

NEVADA COMMISSION for the RECONSTRUCTION of the V&T RAILWAY

THURSDAY, October 25, 2018 @ 1:00pm

Carson City Community Center – SIERRA ROOM

851 East William Street (Highway 50 and South Roop Street) Carson City, Nevada 89701

AGENDA

1:00 PM CALL TO ORDER – PLEDGE OF ALLEGIANCE

1. ROLL CALL

2. FOR POSSIBLE ACTION: APPROVAL OF THE AGENDA

This is the tentative schedule for the meeting. The Commission reserves the right to take items in a different order to accomplish business in the most efficient manner. The Commission may combine two or more items for consideration and may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

3. PUBLIC COMMENT ON NON-AGENDIZED ITEMS

Discussion may be limited to three minutes per person at the discretion of the Chairman. No action may be taken on a matter raised under this portion of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken.

4. FOR POSSIBLE ACTION: APPROVAL OF MEETING MINUTES FOR

A. August 30, 2018

5. FOR DISCUSSION ONLY: FINANCIAL REPORT

6. FOR DISCUSSION ONLY: GENERAL MANAGER

7. FOR DISCUSSION ONLY: MARKETING REPORT

8. FOR DISCUSSION ONLY: TICKET SALES REPORT

9. FOR DISCUSSION ONLY: ENGINEERING REPORT

A. Maintenance update

10. FOR DISCUSSION ONLY: ATTORNEY'S REPORT

11. FOR DISCUSSION ONLY: NEXT MEETING DATE(S) & AGENDA ITEMS

A. November 29, 2018, 1:00pm, at Carson City Community Center – Sierra Room

12. COMMISSIONER COMMENTS

13. ADJOURNMENT OF COMMISSION BOARD MEETING

TITLES OF AGENDA ITEMS ARE INTENDED TO IDENTIFY SPECIFIC MATTERS. IF YOU DESIRE DETAILED INFORMATION CONCERNING ANY SUBJECT MATTER ITEMIZED WITHIN THIS AGENDA, YOU ARE ENCOURAGED TO CALL THE COMMISSION'S OFFICE AT 775-291-0208.

NOTICE TO PERSONS WITH DISABILITIES: MEMBERS OF THE PUBLIC WHO ARE DISABLED AND REQUIRE SPECIAL ASSISTANCE OR ACCOMMODATIONS AT THE MEETING ARE REQUESTED TO NOTIFY THE COMMISSION'S OFFICE AT 1711 CARSON CITY, NEVADA OR BY CALLING 775-291-0208 AT LEAST 24 HOURS IN ADVANCE.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY RECOGNIZES THE NEEDS AND CIVIL RIGHTS OF ALL PERSONS REGARDLESS OF RACE, COLOR, RELIGION, SEX, DISABILITY, FAMILY STATUS OR ORIGIN.

NOTICE: THIS NOTICE IS POSTED PURSUANT TO NRS 241 AT THE FOLLOWING LOCATIONS: STOREY COUNTY COURTHOUSE, 26 SOUTH B STREET, VIRGINIA CITY, NEVADA; CARSON CITY EXECUTIVE OFFICES, 201 N. CARSON ST. CARSON CITY, NEVADA; CARSON CITY CULTURAL & TOURISM OFFICE, 716 NORTH CARSON STREET, CARSON CITY, NEVADA; CARSON CITY COMMUNITY CENTER, 851 EAST WILLIAM STREET, CARSON CITY, NEVADA; WWW.VTCOMMISSION.COM; [HTTPS://NOTICE.NV.GOV](https://NOTICE.NV.GOV)

Certificate of Posting

I, Elaine Barkdull-Spencer, General Manager., Virginia & Truckee Railway, do hereby certify that I posted, or caused to be posted, a copy of this agenda at the following locations in compliance with NRS 241.020(3): Storey County Courthouse, Carson City Executive Offices, Carson City Cultural & Tourism Office, and Carson City Community Center. In addition, this agenda has been electronically posted in compliance with NRS 241.020(3) at www.vtcommission.com, and NRS 232.2175 at <https://notice.nv.gov/>. To obtain further documentation regarding posting or supporting materials, please contact Tiffany Dubois, Admin., Virginia City Tourism Commission at (775) 847-7500, tdubois@storeycounty.org.

NEVADA COMMISSION for the RECONSTRUCTION of the V&T RAILWAY

THURSDAY, August 30, 2018 1:00 p.m.

