

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Tuesday, September 27, 2022, Regular Meeting
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A regular meeting of the Nevada Commission for the Reconstruction of the V&T Railway was held at 9:00 a.m. on Tuesday, September 27, 2022, 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/MediaPlayer.php?view_id=2&clip_id=2113

PRESENT: Chairperson David Peterson
Vice Chair Clay Mitchell
Treasurer Jim Wells
Commissioner Stephanie Hicks

ABSENT: Commissioner Deny Dotson

1. CALL TO ORDER

David Peterson: Good morning, everybody. I'd like to go ahead and call to order the Nevada Commission for the Reconstruction of the V&T Railway. It is Tuesday, September 27th. It is 9:06 AM. We are here at the Carson City Community Center, Robert “Bob” Crowell Boardroom. Allyson, could I get a roll call, please?

2. ROLL CALL AND DETERMINATION OF A QUORUM

Allyson: Clay Mitchell.

Clay Mitchell: I'm here.

Allyson: David Peterson.

David Peterson: Present.

Allyson: Stephanie Hicks.

Stephanie Hicks: Here.

Allyson: Jim Wells.

Jim Wells: Here.

Allyson: Denny Dotson. Not present.

David: All right. We have a quorum. If I could get everybody to please stand and we will do the pledge of allegiance.

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:

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David: All right, thank you. [unintelligible 00:07:29] has joined us. Thank you. All right. We'll go ahead and move on to agenda item four, Public Comment. At this time the public is invited to comment on or discuss any topic that is relevant to or within the authority of this public body. Any public comment? Seeing none, we will go ahead and move on to agenda item five for possible action, approval of minutes of the August 24th, 2022, meeting.

5. FOR POSSIBLE ACTION: APPROVAL OF MINUTES OF THE AUGUST 24, 2022, MEETING.

David Peterson: Allyson, I know we have some earlier edits on this, but do you want to hit those first, and then we'll see if anybody else has some edits? Do you mind? Oh, is there any edits, changes? Jim, I know you've got some, but Leah is going to cover those, Stephanie or Clay. Anything you want?

Jim: Let them take us through.

David: Perfect. Go ahead, Leah. Thank you.

Leah: Really hoping someone else would say them all. Just going to page five, line three should be sold not so old. Pages six and seven is escheatment. Did I pronounce that correctly? Great.

David: That was our new word of the day.

Leah: [crosstalk] Clearly, I did not know what that was or what it was or how to spell it. Page 10, towards the middle of the page, escheatment situation. It's not achievement law situation ends. [laughs] Sorry. Page 13, six lines from the bottom should be right of way, not right away. Page 14, line five, disk not desk. Six lines from the bottom, LCB not LCD. Page 16, middle of the page, railway commission, not airway commission.

[chuckles] I swear I read these. Page 17, line 15, exceeds not out seeds. Then, [chuckles] who is Glen? Near the bottom. [laughs] The transcription is going to love this when I'm laughing. Page 19, six lines before Nicolle, attendants not attendance - with a C not a T or no, with a T not a C. Page 27, line eight, graph not graphs. Page 28, middle of page, picket not pick at. If anyone knows who Glen is, let me know.

David: Thank you for those edits, Jim. Any other changes, edits? I'd be happy to entertain a motion then.

Clay: This is Clay. I move that we approve the minutes from our August 24th meeting with the noted changes.

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

Stephanie: I second.

David: Thank you, Stephanie. We have a motion, a second. Any further discussion? All those in favor say, aye.

All: Aye.

David: Any opposed? Motion carries unanimously. Thank you very much, everybody. We'll go ahead and move on to agenda item six for possible action. Discussion and possible action regarding the V&T statement of accounts payable checks paid August 1st through the 31st, 2022. In your packet you'll see the accounts payable checks they total \$393,043.70. Jim, do you want to add any context?

6. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE V&T STATEMENT OF ACCOUNTS PAYABLE CHECKS PAID AUGUST 1-31, 2022.

Jim: Nope.

David: Any questions on this item? Okay, if I could get a motion. Go ahead, Clay.

Clay: Sure. This is Clay. I'll move to approve the, I'm sorry--

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David: Payable checks.

Clay: Thank you. The payable checks as presented from the period of August 1st through 31st of 2022.

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

Stephanie: Second.

David: Thank you, Stephanie. We have a motion and a second. Any further discussion? I'm seeing none. All those in favor say aye.

All: Aye.

David: Any opposed? The motion carries unanimously. Thank you. We'll move on to agenda item seven for possible action. Discussion and possible action regarding the adjusted V&T fiscal year 2022-23 budget report for the period ending August 31st, 2022. You'll see in your packet you have a comparative statement of adjusted revenue totaling \$157,843.36 with expenses totaling \$100,174.87. Oh, go ahead, Jim.

7. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE ADJUSTED V&T FISCAL YEAR 22/23 BUDGET REPORT, PERIOD ENDED AUGUST 31, 2022.

Jim: This was sent in before I had a chance to go through and update for the July and August train revenue. For the regular ticket sales, as of the end of August, we are at \$70,407. We have \$361,150 in Polar ticket sales, \$67,370 in the historical fees related to Polar, \$12,610 in parking fees for Polar. We had a couple more checks for rail bikes. The total rail bike revenue as of August 31st, \$6,785.87. That includes the check that bounced at the end of August so that there's a slight change in the revenue for the rail bikes. On the expense side, there's some additional credit card fees related to the purchase of tickets. Total expenses for the month are \$84,000 instead of the \$70,000 or \$72,000 that you see. Total expenses now are at \$174,168. Actually, that has some of September stuff in it, but it was about another \$8,000 in expenses. We're doing really well, but that's because all of our revenue comes in and then our expenses go out down the road. We've got a lot of the money in for Polar that was not reflected on what's in the package.

David: That's just due to the timing of everything.

Jim: Yes. When we have to submit things versus when I get the bank statements and have time to-- It took about four hours to do August.

David: Oh, wow. Thank you, Jim. Can we approve, Jim, are you comfortable to approve the motion as it is and then we'll true it up?

Jim: Yes. You'll just see it; you just won't see the detail in September because it's all related to August. I thought I'd put on the record that we have money in August. It would just show up in the total balances in September.

David: Question, Allyson, what percentage of the tickets have we sold for PEX through last month, or were 60%, 70% of the tickets sold?

Allyson: His numbers are also going to be different than the numbers that I just pulled because my numbers are right now. Right now, we're at 87% sold out.

David: That's great.

Allyson: With 2,000 tickets remaining. Out of the total of 12,000 tickets. Some of the other revenues have also gone up. For example, parking right now is at \$17,000.

David: Great. Thank you.

Jim: I won't do these until middle of October, and I'm hoping that we'll get the bank statements more

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frequently now. It took forever for us to get July and August. I have sent this up to Jennifer who's handling all of our stuff right now while the new treasurer gets situated in his office. When I get the September bank statement, then I will work on the September ones as my free time allows.

David: That's great. Well, thank you, Jim. I really appreciate that. Thank you for your time on this. Any other questions on this one? Oh yes, go ahead, Stephanie.

Stephanie: On the vendor list that's attached for fiscal year '23, we still have the Law Office of Michael S Rowe on there. Should we be changing that to Carson City for the attorney services?

David: Yes, we should.

Jim: We'll still have Mike because he had July. We'll have him on there for the rest of the fiscal year but actually, I'll add a few because I think there's a couple more contracts on today.

David: Thanks, Stephanie. Anybody want to make a motion on the budget report?

Clay: Sure. This is Clay. I'll move to approve the budget report for August 31st, 2022.

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

Stephanie: Second.

David: Thank you, Stephanie. We have a motion and a second. Any further discussion? I'm seeing none. All those in favor, please say aye.

All: Aye.

David: Aye. Any opposed? Motion carries unanimously. Thanks again, Jim, for your work on this. I really appreciate it. We will go ahead and move on to agenda item eight for possible action. Discussion and possible action regarding the Polar Express North Pole construction and maintenance proposal presentation and possible contract. Allyson, I'll just turn this one over to you to set this up for the commission if that's okay.

8. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE POLAR EXPRESS NORTH POLE CONSTRUCTION AND MAINTENANCE PROPOSAL(S), PRESENTATION(S) AND POSSIBLE CONTRACT.

Allyson: Sure. Two months ago, we sent out an RFP for maintenance and construction of the North Pole for the Polar Express train ride. Proposals were due last week, and we received one proposal from Coons Construction. I do believe that they are here in the room today. If they would like to come up, I'd like to allow them the opportunity to chat through their proposal and then open it up to questions from the commission.

David: That sounds great. Do you guys mind coming up? That would be super. Thank you. [silence] You just have to push that little button, so it turns green for you. There you go.

Allyson: Welcome, guys.

Ryan: Good morning.

Allyson: Good morning. If we could, would you just introduce yourselves and introduce Coons Construction for us?

Ryan: I'm Ryan Coons. I am a manager at Coons Construction currently, and this is Max Ramsey. He's one of my foremen. What was the rest of the question? I'm sorry.

Allyson: Just maybe a sentence or two about Coons Construction and then if you wanted to-- Yes, go ahead.

Ryan: We're a general contractor. Been in business for about 30 years and mostly do dirt work. We also have a quarry right there that is where the Polar Express actually is. That's part of our business as well.

Allyson: Great. Do you want to do a sentence or two about the proposal itself and then we can open it up to

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questions?

Ryan: What about the proposal?

Allyson: Anything you'd like to touch on. If not, we can just go straight to questions.

Ryan: I don't really have anything to touch on currently.

Allyson: No problem. Well, thank you for submitting your proposal. We really appreciate it. At this time, do any of the commissioners have specific questions for the men here?

David: Yes. Before we take a question, I thank you and your family, obviously the North Pole, we construct that on your land up there. You've been gracious enough to allow us to do this for however many years it has been a lot of years. I want to thank you and your family for that. Ken, do you want to add something?

Ken: Yes. I don't have a microphone.

David: Just use that one.

Ken: Just Ken [unintelligible 00:19:14] we've worked with Coons Construction, the commission has on a number of projects and they've been great. They basically did the reconstruction of the Overman Pit. It was the biggest project, but we've had small projects that they've helped us out with. Obviously, their assistance at the North Pole site, in addition, they also supply the ballast for us, for both us and for Tom. These guys are good.

David: Thank you, Ken.

Ken: Just my two cents worth.

