MINUTES

REGULAR MEETING OF AUGUST 22, 2017
Incline Village General Improvement District

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Chairwoman Kendra Wong on Tuesday, August 22, 2017 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

A. **PLEDGE OF ALLEGIANCE***

The pledge of allegiance was recited.

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

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

Also present were District Staff Members Communications Coordinator Misty Moga, Director of Human Resources Dee Carey, Director of Public Works Joe Pomroy, Parks and Recreation Director Indra Winquest, General Manager Diamond Peak Ski Resort Mike Bandelin, Director of Golf Michael McCloskey, and Director of Asset Management Brad Johnson.

Members of the public present were Jack Hubbard, Chuck Otto, Darryl Dworkin, Andy Whyman, Gail Krollick, Ken Viel, Barbara Stedman, Gayle Holderer, Frank Wright, Alan Tiras, Cliff Dobler, Paul Smith, Margaret Martini, Pete Todoroff, Natalie Tiras, Steve Price, Steve Dolan, Bruce Simonian, John Krollick, Iljosa Dobler, Jon Bigelow, Ramona Bigelow, Greg Flanders, Bill Devine, Gene Brockman, Linda Newman, Bill Ferrell, Mark Newman, Sara Schmitz, Judith Miller, and others.

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

C. **PUBLIC COMMENTS***

Ben Dosseff said he wanted to ask the city if they would more or less get Incline Village cleaned up of trash as trash is being thrown out of car windows and dropped by visitors and by people who live here. He has worked hard on trying to get it cleaned up and it is not working to well therefore he is asking the city for help on cleaning up Incline Village and also some way of keeping up with the
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trash being dropped out there. Mr. Dosseff continued that he is a walker for exercise and that he sees quite a bit of trash that one doesn’t notice when driving but that when you get out and walk around you see it. There is a lot of trash everywhere and he is here to ask for either help or a solution to the problem. He can show anybody where these areas are at and where it is really, really bad and basically that is what he came here for - to report it. We all live in a beautiful place known as Lake Tahoe and it is hard to believe it is going on and nothing is being done about it.

Sara Schmitz said that she has received a trash violation and requested a review of the policy regarding trash carts and yard waste.

Pete Todoroff said he is a thirty seven year resident in Incline and he wants to speak about disturbing the meeting. He heard there was a problem with a sign out front. He wants the money put into the infrastructure and not bail out Parasol. It is troubling that there was a problem and he doesn’t understand why this would happen. Money should be put into infrastructure not Parasol.

Darryl Dworkin read from a prepared statement which is attached hereto.

Jack Hubbard read from a submitted statement which is attached hereto.

Margaret Martini read from a prepared statement which is attached hereto.

Judith Miller said that she had a written statement to give to the Board from Aaron Katz; District General Counsel refused the statement and Chairwoman Wong said that Mr. Katz had to be here to submit his own written statement. Ms. Miller then said that she was out of town during the Parasol lease amendment meeting but that she did hear a little bit about it and has some observations. Even Ms. Anderson said that the building had no value as there is no one, other than IVGIS, that could occupy the building. She heard, and this is hearsay, that our General Manager said that the land use restriction wasn’t a problem nor was it in the past. She thinks it is a big concern and is especially now so because of the original land use amendment that allowed the building to be built and the occupancy was based on a false document. Someone signed that document as President of Gardena Service Company which was dissolved ten years earlier. Why was that sought? Because no one wanted to go to the courts. Why would we go to the court as that would be horrendous; rather let’s just instead fool the citizens to think we had the land use amendment. It wasn’t true then and it isn’t true now. We are seeking to again ignore the land use amendment because it states very clearly that is for recreation and related purposes only. And pardon
her, but the administration of IVGID has much more to do than just recreation so we cannot have our administrative staff occupy that building as it is against the land use restrictions and it is something that according to past decisions of Nevada courts that this opens up the District to tremendous liability where any citizen could come forward, challenge it, and you will end up in the courts again with legal costs. Of course you never hear what those legal costs are and she quite sympathizes with the Board. You don’t find out about the costs are until well after they have been incurred and this is something that you need to stop and something that is against the laws of the State of Nevada. The State of Nevada has several court cases that have been presented by the Nevada Supreme Court. You need to read those carefully and understand that you need to hear from your attorney on a regular basis exactly what’s going on with every legal matter that the District is involved in. Umm, let’s see, she is running out of time, and oh yes tonight you are looking at; time ran out and Chairwoman Wong said that Ms. Miller could submit her comments for inclusion into the written record – no statement was submitted by Ms. Miller.

Frank Wright said that he is submitting Mr. Katz’s written comments and handing those to the District Clerk right now. Chairwoman Wong said that they will not be entered into the record. Mr. Wright responded that there will be an Open Meeting Law complaint. Chairwoman Wong asked that Mr. Wright’s time be reset and that the submitted written comments not be attached to these minutes. Mr. Wright said that there are so many things going on that have to be fixed and right now District General Counsel, Staff, and the Chairwoman are taking us down a path that is unacceptable. He asked Mr. Clark why he held the forum on the Parasol building and if he was getting something from it, Mr. Clark responded $150,000 so that begs the question to our General Manager – how much are you getting. This could be his buy out and an exit plan and that exit plan is being brought by the Chairwoman because he will be out of here soon. Maybe all Staff should have exit plans. The District has four Open Meeting Law complaints that the Board members who are violating it haven’t been consulted by our Counsel. There is criminal activity with public records not being given and even more criminal activity in that e-mails are being destroyed. Mr. Katz has proposed three different proposals/offers and none have left the desks of our District General Counsel or Staff. Do you understand what you have to done to the litigation? One hundred percent on the dollar is being offered and not one Board has been privy to these offers which have been rejected unilaterally. This is criminal and illegal in the State of Nevada and he really doesn’t know why the others were elected. You have been left out of the loop. When the opinions on these four Open Meeting Law complaints come down it is not going to be pretty. Counsel, you are in big trouble.
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Cliff Dobler read from a prepared statement which is attached hereto.

Ellie Dobler read from a prepared statement which is attached hereto.

Mark Newman said that the history of America is that when elected officials go against the wishes of the people, bad things happen to those officials. It appears we have three of them on the IVGID Board. The Diamond Peak Master Plan and now Parasol are these projects of the puppet master of these three Trustees. Eventually, the puppet master will be exposed. Goodwill will triumph, the whistleblower will get immunity and will come forward, and we all know what happens next, watch yourselves.

Linda Newman read from a prepared statement which is attached hereto.

Gail Krolick said she has been a resident for twenty eight years and she would like to take you all back to January 2000. The Parasol lease was signed by her as Chair, it is a contract, and one she expected all to abide by. She is imploring this Board not to go forward with a purchase of a building that is already owned by this community. Parasol has done good work in this community, to ask this Board to change the lease, heard them all, truth is somewhere in the middle which is your job to figure out. She wants to be very clear that she is not representing anyone else and noted that she is currently the President of Board Realtors. Mr. Simonian made it very clear that you need to get the facts and then make sure to call us back. If someone is calling you, return the call whether it is uncomfortable or not. She remembers when she last saw the Sheriff at a meeting and that was when we were going to tear the Chateau down. The community is divided and her husband is a very smart man who suggested that perhaps a special election is needed. She would urge that a special election be discussed and she thinks that is the route that this Board should go - let the community vote. Lastly, she is asking that the community have respectful dialogue and that she apologizes for her outburst. In closing, she is asking again to speak with your constituents and follow up.

Wayne Hooper said he is a forty year resident of Incline Village and that he is very disappointed in our current Board and General Manager. The Board and the General Manager have a responsibility to the parcel owners and not Parasol Tahoe Community Foundation. To consider a plan that would cost the residents six million dollars after a retrofit is very irresponsible. Incline Village residents want our facilities maintained rather than a building for administrative employees. Is it really necessary for IVGID employees to work in a Taj Mahal building? He
doesn’t understand the urgency when it wasn’t on the plan approved two weeks ago. He also doesn’t understand moving ten employees out of the Recreation Center to accommodate employees. There is a building across the street for lease. There are a lot of expenses as the golf course in need of repair, Mountain Clubhouse pushed over for several years, and cart paths are in disrepair. There are multiple areas at Championship Golf Course after this last winter. Because of the large amount of this purchase and borrowing, he suggests going to the public for a vote. Finally, the General Manager’s contract was extended for three years, which took effect April, why are you considering these contract changes at this time? What is going on here? Where is the justification for a new contract?

