

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY
Minutes of the Wednesday, February 22, 2023 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 Wednesday, February 22, 2023, in the Community Center Robert “Bob” Crowell Boardroom, 851 East William Street, Carson City, Nevada.

The meeting video is available on Carson City’s website by clicking on the link below:
<https://carsoncity.granicus.com/player/clip/2196>

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

1. CALL TO ORDER

David: I would like to call to order the Nevada Commission for the Reconstruction of the V&T Railway. It's Wednesday, February 22nd, 2023 and it's 9:01 AM. We are here at the Carson City Community Center Robert “Bob” Crowell Board Room. Could I get a roll call please, Allyson?

2. ROLL CALL AND DETERMINATION OF A QUORUM

Allyson: Leah Kruse.

Leah K: Present

Allyson: David Peterson.

David: Present.

Allyson: Stephanie Hicks.

Stephanie: Here.

Allyson: Clay Mitchell is running late.

David: We'll just mark him present when he gets here then, and I'll acknowledge that he's arrived. Great. If everybody could please stand, we'll do a Pledge of Allegiance. Thank you. There is a quorum present. Thank you, Mihaela.

3. PLEDGE OF ALLEGIANCE

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

4. PUBLIC COMMENT

David: Thank you, Mihaela. What would we ever do without legal counsel? All right. We'll move on to agenda item four, public comment. At this time, the public is invited to comment on and discuss any topic that is relevant to or within the authority of this public body. Is there any public comment? Seeing none, I'm going to mention just a couple of things. We are going to be pulling Item 10 from the agenda today in hopes of bringing that back to our March meeting.

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Then, immediately following this Commission meeting, we will be holding a closed non-meeting to confer with our legal counsel. Just a couple of notices on the front end of our meeting today.

5. FOR POSSIBLE ACTION: APPROVAL OF MINUTES OF THE JANUARY 26, 2023, MEETING.

David: We'll move on to agenda item 5 for possible action, approval of minutes of the January 26th, 2023 meeting. In your packet you have minutes. I don't know if anybody has any edits that they would like to see. Leah, any changes? Oh, good. Good point. With that, if anybody wants to make a motion on the minutes, that would be super.

Leah K: I move to approve the minutes of January 26th, 2023.

David: Thank you for that motion. Leah's super excited. No edits. Holy smokes. Do I have a second?

Stephanie: I second.

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

All: Aye.

David: Any opposed? The motion carries unanimously. Thank you so much.

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

David: We'll move on to agenda item 6 for possible action, discussion and possible action regarding the V&T statement of accounts payable checks paid January 1st through the 31st 2023. The V&T Commission will review the invoice listing for accounts payable checks totaling \$82,203.74 paid January 1 through 31, 2023. Are there any questions on this item? Happy to entertain a motion. Go ahead, Stephanie.

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

David: Thank you for that motion, Stephanie. Do I have a second? Anybody want to second that by any chance?

Leah K: Second, sorry.

David: That's okay. Sorry. We have a motion and a second. Any further discussion? Seeing none, all those in favor signify by saying aye.

All: Aye.

David: Any opposed? The motion carries unanimously. Thank you so much.

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

David: We'll move on to agenda item 7 for possible action, discussion and possible action regarding the adjusted V&T fiscal year 22/23 budget reports for the period ending January 31st, 2023. The V&T Commission will review a comparative statement of adjusted revenue totaling

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\$980,337.26, expenses totaling \$761,548.04 as of January 31st, 2023, and we'll make a determination to approve the report or not. Any questions on the budget report?

Allyson: This is Allyson Bolton for the record. Just a few comments on this budget. The fiscal activity in the revenue actually hasn't changed, I believe, in the last two to three months. We are trying to reconcile the revenue with Storey County at this time. We do have additional revenue. I believe we are closer to \$1.1 million as opposed to \$980,000 that's listed here. Additionally, some of our expenses also aren't matching up. We are working on reconciling that with Storey County.

David: Thank you, Allyson. Just a quick question on the revenue, that \$1.1 million, would that coincide with-- we were trying to get December's report or is that actually through January?

Allyson: Through January.

David: Through January. Okay.

Allyson: I believe the \$980,000 was as of October. November's revenue, December's revenue, as well as January's revenue is missing.

David: Then on the variance for the expenditures, do you know, is it in one particular GL? I think you told me, but I apologize I forgot.

Leah S: I looked at this a little bit more on Monday and in a couple, but I think it's stemming from our credit card transactions because there are delays in receiving those statements. I've asked Storey for updated budget reports for the last couple of months to see where those discrepancies might be because of the credit card statements. I think that is what it is stemming from based on my looking at it.

David: Thank you, Leah. I appreciate the clarification.

Allyson: The variance on the expenses is much lower than the variance in the revenue.

David: In the revenue, for sure. Stephanie, go ahead.

Stephanie: I just had a question on the inner local support. So the 315, we've got a portion, most from Storey County and then some from CTA. Do we need to do anything to make those requests since we've only got a few months really left in the fiscal year and we want those to come through and post?

Allyson: I do believe the treasurer is supposed to write a letter stating the \$250,000 and we can pull last year's and get that moving with you.

Stephanie: Perfect.

Allyson: Thank you for bringing that up.

David: Then I can address the \$65,000. We have to make the second bond payment, which happens in June, because we have to clear enough in the DoD for whatever the 406 or whatever our last payment is. Then we basically, Chris, on my staff, she uses the prior Board agenda from a few years ago, the CTA Board agenda, and we issue a check that way. Unfortunately, the timing is sometimes, the check doesn't arrive until July. We will need to put it back into this fiscal year.

Allyson: Fiscal year.

David: -but we have to wait until we make the second bond payment in order to basically issue the \$65,000 from the CTA. I don't see any reason to believe that the DoD is not going to come in for us to be able to do that. What I will say, don't kill me, Chris, but once we hit the revenue mark, we can actually technically make the payment to the V&T, which I would be happy to do that and have Chris handle that for us.

Allyson: Great.

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David: Good. Any other questions? Anybody want to make a motion on the budget reports or report?

Leah: I'll make a motion to approve the-- I do not have enough coffee in my system today.
[laughter]

--budget report with period ending January 31st to approve. I think I said that. Sorry.

David: Thank you, Leah. Thank you for that motion. Do I have a second? Thank you, Stephanie. We have a motion and a second. Any further discussion? Seeing none, all those in favor signify by saying aye.

All: Aye.

David: Any opposed? Great. The motion carries unanimously. Thank you. Thank you for the clarification there too, Allyson and Leah.

8. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING CONTRACT NO. FY23-C003 WITH DEITZ MEDIA & MARKETING, LLC FOR MEDIA SERVICES FOR A NOT TO EXCEED AMOUNT OF \$15,000 THROUGH JUNE 30, 2024.

David: We'll move on to agenda item 8 for possible action, discussion and possible action regarding contract number FY23-C003 with Deitz Media and Marketing, LLC for media services for a not to exceed amount of \$15,000 through June 30th, 2024. This contract with Melissa's company will provide media research, negotiation, execution reconciliation, and campaign summary reporting to the V&T Commission. If I could, Allyson, I just want to add a little bit of context around this. This would cover us, and Melissa, you're welcome to come up at any point too, through next fiscal year basically. We would have the entire season ahead of us, this calendar plus through June 30, 2024. Then what I would recommend to my peers is I think we should look at maybe a multi-year option, but I think we should do a bit like a formal RFP. What we could look at doing too is with whatever company we want to bring on board, we could have them actually buy the media. It'd be a larger value contract. Right now, Melissa, this is for the commission, but as in commission on the media buy, we as the Commission are going to be billed directly by the different channels and medias like Google or whoever. That's something that we could take a look at and we could do an RFP. I would like to think maybe right after the first of the calendar year, next year, or something like that. This is a bridge over, it's a small dollar amount. I did speak with Mihaela about this. We're under the 25K capacity and we received a proposal from Melissa, and that's what we're basically using as far as the backup for this contract in front of everybody today. If anybody has questions, Melissa's here. I know she wants to answer them, so go ahead.

Stephanie: I have a question, not necessarily for Melissa, but just-- or maybe a comment. We talked a little bit at the retreat about marketing and the different ways that we are spending money on marketing through the different vendors and contracts. I like the idea of going to a multi-year, but I guess just for my, I'll say education because I'm probably the least marketing person of the group. Can we have a little bit more discussion throughout the year of where these funds are going and how they're being spent? Because that will just help me to understand, when I see the dollar amounts cumulatively, that was my concern at the retreat, but I think it's probably just more of a need for me to be educated on where the dollars are going and how they're being spent, and I think that would be helpful.

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Allyson: Definitely. It'll be included as part of our operations report, and so in that last section where we have marketing, we'll work closely with Melissa to look at a recap of the numbers, where we've invested those dollars, and how well they did.

David: To also add to the response, Stephanie, maybe at the March meeting, we could actually put the media plan in there. I'm not saying all the way through next fiscal year, but maybe just through June, so that way the Commission can see the plan. Where we're planning to spend the dollars from now through June 30.

Allyson: Definitely.

David: That might be a good idea to help with that because I feel like when we've done the buys before, I think you had the media-- I think we had something in your report too.

Allyson: Yes, we did go over where the dollars were spent in the last buy, we'll definitely do that again and break it down by-- Again, it's a proposed plan.

David: Sure.

Allyson: As we get into it, something might be doing better than another category and so we might shift dollars, but we can look at how we're initially going to start.

Stephanie: Great, thank you.

David: Melissa, do you want to just mention the channels that you're proposing? Would you mind just for Stephanie and Leah, as far as what you're thinking we're going to do through June 30th? Is that okay? I don't want to put you on the spot, but yes, just come up and yes, push the button. Once your turn's green, away you go. [laughs] Yes, just make sure you press it. Just identify yourself and then you can go.

Melissa: My name is Melissa Deitz. I am the owner of Deitz Media and Marketing. Based on success that we saw last year with some campaigns that we ran for the V&T Railway; we're looking at a very similar media campaign this year that would include outdoor posters rotated throughout Reno on the high-traffic surface streets. We would also like to include some television campaign; we did that last year. Right now, we're considering short-form spots that just pop into newsfeeds because we think that that's the best place to find your target audience. We will include paid search. That's something that we would like to do and have on all the time so that it's not turning on and turning off when people are looking for information, they'll always be able to find you there. Retargeting, so if people have gone to your website, we have an opportunity to keep following them to say, "Hey, don't forget that we're here and check in with us." Then we also have some campaigns set up or we're thinking about campaigns for social media and display ads. We're trying to find as many touchpoints as we possibly can both digitally and through traditional media just to make sure we're reaching the largest audience as frequently as possible.

David: That's awesome. Thank you.

Melissa: You're welcome.

David: Then I just have a question about the ticketing. When we're driving people to the website, will we be able to, through Fare Harbor, when they click off and purchase tickets, we'll be able to attribute it back to the particular campaigns that drove those ticket purchases? I don't remember how our site is set up and then the connection with Fare Harbor. Also, I just want to recognize Member Mitchell is here, 9:15. It was weather related, but I just put that in the record, okay? Clay, we're on agenda item-- Where are we? Eight. I'm just talking through the media buy with Melissa.