David: That was like four but give them the benefit of the doubt.

Ken: Now I'm broke.

David: We're broke. Well, thank you, guys. If any of my peers have any questions on the proposal, please feel free to speak up. I have a couple of questions, if I may, so in the original RFP, this would be for three Polar Express seasons, and so on the pricing side of things. Do you see that proposed cost similar for '23 and '24? Do you see a small increase, an inflationary increase? How would you?

Ryan: As far as that goes, I mean, the main thing is the readiness of the materials that we may need, and that's constantly an issue in construction right now and in our everyday lives. The only increases I could see were if those products weren't available and we had to go further to get them out, I don't see above and beyond that anything.

David: Okay. That's great. Do you guys see any challenges with getting this up and running in time for this season? You feel you've got sufficient time to make this happen?

Ryan: My only concern is just being able to work with some of the people who have put it up or have a plan. There's not really a plan that we can look at and say, "This is what I need to build."

David: Sure.

Ryan: That's what we're used to, but we're easy to work with and can go with the flow, and if there's some good direction from anyone previously has done it that can-- This first time, give us the guidelines basically to put it up. That's my main concern and in the work, we do, here's the plan, here's how you build it, here's the parts you need, go. There's not really that, but I don't see it as an issue. I've been on the Polar Express several times. We do maintenance up there. When it gets wet and cold, there's some ponding that occurs up there, and throughout the summer and fall and everything.

There's usually every winter we have to go up there about the time it's set up and just do some heavy equipment work, bring in rock or asphalt, grindings, things like that. I don't know where I was going with that.

Max: We have pictures. We looked at the pictures of the general setup.

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Ryan: We went up there this morning.

Max: We went up there again this morning just to see how everything was laid out, see what's been torn up or moved around because people go up there and such. As long as there's, I mean if there's changes or whatever if we have them in time or we just go off the pictures that we have. I don't see a problem with it as far as cost things everybody knows ladders out through the ceiling one day, and then it's okay and drops a little bit, so that would be my only concern as far as year two and three. Also, we all know that we haven't had any snow or decent winters in a couple of years, and it could happen, and we could have more winds and more snows, more water.

The material cost if something happens, but as far as them being built correctly, I think that's going to fall a lot on me, and I'm very confident that everything's going to be all right, and I live right across the road from it, [laughs]. Where I'm from, VC.

David: That's great [unintelligible 00:23:32], and Tom is sitting behind you who is, has been kind enough to put this up for us in the past too. I'm sure if you know you had a question or anything, Tom would be happy to give you an answer, two or three. And Allyson, of course, can help as well with that. We don't want you to feel like you're just doing this on your own, so to speak.

Max: I think I actually built the restrooms for Tom [laughs].

David: Oh, okay.

Max: At the thing [laughs]. Concrete Bathrooms with Jim. Yes. It's been a while, but I think we've worked together before.

David: That's great. Any other questions for these two fine gentlemen? Okay. Well, thank you for submitting the proposal. Allyson, anything you want to add?

Allyson: One of the questions that I had was because I understand that this is an elusive project for y'all right now. It's hard to estimate the hours you'll need to put forth, so looking at the cost proposal, it's very heavy on the setup labor. Do you guys, generally, would it be billed like a flat rate for that, or would it be billed the hours at a not to exceed? Or what is generally the way in which you do that? Meaning, if we go way under, would it be under the budget proposed, or if we go over the hours, would we then be over the budget proposed?

Ryan: I'm not completely sure how that would work contractually because we don't know how much time it's going to take, so we have to make our best guess. I think if it actually takes more time, then we're going to end up eating that. Right? But if it takes less, then good on us for putting more labor up there.

David: Sure, sure.

Ryan: I don't know what it's going to take. I think we had to try to cover ourselves on that.

Max: I mean just the man time back and forth maintaining through the season.

Ryan: That's all broke up, and it's different.

Max: Yes, different areas. It's all broke up in different stuff, but it could be-- If we get a snowstorm, some of the buildings are going to be-- The snow blows up against it, we're going to have a few more hours cleaning off the buildings, doing whatever. We're going to paint some more of the concrete stuff that's up there to make sure that everything is-- I don't know, my mind just went crazy this morning on what I want to do and paint and this and that up there [laughs].

Allyson: Great [laughs].

Max: Yes, so we went up there this morning and talked about it. There's just some things that we'd like to do, but with where it's at and as far as the man-hours going under, we just don't know.

Ryan: It's definitely a discussion we could have. We're not opposed to that. I understand it's for the

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community, and we're very involved in community-based things. As far as donating and stuff, I believe a lot of the work that we've done up there just to get rid of the mud and stuff has all been donated previously, and it's like every year. I don't have any problem doing that, and I know my family who I work for doesn't have any problem with that. That's definitely some-- It's mainly for the kids. I get it's a business too. I want to see it succeed as much as you guys do.

David: We certainly appreciate that very much, so thank you. I have one last question. Is there anything you guys would change design-wise or set-up-wise? Just enhance the experience, make it better? Anything you see maybe being done differently moving forward?

Ryan: I think it definitely can be built on. It's going to take us getting in there and seeing what it is and then seeing what kind of budget there is. I've seen it, I've been on the train several times, but without it being set up, I can't really, and as we're doing it, maybe we can just build a sketch. This goes there, and I don't know, maybe Tom has that already, that, this is building A, building B, building C, this is the pieces that go together. I'm not sure if we have that, but there's always things that can be better. I don't know what that is currently, but I think once we get it set up, [crosstalk].

Max: The time moving the blocks and then just doing, I was thinking there's the two big trees in the beginning, but it's just like, you come around, and you come into it. It's just I was--

Ryan: I have young kids. It's a magical thing [crosstalk], especially when it's cold out, the windows are foggy, and you can't see, and all of a sudden, there's big light.

Max: I was thinking like a couple of smaller trees building up to the two big trees that are there, as they come in. It's a transition instead of just boom, it's magical though, with all the kids and stuff.

Ryan: For sure. It's a cool thing. I have younger kids, and it's a cool thing for me to take them.

David: Kids right here that love this thing too.

Ryan: No, it's a great thing, for sure.

Max: They brought it up to me and I was like, "Oh, back to being a little kid again." [laughs]. It's Christmas, we've all been through a lot in the last few years. It's Christmas, and everybody can get out, and we'd like to be a part of that.

David: Cool. We're looking forward to it. Excellent. Okay, well, thank you. Anything else? We want to throw a motion out there? Anybody?

Jim: I guess my question is, what's the process from here? If we accept the bid, is the motion then to create a contract?

David: Exactly. To give me permission to sign the contract on behalf of the commission, which I can work out with Mihaela, Allyson, and [unintelligible 00:29:42] team. We're ready to roll, basically. That would be what I would ask because to bring this back again, it'd be too late in the game for us.

Jim: Understood.

David: If you're comfortable with that. With the idea that we're following the scope of work, so it would be for three seasons. We also have a provision, I think, for three additional seasons but we will deal with that down the road.

Jim: Is there a need to reference any sort of reopener or based on the first year's experience providing some flexibility if it ends up that the scope is substantially different than anticipated?

David: I think that's fair. Yes. Especially if you guys see, maybe we come across some things, and you want to change it moving forward. We could always do an amendment too. I like the idea of some flexibility in there for these guys, but if we do it and, Jim, step in if we take this cost, the \$44, \$46 times three, that does give us some flexibility even to where we could probably easily get through the second year of this before we might

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have to do an amendment for the '24 season. Calendar 24, so we'd have some flexibility at least for the next year [crosstalk]

Jim: What you're saying, we're approving a total cost for the three years.

David: That's what I would like to do based on the RFP if you guys agree with that. Go ahead, Stephanie.

Stephanie: I was just going to add, maybe we could put in some percentage contingency that David could approve without it having to come back to the board. Like if we approve it for three years at the \$44 and change with an allowance not to exceed a five or 10% difference that the chair could sign without it returning to the board.

David: Sure.

Ryan: Unless there was something drastic that's going to happen, I can pretty much work with anything so pretty confident in that number.

David: Oh, okay. We'll appreciate that for sure. Go ahead, Jim.

Jim: Here's what I would propose that, because we don't have it, second and third year, what I would do is I would just round it up to \$140,000 not to exceed for the first three years that builds them in some inflation in the second and third years if it's necessary based on product costs. That gives you about \$6,000 in contingency money and a round number for the three years.

David: That sounds fair and just have it as a total not to exceed so we can have some flexibility between the three fiscals. That works for me. Would that cover your concerns? Just about having some flexibility in there?

Jim: Yes, sounds great. Sounds great. Jim, what would that sound like in a motion?

[laughter]

David: That's an excellent question. Jim.

[laughter]

David: Spoken like a true politician.

Jim: I would move the commission accept the proposal from Coons Construction, for the North Pole construction and maintenance for the next three Polar seasons, '22, '23, and '24 with a possible extension beyond '24 subject to the extension of our Rail Events contract. Allow the commission chair to negotiate the contract with a not to exceed total of \$140,000 for the initial three years.

David: Super. That was a beautiful motion. I will happily and gratefully second that motion. We have a motion and a second. Any further discussion? Seeing none. All those in favor say aye.

All: Aye.

David: Any oppose? Motion carries unanimously. Thank you, gentlemen.

Ryan: Thank you very much.

David: Appreciate it. Thank you for the bid. Looking forward to working with you on this, so thank you.

Max: We're pretty excited actually.

David: Thank you. You see, it's a nice group of people. They live really like kids up here.

Max: You see this guy in every parade.

David: I'm so sorry to hear that.

[laughter]

David: We can keep them away from you at the North Pole if you want.

Max: You have so many friends. It's good to see you after all the time.

Ryan: Thank you.

David: Thank you, guys. Appreciate it. Thank you so much. We will go ahead and move on to agenda item. Oh, I'm sorry, Stephanie. Yes, please. Sorry.

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Stephanie: I just wanted to mention that we are recording this meeting, but the live broadcast is not working at this time. I think the way its agendized, that's fine but just wanted to make a note on the record.

David: Oh, is that why that went dark earlier?

Jim: Maybe.

David: [unintelligible 00:34:33], you're good with that? Wonderful. Thank you. Thanks, Stephanie. I didn't realize that so thank you. Let's move on to agenda item nine for discussion only. Discussion and update from the Virginia & Truckee Railroad regarding Engine 18 boiler inspection report. Tom, will you just walk us through what you did and tell us if there's any issues, concerns, high level for us that'd be super. Thank you, Tom.