**Carson City Community Center – SIERRA ROOM
851 East William Street (Highway 50 and South Roop Street) Carson City, Nevada 89701**

MEETING MINUTES

Notice: Items on the agenda may be taken out of order; two or more agenda items may be combined for consideration; and items may be removed from the agenda or discussion relating thereto delayed at any time. This is the tentative schedule for the meeting. The Commission reserves the right to take items in a different order to accomplish business in the most efficient manner.

The following minutes are a summarized explanation of the topics discussed. A taped recording of these proceedings will be kept for review.

CALL TO ORDER

Chairman Dotson called the meeting of the Nevada Commission for the Reconstruction of the V&T Railway to order at 1:00 p.m. and called for the Pledge of Allegiance.

Pledge of Allegiance

A. ROLL CALL

Elaine Barkdull-Spencer called roll.

Chairperson: Deny Dotson - Present
Vice Chair: Nick Marano - Present
Treasurer: Joel Dunn - Present
Board Members: Jack McGuffey – Present
Stan Jones - Present

Others: Ken Dorr, Engineer
Michael Smiley Rowe, Legal Counsel

Public Attendance:

B. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION: APPROVAL OF THE AGENDA

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J. McGuffey made a motion to approve the agenda.

Second – N. Marano

Approved – Unanimously

C. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION: PUBLIC COMMENT ON NON-AGENDIZED ITEMS

Discussion may be limited to three minutes per person at the discretion of the Chairman. No action may be taken on a matter raised under this portion of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken.

Marsha Burges, Northern Nevada Railway Foundation, states they received a donation of a V&T Railway safe and have been storing it since the Eastgate Depot was not designed or secure enough to house the safe. She states now that the building is secured, they would like to move the safe to the V&T Railway. She states the safe is an 1868 Railroad Company safe with a picture of a train on the front with gold leaf. She provided the specifications for the safe. She states it was donated by Bill Hartman and his family and they wished to have it in the depot whenever the depot was secured. She stated she would provide the information for the person storing it and would like to pass it along to the E. Spencer to make arrangements to move the safe.

D. Dotson states the Commission would like to have the safe and believes it would be a nice addition to the depot.

J. McGuffey asks if the safe is usable.

Marsha states it is a usable safe and she has the combination. She explained the safe had shelving and drawers inside, but she does not know where they are now.

J. McGuffey states they'll need a forklift to move it.

Marsha confirms they will need a forklift or something of that nature to move it as it is about two thousand pounds. She stated when it was moved before, she had a company out of Reno move it before.

D. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION: APPROVAL OF MEETING MINUTES

a. July 26, 2018

S. Jones made the motion to approve the minutes from the July 26, 2018.

J. McGuffey and J. Dunn both abstained from voting as they were not present at the July 26, 2018 meeting.

Second – N. Marano

Approved – S. Jones, D. Dotson, N. Marano – Yes

J. McGuffey, J. Dunn – Abstained due to absence

E. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION: REVIEW PROPOSALS FOR AN ADDITIONAL SEPTIC TANK NEEDED FOR EXTRA CAPACITY AT THE V&T RAILWAY FACILITY

E. Spencer states her and S. Jones have worked together on this project. She explains the current tank must be monitored consistently due to the small capacity of the holding tank. She states the current tank only works for about two weeks and then must be serviced. She states there was a leak at one time but that has been fixed and the problem is still occurring. She states the alarm continuously goes off since the tank is full. She states they brought in K. Dorr to inquire about the history of the tank. She states it is a 2,500-gallon tank that was originally permitted just for the office, not for public restroom usage. She explained S. Jones has ordered low-flow toilets and fixtures for the restrooms. She states all the precautionary steps have been taken, but the best idea is to deal with the capacity issue. She states that K. Dorr believes the sludge in the tank has hardened reducing the capacity of the 2,500-gallon tank. She states that in speaking with volunteers and staff from Polar Express last year, the septic truck was out at the depot about every two days due to the low capacity of the current holding tank. She believes it is essential to be prepared for the larger capacity trains.

