

## MINUTES

### **REGULAR MEETING OF DECEMBER 9, 2020 Incline Village General Improvement District**

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Chairman Tim Callicrate on Wednesday, December 9, 2020 at 6:00 p.m. This meeting was conducted virtually via Zoom.

#### **A. PLEDGE OF ALLEGIANCE\***

The pledge of allegiance was recited.

#### **B. ROLL CALL OF TRUSTEES\***

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

Also present were District Staff Members General Manager Diamond Peak Ski Resort Mike Bandelin, Director of Finance Paul Navazio, Director of Golf/Community Services Darren Howard, and Engineering Manager Nathan Chorey.

No members of the public were present in accordance with State of Nevada, Executive Directive 006, 016, 018, 021, 026 and 029.

#### **C. INITIAL PUBLIC COMMENTS\***

Dick Warren said this is Peter Morris' Swan Song as a Trustee. This is his last meeting as a Trustee (Thank God), and he will no longer interject stupidity into a discussion of anything. He will miss Peter; he has always enjoyed being around people who are more stupid than he is. And let's be frank, there are not that many folks dumber than he is. But Peter qualifies, in oh so many ways. Peter has been a Trustee for several years now, but he has never met an employee of IVGID, particularly managers of IVGID, that he did not love. In Peter's mind IVGID management does no wrong; they are wonderful, they are resourceful, and they are the backbone of IVGID. For some reason Peter cannot equate IVGID's failures with IVGID's management; other forces, perhaps changes in weather, decisions made on another planet, or possibly minute variations in the Solar System, have contributed to the malaise of IVGID over the past several years. Certainly it is not IVGID's management fault....according to Peter IVGID management is wonderful! In Peter's mind folks like Pinkerton, Guinasso, Pomroy, etc., now gone, are losses that can never be replaced. But then Peter is stupid, so what can he say? He looks forward to Peter's 10-15 minute monologue tonight on how wonderful IVGID

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Management is. It will be his last opportunity to publicly acknowledge the tremendous competency of IVGID management, from the GM on down. Peter always, without fail, voted for what management wanted, but never once did he vote, with other Trustees, to scale back what management wanted. He was a true and devoted lapdog for management. Hey Peter, enjoy your moment. You are full of it, but then most of us know that. Please retire permanently from any public organization. You do not add any value....think of yourself as someone who adds value by subtraction; in other words, do not participate. Just disappear....forever. Thank you.

Linda Newman said please move the three items on the Consent Calendar to General Business. Before you approve the agreement with Farr West, please request Staff provide you with the deliverables from the 2015 contract and the amounts paid. One of the tasks was upgrading the existing effluent pond. To her knowledge, this is the pond that remains unlined, that Jacobs provided additional design work and we are hiring a CMAR contractor to undertake. In addition, for Farr West to complete their new tasks, they include IVGID's project manager. Who is that? They also require IVGID providing our rate study and master plan for water and wastewater. Last year's rate study had major deficiencies and I am unaware of the master plan. This Board should take a hard look at both, assuming the latter's existence. The District is also responsible for preparing utility system maps or as-built drawings. Staff should provide you with this information and if it isn't available, a plan and a budget to attain them. Please also note the 10% budgeted for additional services. It should be \$1,710 – not \$1,900. After more than 5 years of incompetent legal counsel, this Board cannot approve a 1 year contract with BBK. It would be prudent for the Board to first determine the scope of legal services the District requires and advertise a request for proposals to ensure that we have the best law firm to fit our District's needs. The only lawyer licensed to practice in Nevada at BBK is Mr. Nelson. So you would not be engaging a law firm, you would be engaging a sole practitioner who would have to supervise other lawyers at his firm and subcontract other legal tasks to other law firms. In addition, this contract must be reviewed by independent legal counsel, the Client must be identified as the Board and all potential conflicts of interest must be disclosed with the Board's written consent to accept any conflicts. Of additional concern is vesting an individual with fulfilling all the District's legal needs. Under that scenario, the Board will be unable to engage other attorneys with more experience and expertise on specific legal matters. For the record, she is once again requesting this Board take action on implementing effective written internal controls. We cannot wait for the Winter through Spring. We just cannot wait as this deficit undermines the efficiency of all the District's operations and undermines the validity of all its financial reporting.

Cliff Dobler said do not believe anything in the golf season wrap – it is false. You received his e-mail on Friday. That same day, he received a response from the Director of Finance; three unqualified people making policy. The Burnt Cedar pool was doomed from the get go and Mr. Dobler proceeded to identify issues with Core Construction and funding of the project. Capital projects are a run around in order to keep an uncommitted slush fund. IVGID financials are in a shambles. Trying to borrow money will be a waste of time. This is shameful.

Aaron Katz said he has a couple of matters to discuss – confused about the Cummins estimate – hope you will clarify. Looking for the cost of CMAR, found the overrun – wants to know what the costs are. Timing clock – what is that doing in our estimate? Talk about the report on public records – made a request for fees, made one for the Marketing Manager's expenses, do you remember that he brought to your attention the fees paid on NGOA and reimbursement. Nothing on it. On the ETS billings request, he got redacted invoices which is wrong. Where are his other requests? This is not transparency and it is unacceptable. Don't pay Mr. Beko.

Margaret Martini said let's see - we have a new GM, new Board Chair, a new Director of Finance and interim legal counsel. One might expect the Board agenda and packet to be available to the public in a more timely manner, that verbal reports would be replaced with written ones, that the October and November financial statements would be available by 13 December, that the Consent Calendar items are really consent items, and that the memorandums provided for the agenda items would be complete and accurate. But no luck. Rather than seeing improvements, things seem to be getting worse. Does legal counsel consider his proposed one year contract a consent calendar item when it hasn't even been reviewed by independent legal counsel? Has this Board taken a look at his track record on legal advice and opinions or his lack of experience and knowledge in dealing with the legal issues confronting the District-before even considering staying with District General Counsel and bypassing your due diligence in reaching out to other law firms for the best representation? We continue to operate with a skeletal staff and no back up for Senior management positions. Our Engineering Manager seems to be the go-to person for everything public works and all capital projects -including the agenda item wish list for Board priorities, Capital projects which aren't really the Board's priorities, let alone the communities. Please remove this items from the agenda, as it isn't ready for prime time. Please also take note that the Engineering Manager is being overleveraged and outside resources for project management must be prioritized. I am appalled by the astronomical \$ 5 million plus cost for the new Burnt Cedar pool. I am still waiting for an explanation of how it reached this sum from the \$ 1.2 million estimate a short time ago. And, now rather than a year turn around, the project will be stretched out to two years.