Allyson: The short answer is we hope to.

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David: Okay.

Allyson: The long answer is, we'll need to work with Antos Agency to place some markers and things to be able to track the behavior.

David: Okay. Maybe pixels or something along those lines. I think it'd be really cool you guys to test this even if it's a short run, but just to see what performs best in terms of actually resulting in tickets being purchased through our website.

Allyson: Currently, the way that it's set up, it shows what the conversions are of people that go to our website and then how many dollars then that results in.

David: Sure.

Allyson: The next piece of that is then tracking it back to, okay, they clicked on an ad and then they went to the website and then they purchased.

David: Yes. Lovely.

Melissa: Part of the issue with that though, is kicking in that traditional, it's so hard to track traditional.

David: Oh, sure.

Melissa: We just look at it and just try to attribute and just say, "Okay, we know that our television's running, we know that the outdoor is running," and our goal is to fill the top of that purchase funnel and get them to go in and click on that search. There are probably some things that through outdoor and television, that we will get that response. We're just not going to be able to track it directly through that.

David: I was thinking more for the digital and the search where we've got the links and everything. I realize it's difficult to do. I'm just excited because I don't have a ticketing thing on the CTA side for anything. I want to show how this works and then I can figure out some hotel stuff to selfishly see how this all goes for a particular attraction. Thank you. Any further questions for Melissa or Allyson on this one? Okay, happy to entertain a motion on the contract here if anybody wants to make one.

Stephanie: I move to approve number fiscal year 23-C003 with Deitz Media and Marketing LLC for a not to exceed value of \$15,000 through June 30th, 2024.

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

Leah K: Second.

David: Thank you. We have a motion and a second. Any further discussion on this item? Seeing none, all those in paper signify by saying aye.

All: Aye.

David: Any opposed? Motion carries unanimously. Well, thank you, Melissa. This is great. Welcome aboard officially here, so thank you. All righty. Great. Thank you, Allyson. Drive safe. Be careful out there.

9. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING A PROPOSED REQUEST FOR PROPOSALS ("RFP") TO BE REVIEWED BY THE V&T COMMISSION IN ORDER TO SEEK PROPOSALS FROM QUALIFIED CONTRACTORS FOR RAIL BIKE SERVICES ON THE V&T COMMISSION'S TRACK.

David: We will go ahead and move on to agenda item 9 for possible action, discussion and possible action regarding a proposed request for proposals to be reviewed by the V&T Commission in order to seek proposals from qualified contractors for rail bike services on the

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V&T Commission's track. Our discussion would be to hopefully get it started this calendar year or operating season. I should point out this is late material, and it's in the back of the room. You have it up here from Allyson, so thank you for getting everything together this morning, Allyson, on this particular item. I'm just going to turn it over to you, Allyson, if that's okay?

Allyson: Yes.

David: Okay. Thank you.

Allyson: Great. Thank you. Yes, as David mentioned, this was late material and so you have a printed copy. It also is posted on the website and printed here at the meeting. I'll start with the timeline for this one. We were hoping to issue by Friday, so with whatever changes we talk about today, implementing those and then getting it posted on Friday and sending it out. I did a two-month lead time on this, so submissions would be due April 17th, and then interviews would be April 26th. We would select or potentially select someone, and then the contract would come back in May. The contract would actually be from May to December. What's also different that I put in here that we can talk about is I did a one-year contract with option to renew for three just based on past experience with our rail bike operators, just having that one-year trial period and then should things go swimmingly, we would move forward with option two to extend the contract. We can go through this in detail. Admittedly, I'm looking at **[unintelligible 00:19:41]** to hopefully add a little bit more- What's the right word? -mechanics or logistics.

David: Technical.

Allyson: Technical. Thank you. That was the word. More technical detail. You'll see here I have highlighted when we give outline of the RFP, of where I wasn't quite sure in my numbers and if they were correct. At least I'm calling myself out on that one. If we want, we can just go line by line, unless-- I'm seeing some nods. That sounds great. The overview, the Commission for the Reconstruction of the V&T Railway seeking proposals from qualified businesses to provide rail bike tours to visitors. We're going to add that right there. On V&T Railway Commission's Carson River Canyon track from Eastgate Depot to its termination point near Eureka siding. This is my first area of pause to add technical. I wasn't sure if halfway house was the proper technical term. I do believe our past rail bike tours went down to Eureka, then back up past the depot to "halfway house", and then back to the depot. I didn't know if we wanted to be that specific in this RFP, if that's something that we would go towards contracting.

David: Is it ok, I didn't want to hog the mic or anything. I think we should be specific, and I think people really enjoyed going over the bridge. As much as I think the view for me is looking down at the Carson River, people love the bridge. The honking and the pictures and all of that jazz. I think it enhanced the visitor experience. I think we should put our RFP out with that and then correlate the mileage too, which I think it's six and a half I have in my head.

How would you recommend we say that? Maybe leave the Eastgate Depot down to Eureka siding back past the depot to the halfway house and return to the depot, however you feel would be technically correct to say that.

Ken: There's a number of ways to do it, but Eureka, the train rights or the bicycle rights, rail bikes. Rights to include use of the track from Eureka through the Eastgate Depot up to the halfway house. Then I would just say east of the bridge approximately half a mile east of the Highway 50 Bridge. I could give you an exact milepost. That's not gonna necessarily mean anything at this point.

Allyson: I like that, Ken.

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Ken: The thing is you may be able to arrange some additional tours beyond those limits, but it would have to be on a special-case basis. I don't know if that's something you'd want to address in the RFP.

David: Go ahead, please.

Clay: It seems since this is the overview and not the details, maybe we don't get too crazy on the itinerary in this section and just say, "On a portion of the track between, and put the endpoints.

Ken: Eureka. [unintelligible 00:22:39] Road crossing in Eureka. There you go.

Clay: Yes, something like that-

David: Perfect.

Clay: -which helps define it. Then if we want later, we can break down, typically this is what we would expect the ride to be, or elements that we would want to see in that ride.

Ken: You're going to refine that obviously when you get into operations.

Clay: Yes.

Ken: Yes, I think that's a good idea.

Clay: Part of the reason, number one, my mind works well when we go general to specific, and so we're right here at the general at the beginning. Also, if we get too specific, I wonder if that limits the creativity of proposers coming in saying, "Well, this is how I would do it," and it may be different than what we've done in the past may work just fine, but they may have really good reasons for that. I think leaving it just a little more open-ended with components that are important for us. If you want to get all the way down to Eureka, we do want to cross the bridge. Those kinds of things as we get later in. The scope of work may be a place to include more of the details.

David: Sure, that seems logical. I like that. Works for me.

Allyson: Fabulous. I've just updated it to say, to provide rail bike tours to visitors on a portion of the V&T Railways Commission track from Eureka siding to east of Highway 50 Bridge.

David: Good suggestion. I like that.

Allyson: Okay, thank you. Proposal shall be submitted in accordance with the documents and requirements set forth. V&T Railway Commission desires to lease railroad track, parking lot, and facilities to a qualified rail bike business for the purpose of providing tours to visitors. The lease will be located at Eastgate Depot with reference to the address. V&T Railway Commission offers train rides and events. The Commission is soliciting proposals for a lease.

May issue one lease to-- May issue, I strategically use the word may there. May issue one lease to a successful bidder resulting from this RFP will include use of the track parking lot and part of the depot. The lease is anticipated to begin, that should actually state May 26th, which would be the date of the Commission meeting that the contract would be set forth. The lease will be an initial term of one year with an option to renew for two additional three-year terms. It seeing some head nods. I'm going to keep going.

David: I wasn't nodding my head, sorry, at the first part. You're thinking that there would be six additional years by a two, three-year terms. The totality of this could be up to seven.

Allyson: Seven.

David: Or almost seven because we're starting in May.

Allyson: Correct

David: It's like six and whatever.

Allyson: We would renew in May of '24.

Clay: It's set with a one-year term.

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David: It was three, three.

Clay: That makes sense. Maybe the first year is abbreviated so that it gives us the opportunity to do the decision on the extension prior to operating season.

Allyson: I do believe I note later that it's from May to December 31st, 2023.

David: Okay.

Allyson: I guess--

Clay: We just need to pull this 1.3 in line with that initial term of--

David: Yes, because this number five says, we can renew for three additional years, not two blocks of three. I think we can only go four years total with a contract. Mihaela, because we need to follow probably state rules. I don't think we can do a seven-year contract, can we? Okay. Then my only other observation, should this go through the end of January, since we don't have a December meeting, technically, the contract would expire before we get the chance to actually renew it, January of 2024. We'd almost have to have it go through the end of January to be able to assess the year unless you want to try to do it in November.

Allyson: Rail bike operations would go until October 31st.

David: We could--

Allyson: With them needing to be-- if we look at historical operations. The tours ended at the end of October, and then they had one week to clean the depot so that we could move in for the Polar Express because we start mid-November for the Polar Express.

David: Do you feel comfortable though, we could make a decision during the November Commission meeting if we wanted to extend it with the vendor that we selected.

Allyson: I think that would give us enough time.

David: Okay. How do you all feel, my peers, about three additional years versus two blocks of three additional years? Do you have a preference on how you want to--? I didn't think we should go past four years on a contract. Maybe I'm mistaken.

Allyson: I may have sourced other state contracts to pull said verbiage. I'm assuming that it is okay. [laughter]

David: Sure. I didn't even think of that. Actually, you're right. Lovely.

Clay: I did a preliminary review, and here's--

Allyson: Thank you [unintelligible 00:28:27] I also need my coffee this morning. [laughs]

David: Yes, I forgot about that. Probably, if we want to go in that direction, we should change Section 5 to refer to two- Where do you have it? -two additional three-year terms. We should probably put that in five, that same language.

Clay: Correct, but I think we also need to back up 1.3. We need to make sure that it-

Allyson: Thank you.

Clay: -it lines up because the last sentence says the lease will have an initial one-year term.

David: Oh, yes.

Allyson: It's not a full year.

David: May 26th to December 31st.

Clay: The initial term will be through the end of the calendar year or until whatever, and then options.

David: I like that. Just in case something happens with the November meeting, I'd be more comfortable saying through December 31st. On the off chance we have to do a special meeting in December, to not let it lapse if you guys are okay with that.

Clay: Do you want to do January? Does that make sense?

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David: I would feel more comfortable with that. Just if we need to reconcile if it's a new operator right and if anything goes wonky and we don't get to it in November, then more special meeting in December versus just--

Allyson: On 1.3 I have it adjusted to; the lease will have an initial term through January 2024 with an option to renew for two additional three-year terms.

David: Yes, January 31st, 2024. Yes, that's good.

Allyson: Okay.

David: I mean, sorry. It's definitely early. How do you feel about that?

Stephanie: I guess I was just going to ask do we- I'm a little conflicted with the three-year term. I think having one year before we renew is good, but I think that if you look at the current situation that we were in, that first year was really good, and then it was the second year that we started having issues. I almost feel like I wouldn't want to, after one year, renew it for three. I think I'd feel more comfortable, I guess either way we can terminate. Do you think that that is a negative to the operator if we went lesser terms?