K. Dorr states he looked at the original plans and the current tank was meant to support one toilet, one bathroom sink and a kitchen sink, not public restroom facilities. He explained when the restrooms were built, there was no added capacity to accommodate those. He states he does not believe anyone anticipated the tank needing to be pumped as often. He states he believes changing the toilets and bathroom fixtures out will be helpful. He states the bottom line is that 2,500 gallons is too small to accommodate five bathrooms. He explains a contractor came out at one point and gave a proposal of about \$70,000 to remove the current tank and install a larger one. He states he believes that was too expensive and they came up with the other idea of adding this 5,000-gallon tank as a piggy back on the current tank. He states that would allow the current system to stay the same. He explained there is a water and an electrical line that will be relocated, but they are not big issues. He states based on that site, he submitted the application for the permit. He states he also submitted for the NDEP permit that will be required. He states they solicited proposals from three separate companies based on the idea they came up with but only received one bid. He states the bid they received was from ARMAC and came in under \$27,620 to add the additional tank rather than replacing the entire thing. He states he believes at this time, E. Spencer is just looking for input from the commission as to whether we should continue with this route or not. K. Dorr states that the next step will be submitting the NDEP permit application and explains the permit is a permanent permit, however it will require a \$200 per year fee.

J. McGuffey asks if the current system has a leach field.

K. Dorr explains that the Eastgate Depot was never intended to be a terminal but just a site for the train. He states they looked at the interim options when it became obvious that the depot would be used as a terminal. He states they looked at putting in a leach field, but it conflicted with some of the rights-of-way in place. He explained that Carson City also denied a permit for Pick-n-Pull to put a septic system in, so they also had to install a holding tank. He states to bring sanitary sewer would cost around \$4 million dollars.

J. Dunn asks if ARMAC was comfortable with this all being installed before Polar Express this year.

K. Dorr states he was.

E. Spencer states the estimate also included work on the existing tank and explains that will be for cleaning the existing tank out completely.

S. Jones states they have worked closely with Hugh Gallagher and he has stated that the funds are there and available to make these purchases.

D. Dotson states that he originally did not support this due to the \$70,000 price tag, however, looking at the documentation now, he states he is completely comfortable and has also talked with Hugh and there is money available. He states E. Spencer has done her due diligence.

J. Dunn made a motion to move forward with the proposal provided by ARMAC to upgrade the holding tank to 7,500-gallon capacity.

M. Rowe asks K. Dorr if the proposal is correct regarding the piece that says, "wiring by others".

K. Dorr states it is correct.

M. Rowe asks what the cost for the electrician will be.

K. Dorr states they do not have an exact amount on that, but he expects it to be under \$1,000. He explains that ARMAC does not have an electrical license, but he is willing to pull the permits and will hire an electrician to do that work. He explained the process and stated he would be surprised if that charge went over \$500.

J. Dunn states with that discussion, he would like to amend his motion to include the cost of an electrician and not to exceed a total amount of \$30,000.

Stephen Lincoln asks if the location site of the depot ever changes, will there be an opportunity to move any part of this system to recover some of the money being spent on it now.

K. Dorr states there was an area designated in the design for a leach. He states that is dependent on whether Carson City would allow that. He states if that expansion ever happens, hopefully, it will happen in conjunction with other development in the area where there is a need for sanitary sewer and we would then be able to tap into that. He states ultimately, they could put in a leach field for the expansion but would have to abandon this tank.

D. Dotson states in looking at the budget, he realized there was no line item added for the expense of pumping the tanks. He states going forward, that item should be included.

Second – N. Marano

Approved - Unanimously

F. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION: AUGUST 2018 FINANCIAL REPORT INCLUDING REVENUE AND EXPENSE TOTALS FOR THE MONTH OF AUGUST.

E. Spencer stated Hugh Gallagher was not available today, however, he will be here when everything is amended and balanced. She states she has been meeting with Hugh twice per week to ensure all the money from the different entities is being received and to go over the budgets. She states they received the money for the license plates in the amount of \$10,359. She stated she, and Hugh attended the special meeting with the license plate commission and they have approved moving the funds from Carson City to Storey County so that will be coming in regularly. She states revenue for August was \$202,387 and expenses were \$134,175 which included expenses from the previous year and month. She states August ended more than \$66,000 in the black. She states since the beginning of the train season the revenue for the train has been \$352,596. She states the credit card receipts in the bank right now are \$129,532. She states the total is nearly \$492,488. She states the expenses over all have only been \$171,000 so the balance for the trains and operation is about \$320,000. She states the train is still in the black but that is largely thanks to Polar Express. She states part of that is thanks to Carson City's contribution and states they are still looking forward to the \$125,000 contribution from Storey County.

K. Dorr stated that Carson City Public Works has been a tremendous help with this project. He states they rarely ever bill the commission and are almost always available to help. He spoke about some of the work they have done recently and thanked them for all the work they have done and continue to do.