Makes her wonder who at the District is really in charge? Who is being held accountable? No one apparently as project costs continue to rise and projects never seem to meet their targeted completion dates. And litigation expenses never end. This Board cannot approve additional payment to Erickson Thorpe for the Smith public records lawsuit. This Board never approved the engagement of Mr. Beko, appropriated funds for the litigation nor have you as a Board taken a stand on ending this litigation and giving Mr. Smith the public records he has requested. If you don't hold yourselves and your GM accountable the consequences of mismanagement will.

Yolanda Knaak said she has a variety of things – one is the end of golf course information – she still has questions – how much did we lose this year, someone told her it was a \$1,000,000 this year, like to know how much and how we pay for it. On the Smith litigation, should look at how we prevent lawsuits and how to settle a lawsuit out of court to save a lot of money. The estimates for the pool seem like they are really high. Would like you to find out what the CMAR estimate is going to be as \$5,000,000 for a regular pool and baby pool seems way out of line.

Ray Tulloch said that he would draw the attention to agenda packet page 22 on the Moss Adams report that point out the expenditures in capitalization and also agenda packet page 25 regarding feasibility reports, etc. Then look at the Board agenda items K.3. and K.4. and what it says in K.4. is that he sees a request for \$45,000 to be capitalized which is in conflict with what Moss Adams points out. Look at K.3., the IT master plan to be capitalized, again, in contradiction to Moss Adams recommendation and then Mr. Tulloch mentioned other items. All of these are expense items and he has pointed this out before. Capitalization policies are in a shambles. He is asking the Board to reject items K.3. and K.4. given the recommendations in Moss Adams report and that the Board should be concurring with them. He tried to check out our financial positions today and the District hasn't published the October results so how can we run any operations or approve expenditures without up to date financial information.

Judith Miller said that she has a comment about Ordinance 7; our General Manager promised us transparency and there hasn't been a lot of transparency. The minutes from the first meeting in September have been posted but none since then and the agenda appears the day before or shortly before the meeting which is not transparent. She has heard that there is going to be a report and that she finds it quite disappointing that the meetings are put out on Livestream. Second thing was about our Trustee-elect – she hopes that she is listening. Ms. Miller said that she noticed some months ago that Trustee-elect Tonking's reporting on campaign contributions that the first report was seriously late and she just learned that her financial disclosure was missing a lot of information. The form directions

clearly states that the candidates' resources have to be stated as do everyone within the household. She hopes that Trustee-elect Tonking will speak to us and tell us why and she wants to know this from her so we can ascertain that she was elected fairly.

**D. APPROVAL OF AGENDA (for possible action)**

Chairman Callicrate asked for changes. Trustee Schmitz asked that Consent Calendar Items J.1, J.2. and J.3 be moved to General Business. Chairman Callicrate accepted that modification and said they would be added to the end of the agenda after General Business Item K.5. Hearing no further changes, the agenda was approved as modified.

**E. PUBLIC HEARINGS**

**There are no Public Hearings for this agenda.**

**F. DISTRICT STAFF UPDATES (for possible action)**

**F.1. District General Manager Indra Winqest**

District General Manager Winqest went over his submitted written report. Trustee Schmitz said that she and the District General Manager have been discussing resources for contract management, which is still an unfilled position, and that she suggests that it be added to Engineering. District General Manager Winqest said that he does agree with Trustee Schmitz and that he has been discussing this with our Engineering Manager. We are working with Human Resources to identify that as contract management and are working towards that recruitment. This position is not in this year's budget so we will have to work through that matter. It is high on the priority list. Trustee Schmitz said that she wanted to make the public aware of the conversations we have had on this topic.

*F.1.A. Brief introduction/remarks by Sierra Nevada University's President Mr. Rob Valli*

District General Manager Winqest introduced Mr. Valli. Mr. Valli made brief remarks in introduction and what SNU has participated in within the community to date and other matters. Chairman Callicrate welcomed Mr. Valli to the community and stated that he is excited to have him in the community; all on the Board welcome you and look forward to establishing a stronger relationship.

*F.1.B. General Manager's Ordinance 7 Committee verbal update*

District General Manager Winqest introduced Denise Davis and Scott Hill and then had them give a verbal update.

Scott Hill submitted the following:

*I am Scott Hill, long-time parcel owner and now full time resident. I am pleased to have been asked to join the Ordinance 7 Committee by GM Winqest, and also to be here with my co-Committee Member Denise Davis, to provide the Board with a short update on our Committee's activities.*

*I would like to briefly address 3 points:*

- 1) Why was the Committee formed and what is its charge?*
- 2) What limitations do we have on potential changes to or solutions with respect to Ordinance 7?*
- 3) What is the make-up the Committee?*

*Then I will turn it over to Denise to speak on what our Committee has accomplished so far, and what are our immediate next steps?*

*Committee Formation and Charge - One of the most significant issues that you and we hear about from residents today is overcrowded beaches and related parking lots. Additionally, there are many concerns that you and we hear about the complexity of the PP, PC, guest pass, and exchange pass system, including the different fees for access to our venues.*

*Just to provide a little background, especially for IV residents that may be tuning in, IVGID's Ordinance 7 is the regulatory guidance which IVGID promulgated in 1988 to address these issues, and to interpret the Beach Deed of 1968 which gave IVGID ownership of the beaches. Ordinance 7 was modified and updated several times in 90's, but has not been updated since 1998 (22 years). It is quite out of date from the perspective of minor inaccuracies, but also in view of the fact that the Community, and its use of IVGID venues, has changed quite a bit in the last 22 years. While some recent attempts have been started to revise the Ordinance in recent years . . . none were completed.*

*So in view of resident concerns about beach access (and access to other venues), and in view of the significant and broader issue of creating a more simplified and updated approach to the entirety of the Ordinance 7 Pass and PC system, our Committee was formed at the request of the GM to develop recommendations for change.*

