

TUESDAY 3:00 P.M. MARCH 23, 1999

PRESENT:

- Jim Galloway, Chairman
- Ted Short, Vice Chairman
- Joanne Bond, Commissioner
- Pete Sferrazza, Commissioner
- Jim Shaw, Commissioner
- Amy Harvey, County Clerk
- Katy Simon, County Manager
- Madelyn Shipman, Legal Counsel

The Board met in regular session in the Commission Chambers of the Washoe County Administration Complex, 1001 E. Ninth Street, Reno, Nevada. Following the pledge of allegiance to the flag of our Country, the Clerk called the roll and the Board conducted the following business:

99-258 AGENDA

In accordance with the Open Meeting Law, on motion by Commissioner Short, seconded by Commissioner Shaw, which motion duly carried, Chairman Galloway ordered that the agenda for the March 23, 1999 meeting be approved with the following amendments:

- Delete
- Item No. 7D(2), Pavich & Associates, Inc. (Clarification Deed), and
- Item No. 10 concerning the Christmas in April - Truckee Meadows Project.

PUBLIC COMMENTS

Sam Dehne, Reno citizen, addressed the issue of the airport board wanting to build a golf course at the end of the runway, which he stated is absolutely loony. He commented that the land was taken away from innocent citizens because of too much noise, danger, and pollution, and now they are going to try to fill their bloated coffers with more tax dollars by building a golf course right where they said it was too noisy, too dangerous, and too polluting, which is absolutely wrong; and that the members that represent Washoe County on that board should say do not do that, but if they build the golf course anyway, the money should go back where it came from into the Federal coffers.

MINUTES

On motion by Commissioner Shaw, seconded by Commissioner Sferrazza, which motion duly carried, Chairman Galloway ordered that the minutes of the regular meeting of February 9, 1999 be approved.

99-259 APPROPRIATION TRANSFER - TRAVEL - PUBLIC ADMINISTRATOR

Upon recommendation of Anna Heenan, Senior Administrative Analyst, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, Chairman Galloway ordered that the appropriation transfer for travel needs for the Public Administrator be approved and the Comptroller be directed to make the following account transactions:

Public Administrator		
Account		Amount
001-1590-7362	Rental of Building	(\$1,000)

99-260 PURCHASE - DISSOLVED OXYGEN CONTROLLER - COLD SPRINGS WASTEWATER TREATMENT PLANT - SPECIAL ASSESSMENT DISTRICT NO. 21 - WATER RESOURCES

Upon recommendation of Ed Schmidt, Director, Department of Water Resources, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, Chairman Galloway ordered that the purchase and installation of a dissolved oxygen controller for the Cold Springs Wastewater Treatment Plant (Special Assessment District No. 21) in an amount not to exceed \$19,500 be approved; and that the Comptroller be authorized to make the following account transactions:

Account	Description	Increase	Decrease
0928596-7849	Extraordinary Maintenance Fund - Other Capital Outlay	\$19,500	
066842-7880	Water Resource Fund - Construction Contracts	\$19,500	
0928596-6966	Extraordinary Maintenance Fund - Operating Transfers in from the Water Resource Fund	\$19,500	
066842-81928	Water Resource Fund - Operating Transfers out to the Extraordinary Maintenance Fund	\$19,500	

99-261 REPLACEMENT ITT FLYGT MIXER - SOUTH TRUCKEE MEADOWS WATER RECLAMATION FACILITY - WATER RESOURCES

Upon recommendation of John Collins, Manager, Utility Services Division, through Ed Schmidt, Director, Department of Water Resources, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, Chairman Galloway ordered that the purchase of a replacement ITT Flygt Mixer for the South Truckee Meadows Water Reclamation Facility be approved; and that the payment of \$19,297.20 to SPB Utility Services, Inc. for the new mixer unit, rental of crane for installation, and electrician services to wire the mixer be authorized.