David: Good point because they're going to--

Allyson: There are significant startup costs.

David: Yes. They might want a longer--

Clay: Yes, my belief is the stability that a multi-year term gives you is preferable from their perspective. I would just say to address your concern, Stephanie, is we make sure that we have termination for cause language that's fairly robust in there that's very specific about what cause is and so that we're protected as well.

Stephanie: Okay.

David: If I'm hearing you right, you might prefer that this contract goes through the end of December 2024 to give them this year and next year a second full season just to see how it works.

Stephanie: Actually, I wanted to do this season with the option to renew being for a two-year period versus--

David: Oh, okay. I apologize.

Stephanie: Maybe one, two-year period. I agree there's significant start-up. As long as we feel we have robust termination or breach of contract information in there, I think I'd be comfortable.

David: Okay. Well, in the plan, Mihaela, correct me if I'm wrong, we're going to use the state's large dollar contract, which is pretty tight. We're using that with--

Mihaela: That is correct.

David: We're doing that with the agreement we're working on with VTRR. I'm game for whatever you guys feel is best.

Ken: David?

David: Yes. Go ahead.

Ken: This maybe is a question for Mihaela. Do you want to use the terminology non-exclusive lease because basically, it says we're going to lease the track to you. What about the other operator? I'm not sure because we're going to get into some operational challenges, which I think are easily worked out. Other people may not think that, but it's obviously non-exclusive lease when other trains are running. I don't know if you just want to leave that alone or maybe make that non-exclusive.

David: Mihaela, did you hear Ken?

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Mihaela: Right. I think that can be addressed in the contract. Right now, we're just doing an RFP.

David: Okay, fair enough. Do we want to make a decision though on how we want to lay out 1.3, since we have to change five and I think one other area? What do you all prefer them to do?

Clay: I'm fairly comfortable with initial term for a season and then three and three.

David: Okay. You okay with that given that we're using the state contract? We still have our 30-day mutual termination clause in there as well. Okay, so we're back to--

Allyson: Just to revisit, it currently reads the lease will have an initial term through January 31st, 2024, with an option to renew for two additional three-year terms.

David: Excellent. Then we'll fix five to say the same thing because that will have to say January 2024 and then with an option to renew two three-year additional terms or however you have it in 1.3.

Allyson: Let me get my copy and paste skills.

David: Okay.

Allyson: I will apply.

David: Are we supposed to see that or not? No.

Allyson: I don't know.

David: Okay. I wasn't sure.

Allyson: Do you want to see my live edit?

David: No, it's okay. I didn't know because you were saying I'm-- but we don't see anything, so-- [laughs]

Allyson: I am more than happy to plug in. Just give me one second here.

David: It's totally fine. We trust you implicitly, at least I do. I can't speak for Leah, but okay.

Allyson: For five, anticipated to be May 26th, 2023 through January 24th, 2024 with an option to renew for two additional three-year terms. Disclaimer that as soon as you start seeing me typing, I lose all ability to type. [laughs]

David: Oh, we'll stare at Gabe then. [laughter]
[background conversation]

Allyson: All right. If we go back up to three, we were at-- no, we were at 1.3. Sorry. 1.4 may be able to begin its on-site business operations upon approval of the contract. Responses to this RFP should carefully evaluate market and depot conditions and respond accordingly. This little guy here is not wanting to--

Clay: This is minor, but should that be respondents or the responses?

Allyson: Responses to this RFP should-- so respondents instead of the responses?

Clay: What are we trying to do? [crosstalk] Do we want their bid to carefully evaluate the market and the depot or--

David: Or the companies.

Clay: -are we saying the companies should do this?

David: Yes. I like the respondents. Respondents seem more accurate.

Allyson: What if we do both? Respondents and responses.

David: Good point. Yes.

Clay: The response--

David: The respondent would provide the response. It's inferred. Respondents. Yes, I like that.

Allyson: There we go. Now you can see the live edits.

David: Great. Thank you.

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Allyson: Okay. The response of this request for proposal is to provide the V&T Railway Commission with rail bike operation services, including, but not limited to operations, ticketing, marketing, and rail bike maintenance. Rail bike operation has historically operated in the months of April through October each year, departing from the Eastgate Depot to Eureka siding and back. This contract works in conjunction with V&T Railway's Operational Team and Train Operational Team, ultimately reporting to V&T Railway Operations and V&T Railway Commission. Question here is if we need to elaborate at all on the background here with operations, ticketing, marketing, and rail bike maintenance. Also, I don't know if the Commission has an opinion on if rail bike is one or two words. [chuckles] I have it as both. I don't believe--

David: You know, I've seen it both ways.

Allyson: I've seen it both. It tends to sometimes yell at you or make it two words when you have it as one. I've been breaking it out into two, but wherever I see it.

David: Only one of us is a county commissioner to make that final decision. Not to put pressure on you, sir. How do you prefer?

Clay: We did consider an ordinance about this a few years back? [laughter] Is rail bike as one word copyrighted somewhere?

David: I don't know.

Allyson: That's a great question though. I'll have to investigate that one.

Clay: To me, it feels safer to do it as two words.

David: Sure. Just not to put ourselves in a weird spot. Okay.

Allyson: Great. It is in two words everywhere else. I think I caught the final one-word references to rail bike. Okay. Operations, ticketing, marketing, and rail bike maintenance. Anything else you want to elaborate on this specific point?

Clay: Does it go without saying that payment is one of the things we'd like this person? This-- [crosstalk]

Allyson: I did debate finances in here. We do reference finances in the scope of work.

Clay: Amazing.

David: Prompt remuneration of one-half of utility payments wouldn't hurt either. [chuckles]

Clay: [chuckles] I think we're good.

Allyson: Okay, great. We're going to keep moving. We've defined the operations and the operator. A lot of the next is standard RFP language that we've had in multiple RFPs. I'm going to keep going unless you want to call out something specific.

David: I do have one thing. Before I joined the commission, I was asked to participate in the previous rail bike, I guess, evaluation committee. I want to say, I think it's important to ask these folks to come here with their rail bikes, so we can actually test them on the track. Up, down, up, down. The motors, the brakes, everything. Down in the canyon. We're basically on tour, right? I think that's important given the grade and as I understand it, we have the steepest grade that any rail bikes in this country run on, so is it possible that we could-- I can't speak to how that happened last time. I just know it was a part of the process. At the time, Elaine called and said, "Hey, rail bike companies, a couple of them are coming out on a Saturday." I drove out and we were able to test those rail bikes. I think that's important for us to consider as a Commission since we're putting safety first. I'd certainly like to understand, look at them, see the build, do they have bumpers and that sort of stuff, and how do those motors work and brakes and everything, so is it possible that we could incorporate that into this?

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Allyson: I think it would have to be-- I would suggest it'd be that Monday. Our meeting is on Wednesday, so if they are traveling from a destination making it beneficial for them.

David: Go ahead.

Allyson: I think [unintelligible 00:41:14] committee, the short list of qualified proposals and call for presentations or interviews, you might just add something there.

Stephanie: That's what I was going to say is I think it should be your shortlist that would bring--

David: Narrow it down. Sure.

Stephanie: Yes.

David: You're looking at our meeting is on the 24th of May.

Allyson: Oh, is it? I thought it was the 26th.

David: May 24th, Wednesday.

Allyson: May would be execution of a contract. April would be interviews and selection of a-

David: Sorry. Hang on.

Allyson: -vendor, so we would be looking at Monday, April--

David: 24th. Okay. Let me just follow along with what Stephanie was asking is, we are narrowing this down to a shortlist. Two or three maybe vendors, they come out on the 24th. The evaluation committee gets to ride them, drive.

Allyson: Yes. What do we want to call that? On call for onsite--

David: I would say an in-person demonstration of their rail bikes or-

Clay: Equipment.

David: -equipment, yes.

Stephanie: If they're coming out, you probably want to do it back-to-back with the 26th. If they have to be at the meeting on the 26th-

David: Good point.

Stephanie: -to come out Monday, have nothing Tuesday, and be here Wednesday is probably--

David: Maybe we schedule everything on the 25th then on that Tuesday? Okay. That works for me.

Allyson: Okay. Shortlist of qualified proposals and call for onsite in-person demonstration on April 25th, 2023, as well as presentations or interviews of those on the shortlist to present further details.

David: Yes. I think [unintelligible 00:43:16] was right, onsite equipment demonstration, just to be clear that we're wanting them to be able to demo the rail bikes, the equipment. The other thing that I would be leery about, only because I'm thinking back to 2020, is prototypes too. I would like to make it such that whatever rail bikes they plan on using starting June or the day after the Commission meeting in May, that's what they bring, not a prototype that they're working on. I think it should be the actual rail bike that they propose using on our track.

Allyson: What if you get on the track and you want changes to the bike?

David: Well that's okay. I think that's a part of our process too, is we should be able to address their safety features and the mechanical features, and that would be a requirement to issue a contract as, "Hey, you don't have front bumpers or your brakes weren't sufficient or whatever, you need dual brakes." I don't know the technical aspects, but I worry because I'm thinking back to 2020, and one vendor had a prototype of a-- looked like they literally just built it. There was just one car, so I don't know. Just from my experience back in '20.

Clay: Was there more lead time on that one?

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David: I don't know because I wasn't on the Commission. Once I became involved, it seemed like there was a couple of months that the process took. I remember coming to one or two of the Commission meetings at the time just as a part of the evaluation committee, but I do feel it was a couple month process because I feel like we were up in Virginia City at one point. We were at the depot or something, and then when the folks brought their rail bikes, of course, we were on the track.

Clay: I'm just wondering if by nature of the request, given that we're a month between when they would show us the equipment and when they would pull the trigger, does that take care of it? Then we could just include, you could say non prototype or fully functional or representative of what they [crosstalk]

David: Representative equipment. Yes, Ken, sorry.

Ken: Not trying to confuse things, but just as a possible alternative, I'm trying to think like to a construction contract. For example, you're getting ready to build a highway or bridge, you don't require the contractor normally to submit the detailed shop drawings of the bridge until after the contract's awarded. You do however have specifications stating what that bridge needs to consist of. What do those technical drawings need to consist of? For example, if you were to say, "Okay, your rail bike needs to have a certain amount of braking capability, be operational on a 2.4% grade, this and that, two seats, four seats," and then with the clause that prior to X finalization of the contract, the selected party has to then bring their equipment on board for the commission to evaluate. What I'm thinking is what happens if you get three proposals? You probably won't, but they'll want to be there testing their equipment the same day. I can just see some logistic issues. Then also with the timeframe that you're dealing with trying to get this contract ordered as soon as possible. Just a thought, you could possibly make that as a condition. Yes, we're going to give you the contract, but you still need to provide these submittals. In this case, the submittal is also a demonstration of your equipment on the track that it's going to work, in addition to a statement saying that "Yes, it's safe under these conditions." Just throwing that out there.

David: It's a fair point, Ken. Yes. Could you help us then with-- because I'll be honest with you, I don't know how to specify breaking power and size of the motor. I wouldn't even know where to begin.

Ken: I don't either, but I think we could do it in a generic standpoint.

David: Okay.