Shelia Bowman-Meyer said that she is homeowner association board member and that she is here because of General Business Item 3., the easement, which is going to be between her property and the Recreation Center. Only request is she would like to have an actual fire gate as she doesn’t want a pedestrian gate and that she wants to have an actual gate to keep people from getting in there. Yes, we have it to accommodate Lake Tahoe School but that she doesn’t want people traipsing through her property.

Bill Ferrall said he is here to discuss the stress test for the Community Services fund and submitted a piece of paper entitled “IVGID Executive Summary” Special Revenue Fund Balance Stress Test, Audited Fund Balance versus Planned Capital Project Transfers and Lease Modification Assumptions, presented to Board of Trustees August 22, 2017 which is attached hereto. This piece of paper shows a lot of numbers and he was duly stressed after review. The numbers just don’t line up as the new numbers are about $891,000 off which is a total mystery. He took the actuals that were passed and looked at the numbers and the big number is the master plan that is on there. The Community Services plan is a bucket for the funds for all the venues and it is a big bucket with an estimated budget of $16.21 million. The Parasol remodel as well as the sale of Southwood is estimated at two million dollars and if $1.3 million to $1.4 million of that goes over then the numbers line up. Where the real miss is the payments to Parasol shown as seven hundred thousand for four years and there is a fifth year which doesn’t mention the seven hundred and eighty thousand dollars so he doesn’t know as there is $955,920 in actual payments. So in looking at the real numbers, it is off by $80,000 and all the interest which totals a $3.9 million miss and thus it will be a negative in the fund after paying all the fees and with a $3.995 million in reserves, it is upside down by $3 million. He doesn’t understand the stress test and asked that the Board take a look at the numbers as they don’t make sense.
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Andy Whyman said he wanted to talk about two items — comments to date cause adjustment. We live in interesting times and troubled times. We live in times where people don’t listen to each other, theirs is the only facts and dialogue disappears. Some of his fellow citizens have exercised their rights and their rights are not about being open to other facts. The things he wanted to talk about, listen carefully, is the opioid epidemic. We have a real problem which is no better, no worse, but we have lost a citizen who has died because of that and thus that brings forth an occasion for conversation. He sits on a committee with Washoe County and the Sheriff and they are meeting at end of September. All the stakeholders will come together to discuss this situation and what happens. He has talked to the Governor who is getting a committee together to try and address this issue. His last point is the Parasol meeting at which he stayed for an hour and then walked out. He was disappointed as there was no real dialogue, no give and take, talk about facts across individuals, and it ended up with questions and answers. He would submit, before it goes to a Board vote, that you do hold a community meeting with a forum where we can talk with each other and get the facts.

Jeff Homola said that he has been a resident and homeowner since 1993 and he has seen a lot of things happen, changes in this town, used to come to these meetings, stopped because he couldn’t sleep, and that is because the Board is not listening to the people. The last time was with magic carpets and that turned out real well. Why does IVGID need the Parasol building? IVGID needs more office space and they are currently in a building just over eight thousand square feet. You want to move offices out of the Recreation Center to create an additional workout room but is this room really needed and will it make up the revenue for the burden of the Parasol Tahoe Community Foundation building? The Parasol Tahoe Community Foundation building is over 31,000 square feet and some of it is wasted. To make it worse, Parasol Tahoe Community Foundation subsidizes non-profits so the rent is not at fair market value. $5.5 million is just a start as there are many other costs to be incurred and estimates are $500,000 to $700,000. Utilities and upkeep would be considerably more than Southwood. He is tired of IVGID Staff and Management expanding everything. IVGID is to provide water, sewer, and recreation and he wonders how the courts would look upon it.

Patricia Moser Morris said that she would like to point to Nevada Revised Statutes 350.807 which requires a two thirds vote to resolve to and then it has to go to the State of Nevada, Department of Taxation, and then you have to appeal to taxation. Therefore, a four fifths vote would be required. Also like to bring to the attention of the Board, at the public forum which she attended, the General
Manager acknowledged that a purpose built building has been outlined and could be built for a lower total cost. Her second question is why would IVGID consider buying a $5.5m building that appraised for $1 million less?

John Eppolito thanked the Board for what you do for the community as it is a thankless job. He doesn’t have detailed comments but he was at a school board meeting today and this is like a picnic compared to that meeting. Haven’t heard anything in favor to buy that building but there must be something and he hasn’t heard it. He likes Mr. Whyman’s idea, which might be a good idea, as all he has heard has been negative. To the gentleman that talked about Centerpointe building, he is not sure if that is true. Mr. Dobler is compelling and Ms. Krolick’s comment was pretty good however a special election may not be a good idea but a community forum might be. You should be listening to the community and all he is hearing is don’t want to buy the building. Finally, it is puzzling why you are considering modifying the General Manager’s contract since it was done within the last year.

Greg Flanders said he was here tonight to state his opposition to the lease modification. Overvalued building that is not worth the $5.5 million asking price, worth far less than $4.5 million Barnett used. There are properties on the market that are asking too much and no lending institution would use this estimate. The Centerpointe building is the most recent sale and it was not considered thus Barnett didn’t consider all the facts. It is his opinion the building is worth zero. For IVGID, it is not a good fit and not an efficient office place as only 63% of the space is usable. Parasol wants over 5,000 square feet which leaves 8,161 for IVGID yet his Recreation Fee will be used to pay for all. The offer before the Board is absurd and he would urge the Board to thank Parasol and then kindly refuse. Put this fiasco to the bed and get back to the projects. Don’t spend any more of his fees on this pie in the sky.

Bruce Simonian said it is a pleasure to be before the Board again and said that this capital improvement project has been on the books for many years. It was taken off the five year list and put on the sixth year so we have been kicking the can down the road for quite a while. This is an opportunity to look at the facts and he would note that IVGID hasn’t even begun to negotiate. The problem with the Administration building is that it is not ADA compliant and it has Radon so let’s deal with it now. By spending between $300,000 and $400,000 it would just be continuing to put lipstick on a pig and we do that a lot. We have done it at the Mountain Golf Course. The Administration building needs a new roof, costs more to heat than the Parasol building, and where else would they move the offices as they have looked at other buildings. If people have solutions, rather than
adversarial solutions, this Board is looking for solutions and let's work together to make the best possible decisions. He would agree with Mr. Whyman about having an open forum. The bullying, etc. serves no one and the Parasol building is an alternate. Let's all work together as a community rather than fighting each other.

Chuck Otto said that he must admit that when he first heard about the Parasol proposal he thought why IVGID would spend $5.5 million on Taj Mahal for our Staff and bailout the Parasol Tahoe Community Foundation. He has since taken the time to look at the website, packets, and try and understand the facts as it is the best way to make decisions rather emotion. Asked himself the question, is this a solution looking for a problem or a problem looking for a solution. IVGID has two problems – the Administration building is forty five years old and we are spending a lot of money to rehabilitate it and we have a Recreation Center that is widely used by all demographic stratus and it does need some expansion. So two problems with multiple solutions and one is the Parasol building and there are others such as tearing down the Administration building and building a new one. He saw an estimate of five hundred dollars per square foot which doesn’t get you too much if you are trying to solve two problems and it is an expensive solution for one. Moving to other buildings and then you have to decide do you rent or buy. Then he looked at the Parasol building and how much space IVGID would exclusively enjoy and how much would be used for shared space and could use for other purposes such as recreation, meeting space, etc. If you net down all of the facts and look at the costs per square foot or actual cost it is not clear to him that the Parasol building isn’t the least expensive of all of them.

Kevin Lyons said he is a thirteen year resident who owns Governance Sciences Group who provide the scientific Flashvote survey services and he recently learned that the community doesn’t want to spend the money on the Parasol building and that the strongest approvals are being outweighed. He is disturbed by District Counsel and the General Manager and asked to play something for the Board which he did and then discussed data. Mr. Lyons concluded by stating that he wants the Board to avoid being dragged into this and to fix IVGID now otherwise the community will do the cleaning itself.