9. FOR POSSIBLE ACTION: DISCUSSION AND UPDATE FROM VIRGINIA AND TRUCKEE RAILROAD ("VTRR") REGARDING ENGINE 18 BOILER INSPECTION REPORT.

Tom Gray: Good morning. I'm Tom Gray, Virginia & Truckee Railroad. Let's see. Basically, once a year we're under the code of federal regulations, CFR 49, and the section is 230 regarding steam locomotives. Before 2000 I used to do it, before the ICC Interstate Commerce Commission standard. They changed a little bit. Basically, we do a lot of different inspections on the whole railroad, but specifically on the steam locomotives, Engine 18. We do an annual inspection every year, required annual inspection and basically, I schedule that at least a month ahead of time. Usually in December, when we're down running the locomotive, we dry it out, we wash the boiler, and we dry it out and then we fix some things.

Then we schedule an annual inspection with the FRA, and they show maybe in April or so when it's a little bit warmer weather. We put everything with the locomotive back together. We filled it up with water, we test it, and then we heat up the water to about 100 degrees, and then we hydrostatic pressure to test the boiler in front of the inspectors. We do that on our own too. We'll squeeze it to about 1.25 times boiler pressure, which is around 227 pounds. We hammer test all the 1,500 stables inside and out and, we look for leaks, any indications of anything. Then, we will drain the boiler, dry it out, and then we open the boiler up, take the dome cover off, and we actually go inside the boiler.

Right now, we're using high-definition cameras. We'll look at the interior of the barrel, of the boiler, of the seams, the front and rear tube sheets, all the boiler braces. We tap all the boiler braces to be sure they're still tight and functioning correctly, and just look for anything unstable. One of the main things we do on the boiler is, it came from a [unintelligible 00:37:14] that had really bad water, really stale. Virginia City has really great water for boilers and we actually, I think we have the best drinking water in the country a lot of times. Basically, when we use the 18, we fill it up in Virginia City, and then we'll top it off in Carson City if we need to from that well water there.

It helps us keep the control. We change the boiler treatment now to, we use LSB. It's a polymer product developed for nuclear submarines, and it's really a good product. We don't have a problem with the total dissolved solids. We don't have enough boilers. We blow them down and get some of the sediment out. This product will actually peel off some of the existing boiler scale so you get better heat transfer which if you don't have good heat transfer, you think about it, the heat in the firebox will melt the steel. You need a thin piece of steel that's rapidly cooled by water, and if there's scale build-up, it doesn't cool off as well and deteriorates prematurely.

We have oxygen pitting and all sorts of little things, but we keep the alkalinity or the pH level up about 10 or

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11 and the P alkalinity, we monitor that pretty closely. We want that to be 150 to about 300. We had chemicals and tested every day. That's part of the boiler inspection process when we go inside to look to see if we're having some good results. A service day on a locomotive if there's heater fire in the firebox or pressure and that counts as-- Every 15 years we take the boilers all the way apart and re-engineer to see if they're good for another 15 years. We recalculate the strength. We need a four times safety factor. If we run a 200-pound boiler pressure, we need 800-pound boiler, like the 29.

Let me read off some of the functions for the annual inspection report. It takes quite a few days. We hydrostatically test the boiler, and then we wash it. We have water gauges on there that we have to take apart and we have to clean the spindles. When we got the locomotive of 18, the fireman's water gauge was totally clogged. Even though the reports say such and such, we actually had to drill it out. That's a really important thing because that's how to keep enough water on top of the fire sheets and you take the gauges off every year. We dead weight test and we have a little dead weight machine.

There's two air brake gauges and two steam gauges. We have to test all that to make sure that it's reading the correct pressures. There's two water glasses on the boiler and then the [unintelligible 00:40:19], we take those apart and clean the spindles. The [unintelligible 00:40:22] the gauge siphons because the copper will tend to brittle over a season. We [unintelligible 00:40:28] it and soften it up. We fix all the steam leaks, wrap all the valves in there so they don't leak. There's always some steam kind of leaks. When we heat it up, it expands about five [unintelligible 00:40:41] to three-quarters of an inch. It's pretty hard on it. We actually, when we heat it up, we develop a little pump system.

We'll pump the cold water from the bottom of the boiler up to the top to get a nice circulation, so it heats up evenly. If we just run a Saturday, Sunday, we'll start on a Thursday and heating it up slowly, assuming that we've ran it the weekend before, so still we've vented the vacuum out of it. Then on Friday, we'll heat it up to pretty much full pressure. We back it outside and fuel it up for the week and then we operate. If we run two days, we actually use it for three service days. You're allowed 1,472 service days every 15 years. About 100 days a year. The 29 is up this year for that. We haven't used all of our service days, but we've used all of our time. Oh, we go inside and one thing we do is when we measure the dry pipe thickness which is the big steam, it comes up from the steamed dome and goes through the boiler. It's hard to squeeze in there, but we do that every season to make sure it's thick. The 18 has a brand new one, as does the 29. Hopefully, those would be good, way past our lifetimes. That was a lot of work. Let's see. All the stables, we hammer tests, we drill them, and we do it in front of them. All the air reservoirs, we have to test all those every year. They hold about 140 plus pounds of pressure.

Oh, we always open up the smoke box, and then you can see inside, we clean that out. Takes about a day. We have all the soot and sand in there. We check for leaks and any problems, clean the exhaust nozzles up safely. After we've done the federal inspections, it's at least a two-day job for the federal inspectors. They drive up usually from Sacramento and then, when we're ready, we put the engine back together. We're ready to steam it up in like, say in May or something. We test the safety valves. We set them for the pressure we want. We do an offer test for the steam air compressor.

We check all the appliances, the dynamo, and that's part of the federal inspection report to make sure that all that's good. We offer the FRA inspectors to come up if they want but we just schedule a date that we're going to do it and it's their choice to come up and see it if they want. We do brake cylinder tests for leakage. We do once over in the whole thing. We discovered some problems on the 18, we're going to have to fix this winter, the front end. We put some new tires on the front end, and we turned the wheels, I don't know 10 years ago, but it's worn out now.

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We can't get on our east track where we stored the cars for running that weekend train. We have to fire up a diesel locomotive, pull them out of our storage track, put them on the main line, and then, the next day we can take the 18 and pull it because we keep derailing on that track. Because it's a really sharp turn, but it was working until this last year. I thought it was a track problem, but it's actually a locomotive problem. We discovered a lot of things. We put a lot of shims in this summer to get it going, but next winter, well let's put Overman pit and take that all apart. There's a lot of machine work to do on that. It's really important.

We don't have enough room in the shop, so we'll take the tenders off of locomotives in the winter and store them outside. There's a big, a 300-pound bar that connects both the locomotive and the tenders together. We have to test that. We wire wheel them clean and we'll hammer test them. We use a non-destructive testing. We'll do a dye penetrate, we spray it with a chemical and if there's any cracks, we spray it again, and that that'll show up if there's any cracking in that.

We check the safety chains, all that. The running gear course, all that. One of the horrible jobs we have to do, we have to go inside the tender and the tender on the 18 is shot and also the 29. We [unintelligible 00:45:06] it together. We put a lot of pain on the outside and we go inside of it. It's a confined space of course. Two guys, we put fans and lights and we have to clean the insides out and inspect it. We get a good bucket of rust out every year of it. I don't know, probably forgot things.

David: Tom, I just want to say thank you again because I feel like this provides us with a better understanding exactly what it is you are doing, not just once a year, but throughout the course of the year that leads up that inspection. I'm grateful for you walking us through this.

Tom: There's more inspections. Every 90 days you do another inspection, and every month we do a monthly boiler. If there's a little card, we put in the cab with a locomotive like this. We do the brake valves, the distributing valve, and all the other valves. Some of that we do in-house. When Westinghouse was in town, we used to take it to them was really nice but over the years, people that could do this are disappearing. The last time we were able to send some valve to Chicago too, and they got them fixed.

Every month, we have to take the engine out of service, and we have to let the steam come off and then we take all the boiler plugs out and then we wash the boiler out and then inspect it. We put all plugs back in and we test it. We do all the stables at that time, and we go enter the firebox and we sweep it clean. We try to keep the sand and so build up to prevent fires and every day, at least once, usually at the [unintelligible 00:46:57] pit, we'll sand out the [unintelligible 00:46:59] when we come up the hill, we put in a half a bucket of sand, and it goes. It scours the 200 boiler tubes and pops the soot off. Then you see that big black and then we get much better heat transfer. Just all those little things and is for fire prevention. That's one of the biggest things to do for it.

David: You mentioned about the derailing issue. Do you think that you will be able to get that resolved before we start next season?

Tom: Yes, but it's going to take about two months of pit time and I have one pit. I have so much, the 29 is down too, and we have that 100. I have to do it. I wouldn't feel comfortable. It seems to be okay because you see from Eastgate up, I think the sharpest curve is about 12 degrees but then we get the sharp curves from Gold Hill up and then our yard. It's easier to go from Gold Hill down. I remember after the engine, we had a problem in Gold Hill and I'm going, "Oh my God, this engine isn't going to work." There was some real issues in there and I scrambled to figure it out.

I just made something in the shop and [unintelligible 00:48:16] it, put it in a place and it kept the [unintelligible 00:48:18] post so that it worked. When you get these locomotives, there are so many different specs, and half of them are wrong. Even the ones that said on the 18 say that the dry pipe was steel and we're

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assuming it is. We replaced but is actually iron. My friend has an identical engine and they had different numbers on the curvatures that it could take.

I think one of them was 18 degrees, one of them was 25, and Gold Hills 19 degrees. It's like, which one is it going to work or not? You don't know. The 29 we put on blind drivers on the middle so we could go around the curves easy. The 18 has solid drivers, but it's got smaller wheels, so it's got a smaller wheelbase. It's got more power, but then it slips a lot more so you can't pull as much. It's just a little balance. This new engine I bought. I shouldn't have bought it, but I did. If I had to design, knowing what I know now, if I had to design a locomotive for this whole thing, this is the one I would get.

It could do the short line operations and do the long line and I don't know, and that's the last one left in the country that you can really buy. My goal would be because every 15 years we have to take the engines apart, and it takes a lot of space just to do that, which we don't have. I think every five years, I'll put one of these so that the 15-year inspection due on one of the three steam engines. Then--

David: Stagger them, you're saying?