J. McGuffey states maybe we should send a thank you or recognition for them.

E. Spencer states they are on the list for the Polar Express.

G. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION: ENGINE #18 STATUS UPDATE

N. Marano states he and E. Spencer went out to T. Gray's depot with the objective of discussing Engine #18 and when it

would be back on the tracks. He states T. Gray submitted a letter that he would like to read to be entered into the record. The letter states:

“Engine #18 Update for August 30, 2018. Commissioners, I was asked to speak at the July meeting about Engine 18 but was not on the agenda. I did show up half way through the meeting in case there were any questions, but several of the commissioners were already gone. Recently we have packed the throttle body lot and installed the throttle spool linkage and repacked the throttle stem. We have tapped most of the steam valves off the main turret and have reworked the boiler check valves. We’ve prepared the dome stud holes for installation and fitting of new studs prior to sealing for initial pressure tests of the boiler. We are currently preparing the inside door sheet corners to finish the hot rivet process. The post office lost the first batch of specialty rivets and we have obtained some more. The next milestone will be to initially fill the boiler shell with water. This past week, we jacked up the locomotive and removed some broken driver springs for inspection and rebuilding. We then took the #29 out of service in Virginia City to guarantee its use for the Carson City trains. We took advantage of a diesel weekend which gave us less than two weeks to find, ship, receive, remove, prepare and install some new boiler tubes. We also made some temporary repairs to keep the engine in service for the remainder of the season for the Carson City trains. We will however try it on the Virginia City train on Labor Day weekend. So far this season, I believe we have been able to accommodate all the riders who wanted to purchase tickets from Carson City to Virginia City, except for one day we chose to use two coaches due to the deteriorating condition of the #29. Forty-seven one-way bus riders were turned away. We have also been asked to use an extra car, when no passengers rode it. With the #29 and as it is less strain on the engine and we feel it would allow us to more reliably accommodate the entire season schedule. We have offered to use a third coach when passenger conditions warrant, which I believe was every time this season except once. The #29 has done a great job for decades and since 2009 has pulled most of the railway commission trains. As far as the scheduling question, nothing has changed. We still plan on using the #18 for the 2019 season. Respectfully, Thomas.”

H. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION’S ATTENTION: MARKETING REPORT BY ARGENTUM PARTNERS

Molly Ellery, Argentum Partners, provided a handout to the Commission which was an updated marketing plan for the remainder of the season. She stated the digital marketing has been saving money while seeing above average response from people engaging and visiting the social media sites. She explained all those statistics have been broken down into display and social ads. She explained working with E. Spencer and Candy Duncan to put together a marketing promotion for the West Wine Train which yielded a sold-out event. She stated the campaign included radio, traditional marketing and paid digital and social media. She stated a lot of the marketing has been used for the Toast of the Canyon Trains as wells. She stated everything in the marketing report provided is broken out to explain where ads have been placed and what those impressions look like, how much they are reaching. She states they have seen a great return on investment with those. She explained e-blasts are being sent out weekly and sometimes bi-weekly depending on the needs of the event. She states they are monitoring the events and if it is not performing as well as they believe it should, they’ll send an additional e-blast out. She states all the digital marketing is performing above average and that can be seen in the click throughs on the e-blasts, socials and with ticket purchases. She states the average open rate is 27.3%.

J. McGuffey asked M. Ellery to define open-rate.

M. Ellery stated open-rate is when an email is opened in an inbox rather than being deleted. She stated they are seeing a very high rate of opening the email and then the click through on the link within the email that sends them to the website to purchase tickets. She continued with her report stating in public relations, they have engaged a street team to distribute posters and Carson City has been extremely helpful in providing the posters, so they were available for the West Wine Train, melodrama trains, Toast of the Canyon, Mark Twain and the overall steam train. She states the posters were placed in markets across the region. In total more than one hundred seventy posters were distributed. She states there was some out of market media acquired with PBS Sacramento and White River Productions which runs the Trains and Railroads of the Past magazine. She explained White River Productions will be running a feature piece in hopes of gaining some of the media dollars next season. She states they have established and are continuing to grow the relationship with Lake Tahoe TV, KKOH and Biggest Little Radio. She states Biggest Little Radio has helped with ticket giveaways if we see a weekend that is not seeming so high on ridership, as well as, constant mentions so we are always in the public eye. She states Mr. Tyson appeared on KOLO and KKOH for the Toast of the Canyon train which went very well. She states there are two new Toast of the Canyon events on September 22nd and September 29th which will both be used for Yelp Elite events, which are people who help promote and tweet and share on social media. Each train will have seventy Yelp Elitists. She states they have also provided some creatives that have been put out through ad buys with various websites and the Nevada Appeal.

I. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION’S ATTENTION: GENERAL MANAGER’S REPORT

E. Spencer thanked the Commission for being easy to contact and for being available for various areas that needed attention. She thanked S. Jones for assistance with the facility and track maintenance. She thanked J. Dunn for assistance with the financing. She thanked D. Dotson with assistance with the marketing. She thanked N. Marano for

meeting with T. Gray regarding the Engine #18. She thanked J. McGuffey for assistance with assistance he has provided which he will speak about later in the meeting. She thanked all the contractors and commissioners for the great team work. She states there have been a few investments at the facility. She stated there are secure cameras at the Eastgate Depot which will allow them to see if people are coming around when no one is there and at night. She explained there are four new benches and it is starting to look like a depot. She explained there is now a stage for pre-boarding performances. She states there is a comedy show and it is on stage. She asked that one of the commissioners assist her with the Department of Emergency Management because the letter giving her authority to represent the Commission was not enough.

N. Marano volunteered to go with E. Spencer.

E. Spencer continued with an update on Polar Express. She states the full team has been pulled together and everyone knows their responsibilities. She states they have created a list of things that need to be fixed from last year and were challenges. She states the sound system has been ordered and will be installed soon. She states there are cordless mics and there will be speakers in the depot.

D. Dotson states he would like to be added to the calendar for the next Polar Express meeting. He states he was not able to make the last one, but he would like to be on the next one to participate and help with Polar Express.

J. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION: TICKET SALES REPORT

Candy Duncan provided an update on ticket sales. She states for regular steam and diesel trains a total of 4,249 tickets for a revenue of \$197,328.42. She states the last diesel weekend is coming up this coming weekend and tickets for those are about ninety for Saturday and nearing fifty for Sunday. She states they are receiving a lot of walk ups on Sundays. She explained the last Taste of the Canyon train was sold out at one hundred twenty passengers due to John Tyson participating. She states there is a melodrama coming up on September 15th and both trains are sold out due to the groups that are riding the train. She explained the new stuff done at the depot is great and looks like a party waiting to happen and invited everyone to come out and look at it. She stated the last of the special events are the September 22nd and September 29th events and then the Mark Twain train on October 13th. She believes that all those events are looking good right now. She provided Polar Express ticket sales which are currently at 1,352 VIP sold with 472 available for a total revenue of \$111,410 for VIP tickets. She states Coach tickets are at 1,863 sold leaving 10,527 left to sell and total revenue for coach of \$87,777. In total, 3,215 tickets sold and total combined revenue of \$198,187 for Polar Express. She stated compared to where we were at with Polar Express ticket sales last year, we are down, however, last year they began selling tickets in June and this year they did not start until mid-July. She stated we are only slightly behind this year and believes people will get tickets when people get kids settled into school.

J. McGuffey asks how many VIP tickets are available for the entire season.

C. Duncan states there are 2,734 VIP tickets available.

J. McGuffey states those tickets are about half sold and asks how many total coach tickets are available.

C. Duncan states there are a total 12,490 coach tickets for the Polar Express season. She states there is still work to do, but it will happen.

J. McGuffey asks when that tends to really pick up.

C. Duncan believes it will pick up September and October. She states as people settle into their fall routines and start thinking about the holidays, the sales will pick up. She explained that the first few years it sold out quickly because it was new, but now it has evened out more. She states one of the reasons they offer the twilight rates for Sunday and Thursdays are because those are usually the toughest to sale. She states the week leading up to Christmas is looking great though.

D. Dotson asks what we are spending on the marketing campaign and when will we start seeing that.

Mike Draper, Argentum Partners, states the overall paid spend is about \$45,000 and we tried to tie in as much as we could to promote the special trains and the Polar Express. He states because they are all together, it is difficult to say exactly how much of that is dedicated to Polar Express, but roughly one third of that budget is going to be spent for Polar Express. He explains they are reallocating those dollars as we go based on how events are doing. He explains that there is not a lot of Polar Express marketing that has gone out, as it is just starting to go out. He believes as that begins to go out and circulate, those marketing dollars will translate into more ticket sales over the next month. He states marketing now will be dual purpose with the first purpose being to promote whatever is going on and the second Polar Express. He explains both will be included going forward. He states that is just starting to happen.