Lynn Carol said she is not sure that this is the exact right time for a severance package for the General Manager because she is an independent contractor. He was given a bonus to move here and now he wants a severance to leave here. When someone leaves, they are usually fired for cause, go away because they are too sick, tired or old so she doesn’t understand why the Board would be giving him this money because in the world of normal people, one is given money
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to get rid of them. There is no grounds to give this severance because in her real world, you do the job then leave. She asks that the Board reject any idea of severance and to reject the parachutes as she pays a lot of IVGID when she only uses the beaches twice a year and she also resents paying somebody to not work for us.

Hearing no further public comments, Chairwoman Wong closed public comments and called for a ten minute break at 7:15 p.m.; the Board reconvened at 7:25 p.m.

D. APPROVAL OF AGENDA (for possible action)

Chairwoman Wong asked for any changes to the agenda as submitted; Chairwoman Wong asked for the removal of General Business Item F.10. and Trustee Callicrate asked that General Business Items F.12, F.13, and F.14 be moved up to item F.1 before Parasol and then that items F.8 and F.9 be moved up right after the Parasol item. Hearing no further changes, Chairwoman Wong approved the agenda as revised.

E. STAFF PRESENTATIONS*

E.1. Solid Waste Services Verbal Update (Presenting Staff Member: Director of Public Works Joe Pomroy)

Director of Public Works Pomroy gave a verbal update.

Trustee Callicrate asked what the smallest mandatory locking cart is; Director of Public Works Pomroy said 96 gallon. Trustee Callicrate asked if that happened automatically; Director of Public Works Pomroy said a customer can chose either 64 or 96 gallon. Trustee Callicrate said so the smallest available is 64 gallon; Director of Public Works Pomroy said for a violation, the customer is issued a 96 gallon.

Trustee Callicrate said that he spoke with Mr. Hansen from Waste Management and commended him for having a nightmare task but that he understands he is trying to be as accommodating as possible so please pass on that he is doing the best job as he can. He would like to take a moment at the Board and District level to realize that this has been one of those roll outs, and he has been here for thirty two years, where he didn’t know as much as he knows now. We have to zero tolerance and we probably should have issued locking carts to all our residents. He thinks
that the trash committee needs to look at some way to amend the zero
tolerance policy especially as it relates to garbage versus pine needles. A
lot of confusion exists with the pine needles especially with the small print
on the stickers. Most are doing what they have done for many years prior
and there are some lots that are problematic. This has been a huge
transition and he is listening to all the folks and that those with a large area
to clean up it is about yard waste versus household waste. We have to
have some way to accommodate folks and he is also surprised at the
automatic issuance of a 96 gallon tote. We need to work with them and he
understands zero tolerance but when it isn’t garbage on the side and it is
yard waste we have to have some way to accommodate that. Getting a 96
gallon tote seems excessive and he has also heard from several people
that their routes are changing and that pick up times are all over the map.
He knows that Mill Creek used to be 9 a.m. and now it is all over the map
and for recycling it is good luck. That is an issue that needs to be
addressed as well. He is also glad that the transfer station has corrected
itself but we need to get pickup squared away and he would appreciate
getting the route matter fixed. Trustee Horan said that both he and Trustee
Morris are on the General Manager’s Solid Waste Committee and we have
talked about a number of these issues and that the Director of Public
Works can talk about the route changes which have been adjusted.
Director of Public Works Pomroy said that he did speak to Waste
Management about the routes and that Waste Management did some
adjustments to balance in May and have also been doing some adjusting
in how they are making the pickups so they are trying to get that settled
down. Pickup times may change and then they will be consistent going
forward and he expects that by this fall they will have them solidified. He
knows that there have been disruptions and Waste Management wants to
reestablish that consistency and get that locked down; Waste Management
is really working hard to get the final route established. Trustee Horan said
that he agrees that the rollout was not what anyone wanted but now we
have an onsite, full time manager, Mr. Munson, who was a driver and that
has made a big difference as well as having most of the phone problems
being sorted out. He has personally tested it a few times and it worked. He
understands that the routes are frustrating and hopefully those will be
consistent as we move forward. Trustee Callicrate said we need to get the
information about the onsite manager and the direct telephone line out to
folks or do so via e-mail. He also would like, as quick as possible, some
workable solution on garbage waste versus yard waste and the mandatory
can size. Trustee Horan said the Board can address the can size at our
next committee meeting and then bring back some recommendations to the Board.

F. **GENERAL BUSINESS (not for possible action)**

F.1. Verbally review Policy Resolution No. 137 – Resolution Number 1801, A Policy for the provision of records and information to the public *(was General Business Item F.12)*

F.2. Verbally review IVGID E-Mail Best Practices and NRS 239.010 *(was General Business Item F.13)*

F.3. Verbally review the District’s Records Retention Schedule and NRS 239.125 Local governmental records: Program for management; regulations of State Library, Archives and Public Records Administrator *(was General Business Item F.14)*

Requesting Trustee: Trustee Callicrate through Chairwoman Kendra Wong; Presenters: District General Counsel Jason Guinasso and District Clerk Susan Herron

District General Counsel Jason Guinasso and District Clerk Susan Herron gave overviews of each agenda item.

Chairwoman Wong said that there have been allegations that public records have not been provided however the District has not received anything from the Attorney General offices and have had no violations however it is a good idea to review the policies and where they stem from as a baseline and then make revisions and do so at future meetings.

Trustee Callicrate said that he had a couple of questions – to his fellow Board members – did you hear anything about a thirty day e-mail retention policy or is he missing something as he doesn’t remember it being addressed by the Board so is anyone aware of it individually. Trustee Horan said the Board hasn’t discussed the e-mail policy. Chairwoman Wong said that the District has a lot of existing policies that this Board hasn’t reviewed and noted that all existed well before this Board and that until the Board readdresses, they carry forward. Trustee Callicrate asked again about the thirty day e-mail retention policy and destruction. Chairwoman Wong said the Board can go through the policy and address it at a separate meeting and that the Board can have no discussions today.
Trustee Callicrate warned that he will have several questions to ask and Chairwoman Wong responded that the Board needs to establish what the baseline is before we begin picking it apart.

District General Counsel Guinasso said that the District has received no complaints for failure to produce public records thus there is nothing to accommodate in non-compliance. Trustee Dent said he would like to agendize, for the next meeting, appointment of an independent investigator and having the Board place the General Manager on administrative leave and appoint an interim General Manager pending the outcome of the investigation as well as appoint a legal independent to get a true answer that is correct. Chairwoman Wong said these items are for no possible action and are informational items thus this Board is not going to be taking any action. Trustee Dent said that he requested an agenda item for the next Board meeting and that he will be sending the Chairwoman an e-mail tomorrow. Public records are being destroyed pertaining to the Parasol matter and he wants to make sure we are doing what is right. Trustee Callicrate said he concurs with Trustee Dent. Chairwoman Wong said the discussion is about Policy Resolution No. 137. Trustee Callicrate said he would like the Nevada State laws brought forth, specifically Nevada Revised Statutes 239.125, and review it in its entirety to make sure we are compliant and if anyone has inadvertently acted improperly, he would like to, as a suggestion to our General Manager, to take the appropriate time to compile all this information for the Board and to work with District General Counsel. Chairwoman Wong said that she believes Trustee Callicrate is jumping ahead to the next agenda item and that she is closing the first item. District General Counsel Guinasso said that in the December 12, 2013 there was a dialogue held with the Board regarding IVGID best practices. Trustee Horan said with the question being valid, we always want to make sure we are following the law and that it is not our intent to subvert the law and that if we are incorrect, we want to correct it. Do we know if we are wrong – we don’t know that answer and there are a lot of things being thrown back and forth and the best way to work it is to work with the regulatory bodies to make sure we are following the regulations. District General Counsel Guinasso said that your legal counsel and Senior Staff have been in the process of going through the policies and regulations in an effort to codify them and that code is slated to be presented to the Board in the next several months. One of the reasons we wanted to have a codification of all the policies and procedures is to have this in compliance and as part of that review we will ensure compliance. The current practices have stood the test of time and the District has not
been found to be in violation and the controversy of that is being manufactured based on innuendo and we are in the process of doing what you just said which is looking at the procedures and bringing them up to date. We are working to have a schedule in place to review and update in sections so that every three years we are touching every code section and have a degree of confidence that they are compliant and in compliance. Chairwoman Wong said that the District has been communicating with the State and we are in compliance however it is worth updating as we go forward. Trustee Callicrate said he is looking forward to getting this important situation addressed with a more concrete time so we can be prepared and alert the community.
F. **GENERAL BUSINESS (for possible action)**

F.4. Proposed modification to the 30-year ground lease between the Parasol Tahoe Community Foundation and Incline Village General Improvement District – Response and possible discussion of additional research requests as directed at the July 20, 2017 IVGID Board of Trustees Meeting, possible discussion on potential expenditures related to the proposed lease modification, and discussion on other details related to the proposed lease modification (Requesting Staff Member: District General Manager Steve Pinkerton) *(was General Business Item F.1)*

General Manager Pinkerton gave an overview of the submitted materials.