Tom: Yes.

David: Okay. When is our, just when's the 18 due for inspection about 10--

Tom: About 11 years.

David: 11? Okay.

Tom: 12 years.

David: Okay, great. No, that's great.

Tom: The thing about the 18, I think we got, excuse me. The really heavy-duty boiler work done with the dry pipe, the rear door sheet, all the little patches, except for I didn't do the front two throat sheet. We're going to see how that lasts for this cycle but so we're hoping that the next 15-year cycle is pretty easy on it. Just tube replacement and. Oh, thank you. Yes.

David: No, that's Tom. Thank you very much. Any questions and anybody want to ask? Jim, please.

Jim: First off, thank you for taking such good care of an asset that we've got a tremendous amount of money invested in. I understand a lot more every time you come here and talk to us about just how much it takes to keep this thing going up and down the hill. The only question I had is on the second page of the report that was in our packet, there were a handful of small leaks that were listed in there. I take it, none of them are considered serious because it said that there was basically no exception taken during the rule but is there anything long-term that we need to plan for as far as repairs to make it so that those leaks don't become a real problem?

Tom: A lot of them seal up with heat because the water's usually between 70 and 120 degrees when we test it, so it's 350 degrees when we operate it. Things have swollen up. Yes. I don't know which leaks you put, I have leaks all the time.

Clay: They guaranteed to leak [unintelligible 00:51:48]

Tom: Yes, the first thing you do to make a steam-type boiler is drill about 3000 holes in it and seal them up with rivets and stables and everything. Left injector, turret valve, whistle valve, so that one needs lapping. It's hard to keep them. I keep them going. I'll tell you far door fixed that stud side bottom row forward, blow down tail holes seeping. Nothing's major but I'm sure we have a lot more leaks than that we fix them all. We fix them, all the time, it's-- yes.

David: Stephanie, Clay, any--

Clay: I just want to say thanks, Tom. I know it's a busy time. We appreciate you coming down and making the time for this. It's helpful, really helpful for us.

Tom: One thing I used to have a contact like, "Hey, can you come up and look at this," and just it was helpful to have like on this front end, it might cost a lot of money. Well, I think it's going to take some time to do, so it might be nice to look at it and I don't know everything we need to do to it, but I know we're going to have to spend some time on it. The other thing is like sometime when everything's caught up if it ever is, then we could focus on the tender. We're thinking about building both tenders at once up in Washington and planning on that, but we don't have to do it, so we can kick that can down but at some point, it'd be good to do.

Clay: Yes. All right. We'll just earmark a portion of our tremendous reserves for that.

David: Tremendous and reserves in the same sentence for the V&T that's-- Thank you Tom, again, very much on behalf of the commission, appreciate everything you're doing to keep that engine running smoothly, so thank you again. Okay. We will move on to agenda item 10 for possible action. Discussion and possible action regarding a proposed revenue agreement with Storytime Photography to provide photos for Santa or with Santa, excuse me, for customers who visit the Eastgate Depot during the Polar Express train ride, so Allyson, can I let you take us through this one?

10. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING A PROPOSED REVENUE AGREEMENT, WITH STORYTIME PHOTOGRAPHY, TO PROVIDE PHOTOS WITH SANTA FOR CUSTOMERS WHO VISIT THE EASTGATE DEPOT DURING THE POLAR EXPRESS TRAIN RIDE.

Allyson: Sure. Laura, with Storytime Photography, was our vendor at last year's Polar Express train ride. This is a revenue agreement, she takes on all of the costs, hires Santa, brings in her staff, all of the printers, et cetera and then at the end there is a 30% of the revenue that goes to our team, which accommodates for the royalty that we are due to Rail Events. Really the only impact on our team is helping coordinate the backdrop for the photo op itself.

The backdrop that we used last year is significantly outdated with the branding that Warner Brothers prefers, so we're working on that and then the secondary thing is which is connected to this branding, is the actual photo sleeves that the photos go into, should someone purchase a photo. Really, it's just working with the Rail Events team to get that approved. Most of the artwork that they have is easy for us to add our logo in resize, et cetera, so it's not a heavy time impact on our team but it is slight.

David: Thank you, Allyson, for working with her to-- and Mihaela for pulling this agreement together. Are there any questions on the agreement or any questions for Allyson?

Clay: I just have one question, so is it basically a direct pass-through as far as the revenue goes, or are there costs that we have to absorb on our side to make it work and realize it's part of a bigger complex system but it's not really a revenue generator for us, right?

Allyson: Small. I would say it's a small revenue generator for us. I believe we budgeted somewhere around \$6,500 for it, just that's off the top of my head. The inherent costs would be associated to the backdrop which we would hope to be something that we could use year over year moving forward and then probably an hour to two hours time on the photo sleeves. Other than that, not really any cost to us.

David: Okay. You're talking about 232 photo \$6,700 that we budgeted for on the revenue side. Okay, so we have \$6,700-

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Allyson: I was close.

David: -as our revenue coming in after this is all said and done, and all the percentages get worked out.

Clay: Is that the 30% that's coming through and-

Allyson: Got it.

David: That's what you're trying to get [crosstalk]--

Clay: I'm trying to understand how much of that just passes right through for royalties and if there's anything left over so and so forth.

Allyson: I believe there's technically the NDA that I cannot disclose the exact percentage that passes through to Rail Events, but I can say that we've budgeted for that royalty within the scope of the full Polar Express budget.

Clay: Okay.

David: Yes. It is accounted for. What we just can't--

Allyson: All right.

Clay: Yes, that's fine.

David: -[crosstalk] that confidentiality agreement.

Clay: The items that we need to provide just as far as location and those things, is that fairly well established or is that something that we need, that's in addition to everything else we got going on?

Allyson: Leah and I, last year, spent significant amount of time cleaning out the depot. We did discover an additional pocket within the depot that does need to be cleaned out which is above this space but right now it has our leftover retail that will come out to be sold and then it's cleared out for their team.

David: Okay. Hey, are you comfortable with that?

Clay: Yes.

David: Good response. Jim or Stephanie? Okay, well I'm happy to take a motion then on.

Allyson: Good.

David: Go ahead, Stephanie.

Stephanie: Okay. I move to approve the revenue agreement with Storytime photography.

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

Jim: I'll second that.

David: Thank you. We have a motion and a second. Any further discussion? Seeing none all those in favors say aye.

All: Aye.

David: Any opposed? Motion carries unanimously, so thank you very much. We will move on to agenda item 11 for possible action. Discussion, and possible action regarding a proposed special patrol service agreement with High Sierra Patrol to provide security at the Eastgate Depot during Polar Express for a total not to exceed amount of \$2,700. Allyson, do you want to just walk us through this one quickly? Thank you.

11. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING A PROPOSED SPECIAL PATROL SERVICE AGREEMENT, WITH HIGH SIERRA PATROL, TO PROVIDE SECURITY AT THE EASTGATE DEPOT DURING POLAR EXPRESS, FOR A TOTAL NOT TO EXCEED AMOUNT OF \$2,700.

Allyson: High Sierra Patrol is another vendor that we've worked with in the past with last year's The Polar

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Express train ride season. The services would include, actually let me back it up. The train comes down from Virginia City and it sits at our depot Wednesday, Thursday, Friday, Saturday and then after Sunday's run goes back up to Virginia City. What this contract is, is for a patrol service, so it's not a stationary agreement. It's essentially four times within the evening between 10:00 PM and 3:00 PM, sorry, I think it's actually 10:00 AM. They would stop in at the depot, check doors walk it-- check to make sure that everything is good. We did inquire on a overnight stationary service if you will, just due to staffing. It wasn't feasible with this company nor with any company, so the patrol services is what we are recommending, and the budget amount is inclusive of the Wednesdays that we've added.

David: Thank you, Allyson. Just as a reminder, this is the company that we brought on board last year, but during that time we found out they were the ones that were doing it before in the previous year. So, they do have a great familiarity with the whole setup out there with the Eastgate Depot. Any questions on this one? Okay, happy to--

Clay: Actually, I--

David: Oh, go ahead.

Clay: I just have one. I think the timing, the hours don't look to match up to what you just mentioned. I believe they have it listed between 8:00 PM and 4:30 AM. For that's acceptable. That's perfectly fine.

David: Oh, you're seeing 2000, to 0400. A good question. Is it overnight or is it--

Allyson: It's four stops through the night. We're still there at 8:00 PM. We usually leave at about 9:30, give or take. With the first patrol service, usually starting around 10:00 PM I know this because I get the ring notifications right to my phone. That is something that potentially we would need to amend on that contract with the timing.

David: To 2200 hours to 0430?

Clay: 0630 or something.

Allyson: Probably 6:30.

David: 6:30.

Clay: Push it back a couple of hours.

Allyson: Yes.

David: Okay. We could have a motion with the corrections, but we should talk to those folks just to make sure that they understand the 2200 to 0630 for sure. Good catch, Clay. Thank you.

Clay: Of course.

David: Any other questions? Anybody want to shoot a motion out there?

Clay: Is that something we should note in the motion? Just that--

David: Absolutely. I think with the corrections that we would work with the High Sierra Patrol services to confirm 2200, 4 stops or four checks. 2200 to 0630, that seems right. I think it is. [crosstalk]

Allyson: That seems right.

David: I could say we can make a motion and then we'll confirm that with them.

Clay: Okay. In that motion, do we want to authorize Atypical to make that adjustment as they finalize the details?

David: Yes, for sure.

Clay: Is that okay?

David: I think it's fair.

Clay: All right. Then I'll do it. I move to approve the agreement with High Sierra Patrol with the one noted adjustment of the time of the patrols to be between 2200 hours and 0630 and to authorize Atypical to finalize

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that agreement and make that change.

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

Stephanie: I second.

David: Thank you. We have a motion and a second. Any further discussion? Seeing none, all those in favor, please say aye.

All: Aye.

David: Any opposed? Motion carries unanimously. Okay, great.

.....

David: Oh, okay. It sounds like we need to have some discussion on agenda item 11, which was the High Sierra Patrol Services.

Allyson: Yes, so we reached out during the meeting, got our response back. Their response is that we're not able to adjust the time on the contract. We did pull up last year's contract just to see what we had. There was no times designated in last year's contract.

David: Wow.

