

Tahoe Donner General Plan Committee September 9, 2019 Meeting Minutes

Time and Location

2:30 PM in the Northwoods Clubhouse Mezzanine Room on the first non-holiday Monday of each month.

1. Call to order:

The meeting was called to order by the Chair at 2:30 PM.

2. Roll Call:

GPC Committee:			Liaisons:	Tahoe Donner Association	
Nan Meek	Rob McCray	Laura Lindgren	Jim Roth	Robb Etnyre	Miguel Sloane
Michael Sullivan	John McGregor	ALTERNATES	Jeff Connors	Brian Yohn	Robin Bennett
Jim Beckmeyer	George Rohrback	Steve Miller	John Dundas, Fin-Com.	Mike Salmon	
John Maciejewski	Jeff Shellito	Courtney Murrell			

Subcommittee Leaders: Michael Fajans, Benjamin Levine, ~~John Stubbs~~

Guests: Michael Paparian

3. Approval of Minutes

Jim Beckmeyer made a motion to approve the minutes of the last meeting. John McGregor seconded the motion. The minutes were approved by unanimous vote.

4. Member Input - There were no member comments

5. Review of the Development Funds Wish list

The GPC agreed with the priority of the Development Fund wish list. There were some requests to adjust the project descriptions. Benjamin will collaborate with Brian on the descriptions.

6. Sub Committee progress reports:

A. Communications – Meek, Murrell, Levine, Sullivan

1) Eblasts: Work has begun on a dedicated eblast for the Downhill Ski Subcommittee.

2) TD News: Work should begin shortly on content for the space reserved for GPC content in November; this will be coordinated with timing and content for the Downhill Ski eblast.

3) Surveys: Pursuant to Director Connors' request for GPC Subcommittee charters (related to their work on surveys), Nan consolidated the GPC Communications Subcommittee charter, and the stated purposes of the other GPC subcommittees from the Tahoe Donner website, into a document for review by Director Connors and anyone else who is interested.

4) Website: Editing of new/updated content continues ongoing

B. Trout Creek Recreation Center (TCRC) - Stubbs, Winther, Huisman, Levine, Sloane, Meagan Hanbury. John Maciejewski,

Debbie Meyer, Alan Pontius.

See attached report

C. Trails & Open Space – Levine, Rosenfeld, Bonnard, Bothwell, Cohen, Crum, Dana, Englar, Etnyre, Hahin, Jennings, Joaquin, Lindsay, Mahoney, Meek, Miller, Nicol, Phelps, Phillips, Powell, Quan, Simmons, Sullivan, Terrell, Thayer, Thornton, Yohn

The TOS survey was in the field from August 7 - 14. To provide TOS members with adequate time to study the data in detail, the survey's results will not be discussed by the TOS until the September meeting. As such, the TOS did not hold a formal meeting in August. The TOS did, however, meet informally at the Bermgarten Trailhead to review the completed trailhead project, and to conduct a walking tour of the McGlashan Springs and Bucknam Tract properties.

D. Golf Course – McGregor, Huisman, Jim Stang, Jim Beckmeyer, Corey Leibow, Brian Gauney, Pat Gemma, Kevin Kuehne, James Murtagh, Denise Rebar, Keith Williams

The TD BOD approved replacement of the greens at the course to occur in Spring 2020.

Necessity for approving project at this time is need to grow greens with appropriate lead time. To make this happen, purchase needed to occur NLT Sep which is now. While green replacement is not a specific item on sub-committee initiative, it is prudent for both actions to occur simultaneously and work to be performed by one contractor. A site survey was conducted week 3 Sep and bids are expected shortly. It is intent for management to request project approval at 21

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Sep Board meeting with b/u at Oct meeting. If approved, all activities would occur Spring 2020 when conditions permit. Currently, the projection is that course would be closed for entire 2020 season with possibility of some play late summer. Management is also working on a mitigation plan to approach other local courses and create a TD type arrangement with details to be determined

- E. Downhill Ski Resort– Beckmeyer, Aldridge, McClendon, McGregor, Meek, Miller, Murrell, O'Neil, Rohrbach, Huisman, Salmon, Sloan, McCray, Etnyre, Sullivan

Snowmaking and Mile run work has progressed. Both work streams have identified what work remains, and will be planned for implementation in 2020.

