

MEMORANDUM

TO: Board of Trustees

FROM: Steven J. Pinkerton
General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of July 17, 2019

DATE: July 8, 2019

Financial Transparency

The Monthly District Financials are posted on the Financial Transparency page <https://www.yourtahoeplace.com/ivgid/financial-transparency>.

Through the first eleven months of the Fiscal Year, District-wide revenues are \$3,381,027 ahead of the original budget and District-wide operating uses are \$841,402 below the original budget. In total, we are \$4.2 million to the good for year to date original budget. The net numbers on the Financial Transparency page are different as they reflect the budget augmentation approved by the Board of Trustees on May 22, 2019. Due to the great season at Diamond Peak, the budget was augmented with \$2.8 million of additional revenue and \$430,000 in additional expenses.

The Fiscal Year End (pre-audit) financials should be posted by mid-month.

The Capital Improvement Report for the third quarter of the Fiscal Year is now available on the Financial Transparency page.

Also please note that the 2019-20 adopted budget is now available for detailed viewing on the District's OpenGov.com portal, which is accessible from the Financial Transparency page.

In addition, based on feedback received at the May 22, 2019 Board of Trustees Meeting, saved views for the Hyatt Sports Shop are now accessible in the OpenGov.com toolbar. Interested parties can click on pre-saved views of the Combined Golf and Ski budget, or click on budgets for either the Golf or Ski Budget Divisions. Other recent saved views include "Charitable Allowances (4270)" and "Charitable Allowances by Venue."

Venue Status Reports

Venue Status reports are available on a monthly basis for key venues and operations. Reports are prepared for Public Works, Parks & Recreation, Finance/Accounting, Risk Management, Human Resources along with Ski and Golf when they are in season.

These reports are used to provide the Board of Trustees and the community with a summary of the activities for each venue, including significant expenditures performed under the

General Manager's authority. For example, the Public Works status report for April notes that there were two new Public Works contracts issued in May.

This report also includes monthly updates on Public Works benchmarks. For example, customer service requests in May numbered 157, slightly above the three-year average for May of 155. For the Fiscal Year-to-Date, customer service requests are seven below the three-year average of 1,036.

There were two Trash Complaints (actual call-outs) in May. For the Fiscal Year-to-Date, complaints are 33 versus 335 the previous fiscal year. The Status Report also includes a six-year summary of fines paid and credits issued.

Wastewater flow was at 29 million in May, which was consistent with the three-year average. For the Fiscal Year-to-Date, total flows are at 321 million, below the three-year average of 335 million.

The Business Office had another busy month with 65 accounts delinquent, 252 owners with potential water leaks, and updated ownership information for 27 properties. One account remains shut off for non-pay.

The Finance/Accounting and Risk Management Status Report for May provides an update on the Sales Tax Refund by the State of Nevada, Investment Status and a number of other timely issues. It also outlined the District's latest Risk Management and Safety Initiatives.

In addition, the upcoming June Finance/Accounting and Risk Management Status Report will be publishing the Notification to Spend for Fiscal Year 2020. Prior to Fiscal Year 2019, we'd sent this as an email to the Board of Trustees. It is now in the Monthly Status Report so that it is available for public review.

The Human Resources Status Report included updates on employee recruitment, training, and worker's compensation.

The Venue Status reports are typically posted by the middle of each month and can be accessed on the District's "Resources" web page.

Bidding Opportunities

The District's "Resources" web page also includes a Bidding Opportunities link for businesses and the community.

Invitations to Bid, a quarterly update of projects awarded in excess of \$25,000 in value since April 30, 2015 along with a link to pertinent Nevada Revised Statutes (NRS) code sections related to procurement and contracts are included in this section of the web page.

In addition, it includes a link to planetbids.com, which is where interested parties can search for District bid opportunities and review all bid documents. For recent bidding opportunities, it includes a list of prospective bidders and bid results.

Currently there are three invitations to bid are listed on the site: Water Pump Station 2-1 Electrical Upgrades, Diamond Peak Resort Snowmaking Fan Guns, and the Mountain Course Clubhouse Restoration.