E. Spencer states we piggy backed on the marketing with other trains. She explains they also must get approval from Rail Events for any marketing for Polar Express that includes more than just the dates. She states that is ready to send into Rail Events and should be approved after September 10th.

M. Draper states that is correct and is hoping it will be going heavy in September and October.

D. Dotson states sometimes with these events you can put it out there too early and lose some of the effect. He states sometimes it is better to wait until about the month before.

J. McGuffey states last year Walmart already had their Christmas decorations out after Labor Day.

J. Dunn states to keep in mind that most of the riders are return riders and some significant improvements have been made to the Polar Express. He suggested using that to reach the return riders to encourage them to come back and see

the changes.

M. Draper states we have e-blasts scheduled and we can use one of those to highlight the fact that all those things have been improved.

E. Spencer states she and J. Dunn had a discussion regarding the new marketing person for the Carson City Culture and Tourism Authority is going to start attending our marketing meetings, and it would be helpful to also have a representative from Virginia City Tourism Commission, so we can start the cross promotion throughout the remainder of the season. She believes that would give the marketing a big boost. She states her goal is to fill the trains to full capacity because without the third car, we are not breaking even. She states they need a minimum of one hundred fifty passengers to be in the black. She states with one hundred forty passengers, they are still riding in the red. She states because of that, they are going to have to use Polar Express money through the regular season. She explained Argentum has been great to work with. She states when she has asked them to take it off the events and put it on the regular runs, or whatever was needed to make the runs work, they have been great about moving the dollars around to make it work. She states she did have to decide and pull some of the Friday trains because each train costs a lot of money, but when if we can push the passengers to two days when we have the steam, we'll do it. She states with the third car, we are in the black and with two cars, we are in the red.

M. Draper states they have not begun their earned media push yet with Polar Express since the focus has been on the special event trains. He states the last two weeks of September will be a big push for earned media for Polar Express.

S. Jones states he was in Truckee at the chamber speaking to them and they are asking for information about the Polar Express. He asked that information be sent out to them.

M. Draper states they will get information out to them immediately.

K. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION: ATTORNEY'S REPORT

M. Rowe states everything has been slow and quiet, which is a good thing. He states he has been doing routine stuff like reviewing minutes and the agendas and nothing else has surfaced.

L. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION: ENGINEERING REPORT

K. Dorr provided a summary of the items he has been working on. He states the holding tank has already been discussed. He states they are working on regular maintenance and repairs, as well as, trying to finish up some of the work on the storm damage contract. He stated hopefully, thanks to E. Spencer and N. Marano, they will be able to get with Suse Cayote and get the money out of those completed projects soon. He states it is not a huge reimbursement, but it is around \$35,000. He states they are still trying to get the signal bridge moved from the Drako property. He states moving it was part of the sale contract, but explains he is trying to get it moved for free. He states they may have to help Robert Matthews with the crane, however, he will provide the tractor and the low boy. He explains getting the structure loaded up on a low boy may require a crane. He states if it comes down to it, the V&T Railway will have to pay for that since it is our obligation to get it off that property. He states there is a list of current slow orders for the Railway due to track issues. He states some of them are not necessarily slow orders but are more just for safety due to the steepness of the terrain. He explains he discussed the budget with E. Spencer because there were only two-line items in the budget concerning Gabe's contract and another for track maintenance. He states there was also a contract in there for himself budgeted around \$45,000, which he states is about double what he expects his services to cost the railway. He states he does expect to go over about \$20,000 unless the railway comes up with design project for him. He explained that he has provided a list of maintenance work items that he believes need to be completed, and after discussing the budget with E. Spencer, he believes there will be plenty of money available for those items to all be completed without having to defer maintenance. He states he would like to keep the deferred maintenance to an absolute minimum. He states they have ordered the ballast for the track, since it has not been spread on the track for two years. He states it is a needed maintenance item currently. He states Gabe will get the pre-emergent material ordered so it can get down in October. He states the cheat grass here tends to start growing in October after the rains start and they'd like to get ahead of it. He states he is confident they will be able to get most of this list done this year. He spoke about the gas pipeline that is being installed through the area by Paiute Pipeline and he does not believe, according to their plans, that it will influence the railway. He states he is keeping an eye on it and asked an inspector to stop by the project and monitor it. He explained that when the footing was installed for the bridge, some gas lines and fiberoptic lines had to be moved, and now this pipeline is being installed in the same area. He states it should be fine according to the plans that were submitted last year, however, he would like to just keep an eye on it to make sure. He states Gabe's work is all under way. He states they will have to provide an as built for the NDEP on the new holding tank after it is installed. He states Carson City will provide some inspection on that due to the permit that will be pulled with them, however, he believes they should have an independent person come out and do a formal inspection and it may add a little inspection cost, but not much. He explained the annual inspections will also need to be completed. He states they have done annual inspections to prioritize maintenance work that needs to be done. He explained the annual bridge inspection must be done in accordance with federal law. He states there is some work that needs to be done on the bridge, but it is mostly cosmetic.

