

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 1

A regular meeting of the Nevada Commission for the Reconstruction of the V&T Railway was held at 9:00 a.m. on Wednesday, April 26, 2023, in the Community Center Robert “Bob” Crowell Boardroom, 851 East William Street, Carson City, Nevada.

The meeting video is available on Carson City’s website by clicking on the link below:
<https://carsoncity.granicus.com/player/clip/2231>

PRESENT: Chairperson David Peterson
Vice Chair Clay Mitchell
Treasurer Stephanie Hicks
Commissioner Leah Kruse
Commissioner Michelle Schmitter

1. CALL TO ORDER

David: I'd like to go ahead and call to order the Nevada Commission for the Reconstruction of the V&T Railway. It is Wednesday, April 26th, 2023. It is 9:04 AM, and we are here at the Carson City Community Center Robert “Bob” Crowell Boardroom. Could I get a call or a roll call, please, Allyson?

2. ROLL CALL AND DETERMINATION OF A QUORUM

Allyson: Clay Mitchell?

Clay: Present.

Allyson: Leah Kruse?

Leah K: Present.

Allyson: David Peterson?

David: Present.

Allyson: Stephanie Hicks?

Stephanie: Here.

Allyson: Michelle Schmitter?

Michelle: Here.

David: All right, we have a quorum. Welcome, everybody. Let's go ahead and move on to agenda item three. If I could get everybody to please stand for Pledge of Allegiance. Thank you.

3. PLEDGE OF ALLEGIANCE

All: I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

4. PUBLIC COMMENT

David: All right. We will go ahead and open up public comment, anybody wish to make public comment can do so at this time.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 2

Allyson: Good morning. This is Allyson Bolton, Atypical Events, for the record. Our team would like to clarify our position on item 10 of the agenda. Attorneys did speak before this meeting to try to resolve in the contract. In Article 4, our RFP is referenced as attachment CC and additionally, under this, it states any provision, term, or condition of an attachment that contradicts the terms of this contract for independent contractor or that would change the obligations of the commission under this contract for independent contractor shall be void and unenforceable.

In six, ascent, it states that the parties agree that the terms and conditions listed on incorporated attachments of this contract are also specifically a part of this contract and are limited only by the respective order of precedents and any limitations specified. In Article 9, where we do have contract termination, there's actually no discussion of a not-for-caused termination by the contractor, myself.

Therefore, we go to the language in the RFP, which again is attachment CC to answer that question. In section five, it states that either party may terminate the contract with a 30 days notice to the other party. The language does not contradict the language in the contract and was relied on by myself when entering into this agreement. Therefore, the termination letter stands and this item, item 10, should be for discussion only. No action is required.

David: Thank you, Allyson. Any other public comment at this time? All right. After agenda item number nine, we're going to go ahead and move into a closed non-meeting to confer with our legal counsel. I just want to put that on the record so everybody knows that's what's going to happen after agenda item number nine.

5. FOR POSSIBLE ACTION: APPROVAL OF MINUTES OF THE MARCH 20, 2023, MEETING.

David: With that, we'll go ahead and move on to agenda item five for possible action approval of the minutes of the May 20th, 2023 meeting. Any edits, changes anybody would like to see to the - I said May, I meant March minutes. Go ahead, Leah.

Leah S: Okay. Does anyone else have them before I go? Okay.

David: I don't.

Leah S: On page 22, middle of the page, Allyson Bolton, it says, I think attender should be a tinder. A little bit farther down the page, the error is, it says, Allyson Gray, not Allyson Bolton. Just caught another one of those. That will be changed to Allyson Bolton. On page 36, towards the bottom of the page, it should say, Ryan Russell, not Ryan Negros. Then on page 37, about middle of the page, Allyson Bolton, there is some math, we're calculating cost, and that math in the minutes does not add up so I will correct that so that it is correct.

On page 45, middle of the page Mihaela, it says interlineation which it should say incorporation. I will verify that. Toward the bottom of the page, Stephanie Hicks says, "Oh, I'm sorry." I'm going to double-check that that was actually part of the conversation as we don't believe that it is, and so likely to be removed. Then on page 51, it says Kennedy Dore. That will be changed to Ken Dorr with a proper spelling. Then on page 52, under public comment, David Peterson, it says being none, but it should say seeing none. Those changes will be made as well. That is all I have.

David: Thank you, Leah, for those changes. Does anybody have any-- Michelle, do you have a change? Go ahead. Yes.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 3

Michelle: I have a question.

David: Question.

Michelle: As I was reading through the minutes, I was wondering are we using a transcription service? Okay, thanks.

David: We do have a-- Yes, Leah, any other changes? Would anybody want to make a motion on the minutes? Go ahead, Stephanie.

Stephanie: I move to approve the minutes of March, 2023.

David: With those changes [unintelligible 00:09:47]

Stephanie: Sorry, with the changes as noted on the record.

David: Okay. Thank you for that motion, Stephanie. Do I have a second?

Leah K: Second.

David: Thank you, Leah. We have a motion and a second. Any further discussion? Seeing none. All those in favor signify by saying aye.

All: Aye.

David: Any opposed? Motion carries unanimously. Thank you very much, everybody. Thank you, Leah, for the changes. We'll go ahead and move on to agenda item six for possible action. Excellent. Jennifer, can you hear us?

Jennifer: I can hear you.

David: Oh, lovely. Okay. At this time I'd like to go ahead and take item eight, so we'll come back to six.

6. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE V&T STATEMENT OF ACCOUNTS PAYABLE CHECKS PAID MARCH 1-31, 2023.

David: Let's go ahead and move back to agenda item six for possible action. Discussion and possible action regarding the V&T statement of accounts, payable checks paid March 1st through the 31st, 2023. V&T Commission will review the invoice listing for accounts payable checks totaling \$20,618.07 and paid out last month. Are there any questions on the accounts payable front? Anybody want to make a motion on the check run? Go ahead, Stephanie.

Stephanie: I move to approve the payable checks paid March 1st through 31st of 2023.

David: Thank you for that motion, Stephanie. Do I have a second?

Michelle: I second the motion.

David: Thank you for the second, Michelle. We have a motion and a second. Any further discussion on this item? Those in favor please signify by saying aye.

All: Aye.

David: Any opposed? Great. Motion carries unanimously.

7. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE ADJUSTED V&T FISCAL YEAR ("FY") 2022/2023 BUDGET REPORTS, PERIOD ENDED MARCH 31, 2023.

David: All right. We'll go ahead and move on to agenda item seven for possible action. Discussion of possible action regarding the adjusted V&T fiscal year 2023 budget reports for the

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 4

period ending March 31st, 2023. We've got the comparative statement of adjusted revenue totaling \$1,002,703.99 with expenses totaling \$1,038,841.40. Any questions on this?

Allyson: This is Allyson Bolton for the record. I just wanted to make a note. We did connect with Jennifer. The revenue is still only current up through October. We are missing November, December, January to March. She said she's working on it and hoping to have an updated budget for us for the next meeting. We keep an eye on it and so we do have record ourselves of the revenue. We're estimating it's about \$100,000 more than what you guys are seeing here. I'm going to ask Leah really quick, is that inclusive of the Drako payment we received, or it would be \$100,000 plus the Drako?

Leah S: That would be inclusive of--

Allyson: Inclusive of?

Leah S: Yes. Total would be \$100,000.

Allyson: It'd be the Drako payment we received, Polar Express Merchandise. There was minimal income for Polar Express in November and December. It was more so refunds and rebooking fees and those types of scenarios. Not a ton of tickets, but really that sale of goods and the equipment sales as well as license plate revenue and photos.

David: From PEX, right?

Allyson: Yes. Photos from PEX. That also is not on here.

David: Can I ask you a quick question about the Roy Street payment? Is that the one where we got the whole big chunk of money but then now we're behind again.

Allyson: Correct? Yes, it's in our update later that we are paid through February and he's late for March and April.

David: Realistically we're probably at like 115 because we don't have March either from him? It's okay, I'm just thinking the 100 is through February, but hypothetically March should be here, but we don't have that either.

Leah S: Correct, yes. If he were to be making those payments in a timely fashion, that would be closer to 115?

Allyson: Additional 22,000?

Leah S: Yes. Higher than that. [crosstalk] In theory it would be higher if we had that money.

Clay: Well, we've likely booked some ticket revenue in the interim as well.

Allyson: We have.

Clay: Or is that included in our estimate in the one hundredish estimate.

Leah S: That is not because we have not gotten the bank statements yet for that time period. The latest general season ticket sales is not in that calculation because we've not seen those bank statements to reconcile.

Clay: Okay. Great.

Allyson: Believe we're around \$23,000. It is in my update later.

Clay: Yes, I did see that. Thank you and then the interlocal has not been booked either.

Allyson: Correct. I don't think it's been received.

Leah S: I have not seen it. Again, that would be on the bank statement that we have not received for the month.

Clay: That often comes right close to the end of the fiscal year from both jurisdictions.

David: Our situation is different because we have to wait to make sure that we have enough revenue to make the full bond payment before we can actually issue the check to the V&T. So yes, it's usually June, but soon as we hit the revenue number, Chris, from my team, we will go

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 5

ahead and make the payment. It's possible that will happen next month. That's fingers crossed. Things are not as bad as they look.

Clay: That's what I was driving at.

David: Yes. We're not in a negative position just because of the timing of the revenue. Okay, thank you. Yes, both. Any other questions on our comparative statement through March? If not, if somebody wants to make a motion.

Allyson: I just want to point out one more thing. One number that will be tight is the revenue on ticket sales because we had the expense side with the increases that we had to accommodate for. I did pull out one weekend's run and then I added some diesel runs. Which is at \$45 a ticket for an adult whereas the steam is at \$55. We looked at some of the estimations. On average we were at about 60% to 70% occupancy. I do think hitting that 115 is going to be tight based on the calculations that we have internally, but it's possible.

David: To clarify, that's to get us through June 30 you're saying. We had a little bit of higher revenue, but then we changed to diesel.

Allyson: Once the fiscal turns, it's all steam from there. I just added diesel in to get us through the rest of the fiscal.

David: Okay, good. All right. Anybody want to make a motion on this one? No. Thank you, Stephanie.

Stephanie: I move to approve the budget report for a period ended March 31st, 2023.

David: Thank you, Stephanie, for that motion. Do I have a second?

Leah K: Second.

David: Thank you, Leah. We have a motion to second any further discussion on agenda item seven. Seeing none. All those in favor please signify by saying aye.

All: Aye.

David: Any opposed? Motion carries unanimously. All right.

8. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE PROPOSED V&T RAILWAY FISCAL YEAR ("FY") 2024 TENTATIVE BUDGET.

David: We'll move forward with agenda item eight for possible action, discussion and possible action regarding the proposed V&T Railway fiscal year '24 tentative budget. The purpose of this item is to review the proposed fiscal '24 tentative budget. I'm happy to say I want to thank Allyson for doing the initial hard work to put this together. Stephanie and I had a chance to meet with Allyson. We walked through everything, transmitted it to Jennifer, who then put it into the documents that create the budget for the purposes of the Department of Taxation.

This is our tentative, it's an opportunity for all of us to suggest any changes or modifications that we might like to see before we come back in May to approve the final budget. That'll be on the 24th of May. Would you like to say anything, Stephanie, just in terms of how we arrived at what we arrived at before the questions? Thank you.

Stephanie: Sure. Just a couple things that I think would be worth noting is our change in net position down at the bottom of the page is 24,951. I think we saw this last year, it's a tight budget. We did, and Allyson correct me if I'm wrong, but we did incorporate the fourth car for Polar in this. We figured if, for some reason that doesn't go forward because it's not ready, we would have that. Those numbers are already in this budget for expenses and revenue. There just

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 6

may be some additional bells and things that we would need to purchase to get us there. We did want to include that as well. I think that's everything I had at this time.

David: Thank you, Stephanie. Any questions that anybody may have? Ken, hang on. Go ahead, Clay.

Clay: The one thing that jumped out to me was a slight increase in the interlocal support. I just didn't know where that was coming from.

David: Yes, so if you recall, we have-- we're going to talk about this with some late material under 12 but last month we addressed the repaving of the parking lot or the chip and the slurry seal. In our Visit Carson City budget to account for that, plus potentially the potholes being fixed on Flint Road, we've got \$150,000 that we submitted in our tentative budget as Visit Carson City. This is the other side of that, so after we get through this bid process, Ken would basically come in front of my board seeking those funds.

I realize it may not come up to the full 150, but just to make sure that between our two budgets, the numbers matched, we had 150 in ours and then there's 150,000 in this budget as well. That's where we put that. Similar to the 65K that we pay, our last year, this year we just flopped it in the same bucket basically. Great. Go ahead, Ken.

Ken: Just looking at the documents and I'm looking online here, the proposed '23, '24 budget, where is that summary? Is that the last page? I was having a hard time identifying the line items for that proposed budget. For example, the document I'm looking at here, it says columns three and four budget year ending 6/30, obviously '23. I'm having a hard time identifying what's actually proposed for next year and maybe I just [crosstalk] that document.

David: Jennifer?

Jennifer: This is Jennifer for the record. Jennifer McCain, that's a clerical error that I missed on my part. The column one should say 6/30,'22, column two should say 6/30 '23, columns three and four should say 6/30 '24.

David: Okay. Roger that, that makes sense. Okay. Thank you.

Jennifer: Sorry about that.

David: Thank you, Jennifer. The tentative budget--

Jennifer: That's something our tax consultant will catch as well.

David: Thank you, Jennifer. To answer your question, which column is the budget that we're talking about and approving today? Ken, it's column three.

Ken: Right on. Okay, thank you very much.

David: Go ahead, Stephanie.

Stephanie: Jennifer, there was one other clerical error I wanted to point out. On page five, we still have Jim Wells listed as the contact with his email address so we'll want to update that as well.

Jennifer: Perfect. Thank you. Also, while we're on page five, if there are any other contracts that you have that are not listed here, I would like that information to add for the final. I tried to catch all of them that I could.

Clay: I was going to say just note that North Pole we can put in the name of--

David: Yes, we can

Clay: -is it Coons? Is that--

David: Coons Construction. Yes, we can update that.

Jennifer: It's Coons Construction?

Clay: That's correct, for number eight.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 7

Jennifer: Okay, perfect. Thank you.

Stephanie: Then we're also missing the Carson City District Attorney's office on that list.

Jennifer: Okay. If you can send me the particulars on that, that would be great.

Stephanie: I will

David: Yes. Then we have the new charter services agreement too, with Tom. I know the timing of all of this happening after the submission, but we'll get you that information as well, Jennifer.

Jennifer: Okay.

David: Allyson, do you guys have--

Jennifer: Okay, sounds good.

David: Say that again, Jennifer. Sorry.

Jennifer: No, I said that's great.

David: Oh okay, perfect. North Pole we update that to Coons Construction and then we'll get Tom. Do you guys have the master like log file one and I was thinking--

Allyson: [crosstalk] We do, and what we started doing for audit purposes is anytime a new contract is executed, we put it into an executed contract within that fiscal year audit folder so that we have those readily available when we go into auditing. I think the only other one we are missing is High Sierra Patrol for security services.

David: Yes, true.

Allyson: Leah's been jotting down all of these different ones, so we'll connect with Jennifer.

David: Yes. That one would just go under the proposed FY23. We wouldn't have an amount because that one was just for PEX last season or did that cover this coming winter?

Allyson: Based on the new agreement with Tom, we have to do security year-round now.

Overnight security so we will need to bring forward a new contract with them for general season as well as PEX. While it might not be this contract number.

David: I see what you're saying.

Allyson: They're also all listed in the contract logs that we keep track of.

David: Perfect. Jennifer, we'll get you the updated list with all the dates and the amounts and all that good stuff.

Jennifer: Okay.

David: Is that okay?

Jennifer: That's great. If I could have-- what's your May meeting?

David: 24th. We'll get this to you next week.

Jennifer: [crosstalk] I'm going to need that information.

David: Yes, let's get it to you next week.

Jennifer: As soon as possible would be great.

David: Okay.

Clay: May I ask here--? There's a line item for depreciation. Are we required to book some depreciation? We did two years ago but not last year.