*Limitations on Changes – The Committee is faced with a number of limitations. . . mostly as a result of the very short and succinct original Beach Deed of 1968 which doesn't say much more than access to our beaches should be provided to:*

- 1) Parcel owners*
- 2) Tenants of parcel owners*
- 3) Hotel and Motel occupants, and*
- 4) Guests of parcel owners (as the IVGID Board shall define/determine)*

*Beach access has also been the subject of much prior litigation . . . and as such a significant limitation on our scope is that we not make changes to Ordinance 7 that could be construed as altering any of the fundamental rights granted under the Beach Deed.*

*A second limitation is that we not infringe on the property rights of residents through the adoption of any unreasonable limitations on access.*

*So you see – this is not an easy issue to address, nor are solutions or modifications to Ordinance 7 obvious – at least outside of the administrative clean-up of the Ordinance.*

*Committee Members – The Committee is made up of IV residents, plus the IVGID GM (with administrative support). We'd also like to thank IVGID Board Chair Callicrate who has also been attending and providing some valuable input to some of our meetings.*

*Committee members have diverse interests and backgrounds including small business, real estate and property management, and they are current and former IVGID employees, and residents who are retirees and those with families . . . and backgrounds are equally diverse, including media, business, legal, government and accounting.*

*With that, let me turn it over to Denise to discuss what our Committee has accomplished so far, and what are our immediate next steps.*

*Good evening Trustees, this is Denise Davis, homeowner and resident of Incline Village for 23 years. The General Manager's Ordinance 7 committee has spent three meetings reading and discussing the original beach deed, IVGID's Ordinance 7 which was last amended in 1998, revisions proposed since 1998, the Crystal Bay merger, IVGID recreation guidelines and handouts, and any history that can be found. At our fourth meeting, which was held Monday, we were joined by IVGID legal counsel Joshua Nelson because the committee had raised questions about legal definitions of terms and what limits there might be for trustees to enact rules. Mr. Nelson told the committee there were few legal precedents for many of the questions raised but gave his opinion based on his research. He also listed pros and cons on courses of actions. As far as the mechanics of our group, we make an effort to ensure that all members have opportunities to ask questions and discuss topics. Each committee member has agreed to follow the group's rules of engagement, which begin with being respectful to each other and end with the reminder that all members are equal. It's been beneficial to hear how we all use our facilities differently. While the committee has focused on fact finding and sharing information, it will soon start to develop recommendations for the General Manager to pass on to the Board of Trustees. The community will have an opportunity to review and discuss the recommendations. The trustees will then discuss and decide what, if any, amendments to make to Ordinance 7. If any community member would like to access the background information provided to the committee, it can be found on the IVGID website under the "Ordinance 7 Committee" tab.*

*In closing, Denise and I would like to add that we are both personally hopeful about the process, and to make the observation that all Committee Members are 'rowing in the same direction,' notwithstanding our diverse backgrounds and perspectives. All Committee members are looking for solutions that are in the best interests of our Community.*

Trustee Schmitz said she wanted to express gratitude for participation and engagement in this process as it is greatly appreciated. What is the time table for when you will be bringing something back to the Board for consideration? Mr. Hill said they are just getting into it and

that it is months not weeks. District General Manager Winquest said that the committee has spent its first four meetings of making sure that everyone was up to speed and that now that we have met with Legal Counsel, we have a lot better idea of the perimeters. Next, the committee will start to really dig into the ordinance, which is a several month process, and it is his hope is to roll something out to community in March and then to the Board in April. The committee will do the due diligence, take their time, and make recommendations that make sense. Trustee Schmitz asked that the District General Manager please make sure the committee understands the gratitude to all the committee members and efforts that is being put in. Trustee Dent said he appreciated this report and the participation and that his advice is to be bold with the recommendations. There are quite few changes that have been implemented throughout the years to try and make things better. Trustee Morris said thank you and really appreciate all the work and getting it right is more important than doing it quickly. How do you feel as committee members as far as the structure and ability to have free discussions? Mr. Hill said from a business position he appreciates that when you try to cook in a kitchen with everyone looking at you it doesn't work as well when you cook a little bit, get feedback, and then cook more. Likes the approach currently being used and not having everything scrutinized as we have a very diverse group and they all have a little different perspective. It is better to try and come to a consensus rather than throw it out in public. Ms. Davis said we have people in our community who, if it is Livestream, will attack like we have seen for months and months. We are going a full two hours on history and meanings so if we opened it up and had public comment and input, our meetings would go on forever and forever. We feel like we have done our research and are now working on the proposals. We have our tasks and right now we just need some time to formulate some ideas to move forward which will then go out to the public for comment. Trustee Morris said thank you. Trustee Wong said thank you to everyone serving on the committee. The last time we went through this process, nothing really came of it, so what she is excited about is that there will be action that the Board can take. She knows that we do have a representative snapshot of the community. Chairman Callicrate said he too appreciates the hard work and the hours outside the committee meetings. There are advantages to doing it in this fashion and it will get to that point and then say here is what we have hashed out and then get focused community input; multi-month process and multi-phased project. Appreciate the hard work that all are putting in. You are ambassadors

to the community and appreciate all the work. District General Manager Winqest thanked Mr. Hill and Ms. Davis for coming tonight and giving this report.