Trustee Callicrate said that he appreciated the work done on the Board packet and that he has gone through this several times and that it has been requested to obtain a copy of the D.W. Reynolds Deed of Trust, preliminary title report, Barnett & Associates appraisal report, property condition assessment report, independent legal opinion and all of that has been done verbally or left unanswered. We need to get answers on the Gardena Services matter, is the Parasol lease in compliance or in default, what can be the utilization of the building, will it take three or four Trustees voting in favor to do a lease agreement, and having an independent legal counsel answerable to the Board answering all these questions. Yet, here we go again taking another hour and half and all we are doing is irritating more of the community.

Trustee Callicrate made a motion for the IVGID Board of Trustees or any of its designees immediately cease and desist any further lease installment purchase agreements negotiations with the Parasol Tahoe Community Foundation (PTCF) and that the PTCF become legally compliant with all current lease agreements before an initiating any further changes or modifications to the PTCF lease with the Incline Village General Improvement District. Trustee Dent seconded the motion.

Trustee Horan said he will be voting no on this motion because he doesn’t think that this Board has done everything it needs to do to decide and he doesn’t know whether we should or not but wants to continue to explore this opportunity. Chairwoman Wong said that she agrees and is reserving
making any decisions until more information is gathered and she has had the time to go through it all. District General Counsel Guinasso said he is noting, for the record, that the motion as stated mischaracterizes the transactions as it is currently stated of this agenda item. Trustee Callicrate said it was marked for possible action. District General Counsel Guinasso said that it isn’t consistent with the notice to the public and that this is not an installment lease. Trustee Horan said that Trustee Callicrate needs to restate his motion.

Trustee Callicrate restated his motion for the IVGID Board of Trustees or any of its designees immediately cease and desist any further proposed lease modification negotiations with the Parasol Tahoe Community Foundation (PTCF) and that the PTCF become legally compliant with all current lease agreements before an initiating any further changes or modifications to the PTCF lease with the Incline Village General Improvement District. Trustee Dent seconded the revised motion.

Trustees Horan and Wong said their position is not changed. Trustee Morris said he will be voting against this motion as he feels he has to consider everything to improve this community. Trustee Callicrate said that he completely disagrees with his three colleagues as the Parasol Tahoe Community Foundation is in breach of their contract and that before we can move forward on their request for renegotiation and then further include a purchase/lease installment agreement they have to become compliant with their current lease or vacate the building – there are two choices - as this is doing a huge disservice to the community. Chairwoman Wong asked for order. Trustee Callicrate said that this is a very emotional issue to him as he was on the Board when this agreement was signed and we were warned about this way back in 2000 and we all said oh no and they are going to there for the ninety nine years. He is not impugning the character of the Parasol Tahoe Community Foundation or their Board of Directors and what they have given back to this community however since it has come to the forefront that the D.W. Reynolds Foundation and their philanthropic is going to be ceasing and desisting at the end of this year, which they got that information three years ago, and the building is basically vacant. They are asking $5.5 million to purchase a building and we are doing a direct transfer of 8,600 square feet from Southwood. There are restrictions on kitchens and the general space and this, to him, is a tremendous affront to this community and the monies they have invested for us to spend appropriately. We can agree to disagree but this is such an
emotional thing for him but more than that he is looking at the dollars and cents, and a Trustee he has to act accordingly and when the bulk of the community doesn’t want us to purchase it then to him it is like a lesson in frustration for the community because we are just prolonging this situation and that is why he has offered this motion and asked the Chairwoman to call the question.

Hearing no further comments from the Board, Chairwoman Wong called the question - Trustees Callicrate and Dent voted in favor of the motion and Trustees Wong, Morris, and Horan voted not in favor of the motion; the motion is not passed.

District General Counsel Guinasso said when the Board asked for a written legal opinion it was provided in the May 10, 2017 Board packet, specifically on agenda packet pages 4-6, for those who are interested in the proposed transaction that was provided.

General Manager Pinkerton continued his review.

District General Counsel Guinasso said that it is probably important to note, at this point, that there hasn’t been a negotiation and that this Board is engaging in due diligence. There has been no counter offer, no perimeters set for engaging with the Parasol Tahoe Community Foundation, process to date has been due diligence, and that the price has just been thrown out there. General Manager Pinkerton added that they provided a draft lease and we went back with one which was reviewed at an earlier meeting. District General Counsel Guinasso said perhaps we are at a point where you ask your Staff to enter into negotiations but that hasn’t been done up to this point.

General Manager Pinkerton continued his review.

Chairwoman Wong asked when the Community Services Master Plan will be complete and when will the Board be receiving final report. General Manager Pinkerton said end of this year or the beginning of next year. Chairwoman Wong said there is synergy with the Community Services Master Plan and how moving Administration fits within that master plan and how it ties in overall strategic planning. General Manager Pinkerton said in looking at future programming, he sees this building addressing some of the needs as pointed out in the Community Services Master Plan, and then at some point, make a determination of where the existing
Administration building will go. It nets out at $2 million which makes sense to go on IVGID land so it will automatically be $2 million less to build on IVGID land plus not having the cost of rental space. Identifying a space for Administration illuminates other potential as the Recreation Center was the identified space but if we are at the D. W. Reynolds building that provides the maximum potential at the Recreation Center complex. An example would be a second gym, etc. because there will be more available space if you put Administration at another space. This is a good time to talk about it because right in the middle of analyzing all of that.

General Manager Pinkerton continued his review.

Trustee Morris said on agenda packet page 223, bottom line, it states there is shared space of 7,800 square feet which could be used for community services over and above what we are currently providing. General Manager Pinkerton said yes and that is rooms only. Trustee Morris said so if this pencils out, the District gets 7,800 more square feet to do stuff; General Manager Pinkerton said yes.

General Manager Pinkerton continued his review.

Trustee Callicrate said so the Parasol building is over fifteen years old and while it has been adequately maintained, it needs carpeting, etc. which would be part of the renovation. This is a Class A office building that IVGID is trying to turn into office and recreation facilities. A local builder spoke and said that the building codes have changed and that we won’t know what we are getting until we open up the walls so perhaps it is a bit premature to say operating costs won’t be that much more than a ten thousand square foot building and what about the cost of heating. General Manager Pinkerton pointed out that the cost of heating is not the same and that the projections are including for the building now. Utility costs are about double and that the maintenance is significantly less than Southwood. Staff doesn’t know every unknown however on agenda packet page 17 is the information from the architect who built the building and in both appraisals it is noted that the Parasol Tahoe Community Foundation has done significant energy replacement. The building hasn’t depreciated to the point of fifteen years and we are just presenting our actual numbers and theirs so it is comparable. We have a full maintenance department with four full time employees who can do it at a lesser cost than one person dedicated full time. Please take a look at their audit which we have converted for an apples to apples comparison.
General Manager Pinkerton continued his review.

Trustee Morris said that he didn't see by moving the Administration Staff from the Recreation Center that we gain some additional space; do you know what that square footage would be. General Manager Pinkerton said that information is around agenda packet page 31, the fitness room would be about $175,000 as right now we have a lot of people crammed into a very small space and it is about 1,800 square feet.