Capital Projects Update

Design

WRRF Aeration System Improvements

The aeration process of wastewater treatment supplies oxygen to facilitate the biological activity that converts raw sewage into treated wastewater effluent. The plant has six-200,000-gallon aeration basins with two jet aeration clusters per basin. These clusters utilize pressurized air to mix and recirculate the wastewater and provide the necessary oxygen to the microorganisms. The pressurized air is delivered by multistage centrifugal blowers that are metered by electronically operated valves in order to keep the correct balance of oxygen in the aeration basins at all times. This project funds the design and replacement of the aeration system equipment at the WRRF. The age of the equipment, the number of hours of operation, and condition assessment indicates the existing centrifugal blowers are at the end of their serviceable life. Additionally, the blowers are no longer supported by the manufacturer and replacement parts are difficult to acquire. Jacobs Engineering is working on the designs documents and final bid level documents are scheduled to be completed in the July 2019 to replace aeration blowers and associated piping, valves and control system. Staff completed review of the plans and specifications and advertisement for bids has been set for September 6, 2019 and project completion in May 2020.

SPS #1 – (Overflow Parking Lot)

The District owns 18 sewer pumping stations in Incline Village and Crystal Bay. Sewer Pump Station #1 collects and transports 50 percent of the raw sewage and transport to the wastewater treatment plant on Sweetwater Road. If something were to happen to Sewer Pump Station #8 there is a direct bypass that would send all of the raw sewage to Sewer Pump Station #1, thus accounting for 75 percent of the raw sewage in the District. Constructed in the early 1970s this station has provided reliable service. The station contains the mechanical and electrical equipment to pump sewage to the wastewater treatment plant. The equipment in the station to be replaced as a part of this project are the variable frequency drives for the three pump sets. Jacobs Engineering is working on the design for the replacement of the three variable frequency drives (VFD's) and replacement of the motor control center (MCC). Staff completed review of the plans and specifications and advertisement for bids has been set for August 2, 2019 and project completion in May 2020.

WPS 2-1 Incline – (Burnt Cedar Beach)

Water Pump Station 2-1 (WPS 2-1) is located at the Burnt Cedar Water Disinfection Plant (BCWDP) and pumps the disinfected potable water into the water distribution system to serve Incline Village and Crystal Bay. WPS 2-1 was largely constructed in 1972 with minor upgrades in 1995 and 2012. The electric motor control centers (MCCs) and switchgear at WPS 2-1 date to the original 1972 installation. This equipment does not meet modern OSHA requirements for Arc Flash safety and the MCCs and switchgear is at the end of its service life and no longer supported by the respective manufacturers. Jacobs Engineering is working on the design for the replacement of the three water pump motor soft starts and replacement of the motor control center (MCC). Staff completed review of the plans and specifications and advertisement for bids were issued July 5, 2019 and project completion in April 2020.

Tennis Center Renovation

The Board approved on June 19 for staff to begin the design of the tennis center renovation. A scoping meeting with the Architect is scheduled for July and design will begin in August. The project will be brought back to the Board for design review and prioritization in December. The key project objectives are renovation of the pro-shop buildings and surrounding site to renovate aging restrooms, expand the pro-shop by enclosing outdoor kitchenette area, expand and enhance the deck area, improve wayfinding and flow of traffic through the Tennis Center, and install new bocce courts.

Mountain Course Clubhouse Renovation

On August 11, 2018 a fire occurred in the Mountain Course Clubhouse which completely decimated the kitchen area. Smoke damage was incurred throughout the facility, which in turn affects walls, flooring and mechanical systems. The District's insurance coverage is for replacement. However, the evaluation of what is the best solution long term for the operations indicates a revised allocation of floor space, changes to access and substantial change to customer flow requires a makeover of the floor plan. These changes facilitate other objectives including a long standing issue of ADA accessibility to the lower level for food service. The plans also include construction of a new and expanded deck and the installation of new windows and doors. The Board approved the design on May 22 and authorized advertising for bids which then occurred on June 21. Staff anticipates bringing a construction contract award to the Board on August 14.

Construction

Repair Deck, Stairs, and Powder Coat all Patio Deck Railings

This project will replace the railings and southern stairway on the eastside deck at the Recreation Center. The Board awarded the contract to Bruce Purves Construction on April 10, 2019. Project is in construction and stairwell removal has been completed, patching and stucco is complete and the new stairs and railing will be installed in July.