Ken: I'm going to ask Gabe to work on that a little bit because he was the big babysitter of the last rail bikes people, and he probably knew whatever problem they had. Yes, that's something we can do in the next couple of days, I think, if you're free.

David: Yes.

Ken: Don't get too excited. [laughter]

David: That's a fair point.

Clay: I don't think it has to get incredibly technical, but maybe a minimum requirement and then ideal, like maybe a two-tiered thing where it's minimum technical requirements, and then ideally, our preferred criteria as well. Leather seats and all that stuff.

David: [laughs] Air condition. [crosstalk] [laughs] Air condition in the summer.

Allyson: In 4.2.6, we do specify. I think once we get there, we might just want to go a little bit more in detail. We do outline what the bike should have and what its capabilities should be. I think for where we're at right now, based on Ken's comments, the question would be, are we going to require them to come onto our track before we interview them and select?

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Gabe: Not a bad idea, [inaudible 00:49:08] It's not a bad idea to have them come, at least take a look at the track, and then like, "Ooh, we got to upgrade our wheels because these are tight curves and the wheels are going to break," or "Oh, we need bigger brakes," stuff like that. If they want to come and look at the track beforehand, we can do that.

Clay: To some extent, that goes back to 1.4 where we said the respondents to this RFP should carefully evaluate market and depot condition, and maybe we expand that it's not just the depot, but it's the location, the track, the--

David: Track conditions too.

Clay: Track and--

Ken: Again, going back to construction contracts, not uncommon to have a pre-bid meeting, and in some cases it's mandatory on projects, some cases it's not mandatory. Most of the contractors always like to show up at the pre-bid meeting and no one will ever ask a question because you don't want to give away your secret to your competitor but they will show up anyway.

David: If we did something like that, then we'd have to anticipate that before we have to post, though, the agenda for April because otherwise we--

Ken: Again, you could write now just say, "We're anticipating doing a pre-bid meeting and tentatively scheduled for some and such day."

David: Got you. Ken, in this case because I get what you're saying about the bridge creating, building something. That pre-bid meeting, could we allow the pre-bid meetings to take place at the depot and they bring a rail bike and actually, we could address questions that they might have about the track, but also, we would get the opportunity to test the rail bikes out? I know this is different, but could we do all that at the same time over, not all three at the exact same time, but--

Allyson: I would argue that the meeting would be before proposals are due.

Clay: No. Two different things.

Ken: Before it comes back. I don't see why you couldn't. We're in pre-bid meeting and applicants are encouraged to attend and applicants are also encouraged, if possible, to bring a rail bike to the meeting to demonstrate to the commission representatives how it's going to work on that application.

David: I think it's important, you guys, to see these bikes. I really do. That, I like. What was just recommended before the proposal is due. It may be that a vendor comes out and after they realize our rail into the canyon, they're not willing to invest in upgraded braking systems and motors. I feel like that we wouldn't be I don't want to say wasting the vendor's time, but I guess I don't know how to better say that but going through a whole process and then after the fact that like "Oh my god, our breaks aren't good enough and it's a \$1,000 a car," or whatever.

Allyson: I would think that we would add it to 1.4 where we already are saying that our track, depot should be carefully evaluated. V&T Railway Commission anticipates holding a pre-bid meeting. All applicants are encouraged to attend.

David: Yes.

Allyson: Okay, great.

David: We could identify a day or two days depending on how many. Just have a couple of days blocked or something because we'd need to coordinate that. I think we should do that during the week perhaps. I guess we could do it on the weekend too.

Clay: It'll be before we're running, right?

David: Yes. Yes, exactly. Yes, so we don't impact anything. Is that fair, Allyson?

Allyson: Yes. I will get with actually with Gabe because I want Gabe to be there.

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David: Oh my gosh. Yes.

Allyson: We'll actually enter a date here for that pre-bid meeting.

David: Okay. We need it exactly. Got to get a--

Allyson: Great. I'm going to jump back to-- where was I-- 3.2. [laughs] We were at in-person equipment, non-prototype, fully functional demonstration on April 25th, then interviews, April 26. Clay, did you have something you wanted to say before I move forward?

Clay: Well, I'm just thinking about we're giving them an opportunity to bring a bike to the pre-bid meeting. We are requiring or expecting them to bring one as part of the interview process?

David: No. I think just the pre-bid works for me and not twice.

Clay: We can take out the April 25th?

David: Yes.

Clay: Maybe we make it a term of the contract itself that there's adequate testing and inspection before they start going within that last month. We're not taking their word for it if--

David: Yes.

Allyson: I eliminated the 25th and we just have-- We'll create a shortlist for presentations or interviews on April 26th. Okay, great. Standard RFP language.

David: I should point out to Allyson; we took what we did I think for Polar and we try repurposing that one because that was a template that we had used everybody--

Allyson: May have even been before Polar, but yes, we did use it for Polar.

David: Because there's some references to Polar where we just need to update that [unintelligible 00:55:19] the meeting.

Allyson: Oh, is there?

David: Yes.

Clay: Just a couple of remnants in Polar later further down and they're actually references to a museum as well, which we may need to-

David: Fix.

Clay: -fix, so we'll get there.

Allyson: My research has failed me. In terms of Section 3, I think I caught it all. You should be good here. Then we get to the scope. Scope of work for rail bike operations. We'll cover the following. Submit a narrative description of your rail bike tour business. Ensure the following factors are included: Company history, background, and why your company is qualified to provide the services described in this RFP. Describe whether your company operates services on other state-owned or federally owned property. Formatting things that are going to drive me crazy. Describe whether your company operates services on other-- Sorry. I just said that one. The length of time your company has been in business providing rail bike tour services described in this RFP. Regional knowledge describing your understanding of the regional market for a rail bike tour business and visitation. There it is. Patterns to the V&T Railway Commission.

David: On 4.2.3, do you think we should just add where we say the length of time your company has been in business providing rail bike services described in this? Just the locations of their other existing services. Could we maybe just hybrid that one?

Clay: History background.

David: You think they will put then maybe where--

Clay: Yes, they should. If they don't--

David: It's a mess.

Allyson: Don't include locations?

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David: No, no, no. It plays right. I guess they should. Hopefully, they will. Company history, hopefully, they'll lay out whatever operations they previously run and where.

Allyson: Great.

David: It'd be nice to know did they operate in other locations but they don't any longer. Like inactive, active. It'd just be nice to see they start something, stop, start something, stop, or whatever. Maybe we'll get that out of that history.

Clay: All right, Dave, you'll get the opportunity to grill them if they make the shortlist.
[laughter]

David: Oh, yes. Yes. [chuckle]

Allyson: Regional knowledge. Describe your understanding of the regional market for rail bike tour business and visitation patterns to the V&T Railway Commission. Then we get to safety.

Clay: Can we just say V&T Railway? Thank you.

Allyson: Describe your company's safety record operating rail bike tour business. Describe how you'll promote safe, enjoyable, high-quality experience, and variety of visitors to V&T Railway.

Clay: No. I was just going to point out that that would give a bit more color, so to speak, on past operations.

Allyson: Now we get into the specifics of the bike. Rail bike safety features. Describe your company's rail bike equipment. Adding minimum rail bikes must include steel wheels and electric pedal assist capable of-- and here I highlighted, I guessed 10 miles round trip with 4 miles of a steady 2% grade. Confirm whether your company currently utilizes rail bikes that meet the standards and any possible additional modifications you will implement by the time the lease is approved. Based on our previous conversation, do we need to include four seats?

David: Yes.

Allyson: Yes.

David: What about the motors?

Allyson: Electric pedal assist.

David: We won't have any description for right now that we're saying because we don't really know how many watts or whatever the motor needs to be.

Allyson: I would argue that I'm not the authority on rail bikes to dictate that.

David: Ken, is it, or Gabe, is it a 6-and-a-half mile down Eureka back pass to halfway back to the depot, it's about 6.5 half miles.

Ken: Yes, 6.5.

David: We could change that to say 6.5. You guys are comfortable with the 2% grade?

Ken: I'll just change that [unintelligible 00:59:45]

David: Ken, will you-- Sorry.

Ken: Can I just scream? [laughs] With gradients of up to 2.4%.

David: 2. Okay. Gradients up to 2%. Thank you.

Ken: I'm going to suggest a couple of exhibits.

David: Yes. Yes.

Ken: We've got them already pre-prepared. One, we've got a reduced profile of the entire railroad from here to Virginia City, which shows the gradients by mileposts how steep that track is, whether it's positive grade, negative grade, all the way up. You can include that with the RFP then right off the bat

David: Perfect.

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Ken: I know that was a big concern that from your predecessor didn't seem to understand that a reduced profile at any railroad individual would know exactly what that was, but they will. The other thing we've got prepared, Dave, do remember this, remember the rail bike? Rail bike block plan. Now we could indicate that was previous, it'd be subject to change, but that will also provide a graphic for, "Oh, yes. This is where I'm going to operate."

David: Yes, we should

Ken: I can get you those, Allyson, if you'd like to include those with the RFPS. Additional information. That immediately tells people what kind of gradients they're working with.

David: I would hope these folks would then have reviewed those materials and when we have this open bid meeting, they should be coming asking questions about that. Right. They are understanding the train and the operational side of the rail bikes.

Ken: Again, that plan and the profile ties the primary operational area together. I'm still hoping that someday they can maybe run a rail bike all the way to Gold Hill, but that's not part of this discussion right now.

David: That'd be awesome.

Clay: Do we feel we can end this paragraph "Adequately describe the minimum technical requirements for the bikes?" Because we had talked about doing a separate list, but is there stuff that's not here? If we put minimum seating capacity, pedal assist, and I would also probably suggest adding the word adequate braking.

David: Seat belts, bumpers, I think. With the steel wheels, I know wheels were a big issue. Gabe and Ken, we went from the polycarbonate back and forth. There's something about that, I don't know what you call that, resonating vibration or frequency, where as soon as you hit a certain mile per hour, the other thing just vibrates your teeth. Should we dictate the type of wheels or allow for the testing, what would be your recommendation?

Gabe: I would allow for them to decide. The last people they had the polycarbonate, but they put backing on it to make them stiffer. They put those, what they call beauty rings around the flange ways. I don't think steel wheels are unnecessary. They can make them out of better polycarbonates or aluminum, in my opinion. I've seen plenty other stupid goofy track stuff without steel wheels.

Ken: Allyson also with that paragraph on the gradient, you probably want to say the track needs to be, go up, go over track up with gradients of up to 2.4% and around curves of up to 12-degree curvature. Not getting technical is 529.29 fifth foot radius. Just say 12 degrees. In other words, we're telling them right off the bat they got some sharp curves to deal with.

David: It's not just a straight run.

Ken: Then maybe the wheel configuration needs to be taken into consideration that operating environment like Gabe said.

David: Good. I like that.

Allyson: I removed steel wheels, added four seats added adequate, I'm just going to go to the beginning. "Rail bikes must include four seats, adequate breaking mechanism." I pause here because I wonder if we need to add some sort of a fail-safe feature or double, something like that. I don't know. Again, I am not the authority on rail bikes. The breaking is something that we're going to leave-- "Four seats, adequate braking mechanism, seat belts and electric pedal assist capable of six and a half miles round trip with four miles of steady 2.4% grade and round curves up to 12-degree curvature." Does that make sense?