The Subcommittees lodge sizing work completed as of it's 9-9-19 meeting. Alston provided square footage estimates based on Staff's "Needs Analysis". Below is a summary of their input:

Front Office: 7750 sq ft

Food Service: 6500 sq ft

Back Office: 4000 sq ft

Circulation: 6750 sq ft

Total – 25000 sq ft

We moved on to discussing and voting on our three model sizes that have been on the table for the lodge sizing effort. Voting results were:

17k sq ft – 1 vote

21k sq ft – 1 vote

25k sq ft – 6 votes

Discussion included the following rationales:

- ★ The economics of spending an additional \$2.4m to get to 25k sq ft from 21k, is well worth the incremental spend.
- ★ Today we have a WAG'd "useable" sq ft of 14k. Growing to 21k, a 50% increase, (vs the 25k) is sufficient to hit the lion's share of our typical season's daily demands.
- ★ Historically TD builds too small, then has to spend incremental amounts of capital down the road. Size larger today.
- ★ Usability of the lodge in the off-season is better with the larger size.
- ★ Let's get to Stage 4 of the CPP to refine our needs.
- ★ Optimizing customer service and owner satisfaction means building the larger sized lodge.
- ★ All four pillars of our lodge sizing analysis have pointed us towards the larger solution:
 1. ECOsign report
 2. Operations analysis during this season
 3. Financial analysis provided by the Finance Committee
 4. Alston's analysis based on Staff's bottoms up Needs Analysis

Benchmarking has been completed. A final report should be posted later this month.

All work streams assigned to Stage 3 of the CPP have been completed. Drafting and editing of a Decision Paper is in the works. If we do this swiftly, the DP will be on GPC's agenda for its October meeting.

- F. Northwoods Activity Center – Murrell, Lindgren

The NWAC subcommittee met August 22 at Noon to discuss status of member input and to confirm prioritization for Amenity Master plan. The subcommittee discussed and, coupled with member, staff and TCRC subcommittee input, decided that keeping the family-oriented Northwoods Pool is an important asset and service level for the Association, instead of closing it in favor of consolidating all pools to TCRC (per some board directors' inquiries). The subcommittee also learned this month from Ian Mindell, TD's tennis manager, that 2 tennis courts can be re-stripped for tennis AND pickleball, thus gaining 2 additional pickleball courts relatively soon at minimal cost. The cost of re-stripping is within the Tennis operations budget or can be part of RRF during court resurfacing, thus outside of the Development Fund.

The idea of covered tennis & pickle ball courts was discussed and a letter describing the current status is attached.

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- G. The Lodge -
On hold
- H. Alder Creek Adventure Center (ACAC) – McCray, Laura Lindgren, John Maciejewski
No further activity
- I. Snowmaking at Downhill, Nordic and Snowplay - Yohn
See attached analysis from the Finance Committee
- J. Demographics– McCray, Maciejewski, Sullivan.
no current activity
- K. Association Master Plan/Capital Projects Process – Sullivan, Meek,
Consult specification being written

7. Finance Committee Liaison report - Steve Miller

This month we will be participating in the first 2020 Budget Workshop (focusing on Capital Budgets) which starts at 1PM on September 12 followed by an abbreviated 1 hour Finance committee meeting

8. New Business:

None

Updated list of Potential Capital Projects:

The Sort Team project list is at: TahoeDonner.com/Members/CapitalProjects/PotentialProjects.

Adjournment:

The meeting was adjourned at 3:47 PM

Next Meeting:

The next meeting will be held on October 7, 2019 at 2:30 PM at NWCH Mezzanine. Nan Meek will lead the meeting.

Note, the following committees are not yet active or are on-hold

- i. Marina Recreation Center – Fajans.
No update
- ii. Cluster Mailboxes – Rohrback, Fajans, McGregor
Subcommittee deactivated.
- iii. Employee Housing – Fajans.
This committee currently tracks the activities of other community groups that are studying or acting on the same issue.

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TCRC (Trout Creek) Master Plan Subcommittee (TCRC MPS) Meeting Report.