Water Reservoir Safety and Security Improvements

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

ADA Access to Golf Course Bathrooms (Mountain Course)

The Mountain Golf Course on-course bathrooms at holes #6 and #13, and the site surrounding the restrooms are not in compliance with current American Disabilities Act (ADA) requirements for access due to excessive cross slopes between the golf cart parking and the restrooms entryway. This project will re-construct the cross slopes and pave access from the golf cart parking to the restrooms entryway. The project was awarded to Colbre Grading and Paving at the January 23, 2019 Board Meeting. Construction began the week of the June 3rd. The 6th hole portion is complete and back in service and 13th hole portion will be complete in mid-July.

Incline Park Ballfields Renovations

The project was awarded to Rapid Construction at the March 18, 2019 District Board meeting. The project was reduced in scope to only improvements at Field #3 to include:

- New Baseball-specific Turf Infield, Drainage, and Irrigation
- New outfield specific French Drain
- New Scoreboard with naming rights panel
- New Modular Batting Cages with retaining/seating wall
- New Foul Poles
- Expansion of outfield dimensions, fencing replacement, and renovated outfield warning track
- New Backer Board at Backstop/Includes padding
- New enclosed custom modular Dugouts with equipment storage
- Site Signage Improvements

TRPA pre-grade is July 8, construction will commence immediately and will be substantially completed by October 15, 2019.

Other Projects

The Grant funded Incline Creek Restoration project located on the Hole 14 of the Championship Golf Course was awarded to Aspen Developers with construction slated for post-Labor Day 2019. A new backflow device is being installed at the Incline Park Ballfields.

IVGID Quarterly

The June quarterly is released. This quarterly includes a number of features on our Public Works department, our summer event calendar and an update on our current construction projects. With Public Works prominently featured in this edition, the front cover is graced with a photo of the Wastewater Treatment Facility.

Tahoe East Shore Trail Debut

The June Quarterly also has a feature on the Tahoe East Shore Trail. The three-mile stretch of trail, starting near Tunnel Creek Café and terminating at Sand Harbor, is expected to open at the end of this month.

A formal grand opening ceremony was held on June 28, 2019 at 3:30pm.

General Manager Goals for FY2018-2019 – Updated as of 6/30/2019

Attached is a copy of the General Manager's goals and accomplishments for the past fiscal year. Highlights include:

- All Objectives for 2018-2020 either completed or in process.
- All Budgeted Initiatives for 2018-2019 completed or in process.
- Adopted a Fiscal Year 2019-2020 Budget that is fully aligned with the updated District Strategic Plan.
- As of May 31, 2019, Overall District Revenue exceeded original budget by nearly \$3.4 million and Net Operating Sources exceeded original budget by over \$4.2 million.
- As of May 31, 2019, all Major Fund Budgets (General, Utility, Community Services, Beach) exceeded originally budgeted Net Operating Sources.

The balance of the document outlines the accomplishments by Long Range Principle.

Assistant General Manager

The approved 2019-2020 budget included the addition of an Assistant General Manager position. Consistent with that direction, Director of Parks and Recreation Indra Winquest has been selected for the position.

This promotion does not increase the number of management staff, as Indra's current position will not be filled. Assistant General Manager Winquest will be reorganizing the Parks and Recreation Department to ensure that there is appropriate Staff support for all duties no longer performed by Indra.

The updated organizational chart, first presented during budget deliberations, is attached.

GENERAL MANAGER GOALS/ACCOMPLISHMENTS FOR FY2018-2019

Updated as of 6/30/2019

General Manager Goals for Fiscal Year 2017-2018 were approved with a 5-0 vote by the Board of Trustees on October 25, 2017. Stated goals were continued for 2018-19.

Summary of Goals

- Ensure that the Strategic Plan is implemented in an effective and timely manner;
- Execute all the implementation actions outlined in the Strategic Plan;
- Monitor external factors and reassess elements of the Strategy, as necessary; and
- Focus appropriate energies on the elements of the Plan which require the highest level of direct involvement from the General Manager.

Highlights

General

- IVGID Strategic Plan updated and approved by Board of Trustees on May 9, 2018.
- All Objectives for 2018-2020 either completed or in process.
- All Budgeted Initiatives for 2018-2019 completed or in process.
- Adopted a Fiscal Year 2019-2020 Budget that is fully aligned with the updated District Strategic Plan.
- As of May 31, 2019, Overall District Revenue exceeded original budget by nearly \$3.4 million and Net Operating Sources exceeded original budget by over \$4.2 million.
- As of May 31, 2019, all Major Fund Budgets (General, Utility, Community Services, Beach) exceeded originally budgeted Net Operating Sources.