Allyson: The way that their patrol services works is they have several stops within the Carson City area between 8:00 and 4:30. For us to extend to 6:30 would be an additional budget accommodation for that. I do need to mention that the ring camera does go directly to my phone, so I am notified anytime there is a moth that flies by, there is a car that comes by. Generally speaking, I do need to turn off notifications while I'm sleeping. I am up around 5:00 AM. Because the way that the motion was worded and the response from patrol services, I did want to bring this back to chat through to see if the commission still approves of the contract.

David: If I understand the situation, we would either need to change our motion to the way that the agreement was presented for this cost. Otherwise, if we keep the motion as it was, although we change it to 10:00 PM, not 8:00 PM, but because of the 6:30, it would cost us more money that we don't know how much that cost is going to be, or we do.

Leah: Hourly rate. I think the hourly rate was \$125 an hour.

Allyson: So, an additional \$125 times--

David: Two.

Mahala: Times two times every night.

Jim: Times every night.

Allyson: Times every night. Go ahead.

Clay: I was just going to say, I don't think it benefits us if they show up at eight o'clock because you guys are still there. If we can't extend the 4:30 to 6:30, I'm okay with that, but I don't want one of their four stops to be when you're still there. I don't think that there's a benefit to us for that.

Allyson: I agree, and I'm also confused by their response because essentially, it's a repeat of what they did last year, and like clockwork, they showed up as soon as we left. They never showed up before when we were still there.

David: They were sitting out at the dump road waiting for the last car to leave.

[laughter]

I'm okay if we do four between 10:00 and 4:30, but they don't get to lower the amount and they don't get to start before 10:00.

Clay: Just to confirm, you don't have any problem with drunk Elvis fighting in the parking lot after the ride or

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anything like that?

Allyson: Generally speaking, myself or Leah are the last ones to leave the property. We had one incident last year that was not caught on camera, that one of the cars, and I'm not as educated on train jargon to say exactly what happened, but it did appear that someone was touching the cars that our cameras did not pick up. It was just from the crew that arrived and said something happened, but there was no indication of that on the cameras. Other than that, it's pretty quiet. It's pretty cold out there.

It's much more active during the summer between off-roading and the quads that are coming up on the other side of the rail, et cetera. It's fairly quiet during the winter. The intention and the goal of this is to keep the locomotive safe, and it's always been as such.

Jim: That's within the sheriff's jurisdiction, is it not? One of the things that we could do is talk to the sheriff's office about also adding something, maybe 5:30, six o'clock in the morning to supplement that to see. I get it, it's a little bit out of their way and they probably don't do a lot of work up there anyway, but they do have patrol cars out.

David: That's a great idea. If I understand what we're suggesting then, is we want to revise the motion back to approve the agreement as it was presented to them, it sounds like.

Clay: Ten o'clock.

David: Because we changed the hours till 6:30 in the morning, so don't we need to--

Clay: Yes, but it's 10:00 to 6:30. I think we want to retain the 10:00.

David: 10:00 to 4:00.

Clay: 4:30.

David: Right, which is how it was presented, though, wasn't it?

Clay: It was 8:00 to 4:30.

David: Oh, 8:00. Oh, okay, sorry, I wrote 22:00. Mihaela, should we revise the motion then for this?

Mihaela: [inaudible 02:03:18]

Allyson: In theory, if we're keeping the end time the same and we're just changing the begin time, then not to exceed would still apply.

David: Okay, so you're comfortable without having to go through. All right, sounds good.

Clay: Because we took action on it previously, does this motion need to rescind the previous action, modify the previous action? Because we did, a motion was passed with a change when we consider this item the first time through.

Mihaela: [inaudible 02:04:15]

Clay: Since I made that motion.

David: Yes, it came after the fact, that's why I thought maybe we should revise the motion to be specific.

Mihaela: [inaudible 02:04:28]

David: All right, so then we went back to agenda item number 11, and I will ask for a revised motion on this particular agreement, please, based on new information that we received after we made the motion.

Clay: Okay, I can do that as the maker of the original motion.

David: Sure. Great. Clay, thank you.

Clay: I would move to revise the motion that we made and accept it for item 11 on our agenda to reflect the change and the timing of the contract to revise it to the visits being between 10:00 PM and 4:30 AM with all other elements remaining the same.

David: Thank you, and that's what we're looking for right now. Thank you for that motion, Clay. Do I have a second?

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Stephanie: I second.

David: We have a motion and a second. Any further discussion? Seeing none, all those in favor, please say aye.

Clay: Aye.

David: Aye. Any opposed? Great. Motion carries unanimously.

.....

David: All right, let's go ahead and move on to agenda item 12 for possible action. Discussion, and possible action regarding a proposal for electrical work to be conducted at Eastgate Depot. If you recall, we do have some issues [laughs] out there regarding our prior use with supplemental generators. For the PEX season. We have a bid from Smith Electric Company at \$6,800 to help electrically outfit the Eastgate Depot and provide safer working conditions. Allyson, I don't have-

12. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING A PROPOSAL FOR ELECTRICAL WORK TO BE CONDUCTED AT EASTGATE DEPOT.

Allyson: Just noticed that?

[laughter]

David: -that. Yes, because it wasn't in what--

Clay: I didn't get it either. It wasn't in--

David: Okay.

Allyson: It wasn't in, yes.

David: Is it possible that Mihaela, could we bring that up on the screen? We can just put it up as late material on our website, but could Allyson bring that up on her computer so we could walk through that document?

Mihaela: [inaudible 01:04:11]

David: Well, it's just their one sheet proposal that isn't in the packet so to speak. We had it agendas.

Mihaela: [inaudible 01:04:28]

David: I think we would need to do it as late material and then once Allyson gets back add that onto the website if you're comfortable with her bringing it up on her computer for the meeting, just so everybody could-- Nobody had that? Okay. Is that

Allyson: [crosstalk] my folder. One second.

David: -doable? Yes, please.

Allyson: It just didn't get on there. If you scroll up and back up right, there. Yes, it wasn't in my folder. That was--

David: Let's take a quick recess then while we look into this. We'll do a recess here. It's 10:04 and then we'll come back here in just a few minutes.

[background conversations]

[music]

Allyson: Highly focused on the hot chocolate station which is within what we call the kitchen. The way that we process hot chocolate is we use very large heaters to heat the water, then we transfer it to cambros where we add the hot chocolate, we mix it, et cetera. Last year due to hot chocolate room as well as other plugs, we kept shorting out and so we added a generator where we did the hot chocolate room off of the generator

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significantly.

There were still some shortages here and there. If I were going to vacuum something, something else would need to be turned off. The proposal here is just to tackle the hot chocolate room so that we can do this process without having to use a generator, purchase gas every day, refill, et cetera. The time on our team as well as the safety of the building is the two major factors here.

Saving on some expenses of having to buffer in our time to go to the gas station fill up the cans, added into the generator, the cost of gas. At this point in time, this is more of for the long-haul fix. We do potentially admittedly have some concerns throughout the rest of the building. Some plugs that are hot and some are not, et cetera, so this wouldn't be the period on the electrical issues for the steel building, but this would significantly change the process for us for hot chocolate for the Polar Express. Leah may want to add something.

Leah: It's actually also adding a receptacle from the ceiling. It would cover our lighting, like Liz's string lighting, some of that lighting up top to take it off of the walls, so there would be an additional circuit for some of that stuff that's on the walls as well from the ceiling.

David: Thank you for adding that part in, Leah. Any questions from the commission on this? Having been up there last year, let me tell you what a nightmare plug one thing in blows out over here. We had a standby person at the breaker to try and turn everything and then we had to start disconnecting things that we thought were drawing power and so honestly, I know this looks like \$6,800 worth of cost to us, but I think again, for what we need to be able to do and not having things shutting down affecting the actual rider experience I think it's a small price to pay. As Allyson said, it's not the end-all-be-all right to try to redo the entire building, but hopefully, this will get us through PEX unscathed moving forward. Go ahead.

Stephanie: I guess just a statement for the record is that this does not include building permit fees, so that would be something else that if it's required, would be in addition to this cost.

Allyson: Correct.

David: Those we could just pay directly is that what you're thinking or does that need to be included in who - forgive me for not knowing. Does Smith pay that on our behalf, or do we pay that directly?

Stephanie: Well, I don't think so, because I think he said permits and fees to be GC provided general, I'm assuming that's general contractor, but I think it's probably meaning owner which would be yes.

David: Okay. Good question. Thank you. Any other comments? Happy to entertain a motion. Anybody wants to make one or not?

Clay: I can make that motion. I move to approve the proposal for Smith Electric to handle electrical work at the Eastgate Depot with a price not to exceed \$6,800.

David: Thank you for that motion, Clay, do I have a second?

Stephanie: I second.

David: Okay. We have a motion. Thank you, Stephanie, and a second. Any further discussion? I'm seeing none. All those in favor please say aye.

All: Aye.

David: Any opposed? Motion carries unanimously. Thank you, everybody.

Clay: Now Mr. Chairman, we can advertise the greatly reduced carbon footprint of our hot chocolate.

David: [laughs] Yes, we can. Should we get a sponsor for that?

Clay: Smith will be part of it.

[laughter]

Alyson: Don't start with me.

David: Wait. Your hot chocolate brought to you by Smith Electric Company.

Participant: Chocolate with a kick.

David: Yes. [laughs]

Allyson: Guys are going to get me in trouble with Rail Events.

David: It's energizing hot chocolate. We will move on to agenda item 13. These are our discussion-only monthly non-action stuff items 13A, operations report. Allyson, take it away, and I know it's just going to be a quick one, but if there's anything you wanted to [crosstalk]--

13. FOR DISCUSSION ONLY:

MONTHLY NON-ACTION ITEMS:

- a. Operations Report – Allyson Bolton, Atypical Consulting and Events

Allyson: Thank you. Allyson Bolton, we don't have a formal deck for our operations report today, mainly due to time constraints and Polar Express. The updates that I want to provide is quickly just an overview, general season, Polar Express, and then some Freedom Rail updates. I'm hoping to be quick today. Our general season is still, our numbers are still good. Saturdays are always higher than Sundays, but looking at the weekends as a whole, we are at least breaking even if not more. If you look at August on average, we were running at least somewhere between 110 to 130 per day. The numbers are still looking good on the general line. The last day of the season is October 22nd. Numbers are also looking good as well. We have a private group coming in this weekend. It's been a really good learning experience for our team.