David: Jennifer, do you want to take that one?

Jennifer: That is, to use a professional term, a willy-nilly thing. The depreciation is not real money, as we all know, and when I added it in here, it significantly gives you a negative change in position. As you can see the audit, it's in there as an actual, I'm more than happy to put it in if you want to see that. It's going to be a guess since processing depreciation. I don't have any of the background of that. I can work on that for the final if you'd like to direct me to do that.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 8

Clay: I guess the question is, do we get in more trouble for having an upside-down budget or for not accurately guessing at what depreciation's going to be?

Jennifer: I think taxation is up and down on this. You have a new consultant I guess this year, so I can just wait and see what she says on it for the tentative and then let you know if that's agreeable with you guys.

Clay: Yes, that's fine.

David: Sounds fair.

Jennifer: If she doesn't like it empty, she will definitely tell me.

David: Okay. Jennifer, do you think that's a combination of the depot and the '18?

Jennifer: I have no idea what it is. I haven't seen any of your documentation on that.

Clay: I'm guessing, and I could be wrong. I don't know what the disposition of the Roy Street property was but that may have been in the mix back when we took that depreciation.

David: It could have been.

Clay: If it was not sold, sold, I don't know. If it somehow still sat on our books.

David: We'll leave it off. We'll see what the new person at taxation says.

Clay: To be quite honest, it may be best practices to depreciate the railway itself-

David: Sure.

Clay: -so tunnels, tracks, all that stuff. Those would sit as assets on our books.

David: Are there any other-- Go ahead, Ken.

Ken: I'm going to ask a couple of dumb questions here. When I'm going through this, I don't see a line item for maintenance of way budget. I see under a contractor, there's an amount for Gabe Willaman's contract which, by the way, if you actually look at it for his contract is a maximum of about \$112,000 per year. Now, dropping it down to 82 for his contract is probably fine. What about the additional maintenance of way costs, i.e. we're going to have to buy some pre-emergent?

I know the HRSA rail flaw detection car is going to be taken care of under this budget. Ballast purchases, any material purchases we have, equipment rentals that are not included in Gabe's contract. That's what we have. What is the actual overall maintenance of way budget that we have to deal with? I do not see that number identified.

David: All those different pieces they roll up, Ken, underneath the bucketed lines. Because this is the taxation form, you're not seeing the detail that actually rolls into professional services.

Clay: And supplies and services.

David: And the supplies and services.

Ken: I can spend as much as I want, right?

[laughter]

Clay: Within a reason based on those two line items.

Ken: Even though we're broke.

[laughter]

David: [unintelligible 00:22:09] on the record. That was the treasurer. What you see is the bigger buckets. Then there are lines that equal those supplies and services as well as the professional services. Unfortunately, Ken, I don't have that detail in front of me, but we did account for those sorts of purchases and things.

Ken: That pretty [unintelligible 00:22:31]. Anyway, like I said, it was a stupid question, but I figured because I've seen those before in the previous budgets. The other thing, and I think you

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 9

touched on already, David, is I'm assuming it's a capital improvement expenditure is the possibility of resurfacing the East Gate parking lot-

David: Correct.

Ken: -which I've got an engineer's estimate of that being published in the paper next week of about 160 including the additive. Part of that, obviously, is getting funds from the visitor's bureau there.

David: Correct. That's our offset on the capital side for those improvements with the revenue coming from Visit Carson City, which we've got obviously up top.

Ken: Just as long as everybody's aware of that, then those are my comments.

David: The only thing I don't know, because I know we have late material on 12 but I don't know if we can get into this, Mihaela. On the bid, you had one-

Jennifer: Excuse me.

David: Oh, go ahead, Jennifer.

Jennifer: Am I hearing that your capital that you're expecting is possibly 160 because we've only budgeted 118? If you're going to spend 160, we should be budgeting that.

David: That's what I was just getting to. I want to make sure because we're only transferring 150 because I was thinking it was 150. We specifically had what you thought the cost of the slurry, the parking lot, plus the 10%. Then we built in for some of the other repairs separately. What's the extra 10, Ken?

Ken: There was a couple of other items in there. One of the things that we tried to do last year was to mow the rabbit brush along there. I threw that as a line item under the additive for Eastgate Siding Road. It came up to my estimate, and there's a spreadsheet, actually, we can talk about when we get to it of about 158. I just rounded up to 160. Now, I'm hoping I'm a high bidder on all this, and we'll know that when we open bids. I think the costs we have are fairly conservative for the estimate, but it's 160 is what's going out as an overall project estimate. That doesn't mean that's what the contract's going to come out.

David: In terms of what we put in under the supplies and services, I think we're short 10 then, basically.

Clay: Capital outlay.

David: Yes. We could wedge it into capital outlay, too. We put some of that, Clay, some of those other things under supplies and services, but we'd still be short by 10 because we did only account for 150 between those two-line items. 128. Jennifer, did you hear that suggestion we go to 128, 250, so we can account for Ken's full bid estimate. We just have it in a couple of line items, though, but we would be short the 10. We're going to add the 10 back.

Jennifer: You want to add the 10 to capital. What I'm hearing is you've split this 160 between capital and service and supplies.

David: Yes and yes.

Jennifer: The extra 10 is capital.

David: Yes. Ken, that initial, that 105, or whatever it was, plus the 10%, are you still comfortable with that number? Not to get ahead to 12 but we're going to have to use that estimate that you put together to make sure that--

Ken: For the main parking lot, yes. I'm in 105-

David: 105, okay.

Ken: -for the work itself. That doesn't include a little bit of the concealment that we have to do. Then the additive was 54,000. Now, again, I'm hoping that I'm high bidder on those.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 10

Jennifer: If it comes in too high, then we just don't do that [unintelligible 00:26:29]

Ken: Exactly. The other pieces of it.

David: Are you guys good with that approach?

[pause 00:26:37]

Are you comfortable, Ken?

Ken: Yes. I know they're between the two buckets.

David: That'll put us at the 14,951. Are we at \$1,500,784, Jennifer, for the total operating expense then?

Jennifer: I didn't hear you. Please say that again.

David: Are we at \$1,500,784, because basically, right now, the only adjustment we're making is for the plus 10,000 on the expense side?

Jennifer: Right.

David: We have a million-

Jennifer: Yes, that's correct.

David: Okay, perfect. Then our change in net position becomes 14,951. Then, Allyson, will you remind me, we did put the special event train revenue in, right? I think we accounted for another MTD train. I feel like we did when we chatted through that.

Allyson: Yes, we did. That was one of the changes we made in our meeting. We added that in.

David: Are there any other questions, edits, comments?

Stephanie: I just had a request. If it's not terribly too much work when we do our next meeting with the final approval, would it be possible to have the more finer detail breakdown on the budget for reference just to have it in front of us?

David: Sure. Absolutely.

Stephanie: That would be super helpful. Thank you.

David: Of course. We'll include that in the packet then, just so all the detail is in there.

Jennifer: This is Jennifer. Can I just ask one question?

David: Of course. You can ask two if you want.

Jennifer: Thank you.

David: [unintelligible 00:28:53]

Jennifer: [chuckles] On page three, we had talked about combining a lot of these things so we don't have so many line items. I just want to make sure that you're fine with as much combining as I have done. That means in a couple of years, we won't have a line item for repairs and maintenance, insurance, utilities, office expenses. Those things will start to drop off. Are we okay with that?

David: Absolutely. The idea there is similar to, for the rest of the commission, the way probably you guys at Story County do it, Carson City, how we do it for Visit Carson City, is just fewer funds to the money because otherwise we're augmenting 50-line items as we get to the end of the year having to make these ticky tacky adjustments. The idea is to pair the adjustments down. The answer is yes, Jennifer. We'd like to still move forward with that.

Jennifer: Great.

David: Thank you. Anybody want to make a motion on the tentative budget? You don't all have to raise your hand right away.

Clay: Sure. Is that where we're at? We're at approving a tentative.

David: Yes, unless you guys have any other questions for Jennifer.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 11

Clay: All right. This is Clay. I'll make a motion to approve our tentative budget for fiscal year 2024 with the noted changes.

David: Thank you very much for that motion, Clay. Do I have a second?

Michelle: I second.

David: Thank you. We have a motion and a second. Any further discussion? Seeing none. All those in favor signify by saying aye.

Speakers: Aye.

David: Any opposed? Motion carries unanimously. Thank you very much everyone. Thank you, Jennifer.

Jennifer: All right, thank you. I'm going to hop off now if you don't need me any further.

David: Yes, no, that sounds great. Appreciate you being on, take care and we'll get you the updated contract schedule for sure. All right. So we can get that all in there.

Jennifer: Thank you so much.

David: Take care. Thank you.

Jennifer: Have a good day.

David: You too. You too, Jennifer. Thank you.

9. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING RESPONSES TO A REQUEST FOR PROPOSALS ("RFP"), RFP 2023-01 RAIL BIKE OPERATIONS.

David: Thank you very much on this one. Let's go ahead and move on to agenda item nine for possible action. Discussion and possible action regarding responses to a request for proposals RFP 2023-01 rail bike operations. If you recall, we put out the RFP for rail bikes and we did receive one proposal from Mendocino Railway, which was reviewed by the committee and then moved forward for the board to hear from. Robert, if you want to go ahead and come up, there'd probably be some questions too, but if you want to just talk through your proposal, that would be lovely as well. So welcome. State your name. There you go.

Robert Pinoli: Thank you. Good morning. My name is Robert Pinoli. I'm the president and CEO of Mendocino Railway. It's a pleasure to be here. It's been many years since we've been back in front of the commission, and I'm happy to answer any questions you have. I'm also happy to walk you through our proposal. Mendocino Railway really has been a pioneer in railbikes. As we know, rail bikes are nothing new to the industry but we have been a pioneer.

The reason why I say that we've been a pioneer is because safety is first in everything that we do. We have taken great exception to rail bike operators who are running over what they would consider abandoned tracks. None of the tracks that we run over are abandoned. They all adhere to a class standard, meaning that they are safe for passenger trains to move over. That's something that's been absolutely paramount in what we do.

The other item that's extremely important is the building of the bikes. When we first had the idea of setting out to do rail bike operations in 2016, 2017, and when we launched officially in 2018 at one of our operations, we were not happy with what we were finding on the market and what was available to us, and so we built our own bikes. What we did differently is the electrification of the bikes. All of our bikes, not only are they pedal powered, but they all have electric assist. Because of that technology, our bikes are patent pending. We have been granted a patent in Canada. Going through the patent process, our patent in Canada was just approved, and that

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 12

should accelerate the patent pending to actual patent approval here in the United States. As a bit of background, Mendocino Railway owns and operates three different operations throughout the state of California. The most well-known is the Skunk Train. The California Western Railroad. It is a class three common carrier railroad. Does have a little bit of freight service. It does operate passenger excursion service as well.

We carry about 100,000 guests per year over that operation, and it has been in existence since 1885. We operate the Sacramento River train or the River Fox train on the banks of the Sacramento River, just adjacent to I-5, near the Sacramento International Airport. That runs through the farmlands of Yolo County. Then new to us is the former Fillmore and Western Railroad down in Ventura County, where the commission unanimously selected Mendocino Railway and its sister company, Sierra Northern Railway, to be the operators of that rail line for a 35-year period with two 30-year renewals.

Rail bikes, we introduced rail bikes really as a way to augment what it is that we're doing on a daily basis. We found that people love trains. The younger generation coming up, they're intrigued by history. They're intrigued by that sense of nostalgia. Sometimes trains can be a little too old fashioned. Sometimes they can be a little or as I would like to call them, and I've been doing this for 31 years, so it's in my blood, but they're a little too lace doily. We introduced rail bikes as a way to attract a younger generation of people into an arena where we could get them hooked and have them come back and experience the other experiences that we offer.

What we found when we launched our rail bikes is that we first had an age restriction. You had to be over a certain age, and you had to be a certain height. Through the various iterations and the redesigns of our initial design, we are on the mark four design right now. Through those iterations, we found that we no longer needed a height restriction. We no longer needed an age restriction because we can slide the seats on the frames, and we can slide the seats twice now. Not only on their frame seat mechanism, but we can slide them on the actual bike mechanism as well. If you have somebody with really short legs, they can get much closer to the pedals. If you have somebody with really long legs, you can slide them all the way back.

We found that those accommodations were extremely helpful. What we also found is that we attracted a generation that we would have never expected. That was a much older crowd, a much older audience, people who at one time may have been very mobile. They may have run half marathons, they may have run marathons, they may have participated in bike riding. Now they were at a spot where they could no longer do that. These recumbent style bikes gave them the opportunity to get out there. If they got tired, it didn't matter. All they had to do was hit the thumb throttle and no one would ever know any different.

It really broadened our age demographic. We no longer have age restrictions at any of our operations because we can accommodate a car seat. We can also accommodate a parent with a kangaroo pouch that has a young child in there. All of our participants are required to wear helmets for safety purposes. All of our bikes have lap belts, so that in the event that the bike were to leave the tracks, they are still strapped in. I think I'll take a pause there. If you have any questions, I'm more than happy to answer them. I'm happy to keep going, too, if you'd like.

David: No, this is a good place to pause. Just about the construction and design of your bikes on the brakes. Do you have brakes on both axles?

Robert: No, the brakes are just on the rear axle. Yes.

David: Do you see any concerns about our track? Because we do have up to a 2.4% grade. When you go down into the canyon as far as their performance, the braking system going down, and

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 13

then the motors to get you back out, for those that don't even want to try pedaling. Would you foresee any issues?

Robert: I would foresee no issues. The Skunk train route, I'll just refer to it as the Skunk train versus the California Western Railroad because most everybody knows it as the Skunk train. The Skunk train route is in itself, an engineering feat. It's a 40 miles railroad. There are 32 bridges, two tunnels, 3% to 3.5% grade, and there are 381 curves over the 40 miles. Our tightest curve on the main line is 26.5 degrees. It's a turn, really, and it's a standard gauge railroad. I have no concerns about the ability of these bikes being able to negotiate the track here, particularly given that I've seen the construction of this track countless times and no concerns whatsoever.

David: Okay. Then do these bikes, do you have to turn them on a turnstile? Like say, you get to Eureka Siding, or just lift them off, rotate them around, or would you do it on a turnstile? How would you see that?

Robert: The bikes, they can be lifted manually. They're a bit heavy. The Mark I bikes were much easier. Now that we're on the Mark IV bikes, we've added a significant amount of weight. One was the wheels. I think you may have seen in the proposal that we literally reinvented the wheel because what we found out there on the market, frankly, was an inferior product to what we needed. We sought to mold our own, so we cast our own wheel and then the Hub spoke design is proprietary as well.

I don't foresee the bikes can be lifted manually. We turn all of our bikes on a turntable as to not create injury. In fact, I think the turntable design that was used by the previous operator is something that they lifted from us.

David: [chuckles] Too funny. How heavy are the proposed bikes that you would want to use here?

Robert: Yes, they're about 225 to 240 pounds.

David: One thing that I noticed riding on our previous rail bikes, and I don't know, I'm trying to think of, they're like polycarbonate wheels or whatever the composition of the wheel was, whatever you call it. When you got going pretty fast, the vibration on those-- Your head would just, like teeth were chattering as you're going down. With your design, does that take out that vibration issue when you get up to speed?

Robert: Yes, we generally-- That's a great question. I will tell you that. On the Sacramento, each of our lines are different. In Ventura County, no, there is no vibration. That's a pretty flat railroad. There is a bit of a grade when you're coming back in from Fillmore towards Santa Paula. Beautiful line. It's through the citrus groves of Southern California. Citrus and avocado groves. Big, very jagged mountains. Reminds me a lot of the west face of Maui. Along the Sacramento branch, along the Sacramento River and through the farmlands, that is a very tangent section of track with almost no grade, no chattering, if you wheel there.

On the Skunk, we offer two different trips, getting ready to launch a third trip, which will be up and over the coast mountain range, which is the 3% to 3.5% grade.

David: Wow.