*F.1.C.2019/2020 Golf season wrap up presented by Director of Golf/Community Services Darren Howard*

Director of Golf/Community Services Darren Howard gave an overview of the submitted materials. Chairman Callicrate said he heard that everyone was very pleased with the speed of play and felt it was a much better experience with the COVID restrictions and the best time they ever had. We have great operations but need to work on expenses at both courses. He is sure that there may have been some people that were unhappy but keep up the great work. Trustee Morris said he really appreciates that Staff does a lot of analysis on the different factors and good to see you are looking at it. He has three questions – 2020 outlier year so very tough to manage – do we count how many discrete players actually play? Are they different between resident and others? All you can play pass – get a lot more rounds with those so have you looked at that price? Director of Golf/Community Services Howard said we do have a way, if you purchased an all you can play pass, that we can track all of that play. Trustee Morris said where he was going is as you plan for the future years and what can you learn from this season so we can get to a good profitability level – do have any thoughts on that? Director of Golf/Community Services Howard said yes, he does. Our all you can play pass is averaged out for 40 rounds and we do have some people who play way more as it is one of the best deals in the U.S. so we need to look at that offering as the average needs to be around \$60 which is still money off the \$90 round. Trustee Morris said one of the reasons was the non-availability of the Championship Golf Course. Director of Golf/Community Services Howard said yes, as they do pay extra for those rounds. We do sell an all you can play for both courses, but yes they would have to pay. Will probably continue with the intervals because everyone enjoyed the pace of play and will probably keep those intervals. Trustee Wong said thank you for the information and that our goal was to serve our residents especially with COVID and with this data, we have done that. It will be interesting to see where we go next year. Thank your Staff for all their hard work and her daughter enjoyed her first couple of rounds as did her husband. Trustee Dent said he sees expenses going up at both courses, capitalizing things that we shouldn't be, don't really see the expenses

working against you, definitely looking forward to your recommendations on setting of rates now that we have fewer guests which is definitely driving down our revenues, and that he is looking forward to that discussion and getting down that subsidy. Appreciate the efforts and that of your team as it is a work in progress and we are not there yet but that he thinks we are in a better situation than we thought we were going to be. Trustee Schmitz said thank you for putting this together and thinks this information will be helpful with pricing. If she is looking at the numbers correctly, we are losing money on every round at the Championship Golf Course and then at Mountain Golf Course we are also losing money on every round excluding capital investment. When we look at pricing, know that this year is an anomaly, we need to look at this information and decide where tweaking should occur as there is a large subsidization that is being provided per round. Director of Golf/Community Services Howard said that \$49.92 was just for play passes, all play combined was \$69.82 and covering that out by \$5. For Mountain, the average round \$32.40, cost was \$31.44. He would caution everyone that this is only May through October – we should be covering our costs during those times because that is when we have the play going on. There are some costs incurred from November through April. One thing he has thought about that maybe in the future we can give a season overview which should be done after April is closed. He can do whatever the Board wants him to do. Trustee Schmitz said that this shows that she really needs her paper copy and thanks for that, really appreciate it. Trustee Dent asked if we know how many were turned away from Champ and went to Mountain? Director of Golf/Community Services Howard said he could go back and look at that and will get it to the District General Manager so he can forward it to the Board.

Chairman Callicrate called for a 15-minute break at 7:45 p.m.; the Board reconvened at 8:00 p.m.

*F.1.D.2020/2021 Diamond Peak Ski Resort verbal season overview presented by General Manager Diamond Peak Ski Resort Mike Bandelin*

General Manager Diamond Peak Ski Resort Mike Bandelin gave an overview of the 2020/2021 Diamond Peak ski season. Trustee Schmitz said she did enjoy skiing last Friday and had a great day. There is new software for online ticket sales – has that gone live? Was out on the Diamond Peak website and wanted to know if the resort is

restricted to just season pass holders at this time? General Manager Diamond Peak Ski Resort Bandelin said starting tomorrow the ski resort will be open to all and have been making reservations to all that want to ski. Trustee Schmitz asked if the new software went in? General Manager Diamond Peak Ski Resort Bandelin said not yet as Staff is working through some final items. We do have a work around with a call in service and will keep everyone updated on when it goes live. Trustee Schmitz said we all must wear our masks to keep our ski resort open. Chairman Callicrate said thanks and good luck as our season pass holders are thrilled which is a nice bonus for those that have been so patient. Great job and keep it up.

**G. REVIEW OF THE LONG RANGE CALENDAR (for possible action)**

District General Manager Winqest went over the long range calendar and made some adjustments. Trustee Schmitz said that research into an audit of the recreation and beach fees would be an interesting report back to the Board. District General Manager Winqest said he can't give you specific timing but is pretty high on the radar. Trustee Schmitz asked that it be put in the parking lot. Other thing where Director of Finance Navazio mentioned some carryovers, a budget augmentation, and fine tuning to the budget; is that on our radar. District General Manager Winqest said we will get that into the parking lot as it is typically done in the spring.

**H. DISTRICT GENERAL COUNSEL UPDATE (for possible action)**

**There is no update for this agenda.**

**I. REPORTS TO THE BOARD\* - Reports are intended to inform the Board and/or the public.**

**I.1. Treasurers Report (for possible action)**

*I.1.A. Payment of Bills (for possible action) (For District payments exceeding \$10,000 or any item of capital expenditure, in the aggregate in any one transaction, a summary of payments made shall be presented to the Board at a public meeting for review. The Board hereby authorizes payment of any and all obligations aggregating less than \$10,000 provided they are budgeted and the expenditure is approved according to District signing authority policy)*

Treasurer Schmitz gave the following verbal update:

*The October financials have not yet been posted, so I've not conducted a review. This is disappointing in that it would have provided more financial details for the season wrap up for Golf which is on tonight's agenda. The*

*November 6-18<sup>th</sup> weekly bill pay reports have posted this week, however I have not yet had the opportunity to review them. The procurement card reports have been reviewed for October and November and a number of policy questions have been identified for management to review. Mr. Navazio and I have been discussing improvements to the procurement card use for improved financial reporting. I have requested the procurement card policy and related internal controls be on the January Audit Committee agenda. This would allow Mr. Navazio time to make updates he feels are necessary while also addressing the recommendations made by Legal Counsel as it relates to procurement card use and Dillion's Rule.*

Director of Finance Paul Navazio said that Staff has posted the October financials today and we will be uploading the check run from two weeks ago tomorrow. District General Manager Winqest said that during our last meeting a reference was made to a payment received from Washoe County. Director of Finance Navazio said that is true and that the reference had to do with the sale of unbuildable lots and reimbursement. Staff did track down the reimbursement of the tax revenue owed to the District and did confirm that it was received by the District. Chairman Callicrate made a request to the Director of Finance for more specific information regarding this transaction.