We buffered the budget with the group not knowing what our time would be invested into the group. It has been higher than what we had anticipated. It is a full-scale dinner, décor, Grandma's fudge chocolate, all the things, photo booth. They've checked all the boxes for this corporate event. It's been a really good test run for us to see what it would take to do a full-scale corporate event through us in partnership with Virginia City and Story County and the Gold Hill Depot.

They're very excited. We're looking forward to it and eager to provide updates on how it went at the next meeting. In terms of Polar Express, our numbers as discussed earlier are very good where 87% sold out, the private rooms sold out first, VIP sold out second, and we have coach and deluxe coach still available. Of the total 12,000 tickets available, we have 2,000 left. Parking, we did this process differently within the booking system. If you look at the numbers relative to last year and who booked parking ahead of time, they are higher. We're at 17,000 in revenue for parking currently.

Overall, with between historical fees, ticket fees, parking, et cetera, I believe we're at around \$580,000 in revenue for the Polar Express train ride. That is as of this morning, we had a productive call with Rail Events, discussing sponsorships. We prepared a sponsorship deck that needs to be approved through Rail Events via Warner Brothers and certain rules and restrictions. We're doing a little push and pull right now on some of the variables and bullet points that we had within the sponsorship deck. I'm hoping to have that finalized within the next week so that we can roll that out.

The plan is to print them and then utilize the VIP mugs that are left over from years prior that we're not allowed to sell or hand out. They just sit. We'll be hand-delivering a mug with a sponsorship deck to potential sponsors in hopes that they'll come on board. The way that we've developed the deck is basically it's one company per sponsorship level should all come through, it would be \$65,000 in revenue. Our goal is to hit

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\$50,000 in revenue.

We're just determining what is considered or defined as impeding on the experience on board to them. A hanging ornament above someone's head with a logo is competing. However, we can do a songbook that we can pass out to everyone. I'm having the internal debate of printing 12,000 songbooks and the cost of doing so as opposed to a lower cost on us to just do one simple ornament.

They told me I could put it up the greater chain to Warner Brothers if I wanted to. I'm just concerned on the time right now. Leah and I are putting our heads together on how we can rework two of the packages so that we can still sell them and maintain these sponsorship requirements from Rail Events. The production is well underway. Tonight, is actually our cast orientation. We are completely casted for the Polar Express. We're very excited. Nicolle's been working tirelessly. We looped her into our time-tracking system but put her within a separate project. Just to have an idea of what the hours are for something like this. Currently, she's at 116 hours as of this morning.

Keep in mind we didn't have scripts; we didn't have much to go off of. A lot of this has been reproduced and so, from here out, we're looking at rehearsals twice a week, Mondays and Tuesdays. We'll be doing a full-dress rehearsal up in Virginia City with the cars fully aligned. Then with the dress rehearsal run on the 17th. The intention of the 17th, we actually don't have any of the three trains available for sale.

The idea is that the first train, the five o'clock will almost be empty. We're opening that up to family-only of the cast. The cast in the past has never done a full-scale run-through with the train moving with the sound working. As soon as that train starts moving the sound completely changes, I'd prefer not to do that with our sponsors on board. We're just inviting the family onto that five o'clock and then 6:30 and 8:00 will be split between dignitaries, media sponsors, et cetera. The 17th is not on sale whatsoever, and that is accounted for within our budget. Lastly, I wanted to correct something I said last month regarding Freedom Rail.

In terms of their numbers, I did pull them up again and their numbers are significantly lower in comparison to last year. For example, their August numbers for 2021 was 720 riders and their August numbers for 2022 is 393 riders. For July, in 2021, it was 1400 riders. July for 2022 was 660 riders. The final month that we have data on is June. June of 2021 was 2,000 riders. June of 2022 was 54 riders. I did want to address that since I did misspeak at our last meeting because I was looking at incorrect numbers, so wanted to mention that as well. I know it's a quick update for you. I normally go much more in detail, but I wanted to be conscious of time for everyone today since we had a longer meeting. I'm happy to answer any questions from the commission.

David: Thank you, Allyson. Any questions for Allyson? The Freedom Rail numbers to any idea behind why they were down so much? I know we got the late start this year, so it's hard to--

Allyson: We had a late start, so that would be the June. They only ran one weekend in June, so that would be one piece. My instinct is marketing. I don't believe that they have a social presence currently or doing much more marketing.

David: That's something I think we need to have them be a part of a meeting and have a conversation about that because I feel like my team is shouldering most of what's happening as Visit Carson City to promote the rail bikes. I feel there needs to be-- they need to have some skin in the game on this as well because it's not just singularly my team's responsibility to market the rail bikes.

We get a lot of play on it. The shows we're at, that and Stewart Indian School are the two things that are asked about at the tour operator shows and motor coach shows. It's not that important but I'm worried we can talk about it, but they've got to be finishing sealing the deal here, especially with the group tour operator sales. I think that's something we need to really have a conversation with them about before next season. We're a little late now. To try to spool something up on their end. For next year, I really do want to see them step up

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to make this successful because it's the only experience of its kind outside of going to the Mendocino or Boulder City.

Allyson: Another thought, again this is just my instinct in conversations, et cetera. One of the other changes that we had this year was our book now button on our page. Since we decoupled the booking systems between the two entities where you would now need to go to the rail bike page within our website to book with them, not our main book now button.

Our book now just goes to train operations. It doesn't offer any rail bike operations within that. However, I can give you both sides of this around 70% of our website visitors are via mobile device, where that book now button doesn't exist. You can argue they're no longer on our booking page. However, a high amount of patrons go via mobile and that button doesn't exist on the mobile website. You would have to go into train, book now, rail bike, book now.

David: Do you think we need to fix that, so we have a responsive design for that button to show even for us or--

Allyson: If you currently go to the mobile website, you would pretty much scroll-- there's the main banner if you will. Then there's like the buttons of long line, we added short line in there that goes to Tom's website rail bike, Polar Express, so those are right there. The way in which it's a tiny little button on the far-right corner of the desktop version of our website so if you were sitting on the desktop, it is the easiest button to go to. When you do that on a responsive design on your mobile, it doesn't always translate because it's right at the top and instinctively people scroll. Those four buttons tend to be mostly clicked through.

David: I was going to say like on my phone the first thing that comes up is it does say purchase tickets now. I think like shifting it but--

Allyson: Those are one of my-- the buttons. I was just [crosstalk]--

David: Oh, okay.

Allyson: Those are what people click on when they're on their mobile.

David: Which is probably they're right. The best we can do is on a mobile phone, and this looks different on my small phone even than my bigger phone. Fair enough. Just one last question about the sponsorships. Do you think this week we might be able to make some headway with the Rail Events folks? I'm just nervous because we're going to be into October next week and that only gives six weeks before we actually start for sponsors to consider investing their dollars and so--

Allyson: Yes, it's the short answer. The immediate fix is to remove the ornament from the main sponsorship. They also asked us to change the names of the sponsorships Santa that's not allowed. The Santa sponsorship, and the conductor sponsorship so we had to go with nonpolar characters. For the sponsorship levels, which I thought was interesting.

If we just, we have already changed the names. If we just pull out the ornament, we could pull out the complete, essentially what was the napkin sponsor they're not allowing, we could pull that out.

The cookie sponsor has transitioned to the marshmallow sponsor. We cannot put a sponsor on the cookie, but we can get their little prepackaged in cellophane non-branded marshmallows that we can put a sticker on for with a sponsor. We have brainstormed how we would change these sponsorships to allow for it. The goal is that our deck doesn't have to be sent to Warner Brothers, that we adhere to-- We adhere to what their regulations are without contesting any of it and it doesn't have to go up, so if we just address those things immediately, then we can roll it out.

David: Great. Thank you. Thank you for the work on this too. I know this was, I don't think any, I certainly didn't expect we were going to have this pushback. I thought this was a great opportunity for us and it's

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unfortunate that we're so limited in what we can do.

Allyson: It is the first year that they're allowing destinations to do sponsorships. It's the first year they're doing sponsorships, so I think it's in a little bit of uncharted territory what's been interesting on our part is they'll, they'll say one thing and I go, "But you do it over here." "Well, but we meant this." I think they're also figuring out what is allowed and what adheres to the guidelines.

Going into next year, some of these things such as the ornament, I personally don't feel impedes the interactive experience of the Polar Express because you see it as you're walking in, but as soon as you sit down it's out of sight, and out of mind. I would argue that a songbook is more intrusive so that is something that I am going to push for next year because I think some of the things that they have allowed are counterintuitive to the guidelines that they're setting.

David: Cool. Thank you. Any questions? Go ahead, Jim.

Jim: First on the sponsorships, do we have to pay royalties on the sponsorships or no?

Allyson: No.

Jim: We do not. Okay, so we can put-- so I'm trying to think of where we're going to classify those if we get the money. The second thing on the group events, I believe that there is money that has been classified as professional services, which the commission obviously doesn't provide, so my guess is that they're reimbursing your costs for-- so your agreement with them was they will cover your costs plus whatever the commission gets is how those are working.

Allyson: Correct. Leah and I did discuss this on the drive down because I know you two have been talking about it. I think the biggest question is can-- yes you are correct about the professional services. I think that would be accounted for in revenue.

Jim: No, I want to count it as an offset against your expense. Just like we do for rail bikes when they pay Gabe's.

Allyson: Got It. The other things I do think we need to do because we covered some of the vendors just expedite things so their photo booth, for example, will be on my next bill because we covered the cost for that at a non-markup of anything so there might be-- There will be two other reimbursements for expenses. I just wasn't sure if we could do a debit to the credit in our expense categories.

Jim: Yes, like those, we probably should do them as if-- so I guess, and I think this is where I'm not really super clear on what these special events are. How these special events are aligned is what is the commission being paid for? The commission's being paid for the train and so if you are-- if the commission is paying now for a photo booth, that's a special event expense, but is that being paid in addition, to the base fee that the commission, so that's part \$2,000 or \$2,700 or whatever it was. So, we're going to split that between different things. Some of it's going to be for what you guys have put in for your time. Some of it's going to be for these special event expenses.

Allyson: Correct. \$10,000 is to cover the cost of the train, \$2000 is to cover our time and then there are two other expenses for rentals and--

Jim: We'll classify them were they against, just like we do for the utilities and maintenance that the Rail Events pay for or rail bikes, whatever, not Rail Events, the rail--

Allyson: Right. You guys received the check before I submitted it for reimbursement.