Robert: The shorter trip. The Pudding Creek Express trip. No, it's a much slower paced trip. The Noyo Canyon trip, which is a 25-mile round trip. That trip, you do have the ability to get out there and stretch your legs, if you will, on those bikes. The spacing is much greater. People have the ability to-- You're not bunched up as tight. I would say that there is no chattering there, particularly with the new wheels.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 14

David: Okay. I feel like I'm hogging the question side. I'll be quiet for a minute. Anybody have any questions to this point? Go ahead, Stephanie.

Stephanie: You noted in section 4.2.8 about, or actually maybe it was on the safety video, which I did watch, and it was a great little video.

Robert: Thank you.

Stephanie: It might have been on the video, so that's why I wanted to ask the question. There's a weight limitation of 250 pounds for any single rider. While I will state on the record that will not be a problem for me, a good size gentleman or other, that could restrict their ability to ride the bike. Is that a correct weight limitation?

Robert: That's a conservative weight limitation. The bikes actually have a much higher weight limit, but we've established a 250. I will say that one of the interesting things about the bikes and the dynamics is balance. If you have somebody who is pushing the envelope at that level and you have somebody who is, let's say, a half or two-thirds the size, that imbalance sometimes can create a bit of an issue. Those are all things that we can compensate for on the day of the trip.

Stephanie: Great. One of the other questions I had is the RFP itself doesn't go into a lot of detail about who your key personnel will be, who's assigned to the project, who's actually going to be on-site and be our contact. I guess the second part of that is how you see the operation working on a day-to-day basis. Could you talk to us a little bit about what your plan is for that?

Robert: Sure. I think the nice thing is given our proximity to Carson City is that there's an immense amount of resources to draw from. Getting somebody here over the hill in short order, it's less than a day. We also believe in hiring local people. This is something that, if selected, we would hire local folks to be the operators of this experience. Your next question was-- I'm sorry, would you mind repeating it? I was focused on the [unintelligible 00:52:33]

Stephanie: I'm just curious, an example of how the daily operation would run.

Robert: Thank you. That is something that wasn't spelled out very clear in the RFP document. Meaning here is the existing schedule, here is the parameters that you have to work around. I think the way that I prefaced it in our response is that we're here as a guest, first and foremost. We will work around the schedule of the heavy rail operations and augment our schedule to fit within whatever those requirements are to the extent that there are no heavy rail operations running down in the canyon because I know that there are some trips that do go down into the canyon.

To the extent that there are no heavy rail operations that go down into the canyon, then the typical day would change depending upon the season. On the days when it's going to be warmer, we're going to get out early or we're going to get out in the late afternoon, early evening. In the springtime, this time of year, we would be out there all day long. We would have early morning and we would have all the way through the afternoon.

Our schedule at our other operations changed depending upon seasonal adjustments and environmental adjustments. I know one of the items that you raised in the RFP document was in the event of smoke, how do you handle that? We actually have a wildfire smoke prevention plan in place for our operations in California. One because it's required, and two, on days when the particulate matter is at a certain level, then our non-essential operations cease.

Allyson: Stephanie, would you mind? I have a question related to something he said. Is that okay? Just to clarify with operations, would you accommodate walk-ups or we don't have tours this morning, so maybe we're not there? What does that look like in terms throughout spring, summer, fall? Are you onsite for the hours operation, or is it if you have a tour booked, et cetera?

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 15

Robert: Sure. That's a fantastic question and I appreciate the question. I always try to respond to the person who asks, so please don't take any disrespect. Allyson, that's a great question. I've been associated in the railroading business now for 31 years. It was a high school job and it turned out to be a lifelong career. I always view that if we put a departure, whether it be train or rail bike on the schedule, and there are no guests, that's a marketing problem. That's not a guest problem.

In some of our operations, we see the complete opposite. At our Sacramento operation, 90% of our guests are advanced book. At our skunk operation, it's about a 60/40, 60% advanced book, 40% walk-in. We have, thankfully, over a century's worth of data to build a budget on. If we built our budget based on advanced reservations, well, forget it. It just simply would never pan out. We know what the walkup traffic is.

I think that for us, we have a bit of familiarity with the seasonal travel patterns in this area. Really it's an all-season area, and I think I address that in the RFP response. I would see us being on site when we say we're going to be on site. If we're seeing that two weeks out that there is a massive, whatever coming through, heat wave or whatever, and we have absolutely no reservations on the books, and it has been consistent for that way, well then at that point, I think we would consider not being on-site those days because, why, we have no bookings. Generally speaking, when we put something on the calendar, we're there. We do accommodate walkups.

Allyson: Thank you. That was a very good answer to the question. Just to follow up to that regarding marketing, historically with the previous operator it was one company marketed rail bikes and the V&T Commission marketed the entirety of it. Do you guys have the capacity to handle your own marketing? Would you be relying on the commission to do your marketing? How do you see that rolling out?

Robert: Thank you. We do have the capacity to do our own marketing. In the past, just to give you an example, the skunk train spends about a half million dollars a year on its marketing budget. We have our own internal forces. We do have a director of marketing who handles all of the marketing arrangements for all three of the current passenger-facing, guest-facing operations. We have our own group sales folks. We are in the process of hiring our own internal PR person who can not only handle PR for the passenger side of the business but also the other aspects of our company. I would say that I would see this as an opportunity to work jointly with the Commission. We're not in this in a single fashion. This is an opportunity for us to work together. In those instances when there may be an opportunity to work together, that is certainly something that we'd be very open to.

David: Robert, two more questions. One is a follow-up on the brakes. Is the brake controlled by one rider or can multiple riders access the braking?

Robert: The brake control is controlled by one rider.

David: Is it the front left or the front right?

Robert: It is the front left. The passenger sitting next to them could with their right hand reach over and squeeze that brake. It does have a locking device. When the bike is stopped, it does have a locking device. You pull back and squeeze and then insert the pin. The pin is not something that you have to fumble around and find, it is permanently mounted. Just pull back, squeeze, and hit the pin, and it does lock the bike.

David: Then is that the person that's doing the throttle too?

Robert: Yes.

David: The same person has the brake and the-

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 16

Robert: That is correct.

David: -electric motor. Thank you on that one. Then I wanted to ask you a question. Forgive me if you have this in the proposal because I was just trying to see. I had notes on another sheet of paper, which is conveniently I think in my other laptop. Who do you use for your ticketing because we have FareHarbor in place? Do you guys use the FareHarbor too?

Robert: We do.

David: Oh, okay. I thought I--

Robert: Smart choice. I think they're the leaders really right now in this arena. We have used FareHarbor for a number of years. Prior to that, we used Whistle Tickets, but Fair Harbor, really, there is no turning back. It's very easy.

David: I'll speak for myself and then if you guys-- I don't know how my peers feel. I would really love to be able to test a bike out. I heard what you said, safety is paramount in your other operations, but for me, I just feel like I need to be able to test the bike. Take it down in the canyon, go up past the bridge and everything. Would you be open to bringing one of your bikes or two or whatever?

Robert: Sure. I would've brought one today if I would've known that that was an option. Yes, I'd be happy to. I can have the cruise trailer a couple of bikes up here. We can trailer two or three. Absolutely.

David: I think that, again, I'm not speaking for my peers, I'm just speaking for myself, but it would be nice for us, and I think our whole committee should have the opportunity to test the bikes on the track before we-- not saying this unilaterally, but just before I make an informed decision about moving forward. I think if we have an obligation before recruiting people on our track to test the bikes ourselves and fumble around with the brakes to get it up to speed and everything and use the motor assist to get us back out of the canyon.

I don't know how everybody else feels about that, but it'd be great if maybe next month we could pick a day, and I guess we'll have to do a notice of possible quorum probably for us to all show up there to maybe, maybe not to test the bikes. I'm only looking at you [unintelligible 01:02:29] because I think we might have questions. If we're asking questions about an impending item at a future meeting for contractual purposes, I don't know what we would need to do, but is that something we can figure out?

Allyson: Yes. We'll discuss it.

David: I think that'd be great. Go ahead, Michelle.

Michelle: In terms of your team that would be here day to day, how many people is that normally? Is that four, eight, two?

Robert: Thank you. There would be a rail bike manager, and then that person would be supported by at least three other individuals. On the busier days, the shifts could be staggered, and so that days off are something that can be accommodated as well.

Michelle: Okay. Sorry. One more question. Do you have GPS tracking on your bikes?

Robert: For the bikes that operate on the skunk line in the Noyo Canyon, because that is literally dark territory from a communications standpoint, yes, all of the bikes do have GPS capabilities. What we do is, our guides, particularly on that section of the line, are qualified not only in traditional first aid and CPR and AED, but also wilderness first aid. Our railroad radios at that property also tie into the CAL FIRE Mendocino unit, known as Howard Forest. It is the 911 dispatch center for Mendocino County.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 17

Our radios can communicate directly with the 911 dispatch center in the event of an emergency. The lead guide and the rear guide on those excursions have their bikes mounted with GPS beacons that send a signal every 30 seconds as to where their location is at. They can also text from those GPS beacons, and they are also equipped with satellite phones as well.

David: Does that address your-- Leah has an amazing question for [unintelligible 01:05:02]

Leah K: Amazing, thank you. Just a quick question for you. First of all, thank you for being here.

Robert: Of course.

Leah K: Second, you had mentioned that you would hope to hire some locals. What is your recruitment plan for that? Because as we all know, staffing right now is really tough for everyone.

Robert: Staffing is difficult. On the other side of the hill in the other state, it's equally as perplexing. Frankly, we view these as full-time positions, and in our organization, full-time employees are benefited employees. They accrue vacation, two weeks their first year, four weeks each year thereafter. They have 100% of their medical, dental, and vision paid for by the company, and those are pretty attractive benefits to recruiting folks.

The rate of pay that we allocate for these types of positions is generally better than what you see in the tourism industry. I think that through those incentives, I think we stand a pretty good chance of being able to attract.

Leah K: Great. As a follow-up to that, say you do run into some issues and you have a hard time, do you have staff available in your current operations that can be here? Obviously, they're going to have to be here for training purposes and stuff in the beginning. What's your plan with that?

Robert: We do have staff that do have the ability to shift around and have the desire to shift around too. They actually take great pride in going around to the various operations and helping out in pinches.

Leah K: Perfect. Thank you so much.

Robert: Thank you.

David: Can I just ask-- Clay, did you want to ask a question first?

Clay: I'm sorry, Dave, we don't have any more room in our budget for your questions.

David: But this is my second question. Is that all right?

Clay: I'm just kidding. Go ahead.

David: If I get seven and I'm still at two and we circle back around, will that count or not? I don't know.

Clay: Augment it. Go ahead.

David: Playing with the augmentation is killing me. I think you mentioned in your plan that you run a rail bike in front and a rail bike behind, and those would be the two-person bikes for the staff when you take a group out.

Clay: Actually, I think we need to talk about two versus four because there were some comments in the response there.

David: Yes, I was going to go there too.

Clay: All of their current bikes are two-position bikes.

David: That's where I was going because I wanted to know if the bikes for the passengers would be four-passenger bikes, and then if so, what is the capacity of bikes that you could bring to the V&T?

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 18

Robert: Sure. All of our bikes are two-passenger bikes. As I mentioned in the RFP, and I know that one of the requirements, and I think I called out I don't understand the requirement, and I understand that not having a four-passenger bike could instantly disqualify us. That's fine. We're not interested in building four-passenger bikes. COVID was a very good reason of why not to. Most rail bike operators who operate four-passenger bikes have no problem mixing and matching guests to fill up their bikes. People don't want that. In our dinner train operations, the tables that go first are the two top tables. There's this desire to seat people in the traditional old-world style of dining by rails where you'd sit with strangers. That has a certain romance to it, but this is not a cross-country experience. This is an intimate experience. People want them and their guests.

All of our bikes are two-passenger bikes. The guide bikes are two-passenger bikes, although, on our Noyo Canyon experience, one of our guide bikes is modified where the secondary bike seat is, it's actually a flatbed. While all of our bikes can accommodate things like shovels and chainsaws and axes and the such, we have a flatbed on that. In the event of a medical emergency and we have to lay somebody down and strap them, we can do that, and get them back to a helicopter landing zone. All of our bikes, two passengers, including that of the guide bikes. Then I think you had a follow-up question as to what quantity of bikes we could bring here. Well, we build these bikes in Fort Bragg, California, and so we have the ability to just keep churning bikes out. There are supply chain issues still. We faced this through COVID. There are significant supply chain issues. As I recall, the last time I was through the dry shed, we had 35 bikes sitting on the floor ready to be deployed in some fashion or another. Now, I don't know that I would bring all 35 here to start with, but I do believe that that was the count.

David: You want to further on the two versus the four?

Clay: I was actually just curious what our thinking was in including that not being intimately familiar with the operations of the rail bikes, what our thinking was in including that in our RFP.

David: Allyson can jump in here. That's the way things rolled out for us as the families, three or four people basically wanted to be on the same bike, mom, dad, a kid or two. That was the primary user of the rail bikes as far as with Freedom Rail. That was a reason, so we're not actually separating families, basically. That was why we had that included in there.

Clay: Sure. Interesting. Thank you.

David: Which sounds a little different obviously. It sounds different as far as our usage patterns compared to what you're running in California.

Robert: Yes, absolutely.

David: I don't know if you wanted to add to that or not.

Allyson: No, that was going to be the same response. We actually didn't have-- when the bikes did run, they were mostly full with all four people. Again, as David mentioned, with mom, dad, kid or two, et cetera.

David: Robert, I know we went from 1 question to 40 questions.

Robert: It's fine.

David: Do you want to cover anything else in your proposal? Wait, Stephanie has six more questions.

Robert: Perfect. [laughs]

David: Go ahead, Stephanie. One at a time, please, for Robert.

Stephanie: What do you expect to charge for the ride? What is your thoughts on cost share with the Commission?

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 19

Robert: Let me go at that backwards. Cost share with the Commission, that wasn't expressed in the RFP document. I think that that is when we get into the contract phase, assuming we get to that point, I think that that's a conversation that we need to have. As far as cost, our rail bike experiences are sometimes we get dinged by the peanut galleries of the world for our cost, but we charge a fee that we believe is commensurate with the experience that people are getting. I think that this would be an operation where it would be about 149 or so per bike.

David: Per bike, 75 a person?

Robert: Yes. We don't do--

David: You just sell it by the bike.

Robert: We sell it by the bike. If you're a single--

David: Even if it's just a single, they would have to pay for two people.

Robert: That's right. Bring a friend.

[laughter]

David: Or a loved one.

Robert: That, too.

David: Could I ask Robert what you do charge for the Mendocino?

Robert: Absolutely. I can give you the prices of all of our operations. [crosstalk] The seven-mile round trip Pudding Creek Express out of Fort Bragg is 199 per bike. The Noyo Canyon, the 25 miles round trip experience, it does include lunch. That lunch is customizable based on the guest's needs and whatever dietary restrictions they have. I shouldn't say guest's needs, guest's preferences, and whatever dietary restrictions they have. That's 495 per bike. Our Sacramento operation is 149, and our Southern California operation is 199.

David: On that Sacramento and Southern California-- 7 miles is the Fort Bragg. That's

[unintelligible 01:14:38]

Robert: Seven.

David: Then in Noyo with the lunch is 25 miles, right?

Robert: Yes.

David: Then what was the Sacramento and the Southern California?

Robert: It's about 10 miles, and then the Southern California operation-- I'm sorry, I said 199. That's a 249. It's 249.95.

David: For Southern California.

Robert: For Southern California.

David: 249, okay.

Robert: That's 16 and a half-mile round trip.

David: Significantly longer on the two big ones. 199 was Fort Bragg, then 495 for the big one with the lunch, 149 for Sac, 249 for Southern California.

Robert: That's correct.

David: That's good. Just trying to see where you're slotting us in. What is ours? Is it 4.6 or 6.4, I don't know, miles? Including going to almost--

Allyson: I thought it was six.

David: I thought it was six, too. That sound right? Ours is about 6?

Allyson: About 6 miles round trip.

David: Six, okay.

Robert: That would mirror the Pudding Creek Express experience.

Ken: That's round trip.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 20

Robert: Yes.

David: I think it is six. Six two something. The previous vendor, we had water and snacks when you get down to Eureka. That's something with your flatbed. If you had one of those that has a flatbed, you could put the waters and snacks on that.