## **I.2. Verbal report from Trustee Peter Morris**

Trustee Morris read the following statement:

*Tonight is my last scheduled board meeting and I want to say that it has been an honor and privilege to serve. We have accomplished much, though much remains to be done. And it always will -- the future is after all, dynamic!*

*Among many achievements, I am pleased to have helped increase the financial strength of the District while simultaneously improving our services and facilities. Many government entities – especially in this crazy year of 2020 – have not fared so well.*

*I am also pleased that with the completion of the District Community Services Plan, the incoming Board can continue to set their priorities in full support of the community's goals.*

*I would like to thank everyone who has continued to support me during my term, both publicly and privately. I cannot underscore enough how much that support has meant to me.*

*I particularly want to call out the hundreds of unsung heroes of IVGID: our employees. Without your dedication and incredible efforts to deliver the absolute best services possible, this just would not be the best place to live and recreate. I am always impressed that whether your role be the least understood or most well-known, you are all so positive and focused on customer service. Though I get criticized by a few for standing up for IVGID staff, nothing would ever stop me from shouting your praise from the rooftops. Thank you!*

*I offer my thanks too, to our senior staff. Your support and always-open door approach have made my life so much easier. Whether I have asked a dumb question or – just occasionally, a smart one – you have never ceased to ensure that I fully understand the issue at hand and am able to make a fully-informed decision. These are challenging times and thus I appreciate even more your work ethic and focus on always trying to do the right thing. Not everything is perfect we know but coming to work every day wanting to do the right thing is a surely a way to get there.*

*And to my fellow Trustees, while we have often had our differences of opinion (and I know at times I have let my emotions get far the better of me) I want to thank you all for all that you have done – and will continue to do – to make IVGID better for everyone. No-one would be on the Board if they did not believe in making a positive difference, so I commend you all for your efforts. And I wish you every success in the future.*

*I have tried to avoid naming names as there are so many, but I could not leave without offering major thanks to two key IVGID staff. Thank you, Susan Herron, for all you have done not only to keep me supplied with all the information I have ever asked for, but for your institutional knowledge of IVGID and your dedication to your role. You have been my go-to person on so many occasions over the past four years (and before that in fact). Thanks for always smiling - even when you might have felt the least like smiling!*

*And to General Manager Winqest: while your IVGID experience speaks for itself, your humility, humanity, and management style might only be really known to those interact with you daily. You have helped me so much over the years, and I cannot overstate how pleased I am to have played even a small part in your recent promotion. The District is now in the best of hands. Though the future will not be easy or smooth, there is no person better suited to captain the ship than you, Indra*

*Finally, to the people of Incline and Crystal Bay, I urge you all – especially the ‘silent majority’ who in survey after survey continue to express how happy you are with IVGID – please get more involved with the board. While I know many of you express concern about speaking publicly, I urge you to stay the course. Keep current with all that is going on and do not be afraid to speak up for positive things. It is your democracy; it is your community.*

*Well now, there are other board matters to continue with tonight, so this not totally goodbye, but it is a final public thank you for the trust you all have put in me and the support you have given me.*

*I am lucky to have played even just a tiny part in the history of Incline Village and Crystal Bay, and from the bottom of my heart I thank you all for that opportunity.*

*Thank you.*

Chairman Callicrate thanked Trustee Morris for his service. District General Manager Winquest also thanked Trustee Morris for his service.

- J. CONSENT CALENDAR (for possible action)** (In cooperation with the Chair, the General Manager may schedule matters for consideration on a Consent Calendar. The Consent Calendar may not include changes to budget, user rates or taxes, adoption or amendment of ordinances, or any other action which is subject to a public hearing. Each consent item shall be separately listed on the agenda, under the heading of "Consent Calendar". A memorandum containing all relevant information will be included in the packet materials for each Consent Calendar item. The memorandum should include the justification as a consent item in the Background Section. Any member of the Board may request the removal of a particular item from the consent calendar and that the matter shall be removed and addressed in the General Business section of the meeting. A unanimous affirmative vote shall be recorded as a favorable motion and approval of each individual item included on the Consent Calendar.)

- J.1. Review, discuss and possibly approve a Professional Services Contract for preparation of Risk and Resilience Assessments and Emergency Response Plan – Fund: Utilities; Division: Public Works Water; Vendor: Farr West Engineering in the amount of \$19,000 (Requesting Staff Member: Engineering Manager Nathan Chorey) This item was moved to General Business Item K.6.**
- J.2. Review, discuss, and possibly authorize additional engineering services during construction for the Water Resources Recovery Facility Improvements Project; Fund: Utilities; Division: Sewer; Project 2259SS1707; Vendor: CH2M HILL, Inc. in the amount of \$18,000. (Requesting Staff Member: Engineering Manager Nathan Chorey) This item was moved to General Business Item K.7.**

- J.3. Review, discuss and possibly approve a contract with Best Best & Krieger for legal services (Requesting Staff Member: Board Chairman Tim Callicrate and District General Manager Indra Winquest) This item was moved to General Business Item K.8.**

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

- K.1. Review, discuss, and provide feedback on the Construction Manager at Risk (CMAR) Construction Cost Estimate for the Burnt Cedar Swimming Pool Improvement Project – Fund: Beaches; Project 3970BD2601 (Requesting Staff Member: Engineering Manager Nathan Chorey)**

District General Manager Winquest made opening remarks. Engineering Manager Nathan Chorey gave an overview of the submitted materials and then turned it over to two team members from CORE – Travis Coombs and Kurt Parriott who gave the PowerPoint presentation that was included in the Board packet. Trustee Dent asked about the sequence of the pool tile, coping and fine grading. Mr. Parriott said that they would like to get as much work done as possible and then the fine grading will take place at the end of that year. These are just milestone dates with the construction dates being more detailed. Trustee Schmitz said that she understands preliminary and that you can't predict the weather so she is trying to understand what dates are pushing costs and that if the weather cooperates and you are able to complete in the fall of next year, does that have an impact in construction costs? Mr. Coombs said yes, a small amount, if this does linger into two seasons because of mobilization and demobilization. This is a good conservative placeholder for these milestones. We operate within the TRPA grading season. Trustee Schmitz said but construction can still continue so she would think that the TRPA season doesn't impact that and if things cooperate, do we have the ability to reduce costs and not lap into another season? Mr. Parriott said if we have warm seasonal temperatures, we can do that. Mr. Coombs said that there will be other items that will be taken care of after the TRPA season. Engineering Manager Chorey said with construction, one is making a number of assumptions, that is the reason CMAR is successful, you bring them on to challenge those assumptions. Mr. Parriott said, through CMAR, we will deliver a guaranteed price made with good assumptions and that is very transparent and an open book process that everyone is involved in. Trustee Dent said that Engineering Manager Chorey is getting better at selling this CMAR process. The CORE representatives continued their presentation. Trustee Schmitz said that the \$4.3 million is encompassing the connector path and the estimates are