99-262 WATER RIGHTS DEED - THOMAS W. AND MARY ANN MUELLER - W. R. ROGGENBIHL - UTILITY SERVICES

Upon recommendation of John Collins, Manager, Utility Services Division, through Ed Schmidt, Director, Department of Water Resources, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, it was ordered that the following actions be taken regarding two parcel maps for Thomas W. and Mary Ann Mueller, APNs 76-360-10 and 76-310-01:

1. That the Water Rights Deed for 12.12 acre-feet of groundwater rights from a portion of Permit 31393 and 32882 further abrogated by 59858 and 59343 between Thomas W. and Mary Ann Mueller, Grantor, and Washoe County, Grantee, be approved and Chairman Galloway be authorized to execute.
2. That the Water Rights Deeds for 2.03 acre-feet and 3.988 acre-feet of Orr Ditch water rights from a portion of Claim 337/338 between W. R. Roggenbuhl, Grantor, and Washoe County, Grantee, be approved and Chairman Galloway be authorized to execute.
3. That the Utility Services Division Manager be directed to record the three Water Rights Deeds with the County Recorder.

99-263 WATER RIGHTS DEED AND AGREEMENT - HAWCO INVESTMENT AND DEVELOPMENT COMPANY, INC. - FUTURE DEVELOPMENT - UTILITY SERVICES

Upon recommendation of John Collins, Manager, Utility Services Division, through Ed Schmidt, Director, Department of Water Resources, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, it was ordered that the Water Rights Deed and Agreement for 8.21 acre-feet of water rights being a portion of Claim 486, changed by application 64639, and

2.60 acre-feet being a portion of Claim 485 and 489, changed by application 64638, between Hawco Investment and Development Company, as Grantor, and Washoe County, as Grantee, in support of future development be approved and Chairman Galloway be authorized to execute. It was further ordered that the Utility Services Division Manager be directed to record the Water Rights Deed with the County Recorder.

99-264 WATER RIGHTS DEED - THE ROMAN CATHOLIC BISHOP OF RENO AND HIS SUCCESSORS - WATER SALE AGREEMENT - SIERRA PACIFIC POWER COMPANY - UTILITY SERVICES

Upon recommendation of John Collins, Manager, Utility Services Division, through Ed Schmidt, Director, Department of Water Resources, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, it was ordered that the Water Rights Deed for 23.856 acre-feet of surface water rights from a portion of Claim 83, further changed by application 63887, between The Roman Catholic Bishop of Reno and his successors, Grantor, and Washoe County, as Grantee; and the corresponding Water Sale Agreement between Sierra Pacific Power Company and Washoe County, be approved and Chairman Galloway be authorized to execute. It was further ordered that the Utility Services Division Manager be directed to record the Water Rights Deed and Water Sale Agreement with the County Recorder.

It was noted that 2.40 acre-feet of water rights are in support of landscaping on South Virginia Street and the remaining 21.456 acre-feet are in support of the proposed Manogue High School.

99-265 CORRECTION OF FACTUAL ERROR-1998/99 SUPPLEMENTAL TAX ROLL - ASSESSOR

Upon recommendation of Jean Tacchino, Assistant Chief Deputy Assessor, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, it was ordered that the Roll Change Request correcting factual errors on a tax bill already mailed for Alexander G. & Faye Spanos, et al, Parcel No. 030-241-82 for the 1998/99 Supplemental Roll, be approved for the reasons indicated thereon and mailed to the property owners, a copy of which is placed on file with the Clerk. It was further ordered that the Orders directing the Treasurer to correct the errors be approved and Chairman Galloway be authorized to execute on behalf of the Commission.

99-266 BUDGET AMENDMENT - FY 98/99 AIDS PROGRAM - DISTRICT HEALTH

Upon recommendation of James Begbie, Acting District Health Officer, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, Chairman Galloway ordered that the amendment to the Fiscal Year 1998/1999 Aids Program budget be approved and the following account transactions be authorized:

Account Number	Description	Amount of Increase (Decrease)
002-1700-1712G2-4301	Federal Funds	\$ 8,153
002-1700-1712G2-7001	Salaries	\$ 5,229
-70021	Pooled Positions	\$(1,888)
-7140	Other Professional Services	\$ 7,010
-7230	Educational Materials	\$(3,000)
-7247	Medical Supplies	\$ 3,000
-7418	Outpatient Lab	\$(2,800)
-7620	Travel	\$ 602

Total Expenditures

\$ 8,153

99-267 BUDGET AMENDMENT - FY 98/99 COMMUNITY AND CLINICAL HEALTH SERVICES PROGRAM - WIC PROGRAM - DISTRICT HEALTH

Upon recommendation of James Begbie, Acting District Health Officer, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, Chairman Galloway ordered that the amendment to the Fiscal Year 1998/1999 Community and Clinical Health Services Program and the WIC Program budgets be approved and the following account transactions be authorized:

Account Number	Description	Amount of Increase (Decrease)
002-1700-17110 -7181	Service Contracts - General	\$(12,931)
-17460 -7181	Service Contracts - General	\$(9,648)
-171102-7140	Other Professional Services	\$(3,315)
-17110 -7863	Building and Improvements	\$ 25,894
	Total Expenditures	- 0 -

99-268 BUDGET AMENDMENT - FY 98/99 FAMILY PLANNING PROGRAM - DISTRICT HEALTH

Upon recommendation of James Begbie, Acting District Health Officer, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, Chairman Galloway ordered that the amendment to the Fiscal Year 1998/1999 Family Planning Program budget be approved and the following account transactions be authorized:

Account Number	Description	Amount of Increase (Decrease)
002-1700-1730G1 -4301	Federal Funds	\$2,150
002-1700-1730G1 -7205	Minor Furniture	\$ 300
-7230	Educational Materials	\$ 250
-7403	Biologicals	\$1,600
	Total Expenditures	\$2,150

99-269 AWARD OF BID - SECURITY GUARD SERVICES - BID NO. 2129-99 - BUILDING AND GROUNDS

This was the time to consider award of bid, Notice to Bidders for receipt of sealed bids having been published in the Reno Gazette-Journal on January 4, 1999, for Security Guard Services for the Buildings and Grounds Division of the General Services Department. Proof was made that due and legal Notice had been given.

Bids, copies of which were placed on file with the Clerk, were received from the following vendors:

Burns International Security Services
Holman Security Corporation

Tiburon Development, Inc. dba Quest Intelligence Bureau, Ltd. Great Western Security and Pinkerton submitted "No-Bid" responses

and American Protective Services failed to respond to the invitation to bid.

Upon recommendation of John Balentine, Purchasing and Contracts Administrator, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, Chairman Galloway ordered that Bid No. 2129-99 for Security Guard Services for the Building and Grounds Division of the General Services Department be awarded to the lowest responsive, responsible bidder, Burns International Security Services, in the amount of \$228,711.64. It was further ordered that the Purchasing and Contracts Administrator in conjunction with the Risk Manager be authorized to execute a two-year agreement with Burns International Security Services for unarmed security guard services commencing April 1, 1999 through March 31, 2001, with the County retaining an option to renew the agreement for one additional two-year period.

It was noted that the estimated annual amount is based upon approximately 20,775 hours of unarmed security guard service, at the contracted rate of \$10.94 per hour, including 264 County-observed holiday hours (\$16.41/hr); and that security guard services shall be provided primarily at the Washoe County Administration Complex and Senior Services Center, Reno Central and Sierra View Branch Libraries, and the Sparks Justice Court, however, the County may utilize unarmed security guard services whenever and wherever the need shall arise.

99-270 AWARD OF BID - FLEET HEAVY EQUIPMENT - BID NO. 2142-99 - EQUIPMENT SERVICES

This was the time to consider award of bid, Notice to Bidders for receipt of sealed bids having been published in the Reno Gazette-Journal on February 24, 1999, for Fleet Heavy Equipment for the Equipment Services Division of the General Services Department. Proof was made that due and legal Notice had been given.

Bids, copies of which were placed on file with the Clerk, were received from the following vendors:

Cashman Equipment Company, Inc.
Empire Equipment Company
GCS Western Power & Equipment

Komatsu Equipment Company submitted a "No-Bid" response and Hertz Equipment Rental and Mecom Distributing failed to respond to the invitation to bid.