Robert: Actually, the water and snacks on our experiences are on the guest bikes when they arrive. The bottles of water-- and each of our operations have different snacks depending upon the region that we're in. They're all custom-made for us and they're all branded.

Allyson: We did have snacks on the bikes as well as on the lead cars or lead bikes, I should say. If they went through their [unintelligible 01:16:44]

David: If they went through, they could get it when they get it.

Robert: In fact, when we bring bikes, assuming the Commission asks us to bring bikes up here, if we do that, we'll bring the full array of what we do. We'll provide snacks.

[laughter]

David: We kept it local, Robert, with water from the Carson River.

Robert: Perfect.

David: It was all local. High mineral content.

Robert: There's probably nothing--

David: Wait, did I say that out loud? No.

Robert: Probably nothing wrong with that water.

David: Bottled water for us. I'm just kidding.

Ken: Super fun.

David: That's what adds to the experience, right?

Ken: It's a super.

[laughter]

David: Yes, it is. Does anyone have any other questions for Robert? Go ahead.

Ken: Not so much a question, and I think Robert's aware of this because we did include with the RFP package was a diagram of the current operating limits of the rail bikes at some point that may be able to be modified. That's where it is right now. Essentially, it's Linehan Road down to Eureka.

Robert: Right. We are aware of that.

Ken: The one challenge I think the Commission is going to have to work with is from an operational standpoint, when there's both trains and rail bikes operating out of East Gate because previously, operator, good, bad or indifferent, had to remove all of their rail bikes from the rail, put them in the storage shed when there was a train present in East Gate. I don't think that from my standpoint or some just a maintenance of way guy. I don't think that's a very viable operation, and it impacts you guys.

That's something that, if the Commission decides to go forward, we need to hopefully get worked out pursuant to recommendations from the Federal Railroad Administration. Their safety operations officer, Chris Groom, I'm sure you know Chris, he recommended that we get basically a little more active as far as direct traffic control with a dispatcher to coordinate both rail bikes and train movements when they're in the same location if you will. That was taking place to a certain extent last year.

The way the contract works right now is that the Virginia Truckee Railroad provides the dispatching services, which is Tom, which I don't think Tom really has a great love for that job. I can't blame him. That's just a couple of issues the Commission, I think, is going to have to work

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 21

with going down the road. That's really about all I have there at this point. It's not perfect. I'd like to see at some point you guys being able to run a special excursion all the way to Gold Hill on rail bikes if someone was really wanting to beat themselves up. Right now that's not possible.

Robert: Thank you, Ken. That's certainly something that we're open to. Longer experiences do not hurt our feelings. It's a greater opportunity to get more people out. At some point in time, if that were available, fantastic. We'd be all over that. Again, we're a guest here. We understand that the heavy rail operations take precedent over that of the rail bike operations. I understand the current working limits of where the rail bike operations would be limited to.

Then, to your point about if there's a train in the station, the rail bikes need to be cleared. I think that as somebody who's running freight trains, passenger trains, and rail bikes all at the same time on the same tracks heading head-on towards each other, we master that on a daily basis. I can't imagine why there's a need to clear rail bikes if there's a train in the station and/or vice versa.

Again, without understanding the current operating practices and certainly not looking to reinvent the wheel, we would accept it as it is, but I do agree that I think that there is room to have that worked out.

Ken: I agree with you, by the way.

David: Thank you, Ken. Any other questions for Robert? What I'd like to suggest then is let's figure out a way to get you to come up next month. I don't want you to have to come back multiple days. If we could figure out a day that it might work for a lot of us, even if it's like you're there in the morning realizing our schedules might not allow us all to be there at an exact time, but maybe within a couple of hours or something like that.

If we could all be there at the same time, that'd be great. I would like the whole committee to be there along with the rest of the Commission because we can only operate in groups of two.

Robert: It makes sense.

David: Is that a fair?

Mihaela: David, if may.

David: Yes, please, Mihaela.

Mihaela: We can discuss this further. I have some concerns that this may be a walking quorum if you're going in there even in groups of two and the purpose is to gather information and be a possible deliberation and action outside of a public meeting. I would encourage maybe two of you to go and test those bikes but not all five. I'm cautioning you that it could be an issue of a gathering that is subject to open meeting law.

David: If that's the case, could Leah and I represent the Commission since we were on the evaluation committee, the panel?

Mihaela: Yes.

David: Clay and Stephanie, Michelle, are you comfortable with that? Because we're then speaking for the three of you, and you will not have had the chance to ride the bike, assess its safety features.

Michelle: Would we be able to be there at the start just to see the bikes?

David: Is there a way for us to, Mihaela, like say Robert was here for the morning, could two, two, and one?

Mihaela: That is the danger of still being a serial communication or a walk in quorum. It is for the purposes of gathering information, but if it turns into deliberation and action, that is the danger that we're running into.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 22

Robert: Mr. Chair, may I?

David: Sure.

Robert: I serve as a trustee to a community college in California. I'm actually the president of the community college. In addition to my railroad role, and so I'm familiar with these meeting issues. May I suggest that you schedule it as a workshop, agendize it as a workshop, and then you should be covered?

Mihaela: If we have the date and we give sufficient notice.

David: We'll have to notice it, put it out three days. Similar to what we do with the strategic planning workshop.

Mihaela: Exactly.

David: Something similar. Let's work on that.

Robert: That would at least allow everybody to get snacks.

[laughter]

David: Some of that Carson River water for the ride down and back. I see where you're going, Michelle. Just calm down.

Clay: If we receive snacks, is that considered some undue influence?

[laughter]

David: As long as it's under \$5,000 of snacks.

Gabe: I'll serve snacks [unintelligible 01:24:16]

David: What if it's just an open bowl? It's an open bowl of cheese snacks and we're just reaching in with our hands. All right. We'll move forward similar to what-- basically. I think it's actually going to be a meeting, like a workshop. We'll have to do it exactly how we did the strategic planning one. Go ahead, Stephanie.

Stephanie: I just was curious, are we going to try to narrow down that date while we're here, or what do you think is the best approach?

David: I was hoping you were going to say that because my computer has no battery.

Stephanie: The only reason I say that is because I'm negotiating four contracts with bargaining units, and we've got a whole lot of stuff going on. The sooner you lock me in, the better chance you have that I can be there.

Robert: I would just say that I will work around the Commission's schedule, as will my staff in getting back up here. My May has me, I think, home for about 8 to 10 nights only. I'm gone. I have a commencement, obviously, to preside over mid-May. That's a two-day affair because our college has a nursing program, an RN program, so that's a two-day affair. I am in Washington, DC for a week. I am traveling out of state for another matter. Pinning down a date in May may be tricky, but we'll see what we can do.

David: Robert, do you have your work calendar on that computer? You could [unintelligible 01:25:56] dates?

Robert: I have everything on this. That's why I've got this out. I'm going to look and see what kind of--

David: Let's give Robert a minute just to see what he might have.

Robert: Are there dates that you want to throw out that I can cross-reference? I'm happy to--

Stephanie: I was just going to say, thinking of our schedule and when we have our next meeting, we might want to do it before that agenda would need to be published in case there's some action that we need to take at the next meeting.

Robert: Did I hear earlier that your next meeting was the 24th of May?

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 23

Allyson: Yes. We need to post on the 18th.

Robert: If you wanted to do it on the same day, if that were easier, there's nothing with respect to my calendar that cannot be moved around the 23rd, the 24th, and the 25th. Day up, day out, and we'll probably go back the same night. That could work. If you wanted to look at the week before-- Oh, boy. The week before, I'm sorry. I cannot do that. I'm gone Sunday through Thursday in Washington, DC, and then I have commencement Thursday night. I get back early Thursday morning, Thursday, and Friday to preside over.

[silence]

David: Sorry, Robert. I didn't hear your last comment there. **[unintelligible 01:27:57]** you recommending?

Robert: The week of the 24th, I don't think there's anything on that week that I cannot move around. The week prior to that, so starting on Sunday the 14th, that week is completely out for me.

David: You have anything the first two weeks of May?

Robert: The first week of May, I will be completely unavailable. I won't be anywhere as near here. The second week, so starting Monday the 8th, you could probably do something on Tuesday the 9th or Thursday the 11th.

David: This is the beauty of board meetings for all of us. I have my board meeting that week, plus I've got **[unintelligible 01:29:08]**

Michelle: What about the 12th, Friday?

Robert: Friday the 12th.

David: You could do 12, Michelle? If we had a full morning, or either all morning or the afternoon to allow to come in and out. No, so 12 is out. That's the thing.

Michelle: Just because we already all have that blocked.

David: Mihaela, is there anything that says-- we'll have our meeting and our budget hearing, but then we just go out to the depot afterwards? Is that--?

Mihaela: Will help out because an item on the agenda will be whether to approve the contract or not, and you would like-

David: Oh yes, we want to be informed, true.

Mihaela: -to do the workshop prior to addressing that item.

David: We could go there first?

Allyson: We're posted for 9:00 AM for our budget hearing.

David: We can't take **[inaudible 01:30:25]**. Shoot. Oh, sorry.

Michelle: We've done that before for the HRC where we actually stop, go to the building, and then come back. Just putting that out there.

Gabe: You guys could always approve it now, and then **[inaudible 01:30:44]**

David: The budget hearing has to stay in play, so there's nothing we can do about that because we already have that posted, notice for 9:00. Then we would, I guess, we start our regular--

Mihaela: It can happen during the meeting.

David: During the meeting. Is that what you guys want to do? Everybody is going to come here first at nine o'clock, we'll do the budget hearing, that's 10, 15 minutes, but then we would run out there immediately after? That's the beginning of our actual May commission meeting then.

Mihaela: Right.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 24

David: Is everybody comfortable with that? I'm just thinking for you guys, maybe you should just call in for the budget hearing so you're not driving all the way down. You could just meet us at the depot then. Will that make that easy on you? Oh, that's right. All right.

Clay: If we're going to be considering other business, then we have to reconvene back here, or business first and then go out, but that defeats purpose, doesn't it?

David: Right.

Michelle: Can we use the depot as our meeting room?

David: We don't have any way to record.

Michelle: There's no Wi-Fi or anything?

David: Well, suspect Wi-Fi, but we'd probably be taking a risk. We'd be hand jotting notes and everything down to do the meeting, if we even stay connected for however long it takes. Well, I guess, we can try that, Robert.

Robert: The 24th of May then?

David: Yes.

Robert: That's totally fine with me and it gives my crew plenty of time to figure out the logistics. I think we'll try to bring three bikes up. We may try to bring four. We'll figure it out.

David: Then we'll just work the details out. However this is--

Allyson: We could rent recording device to have there at the depot if we wanted to stay there, and we would record and still submit the transcription.

David: I'm a little unclear how this actually-- We're starting something here then we stop because we say we have an agenda and I'm just going to take us out there, but we can work out these details, I guess, now and then.

Mihaela: Right. It doesn't have to be here, as long as we give notice to the public within 72 hours.

David: Fair enough. Shall we do that then? We'll mark the 24th. Okay, Robert, we'll mark the 24th. Just, again, we have to come here first because we have a budget hearing that's already been noticed.

Robert: Sure.

David: We'll have to do that between 9:00, 9:15, 9:30, however long it takes for us to get that done. Then we'll move up to the depot.

Robert: That's fine. Thank you. On that day, I presume you wouldn't need me here, so we would just arrange through Allyson to be at the depot, and we'll set up all of the logistics ahead of time so that way we know what we're doing. When you get up there, the bikes will be essentially ready to go.

David: Okay.

Robert: Fantastic. That works out from our standpoint. Just so you know, certainly while it would be great to get an approval and get on because we still have a contract to work through. We totally understand the process, and just know that we're not rushing into anything.

David: I appreciate that.

Robert: If we don't hit a summer season, okay, that's fine. Our longest rail operation has been around for 138 years. We're not going anywhere.

David: [laughs] No, that sounds great. Well, I appreciate you being here in a nutshell.

Robert: Thank you.

David: Thank you for being patient with us just to walk through the process on our end.

Robert: Thank you. I appreciate the courtesies, and we'll see you in May.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 25

David: That sounds wonderful. All right. Well, take care. Thank you.

Robert: Thank you.

David: Thank you. At this time, we're going to go ahead and adjourn to go into our closed-door meeting with Mihaela, so with that--

Clay: Mr. Chairman?

David: Oh, yes.

Clay: Before we do that, I'm unclear on are we only receiving public comment at the beginning and end of the meeting? Are we taking public comment on individual items as we go?

David: Just the beginning, of course.

Clay: Just the beginning. Great. Thank you.

David: Just the beginning and end, yes. All right. We're going to go ahead and adjourn right now for closed-door session.

10. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING TERMINATION OF CONTRACT NO. FY 21- C004 WITH ATYPICAL CONSULTING & EVENTS FOR ADMIN/OPERATIONS COORDINATOR SERVICES, AND ITS AMENDMENT FOR THE PROVISION OF ADDITIONAL SERVICES ("CONTRACT"), EFFECTIVE THROUGH DECEMBER 31, 2025.

David: We will go ahead and reconvene the Nevada Commission for the Reconstruction of the V&T Railways meeting. It is 11:20 AM for the record and we are on agenda item 10 for possible action. Discussion and possible action regarding termination of contract number FY21-C004 with Atypical Consulting & Events for the administration and the operation's coordinator services and its amendment for the provision of services effective through December 31st, 2025 until.

In your packet you have a letter of termination from Allyson that's effective May 31st, 2023 as well as the whole contract with the amendment. We did have some discussions with our legal counsel. We do disagree with what was stated during public comment about your ability to unilaterally terminate the contract itself. We do not wish, as the commission, to terminate the contract or pause at this time. We also have not found you in breach of the contract either. Having said that though, we want to have a little bit of discussion, and what I would like to suggest at this time is we transition into 11. I'd like to open up agenda item 11 as well so we can have a broader discussion because it might have everything to do with one another. With that, we'll go ahead and also open up agenda item 11 which is for possible action, discussion and possible action, regarding a proposed RFP request for a proposal for the provision of the admin operations coordinator services and direction to staff to publish said RFP. With that I'm going to open up for some discussion with the commission and if anybody wants to jump in.

Clay: Sure, yes, I'll chime in. I think I want to start by saying we're super grateful for the work that you guys have done. It's been really amazing. We're happy with the way it's been despite the challenging circumstances and the lack of continuity and stability that seems to be part of this organization's history and DNA. I guess one of the things that's important is for us, as we're trying to figure out continuity going forward, I think we're in agreement that if it's not working or you don't want to be in the contract anymore, we don't want to necessarily force you to be in the contract.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 26

It's not really where we're at, but we've gotta make sure that getting out of it is something that allows us to continue and works for us and is fair. With that in mind, I guess we're looking at, what can we do. We're heading into a new season. We've got a lot going on. We are not really a working board. It's not set up that way. We're limited that we can't have employees under the current circumstances. It's a tough situation.

I guess, in an effort to, we're open to the discussion about terminating the contract. The question is, how do we get there? Can we do it in a way that doesn't put an undue burden and allows us to meet our obligations and make sure that we continue going? I guess one of the questions that arose is, instead of going out to RFP in the short term, would Atypical be open to, let's say, for example, we were able to find people that were willing to take on chunks of the responsibilities that are covered under this agreement.

We could certainly go through an RFP process and start from scratch there. I think another route would be to see if Atypical, for some period of time to be discussed, would be willing to maintain the contract but come up with some sort of assignment delegation where Atypical would still be the named party in the contract where we would work with you to find people to take on the responsibilities and either subcontract it out or find some way for whatever that period of time is, that gives us more time.

My big concern is specific needs around events and things that are coming up. To me it's just not fair to expect Dave as the commission chair or any of the commissioners to step into that role. Especially with no mechanism for compensation and [inaudible 02:25:21]. We would do it because it's a responsibility that we have, I think, but it's a pretty tough position.

I think we have, potentially, people that are willing to take on some of those roles, but I think if we have to start from scratch on the contract, that pushes the timeframe out to a point where we bump up against those needs and have a tough time getting done with all the things we needed to get someone in place. Is that something?