Trustee Dent asked if the property condition assessment report has been incorporated into the five year capital improvement plan. General Manager Pinkerton said that the five year capital improvement plan anticipates the payment schedule and tenant improvements. Trustee Dent said until you have an idea of the actual condition we don't know how much in reserves to set aside and asked if that need will be incorporated. General Manager Pinkerton said what we are estimating is what we are including. Trustee Dent said that the upkeep for five years and additional costs is very similar to dealing with a homeowners association that tells you what needs to be done and then set so much aside. These could be huge amount of costs and will that get tacked onto whatever is the negotiated price because until we have that, we don't get to see a full picture. General Manager Pinkerton said that he feels that Staff has done that and that we don't normally do a replacement budget however we have our stress test as we don't put in a replacement reserve for each building. Trustee Dent said that the property condition assessment will give us an idea. General Manager Pinkerton said that Staff has estimated the operating costs. Trustee Dent said, referencing agenda packet page 239, that it was brought up earlier that we only had $700,000 for the lease which doesn't include both the principle and the interest so if the calculation was done correctly it seems the case would be it would fail the stress test. General Manager Pinkerton said that these are the anticipated costs at this time. Trustee Horan said that the payments would have to include interest. General Manager Pinkerton said we will have to see what the final payment is and if the payments are higher than it would impact the stress test. Trustee Dent said that the stress test is incorrect so we are not seeing the full picture and if the costs are higher than the stress test would fail. The purchase price could shift but this is following our process of doing things incorrectly. General Manager Pinkerton said that he takes exception to that statement. Chairwoman Wong asked if we could update all of the known costs with what we have received so far. General Manager Pinkerton said that he
didn't remember them as being higher than $700,000 however he will take another look. Trustee Callicrate said, getting back to one of the earlier requests, and it is something he has been asking, for about three months, based on the stress test and the lease payments being based on four or five years, as well as contemplating lease purchase installment, how many Trustees does it take to okay that action. Chairwoman Wong said that is a really good question as it really depends on how we structure the contract. Trustee Callicrate said that the Nevada Revised Statutes says we have to have 66-2/3 of the Board but for a plain modification of the lease it takes three votes and this is where the discrepancy takes place and we haven't been given a written opinion so he would like that in writing so that he can refer to it. District General Counsel Guinasso said that the flaw in what was just said is that this is not a lease. Trustee Callicrate said it is an installment lease purchase agreement. District General Counsel Guinasso said it would depend upon on how we structure the agreement and that the legal opinion is it would take three votes. Trustee Callicrate said isn't this an installment agreement like we did with the golf carts. Chairwoman Wong said we do have another agenda item and that this can be one of the things that we can ask for from the legal opinion. Trustee Horan said that we have an opinion from our counsel that says we can do it and that we are in the process of deciding whether or not we want to do it and we aren't there yet. He isn't there and when we get to that item we can make it a condition of a second opinion. District General Counsel Guinasso said one point to highlight is that whatever the it is we haven't gotten to that so asking him to speculate until we get to the it means his legal opinion is tentative however once we get to the point where you ask the General Manager to negotiate then he can, at that time, give a legal opinion. Trustee Horan said and that could involve the second opinion. District General Counsel Guinasso said yes, absolutely. Trustee Morris said he would like to take a lot of the negativity out of this, which isn't surprising as it is a huge consideration but at the moment, no decision has been made and he is undecided. What he is trying to figure out is what the benefits are, at what price, at what value do we equate it to, and at the moment, he is not sure. It seems we have an offer on which we have made no negotiation. Some people think we have agreed to that asking price; we have not. This is also not a bailout of the Parasol Tahoe Community Foundation and frankly that is not his worry as he is not a Board member of the Parasol Tahoe Community Foundation. He is going to decide, within his purview, what is good for the community, does it make sound fiscal sense, and sound community sense. If the numbers and the values work, then he will be behind it and if not he won't be behind it. It comes up at
every meeting because it is a huge thing before us. Again, whatever the price is, and there has been no negotiation, there is a lot of vitriol in the community that we are going to pick a number, statistic sort of answer because we have got value at Southwood that would offset this purchase, but we haven’t agreed to anything at any price. We know that we are going to have to ante up to replace the Administration building as it is close to an unsafe working environment. In the next however many years, we are going to have to do something about that and it will take approximately $5 million to replace that site and we have something that could potentially do more. He wants to continue to consider it and see if it is a good thing for the community. Further, he wants the community to continue to voice opinions and facts, know that there are no alternative facts on either side, and then come to a rational and reasonable decision that is the best decision for the community and he will present that. General Manager Pinkerton said that he apologizes as that number should be $780,000. We mirror the same concerns as the Trustees and said that we have to do our due diligence and that focus and passion in doing the due diligence is that we want to make sure that accurate facts come out. Staff has spent the last two or three months gathering information and we are very excited about doing the analysis to ensure that the Board can make an informed decision as well as making sure you have all the pertinent information. Trustee Horan said that we are looking at this proposition as we received it from the Parasol Tahoe Community Foundation and that nothing has been negotiated. The things that are very important to him and that are required for him to move forward are price as the Parasol Tahoe Community Foundation and the non-profits bear all the incremental costs attributed to them as he doesn’t want any parcel owner to see there is a subsidy there and he thinks that is achievable and we are on our way to having the Staff provide the potential utilization. This is a lot of information to digest to see if this is something that can be used cost effectively and can the community really use this. The outline of the space talks about shared space and he doesn’t think it should be looked at as shared space as really it is IVGID space and that the big rooms might become recreational spaces. This has not been negotiated, he is not going to give free rein to the tenants and Parasol Tahoe Community Foundation, it would be our building with preferential treatment and we have to figure out a way to do that and perhaps it is adjusted every year as it can’t be fixed for forever. These are his thoughts as we go into these negotiations and these are the things he will be thinking about. Chairwoman Wong said she is not there yet as she needs more time with this information to see where she is and she is just waiting as it hasn’t gotten to make or break for her. Trustee
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Morris said he wanted to clarify with Trustee Callicrate that he had expressed concern about all the items and he wants to make sure that this is something that has been requested and to clarify that. Trustee Callicrate said it is the Donald W. Reynolds deed of trust, preliminary title report, property condition assessment report, legal opinion of May 10, CCR's for the Boise Cascade use, validity of Gardena Services, and is Parasol Tahoe Community Foundation compliant with their lease or are they in default and if they aren't, we are we going to do, voting requirements by this Board, what is the State law, and how do we move forward.

F.5. Review, discuss and possibly approve obtaining a second legal opinion, regarding modification to the lease between Parasol Tahoe Community Foundation and IVGID, from Holland and Hart LLP at a not to exceed cost of $15,000 (Requesting Trustee: Chairwoman Kendra Wong) (was General Business Item F.2.)

District General Guinasso gave an overview of the submitted materials.

Chairwoman Wong asked Ms. Megan Fogarty of Holland and Hart LLP if she had done a preliminary evaluation of documents on our website and if this is something that she has done before. Ms. Fogarty said she is frequently asked to review existing leases and this is very similar to ground leases and it is definitely part of the analysis that she runs on a daily basis. She did skim through the proposal and didn't give it a review for her take as that is really for depth of question and that components two and three are down the road. Component one is looking at what is out there and giving the advice that she sees, concerns, what the title report says, and that she would characterize this as being with totally fresh eyes and it seems to her that component one is what is being asked currently. Trustee Morris welcomed and thanked Ms. Fogarty and said that he would assume that most of her business is in commercial rather than governmental thus does that make a difference. Ms. Fogarty said she is familiar with Open Meeting Law issues, etc. which have to be taken into account. Trustee Morris said he doesn't feel we are at the position of doing everything and asked if she had an unease about doing it all or do we need anything more. Ms. Fogarty said she will review the existing lease and any encumbrances, etc. of record and then analyze what she sees in all of those documents as they play together. Trustee Morris asked if that will include a review of the law of what we can and can't do. Ms. Fogarty said she could but that her expertise is as a real estate transaction and that part
of the analysis doesn’t go in depth in the analysis of the statutes. Would she say do you need two, three or four vote – not at that stage and that wasn’t considered in her original proposal. Trustee Callicrate said the Board has given you a good overview and noted that there are a lot of emotions but that there are bits of information we need to get to and that number one to move forward with is would you be able to determine if the Parasol Tahoe Community Foundation is compliant with their lease or outside of it. Ms. Fogarty said yes, if that is part of this analysis and noted that she gives those opinions frequently. Trustee Callicrate then said it is critically important to find out where it all fits. Ms. Fogarty said she would need more documents as what the Board is approving doesn’t include digging through minutes. District General Counsel Guinasso asked Ms. Fogarty, for the record, if before his first conversation with her if they had had any relationship. Ms. Fogarty responded no. District General Counsel Guinasso then asked Ms. Fogarty if they had ever worked together before; Ms. Fogarty responded no. District General Counsel Guinasso said that this is an independent second opinion opportunity as he made an effort to find someone outside of his circle and that Ms. Fogarty came highly recommended and that he submits her to this Board with great humility. There is a chance that Ms. Fogarty could come to a different opinion and that is a risk he is willing to take because this Board asked for this and that it is in the best interest of this Board and the community so that you have confidence and that he would strongly recommend hiring Ms. Fogarty and have her proceed with Item 1 of her quote.