He states the tunnel inspections and crossing inspections are not required by law, but that is part of the process we set up, so we can track what needs to be fixed. He explained the law does state that we must maintain our drainage, but it doesn't specifically say it has to be inspected annually. He states that to keep it maintained, it needs to be looked at. He states Gabe has done the work to maintain those. He believes that the railroad was well built, and the maintenance is what keeps it at a high standard.

S. Jones asks what needs to be done on the bridge.

K. Dorr states there is some rust on the bridge and there are a few bolts missing. He states it has both bolts and rivets, with the rivets being from the 1960's when it was built. He states the bolts were put on more recently. He states he will work with a former associate who he has worked with on the bridge and he will be consulting with him for the list of things that need to be done. He states the worst thing would be if we must get under the bridge because they'll have to get a permit to control the traffic. He states there is nothing structurally concerning with the bridge, it is just cosmetic.

S. Jones asked how much ballast is needed.

K. Dorr states it is about six cars or about 240 tons of ballast which is about \$3,000. He states the cost is about \$12.75 per ton. He states the ballast will be loaded at the north pole site near the pit. He states T. Gray will bring his ballast car down and park it there and it will be filled and then taken where it needs to go on the track and dumped. He states he hopes they'll be able to do about three cars per day since the cost to run the work engine is about \$130 per hour.

D. Dotson states this is the first year with the budget and things were put into different buckets where it probably could have been in a different line item. He states K. Dorr mentioned \$38,000 for track maintenance but the professional services included some hard costs for that stuff too. He states next year things will be more accurate.

M. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION: COMMISSIONER REPORTS & COMMENTS

J. McGuffey provided a report on the project he has been working on. He states he made an appointment to meet with the Governor's staff with E. Spencer and S. Jones to talk about additional funding for the train. He states E. Spencer is doing a great job with only having two cars and not having the steam train at will. He states we are not doing as well as we'd like to be doing, but we are doing better than the train has done in years. He states to finish the river loop the price tag is at about \$6 million. He explained to save \$1 million would take twenty years because we do not create that kind of revenue. He states since this is a state commission, he hoped to get the state more involved on a permanent basis. He states the Governor is a train fan and was happy to sign the SB57 bill. He states although the Governor was not available, we were able to sit down with his staff and discuss funding options. He explained they would like the state to provide an annual contribution to complete the reconstruction of the train. He states they provided the history they have on the train. He states the Governor's staff suggested many grant opportunities and will investigate additional funding options that may be available. He states the staff suggest we put together a two- or three-page proposal for funding. He explained the Governor has a fund that he can allocate to special projects as he sees fit. He states he was originally intending to request around \$1 million per year but was advised that he should consider requesting more since it is only for a two-year funding period. He states the staff explained that once you are into the program, you can continue to apply for the same funding every year. He states they were originally looking at a ten-year plan and were encouraged to provide that for a longer-term perspective. He states they would like to create a plan to complete the river expansion and then investigate rebuilding the depot in Carson City before moving up toward Virginia City and looking into the freight depot there. He explained ultimately, it is a matter of putting together the proposal and then getting onto that list. He states it does not guarantee funding, but it is a step in the right direction. He states they need to get onto the list before Governor Sandoval leaves since he is a train buff, but they'll have to continue with the incoming folks as well. He states it was also suggested that they create a BDR to submit to the legislature but will then need a sponsor for it.

K. Dorr states we are not starting at square one with the application to complete the river loop. He states there are rights-of-way in hand now for that project.

J. McGuffey states the rights-of-way are not the issue, the money is the issue.

K. Dorr states he understands but wants to make sure they know we are not starting from scratch.

J. McGuffey states he doesn't want to muddle it up with details they do not need.

E. Spencer states it is also the 150th anniversary of the railway from Carson City to Gold Hill. She states they have already started discussing how they will market that and believes it would be a great push for the additional funding. She states when she mentioned that in the meeting, that seemed to pique their interest.