Jim: Okay. That was my only question because I don't think that we had a good-- I did not certainly have a good handle on how we're doing those.

Allyson: I mean it's definitely new for us as well. We've not done a private group like this before, so trying to sort through the pass-throughs and what we're covering and what you guys should cover, and what the client

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should cover.

David: Can I, Jim, can I ask a clarifying question? For this group, there was a base fee of \$10k, then they're reimbursing for your time.

Allyson: We estimated our hours and added a \$2,000.

David: Then there are some hard costs, but those are flowing through us directly or on, they're on the P-card.

Allyson: There are only two who came through Atypical

David: Where do the other ones come through just directly?

Allyson: They paid direct.

David: They pay direct, okay. We didn't pay directly with a credit card or something like that. There's the \$10,000 going then? That's not going as revenue. That's offsetting the cost of the train.

Jim: The \$10,000 goes into the group sales we've been putting into just the normal train line. The cap ticket sales.

David: Oh, cap ticket sales for [crosstalk]--

Jim: Where do we put the revenue for the other special

David: Entry. Just the base fee so if that was like \$10 or \$12 or \$15K that's going there. Thank you. I just wanted to clarify everything else we're offsetting the expense. Thank you for clarifying that. Any other questions for Allyson?

Allyson: I think just moving forward if everything goes off without a hitch on the first probably continue conversations of is this the right way that we should be doing the expenses and billing for our time. As with all clients, there's cases where we have to just, yes, we need to get it booked, we'll put-- give our card, cover the expense, et cetera and we get reimbursed for it. Is that the right process for the commission? Whether you guys are comfortable with that or if there's a different system that we want to put in place.

David: I think that's fair. Can I just add, I am trying to help some of my peers in the-- my colleagues in the tourism industry to provide some sample group sale agreements or group sale contracts. I was talking with somebody in Reno and all these different things really need to be taken into consideration when we're doing something like this, whether it's somebody who wants to buy 50 or 100 tickets on a regular train or in this case they're renting out the entire train and so I'm trying to get some sample agreements.

They might be heavily redacted or whatever but trying to provide some help. Then obviously, Mihaela, we'll need some help from you on the legal side because I would love to have a template that we could work off of, and maybe it's two templates, maybe it's one somebody wants to buy 100 seats for a regular train versus renting the whole train out and wanting to have an entire thematic experience.

I think that's much more involved so where you're going with, who's covering what and that's why I was understanding what the direct costs were myself, I got a little confused. I think it would be very helpful because we should know going in, are these folks paying to have, like you said, their own photo booth, or are they bringing their own caterer in, or are we expected to deal with a caterer? Because that brings in, I think, some contracting potential problems for us. We just can't use anybody that we want. We're still a state commission, and so I think hopefully narrowing some of that down will be helpful for all of us. Because, like I said, I just totally got confused myself there. I thought we were going one direction and turns out we're back to where we originally started with.

Jim: I would like to add this as an agenda item for our retreat because I think this does take this discussion.

David: Sure.

Jim: Because to me, this is more like a three-party contract where you've got, they're going to rent the trains

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from us, but this other party is going to provide the services of coordinating everything. I'm not super comfortable saying that only Atypical can do that piece of it. That someone else can come in and coordinate the event, and then pay us for the train because I think we have a problem if we close this off and only allow Atypical to be the only people. I like the idea of having a template, and I like the idea of having it split between what the commission gets and what this third party is and have it be like this kind of a three-party template.

David: I agree with you 100% because for the Mark Twain train that we'd like to do in April for our huge event here in Carson City, that's something. Actually, I'm glad you brought this up because we actually have an event coordinator that we've brought on board as Visit Carson City since we're actually responsible for the event. This was the question from Public Relations who's on board for us. She was wondering okay if this happens, am I going to be able to coordinate this or was it going to be Atypical? That question has already come up.

Allyson: We are 100% on board with an outside coordinator coming in. The only things we need to be conscious of is where the lines get blurred between train actual operations, depot coordination, et cetera, but the minute they're on that train similar to our weekend trains, it's Tom's.

David: Yes.

Jim: We would still have some costs related to you because you are the manager of the depot, and that's fine because we have that cost when you're there for the normal weekend runs too. That's absorbed in our ticket cost just like it would be absorbed in the flat fee that we get for the special group, but that outside piece, the whole coordination of the event beyond getting people onto the train, that's the line, I think, that I see. That's why I say I'd like to have a bigger discussion about this at the retreat-

David: Agreed.

Jim: - and have this lined out because I think this is a great opportunity for us. I really do appreciate all the work that's gone into this test run of doing it. I think it's another opportunity for us to use the train more without going back to these runs where we're just barely doing the break even. This is an opportunity for us to solve Tom's problem of keeping the train up consistently, and then he doesn't have the cooldown, restart issues that he talked about a few months ago. Then at the same time, we're not just running trains just to keep trains on the track where we're not making enough money to keep them on the track. This is a great idea; I just think we need to have some clarity

Allyson: I think this one has been a really good example for us because they're all in with custom-designed tickets and we're designing the frame for the photo booth and caterer, band, decor, bar, all of it. Essentially, the conversation was, "Do you just want the train, or do you want me to put this together for you?" and they said, "Just do it," and so we put our skills toward it. It'd be a great event, but I think it's something that any planner could really do as soon as that train departs Eastgate.

David: Sure.

Clay: The added advantage of handling all those aspects means promotional, collateral, and so on and so forth is all under our control to use to paint the picture for future sales that we may or may not have anything to do with all those elements, but it allows us to really show people what it can be.

David: Yes, if there's anything my team can do there to help with pictures or drone photography, so we have sample to show people what a full buyout experience looks like just let me know.

Allyson: Let's continue talking through that. It is this weekend. We do not have a photographer. The group did not want to be photographed.

David: Oh, okay.

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Allyson: Leah, as well as another member of our team, will be coordinating day of, which, again, is getting the keys from Virginia City the day before, load out the day after so it's a little bit more than just day of. We were just going to get photos that we could from our devices. I think drone is easy, especially once they are pulling into Gold Hill and then walking off the train, I think that would be a really dynamic visual. We're trying to get as many preset photos that we can of here's the farm tables, here's the lighting, here's what the depot looks like, et cetera.

Working with Story County and the Gold Hill Depot, I think it's knowing events within the region, it's a completely untapped venue that is beautiful and can be really transformed and that's our goal with this. If Zach wants to come out and get preset photos of things without the group actually being there, I think that would be beneficial.

David: What day?

Allyson: The 1st.

David: On Saturday? Okay, time frame, around that morning?

Allyson: We'll send you the schedule.

David: Okay. Yes, do that. I know we're three days out, four, but let me see what I can do. I would love the drone footage because, again, that's mutual beneficial for not just Carson City but Virginia's City too, so if we can do some stuff, like you said, of people coming out of the train or getting on the train. You're not seeing people's faces.

Allyson: That was the hardest part for the group to visualize. Being at Gold Hill and you can see the rock ramp that comes down, but it's hard to visualize what that looks like when the train comes into Gold Hill Depot and what happens after that.

David: Shoot me an email and I'll see if he's got some [crosstalk]. Thank you.

Allyson: Yes, Leah will send you the timeline right now.

David: Okay, awesome. Any other questions for Allyson? Okay. Let's see. Okay, so Tom had to leave, so we will skip over 13B which was the train operations.

Allyson: Can I add one more thing?

David: Yes, of course, you can.

Allyson: Sorry.

David: Mihaela, are you finished mentioning that?

Allyson: I know, I said I would be brief. I just did want to mention that we're continuing, we had another meeting with Tom Gray for the VTRR negotiations. It was very fruitful, and the conversations have been very positive, and so the next step now is to take what was three contracts and combine it into one, so we'll be working with Mihaela in doing so, and then passing it off to his attorney. The hope, the goal is to have a first draft at October. I do have my apprehensions that it will be ready before the October meeting, that is the goal.

David: Okay. No, thanks again to Clay and Stephanie for pushing through with Tom, so that's great. Positive news before amendments, so thank you for that.

Allyson: I'm done now. [laughs]

David: Oh, you said that last time. All right. As I mentioned, we'll skip over 13B and move right into 13C, engineers' report, Ken Dorr. Anything you would like to add this morning, sir?

b. Train Operations Report – Thomas Gray, VTRR

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c. Engineer's Report – Ken Dorr

Ken: Thanks, David, yes, real quick. Thanks again for the prepayment for the pre-emergent. Gabe's going to be placing that down. We'd like to hope for a little storm that comes up next month, and then if it's going to rain, is when you want to get that downright ahead of time that kills off the cheatgrass. Miscellaneous lightweight work that Gabe's doing right now which is nicer because you can do a few things because it's a little cooler, but nothing major going on. We're working with Tom to get rid of the last half carload of ballast, so that'll get taken care of but nothing major. Gabe did do some maintenance work above scales between scales and Donovan.

We noticed the rail was getting a little squirrely in the heat. What happens on the grades that we're looking at between gravity and thermal forces and dynamic forces, the rail tends to run and accumulate in spots, and so some of the rail tightened up and some of the rail joints basically go down to zero and that gets a little tighter, and then that's when the track tends to get a little squirrely. Anyway, he went in and it's not a bacon stretcher, it's called a rail stretcher and they actually pulled some of those joints apart and reestablished some gap and reset anchors. I don't want to get too technical on that, but it's thermodynamic issue if you will, but the typical stuff that completely goes on.

Not a whole lot. We are going to be doing our annual inspection this next month which mainly is the bridge which we're required to do once a year. Again, in Congress' wisdom, they decided they were the same as the Union Pacific Railroad. They have 6,000 bridges, we have one. We have to do the same procedures that they do and have the same management plan that they do. Anyway, why don't you take that to Congress and see if we can get ourselves exempted. We'll also be taking a look at the tunnel. One of the things we always like to take a look at is ditches and culverts to see if there's any incipient issues just in case, we do get some rain this year and runoff crossings, signs.

Basically, we're making a to-do list and that's something we do every year. Not required at this point, but just to mention it. When we start thinking about budget for next year, there's a couple of items that are somewhat unusual. Every four years, we like to run an ultrasonic rail inspection which looks for internal defects along the rail, and then we do it, and then usually, there's two days' worth of work for us, and then the same contractor then goes up on top. The idea is to find a broken rail before it's actually broken. Broken rails are not good. We're not actually required to do that. Everybody's recommended that we do it.