I'm happy if there are other commissioners who have a different spin on it or a different take. I'm certainly not talking unilaterally but feeling out if that's something that Atypical would be willing to consider. We're not looking for a commitment. We're looking for further conversations.

Allyson: In short, of course, my goal and intention is that the V&T Railway commission finds success and that operations can continue. I think, for me, ultimately, I landed at a situation where, with your words, Clay, the lack of continuity and the clarity of the scope and what we were doing and constantly adding to the scope, going into contract negotiations, it was a little bit of a shot in the dark of what my hours were and what they should be to run a train. They're quite a lot more than what is in the contract.

For us, it's really not economically feasible for the commission nor for my team within the budget constraints that we have. In theory, yes, it makes sense to ask us to stay on, but we're already significantly over budget. I think the commission has some hard decisions to make in operations and what that process looks like. I've got four people working on this team with a scope that's constantly changing and lack of direction from the commission that you guys can pay our rates. It's an interesting situation where you guys are fully run by a vendor and you are a not-for-profit and I am a for-profit, but I still have costs. I have liability, attorneys, insurance. With the heavy lift of Polar Express, that hit us significantly with my increase to my business and to costs. With the ever-changing staffing crisis, trying to keep people, it was mentioned to me, "Well, hire cheaper people." If you look at the hours and how it's broken down, the majority

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 27

of it is board relations, and I don't necessarily feel comfortable with someone that can go to Panda Express and make \$21 an hour in the kitchen to be able to do this for you guys. I don't want to put you in that situation either.

I guess my question back to the commission would be if there's some sort of agreement between the two of us, how are we going to pay for that and how are we going to cover my hours. Again, because we're over budget currently and there is a lot to be done in reference to the RFP that we put together. It's not a coordination position. I believe it's more of management. I've highlighted through the scope and added in green everything that's been added and added and added since the time of contract negotiations with the exception of the amendment with the Polar Express. I turn it back to you guys and how is it financially feasible?

David: This is Dave. I'm just going to jump in for a second. Tom's in the room. I don't want to put you on the spot, Tom, but I'm wondering if we can break things apart temporarily. Tom, again, I don't want to put you on the spot here, but if you might be willing to take the operational side of things on in the meantime. I think what we're trying to do is come to a mutual agreement to terminate this in a way that's fair and equitable. Not only to you and your team but also to the V&T Railway commission as well. If there might be a way-- Looking just a little bit beyond, by May 31st, to give us some time to figure out.

Tom, maybe you could handle the operational side of things at the depot, the restrooms and everything that goes into that side of it and maybe the ticketing for the trains so we don't have to shut the trains down right immediately, or I say immediately but post 5/31. Allow us the ability to look at some alternate solutions to handle everything that's not operations. On the board side of things, the financial side of things, working with Storey County I think what we're just trying to do is add a little bit of time for us to come up with a solution.

Tom, if you're willing to step in on the trains that could almost -- I don't want to say be immediate but maybe effective next month we would just need a little bit more time to cover those things that are outside of the operations of the trains because we think we have some potential solutions but again, we are a government entity and all of us also represent government entities so to work some things through with our respective boards and commissions, it's not going to happen overnight.

I do believe we're going to need more than just the month of May. We probably would need the month of June as well because we still are going to have to come back in front of this body at some point and agree to anything that we can work out. That's what we're-

Allyson: Are you proposing through the end of June? I guess what is the timeframe that was agreed upon by the commission because from my perspective, I would like a hard date.
[chuckles]

David: We bandied about several different options. Our only problem is because any option that we are considerate- considered option that we come to is going to require other boards to be involved. It's hard to say that we need till June 30. What would you be, if I could just ask, what might you be open to, would you be open to 90 days, no longer?

Allyson: I think June 30 is fair. That's through the end of the fiscal. I think finding the clarity and again in that scope and what the RFP would potentially look at for the next person and then of course a smooth transition.

We know what my transition looked like. I wouldn't wish that. I said I do wish the success of the commission and the success of the train and everything that I said in my pitch day one, my love of trains in this operation still stands true.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 28

Again, I'm just in a place where I have to protect myself, my team, and my business. I think going out with an RFP, if I'm understanding correctly, Clay, you're thinking of scaling back what this position would look like with the hope that Tom would step in is the idea that we would go out with an RFP after this, with this revised scope and then I get you through into this net. What-
Clay: I think one of the challenges is that the structure that this commission has operated under seems to have challenges baked into it. It would really help us as a board to have a little bit of time to explore. We've had conversations about lots of different ways to structure things but just speaking for myself, it's become clear that there's enough administrative work for someone full-time to handle that.

If we could just go out and hire someone to handle that side of things to do the board relations stuff and just the management side of the commission, that would be an easy decision. The question is, we're having to try to figure out what can we separate out, what can we restructure because that's going to affect what needs to go into an RFP for operations. Like Dave said, it's government and nothing works quickly and we have restrictions that we have to operate within, which is frustrating but it is what it is.

I think that's part of it is looking at this as an opportunity to restructure somewhat what can we do, what different elements can we bring in so that we're not just repeating the same structure again and finding out it's inadequate again without trying to do something different.

Allyson: I'm willing to go through this RFP and get granular and talk through what my team could continue to do for a short term. I think after doing this for two years, I don't believe that a lot of the-- I come out and say budgetary, there's more issues that our team encountered. I don't anticipate that changing in the future.

I would say I am trying to be transparent that I'm in it for the short run to get you guys through and to pass it off. I do think when I received the original RFP, it was supposed to be that and it was supposed to be more of an administrative coordinator person. I would just be weary of running into that mistake again where you're bringing someone in and more and more and more is getting piled on their plate without the budget to do so. Again, it's not necessarily the capacity of our team, it's, we're already significantly over budget two years in and I don't believe that those hours will ever come down because we hold back on a lot of items just to try and keep costs down.

Clay: I think we've had some discussions in the past about there are benefits and values to using a company-related model versus an employee-related model, right? It also comes with restrictions. To properly cover your costs, the cost for that work is higher, which provides the benefits that come along with it, right?

If someone was salaried and that was their dedicated, they could take on a lot of that work. I don't think it's one or the other, I think it's probably both at some point where we're getting the non-productive, non-revenue generating work handled in a more efficient way that's more of a dedicated employee model, whereas we're bringing in the specialists, the contractors that really do the stuff that's going to help grow the organization and fine-tune the experience. You've been handling both. I believe that long-term that structure has to change because in the current structure you're right, it's a non-starter.

Allyson: We would love to do a ton more in operations. I pulled up where our hours are for the year and ultimately what happens at the end of the month is that it's me focused on getting contracts together, packets together, coordinating with David. Operations is a lower amount and

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 29

we would have loved to done more. I think our workshop was great, we had all these amazing ideas but the execution we just budget-wise can't.

Now we can chat through some things that we can continue to take on again, for the short-term with the idea that you'd find someone different.

Clay: Because I think if that conversation can go forward then we would probably hold off on issuing an RFP right away so that we can make sure that it's really meeting the need and that we are able to, on the backend, figure out how we can fill the gaps and hopefully make sure that it has a better chance of succeeding in not having the scope creep and the other things that have happened.

David: If we decouple operations moving forward, Tom, we would need to do an amendment obviously to the contract that we have with you and get that back probably at the main meeting short of some special emergency meeting or something. Is that fair, Tom, that we could talk about that? Then I appreciate you being willing to work through this and we can coordinate a couple, handle that part of it.

Then that leaves us with those other things. Then depending on where we want to go for the non-operational side of things that you're looking into potential solution whether that means RFP or not, I think we can be prepared for the main meeting then to go one way or the other for everything non-operations, Tom, that we would move your way. Do we like that approach then?

Allyson: I would just ask that similar to the scope creep that we had but could be date creep. If we could at least agree to a mutual consent of June 30 and at least have that decision today, I would feel more comfortable that this doesn't continue to get extended because we're still prolonging our fees and negotiations and who was doing what?

Stephanie: I would ask you give us just some time to figure out what it's going to take. I would be very hesitant to commit to the June 30 date at this point because realistically we've only had your letter for less than 10 days and it's going to take us a little while to figure out how to do what we need to do. Again, I don't think that's the intent of anybody to keep you here longer than we need to, but I think we need a little bit of flexibility right now so that we can work through it. Again, timing of it being the kickoff of our season, that makes it even harder for us, so I wouldn't be interested in setting a hard date today.

David: Go ahead Bonnie, please.

Bonnie: I think it's still morning. Good morning. My name is Bonnie Drinkwater. I represent Atypical, I'm with Drinkwater Eaton Law Offices. Not withstanding the fact that you disagree with our legal analysis, there is still a termination letter with a 30 day termination. For Atypical to withdraw that termination letter, like Allyson said, we would like to have some agreement as to an outside date.

I understand your challenges and certainly I feel like if things are moving along and if you're negotiating and putting out an RFP and there's a very short time after June 30th, perhaps Atypical will consider, like Allyson said, she doesn't want to leave you in the lurch like she was left in the lurch when she transitioned in, but you can't just withdraw the letter of intent because- that- I'm sorry, the termination letter because that leaves us in an uncertain legal position as well. We need something for withdrawing that termination letter so we know that things will move forward in a timely manner. Thank you.

David: I'll just speak for myself. I wouldn't be comfortable throwing the June 30 date out either because we're not going to probably know until sometime toward the end of next month or early June, especially if something may involve the board of supervisors here in Carson City to pre-

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 30

commit to a date when we don't know, with the couple of potential solutions that we can even get onto another board meeting's agenda. We could still be working out the solution in June and then by the time it comes back to us to approve something, to counter approve any a potential agreement for a different solution.

Again, not setting aside Tom. Obviously we can for Tom, if he takes operations on, we can have that part and come back at the May meeting. Our other solution, I don't know, I cannot speak on behalf of other boards. Unfortunately, say, oh, we've got to get onto your agenda because we need to have a solution in place before the end of June. I wouldn't be comfortable because then I'm obligating another body to handle something. If anybody else wants to jump in [silence] Mihaela[sp] please if you want to chime in I'm all ears.

Mihaela: I would suggest if you have more clarity in regards to deadline, I would suggest to bring this back to the next meeting in terms of maybe at that time having a hard date in regards to termination of the contract mutually.

David: That I think is definitely, did you talk about for the 24th of May? I don't see why we couldn't, I think we'd have much more clarity for the 24th, which means we'd have to come to a decision before that because we'd have posting requirements and notices. I think we could-- I'll just speak for myself. I don't know how anybody else feels, but I'd like to think that we could get to an end date for the May 24th meeting.

[pause 02:44:21]

Allyson: I think again, to both Bonnie and Mihaela's point, the clarity and the protection for us as we move forward in these next steps, if a possible solution of essentially the term letter would stand and on the 24th the commission would come back with the plan. Again, if there was no plan on the 24th with the concrete date at that meeting, then that term letter would stand from our legal perspective.

Clay: I don't want to speak out a turn, but I think the position of the commission is that the term letter doesn't really have effect because as we read the contract, it's not the proper way to terminate. I guess I don't know if it's even appropriate for us to ask for you to retract it because our position is that's not really covered under the way the agreement is written.

I think the item on today's agenda as agenda was do we take action on terminating the contract? I think the agreement among the commission is we don't really have reason to but we'd like-- but clearly hearing you that you're ready to be done with the agreement. We'd like to work towards mutually agreeing, which is in the contract, if we mutually agree no cause it's done and off we go. I just don't know if there's any agreement to be had. I think we proceed, but I don't know if there's an action, an official action to be taken. The letter's been sent, you can retract it if you want or not.

David: Yes, because our agenda isn't to accept said letter.

Clay: We'd love to work towards what we want to do. We'd love to work towards getting to a point where we can mutually terminate.

David: Agreed.

Bonnie: I feel like we have to state clearly that we disagree with your legal position and we hope that there is a way of course to find a resolution that works for everybody. If there isn't some movement toward that in May Atypical will be following through with their termination letter. Thank you.

David: Thank you. Unless we have any other discussion on 10 or 11, I'm going to move us forward on the end.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 31

Clay: I'd really like to see what we can come up with in between now and the next meeting.

David: Agreed.

Clay: I don't feel comfortable going out with an RFP at this point.

David: I agree.

Clay: Because I'd like to see change in that.

David: Absolutely. Also working on an amendment for Tom as well. Again, we're picking things apart here, so I'm with you because until we can speak to Tom and figure out what elements that are currently in the proposed RFP Tom's willing to take on. I'm with you. I think we're-- but the plan is to have a plan and we have to-- anyway, Bonnie and Allyson just to keep things operational moving forward, so we just need a little bit of time.

Then there's the gamesmanship of our meetings being public and getting on to certain agendas as well. Hopefully, in the month of June would be great if we can make that happen. I personally don't control things outside of this and my day job, so I will rely on my peers to help me with other boards that we'll need to get on for some other solutions.

11. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING A PROPOSED REQUEST FOR PROPOSALS ("RFP") FOR THE PROVISION OF ADMIN/OPERATIONS COORDINATOR SERVICES AND DIRECTION TO STAFF FOR PUBLICATION OF THE RFP.

Clay: That being said, and in the interest of moving the process forward and I don't know, Allyson, if you're still comfortable, you had offered earlier to dissect the RFP a little bit and talk about some of those things. If we're willing to take the time now, I think that would really-- that's a step in the right direction. It helps us get closer to-- and so even though I don't know if we'll-- I don't see us getting an RFP out at this meeting. I think that since it's on the agenda. We don't have to delay that any further. If we can take some time doing that, then it helps us come back faster if you will, with what we end up having to do with that.

Stephanie: Clay, I think that's a great point. I don't know if under this item or even under some of our reporting items, we could even discuss some information on what we need to transfer as far as data.

I know you guys were working on a bunch of procedures so that the next person would have that we should start having those conversations and getting together between now and the next meeting to change hands of some of that so that we're just one step ahead.

David: I like it. Allyson, would you be willing to walk us through what you put together with the color coding then? Is that fair?

Allyson: Yes, I'm happy to walk through this.

David: Just for the record, we're properly in number 11 still because we had both 10 and 11 opened. I guess 10. I'm going to say 10 is closed, we're not taking action but 11 we had open at the same time. We are assessing the RFP document right now.

Allyson: Leah is going to try if we do have changes right now. She's going to try and get as much as we can. In the spirit of what Stephanie asked, of course, box.com is done right now and I cannot get to the Word document. With that said, everything is on the V&T-owned box account. We don't share anything outside of my contracts and my invoices outside of that.

Everything has been reorganized within there with the exception of prior to 21. Again, there just hasn't been hours to clean that up, so it's a two-folder system of here's pre-Allyson, and here's

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 32

post-Allyson. Everything is divvied down, very descriptive down to the name of the files or the client what it is all the things.

Additionally, we have a yearly calendar of, these are the action steps that you need to do in January for March, and then here's are the monthly things that you need to be doing. That's already been done as well. Again, we would probably go back to that and fine-tune it and make sure that it has all of the information contained within that document for a smooth transition. Then lastly any sort of systems and passwords and things like that. A lot of the things with the V&T we've moved to cloud-based. Nothing is proprietary or anything like that. Someone can get access to your ticketing and your website, all of those things. I do imagine-- Then lastly, a vendor list of these are the vendors that we work with and that we have relationships with.

In that, I do anticipate that our transition would be a little bit smoother because someone would be walking into it quite organized. In terms of this, let me pull it up. In terms of this RFP, again, I don't know, maybe you are going to go back to the coordinator as it stood with the scope where I was looking at it, I would argue it is management or a management team.

Again, we've got four people plus other vendors that do the scope. Then anytime you see yellow, it's something that I've called out of the commission needs to look at this. Any dates I really haven't changed, this is a pickup from the prior RFP. With that said, you'll need to establish when I received the RFP, it was for one year with the renewal up for three additional years after that.

At the time of negotiations, you guys just went straight into a four-year which actually ended up being closer to a five-year based on where the dates landed. Again, this would be something that the commission would want to determine of what the term is. In the sake of time, I'm not going to go through absolutely everything. I'm just going to skip down to the scope.