Upon recommendation of John Balentine, Purchasing and Contracts Administrator, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, Chairman Galloway ordered that Bid No. 2142-99 for Fleet Heavy Equipment comprised of two articulated motor graders and eight wheel loaders for the Equipment Services Division of the General Services Department be awarded to the lowest responsive, responsible bidders on a three year total cost basis, as follows:

Empire Equipment Company Bid Item #1

Two John Deere 770C Motor Graders

Initial Outlay	- Buyback	Total Net Cost
\$250,896.00	(\$219,000.00)	\$ 31,896.00

Bid Item #2

Five John Deere 644H 3-yd wheel loaders

Initial Outlay	- Buyback	Total Net Cost
\$697,935.00	(\$557,500.00)	\$140,435.00

Cashman Equipment Company Bid Item #3

Three Caterpillar 966G 4-yd wheel loaders

Initial Outlay	- Buyback	Total Net Cost
\$644,622.00	(\$519,378.00)	\$125,244.00

It was noted that under the terms of this award, the successful bidders will provide the County with new replacement fleet heavy equipment for a total capital outlay of \$1,593,453.00 and warranty all major components thereof, including providing loaner units if required, for a period of three years; that the successful bidders will further provide a performance bond guaranteeing to buy-back the equipment from the County at the end of three years for \$1,295,878.00, resulting in a net total cost to the County of \$297,575.00; that acquisition costs to the County during the three-year period averages \$826.59 per unit, per month, for state of the art, fully warranted equipment; and that the Board affirms the County's right to procure additional fleet heavy equipment from the successful bidders through December 31, 1999 provided there is no increase in pricing offered, and capital outlay requests have been approved.

99-271 AWARD OF BID - RAILROAD FLATCAR BRIDGE FOR BUFFALO CREEK - BID NO. 2146-99 - PUBLIC WORKS

This was the time to consider award of bid, Notice to Bidders for receipt of sealed bids having been published in the Reno Gazette-Journal on February 25, 1999, for a Railroad Flatcar Bridge for Buffalo Creek on behalf of the Public Works Department. Proof was made that due and legal Notice had been given.

Bids, copies of which were placed on file with the Clerk, were received from the following vendors:

RB Ward Construction
Skip Gibbs Company, Inc.

Upon recommendation of John Balentine, Purchasing and Contracts Administrator, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, Chairman Galloway ordered that Bid No. 2146-99 for a Railroad Flatcar Bridge for Buffalo Creek on behalf of the Public Works Department be awarded to the lowest responsive, responsible bidder, Skip Gibbs Company, Inc., in the amount of \$26,925.00. It was further ordered that Bid Item #1A - Certification be rejected.

It was noted that the Skip Gibbs Company previously provided modified railroad flatcars for Conestoga Drive and Blackwillow Drive crossings of Steamboat Creek, located in Pleasant Valley, and given this experience, the Public Works Department is confident that the product provided will perform as intended and therefore will not require certification which will save \$3,000.00. It was further noted that Buffalo Slough is located southwesterly of Gerlach, Nevada on County Route No. 7.

99-272 RESOLUTION ADOPTING AMENDED SOUTH VALLEYS AREA PLAN - CPA98-SV-2 - COMMUNITY DEVELOPMENT

Upon recommendation of Dean Diederich, Planning Manager, Department of Community Development, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, it was ordered that the following Resolution be adopted and Chairman Galloway be authorized to execute:

RESOLUTION

ADOPTING THE AMENDED SOUTH VALLEYS AREA PLAN (CPA98-SV-2) A PART OF THE WASHOE COUNTY COMPREHENSIVE PLAN

WHEREAS, Section 278.150 and 278.210, Nevada Revised Statutes, specifies that the Washoe County Planning Commission may prepare, adopt and amend a master (comprehensive) plan for all or any part of the County, subject to County Commission approval;

WHEREAS, The Washoe County Planning Commission has found that the SOUTH VALLEYS AREA PLAN, a part of the Washoe County Comprehensive Plan, and the most recent amendment, provides a long-term general plan for the development of the County including the subject matter currently deemed appropriate for inclusion in the Comprehensive Plan;

WHEREAS, Section 278.220, Nevada Revised Statutes, specifies that the Board of County Commissioners of Washoe County, Nevada, may adopt and endorse plans for Washoe County as reported by the Planning Commission, in order to conserve and promote the public health, safety and general welfare;

WHEREAS, A public hearing on the adoption of the Washoe County Comprehensive Plan, including the SOUTH VALLEYS AREA PLAN, was held on May 21, 1991, with the most recent amendment to the SOUTH VALLEYS AREA PLAN being held on October 13, 1998, by the Board of County Commissioners of Washoe County, Nevada;