Trustee Morris said he is prepared to make a motion. Chairwoman Wong asked if it would be for Item 1 or Items 1 through 3. Trustee Morris said that personally he feels that Item 1 would be a good thing to do and that he doesn’t believe we need to do Items 2 and 3. Trustee Callicrate said that he tends to agree and that this will answer some long overdue questions such as default, etc. once and for all and get those questions answered thus he could support going forward with Item 1 on this matter.

Trustee Morris made a motion to authorize the District General Manager to enter into an agreement with the law firm of Holland and Hart LLP to seek a second legal opinion on the requested lease modification by Parasol Tahoe Community Foundation to the Incline Village General Improvement District at a cost not to exceed $7,500. And for the following service only - Legal review of existing Ground Lease, as amended, and related covenants, conditions, restrictions and encumbrances of record relating to
the leased property (with the anticipation that the recorded encumbrances will contain approximately 3 to 5 encumbrance documents requiring detailed review). Trustee Callcrate seconded the motion. Chairwoman Wong asked for any further comments; none were received. Chairwoman Wong called the question – Trustees Horan, Wong, Callcrate and Morris voted in favor of the motion and Trustee Dent voted opposed. The motion was passed.

Chairwoman Wong called for a break at 9:45 p.m. with the Board reconvening at 10 p.m.

**F.6. Review, discussion and possible action on District General Manager Steven J. Pinkerton annual performance evaluation (Requesting Trustee: Chairwoman Kendra Wong) (was General Business Item F.8.)**

Trustee Callcrate said in light of the hour of the day and to give proper review, he would like to continue the General Manager’s review to the next scheduled meeting as he is a little spun out and has an idled brain thus he moves to continue the District General Manager’s review to the next meeting. Trustee Dent seconded the motion. Chairwoman Wong asked for comments, receiving none, called the question – Trustees Wong, Dent, and Callcrate voted in favor of the motion and Trustees Horan and Morris voted opposed; the motion was passed.

**F.7. Review, discussion and possible action on Incline Village General Improvement District General Manager Steven J. Pinkerton’s Employment Agreement – Specific paragraphs are:**

Section 4 – Compensation, Fringe Benefits, and Expense Reimbursement - 4.1 Salary; 4.3 Benefits (Vacation; Sickness, Health Insurance and Miscellaneous) (d), (e) and (f);

Section 7 – Termination of Agreement - 7.1 By EMPLOYEE; 7.2 By IVGID. (Requesting Trustee: Chairwoman Kendra Wong) (was General Business Item F.9.)

Trustee Callcrate moves to carry over the review and discussion of the District General Manager’s Employment Agreement to the next regularly scheduled meeting. Trustee Dent seconded the motion. Chairwoman
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Wong asked for comments, receiving none, called the question – Trustees Wong, Dent, and Callicrate voted in favor of the motion and Trustees Horan and Morris voted opposed; the motion was passed.

F.8. **Review, discuss and possibly approve a grant of an Emergency Access Easement on District Property to North Lake Tahoe Fire Protection District, APN 127-040-07, 964 Incline Way (Requesting Staff Member: Director of Asset Management Brad Johnson) (was General Business Item F.3.)**

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

Trustee Horan said that we had a question about the gate; is the gate prescribed by the North Lake Tahoe Fire Protection District. Director of Asset Management Johnson said that we will have a say and that he anticipates that the gate will be like at other park properties and that we are not proposing a chain or something like that. Trustee Callicrate said that he is glad that Staff is in conversation with the homeowners association president and that this isn’t cost prohibitive. Trustee Horan said there is no cost to the District. Trustee Morris said there is no cost to the District in granting this easement and stated that there is no fence there now so pedestrians can walk through now. Director of Asset Management Johnson said that is correct and that there is landscaping there now thus the majority of the pedestrians come through on an unpaved portion which is not a significant hindrance to use.

Trustee Callicrate made a motion to:

1. Approve granting a permanent, non-exclusive, emergency access easement to North Lake Tahoe Fire Protection District on APN: 127-040-07 – 964 Incline Way (the Recreation Center parcel).

2. Authorize Staff to execute all necessary legal documents upon review by Staff and General Counsel.

Trustee Dent seconded the motion. Chairwoman Wong asked for comments, receiving none, called the question – the motion was passed unanimously.
F.9. Review, discuss, and possibly approve a Sole Source Finding and review, discuss, and possibly authorize a Procurement Contract for Snowmaking Fan Guns, 2017/2018 Capital Improvement Project (CIP): Fund: Community Services; Division: Ski; Project # 3464Si1002; Vendor: Snow Machines, Inc. in the amount of $72,250 (Requesting Staff Member: Director of Asset Management Brad Johnson and General Manager Diamond Peak Ski Resort Mike Bandelin) *(was General Business Item F.4.)*

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

Trustee Morris asked if this was replacing two existing guns or ones that are out of service. General Manager Diamond Peak Ski Resort Mike Bandelin said this is the replacement of two snowmaking fan guns on District property. Trustee Morris said that they have very little residual value. Director of Asset Management Johnson said that is correct and that Staff strips them for parts and sells the remainder for scrap. Trustee Morris asked if this was part of the capital improvement plan; Director of Asset Management Johnson said yes.

Trustee Morris made a motion that the Board of Trustees makes the following finding:

The District's purchase of two replacement snowmaking fan guns from Snow Machines, Inc. (SMI) is exempt from competitive bidding for the following reasons:

A. This purchase is for additions to and repairs and maintenance of equipment which may be more effectively added to, repaired, or maintained by a certain person (NRS 332.115.1.c). Diamond Peak's snowmaking fan gun fleet is standardized on SMI equipment.

B. The equipment proposed for purchase, by virtue of the training of the personnel or of any inventory of replacement parts maintained by the local government is compatible with existing equipment (NRS 332.115.1.d). Diamond Peak's snowmaking fan gun fleet is standardized on SMI equipment and the District
employs snowmaking staff that is trained for SMI fan guns and controls and maintains an inventory of replacement SMI parts.

Trustee Horan seconded the motion. Chairwoman Wong asked for any comments; Trustee Horan asked if these snow guns are of a higher quality and/or has the technology changed thus we are getting a better bang for our buck. General Manager Diamond Peak Ski Resort Bandelin said they do contribute a lot more efficiencies and tie in with our process control system. Hearing no further comments, Chairwoman Wong called the question and the motion was unanimously passed.

Trustee Morris made a motion to:

1. Authorize a procurement contract with SMI totaling $72,250.

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

Trustee Horan seconded the motion. Chairwoman Wong asked for any comments; hearing no comments, Chairwoman Wong called the question and the motion was unanimously passed.

F.10. Review, discuss, and possibly authorize an Interlocal Agreement with the State of Nevada Department of Transportation (NDOT) and review, discuss, and possibly authorize an Additional Services Addendum for Construction Inspection Services for Repairs of the Effluent Export Pipeline – 2017/2018 CIP Project: Fund: Utilities; Division: Sewer; Project # 2524SS1010; Vendors: NDOT in the Amount of $1,002,600 and Tri Sage Consulting in the Amount of $65,000 (Requesting Staff Member: Director of Public Works Joe Pomroy and Director of Asset Management Brad Johnson) (was General Business Item F.5)

Director of Asset Management Johnson and Director of Public Works Pomroy gave an overview of the submitted materials.