Yellow again, I highlighted the entire scope as this is what you guys need to look at. Then green is what I've added in or what has changed since we first went into contract. Operations was described as manage operational aspects of the Carson City East Gate Depot, including scheduling, seasonal utility services and purchasing depot supplies.

I'd argue that's more of asset management as it would be as operations. Operations would be defined next, which would be manage all operational systems for the train activities such as ticketing, merchant services, et cetera.

We use Square for our retail purposes. I believe that's the only merchant service that we have at this point in time and manage all the vendors, volunteers, provide staffing for the train departure and arrival, general season special events, and the Polar Express train ride. I think that could be flushed out again depending on how you guys go into this and with the contract negotiations.

When I came in, at the time there was an understanding that additional staff to run the Polar Express would be outside of the scope, but I think that's changed some a little bit as the years have progressed.

I think that that is an area that when you're budgeting for this, does this person need to know how to plan the Polar Express and exactly how many staff they need? Currently, we need about 25 Depot staff at the depot and about 45 cast for the train. Again, does this budget include those, or are those separate?

Established train schedule and operations and coordinated in coordination with the V&T commission and the train operator. Then we actually provide all hardware to execute everything. My computers, my iPads, my tablets, the only exception would be there is a phone for the V&T

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 33

railway that Leah has. It is a smartphone, however, it does not send or receive text messages for whatever reason.

It's a lame smartphone if you ask me but that is--

David: That's so smart.

Allyson: That is the only thing. Again, I think that needs to be very clear going into it. Again, I've always been tried to be conscious of the commission's budget and where we're spending our money and I had those things and so I've always supplemented with my own personal assets. Customer service, answer all incoming calls and emails. I added that in for customers and handle all customer questions and concerns.

There has been conversation of does this go to a call center? We have a system now currently where we return calls every 48 hours, quicker during the Polar Express season. Then as trains are running with FRA requirements, we do answer the phone as the trains are running for a safety concern. I just thought of something which isn't in here that we do need to mark.

The ring account, all the security cameras come to my work phone, not the V&T phone. That's 1:00 AM, 3:00 AM, 5:00 AM being available to sound that alarm when need to checking if it's a horse or if it's a person. I'll mention I've never charged for the 5:00 AM, 3:00 AM calls, but that is something I think that that should be very clear, that essentially you are hiring a 24/7 person there.

Rides and special events, oversight, and coordination. When I bid this is actually a question that I had, but the turnaround was quick, and didn't get my question in in time. I added in here manage all event coordination. It's more than coordinating contractors and activities. You running the event. Again, this could be an area that we've talked about with some of the special trains like we had with Mark Twain, that this is getting subbed out.

We learned with Mark Twain, we should be there for that transitional team and so you would still essentially be having two contractors there. That one could be fleshed out. The lack of clarity here is with the Polar Express train ride, one could argue that if you're managing all event coordination for the Polar Express train ride, that does include production.

We now have an amendment that includes production, all of the finances, most of it running through Atypical. I think that is also an area that needs some focus on what does that look like. Stakeholder relations developing comfortable, respectful working environment with all contractors and their personnel. Check that box.

Financials, this was probably the most change that I did when we came in. It was just that we were forming, we were doing bank deposits, and that anything that was over \$5,000 had to come to the commission. Since then we're really managing and overseeing all financial tracking and projections in coordination with the Storey County comptroller. A proven process, all accounts payable through a biweekly process, which may include standard bills as well as loan management and vendor billing.

I removed the 5,000 there because really all bills are being approved through the accounts payable process that we've established. Then performing bank deposits, prepare the bank statement, reconciliations in a format prescribed for the V&T railway.

Pulled out that 5,000 added in there to manage all vendor contract logs and then meet with the V&T treasurer to develop the fiscal year budgets, audit preparation, and then I just kind of added a blanket there of work with the Storey County comptroller on all government required reporting.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 34

That was an area of confusion when we came in of does that fall under Jennifer. Does that fall under us? It's been more of a combination of the two. Now we're more going to Jennifer of, hey, this report's due, where are we at? We discovered quickly that we don't have the access to get all of the numbers that we need for all of that reporting, but being able to manage the comptroller's office to ensure that reporting is happening.

Procedures, we didn't really change. It's a blanket one, maintain and update policies and procedures to ensure internal controls, work with the chairman, work with the attorney, pretty straightforward. I added some things here. Again, this is another area of-- I didn't think that this was clear after going through two years of commission meetings and so I added in here, actually preparing the meeting agenda as you're doing all of the reports, all of the supporting documents. Adding in here that-- [chuckles]

Where am I? I'm putting in here submit and prepare a monthly report. I know we've gone back and forth with this with other vendors, but I do think it's important for operations that they are prepared to have a monthly report to update you on all operational matters. Then added in here that you need to take meeting minutes and prepare for approval by the V&T Railway Commission. We discovered quickly that we have long meetings, and that is several, several hours, and so we did streamline that a bit with the transcribed process. Then Leah goes in and then tries to catch all of the nuances and making sure that whose voice is actually recorded accurately, et cetera.

What has traditionally been sometimes six, seven hours of meeting minutes is down to three, four hours, so we're able to skim a few hours by using that transcription. Facility oversight, coordinate facilities and parking lot maintenance and repairs, so making sure that all of the vendors are coordinated for that and for maintenance. Then track maintenance, I frankly giggled when I saw this one when I submitted because it's coordinate on inspections, maintenance, and repairs. What the heck is that?

I added in coordinate with track maintenance vendor and team, but you're not actually telling them when to do their inspections, or telling them when to do their maintenance, you're just coordinating with them so that they can do their job. Community Relations, stakeholder management, I crossed out public relations here because I don't really think that it's applicable to what the description here is so maintain a working and professional relationship with the commission and local officials, maintain good relationships with tourism partners at the local state and national levels.

I pulled public relations down below and under marketing-required reporting. We took some of this on from Ken, some of them on from Jennifer, it just depends but just making sure that all of those state and federal reports are submitted. Grants was something that has gone back and forth. At our first workshop, it was let's not do grants, there's not enough hours. Then it transitioned to, we are doing grants, we are working on a grant currently, and so I added in here to prepare and coordinate all grant fulfillment.

The way that this is written, it's really just to seek out and apply for the grants, but anyone that's worked in grants knows that the work is not done once the grant was secured, so making sure that all of the grant fulfillment is done.

I added in here again, this is what our scope included. It could be an entirely different vendor which is how it was prior to us. You worked with an agency at I believe is around \$5000 per month to handle this line item, and so marketing, PR, social media management. It could be one company, it could be multiple companies to actually do these various line items. Manage and

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 35

coordinate all aspects of the V&T marketing, which may include vendor coordination or personal execution of media by management, public relations, social media management, email marketing, website updates, and graphic design.

The way that I believe that this is written, it gives liberty to the person to just manage and coordinate not to actually execute. In most cases, with the exception of the media by we are executing. We do work in media by vendor which we do have a contract with to do our media buying. I know that prior management just kind of coordinated it, executed by an agency, so this one, I think it's okay to be gray. We're just making sure that the managing, coordinating is there. Then I added in contracts and RFP oversight, prepare and coordinate all vendor contracts and RFPs in coordination with the Commission legal counsel. One thing that came up through both the RFP and the contract in the budgeting process is, is this inclusive of all of the vendors required to do the things or is this coordinating the vendors to do the things?

An example would be asset management is on here and facility oversight. Does this budget and is this person need to account for the staff to say clean the bathrooms and does that budget need to cover that, or would the commission pay a janitorial staff to do that with the manager just overseeing it?

There's a few areas like that that just need more clarity on when that person comes in and says this is how much it's going to cost, they would have to seek out and see how much it is for a janitorial service and include it in their budget moving forward.

David: Can I just add? This is Dave. I just want to ask a quick question about that because I know this came up in the conversation that we had with Stephanie for the budget. I just want to be sure so everyone else understands. Are you recommending just using janitorial services as an example that that should not be a part of this? If we did this as an RFP, shouldn't be, but we should separately contract with a janitorial services firm. Is that what you're--

Allyson: I think there's arguments in both camps for this. For me coming in, it would have been a heck of a lot easier if I could look and see, who we were paying, and who we were having do these things as opposed to at all. Prior to me, it all ran through the manager, and it was reimbursed back. When I came in, I didn't know who was doing what, who was on first. For the transparency of coordination and I think it should be separate, I think that if you're coordinating and you're planning, and the hours included to do that, and that I would recommend the vendors be separate. Security could be another example. There's a handful of examples here. Polar Express staffing, again, another example of what you're running through the manager and what the commission is paying direct, I think it's more transparent for the commission to pay direct, but as a government agency, there's inherent problems with you guys paying direct. I think there's arguments in both camps for that.

David: Yes, because then the situation becomes are we having to put an RFP out every one of these services. Do we need an RFP to have a security company for the year? Do we need an RFP for the janitorial services?

Allyson: I think the amounts will dictate some of that too. Under a certain amount, we don't have to go out.

David: Maybe it's just an informal solicitation process. We can just get three bids or something. I don't know.

Allyson: From my understanding, and Mihaela, correct me if I'm wrong, some of it has been dictated the last two years of if there's a contract in place, there are some services, such as janitorial, where we're like, we need it cleaned. Great, we're there. They were just there power

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 36

washing last week, and so there's no contract there. Whereas the security company wanted a contract, and so that contract had to come to the commission.

David: That is correct.

Allyson: One last thing though is depending on the person and how this gets transitioned, the liability to carry is substantial. Again, as the scope went up and up and up, the liability that my business incurred, the weight was just too much. Just keep that in mind which decision you go because if you include vendors and all of this, it could be really heavy lift.

David: I want you to keep going, but as we're just chatting about these individual points in the RFP, we could with Tom have a discussion about is he willing to take some of these things on operationally. I don't want us to panic because if Tom's willing to take some of these things on and I guess that's where I think if we can sit down next week or maybe the second week, but next week I think we can mitigate some of the concerns perhaps.

If he already has people at the depot in Virginia City who do cleaning and ticketing, if he's willing to share the resources with us, maybe we can find some efficiencies with his own team and staff but having you maybe at that meeting would be super helpful, I think.

Allyson: Definitely and in the same vein, I learned this new word, the contract is silent to the topic of markup, it basically says I can charge what I want to charge. Had we say run janitorial through me, I can charge you the markup to carry that cost which ends up being more on the commission. Again, I'm conscious of that. I think that was the entire scope. I think, yes.

A lot of the rest of this is fairly standard. I think it does need to go through with a fine toothcomb because as you see, some things got dropped off as you went into the contracting phase. I think the two need to be in cohesion and match each other.

David: Thank you for walking through this and highlighting some of the areas of concern from the original scope relative to what you've been doing for us for the past couple of years. Any questions? Does anybody want to, since we have this in front of us right now, questions for Allyson? Anything that anybody sees that maybe is missing? It's perfect then.

Clay: No, I don't think so. I think probably what we should be thinking about is just are there ways to divide this up? Because I think that part of what makes it challenging is the broadness of the scope. If we can get more specific and group the scope in ways that make sense and divide it in ways that make sense, it's going to be more manageable. It's going to be a more bite size chunk that-- Then we can decide how-- The broader the scope, the more of a generalist you need or someone who has broad resources. Whereas if you can get more specific to a certain extent, it allows us to get people who specialize.

Allyson: That's how we do it internally. I handle board relations. That's my role. Leah handles operations. That's her role, and now accounting. We do heavily lean on Gabe for a lot of the asset management, the toilet's broken. I don't really want to hire someone to fix it. Can you look at it? Gabe has always just been so gracious to be there and to help.

We have a marketing person and she handles the marketing. We have a graphic design person. She handles graphic design. Then I teeter in some of these other things. We definitely have this divvied up internally, which could be my four buckets. We always go there, board relations, operations, assets management and marketing. I think that's an easy bucket system that you could potentially. Where it's going to be difficult again-- We'll see how it goes between the operations and the board relations if I want to talk to your boss and I am the boss, and then I pass it to David? Then where you got [unintelligible 03:12:42]. That will be an interesting scenario there. [silence]

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 37

David: Any other? Go ahead, Stephanie.

Stephanie: I just had one comment for just for the board's discussion. I do see some of these things that are really clearly more of an executive assistant or administrative assistant type of position, as far as financials, procedures, monthly commission meetings, community relations, grants, and maybe the overall contract oversight. I know we could discuss this further, but I feel like maybe some of the marketing we would go back to that contract-out type of scenario or something that can run through you guys.

I guess the one question that I would ask on the financials as we think this forward is, there was a lot of assistance from Atypical in working with Storey County, is now maybe an opportunity to talk about whether we need to continue that and provide a bucket for that new person to be providing those services, or is it something maybe Story County can take more of so that we don't have to add it to a different person and have a little bit more cohesion with it just falling under one? Just a thought.

Clay: We do have an MOU or an interlocal in that regard, which can be looked at if it's sufficient or not. One of my concerns is that, are the systems compatible enough that we would be able to get proper management through using an outside organization like a county, or does it make sense to pull more of those functions as in-house as we can get them. I just don't know. I think part of it as well is looking at division of labor. When we talk about someone like an admin person, the question is what's a reasonable chunk of this that would make for a full-time position, let's call it, that's not overwhelming them that they can manage effectively, but is also sufficient enough that we're getting our money's worth, if you will. Where do you draw those lines?

Allyson: With the accounting, the way that it is right now we do have some access to Tyler, but it's not full access. We did talk to Jennifer about trying to get more access in there, but actually, we do have two sets of books. We've got the one that Storey County does and then through the accounts payable. Every revenue that we send to Jennifer, Leah's putting it into our internal-- We're doing it on Excel spreadsheet. We were even just chatting through is that the most efficient way? Should we actually have a second accounting system to track those books because Excel has its problems? There's got to be a better way than the way we're doing it right now.

Clay: I'm sure, I'm sure. I just know in my interaction with county structure, despite the fact that you can create a module for anything in Tyler, which of course comes with a paycheck to a consultant to do it, but it's not always easy. Sometimes it's not the solution for something that has a very defined scope like the commission does.

Allyson: Between the banking system and the accounting, it took me 20 minutes to get my new credit card activated because I wasn't on here, and then I wasn't on there, and then I couldn't get online access to confirm a deposit, and then I didn't have the most recent statement because it was actually put in the wrong box up in Virginia City. It took a while for that authorization to happen. I'm billing you guys for 20 minutes just to get a credit card activated. There's got to be a better way.

David: What are we going to do about the p-card when you do walk off into the sunset because that's actually in your name via us, and everything is tied to that p-card. I do need to think about that before everything stops running and turning on and off because the credit card is going to be eliminated.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 38

Allyson: I wonder either there's-- Jennifer has a card and her limit is the limit that we have or we would see if we can up the limit on your card and transition it. I think treasurer may have a card now as well, but the limits there are only 500.

David: I just have 500.

Allyson: You'd have to get either--

David: It has to do with the personal piece, versus getting fully [unintelligible 03:18:05], which I cannot and will not do because of Wells Fargo's rules about merging the account. For me, that's a non-starter. I don't do that for territory either.

Stephanie: I know we've had challenges with some of the banking, but I wonder if instead of it, our auto pays being on a credit card, they could be on the account, and then it doesn't matter who has a credit card because they would draw it off of the account, not off the credit card number. Maybe there's an opportunity to make that change.

Allyson: We did. I can't recall the exact reason that the EFT wasn't doable. We can definitely revisit it because again, I don't recall what the issues were.

David: I think it's the difference between a credit card and a debit card. This is all coming back to me because for [unintelligible 03:18:56] territory. Even though it's Wells Fargo, we don't have credit cards. They are debit cards tied to the person regardless of the organization. Whereas these are credit cards. They don't function as a debit card. They're purely credit cards. There's some issue about-- I think this has to do with the state commission or something.

Allyson: I'm not authorized. I don't have a debit card. I cannot go into--

David: Access the funds directly.

Allyson: I just have the card, which I think is partially why I run into so many issues because I have very limited authorization.

David: I think this is going to be a whole other thing we do. We need a little time to figure this out. It only took six months to get you a new credit card from Wells Fargo. We do need to figure this out because otherwise we're going to have to take everything off the credit card and we're going to have to figure out a way to have them send us the physical invoices, but then they would have to be willing to receive a physical check from Storey County. We know for a fact some people won't.