WHEREAS, At the conclusion of the public hearing, the Board of County Commissioners endorsed the amendment to the SOUTH VALLEYS AREA PLAN, a part of the Washoe County Comprehensive Plan, pursuant to Section 278.0282, Nevada Revised Statutes, for conformance review with the Truckee Meadows Regional Plan;

WHEREAS, A public hearing for the review of conformance of the Washoe County Comprehensive Plan, including the SOUTH VALLEYS AREA PLAN, was first held on October 23, 1991, with the most recent amendment to the SOUTH VALLEYS AREA PLAN being held on February 24, 1999, by the Truckee Meadows Regional Planning Commission, at which time the plan was deemed in conformance with the Truckee Meadows Regional Plan; and

WHEREAS, The amendment to the SOUTH VALLEYS AREA PLAN, a part of the Washoe County Comprehensive Plan, which is in conformance with the Truckee Meadows Regional Plan, has completed all the necessary requirements for adoption as specified in the Nevada Revised Statutes and Article 820, Amendment of Comprehensive Plan, of the Washoe County Development Code; now, therefore, it is hereby

RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF WASHOE COUNTY, NEVADA, That the Board does hereby adopt and endorse the amended SOUTH VALLEYS AREA PLAN, a part of the Washoe County Comprehensive Plan, to serve as a guide for the orderly growth and development of Washoe County, Nevada.

99-273 ACCEPTANCE OF DONATIONS - SHERIFF'S OFFICE K-9 PROGRAM

Upon recommendation of Richard Kirkland, Sheriff, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, Chairman Galloway ordered that a total of \$100.00 in donations from a private party for the specific purpose of supporting Washoe County Sheriff's Office K-9 Program be accepted with gratitude; and that the following budget adjustments be authorized:

INCREASE REVENUES:

15226D - 5802	Donation	\$100.00
---------------	----------	----------

INCREASE EXPENDITURES:

15226D - 7208	Animal Supplies	\$100.00
---------------	-----------------	----------

99-274 ACCEPTANCE OF DONATION - MOYA LEAR - TECHNOLOGY TO RECOVER ABDUCTED KIDS (TRAK) - SHERIFF

Upon recommendation of Richard Kirkland, Sheriff, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, Chairman Galloway ordered that the donation of \$7,025.00 from Ms. Moya Lear for the specific purpose of purchasing one Technology to Recover Abducted Kids (TRAK) computer system be accepted with gratitude, and that the following budget adjustments be authorized:

INCREASE REVENUES:

15229D-5802	\$7,025.00
-------------	------------

INCREASE EXPENDITURES:

15229D-7829	\$7,025.00
-------------	------------

It was noted that the TRAK system will be utilized by the District Attorney's Office to receive information from the Sheriff's Office and other agencies that currently have the TRAK system for criminal investigations and for sex offender notifications; that

the TRAK system includes one Hewlett-Packard TRAK computer system, including scanner, color printer, modem, C.D. Rom drive, and Pentium P.C.; and that the TRAK computer system comes fully loaded with the software included from SocialTech, the company which designed and markets the TRAK system.

99-275 ACCEPTANCE OF GRANT MONIES - PROJECT WALKABOUT - NEVADA STATE JUVENILE JUSTICE COMMISSION

Upon recommendation of Dennis Balaam, Undersheriff, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, it was ordered that the total of \$54,040 in grant monies from the Nevada State Juvenile Justice Commission for the purpose of Project Walkabout be accepted and Chairman Galloway be authorized to execute the agreement between the Washoe County Sheriff's Office and the Regents of the University and Community College System of Nevada, Reno. It was further ordered that the following budget adjustments be authorized:

INCREASE REVENUES:	
15243G/4301	\$54,040
INCREASE EXPENDITURES:	
15243G/727999	\$54,040

It was noted that the mission of Project Walkabout is to provide Nevada's diverse population of school dropouts and potential dropouts an opportunity to positively refocus their academic careers and organize their personal lives.

99-276 MUTUAL AID AGREEMENT - RENO-SPARKS INDIAN COLONY - SHERIFF

Upon recommendation of Richard Kirkland, Sheriff, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, it was ordered that the Mutual Aid Agreement between Washoe County and the Reno-Sparks Indian Colony, concerning support and back-up of County or Colony law enforcement officers be approved and the Sheriff and Chairman Galloway be authorized to execute.