Trustee Morris asked if in this section we are basically going to do thirteen spot repairs; Director of Asset Management Johnson said yes. Trustee Morris said then at some point later we will replace the actual pipe; Director of Asset Management Johnson said yes. Trustee Morris said
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hopefully this will delay things; Director of Asset Management Johnson said that the goal is to buy time and then replace in its entirety. We have found critical failures and this is about fixing them today. Trustee Morris said so we can’t wait and do the whole thing at once because the risk is too high. Director of Asset Management Johnson said on the welded steel pipeline, we do our assessment, do the repair, which saves us money and buys us additional time and we use that time to pursue 595 funding as well as it provides us time to chase co-location. If all three hit, we go from a $23 million project to something that is potentially twenty five percent of those costs which translates into a strong potential return on investment to rate payers. Trustee Horan said this is a requirement and there is no other option; Director of Asset Management Johnson said yes, that is true as the Nevada Department of Environmental Protection has said the District will repair this. Trustee Morris said this is a million dollars and asked if there was an opportunity to get that funding from the Federal government. Director of Asset Management Johnson said we do not have a current agreement and until we have a new one, with all the details, we can’t qualify work that has been completed. This work is in the rearview mirror. Chairwoman Wong asked how much did we participate in the process. Director of Asset Management Johnson said that the Nevada Department of Transportation used an alternative delivery project process which is designed for big projects and is based on a variety of factors. Granite Construction was selected to complete that work. The pipeline work wasn’t a component of that initial scope but because we are already a project partner and have an interlocal agreement with the Nevada Department of Transportation we approached them about doing all of this work and they suggested that it be included in their job. They handed it over to Granite Construction who developed the change order pricing which makes the change order part of a competitively bid project. This process incorporates coordination and speed as Granite Construction was already mobilized so we will get this in the fall versus going it alone next summer. Chairwoman Wong asked about the bid. Director of Asset Management Johnson said that this is Granite Construction’s price with no markup, no ownership, and no management fee. They aren’t even charging us for Staff time and they have been a great collaborative partner throughout the entire process. Trustee Horan asked what the District was going to be doing. Director of Asset Management Johnson said we will be managing the construction itself with District Staff and Tri Sage Staff on site during the work. Trustee Horan asked if this would have been the same as if we had done it ourselves; Director of Asset Management Johnson said yes, that is correct. Trustee Morris said so the pipe snake didn’t do what it was expected to do
so are we helping the manufacturer out via quid pro quo. Director of Asset Management Johnson said we aren’t partnering with them to additional research and development. They will come back and it will cost us additional dollars to put it into the pipeline along with future shipping. Trustee Morris asked if the shipping to Canada was on us; Director of Asset Management Johnson said yes, it is on us.

Trustee Morris made a motion to

1. Authorize an Interlocal Agreement with the State of Nevada Department of Transportation (NDOT), in the amount of $1,002,600, for the construction of effluent export pipeline repairs as part of the State Route 28 Shared Use Pathway Project.

2. Authorize Staff to sign the agreement based on a review by General Counsel and Staff.

3. Authorize Staff to approve change orders to the construction contract for additional work not anticipated at this time of up to 15% of the project bid – $150,000.

4. Authorize Staff to enter into an Additional Services Addendum with Tri Sage Consulting totaling $65,000 for construction inspection services during completion of the project.

Trustee Callicrate seconded the motion. Chairwoman Wong asked for comments, hearing none, called the question – Trustees Wong, Horan, Morris, and Callicrate voted in favor of the motion and Trustee Dent voted opposed to the motion. The motion passed.

F.11. Review, discuss and possibly award a Construction Contract for the Emergency Repair of the Damaged Culvert Beneath the Lodgepole Run at Diamond Peak Ski Resort – 2017/2018 CIP Project: Fund: Community Services; Division: Ski; Project # 3499LI1101; Vendor: Burdick Excavating Co. Inc. in the amount of $328,328 (Requesting Staff Member: Director of Asset Management Brad Johnson) (was General Business Item F.6)

Director of Asset Management Johnson gave an overview of the submitted materials.
Trustee Callicrate asked if there were any other unforeseen pipe lines up that trail that we should be addressing; we have the monies budgeted so should we be doing the entire line. Director of Asset Management Johnson said it is a great suggestion however we are limited in both time and capability. We can’t guarantee that the upper portion won’t fail in the near or far future or that we won’t experience sink holes, etc. There are two challenges – one is the time frame as we have to be done by October 15 so we are getting as much as we possibly can with double crews and being as aggressive as possible. We are going from a fairly gradual slope to a very steep slope and as we approach more hill climbing, that requires more specialty and more design. It is Staff’s recommendation to tackle the low hanging fruit, get reimbursed by the Federal Emergency Management Agency (FEMA) as the lower section is eligible. Trustee Dent asked what is being done to prevent human failure such as catching this earlier. Director of Asset Management Johnson said that he doesn’t entirely agree with that statement as we continue to inspect and have Staff members who are looking at this area. This is about good best practices and he would remind the Board that yes, the pipe was old and that it was a catastrophic event by nature that was caused by run off that tore the mountain side apart which undermined the culvert. If this was simply a case of operational neglect then it would not be eligible for FEMA funding and the reason for the funding is because of the historical nature of this past winter. Staff is implementing inspection process, etc. and the engineered parts that are going in are superior so we will have a much more robust and capable pipeline which means we are expanding the capacity for drainage and setting up for the future very well.

Trustee Callicrate made a motion to:

1. Award a construction contract to Burdick Excavating Co. Inc. in the amount of $328,328 for the construction of the emergency repairs of the damaged culvert beneath the Lodgepole run at Diamond Peak Ski Resort.

2. Authorize Staff to execute the contract based on a review by General Counsel and Staff.

3. Authorize Staff to approve change orders to the construction contract for additional work not anticipated at this time of up to 20% of the project bid – $65,600.
Trustee Horan seconded the motion. Chairwoman Wong asked for comments, hearing none, called the question – the motion was unanimously passed.

Chairwoman Wong called for a break at 11:00 p.m. with the Board reconvening at 11:05 p.m.

F.12. Review, discuss and possibly approve the Bargaining Agreements for Non-Supervisory and Superintendent Bargaining Units with the Operating Engineers Local Union No. 3 (Requesting Staff Member: Director of Human Resources Dee Carey) *(was General Business Item F.)*

Director of Human Resources Dee Carey gave an overview of the submitted materials.

Trustee Horan made a motion to authorize the Board Chairwoman and Board Secretary to execute bargaining unit agreements with the Operating Engineers Local Union No. 3 for the Non-Supervisory and Superintendent employees as negotiated by the IVGID Management Team. Trustee Callicrate seconded the motion. Chairwoman Wong asked for comments, receiving none, called the question – the motion was unanimously passed.

Trustee Horan said he would like to complement our Human Resources Director for the skill and practice used to deal with the Staff and for arriving at this arrangement.

F.13. Review, discuss and approve proposed settlement agreement between Governance Services Group, Inc. and IVGID – reference IVGID v. Governance Services Group, Inc. Case No. CV17-00922, Second Judicial Court of the State of Nevada (Requesting Staff Member: General Manager Steve Pinkerton and District General Counsel Jason Guinasso) – **THIS ITEM F.10. WAS REMOVED IN ITS ENTIRETY FROM THE AGENDA**

F.14. Review, discuss, and possibly give direction on (a) Policy 3.1.0, 0.6 Rules of Proceedings, g. Claims, and (b) as it relates to the offer made by Aaron L. Katz in the IVGID v. Katz litigation and regarding the debtor’s examination slated to be held on
Wednesday, August 23, 2017; specifically Mr. Katz’s offer to pledge a real piece of property so as to stay the slated debtor’s examination and fulfill the requirements of the District court order issued by the Honorable Judge Flanagan (Requesting Trustee: Chairwoman Kendra Wong and District General Counsel Jason Guinasso) *(was General Business Item F.11)*

District General Counsel Guinasso gave an overview of the submitted materials and added that he was informed today that a motion was filed by Mr. Katz’ attorney to stay enforcement of the judgment because he didn’t want to submit to the judgment debtors examination and that the court granted that motion which goes before the court on Thursday with the sole purpose being about the real property. This matter will be heard and decided by Judge Flanagan. If the court rules in Katz’ favor, we will accept the deed and if the court rules in IVGID’s favor, we will reschedule the examination. District General Counsel Guinasso reminded the Board that ongoing litigation and detailed questions should be discussed in non-meeting, discussions are confidential, and not permitted to discuss without consent of the Board as a whole.