J. McGuffey state that might be good to include in the proposal.

S. Jones provided an update on projects he has been working on with E. Spencer. He stated he and E. Spencer met with Carson City Public Works to discuss signage for the Eastgate Depot in July. He states they discussed highway signs and this week, they are almost ready to put the signs up.

E. Spencer states the idea was to put a standard recreation sign on the highway, but they do not have a template for a train or for Frisbee golf. She explained there are standards set by the federal government regarding the symbols that can be used on the signs and they do not have symbols to accommodate the train, so they are working on creating those. She explained the other work that will be completed by October.

S. Jones spoke to Carson City Public Works about the parking area and creating a barrier for the drop offs. He stated Carson City has a lot of barriers sitting in a storage area for the city and they will be donating those to the train to line the

whole parking lot for safety. He states Carson City Public Works has been great to work with. He also thanked K. Dorr for the assistance with the holding tank project. He states they have been working on facility issues at the depot. He states he got a discounted quote for the plumbing fixtures from Western Nevada Supply. He states they have also received a bid on replacing the door for entry into the ticket office. He states the benches were purchased and installed. He explained when ARMAC comes out to do the holding tank, we will be asking them to check into sealing the underside of the ticket office building as well. He states there is nice furniture that was repurposed from Cabin in the Sky and things are looking great at the depot.

K. Dorr states there is a twenty-one-acre right-of-way grant from the BLM on the east side of Flint Drive that we are supposed to be improving. He suggests the mound with the sign should be considered for that area.

J. Dunn discussed the funding from Carson City. He states four of the five members of the CCCTA have been replaced over the last year. He states the new board is going to provide great institutional knowledge and a love of Carson City. He states with that, looking at potential funding to offset the operational costs. He states there is a funding account that was set up during the recession. He states due to the shortfall in the economy, they were short on their bond payments. He states there was a second 2% of the room tax that was set aside to use to pay that bond payment. He states in the carryover account at the end of the fiscal year 2018, there will be \$575,000 in that account. He states he has put together an action item for the new board that will take the \$575,000, minus the \$100,000 minimum balance and the \$140,000 needed to continue to pay the bond payment, leaving about \$335,000 that could be provided as additional funding to the railway. He explains that amount would be split into equal payments of about \$65,000 per year to the railway annually. He states that is a little bit lower than what he originally estimated, but his original numbers did not take into consideration the minimum \$100,000 balance. He states it is an opportunity and he will discuss it with his board. He states his board understands the investment that has been made into the V&T as a community. He explains it is being reviewed by the Carson City District Attorney's office as their legal counsel. He states he did not hear back from them before the meeting today, but he states he is confident it will come back as a proper use for that fund. He states he was in a one-year contract and was asked to stay on and represent the CCCTA on the V&T Commission, however, there was an interest voiced by one of his new board members, so the new board member will be stepping in to take his place on the V&T Commission. He states this will be his last board meeting. He states they have a new marketing director that was hired from a national hiring campaign. He states they interviewed five candidates and offered the position to Lidia. He states she will begin with them on September 14th. He states she has been in the Carson Valley for two years and brings a wealth of marketing knowledge. He states the understand she has of digital marketing and geo-marketing, she will be taking us to a new level. He thanked everyone for working with them through the transition and states he believes the transition has been successful. He states he will be with the CCCTA through January.

J. McGuffey asks if it will be a commissioner on the tourism board or the Carson City Board of Supervisors.

J. Dunn states it will be from the tourism commission. He explained at the beginning of this process, his board chose him as the representative, but they new board has chosen the chair of that board to represent them on the V&T Railway commission.

D. Dotson states he has a picture of the die-cast of an old V&T wheel that was found in the Gold Hill Depot. He states it will be moved to the Eastgate Depot, so it can be displayed. He states it is not being appreciated in the Gold Hill Depot with little traffic. He invited everyone to get their Camel Race tickets for the train and the show in Virginia City.

N. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION: NEXT MEETING DATE AND POSSIBLE AGENDA ITEMS

This item was not discussed.

O. CHAIRMAN DOTSON BROUGHT THE NEXT ITEM TO THE COMMISSION'S ATTENTION: ADJOURNMENT OF COMMISSION BOARD MEETING

D. Dotson adjourned the meeting.