It was noted that the agreement will enable each agency to

- (1) support and back up County or Colony law enforcement officers who, in the line of duty, require support and back up in time of need;
- (2) collaborate and pool resources to respond to disasters;
- (3) collaborate, when needed, when any other exigent circumstances occur; and,
- (4) assist each other in its prosecution, judicial proceedings or post-judicial activities related to law enforcement activities.

99-277 FORENSIC TOXICOLOGY PROGRAM WITHIN CRIME LAB - SHERIFF

Chairman Galloway commented that Associated Pathologists Labs (APL), who had sent a representative to the Board's caucus meeting yesterday, has notified staff that they are withdrawing their proposal to provide alternate service regarding the Forensic Toxicology Program; and that the program will provide more capability than in the past and will be funded by the Enterprise Fund and will not cost the taxpayers more than what was being paid for service that was not as extensive.

Upon recommendation of Richard Kirkland, Sheriff, and Gary Goelitz, Senior Administrative Analyst, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, Chairman Galloway ordered that the following actions be taken:

- 1. The addition of a Criminalist position effective May 3, 1999, and a Supervisor, Criminalistic Lab Position within the Crime Lab effective April 19, 1999 be authorized.
- 2. The Resolution creating the Crime Lab Enterprise Fund be adopted and Chairman Galloway be authorized to execute (see below).
- 3. The unbudgeted capital outlay in the amount of \$60,000 for the purchase of gas chromatograph for urine and blood testing and

the use of \$60,000 in revenues from 15222D, account 5773 (chemical analysis fees - DUI services) in the Crime Lab Enterprise Fund for the purchase of this equipment be authorized and the Comptroller's Office be directed to reclassify the cash and revenues from Fund 001 (General Fund) to Fund 063 (Crime Lab Enterprise Fund) as follows:

INCREASE

Account	Description	Amount
63100-5773	Chemical Analysis Fees	\$60,000

DECREASE

Account	Description	Amount
15222D-5773	Chemical Analysis Fees	\$60,000

4. The Comptroller's Office be directed to record the following "G" type budget adjustments (adjustments to the Grant/Deferral budget):

INCREASE

Account	Description	Amount
63100-5773	Chemical Analysis Fees	\$60,000
Schedule F-2 Budgeted Cash Flows - Acquisition of Fixed Assets		\$60,000

5. The Sheriff's Office be directed to charge unit fees for the provision of toxicological analysis of bodily fluids and tissues pursuant to the fee table outlined in the agenda memorandum dated March 11, 1999 and placed on file with the clerk.

6. The transfer of \$30,400 from the Contingency Fund within the General Fund to the Crime Lab Enterprise Fund be authorized as follows:

TRANSFER FROM:

Account	Description	Amount
1890-7328	Contingency	\$30,400

TRANSFER TO:

Account	Description	Amount
63100 -7001	Base Salaries	\$22,800
-7048	Retirement	\$ 4,300
-7050	Medicare	\$ 300
-7893	Depreciation Expense	\$ 3,000

7. The Finance Division be directed to budget in Fiscal Year 1999-00 a transfer of \$30,400 from the Crime Lab Enterprise Fund to the General Fund to reimburse the General Fund for this contingency transfer.

8. The Finance Division be directed to budget in Fiscal Year 1999-00 a transfer of \$60,000 from the Crime Lab Enterprise Fund to the DUI Services Deferred Account to reimburse the Deferred Account for purchase of the unbudgeted capital outlay.

RESOLUTION CREATING THE CRIME LAB ENTERPRISE FUND

WHEREAS, the County has agreed to provide toxicological analysis of bodily fluids and tissues to local law enforcement and criminal justice agencies; and

WHEREAS, the resources and disbursements relative to the payment for the provision of toxicological analysis of bodily fluids and tissues to local law enforcement and criminal justice agencies may be separated from other County financial activities; and

WHEREAS, the County will annually budget resources and disbursements to fund the provision of toxicological analysis of bodily fluids and tissues to local law enforcement and criminal justice agencies; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF WASHOE IN THE STATE OF NEVADA:

Section 1. That the Crime Lab Enterprise Fund is hereby created as an expendable trust fund subject to the Local Government Budget Act contained in NRS 354.