Trustee Horan said that there has been a question about Policy 3.1.0 in which there is clear delegation of the authority to the General Manager and Counsel and stated that he is comfortable with that delegation as we have hired a professional to run our business so he is happy with the policy as written.

Trustee Morris said that he agrees with Trustee Horan and he too is very comfortable with the policy and that he sees no reason to change any of the process and while unfortunate, we are forced to incur additional time and effort which would be good if resolved.

Trustee Callicrate said that there was a bill from Beko and Associates for additional services provided and it dealt with the documentation that was filed that was almost two and a half times what it was allowed to be. If this is a direct affront to the Supreme Court, it is impacting us financially as we have to follow the rules. Chairwoman Wong said she understands where Trustee Callicrate is going but it is not part of this agenda item and we can schedule a litigation non-meeting. District General Counsel Guinasso said for our next non-meeting, he will invite Mr. Beko to attend so he can specifically answer the questions regarding the litigation decisions about exceeding the limits.
Chairwoman Wong asked if Counsel needed anything else; District General Counsel Guinasso asked if the Board was comfortable with the policy and that the negotiations have been conducted under that policy. Trustee Dent asked about exceeding the authorized budget; District General Counsel Guinasso said not that he is aware of. Trustee Dent asked if the Board could stop spending money on this matter; District General Counsel Guinasso said that is up to the Board to make that decision and that his legal advice is there is an outstanding judgment which requires an expenditure of funds thus you would have to answer to the public as to why you did not pursue. Trustee Dent said if we don’t have the budget to go and get a third of what we spent it just doesn’t make sense. Chairwoman Wong reminded Trustee Dent that this isn’t part of this agenda item. Trustee Dent said there are no costs associated with it. Chairwoman Wong said that the question isn’t about costs incurred rather about the policy. Trustee Dent said we are just digging a big hole. Chairwoman Wong said we can’t discuss it because it is not a part of this agenda item.

G. **DISTRICT STAFF UPDATE**

G.1. **General Manager Steve Pinkerton**
- Financial Transparency
- Capital Improvement Projects update
- Golf Courses at Incline Village

General Manager Steve Pinkerton gave an overview of each item.

Trustee Horan asked, regarding the pump track, if we are spending any more money on that project now. General Manager Pinkerton said just staff time. Trustee Horan said he would like to see that limited.

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

H.1. **Regular Meeting of June 12, 2017**

Chairwoman Wong asked for any changes, hearing none, approved the minutes as submitted.
H.2. Regular Meeting of June 28, 2017

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

I. REPORTS TO THE IVGID BOARD OF TRUSTEES*

I.1. District General Counsel Jason Guinasso

a. Verbally review the process of responding to an Open Meeting Law Complaint

District General Counsel went over the process of responding to an Open Meeting Law complaint.

Trustee Horan said he appreciated the change in the practice on the notification of the complaint. Trustee Dent said he requested the written response and wanted to know why a Trustee can't review those responses. District General Counsel Guinasso said it is an ongoing investigation. Chairwoman Wong added that if it is shared with the Trustees it becomes a public record. District General Counsel Guinasso said that he would prefer not to open himself up to discovery.

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

Chairwoman Wong said that she had two updates; she, Trustee Horan and members of Staff have met with Senator Heller’s staff and Congressman Amodi’s staff as a follow up to the meeting held in March. Trustee Horan said that these meetings were very useful as the District is appealing to both delegations on legislative activities they are involved in.

K. CORRESPONDENCE RECEIVED BY THE DISTRICT*

District Clerk Susan Herron said that correspondence had been received from Sara Schmitz, Aaron Katz, Ellie Dobler, Karen Kuehnis, Blaine Bolton, Gloria Brimm, Leslee Medeiros, Ron DeCaprio, David Frank, Thomas Lahey, Phillip Klein and Alison Appel and that all correspondence was distributed and it will be included in the next Board packet.
L. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration; see Public Comment Advisory Statement above.

Cliff Dobler said he knows the Board is really tired but let’s concentrate on two small things; he read the definition of installment under Nevada Revised Statutes 350.0055. When buying personal property, it is sold by a bill of sale, we are securing that with a promissory note with installment payments which is secured by a deed of trust which is going to give Parasol Tahoe Community Foundation collateral and therefore there is no doubt that it needs a 4/5 vote. As far as property that Mr. Katz is offering, a promissory note is secured by a deed of trust. He is also willing to make payments, secured by deed of trust, foreclosure takes about a year, and you would have about $350,000 so you should really consider it. If he doesn’t pay monthly then the only stop is bankruptcy. Foreclosure on the land doesn’t take that long and a promissory note is a good as money.

Margaret Martini said what an interesting meeting. She read a lot of the Parasol papers, CCR’s, etc. Early on Trustee Dent asked for a property profile which should have been step one. So in looking at paperwork, from her perspective, Parasol Tahoe Community Foundation is in default. It is black and white so why not call it a lease default? Any reason? Do not spend one more penny or any more minutes of Staff time in this Parasol Tahoe Community Foundation charade. Over and over you have discussed it to the point of ad nauseam. The number one item is the legal agreement – are they in default, haven’t even looked at a property profile or the lease. Look at the comps, you are not comparing apples to apples, and the land value – duh. $5.5 million is for a lease buyout. Three members of this Board should be recalled and the General Manager should be terminated at once. Whenever would we have 500 people? Are we purchasing this for the possibility of 500 people for a function – it makes no sense. Ridiculous comparison, not looking a ridiculous statements, you haven’t looked at basics – the property profile and lease default.

Steve Dolan passed on his opportunity to speak.

Kevin Lyons said that was a very interesting session on the e-mail policy and that he got to see the most preposterous statements. He is very fortunate to work with officials and get invited to their special events. The law is very simple and clear and it has nothing to do with going out to the public. Law also is very clear on records management and Mr. Lyons then read from the Nevada Revised Statutes. He heard crap and lies from the attorney who put the public records
clerk out in front. There are category C felonies with a minimum of one year in jail. The investigation is a very smart move and obligated to do that. Mr. Lyons concluded by stating he will have a lot more to say about this in the future.

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

General Manager Pinkerton said that the Attorney General has confirmed the Open Meeting Law training for September 6 at 3 p.m. and that will be held here at the Chateau. All Trustees confirmed their attendance and Trustee Callicrate said he will try and be back here as close to 3 p.m. as he can. General Manager Pinkerton then went over the Long Range Calendar and Trustee Morris noted he will be calling in for the October 25 meeting. Chairwoman Wong said that she liked one of the community members’ suggestion for a community meeting on the Parasol so she asked Staff to bring back some possible dates/times.

N. ADJOURNMENT (for possible action)

The meeting was adjourned at 11:45 p.m.

Respectfully submitted,

Susan A. Herron
District Clerk

Attachments*:
*In accordance with NRS 241.035.1(d), the following attachments are included but have neither been fact checked or verified by the District and are solely the thoughts, opinions, statements, etc. of the author as identified below.

Submitted by Darryl Dworkin (1 page): From Darryl Dworkin, 705 Birdie Way

Submitted by Jack Hubbard (1 page): Moral Issue: Words and Contracts have force – both moral & legal

Submitted by Margaret Martini (1 page): BOT meeting of 8-22-2017, Public Comments: Margaret Martini, please add to the minutes of the meeting

Submitted by Clifford F. Dobler (8 pages): Public Comments at August 22, 2018 Board of Trustee Meeting – To be included in next Board packet
Minutes
Meeting of August 22, 2017
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Submitted by Iljosa Dobler (3 pages): Public comment to be included in the next Board Packet, Board of Trustee meeting on August 22, 2017

Submitted by Linda Newman (2 pages): Written Statement for the 8-22-17 Board of Trustees meeting – To be included with the Meeting Minutes

Submitted by Bill Ferrall (1 page): IVGID Executive Summary – Special Revenue Fund Balance Stress Test