Tuesday, Aug 27, 2019

Attending: John Stubbs, Benjamin Levine, John Maciejewski (conference phone), Kyle Winther, Brian Yohn

1. The main discussion item was the revision of the 2019-04-19 Quarterly Update Prioritization for the Development Fund, as requested at the Board of Directors meeting Friday, Aug 23. An initial response was submitted by John Stubbs for the meeting called by Brian Yohn on Monday, Aug 26. After the meeting, Benjamin Levine prepared the attached summary for submission to the GPC and staff.
2. Currently, the rec. pool is kept open and heated from mid December to President's Day weekend. Kyle agreed to submit available past use data to be part of a cost/benefit study.
3. A suggestion that the TD Eats food truck currently present during Snowplay operation be made available during the summer was referred as an operation item for future consideration.
4. It was agreed that snowmaking, listed as a Number 1 Priority, should be a joint subcommittee priority, headed by Steve Miller working with Sally Jones.
5. In regard to a permanent flushing restroom installation for Snowplay, Kyle recommended that to be a high priority in order to lessen demand for use of the TCRC bathrooms.
6. Even though the replacement of the current pools heaters with a high efficiency boiler system, listed as a Number 1 Priority, is likely to be a 100% RRF project, it should be emphasized that this is an essential project needed to enable the aquatic DF Priority 2 projects.
7. Expanding parking is a critical need for any future use expansion at TCRC. It was agreed that the Northwoods Blvd. parking proposal would be a TCRC MPS responsibility but that, before proceeding, concerns about potential safety issue should be discussed with Annie Rosenfeld, Director of Risk Management and Real Property.
8. In regard to widening the entrance from Northwoods Blvd into TCRC, Kyle reported on a number of accidents over the past 8 years involving cars skidding over the embankment and the limited vision of southbound Blvd traffic when exiting the parking lot.
9. In coordination with the NWAC subcommittee, the TCRC MPS began a discussion of a potential proposal to move the NW pool to the TCRC aquatic area. Several concerns about this idea were:
 - a. The NW pool has just been resurfaced.
 - b. The pool is adjacent to the wet lands area bordering Trout Creek. Removing and replacing the pool with another function could potentially trigger new wetlands restrictions for use of the area or require extensive permitting requirements.
 - c. The NW pool is a younger child friendly environment and serves a different demographic than the TCRC aquatic area.
 - d. The NW pool is a popular use area and when the pool use was recently shortened during summer season, there was a good deal of member complaint.
 - e. Currently, when a fecal incident closes the pools at TCRC, members are able to go to the NW pool. A fecal incident at TCRC impacts all the pools that share the same water circulation system.
 - f. Moving the NW pool to TCRC would increase the crowding of the rec. pool deck space.

Following are the Capital priorities and deletions from the Trout Creek project list:

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TCRC Capital Funds Projection

- Trout Creek Expansion (DF Phases 1 and 2)
- Snowmaking at Snowplay

Deletions from the TCRC DF priority list:

- Trout Creek Rec Center Parking lot expansion. (Listed as separate streetside and trailhead parking projects.)
- In-facility user tracking = operational issue, not DF.
- Saline upgrade. Staff recommends against, but will continue to explore options for aquatics sanitation efficiencies.
- Expanded paver terrace for food and beverage. (No justification known to staff.)
- Indoor playground, day care, mini golf, climbing wall. (Subcommittee judged that these are not viable or not in vision)

Operational issues to be dealt with as components of the TCRC Master Plan:

- Place certain equipment (including spin bikes, strength equipment) on faster RRF schedule
- Consider better strategic deployment for TD Eats food truck
- Continue evaluating winter rec pool usage
- Continue operational efforts to curb pool deck crowding

COVERED TENNIS AND PICKLE BALL COURTS LETTER FROM THE SUBCOMMITTEE

Regarding indoor tennis, I looked at some tennis bubble links another enthusiast sent. Tahoe Donner has huge snow-load criteria, which would require a permanent bubble or facility, nothing inflatable. Below is an explanation dated August 6, 2019 from former director Michael Fajans regarding indoor tennis/pickle-ball:

As a former long-term member of the GPC and tennis and pickle-ball player, I can assure you that the idea of a tennis bubble has been brought to the GPC and board many times over the last 20-25 years. Our past research (multiple iterations) concluded this concept is not warranted. The tennis center building and its bathrooms are not winterized and would need replacement before the facility could be considered for year-round use. Keeping a path plowed to the facility would be difficult as well. But most fundamentally, the 85% plus of members who are part-time do not come up here in winter to play tennis or pickle-ball - we can do that in the vicinity of our primary residence. I understand that the TD Rec and Park District has an active indoor pickle-ball program at their rec center and I would suggest that the full time residents who wish to play pickle-ball use that facility in winter. I have talked with full-time residents who go down to Reno if they want to play tennis in winter - as do the golfers. If there is a need for winter tennis in Truckee, it should be a community-wide facility, not a TD one.