Ken: That's correct.

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David: Ken, it's up to right. We want to say up to 2.4%. Right? It's not, the whole link says 2.4

Ken: That's correct. Up to 2.4%. Again, reduced profile will be there it is right here-

David: Will show that.

Ken: If you can't see it, you're blind

David: They're not making the initial cut.

Clay: Allyson, you can take steady out of there.

Allyson: "Confirm whether your company currently utilizes rail bikes that meet the standards and any possible additional modifications that will implement by the time the lease is approved." Here, we'll have exhibits. I'm just calling them A and B for now. One would be the rail bike plan and one would be the grading map.

David: The reduced profile right would be the technical term for that.

Allyson: That's just a note for me.

David: Oh, that's a note for you. Okay.

Allyson: To know what I'm putting there.

David: Yes, and the rail bike block.

Allyson: Thank you. Here I'll highlight that, so you know it's for me. High-quality, reliable, and safe equipment. Identify other equipment your company utilizes, including its reliability and quality. Describe where and how rail bike batteries will be charged. Safety plan. Discuss the safety plan. Your company will implement a safety lesson for every customer must be included. The safety plan should also include procedures for ensuring the safety of customers and contemplate weather conditions and equipment retrieval. Do we need to say weather and fire?

David: Not a bad idea just to cover ourselves.

Allyson: Or smoke maybe.

David: Smoke. Yes

Allyson: Working environment. Describe how your company promotes a safe working environment for employees. Describe how your company maintains an awareness of and respect for natural resources and the environment. Business operations coordination. Describe how your company will coordinate with the V&T Railway Commission to ensure a quality experience for visitors while honoring the mission and upholding the rules policy and overall objective of the V&T Railway Commission. Customer service. Describe how your company ensures a knowledgeable and friendly staff. Discuss your methods for resolving customer services issues as they arise.

Clay: Is there an extra word in there?

David: The and, yes. "Ensures a knowledgeable."

Allyson: Thank you. Accounting. Describe what systems your company uses for accurate accounting of customers rental fees, tracking of equipment. [crosstalk] We need to add something here.

David: Timely reimbursement [unintelligible 01:07:07].

Allyson: Accounting of customers' rental fees.

David: We're basically looking at what is their ticketing system, what do they use?

Allyson: Tracking of equipment as well as accounts payable.

David: Yes.

Allyson: Are we happy with our scope of work?

David: Just a quick question, are we going to get to utilities?

Allyson: That would be in the contract. Right or wrong?

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David: I think we should be upfront about what our expectation is because we move forward, we select a vendor and then we're getting into a potential 50-50 utility situation. What about share of revenue? Ticket revenue too? I would rather re-establish, be upfront about what it is we want, so we don't get all the way through this whole process and then we've selected a vendor and we're trying to negotiate the contract and it's May and we're still haggling over what utilities are covered at what percentage and then what is the percentage of the ticket fee revenue that we would like.

Allyson: It would be an overview or background information, not necessarily in the scope of work.

David: Okay.

Clay: Maybe even up to 1.1, or further down

David: Go ahead, Ken.

Ken: This is sort of convoluted, I'm not quite sure where to put this. Not so much under business operations, but do we want to advise the potential proposers of what facilities they can use besides just lease the facility? In other words, obviously, they're using the steel building to store the previous operator to store equipment. During off days. I don't think we can tell them they can use the blue building because it's not ours. That's just going to have to work its way through the process. I'm not sure what access they would have to other than the steel building for storage of their equipment. Is that something that we want to advise them or just talk about it during the pre-bid?

Allyson: I think it would be at the pre-bid meeting and in the response to questions. Essentially during operations, they'll get half of the depot.

Ken: They may do an RFI, request for information which I'm sure it's in there. Now the 400-dollar question. I'm trying to choose my words on this carefully. One of the reasons it was a challenge I think for the previous operator to be profitable was the inability for us to up allow rail bikes to operate the same day that trains were operating. In other words, if there was a train tied up in the depot, the rule from on high the dispatcher was you stop all your rail bike operations. That's not reasonable from an operator standpoint, there's no reason that we can't operate trains and rail bikes at the same name with an active dispatcher. It's a pain for that person, for that dispatcher. Maybe that goes back to the operational agreement with the railroad. Maybe it's time that we say we're going to hire a dispatcher, and all operations on a rail track need to be cleared with our dispatcher. That probably won't go over too well. I see a real problem there unless we can work that out because there's just no reason, we can't run rail bikes which I think are wonderful for the town, the area and trains at the same time with more work involved.

There's no reason we got a siding, take all your rail bikes, put them in the siding while you're bringing a train down, and then hold your train in the siding until a rail bike excursion gets done for that period and then release the train. There's ways of doing this, it's not difficult.

David: We have that block document too and we can refine it.

Ken: Yes, and we can refine that also.

David: We can refine it.

Ken: We can set another block, two of them basically right in the middle of the east gate, one on the main line, one on the siding. That was actually was suggested by the Federal Railroad Administration representative which we met with. He actually drew that up. I don't know if you remember that list steps.

David: Yes, I do, I do.

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Ken: There's no reason that can't operate, but that's a big concern if I'm a rail bike operator you're going to basically for the entire summer or the summer the trains are operating. On the weekends I'm losing two-thirds of my revenue. Again I don't know how we address it. That's a tough one.

David: Yes.

Allyson: I don't know that we can address it without the operator here, and I do think it's something that we can't sort through in the RFP itself. It would be again in the pre-bid response to questions, and I think whoever is if there is someone awarded the contract it would be sorting through that contractor and operations because the answer may change based on who was selected.

David: Well, I think we invite Tom to be a part.

Ken: Maybe Tom would welcome not being a dispatcher because, Gabe and I were with him one time, and we had the conversation, and we're getting on track, and we had a little minor little issue that happened. It wasn't a big deal, but Tom says, "I really don't like doing this." Okay, well then if he's not the dispatcher then that's fine. The only problem would be their trains then would have to get authority from the dispatcher for the Commission's railroad to get below Gold Hill. A loss of power maybe or a loss of authority. At the same token is it maybe worthwhile so you don't have to do it, and you're not taking that liability in case there is some type of a mishap between the rail bikes and the trains? A lot of that goes back to the dispatcher. Did I say that right Gabe?

David: I'm not saying recommending but as a potential option is us contracting with someone who just dispatches, so they would do the rail bikes during the week, rail bikes and trains on Saturday and Sunday.

Ken: Any other applications that take the track out of service like if Dave decides to go to work for a change because he never does and get on the track with us [unintelligible 01:13:54]

David: Sure. Motor car stuff they would still be responsible for it.

Ken: This is not a novel concept. Not that we would do it but there are firms that provide dispatching services for small railroads. I think they're out of a call center in wherever Pennsylvania or somewhere, I think, but they do offer that service. You'd want a real body, that's what you got to have because you can't have a robot dispatching trains in my opinion. You'll have trains running together big time. Or you could hire someone that's maybe retired from the railroad that knows a little bit about operations. I can think of a couple of people right now but anyway.

Stephanie: I was just going to say I agree with Allyson. I think that's outside of the scope of this RFP and we need to agendaize that and have a different conversation regarding that if we're going to propose that to Tom. Going back to the lease, I feel like I want to leave that open to see what they would propose. I don't want to say necessarily unless you guys convince me otherwise, that they have to share half of the utilities and give us a certain percentage of their ticketing fee. What if they come in and say we're just going to pay you \$20,000 a month so that we can operate at your facility, and we're not talking about cost share, we're not talking about how many runs they make. Wouldn't we be potentially interested in something like that? I think we could throw out ideas, maybe we could just say desires to lease the railroad track lease could be in the form of.

Clay: I had a thought along those lines, I was thinking whether we could say lease typically includes [unintelligible 01:15:42], and that way it's not binding but it gives them a parameter or

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an idea or traditionally rail bike lease with this organization has included the following elements. Again it's not a must/shall it's a-- and if they want to be creative and come up with something different [unintelligible 01:16:02]

Stephanie: We could say could include a flat rate lease or option for percentage, because I think we've seen that in our own contracts where a flat fee can be advantageous if they don't fill their bikes. It could be a benefit to us that it's just a flat fee, if you want to be at our facility this is what we're going to charge. I just throw that out there.

David: Good idea.

Allyson: I have a few thoughts. I've made some changes in the overview and here's what I'm proposing. I'm just going to start in chronological order here. I did add in here where we say V&T Railway Commission offers train rides and events. The leasing must manage schedule in relation to V&T Railway Commission schedule train rides and events.

Clay: Should we say coordinate instead of manage, is it their job to manage?

Allyson: Well manage their own schedule.

Clay: In relation, in relation to the other things happening on the track it's really not their job. We don't want them to-- we want them to coordinate so that they're working within the system that we establish.

Allyson: Leasing must coordinate schedule in relation to. Then if we jump down to the 1.4, the leasee must be able to begin its onsite business operations upon approval of the contract. Respondents to this RFP should carefully evaluate, then I added the leasee may be responsible for half of depot utilities and track expenses as well as storage and security of their own property. I put the "May be responsible" to give the illusion that is negotiable. Then what I would suggest is then when we go down to scope of work, and I'll pop back up because I know, Clay, you have lots. Under business operations, this is where we could, maybe even under accounting, we say outline preferred revenue share. I don't know how we want to say that. Describe preferred revenue options, I don't know, and what systems your company uses for accurate accounting if that [unintelligible 01:18:26]

Clay: My preference would be up at the beginning up in the overview to just say elements of rail bike lease typically include, and then it's broad. Share shared responsibility for depot-related costs including utilities, track inspection, this and that.

Allyson: Elements of rail bike-- oops, two words. Elements of rail bike lease of a rail bike lease. Elements of a rail bike lease typically-- told you I can't spell-- include revenue share as well as half of depot utilities and track and inspections as well as storage and security of their own property.

Clay: I wouldn't say half I'd just say shared responsibility for depot expenses and then either in parentheses or whatever including utilities, track inspections, storage and security of own property, et cetera.

David: What you and Stephanie are allowing for is latitude for these folks when they submit a cost proposal to actually identify how they want to handle costs and revenues. That seems very fair. We were in the predicament we were in based on what happened in 19 into 20. I like the idea of the flexibility.

Allyson: Okay.

Clay: You might even just say security and security comment, et cetera. If we're talking about sharing costs, you can just leave it open-ended there. Specifics will be negotiated with the contract. I love that, et cetera.

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Ken: Allyson, one comment on 1.5 change bid proposal to pre-proposal. I got an old habit of bidding on projects for the last 40 some years. It's pre-bid, but I think this is a pre-proposal meeting because it's not a formal bid per se.

David: Good point. They're not building something.

Allyson: We were on 1.4, elements of a rail bike lease typically include revenue share as well as a shared responsibility of depot expenses such as utilities, track inspections, storage and security of their own property, et cetera. Then we have changed 1.5 to state pre-proposal instead of pre-bid meeting. We were at the scope of work, 4.2.12 and we were discussing and describe preferred revenue. I said options and what systems your company uses for accurate accounting.

