt Cedar Pool Facility
Assisted with closing and draining of Burnt Cedar pool due to filter issue
Repaired leak at Burnt Cedar Pool over 4th of July. Heater pipes failed; replaced with new pieces

BUSINESS OFFICE HIGHLIGHTS

- Staff posted 40 delinquent accounts for shut-off. Two accounts were shut off for non-payment. There are currently a total of 8 accounts which are still shut off with delinquent balances.
- Potential leak notifications were indicated for 397 accounts on their monthly statement.
- Staff processed \$1,100.03 in credits related to water leaks.
- 17 changes in ownership were processed on utility accounts.
- No liens were recorded.
- 1 Release of Lien was recorded.
- Staff is working on contract administration for various CIP projects, including the 2014 Watermain and Fire Flow Enhancement Project, the Village Green & Ski Beach Restrooms Replacement Project, the Baseball Field Improvements Project, the Recreation Center Roof Project, and close-out of the 2014 Sewermain Rehabilitation Project.

FLEET HIGHLIGHTS

1. Fleet has received and put into service three pieces of equipment as part of the 2014/15 CIP. Items include Ruff Mower and Approach Mower for Champ Golf, and ATV for Diamond Peak.
2. All twelve equipment and vehicle purchases for 2014/15 CIP have been approved and orders have been placed. Combined savings from budgeted amount for all projects 2014/15 CIP is \$14,421.03.
3. Department Highlights:
 - Sweetwater shop
 - All shop activities are running smooth at this time and the mechanics are keeping up with workloads.

- Special repair request have been completed which included welding and fabrication of railing at Recreation Center stairway and kick plate repair at Burnt Cedar pool.
- Ski shop
 - Summer services and overhauls of all snowmobiles have been completed and ready for next season.
 - Fabrication projects of lift maintenance work platform and terrain park feature is complete.
 - All of the summer operation vehicles and equipment are fully repaired, serviced and in use.
- Golf shop
 - All of the golf operation vehicles and equipment are fully repaired, serviced and ready for use. The golf shop operation is running smooth at this time and the mechanics are keeping up with the workload.