District Strategic Plan: 2018-19 Accomplishments

Long Range Principle #1 -Resources and Environment

- Continued to play lead role in Tahoe Water Suppliers Association's efforts to ensure an environmentally sound remediation plan for Tahoe Keys.
- Secured grant funding for water system improvements through continued participation in the Community Fire Prevention Partnership.
- Gained approval for a combined water/sewer utility rate that is the lowest in the region.

Long Range Principle #2 – Finance

- Received Government Finance Officers Association certificate for Comprehensive Annual Financial Report for 19th consecutive year.

GENERAL MANAGER GOALS/ACCOMPLISHMENTS FOR FY2018-2019

Updated as of 6/30/2019

- Issued unqualified (clean) opinion on Comprehensive Annual Financial Report.
- Last bond rating by Moody's was Aa1.
- Updated Performance Measures District-wide in conjunction with 2019-2020 Budget. Dashboards updated quarterly and included in budget document for all major functional areas.
- Conducted multiple budget workshops with Board of Trustees leading up to budget adoption.
- Provided Board of Trustees with five-year financial projections for capital improvements and debt service.
- Combined Cost of Recreation/Beach Facility remained flat for the tenth consecutive year.

Long Range Principle #3 – Workforce

- Implemented findings of employee engagement survey to assist with sustainability of staff and enhance support of managers and supervisors.
- Conducted management training sessions to improve execution of employee performance review process.
- Implemented “pay for performance” program for all full time employees.
- Incorporated Customer Care Council recommendations into employee incentive programs.
- Continued to closely monitor staffing hours to ensure consistency with Affordable Care Act requirements.
- Employee Health and Wellness Program continues to pay dividends as District health care costs only modestly increased in 2019.
- Employee Safety program continues to assist in keeping risk insurance premium affordable and worker's compensation rates flat.
- Accountability measures incorporated into all full time employee performance reviews.

Long Range Principle #4 – Service

- Continue to monitor and update performance metrics established to better measure service levels at each venue/operation.
- Fourth year of more customer-centric Point of Sale Systems in place at Ski, Recreation Center, and Chateau Grille. Third year of implementation at Golf Courses.
- Coordinated with Incline Visitor's Bureau to implement re-tolled 4th of July Celebration.
- Adopted Fiscal Year 2019-2020 budget that includes further refinement of “scalability” for Food & Beverage expenditures.
- Provided 90 Customer Service Training Sessions during year for new, returning and existing employees.
- Finalized Community Services Master Plan by providing a second round of community feedback to ensure enhanced communication and transparency.

GENERAL MANAGER GOALS/ACCOMPLISHMENTS FOR FY2018-2019

Updated as of 6/30/2019

- Biannual Community Survey indicated improvements in communication, transparency and customer service.

Long Range Principle #5 – Assets and Infrastructure

- Completed on time and under budget the Incline Creek Culvert rehabilitation at Diamond Peak.
- Finalized \$1.2 million in private donations to allow completion of improvements at the Incline Park Ball Fields.
- Secured grant funds to pay for 80 percent of the cost of the restoration of Incline Creek at 14th hole of Championship Golf Course. Secured additional grant dollars to assist with rising construction costs.
- Completed the data collection phase for the condition assessment of the 30,000 linear feet of effluent export line, Segment 2 and Segment 3.
- Conducted a number of studies to assess current and future facility needs for programming, operations and administration.
- Conducted interactive design process for Mountain Course Clubhouse proposed renovation.
- Submitted final draft of the Community Services Master Plan.

Long Range Principle #6 – Communication

- Held community meetings throughout the year as directed by the Board of Trustees.
- Community Forum on Beaches held on July 11, 2018.
- Community Forum on District Capital Projects Finances held on September 11, 2018.
- Solicited participation in Community Survey.
- GM's Corner published in *Tahoe Daily Tribune* on a regular basis.
- Financial Transparency page on IVGID website continues to add additional information as requested by the Board of Trustees and public.
- Proposed 2019-2020 budget released on opengov.com portal on IVGID website.
- Implemented new Community Engagement Survey Tool.
- IVGID Quarterly expanded with additional special editions for Recreation Guide, continued to be mailed to all property owners.
- Continued interaction with social media outlets and engagements (Facebook, Talk2IVGID, Nextdoor.com).
- Conducted and attended regular meetings with Washoe County and other local agencies and special districts to promote interagency cooperation.