Clay: What specifically are you trying to say with revenue options there?

Allyson: Flat rate revenue share. Basically, what Stephanie was saying and that we aren't going to tell them how they're paying us.

Clay: Some yes. Maybe structure because a revenue option could be selling lollipops.

Allyson: Well, that's a good question. Are we allowing them to sell lollipops?

David: Sure. Do they have the V&T Railway logo on them? Do we have to pay a royalty?

Allyson: I'm out of coffee y'all.

Clay: We're charged a historic fee on top of the--.

David: Historic lollipop fee. \$14.95 plus tax.

Allyson: Any other thoughts on the scope of work? No.

David: No, I like these changes. These are really good you guys.

Allyson: I believe we already updated five. I'm just going to pull that to the next page.

David: On our footer. I was just-I'm just thinking out loud. We can always fix this after, but maybe we update the footer with the RFP number for this, use our old sequencing for RFP, when we release the RFP.

Allyson: Is not 2023-01 any different?

David: Is that what we-when talking about it might be zero-two now. If we release it in February. Oh. Oh. The first RFP of the year. Is this our first one or second one?

Allyson: It's our first.

David: Oh, lovely. I was-that's right because you took over. I was thinking about last summer, sorry.

Clay: The first gift of Christmas. Yes.

Allyson: Is our footer correct, or no?

David: No, I think you're right because we did the Polar technically must have been last fiscal year, not over the summer. Beautiful. Perfect. Lovely.

Allyson: Great.

David: You were all right. Again.

Ken: Allyson just on 6.2 submit to one of the following, maybe it's just the following.

David: To the following. We could definitely move up the questions if you'd like.

Allyson: We could.

David: Yes, I'd make that two weeks out from now. Three at the most, to be honest with you.

Allyson: Do you want it before or after your pre-proposal meeting? Before?

David: Good question. Maybe after.

Ken: Probably after because they may have specific questions, they want to ask in writing.

David: Then yes because that's going to become an amendment number one to the contract. I guess we do need to move the pre-proposal meeting then up sooner and then allow them, your

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right, to ask questions because everybody would have to share the questions and the answers with everybody. It's a good point.

Allyson: Based on that, I will adjust these dates accordingly with the pre-proposal meeting. I can't do these dates without knowing our pre-proposal meeting. We're looking for maybe mid-March. I'm also trying to, that Northern Nevada has spring break for a span of three different weeks in March. Depending on if you're in Dayton, if you're in, oh you're one week Reno, if you're in Carson City, if you're in Incline Village you're going to have a different spring break. Those three weeks, it's pretty much early March to April 1st in case that impacts any proposers.

David: Yes.

Allyson: I'll probably get this pre-proposal meeting first week of March is my hope. Then questions would be due maybe a week after that. I'm getting head nods for the record.

David: Seems fair.

Allyson: Then presentation, interviews the 26th and then issue the contract the 20th, that's not right. I think it's the--

David: I think our meeting says 24th.

Allyson: 24th. Would we do--we'd probably do that Friday then May 26th based on any changes at the meeting? Then the contract would be issued that Friday.

David: That seems fair. Mihaela, are you comfortable with that on the off chance that, last-minute things come up on the 24th of the meeting? It gives us till Friday, to get the thorough official document signed and everything.

Stephanie: Yes, Allyson, just a question. If RFPs are due by the 17th and there's going to be a subcommittee, that short list, does that give you time really to review, and notify all those people coming to the 26th?

Allyson: Admittedly that date was based on giving them a longer time to submit said RFP. You're right. If you were preparing a presentation in my past experience, a few days is quite difficult. . .

Stephanie: You're going to need a couple of days to decide who's shortlisted.

Clay: Bump it up a week?

Allyson: April 10th.

David: Sure.

Allyson: Then decks would be due, assuming it's not late material would be due by the 19th. We would communicate that directly though with the shortlist. I'm going to unhighlight so that I know that we confirmed these remaining dates here. We will release on Friday and I will get with Gabe on these three here.

David: Lovely.

Clay: Do we need to backtrack? Should we, 3.2, no that--

Allyson: I highlighted all the dates so if any dates change, I go through all the dates before I post.

Clay: I was going to say the RFP submittal deadline on the cover page. That may be the only place where it is because we changed that date.

Allyson: The rest is required information. Describe your experience with rail bike operations. The hope is that the scope of work goes into detail on that one. Key personnel project approach, cost proposal.

Ken: Allyson. Do you want to just say cost proposal? I think the basic and special services is a throwback from when we did Gabe's initial contract way back in the day where it's regular stuff

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he's doing plus special stuff we want him to do. Unless you've got something specifically identified it as a special rail bike service.

Allyson: Qualifications.

David: Here's where we probably just want to modify some of the language. It might not be past performances, but it might be past or current existing rail bike operations. I know, again, we were taking from a pre-existing document, so some of this might have been Polar oriented language.

Allyson: Even prior to that?

David: Yes, or before that. Yes.

Allyson: I think it operations, honestly, the RFP that I responded to. Length of time in business, past and current rail bike operations, capabilities to perform, size of the organization, project manager, support staff, and any other pertinent information submitted by the proposal. Anything else?

David: Ken or Gabe, please, if you feel something is lacking under this section, feel free to chime in.

Allyson: I don't know if it would. Now I'm going to get into math, but the bike itself.

David: Good point.

Allyson: Is that just part of the qualifications?

David: Because how else? Because we'll see them first. Good point. It could be an Ely situation here, which we definitely don't want.

Allyson: Would that still fall under specifications, though? Or do you want-

David: Rail bike quantity and specifications, maybe?

Allyson: Capacity?

David: Yes, rail bike capacity. There you go. Rail bike seat capacity, maybe, or something like that. No, capacity is good.

Ken: That's good because it describes your rail bike. Basically, that's all you're asking them to do and how many do you have?

Allyson: I wonder, I realize this is out of 100, but I think safety. Is that its own category or do we put safety under qualifications? Because I do think that we need to put a heavy emphasis on the safety of the bike and the operation itself.

David: Will you scroll down just a second? The capacity that we have below, we actually have that pulled out separately. I didn't catch that. Now we have two places.

Allyson: Yes, some might argue the capacity of the team versus the capacity of the bike itself.

David: Where could safety go?

Allyson: You could have enough bikes but you're--

David: You don't have the staff to run them.

Allyson: You don't have.

David: Safety is obviously paramount to what we're doing.

Allyson: Too small of an operation to run them. My suggestion would be to either do. I can't do math right now. 40, 15, 15, and 30. That's 60. That's 100.

David: We could look at the cost and reduce cost to allow for safety as an element.

Allyson: Or you do out of 120 points?

Clay: Can I ask something real quick? Is 10.5 totally separate from the rest of 10?

Allyson: Yes.

Clay: It's a separate 100 points?

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Allyson: Yes.

David: It becomes a cumulative scoring if you're from an in-person perspective, right?

Clay: Right. Actually it's two totally separate processes, right, because the first chunk is for putting them on the shortlist. The in-person is.

David: When you've narrowed it down.

Clay: How we would actually decide who to award the contract to. Is that a fair assessment. I'm just thinking we may want to put a little differentiation between the two.

David: Our spreadsheet is properly identified that way too. It becomes a cumulative score once you get to the top two or three and everything. I think just adding some context around that's not a bad idea.

Allyson: I don't know how you want to specify. You could do and then here I would do-

David: I kind of want to keep it 100 and 100 because I worry if we're, one's 120, I'd be open to adjusting cost.

Clay: For finalist criteria. Finalist--

David: Sure. Although cost now does become probably more important by virtue of leaving the flexibility for people to respond as they see fit.

Stephanie: Allyson, on the pre-interview criteria, it might just be proposal criteria because it's going to be the written. Thank you.

Ken: The last sentence in 10.3 capacity, do you want to drop that last sentence? To me, that's a little bit ambiguous is because you've said that you're already scoring that weighted to maximum of 15 points. Do I take that as a contradiction, possibly, if I'm looking to pick holes in things?

Clay: Yes, it looks pretty wordy.

David: You can dump that. Yes, agreed. Good catch. Maybe we can address the safety concern that you have underneath number 3 or I was going to say rail bike capacity, specifications, safety features, or I don't know.

Clay: Should those be their own category?

David: Could be.

Clay: It just seems like a bit of a stretched grouping the physical characteristics of the bikes with the qualifications of the company. It seems like a broad stretch.

David: Let's pull it out. Maybe-

Clay: Let's pull 10 points out or something and do it as a separate.

David: We could take capacity down to 10. I don't know if you want. Yes, I agree. Make it a 10-pointer. Then, Clay, what you'd like to see is-- I can't see them now, but the two that we just updated, you want to pull those, the rail bike capacity specifications, you'd like both of those to go under safety?

Clay: Yes. Maybe their safety or maybe it's equipment or maybe the category is called equipment or something like that.

David: Looks good.

Stephanie: Should that be a little higher, though, than 10 points? That's a pretty important component of this. Maybe we take an additional 10 from qualifications and bump up equipment.

David: Like a 20. Yes. Good.

Clay: Safety third. [laughs]

Allyson: Oh, my goodness. Formatting is going to kill me right now. Is my math, right? We've got 30, 20, 10, 10, 30. Oh, my goodness. I'll have to play with the formatting here.

David: Formatting, we can fix this. It's something weird. I see that with the space.

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Allyson: Yes, my type A is going to twitch a little bit, but that's okay. Then we have our finalist criteria. We've got proposal criteria.

Clay: Since we added one, I think finalist needs to be 10.6. It needs a little bit of massaging on the specific wording. Theater production services under A.

Allyson: Thank you.

David: Rail bike operations. Keep it simple. Presenting person adequately identify rail bike personnel and equipment necessary. That's [French language]. It's French.

Allyson: Oh, true. I lose all ability to type when I'm in the hot seat. Okay.

[pause 01:40:10]

Then I'll add the attachments here. Oomph, did we do it? Oh my God. No, I can't type. I can't type. [chuckles]

Ken: Okay, I'm going to throw one little last wrench. [laughter] The cost proposal form. Do we even need a cost proposal form? We don't have specific items, I don't think. Specific "bid items" which would normally be, okay, here's how much for this widget, here's how much for that widget, or here's how many hours and here's our man-hour rate or just give us a cost proposal. I think that's strong enough a thought process on that. Obviously, if it was a construction contract, we would definitely have a number of bid items depending on the complexity of the of the project.

Stephanie: I see what Ken's saying. We want them to provide us a cost proposal but it doesn't necessarily have to be on our form that we provide. I think we can change it to just we wouldn't include that as an attachment, and then up above, you wouldn't call it a cost proposal form, you would just say cost proposal 12.5 also.

David: She was reading your mind, Ken. Wow.

Ken: Somebody has to.

David: [laughs] Yes, that's good.

[pause 01:42:08]

Clay: In fact, I think we can probably get rid of 13 altogether. We can throw 13.1 down under the confidential information paragraph because if we don't have a cost proposal form, you don't need 13.2. The whole point of 13.1 is to say your cost information can't be marked confidential. It has to be open. That seems like you can just add that sentence to the end of the paragraph in 15.