separate but combined here. On the last bullet point, she would like to see the language to help us to reduce the budget. Mr. Parriott said they can do that as understanding the requirements is important. Trustee Dent asked what was the budget we gave to TSK? Engineering Manager Chorey said we didn't give them a budget and that the conceptual design contract was \$2.2 million but since then the scope has changed. Mr. Parriott said that it does include the connector path and a retainer structure, which is shown as an alternate but shown in this slide. CORE representatives continued the presentation. Chairman Callicrate said thank you for your presentation and that we want to make sure we do it right the first time. District General Manager Winquest said that, at some point in time, the District will have to come to some level of a budget for this project. Staff has talked to the CORE team about this and have worked with public agencies on this topic and understand the shock value of the price of this project. Trustee Schmitz said that one of the things that she and Engineering Manager Chorey have chatted about and this is a suggestion if the public could see similar pools and the costs for same it helps us to visually understand what others are doing and understand those costs. Understand it was shared with the CORE team and having that exposure is a visual perspective thing. District General Manager Winquest said we can work with the team however every project is different, agency is different, timing could be different, etc. We can get examples and put an asterisk on that about differences occurring in this environment. Engineering Manager Chorey confirmed that no motion was needed and thanked the Board for the feedback. He then proceeded to go over the third party cost estimate by Cummins. District General Counsel Nelson said that the Cummins report is online and it was distributed. Engineering Manager Chorey confirmed that Staff got the feedback they needed.

**K.2. Review, discuss and possibly approve a Design Services Contract with TSK Architects in the amount of \$216,626 plus 10% contingency and \$20,000 for permitting fees for the Burnt Cedar Swimming Pool Improvement Project (CIP# 3970BD2601), and approve Resolution Number 1882 augmenting the Fiscal Year 2020/21 capital budget by \$258,289 from available fund balance within the Beach Capital Fund (Requesting Staff Member: Engineering Manager Nathan Chorey)**

Engineering Manager Chorey gave an overview of the submitted materials. Chairman Callicrate said that there are five motions that have to take place and that the packet explains all that and asked if there were any questions by the Board members. Trustee Schmitz said that she wanted to reiterate

what our Engineering Manager explained – on page 128, payment section will be modified and #3 will be removed and instead line item #1 compensation will be paid on a time and material basis not to exceed in the amount of \$216,626 and is she correctly stating the changes you intend to make on that page? Engineering Manager Chorey said yes. Trustee Schmitz asked that a date be added to the signature page.

Trustee Morris made a motion to:

1. Authorize a Design Services Contract for the Burnt Cedar Swimming Pool Improvement Project – Fund: Beaches; Project 3970BD2601; Vendor: Vendor: TSK Architects in the amount of \$216,626 with changes as noted.
2. Authorize Staff to approve change orders for additional work not anticipated at this time of up to 10% of Design Services Contract – \$21,663.
3. Authorize Staff to approve payment of permitting fees associated with the Burnt Cedar Swimming Pool Improvement Project estimated to be \$20,000.
4. Approve Resolution No. 1882 augmenting the FY2020/21 Capital budget by \$258,289 from available resources within the unappropriated fund balance of the Beach Capital Fund, in support of the Burnt Cedar Swimming Pool Improvement Project (CIP#3970BD2601).
5. Authorize Staff to execute the contract documents subject to Legal review.

Trustee Wong seconded the motion. Trustee Schmitz asked District General Counsel if we have to include the stated changes mentioned tonight? District General Counsel Nelson said yes and asked Trustees Morris and Wong for their assent; Trustee Morris said he is okay with that and Trustee Wong concurred. Chairman Callicrate called the question and the motion was passed unanimously.

Chairman Callicrate called for, at 9:27 p.m., a break until 9:45 p.m. when the Board reconvened and was called to order by Vice Chairman Dent.

**K.3. Review, discuss, and possibly provide direction on Board Priority Capital Projects and related funding plans (Requesting Staff Members: Director of Finance Paul Navazio and Engineering Manager Nathan Chorey)**

District General Manager Winquest gave a brief introduction of this item followed by Engineering Manager Chorey who gave an overview of the submitted materials. Director of Finance Navazio provided the financial review. District General Manager Winquest said that this is why this item was a little different from what was anticipated. The Board is doing its due diligence to spend down the fund balance and then went over a couple of other future projects and their potential funding opportunities. Engineering Manager Chorey said that Staff highlighted the new projects and the potential priority projects. Chairman Callicrate said the whole point is that we have collected quite a bit of money for reserves, we have been talking about this for over a year, and we are now committing these funds. Thank you for putting that into graphic form and yes, we would have to keep the allocation for the next several years or possibly bond that project. Definitely, for Ski Way, that is something that should be bonded because it is a multi-year project as well as for the Effluent Pipeline. Have a lot ahead of us and we need to get the dog park back up there and understand that there are private funders that want to work with us. Whole point was to show that we have made commitments. Showing the intent is there to the community for next year or the following year and can't go much further than that. Trustee Dent said Burnt Cedar pool is moving along, on agenda packet page 162, the dog park, let's get rid of the to be determined and let's start talking about funding as that is a priority at the top of the list. One thing that isn't on this list is the Mountain Golf Course cart paths which is a \$2 million project that he would like to see get moved along. Ski Way is not a big priority for him, one of the biggest priority would be the effluent pipeline and going through the evaluation and the whole process and how we should be operating. This is a 70 or 100 year project that should be bonded especially when we didn't raise rates. Chairman Callicrate said we do need to move the dog park up the list and agree on bonding for Ski Way and not a top priority but don't want it to fail either. Trustee Wong said for the priority projects, we are making great progress. Agenda packet page 157 is consistent with what we have talked about in the past, shouldn't have huge changes or shifts and great job by Staff on funding and there will have to be discussions about funding of these projects. We need to keep an open mind with funding projects going forward. Until we have a more solid plan for dog park and beach house, there isn't a way to solicit funding. Chairman Callicrate asked about interest in Ski Way – bonding or paying cash and where is on the