Allyson: There's a handful of services that we used, such as Box.com, Mailchimp, transcription service, et cetera, that are paid via the card.

David: Well, let's put a 100K on the treasurers. Stephanie would love to have that limit. That'd be cool for her. All right. Any other questions on the scope? No. Do you want add anything else just before we move forward? All right. Well, again, I really appreciate you taking the time to go through this, and we value these suggestions from you as far as some changes and some considerations that we need to be thinking about moving forward.

Thank you. We're going to go ahead and move on to item 12. These are our discussion monthly non-action items. We'll go ahead and move on to 12 A, the operations report. I should mention that the late material was posted yesterday and it's in the back of the room. Allyson, I'm going to let you bring that presentation up.

12. FOR DISCUSSION ONLY:

MONTHLY NON-ACTION ITEMS:

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 39

**A. OPERATIONS REPORT – ALLYON BOLTON, ATYPICAL
CONSULTING AND EVENTS**

Allyson: Much to Leah's dismay, I'm going to talk quick just in the interest of time, and I probably won't dive into a lot of these things. Let's just say it was very busy March through April buckets that we mentioned. Really the biggest thing is we've got Mother's Day in a month here. We are changing a few new things. We did rebrand Mother's Day, and so you can see it there on the screen.

As opposed to just getting one stemmed red rose we actually have a really nice flower bar with wild flowers that everyone can pick what flower they want based on the ticket that they get. We also added the VIP table car, with that also has the private room option. I don't think we've sold the private rooms yet, but the VIP table car is selling fairly well. Numbers across the board are low, but we did talk to, and we'll get into marketing, we did talk to our media buyer.

A lot of the campaigns start this next week, and so we do anticipate that to things to ramp up. Also, what she has seen, she being our media buyer, is that Reno and Carson were always a last minute town, but even more so this year.

We've actually experienced that with a lot of our other events as well, that everything is extremely last minute. We are hoping to see that those numbers increase as that media buy hits. We have the Tahoe Auxiliary Health train, which is one of our private trains that is next week and then we did have the inaugural Mark Twain Days. We ran a preseason, if you will, just last weekend.

Numbers a little bit lower than we wanted to, but we went on sale a little bit later than we had anticipated. I did go on KOLO, we ran a promo code. They're our best efforts, but we'll call it a soft launch. The other big thing that happened is we got all of our orders in for what's called amenities through Rail Events. These amenities are any non-retail items that we need for on board.

The bells, napkins, cups, things like that are branded that we had to get that in in the last month I believe. All of those orders were booked. One thing that we're working with Leah Kruse on is the shuttle up in VC and just ensuring that we have that shuttle there, unfortunately wasn't there this last weekend due to staffing issues, which we've all talked about multiple times at this meeting. We do need to identify a solution there before Mother's Day, which is our next run.

Leah K: Let me just interrupt really fast. I apologize that it was literally the Friday of the Mark Twain train. She said, "I'm just not interested. I'm not going to do this anymore." We said, "Great." We are working on solutions. We will have answers for everyone on a shuttle driver. It's just hard to find a CDL person that wants to work some really funky days, but we're working on it.

Allyson: It's similar issues that we're having trying to find someone to help assist the weekend trains and staffing there. \$20 an hour doesn't go as far as it used to, so that is something that we are working on. We will be working on to establish assistance with the weekend trains. Here are our numbers. I did put in there last year's numbers just to connect because I felt like they looked a little dire, and I was like, whoa.

I looked at last year's and we're about the same. We are a little bit lower in numbers, the revenue's a little bit higher because we did do a price increase on the children's ticket. We went from \$35 to \$40 for a ticket. Then we do have that added options for the table car on Mother's

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 40

Day, which is why I'm anticipating that these numbers that-- Well, the ridership is down versus last year, the revenue is up.

Lots going down at the depot than the last two months. We cleaned everything out, we inventoried everything. Getting the retail order up and ready for Polar Express, really resetting everything for the general season. We did have a staff come out and do a deep power washing in the depot. There was lots of glitter for whatever reason. After the Polar Express, I don't know where the glitter came from, but we got the glitter out. Everything's clean for the new season. One thing that we'll have to, or in the process of working through, is that the janitorial service that we were using has a staffing issue. There's a trend here, and our rate doubled because they don't have a staff in Carson City. It went from 500 a month to a 1000 a month to clean our toilets and wipe everything down in the depot. In the depot they do the tables. They do it off.

Again, it's not necessarily cost efficient for Leah and I to be down there for two hours prior to the run. We're trying to see if there is-- It'd probably be the same about the 1000 a month from our janitorial service. We are looking for a new vendor to handle that, but we did have them come in to power wash to get it clean and ready for the season.

Ken will probably mention that there was a water system that was supposed to be in the hot chocolate room, or what we call the kitchen. It was never actually installed and so there actually isn't a sink there. There's a spigot that comes out. I call it the pot filler. That's what it looks like. That we use to fill up the hot chocolate, but I guess there's conversation that Ken is having to actually do a legitimate sync in there. then when we had Smith Electric out to do the hot cocoa room, two of our exterior plugs happened to be the two with the cameras that hit the walkway in between the two buildings. Those plugs are now dead.

While we added everything that we need in the hot cocoa room, we lost those two plugs. I do have cameras on the front, on the track, on the cars and on the back of the building, but right there in between the two buildings, those two are dead. We need to have Smith Electric back to look to see why those plugs are not working, lots on board relations.

David: At no cost, I would hope to us, since-

Allyson: We are hoping.

David: -paid for them to come out and actually provide additional power, not take away power.

Allyson: That's the hope. I am not an electrician and so I don't know the jargon here, but I know they added stuff. Leah might know better than I do. Circuits.

David: Circuits.

Allyson: Thank you.

David: It's the same [unintelligible 03:27:23]

Allyson: I knew they were [unintelligible 03:27:23] They added circuits for the hot cocoa room. We do need to test it again with the added car because with the added car we would need to add an additional water heater which, again, hits the circuits really intensely.

We just need to make sure that that can work. It's in the docket.

David: Thank you.

Allyson: I mentioned it earlier Roy Street is two months behind now. We just keep sending the reminders as best we can, and then we had some contracting and RFPs other than the general monthly stuff that we had for you guys. Then really the biggest thing is the digital and the physical files that are in the depot.

Been put off with all the recent transition of adding Polar Express to our bucket. It's a twofold thing. We need to have a records retention policy in place, which Jim did give us. I have

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 41

examples of them. That's been in our court for a few months now. To get that policy in place, and then Leah and Leanne will know what they can shred and what needs to be digitized. We were hoping to finish that project up before transition and just get that room clean. We have to refund back gift cards and finalize that as well.

That's on this month. Marketing, we have had a lot going on. We redesigned Mother's Day, we're working in the toast of the canyon rebranding. A lot of nonprofit and partner donation requests of coming in. We've been honoring most of them. Funny enough, I think we only had one redemption last season, so as many as we send out there to have auctions and donations, and things like that, they really aren't claimed, if you will, very often.

We did have an interview on KOLO. I was going to show it, but in interest of time I'm not, there's a photo right there. You can go to KOLOTV.com and you can watch the interview on Mother's Day. It's actually about a two and a half minute morning interview that we had regarding Mother's Day and all the fun new things that we have this year. Then we do have Northern Nevada moms. She is doing some PR around the Mother's Day train.

She's actually also actually been working with us for-- We have vendors at Mother's Day this year. Kacey from Northern Nevada moms is helping us connect with other mom-owned vendors to be there. Of course, I'm like, "What mom wants to work on Mother's Day?" We are going to have that where the rail bikes formerly were, we'll have some vendors in there. Created a partnership there with Kacey, but she will be writing, and she's advertising for the train. We had an **[unintelligible 03:30:05]** go out with the announcement of trains that went out on March 23rd, and that open rate, 51% is massive.

David: Wow.

Allyson: Then I didn't check the percentage increase, but we are up to 15,000 in our email database Here is the media buy. I am happy, I know, I understand that it is very small print, so I'm happy to provide this to anyone that needs it more in depth, but essentially we have a total budget of 75,000 between now and the end of fiscal for media buying and marketing. This buy here is for 35,000 and it's inclusive of the Mother's Day campaign as well as general season. Melissa and I are going back and forth about general season versus Toast of the Canyon, and what we want to brand, and what we want to market. Toast of the Canyon is part of our grant that we are writing to Nevada Commission on Tourism. The only thing that's running right now is our search and our retargeting. These are three-week numbers, and these are very, very good numbers for three weeks.

We've seen 465 clicks with 2,500 impressions. Then the most active, if you will, search term that they are seeing is the Virginia City train and V&T Railway, that's getting the most clicks. Then there you can see the retargeting there has 4,100 impressions. We do have our billboards, they just went up. They are in Reno. I can't remember what streets off the top of my head, but these are beautiful photos of them with the new branding. Virginia Street.

David: Must be big.

Allyson: Oh. Right by Atlantis.

David: I think that's Midtown.

Allyson: It looks Midtown.

David: Those are [crosstalk]

Allyson: Really good locations, with that fun new branding.

David: Cool.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 42

Allyson: I was going to play for you our radio spot. I'm going to skip it. If anyone wants to hear it, I will send it to you. It's a 15-second spot, and it highlights Mother's Day. The radio that we're running right now is for Mother's Day. It is running in both English and Spanish relative to the stations that it's running on. Then our 28 day overview on our website, we went on sale this last month. You can, of course, see right around when that happened with it going significantly up. They go to our website, they buy, so you see it there with the 27,000. She's trying to figure out, "Can we also do?" They click on a search campaign and then they go to the website and then they buy, and if we can also get analytics on that.

She's still looking into that and seeing if we can do it, but, of course, in the middle of all of this Google came out and said, "Hey, we're going to change analytics on you." We're working with both FareHarbor, Leanne with our team as well as Melissa to transition everything to the new G4 Google Analytics. I think that's it. [sighs]

David: Along those lines, I did get another email, and I don't know if you all are receiving those, because now I'm getting the G4 emails from FareHarbor with the [crosstalk]

Allyson: We have a direct contact that we're working directly with, Aubrey is her name now. We're working direct with FareHarbor on it.

David: Because maybe it's a question of we need to build out an attribution model. Relative to our campaigns, I don't know. I'm not acutely familiar with how our V&T Railway website works relative to my own for Visit Carson City, but it'd be nice to be able to trace back the revenue based on our campaigns because I think we're still missing. You're right, the search piece of this [unintelligible 03:33:44] [coughs] and maybe some of the social too.

Allyson: It's run through Antos Agency. What's interesting, we had Argentum, and Chad Antos worked for Argentum, but then they broke apart, so now we have all the files from Argentum, but we still have the relationship with Chad Antos for our website, and all of these. He's helping on one side of things with our website and whatnot. He was the one that initially put in the pixel for Google Analytics. He's just quite expensive now. Our website does need a lot of work. It needs SEO work, it needs some rebuilding. It's just the nature of websites, even though we did it three, four years ago. Things are moving so fast in this sphere that a lot of web developers aren't even touching WordPress anymore. On our end, it's really, really slow to update the website. Part of it could be the hosting that we also have, so we've also looked into transferring hosting, but our hosting right now is very cheap. The website could use some tender loving care should there be budget available there.

David: I agree with you, because I don't think we have WCAG compliance either at all, quite frankly, which I know is starting to crackdown on the state side of things.

Allyson: He goes in there probably once a quarter, and he does do some updates and some plug-in stuff, but it's dated

David: Well, thank you for that update. I want to thank you Tom and your team for the Mark Twain train. That was awesome. I mean, people already ready to sign up for next year's train. I really appreciate your team, and thank you for having the depot so nice and clean, and Gabe setting all the chairs and tables up. It was great, so a lot of smiles on people's face. Leah, thank you for hosting at Piper's. That was awesome. It was a great event, and I'm appreciative for everybody's help on that front. Any questions? I apologize. Any questions for Allyson on the report?

Allyson: I know I talked really fast, but I [unintelligible 03:35:59] [chuckles].

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 43

B. TRAIN OPERATIONS REPORT – THOMAS GRAY, VTRR

David: I'll talk really fast then too [unintelligible 03:36:02] you'll appreciate me. 12 B, train operations report, Tom Gray. Tom, you want to come on up? 18 was lovely with all the work that was done too, so I'll let you take it Tom.

Tom: For the record. Tom Gray, Virginia and Truckee Railroad. The Mark Twain was fun. That was a good train, a lot of VIPs, and I think they had a pretty good time. [clears throat] Number 18, we did a lot of work to it. [clears throat] We took the front end all apart and rebuilt it, and it needed to be done. That was a major undertaking. We had the perfect people in our shop to do that, and it ran really well. That part of the engine ran really well, so we feel pretty comfortable with it over the years as we keep putting the life back into that engine. It's a 100 years old or over that. It's not a completely rebuilt steam engine, but it's pretty darn good shape. We had the federal boiler inspections. We went through all the stuff with them.

I think this is the third or fourth year on the ticket. 29 goes out of service here in a couple weeks. We're trying to get an extension for the rest of this year on it. We have another locomotive we bought, we waited 40 years to buy this one, it'll be a nice backup for both lines. It's a modern locomotive, it's 1926. We were right in the middle of doing the original engineering work for it, the form [unintelligible 03:37:38], where we calculate the thickness of the boiler sheets and see if it's safe and suitable for operation. [clears throat] Let's see, what else? There's a lot in this meeting, wow. Rail bikes. When nobody showed up in February, I was asked to be on the selection committee. I talked about maybe we should participate, we should do that. It makes sense, from a business standpoint.

Even with the Virginia City train, how I work around the Carson City train, so we're not cannibalizing each other. We're supplementing each other. Mother's Day train's a great example of how we do that. I did actually invest in a rail bike, and they're shipping it out probably next week to us. It's a big rail bike. I don't know how it's going to be. I think that this year it'll still be a learning process as we get all the equipment in and get a process going. Robert's got a good system that they use, I don't know if it's the right system for up here, but I think these rail bikes-- We have the people to staff it up and we're already here, and we've been doing this for a long time. [clears throat] It's how to mesh a whole new concept with the big trains, the steam trains and the diesel trains, and also how to compromise the business.

You don't want to run maybe a rail bike on Mother's Day with a Mother's Day train. It's how it all blends in together, even on the Virginia City component, that's a big deal. We couldn't get down to our tunnel this year till about a month ago, so I'd walk down the tracks and I'd go, "This is a perfect place for a short rail bike." There's so much history here, so much stuff, then saying, "Well, we close down at five o'clock, maybe a six o'clock rail bike trip would be the perfect thing." Keep the businesses open there. It's all these little ideas we're trying to juggle around. [clears throat]

I've always thought on the depot operations, we do that any rate. We seat people, we sell tickets. We've been doing that for 50 years, so that's the stuff that maybe would take the burden off the commission more that we could handle. I don't predict like cleaning the bathrooms, [phone vibrates] but we have a big steam engine with a big hose that we can just [laughter] do it fast. We did it for a few years, it worked out really good. We opened up a small gift shop, and so we're there to help, with a lot of questions.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 44

The conductors are all dressed smart, iron shirts, brass or gold buttons, they have a lot of passion and enthusiasm for the train. I think there's a lot of synergies that we could maybe combine and do. There's things I don't do very good at all, so that's stuff maybe the commission does a lot better than I do. I'm certainly not organized like you guys. I'm a disorganized mess, but I get the job done somehow. This will be our 48th season. Well, thanks.

David: Thank you, Tom, and I appreciate your willingness to jump in on the op side as we figure out this transition piece. I just want to say thank you for being willing to take some of these responsibilities on. Like I said, I was super happy with the Mark Twain cocktail train. It was really good. Thank you for getting the 18 ready. I know that was a big push, and we started in April, which is pretty cool. Got all the snow out to the way. Any questions for Tom? Okay, thank you. We will go ahead and move on to 12 C. The engineer's report, Mr. Dorr, take it away.