David: Good suggestion. Mihaela, you comfortable with that?

Clay: Because when we had a separate cost proposal form, it made sense to have a section that described it, but if we're not using a separate form, the cost proposal information will probably still want to say it can't be marked confidential.

Mihaela: Maybe when you do it 15, break it down into 15.1 and 15.2.

David: Perfect.

Mihaela: Because I think it's a little bit different than information that typically will be kept confidential. That 15 will become 14, right? Because we're getting rid of 13?

David: Yes.

Mihaela: Break the new 14 into two separate paragraphs.

David: Will it automatically change all the-

Allyson: I don't think so.

David: -sequencing or the numeral?

Allyson: Maybe. No.

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David: Oh, okay.

Allyson: No, sir.

David: We can fix that after.

Allyson: No dice. Is that what you were thinking, Clay, combining the two?

Clay: The text under 14.2 can just go away, but the paragraph needs to be any information. Yes, there you go, and then the second one becomes 14.2 and you're good to go.

[pause 01:44:24]

I'm a firm believer in the Paperwork Reduction Act.

[pause 01:44:38]

Allyson: Okay, I think it's just formatting at this point.

David: Anything anybody sees? Any other suggestions from anyone?

Clay: Is this contract termination stuff weird in an RFP?

David: Well it does go out for state agencies. I know we're not a state agent, we're a state Commission, but just using some of that.

Clay: We're an orphan Commission.

David: [laughs] Yes. Just to cover us.

Clay: Okay, that's fine.

David: The process itself.

Allyson: Thinking back to my contract, everything is referenced to the RFP and what I put in my RFP.

David: Because it becomes in the state packet attachment. AA basically is the RFP, and then the response. Insurance BB, vendor response, CC, so it just becomes a part of the overarching contract packet. It's cumulative, I guess. This is easy you guys. I allocated three hours to get through this one and we're way ahead of schedule here, so thank you everybody.

Allyson: I'm just going to highlight this so I know to look at the numbers because all these numbers are gonna need to change. Okay.

David: Okay.

Clay: Sorry. 17 reference is Exhibit A, is that proper? It says insurance requirements is delineated in Exhibit A. Does our Exhibit A actually talk about insurance requirements?

David: We'll have to make that a different--

Allyson: Yes.

David: Yes, we'll have to relabel that.

Allyson: It'd be exhibit C then since we added A and B.

Clay: Yes.

David: Good catch, yes. Under the attachments, we probably should include the standard contract form because that way, these folks can see what the contract is going to be. [silence] Lovely. The evaluation form, since we have laid that out in the actual RFP, I think we can take that out because we actually put the evaluation criteria in so they know how they're being evaluated. I don't think we have to attach our actual Excel file by virtue of laying out the criteria. I'm pretty sure that that's the case.

Allyson: Yes, it's exactly the--

David: Yes, so you can drop that if you don't mind.

Clay: Does that change the reference we just made?

David: No because it was the Excel file.

Allyson: Okay.

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David: All right. We're still on nine. I don't know if there are any other edits or anything. If we feel comfortable with those changes, Allyson, later today or whatever, in the morning, if you want to just send me that, I'll just do a final read-through again. We do have this as an action item just to approve. I realize we're trying to do a motion with all the changes. Maybe I'll just say with the changes noted or something, if anybody wants to make a motion on agenda item nine, that would be awesome.

Stephanie: I move to approve the request for proposals for rail bike services as discussed on the record and the finalization of said RFP with the chairman and to be published by staff.

David: Great, thank you for that. Maybe just add we'll post it to the website, and obviously, we've been collecting rail bike companies, so we'll direct email them as well.

Allyson: That's perfect.

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

Clay: I'll second that.

David: Thank you, Clay. We have a motion and a second. Any further discussion on this item? Seeing none, all those in favor signify by saying aye.

All: Aye.

David: Any opposed? Motion carries unanimously. Thank you everybody: Gabe, Ken, Leah, Allyson, my peers. That's great. Looking forward to this releasing on Friday.

11. FOR DISCUSSION ONLY:

MONTHLY NON-ACTION ITEMS:

A. OPERATIONS REPORT

B. TRAIN OPERATIONS REPORT

C. ENGINEER'S REPORT

David: With that, we're going to go ahead and move on to agenda item 11 for discussion only. These are our monthly non-action items. We're going to go ahead and skip 11(a) because we just had our retreat last week, so we won't have an operations report. We'll move on to 11(b). I know Tom is out of town, so we'll go ahead and skip over that and go right to the engineer's report 11(c). Ken Dorr, take it away.

Ken: I can't switch gears that fast.

David: No worries. Take your time.

[laughter]

Ken: There you go. A couple of things. As per previous discussions, I solicited a couple of different proposals for ultrasonic rail testing and there were two firms I got a hold of. One was Sperry Rail Services. They've been in business. They just started about 1922, so they've been doing it for a while, and then Herzog Rail Services and they've been in business for at least 30 years. What that does is basically they run a portable, in this case, high rail type vehicle up and down the track and they run a little ultrasonic rail detection. If they get a ping, then they'll stop

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and do a little hand investigation and they can determine very accurately if you have a rail defect that's incipient. What you're trying to do is avoid a broken rail. We have pretty much taken the policy, i.e. the Commission, to do it every four to five years. Last time it was done in 2018, I believe, so we're basically due sometime in the next year or so. There is no requirement that we have to do that. Now, the big railroads on their main tracks, they have to do it at least once a year. The short line railroads on their main tracks have to do it, I believe it's every two years. There's no requirement for us to do it at all. However, a broken rail under traffic with passengers tends to ruin your whole day potentially. Not quite as bad as an Ohio-type situation.

Something that we've probably done and I think it's a good idea to try to find a defect ahead of time. Plus if we find a defect, then Gabe's got to go to work and fix it, so to replace a rail.

David: Ken, so we did discuss this during the retreat. Tom was actually there and we would like to do this in May and he wants his track tested too, but he mentioned something about he's having some welding done on his own track. We would like to do it in May before, you guys have to correct me if I'm wrong, but before Memorial Day weekend I think is what Tom was asking to coordinate with both of you to get it done before Memorial Day weekend in May. We do want to proceed with the ultrasonic test.

Ken: Again, let me follow up on that. Again, the two proposals, I misread the one proposal. Sperry was pretty expensive. They've gone up consistently. They're \$10,000 roughly, and then Herzog's almost eight. They're a little bit cheaper. Now, one thing I did mention to both firms is that we would try to schedule it in with other work they had on the West Coast. Whether we can tie it down to May or not, I'm not entirely sure. I can understand that, yes, we do want to fix any defects. My initial conversations with Tom were that he didn't want to participate because he had budgeted money for rail expense, if you will, welding expense, but I'll touch base with Tom and we'll see what we can do.

David: Yes, if you would do that because it certainly seemed that he wanted to coordinate with us to do that.

Ken: Maybe which firm can get out-

David: Sure.

Ken: -in May and I wanted to get it done if possible before the end of the fiscal year because there's no way that Gabe is going to burn up the rest of our maintenance way budget.

Gabe: I can do it.

[laughter]

Ken: Before the end of fiscal year.

David: Ken, I think there's a call for you on line seven outside the room. [laughter] No, that sounds great.

Ken: Let me follow up with that. Thanks for the feedback.

David: Of course.

Ken: The other thing I had, and in your package, just a little housekeeping item, I wanted you to see. Basically, once a year, Tim Blaylock, who is the Nevada State Public Utilities Commission Rail Safety supervisor and has a lot of railroad experience as an inspector over the years, and a pretty decent guy, a fair guy, and very knowledgeable, he asked if we could take his yearly trip, which it turned out to be on Pearl Harbor Day, December 7th, this last year. His computer was down, so he just finally gave me the report here a couple of weeks ago. Not to get too technical, but there's two items he wrote up. Item number two was he found some loose bolts on a joint bar around Eureka, which Gabe fixed the next day. Not an FRA defect. The other note that he had

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was that he did not know of any defects on the entire track from Eureka up to Gold Hill. That doesn't mean there's not some there if you really want to look. Just to regress real quick, FRA track safety defects are all based around the operational speed of that railroad. There's six classes of railroad safety standards based on the speed. We are under Class 1, the slowest. Generally, a slow speed. There's one other category below that, but Class 1, which allows for train operations for freight trains of 10 miles per hour and passenger equipment of 15 miles an hour. Most of our railroad is Class 1 from a speed standpoint. There's one stretch on half a mile on either side of Linehan Road where, with that new alignment, we didn't have to use the sharp curvature. We actually have that as Class 2 which we're allowed to run based on Class 2 standards of 25 miles an hour for freight trains and 30 miles an hour for passenger trains. We've got a maximum speed there of 25. The bottom line is, when you see, I guess, what I'm trying to get at, if you see a little defect in the track, you have to back up and say, "Does this violate those standards? Does it fit within those minimum standards?" You try to get things fixed before they get bad, but you don't panic unless you say, "Wait a minute, your gauge is an inch and half wide," or "You're way out of level on your track," or "Your alignment is shot." or there's some other defect. There's the equipment or brush running up against the track. All those are based on the operational speed. Again, we're at the low level. What we encourage, and Bill Willits, one of the engineers for Tom, he calls me all the time. If you see something that looks out of whack, "Ken, can you go look at this?" and we'll go look out. I encourage that. If you guys see something, please tell us. All in all, I think we have a really good railroad and I think it's being maintained pretty well. Is there something wrong with it all the time? Yes, it always needs maintenance. Anyway, the bottom line, we didn't get a violation on this last FRA report. Hopefully, we'll never get one.

David: Kudos to both of you for putting in the maintenance efforts, Gabe, because I feel like this is a reflection of the work that you all are doing on our track, so I appreciate.

Ken: Again, you're not going to catch everything, but Gabe keeps a pretty good eye on every little issue that you can. In some cases, we've had some complaints about, well, you got a little bad line here or there and we've gone and looked at it. Says, well, it's a little bit squirrely, but we're not running 70 mile an hour freight trains over this. We're running a 15-mile-an-hour passenger equipment steam engine equipment. It's fine for that classification of speed, but if it gets worse, we'll work on it. Again, it comes down to if we had an unlimited budget and he had a 10-man section crew with quarters living on the track, then I'd expect to be able to eat off that track the whole time.

Gabe: It's pretty close.

Ken: [laughs] There you go. Another thing I had presented with you folks for the retreat was a budget estimate. I don't know if you guys had any questions on those. I've included some items in there that may or may not be questions and I figured I'd bring it up so you could pound on me a little bit so.

David: I know. Yes, Stephanie.

Stephanie: I do have a question, Ken.

Ken: Yes, ma'am.

Stephanie: On the parking lot, do you know what the square footage is of the area that we would be--?

Ken: 75,000 square feet within change, within a couple of hundred square feet.

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Stephanie: Okay. I think we're just looking at those costs. I know we still have to go through our budget, but I think we felt comfortable with that project.