priority list versus anything else? Trustee Wong said that Ski Way and the Incline Beach house are prime candidates for debt financing as they add value to community and the venues they serve so we should be exploring debt financing. Trustee Schmitz said that she agrees with the comments that are being made and that we do need to make an effort to move along the dog park as it is very important. Looking at the venues that are customer facing, she has heard a lot about cart paths at both courses and think that the Recreation Center is another customer facing venue so let's keep those moving forward. Incline Beach house and Snowflake Lodge need to be considered. Trustee Morris said he is not going to comment on priorities and leave that to the new Board. Congratulations on doing this in graph form. His parting comments would be to consider some form of debt financing to do some of these projects. Given the dog park and the Incline beach house, it might be a little unwise to commit funds for these projects. Paying attention to the potential for debt funding is a priority. Chairman Callicrate said that there are opportunities to make some significant drawdowns so we aren't sitting on piles of money which will be gone next year depending on how we want to pay for capital improvements. Dog park and beaches – look at it in its entirety – all beaches and trying to pay cash for everything especially for long term projects is foolhardy. He will go out on the limb and say that he never said he wasn't going to bond. Rather at the time, it didn't make sense and that six years have transpired and money is cheap right now so it might make sense. There is work yet to do. District General Manager Winquest said what he is hearing that the dog park is clearly going to stay a priority project and that we can commit \$500,000 as he can only move as fast as he can unless we want to turn Village Green into a dog park which is not what he thinks the community wants. When we find out about the property across from the high school, we need to pivot, may not be a bad idea to reserve from funds for design to start that projects. Other projects that are potential for reserves are the Recreation Center lockers, etc. He agrees with what everyone has said. We will need to revisit the beach house and have a discussion about other items within the beaches plan. Director of Finance Navazio said he wants to remind the Board that they will see this again shortly because the CAFR will come forward in January and explained the \$14,000,000 once again and stated that there is really only about \$4,000,000 that is not committed. The flip in the Recreation Fee was assumed for one year so next year you can decide where you need to be with the Recreation Fee. He would echo the District General Manager's point about committing goes with building it into the budget. To a public comment, difficulty accessing the debt market, disagree with that and that the District will have access. Trustee Schmitz said wasn't it our task to actual identify and reserve that extra \$4,000,000; isn't that was this was about? District

General Manager Winqest said yes and do that either through the budget or as a Board agenda item. We needed this information before we could formulate an action for the Board. Director of Finance Navazio said that the \$4,000,000 is eaten up because of the Ski Way project being in the CIP budget. If want to commit to others, the Board needs to say that the Ski Way project won't use fund balance for that project so look at it holistically. Chairman Callicrate said so the direction is to pull the Ski Way project out and free those funds as that money could do the cart paths which benefits a tremendous amount of our community because it is not a legacy project; look at debt financing for Ski Way; and that Snowflake Lodge is a legacy project that would require short or medium term financing especially if it is rebuilt. As we spend down and then accumulate, we should identify where those funds are going. At the January 13 meeting, we say where it should go so as to give a clear picture to the community; as an actionable item. District General Manager Winqest said either at the budget workshop or at the January 13 meeting and we got what we needed. Removing Ski Way from the five-year plan which frees up about \$4,000,000 and discussed some updated priority projects and Staff will work that list and then for the action item will be options for projects. Chairman Callicrate say where it is already committed and then what is left so we can show clearly that we have the necessary reserves for emergencies and then this is where the balance is going and be very upfront with the community.

**K.4. Review, discuss and possibly authorize appropriating \$45,000 from unallocated funds in the Fiscal Year 2020/2021 budget to design a Fiscal Year 2021/2022 Project: Watermain Replacement – Slott Peak Court; Fund: Utilities; Division: Water; Project 2299WS1705 in the 2020/2021 Fiscal Year utilizing District Staff resources (Requesting Staff Member: Engineering Manager Nathan Chorey)**

Engineering Manager Chorey gave an overview of the submitted materials. Trustee Schmitz said based on her assumptions, the budget for all staff and including engineering, that she doesn't understand what the need is so could you please shed some light on this? Director of Finance Navazio said the clarification is that there is work that District staff is going to charge to this project if the Board approves this item. Augment the budget to allow Staff to work on it, advance it, proceed with doing Staff work so work isn't going to be done because we only have so much capacity. Trustee Schmitz said sorry if she is seeming obtuse on this but this is allocating funds for staff time? Director of Finance Navazio said this is allocating funds that aren't in this fiscal year. Trustee Schmitz said now that we can capitalize projects,

how do we do this? Director of Finance Navazio said capitalization is working its way to the Audit Committee and that this is actually for a capital project that will be capitalized in his view. Chairman Callicrate rephrased the item. Engineering Manager Chorey gave an example. Trustee Schmitz explained her understanding. Director of Finance Navazio said it doesn't increase the budget by one dollar rather reallocating budget to changing priorities and do so such that charges can be made to this project that is presently unbudgeted.

Trustee Morris made a motion to authorize appropriating \$45,000 from unallocated Utility capital funds to advance design of FY2021-22 Capital Project: Watermain Replacement – Slott Peak Court; CIP # 2299WS1705. Trustee Wong seconded the motion. Chairman Callicrate asked for any further comments, hearing none, he called the question and the motion was passed unanimously.

**K.5. Case No. CV18-01564 Mark E. Smith v. IVGID - Review, discuss and possibly approve a payment in the amount of \$21,891.18 to Erickson, Thorpe & Swainston, Ltd. (Requesting Staff Member: Board Chairman Tim Callicrate and District General Manager Indra Winqest)**

District General Manager Winqest and Board Chairman Callicrate gave an overview of the submitted materials. Trustee Wong said her only issue that she has relates to the overbilling when Mr. Beko knew and not notifying the Board, split the difference. She is fine with paying this amount so we can further negotiate that. Do feel that Mr. Beko should be reporting. Chairman Callicrate said they have had that conversation with Mr. Beko. Trustee Wong said as long as conversation is ongoing, she is fine. Trustee Morris said what he hears is that negotiations will continue and paying this amount seems appropriate. Trustee Schmitz said that there have been issues with his billing and that this Board has only authorized \$17,500 and she is comfortable with paying that number, getting this resolved and get this behind us. Trustee Dent said the District General Manager addressed his concern and he is fine with this now.