The short line railroads, they have to do it once every two years. The big railroads once a year. It's a good thing. Broken rails are not good. That's a \$7,000 to \$10,000 item which we need to consider if we're going to be able to do it next year or put it off to the following year. Again, our challenge is so minimal that it's probably not a big item.

David: Ken, just to clarify, when you say next year, budget-wise, is that a fiscal '24, so to start after July 1st?

Ken: That's correct.

David: Okay, so we need to think about that as we build the budget.

Ken: That's correct. When we're going through the budget cycle again this spring, that's an item what you guys are going to want to be considering. Do you want to do that, or do you want to go forward? The other thing, and, Stephanie, and I talked a little bit about is in 2019, we basically reconstructed the Eastgate parking lot to ground up the grindings that were there, added some additional recycled asphalt and compacted that material, and put a seal on it. That seal is very light-duty payment and it's starting to show its age. We're going to want to get that sealed again. There's a couple of ways of doing it.

My recommendation is we put a chip seal down, which is a small aggregate, and then seal that with a slurry

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seal, and then it looks like it's a brand-new painting job and re-strip it.

Again, prices vary. Right now, probably \$100,000 is what it would be costing us. \$100 to \$120 might be a budget item. Again, we either have the money or not, but that's something to be considered. Then the only other thing, we're going to have to do a little bit of maintenance on the bridge. The lighting we have on the bridge was installed in 2009. It's some of the old-style stuff. It's not LED. Talking to Carson City staff, they recommended a while back that we switch over to LED lights.

There are a lot less maintenance on those. Knock on wood, so far, we've been doing good. Both the lights at the bridge as well as the two streetlights on either side, which are ours, those light bulbs haven't failed. Now that I've said that they'll probably go out tonight. The problem with the bridge lighting and also a little touch-up paint is that to close traffic down, we have to get an NDOT right of way occupancy, which is not a problem, and actually do traffic control and close the lane down, which is more expensive for the most part than changing the light bulbs. That'll be an item we're going to have to take care of.

We might be able to get it done under the regular maintenance way budget depending on what those costs come out, but those are three items. I just want the board to be in the back of your heads thinking about that I'll be probably bugging you on next year.

David: On the parking lot, I feel like we did talk about that, but I think that's going to be in '24's budget, is that right? We shifted that forward, is that right?

Jim: I think we just deferred it. I don't think there was any commitment one way or another to put it in that.

Ken: That's correct. My thinking is we can think about it, but then we can prep that and basically have it ready to go out for proposals. We may have to formally bid that, we may not. I'll get with Mihaela on that. It depends on what the engineer's estimate actually comes out to be so that we could move forward with construction like July 2nd of next year.

David: Sure. Thank you for those updates.

Ken: That's all.

David: That's great. The light bulb, Gabe, if there's some way to fit that in our existing maintenance budget this year, I feel like that's a, well, I don't want to say it's a small item, but relative to \$100,000 for the parking lot. Maybe you could take a look at that with Gabe.

David: Because that can be done any time of the year?

Ken: No.

David: No? For those light bulbs?

Ken: To change those light bulbs, we need to close the highway. We need to get traffic control plan.

David: No, but can it take place any time of the year or does it have to be done at a certain-

Ken: No.

David: - summer or something like that?

Ken: It's something we should do before they completely fail. Right now, if one of them blinks now, again, one of the decorative lights on the bridge, but it's not been an issue that requires immediate attention.

David: If we do those light bulbs, we want to try and do some paint work as well at the same time since they're going to be closing the lanes down.

Ken: Exactly, get as much as you can done, meaning you got man lift over there to get your folks up, and then you have to have traffic control to get the lane shut down.

David: The inspection, can all that take place at the same time for the bridge too?

Ken: Typically, the inspection that we do does not involve traffic control. Kent basically looks at the superstructure of the bridge and at the abutments, and of course, NDOT requires they do every other year

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inspection. We take a look at their inspection reports and there's a couple of exceptions they've got, very minor, which we're going to possibly get one or two of them addressed here this fall. Our inspection goes in harmony with NDOTs.

David: Perfect, okay.

Ken: We've been able to work around that, having a traffic control to get up on a man lift. In theory, we're not doing quite as thorough as we would, but with NDOT looking at the bridge every other year, we're an overkill on the inspection on that bridge.

David: Okay, fair enough. I just thought if Kent identifies some things and we are closing lanes and we need to do other fixes besides painting and lights, -

Ken: Exactly.

David: - we try to do it all at the same time, -

Ken: Do as much as we can, absolutely.

David: - so we just rent the lift for two days or one day or however that works, but yes, okay. You could help-

Ken: Yes.

David: - with Gabe and coordinate all of that, so thank you. That's great. Thank you for your update, Ken. Any questions for Ken? Thank you, sir. That was great. We will move on to 13D. Our next meeting will be right here on the 26th. That 9:00, maybe not. Yes, go ahead, Allyson.

Allyson: Actually, I need to bring back patrol services once we get through the meeting. I'm good with the meeting. [laughs] I texted you.

David: Okay. I was like, "Oh my God, is it changing?"

Allyson: No.

David: October 26th at 9:00 AM will be our next meeting. Then do I need to reopen?

Allyson: Yes.

Mahala: Yes, because we're not [inaudible 01:58:02].

.....

David: Okay, great. Thank you for that. Then let's go ahead and resume the agenda. We'll move on to agenda item 14, commissioner comments or announcements, and requests for information. Anybody have anything they'd like to add for the good of the cause? Jim?

d. Upcoming Meeting:

- 1. Commission Meeting on October 26, at 9:00 am.*

14. COMMISSIONER COMMENTS OR ANNOUNCEMENTS, AND REQUESTS FOR INFORMATION:

Jim: Under agenda item 6, the second.

[laughter]

David: 6B6.

Jim: There are a few things that I think that we need to probably address. One, I'd like to see something from Freedom Rail maybe after they closed down for the season. We had originally estimated \$125,000 in revenue

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last year and \$65,000 this year, which was cutting it almost in half. We're at less than \$10,000, so I think it's time to have that discussion. The second thing I think that we need to discuss, we need to have a contract amendment for Atypical to deal with Polar. I think that needs to be done sooner rather than later because we've technically already made payments on it.

I'd like to see a contract amendment come through that reflects the amount that we're going to be compensating them for running the Polar Express. I would like to see something on that the next--

David: At the October meeting.

Jim: October meeting.

David: I did talk to Allyson about that. My concern will just be winging it because we don't know what this is all going to entail. If everybody's comfortable with an estimate.

Jim: To an extent, we ask all of our other vendors to give us a proposal. To an extent, winging it is quasi-acceptable. As far as I'm willing to go, we ask all of our other vendors to come with it, and if they need an amendment, we ask them to come back and amend it. To an extent, I'm not really willing to be super flexible, but right now, we don't even really technically have authority to be paying them for that under their existing contract.

David: Do you want to then estimate that through the end of Allyson's contract or just do it for this season?

Jim: I'm fine doing it multi-year.

Participant 1: Okay. Allyson, you could estimate.

Jim: Amending the scope of work. Right now, what we're amending is the scope of work. Part of that is we're going to have to do a future amendment anyway because we don't have enough money because we were way over in year one. That's a whole other piece, but right now, they're working outside the scope of their contract. I think we need to address that and get it within the scope of contract.

David: Okay, but also do the dollar amount too.

Jim: Then at the same time, do we need to put money in reflective of what they think that's going to cost for this year, and then based on that for the money remaining, I don't know how many, three years of their contract or however many there are?

David: Allyson, is that fair? Can you work something up then?

Allyson: Yes.

David: Perfect.

Allyson: I'll work with Mihaela on that.

David: Thank you. Then, Jim, you said you had three things.

Jim: I think I have four.

David: Oh, four. Oh, jeez.

Jim: The other ones are more just reminders that I just don't want to fall off the radar. One is dealing with the records retention policy. The second dealing with the gift card balances. The existing gift card balances, not selling new ones, but what we've got on [crosstalk].

David: I do need to meet with Mahala on that based on some information that she pulled together. I'll just be honest with you; this was a busy month for me too.

Jim: That's fine. I just don't want them to get passed.

David: No, believe me, I have those two on a checklist. Sounds good. Anything else from anyone?

Allyson: I have a quick question on the Freedom Rail piece. How to agendize that potentially for the next meeting, is it just for discussion only?

David: I think we need to wait until November because don't we want them to finish the season? I'd rather we

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actually get through October.

Jim: I don't know when they're selling through.

David: They have till next month.

Jim: If they're selling all the way through October, then make it a November meeting, but for me, it's just a presentation and an overview and a thought process on where they think they're going to go into next year.

David: Yes, because we have one year left on that agreement. I would like to also ask then that we look at 2020, 2021, and 2022. Let's have a comparative, then put them in columns by month and let's just see what everything looks like year, over year, over year, if possible, please. I think that burden should be on Todd and Vinny to put that together, not you guys. They need to pull those numbers together for sure.

Allyson: Definitely, we'll extend the request to them immediately so that they can plan accordingly for the November meeting.

David: Yes, and then have them come on the Webex to talk through that.

Jim: Never mind. Ignore.

David: We'll have our audit on that meeting because I think we're in the last Wednesday. The last day of the month I think is the 30th, so they should have plenty of time to get that together.

Allyson: My only other, I am going to bring it up. If we did do the October meeting, it is likely that Todd and Vinny might be in town because of the close out of their season and cleaning out the depot and turning it over to our team for Polar. If we wanted them to be here in person, we could agendize for October knowing that there is one weekend left in their season.

David: Let's do that. I think it'd be good. We all obviously have some other questions about the marketing and looking forward, so to have them here in person would be great if that works out. They'll know what their ticket sales are for that weekend within a reasonable amount estimate.

Clay: Sure, just put a P, projected. October or something.

David: I think that's fair. Will you ask them about that then?

Allyson: I will ask for what they'd prefer, yes.

15. PUBLIC COMMENT:

David: Okay, great. We'll move on to public comment. The public is invited at this time to comment on any matter that is not specifically included on the agenda as an action item. No action again may be taken on a matter raised under this item of the agenda. I don't see any public comment here in the room. With that, I'm happy to accept a motion to adjourn. We're adjourned. Thank you, everybody.

16. FOR POSSIBLE ACTION: TO ADJOURN.