Ken: I think if you look on that spreadsheet, I throw out some other options. I'd like to do the chip seal with the slurry seal over it. That'll give us a little structural integrity plus make it black. We could just do a fog seal, which is just squirting with oil. There's no pavement there to speak of at all. It's a very light-duty structure. Then I even threw out, which I don't think is reasonable, paving the whole thing and I just guesstimated \$4.5 per square foot on that. That's pretty excessive, I think, cost-wise. Not that it would be a bad deal to get that work done for that price, but I don't think you guys have the budget for it. Just one item there.

Stephanie: Ken, that was the \$105, 000-

Ken: Yes, ma'am.

Stephanie: -estimate.

Ken: That was for the chip.

David: Chip slurry?

Ken: The chip seal with the-

David: Slurry still.

Ken: -slurry seal over top of it. I think that's a little higher than it hopefully is going to come in at. As we're starting to see, there's some abatement at some of the escalation of prices right now. That also would include, I can't obviously watch it, so we'd have some CM. Then it's going to be the point where we would probably want to formally bid it because the estimate is over 100,000.

David: Is that the whole prevailing wages situation or--?

Ken: It will be the situation, yes. Again, I suspected and Mihaela verified that the last legislature or the one before that brought the limit back down to 100,000 from the 250,000 it was accelerated too, if you will, during the Sandoval regime.

David: We confirmed it is 100 or--?

Ken: Anything over 100,000.

David: Anything over a hundred. Okay, so similar stuff.

Ken: Now, it really doesn't make that much difference on this type of a project because you don't hire guys off the street to do that type of work. Gabe might, you understand.

David: One thing that came up Friday, we were asking. I remember Elaine and Stan came to the CTA board. They asked us for \$90,000 for the parking lot, and then there was some kind of match with Storey County for the \$90,000. Is that what got us to where we're at now? Because we were trying to figure out what was \$180,000. That was to just pave the parking or make it the way that it is right now? I couldn't remember.

Ken: I'm going to probably babble myself here a little bit, but the original parking lot paving, if you will, consisted of an application of recycled asphalt pavement grindings, and that was put down courtesy of volunteer effort by Carson City Public Works. They did that and they did not charge the Commission at all. That was done in 2009. Subsequently, they've helped us out a little bit here and there with a pothole fixed. In 2018, I guess it was, we went ahead and we decided that that payment is going to heck, what can we do? In that case, we actually had a contractor come in and grind up the existing grindings again, add some additional thickness. Instead of three inches of grindings, we now had five inches of grinding. Compact that, then put a slurry seal over the top of it.

David: Was that the ARMAC team that did that?

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Ken: ARMAC did that work, that's correct. They also did some additional utility work, sewer line, and waterline and the big waterline mystery I got to get into to find out why it's not working the way it's supposed to.

David: Does that answer what we couldn't figure out?

Ken: Where the funding source came from, I'm not sure what budgets that money was taken out of.

David: I know because, obviously, they came in front because I had to agendize it for CTA, and then the offset or the match was somehow through Storey County.

Ken: I can't help you on that funding source actually.

David: Go ahead, Stephanie.

Stephanie: If that was in 2018, typically, are we looking that this is something every five years that we would have to do, a slurry seal or a chip seal slurry seal?

Ken: Depends on what we put down. I think you're out another five years before you do.

Probably just a slurry seal. The bottom line, this was such a thin coat, and again, I was up there this last summer and looked at some of the surface, and it started to crack pretty good. Minor little cracks. You know what happens when you have minor cracks, you get water, and then they become big cracks. Yes, I think you're looking at some type of a preservation maintenance to be done every few years.

Now, my suggestion is this time, if we went ahead with the additional chip seal, which will add basically three-eighths of an inch of pavement, and the slurry seal, which will add another quarter inch, you're not looking at a structural strength, but it'll be more stable. Then you come back in, say, three years and introduce the fog seal, oil seal, and try to keep that thing squared away again, again, it's such a light-duty parking lot because it's not paved. It's a low-volume surfacing, which probably is appropriate for that type of use because we don't get a ton of truck traffic and heavy-duty traffic on that. Not like a city street, if you will.

David: I don't know if it matters to you, Stephanie, I'm just thinking back. Technically, I think the team at the time came to the CTA board in the spring or the summer of 2019 because '18 I wouldn't have been there.

Ken: Yes, I think you're correct. That's why I had it. It was in '19.

David: I think it was. I might have misspoken if I said '18. Yes, 2019. I don't know if that makes a difference for the duration of how long this stuff lasts, but anyway. It should be done next year.

Ken: If it gets taken care of one more time, then I don't have to worry about it, I won't be around. [laughter] It should be somebody else's problem.

David: Leah Kruse's problem. Okay, thank you for that.

Ken: There's a couple of other items. I needed to get into the mystery of mysteries. When Gabe and I were looking to shut off the water, it dawned on me. He says, "They're running the hose over to the hot chocolate room and it tended to freeze up," and I go, "What?" Because we actually included as a contract amendment with ARMAC to run a service line, an underground service line to tie into the restaurant or the kitchen facility at the hot chocolate room and the valves there, it doesn't do anything. It either was hooked up, not hooked up, hooked up and disconnected. I don't know, I got to get into that and figure out what's going to do.

I'm probably going to say, "ARMAC, come over. Let's find out why this didn't get hooked up" even though it's a couple of years down the road. I did put a budget item in there just in case.

David: Okay. Yes, especially if we paid for that.

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Ken: The whole point was so they don't have to fight with frozen waterline that was against the health code in the first place.

David: Okay, but you will follow up on that.

Ken: Yes, sir.

David: It's okay. My wife calls me ma'am sometimes too.

Ken: I don't know who I look at in the mirror. [laughter]

David: All right, anything else, Ken? Are you comfortable?

Ken: Budget estimate team. Gabe's got a little work he's trying to get done, which is basically doing some welding and grinding, but there's been snow up on the track. Gabe, you've tried to get up there a couple of times, haven't you? It's not worth fighting at this point.

Gabe: [inaudible 02:05:58]

Ken: Shoveling, no.

David: No.

Ken: We tried to do that obviously when it's wet because you get sparks and we don't want to burn the whole world down. This time of the year is a good time to do it. He's going to have some startup costs, inspections, and we need to do a review of the track after winter, if you will. Now, the good thing with all this weather we had, it's been really cold, and so I don't think we've had any major runoff events, which is what tends to destroy stuff, but I'm just guessing at this point. That's really about it. Gabe, you anything else?

Gabe: Long-time listener, first-time caller. I have nothing to add.

David: That was wonderful. Well said. Thank you both again for your diligence on the track maintenance. Any questions for Gabe or Ken? Okay, great. Thank you.

D. UPCOMING MEETINGS

David: We'll move on to 11(d), upcoming meeting. Our scheduled meeting is for Wednesday, March 22nd. I just want to let you guys know I will not be here. I'll be driving in a car across country. I don't know if any of you would be open to trying to move this to the 20th possibly. We also don't have Allyson, but we'll have Leah.

Mihaela: I was going to say Allyson will also be [crosstalk] with that.

David: Yes, Allyson is in a plane, I think.

Ken: [inaudible 02:07:37]

David: Okay, you're not here 22. Ken's not here. The following week I'm actually not here for some portion or it depends what I have going on with my kids. You guys can play. You could run without me so long as, obviously, we need the three of you to be there or there's not going to be a quorum, but I didn't know if you were all open to changing the date or not. Sorry, Allyson, we're on 11(d) just talking about you're gone, I'm gone, Ken's gone. Potentially changing the meeting to the 20th. Totally up to you guys. I don't want to be the reason for changing the meeting, and then suddenly, two of you can't be there or one of you can't, couldn't, or whatever, and then we can't have a meeting at all.

Allyson: You're saying so change it to March 20th? I'm fine with that, but it's only me.

Clay: It's likely that I would have another meeting that conflicts at 9:00 in the morning.

David: Okay. Are you comfortable then, Clay? You can just run this baby.

Clay: Oh, yes. We can mess things up the three of us pretty easily.

David: I'm counting on that.

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Allyson: For our team, it would be Leah representing operations.

Clay: I can just do a written report. There's not going to be a whole lot on there, I don't think. Knock on wood. Hopefully, there's not going to be a lot on there.

David: Yes, fair enough.

Clay: Are there specific business items that we know that we're going to need to handle at that time?

David: Probably the charter services agreement with VTRR.

Clay: Okay.

Mihaela: Would it have to be at 9:00 on Monday or can it be later in the day? That would maybe help out.

David: I'm looking at Allyson to see what April said. Do we have the whole day?

Leah S: I asked the same time. I'll ask about other availability if that's something. It's an option. I'll send an email right now.

David: Sure. Literally, guys, I'm going to be driving across the country, so the prospect of me losing cell service. I don't want to do that to you guys, so I would just excuse myself from the whole meeting to not be a distraction in the car.

Clay: Sorry, are you talking about the 20th or the 23rd?

David: Oh, no, sorry, on the 22nd. Yes, it's when I'm in the car. Like I said, I do not want to adversely impact. If you all can be there on the 22nd, we go for it. I'm trying to find and see if I have that email from April. You're right, I think we did ask for 9:00, but I don't know if she gave us a block or no.

Leah S: I just asked about the 9:00 to noon, our normal time, but I'm trying to send an email right now asking if the afternoon is open or if a shift in schedule. What the availability looks like in that room that day. I don't know if a later time works.

David: Stephanie, I don't even know if you're available on Monday or not.

Stephanie: Either works for me, but if it doesn't work for Clay on the 20th, then I think we're--

David: Let's keep it.

Stephanie: We keep it. It's the 22nd. Perhaps we can reach out and ask for, I don't know if there's a, I don't want to say deadline that we can get the changes back from Tom's attorney. It gives us a little bit of time to review, and we'll have to post it, but review before it comes to the Board so that you have a chance, David, to maybe review and give us your comments, even though you won't be here if there's an opportunity for that.

David: That'd be great. Yes, I'd love to. At least, yes, if there's a way for me to do that. I don't know, I could give them to Allyson or Mihaela or whatever, however that works.

Allyson: It would be Leah because I won't be here.

David: Leah. Sorry, Leah, yes. Okay. We just need to make sure that Tom will be here, right?

Mihaela: You will not be able to vote.

David: No, I realized that.

Mihaela: The Commission will be able to consider those.

David: Yes, it would just be the three of you making the decision. The three of you have to be here on the 22nd, obviously, because otherwise, we don't have a quorum, so anyway. Okay? We will keep the meeting for the 22nd, March at 9:00, okay?

12. COMMISSIONER COMMENTS, ANNOUNCEMENTS, AND REQUESTS FOR INFORMATION

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David: All right, let's move on then to agenda item 12, Commissioner comments or announcements and request for information. Anybody have anything they want to throw out? Go ahead, Stephanie.

Stephanie: I just wanted to say thank you again to Allyson and team for the retreat. I think it was really productive and lots of good conversation. I learned a lot as usual. I think we're setting ourselves up for a really good season.

David: I would agree with that. Well said. Awesome. All right, thank you.

13. PUBLIC COMMENT

14. FOR POSSIBLE ACTION: TO ADJOURN

David: We'll move on to agenda item 13, public comment. Anybody want to give public comment? Okay, I don't see any in the room. Can I get a motion to adjourn?

Stephanie: So moved.

David: We're adjourned. Thank you, everybody.