Trustee Morris made a motion to approve a payment in the amount of \$21,891.18 to Erickson, Thorpe & Swainston, Ltd. Trustee Wong seconded the motion. Chairman Callicrate asked for any further comments, hearing none, he called the question and the motion was passed with Trustee Schmitz voting opposed and Trustees Callicrate, Dent, Morris and Wong voting in favor.

- K.6. Review, discuss and possibly approve a Professional Services Contract for preparation of Risk and Resilience Assessments and Emergency Response Plan – Fund: Utilities; Division: Public Works Water; Vendor: Farr West Engineering in the amount of \$19,000 (Requesting Staff Member: Engineering Manager Nathan Chorey) – This item was moved from Consent Calendar Item J.1.**

Engineering Manager Chorey gave an overview of the submitted materials and stated that the deliverables will be considered confidential under NRS 239C.210. and recited the requested changes asked for by Trustee Schmitz. Chairman Callicrate thanked Trustee Schmitz for asking for these changes and asked Trustee Schmitz if this works and understands that it is being done via different method for this contract. Trustee Wong said pulling this from the Consent Calendar was for non-substantive changes and would like any changes worked out with Staff so we don't have to pull this off the Consent Calendar. Trustee Schmitz said that this was done so all the Trustees had all the information and done before it gets into a Board contract and that is the opportunity for the future.

Trustee Morris made a motion to authorize a Professional Services Contract for preparation of Risk and Resilience Assessments and Emergency Response Plan – Fund: Utilities; Division: Public Works Shared; Vendor: Farr West Engineering in the amount of \$19,000 with the changes as discussed; Trustee Wong seconded the motion. Chairman Callicrate asked for any further comments, hearing none, he called the question and the motion was passed unanimously.

- K.7. Review, discuss, and possibly authorize additional engineering services during construction for the Water Resources Recovery Facility Improvements Project; Fund: Utilities; Division: Sewer; Project 2259SS1707; Vendor: CH2M HILL, Inc. in the amount of \$18,000. (Requesting Staff Member: Engineering Manager Nathan Chorey) – This item was moved from Consent Calendar Item J.2.**

Engineering Manager Chorey gave an overview of the submitted materials and provided the comment made by Trustee Schmitz.

Trustee Morris made a motion to authorize a professional services contract for the Water Resources Recovery Facility Improvements

Project; Fund: Utilities; Division: Sewer; Project 2259SS1707; Vendor: CH2M HILL (Jacobs), Inc. in the amount of \$18,000. with the changes as discussed; Trustee Wong seconded the motion. Chairman Callicrate asked for any further comments, hearing none, he called the question and the motion was passed unanimously.

**K.8. Review, discuss and possibly approve a contract with Best & Krieger for legal services (Requesting Staff Member: Board Chairman Tim Callicrate and District General Manager Indra Winquest) – This item was moved from Consent Calendar Item J.3.**

District General Manager Winquest gave an overview of the submitted materials. Trustee Schmitz said she would like it reviewed by an independent third party. District General Manager Winquest said he has engaged with outside legal counsel and hopes to have it done by the end of the week. The contract will not be signed until that review is made by outside legal counsel. Trustee Schmitz said do we have the option to ask questions? District General Manager Winquest said independent legal counsel? Trustee Schmitz said is there any opportunity to ask questions of the outside legal counsel? District General Manager Winquest said yes however the only way would be to re-agendize this item. He will be scheduling a meeting with independent legal counsel for the Board Chairman and himself to lay out the relationship and the work to be done. Further, it should be noted that Mr. Nelson did say that Staff should bring on independent legal counsel to do a review. Chairman Callicrate said that we will be in discussion with that independent legal counsel. Trustee Morris said he does find it frustrating when we revisit thing that we have talked about before and either we have confidence or we don't have confidence.

Trustee Morris made a motion to approve the attached one-year contract for legal services with Best, Best & Krieger following an independent legal counsel review; Trustee Wong seconded the motion. Chairman Callicrate asked for any further comments, hearing none, he called the question and the motion was passed unanimously.

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

**L.1. Meeting Minutes of October 27, 2020**

Chairman Callicrate asked for changes; none were received; the minutes of October 27, 2020 are approved as submitted.

**L.2. Meeting Minutes of November 9, 2020**

Chairman Callicrate asked for changes; none were received; the minutes of November 9, 2020 are approved as submitted.

**L.3. Meeting Minutes of November 18, 2020**

Chairman Callicrate asked for changes; Trustee Schmitz said she has request a couple of changes; the minutes of November 18, 2020 are approved as revised.

**L.4. Meeting Minutes of November 23, 2020**

Chairman Callicrate asked for changes; none were received; the minutes of November 23, 2020 are approved as submitted.

**M. REPORTS\* (*Reports are intended to inform the Board and/or public*)**

Trustee Dent said that he would like to see an item brought back for the Utility Rate Study and rate increases.

Trustee Morris said with his leaving at the end of this month, he shall be resigning his position to the Washoe County Commission Debt Management as representative for general improvement districts.

**N. FINAL PUBLIC COMMENTS\* - Limited to a maximum of three (3) minutes in duration.**

Cliff Dobler said thank you to Trustee Schmitz for bringing up the urgent need for a contract administrator. Look at the Farr West contract – Trustee Schmitz had to edit it. Deliverables haven't been received but paid for those items. Mr. Nelson is not a contracts lawyer. Can't come up with a job description, no budget for the position, and on his radar – this is probably one of the most important personnel positions. In reviewing the Moss Adams report, capitalization of master plans is incorrect and he agrees with Mr. Tulloch. There needs to be a write off of \$4,000,000 and the Utility Fund has taken a huge loss. Restatement of financial statements will have to be done. Think about personal responsibility.

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

The meeting was adjourned at 11:30 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.