Section 2. That the County Comptroller is hereby directed to establish said fund on the official books and records of Washoe County for the purpose of accounting for the provision of crime lab services by the Washoe County Sheriff's Office to local law enforcement and criminal justice agencies, interest earnings on the assets of the fund, and expenditures and disbursements from the fund.

Section 3. The Resolution shall be effective on passage and approval.

Section 4. The County Clerk is hereby directed to distribute executed copies of the Resolution to the Department of Taxation, the Comptroller, and the Finance Division within thirty days.

99-278 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) - STATE OF NEVADA - HUMAN SERVICE COORDINATOR

Upon recommendation of Michael McMahon, Human Service Coordinator, on motion by Commissioner Sferrazza, seconded by Commissioner Shaw, which motion duly carried, it was ordered that submission of the Civil Protective Custody (CPC) Building, Washoe Legal Services Infrastructure, and Food Bank of Northern Nevada grants to the State of Nevada Commission on Economic Development for Community Development Block Grant (CDBG) funding consideration be approved and Chairman Galloway be authorized to execute the documents concerning same.

99-279 INTERLOCAL COOPERATIVE AGREEMENT - STATE OF NEVADA - SHERIFF FIELD OFFICES - GENERAL SERVICES

Upon recommendation of Jean Ely, Interim Director, General Services Department, on motion by Commissioner Bond, seconded by Commissioner Shaw, which motion duly carried, it was ordered that the Interlocal Cooperative Agreement between Washoe County and the State of Nevada, for the purpose of establishing Sheriff Field Offices at 100 South Garson Road, Verdi, and 885 Eastlake Boulevard in Washoe Valley be approved and Chairman Galloway be authorized to execute.

99-280 SECOND AMENDED LEASE AGREEMENT - 1020 ISENBERG LIMITED PARTNERS - OFFICE SPACE FOR SPARKS JUSTICE COURT - GENERAL SERVICES

Upon recommendation of Jean Ely, Interim Director, General Services Department, on motion by Commissioner Bond, seconded by Commissioner Shaw, which motion duly carried, it was ordered that the Second Amended Lease Agreement between Washoe County and 1020 Isenberg Limited Partners for the purpose of extending the term for lease of office space to facilitate operation of the Sparks Justice Court and other associated offices through February 28, 2002 be approved and Chairman Galloway be authorized to execute.

It was noted that the amended lease agreement contains the following:

- (1) a change increasing the amount of monthly rental and common area maintenance expenses due, (2) deleting language in the former notification service clause in its entirety and replaces that language with new language referencing a change in property management agency,
- (3) formal acknowledgment and reaffirmation of changes to the termination clause, and
- (4) for such other terms and conditions as provided therein.

99-281 AGREEMENT - REGIONAL TRANSPORTATION COMMISSION - SANITARY SEWER MAINS IN SOUTH TRUCKEE MEADOWS - WATER RESOURCES

Upon recommendation of Ed Schmidt, Director, Department of Water Resources, on motion by Commissioner Bond, seconded by Commissioner Shaw, which motion duly carried, it was ordered that the Reimbursement Agreement between Washoe County and the Regional Transportation Commission in the amount of \$66,000 concerning construction costs for sanitary sewer mains and associated work in the South Truckee Meadows be approved and Chairman Galloway be authorized to execute.

99-282 AGREEMENT - CITY OF SPARKS - MAINTENANCE OF TRAFFIC SIGNALS - PUBLIC WORKS

Upon recommendation of David Roundtree, Public Works Director, and Gary Goelitz, Senior Administrative Analyst, on motion by Commissioner Bond, seconded by Commissioner Shaw, which motion duly carried, it was ordered that the Traffic Signal Maintenance Agreement between Washoe County and the City of Sparks, concerning maintenance of County-owned traffic signals be approved and Chairman Galloway be authorized to execute. It was further ordered that the transfer of \$20,000 from the Contingency Fund to the Public Works Administration to cover anticipated expenses for the remainder of the current fiscal year be approved and the following account transactions be authorized:

TRANSFER FROM:

Account	Description	Amount
1890-7328	Contingency	\$20,000

TRANSFER TO:

Account	Description	Amount
1601-7176	R & M Traffic Signals	\$20,000

99-283 NAMES SUBMITTED TO GOVERNOR OF NEVADA - APPOINTMENT TO STATE LAND USE PLANNING ADVISORY COUNCIL

Pursuant to discussion at yesterday's caucus meeting, on motion by Commissioner Sferrazza, seconded by Commissioner Short, which motion duly carried, it was ordered that the name of Bill Whitney, Department of Community Development be submitted to the Governor of Nevada for consideration of appointment to the State Land Use Planning Advisory Council; and that the name of Chairman Jim Galloway be submitted as an alternate.