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FINANCE COMMITTEE REPORT ON SNOWMAKING

The purpose of this note is to give you a brief update on work undertaken to date by TDA Finance Committee members Cathy Ravano and Steve Mahoney regarding the opportunity to install snowmaking at Tahoe Donner's Cross Country Ski Center.

Cathy and I met separately with you and Sally Jones, Manager of TDA's Cross Country Ski Area, to obtain background information on the proposed project. We reviewed the July 4 presentation to the General Plan Committee and selected financial and operating information prepared by Sally and Mike Salmon, TDA's Finance Director.

We understand that the following objectives will be achieved given successful execution of the snowmaking program:

- Enhance Tahoe Donner's reputation as a leader in Nordic skiing within the region (and the overall TDA member experience) by consistently having skiable terrain during the early season especially during the Christmas-New Year and MLK holiday weekend periods;
- Preserve and/or protect season pass revenue during times of weak early-season snow fall
- Minimize the adverse impact on gross revenue and net operating results ("NOR") from poor snow fall events;
- Improve management's ability to attract full and part-time staff by ensuring employment opportunities; and
- Protect and or enhance Food & Beverage revenue at the Alder Creek Adventure Center ("ACAC").

(Note: We understand that the food and beverage operation at ACAC is managed separately from the Cross Country Ski Area and that the ACAC financial results appear in a different business unit.)

The proposed project has been organized into four phases. You have provided cost estimates for the four phases as follows:

- Phase 1 - \$237,000
- Phase 2 - \$246,000
- Phase 3 - \$228,688
- Phase 4 - \$153,360

Thus, the total estimated investment for snow making is approximately \$865,048. We understand that the cost estimates shown above, and the additional operating costs to run snowmaking (labor, equipment rental, water, power, etc.) described in the materials you provided us are preliminary and subject to further analysis by your team.

Cathy and I are still trying to develop the best analytical framework in which to evaluate the merits of the proposed snow making investment. Our initial thinking is that we should consider the investment in snowmaking to be a type of insurance policy to protect volume-related Cross Country Ski Area NOR during a poor snow season. As such, the financial evaluation of the snow making investment doesn't lend itself to traditional internal rate of return ("IRR") vs. cost of capital analysis where capital is invested and incremental revenue and cash flow is generated by the subject investment. Rather, the investment in snow making could be considered an insurance premium that provides financial protection (preserving NOR) if an adverse event occurs, in this case, poor early season snowfall.

Let me illustrate this insurance policy approach further with an example. With Sally's help, we analyzed Cross Country Ski Area NOR by month for the past five years. To be conservative we looked particularly at the best and worst NOR months for the November through January time frame. (As it turns out the outcome of the analysis would not change materially if we looked at the full six month cross country season.) The aggregate NOR difference between the best and worst months during the November through January period over the past 5 years is approximately \$286,665. This is the amount of NOR we are trying to protect by investing in an insurance product called snow making.

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Sally has estimated the useful life of the snowmaking equipment to be 15-20 years based upon discussions with your consultant. We further assumed, based upon recent experience, that we would have a “low snowfall, low NOR” (“LSLN”) event once every three years. Given this assumption, if we use the shorter 15 year equipment life, then we could expect to have five LSLN events over the useful life of the equipment with an estimated aggregate financial impact of \$1.433 million (5 events x \$286,665 per event in current dollar terms). It would take only three so called LSLN events to recover the cost of the investment (total snowmaking investment divided by NOR protected, or \$865,048/\$286,665 per event = 3.01 events). Given our one year in three LSLN frequency assumption, the payback period could be as short as 7 years and as long as 9 years. (Please note that we have not adjusted historical NOR to reflect the additional operating costs to be incurred from snowmaking or depreciation expense on the equipment. We can look to do this later as we refine our analysis.)

As a reality check on our approach and our effort to determine the soundness of the investment, we think it entirely reasonable to expect that TDA’s Cross Country Ski Area will experience at least three LSLN events in the next 15 years. Based upon the work done to date, our preliminary determination is that investing in snowmaking at the Cross Country Ski Area is a sound investment.

Further, we recommend that Phases I and 2 be executed simultaneously to get the greatest NOR protection from the investment as soon as possible.

Please let us know if you have any comments or questions. We would be happy to sit down with you and Sally, and other members of the GPC should you wish, to discuss next steps.

Cathy Ravano & Steve Mahoney