C. ENGINEER'S REPORT – KEN DORR

Ken: A couple of things. Allyson mentioned a little bit about trying to get the water line hooked up, back in 2019 we issued a change order to ARMAC Construction to run a water line into the building, if you will. That's been put in. Now, typically what happens is, with the underground contractors, they just run a line in, and I've talked to ARMAC. They leave it at the building and then you actually hire a plumber to actually hook it up.

That never happened. I'm trying to see if we can get ARMAC to come out there and help us pothole, find where that line is because much to our chagrin, Gabe and I were trying to turn on and off the stop and waste valve to that line, recognized that it didn't go any place. The idea always been to get rid of the hose and the heat tape which supplies water into the building, which is a good idea to get rid of.

One of the things we did get rid of back in 2019 is the dirty water was being dumped via bucket on the ground, which we now have a lateral was put in there to drain that to the holding tank. We can not worry about the Health Department problem on that one, but the water line still needs to be fixed. We're going to investigate that. If ARMAC can't come out, Gabe's going to see if he can do a little digging around to find the end of that line, basically, we're going to probably have to get a plumber here, hook it up, and then hook it into the sink that's in the building. Anyway, it's simple stuff. It's just a pain. I was just surprised that it wasn't done until this spring and I saw that. What the heck? The other thing in your packet, I gave you the whole thing just to tell you how wonderful it is anymore.

David: Let me just interrupt a second. Only because this is late material, so I just need to-- For the record, the bid package was put onto the website yesterday and it is in the back of the room, but it is late material, so take it away.

Ken: That's what I was going to say. Before I talk about that, it's going to be really short, a lot of thanks to Carson City Public Works. They gave us a lot of the templates they have. Now, they typically don't ever, I didn't realize this, they don't advertise their own public works projects anymore. They go through the [unintelligible 03:43:38] site I think it is, which a lot of agencies do. That makes it a lot simpler, but still the Carson City Public Works staff gave me these templates to work with, and went through and utilized those because they're pretty well up to speed with current NRSAC requirements.

Then we did some reviews, and thanks to Mihaela also she was helping me with, is this law still current, I recovered on this and that. I think we were checking on one item because I took a look

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 45

at some of the verbiage in the instruction to bidders in the bid package from Carson City. They've got a requirement there that says that, a sub can do no more than 50% of the work, which I don't see in NRSNAC. I already took it out because typically what's going to happen is someone's going to hire a cheap ceiling contractor to do the bulk of this work, which is 95% of it. That being said, this is the little bit package that we have to put together. Looks very complicated, but again, having the templates really helps out a little bit.

Then in the back of the package, there's a couple of plans, a couple of different formats because I think I had several different [unintelligible 03:44:54] and so for some reason or another I specified a different output sheet, but that's easy to take care of when we actually get them printed. The good thing with those plans is that we pretty well had those pre-prepared previously, so there wasn't a whole lot of building them up from scratch. They went pretty fast. That being said, where we're set now is to go to bed, and this advertisement which we have will go on the paper, and it's being advertised twice a week apart, which satisfies the interest advertising requirement. Then [unintelligible 03:45:30] behold there're bids are supposed to show up in your office, David, I don't know if you saw that.

David: That's lovely. I'll be there.

Ken: If you want to advise your staff, if someone starts bringing bids in prior to June 7th, which is the day we need to open bids, and then I need about 10 minutes at your office at about 11:10 on June 7th to open the bids up. If you'll let me in there.

David: We will do that. Is there anything because we don't obviously handle these types of capital projects? Is there anything that my team needs to be aware of when the bids come in, if they're in person or mailed?

Ken: If someone brings a package in they're supposed to be in a sealed envelope, do not open that envelope, I will do that.

David: Okay. Are we providing any sort of, we received it, and signing, I don't know, is there a process?

Ken: If the applicant asks for a receipt, give him something, but I think you shouldn't have any issues on that. Chances are whoever's going to bring a bid is going to probably bring in about 5 minutes before eleven o'clock. [crosstalk]

David: It's just like a normal RFP. Fair enough [crosstalk]

Ken: Again, also, I did a little cost estimate spreadsheet, which that wants to why we got a little higher because I ended up with a-- When I actually put some line items there together, I felt a little more comfortable by using some different prices, and that's where we went from 150 to 158,875 is the engineer's estimate. I hope I'm high. I think I am. We'll find out. It's the only way we can do that. As Stephanie mentioned, a large portion of the project is to try to resurface and do some pothole repairs on Eastgate siding road between Flint Drive and the RV turnaround. I don't know if the board's entirely aware of this, but that is actually not our street or our roadway. In 2008, when we applied for rights of away, this is prior to the 2010 Land Act, we applied for rights of away in various locations from Bureau Land Management including a 50-foot right of away from Flint Drive on up to the [unintelligible 03:47:39] to support that road even though there was already a 40-foot access right of way granted previously two Carson City from the BLM. The right of way that the commission got expired, it was temporary. They said, "No, we're not going to give you a permanent right of way there." You have a temporary one, that went away then in 2013, I think it was.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 46

That is actually the city's road. Some of it is on the original 40-foot right of way grant issued to the city to support the waterline construction, and I'm not sure how that sits with where that Mason Dixon line is on the portions of the property that was transferred to Carson versus that one parcel adjacent to it, which still remains under BLM designated for disposal.

Stephanie: I wasn't aware that that right of way is Carson Cities. I'm not sure that we can send out a bid package for something that is a city without making sure that they approve of that. Just let me circle the wagons and I'll give you a call because I wasn't aware that that was not our right of way.

Ken: That's why I wanted to discuss it now. I did emails back and forth with Darren, so he should be aware of that. Again we can do the bid and then just say, "Sorry we can't do that additive because it's totally additive item anyway." The way that's set up. This is the way the contractor award document says that the commission has the right to order, to do the base bid, or the base bid and any combination of the additive bid that they want, which is standard format language.

Stephanie: Let me talk to them and I'll let you know.

Ken: Well, I'm hoping this, "Oh, we'll go fix that road, and by the way, [crosstalk]"

Stephanie: I'm not going to say that we would argue that somebody else wants to pay for one of the roads-

Ken: We don't want to pay for it.

Stephanie: -[crosstalk] responsible for, but I also don't want something to go out that people weren't aware of. That is on city property or city right of way if I didn't go through proper channels.

Ken: What happened when we basically built the base work before the depot at East Gate was installed, or anything like that, that came on a later project is we did do some resurfacing there because there was a couple pretty lousy dips, and we cleaned up a couple of those vertical curves and put a couple of culverts in there. East Gate was never intended to be a permanent depot. That was just a temporary access. We had been looking at the depot off of Drako Way at the time, and then alternatively, the East Gate expansion as a depot site. Had we ended up with the depot being the way it is now, then we'd have got that road widened at the same time. That's why it's so narrow. It actually is the city's problem. We're taking care of it because we're so generous.

Stephanie: I'll circle back with you today.

Ken: Thanks. I think that's really about it. I've babbled enough. By the way, you guys, I know it's frustrating sometimes, but thank you very much for your effort, really appreciate it.

David: Can I just follow up with a question with this whole, "the city owns the road" Can no work hypothetically be done? Even the filling of the potholes?

Stephanie: I just need to ask, because, typically, we don't let somebody else go on our property and just do construction without our permission. I know we're not there, but we're advertising it. I just need to make sure that I--

David: Advertising of the bid without some sign off by the board, maybe.

Ken: I think it's probably gonna be, like you said, they're going to say, "Fine, whatever you want to do with your nickel." Potholing repairs have always been me begging Public Works to see if you guys can come out and fix a couple of potholes in the past.

David: I see.

Ken: Public Works has always been extremely helpful and generous, and they've done a lot for this commission.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 47

David: Sure. I'm not saying anything negative about Public Works. It's just that we are suggesting, through this bid, we would fix the road, basically, and that's the issue.

Stephanie: Is access on and construction on city property and the liabilities that could be associated with that and just permissions that need to be obtained. That's all.

David: Sure. Ken, I just want to make sure I heard you right. As far as the bids, did you say they're due June 7th at 2:00 PM?

Ken: June 7th at 11 o'clock.

David: At 11 o'clock, okay.

Ken: I'm supposed to open bids at 11:10 I think.

David: 11:00 AM. Thank you. Thank you for the update and thank you for putting this bid document packaged together on behalf of the commission. Are there any other questions for Ken? Thank you.

D. UPCOMING MEETINGS

1. COMMISSION MEETING ON MAY 24, 2023, @ 9:00 AM.

David: We will move on to 12 D. Our next meeting right here in this room will be at 9:15 on May 24th.

Allyson: It won't be in this room. We'll have a 9:00 AM budget hearing in this room, and then our 9:15 will actually be at the depot, right?

David: Right. Don't we start the meeting here [crosstalk] or?

Allyson: Do we open the meeting here?

Mihaela: Well, depending on how the budget portion of the hearing was noticed. Is that something that's already been [crosstalk]

David: We had to, it's already been noticed for 9:00 AM.

Mihaela: It's been noticed, so it has to be 9:00 AM here, right? Does it say the location? I wasn't able to pull it up.

David: For the budget hearing, but we're doing it as two separate meetings. Do we start the meeting here at 9:00?

Clay: Typically with a hearing, we would open up the general meeting and then transition into the hearing. It's not a totally standalone meeting.

Mihaela: No, it's part of the meeting that we have.

Clay: Part of our general meeting. We open the general meeting here at 9:00 AM, conduct the hearing, recess the meeting, or whatever.

David: Then go over there, then come back.

Clay: Traveling circus.

David: It's going to be a circus. If only we could take a train to and from, or a rail bike to and from, that'd be great.

Mihaela: Something we may want to check on is whether we can have this meeting late here in case it takes longer and the room is still available.

David: Oh. We can think about that. I will retract my 9:15 and we will say 9:00 AM on May 24th, in this room.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 48

13. COMMISSIONER COMMENTS, ANNOUNCEMENTS, AND REQUESTS FOR INFORMATION

David: Excellent. Let's move on to item 13, commissioner comments or announcements, request for information. Does anybody have anything that they would like to add? Clay?

Clay: There's just one item I'm working on to get some clarification on, and that is getting some specificity on the Storey County rail tax. Our county code references the 1993 legislation that created this commission. It was actually the Tri-County Rail Commission at the time, but we are the current incarnation of that. The thing that I'm specifically seeking clarity on is, the county has dedicated a certain portion of that for underwriting ongoing operations.

Then the tax revenue has grown over the years to where it far exceeds that amount. What I'm not clear about is whether the current way that those funds are managed is in accordance with the way that the law actually was originally set up. I'm seeking some clarity from our district attorney up there. It appears to me in that old legislation, which is referenced in our county code as the underpinnings for the rail tax, that the way it should be-- That tax was created as a result of this commission being created. That the way it's supposed to be done is, we come up with a budget, we identify things to spend that money on, we divide it appropriately between the jurisdictions, and then we go and ask the county for how much of that money we need.

Right now, it appears the county is taking the lead in how the money is apportioned and spent, and I just don't know whether that's proper or not. This could have significant ramifications because if that money is passed through completely the last several years, that quarter cent sales tax is generating about three quarters of a million dollars a year. If it turns out that properly we are in control of that money as opposed to the county being in control of the money, then that would be available to us. We would have to properly budget it and then make the request, and it would go into the county's budget to come over to us.

David: That's huge, potentially. I don't know if it's okay if I could just comment on what Clay said. I was asked by my board behind the scenes about the 150,000 that we built into our tentative budget, why the whole 150,000 was being put in and not half to utilize some of the quarter cent sales tax from Storey County. Seems to be their understanding is that those dollars could be used jointly because I get that the parking lot is in Carson City, but that's what allows people to take the train and go up to Storey County. It's necessary for the overall experience, this is great.

Clay: I think it might be a tough sell, and again, that's why I want the lawyers to get involved. I think it might be a tough sell to do physical improvements outside of the county boundaries with money that's generated in a different jurisdiction. Again, I don't know exactly, but it seems to appear that we're supposed to come up with a total budget of, "Here are the projects we're going to do," and then we have to divide them out between the different jurisdictions and then go make the request.

The enabling legislation allowed each of the local jurisdictions to do bed taxes, sales taxes, all the different kind of bonding funding mechanisms as a way to fund those. The current guideline that Storey County's been using on that quarter cent sales tax separate from the operational piece, has been that it needs to be for projects that are specifically within Storey County's boundaries. I'll give you an example. I believe that money from that fund was used for the purchase of the Freight Depot, because that is seen as a rail-oriented project, but really doesn't have anything to do with this commission. Certainly, if it turns out that that was not proper, then there'll be some

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 49

shuffling around and putting money back into that fund, and so on and so forth. It'll come out of infrastructure [crosstalk]-

Ken: David, may I?

Clay: -improvements or something like that.

David: Sure.

Ken: You're probably aware of this, but maybe some of the other commissioners are not. The bulk of this project from Gold Hill to Carson City was funded by Carson City, except for federal funds. Carson City put in over \$21 million on this project. At the time we were in construction, 2009, thereabouts, I think, Storey County through that sales tax had contributed less than \$3 million, is what it amounts to. Recognize also, the Overman Pit is not anywhere near Carson City.

That first phase project was paid for initially by a grant from the Federal Highway Administration under the ICT program for an enhancement project. That paid for the preliminary engineering and the environmental assessment. The actual construction, once the design was done, was paid for almost exclusively by the \$4 million bond that Carson City Convention and Visitor Bureau paid to build that project within Storey County. Just to clarify that, I know what's been said. Personally, the using the funds by Storey County to buy the old Freight deal, I think was a great thing.

I think that's what the intent was. Don't lose sight of the fact that the primary funder of this project was Carson City, and I think that's been passed over by the years. The point that we're not going to pay for anything down in Carson City because they'll let them do their own thing. Wait a minute, guys, who paid for all that work in Storey County? Anyway, that being said, the tunnel is Lyon County, so I guess you could say the most expensive thing on the entire project, the five and a half million portion of the project was in Lyon County, no. They didn't contribute hardly anything. I've said my piece.

David: It would be great with the Overmen and some of the ditch work and everything that's in Storey County, Clay, as you progressed with your conversations. If those dollars were able to be used to do the, at the very least, the work that needs to be done in Storey County if it's determined it can only be Storey County. Is that something Storey County they can just pay for, whatever ditch work and Overman pit work? They would just work with us, we don't have to take the money, and then we have to figure out how to go out to get the work done or [crosstalk]

Clay: I'm quite sure we have to do it. If I'm reading the legislation correctly, we budget it and then we requisition the money.

Stephanie: The money from them to then pay.

David: That's great.

Clay: Well, and as we know this commission as well as the track has taken quite a few twists and turns over the years, and so there may be something subsequent that has changed that sometimes going all the way back to 1993 is not the best choice. As far as I can tell, in our county code, it's the only enabling legislation that's referenced for why this sales tax exists. If that's the case and it hasn't been changed at the state level since, then we have to follow the guidelines and the procedures that are laid out in that. I'm not questioning the decisions that have been made on how the funds have been used. I'm just saying if this is what we're bound by, then that's how we need to do it.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, April 26, 2023 Regular Meeting
Page 50

David: I don't think it was changed in 17 under SB 57. I don't recall in reading that legislation that had materially changed what we just spoke about how the money can be used. Unless I misread something.

Clay: It's a countywide sales tax, and so the biggest driver there is new construction out of TRI when they buy equipment. A lot of it is abated partially, but still that's what's driving it up significantly. It doesn't look like a spike. Three years in a row we've been right around 750, give or take. It's slowly moving up, but that's significant.

David: I knew if I hung around on the commission long enough that paycheck was coming.

Clay: Your commission chair Tesla is on order.

David: Oh. I get a Tesla to drive too. This is the best day ever.

[laughter]

Clay: It's our buy local initiative and Teslas for everybody.

[laughter]

David: Oh, this is great. Awesome. Well, thank you. That, that's great news. Clay.

14. PUBLIC COMMENT

David: If there are no other comments, we'll move on to agenda item 14, public comment. Anybody want to say anything? Awesome. Can I get a motion to adjourn?

Stephanie: So moved.

David: We are adjourned. Thank you everybody.

15. FOR POSSIBLE ACTION: TO ADJOURN