99-284 REQUEST FOR FINANCIAL ASSISTANCE - CINCO DE MAYO CELEBRATION

Katy Simon, County Manager, advised that, pursuant to Board direction at yesterday's caucus meeting, staff requested that the Northern Nevada Latino Network provide a budget and appearance today, which they were not able to do; and that the Board may want to continue this item.

On motion by Commissioner Sferrazza, seconded by Commissioner Short, which motion duly carried, Chairman Galloway ordered that the request by the Northern Nevada Latino Network for financial assistance for the Cinco de Mayo celebration to be held on May 2, 1999 be continued.

99-285 UNBUDGETED CAPITAL OUTLAY - SUN SPARC450 APPLICATION SERVER - MANAGEMENT INFORMATION SERVICES

Upon recommendation of Matt Beckstedt, Director, Management Information Services, on motion by Commissioner Bond, seconded by Commissioner Short, which motion duly carried, Chairman Galloway ordered that the unbudgeted capital outlay of \$49,700 to purchase a Sun Sparc450 application server be approved.

99-286 REVISED/RETITLED CLASS SPECIFICATION - ASSISTANT COUNTY MANAGER - NEW CLASSIFICATION - LABOR RELATIONS MANAGER - PERSONNEL

Upon recommendation of Joanne Ray, Personnel Division, on motion by Commissioner Sferrazza, seconded by Commissioner Short, which

motion duly carried, Chairman Galloway ordered that the revised/retitled class specification for Assistant County Manager (class code 9409), currently titled Deputy County Manager, with no change in salary (currently set at \$80,995.20 - \$109,387.20) be approved. It was further ordered that the new class specification of Labor Relations Manager (class code 9411) with a salary of M050 (\$63,398.40 - \$79,227.20) be approved.

99-287 TWO NEW CLASSIFICATIONS - ADJUST SEVEN SALARY RANGES - REVISE TWO CLASS TITLES - DISTRICT COURT

Katy Simon, County Manager, advised that discussion was held on this item at yesterday's caucus meeting.

Commissioner Sferrazza stated that conversations with County Manager Simon yesterday resolved some of his concerns; that she indicated that Amy Harvey, County Clerk, has been working with the Judges to resolve differences that exist; and that based upon that representation, he will support this request.

Upon recommendation of Cathy Krolak, Court Administrator, on motion by Commissioner Bond, seconded by Commissioner Shaw, which motion duly carried, Chairman Galloway ordered that the addition of two new classifications and salary ranges, revision of two class titles, and adjustment of salary ranges for seven classifications, based on an internal salary study conducted by Personnel Concepts, Inc. for the District Court, as outlined in the agenda material dated March 12, 1999 and placed on file with the Clerk, be approved.

It was noted that the estimated cost for salary and benefits resulting from this action is \$5,085 for the remainder of Fiscal Year 1998/99.

99-288 RECRUITMENT AND SCREENING PROCESS - REGISTRAR OF VOTERS - MANAGER

Joanne Ray, Personnel Division, advised that two options are being presented to the Board for consideration relative to the recruitment process for the Registrar of Voters position including

- (1) to engage the services of a consulting firm and
- (2) have the Personnel Division conduct the process.

She then reviewed background information relative to the last several recruitment's for this position. Ms. Ray advised that, in order to assist the Board in considering these options, the Personnel Division did solicit requests for proposals through the Purchasing Department; that eleven firms were contacted and two firms submitted form requests; that it was determined that there are some advantages in this instance of using the search firm of DMG-MAXIMUS, one of which would be the networking capabilities they have throughout the United States; and that regardless of which option the Board decides on, the process will be conducted in a public forum.

Ms. Ray then responded to questions of the Board and advised that neither option would rule out promotion from within; that the Personnel Division currently is in the process of recruiting several high-level, high-profile positions which are very labor intensive, and if the Personnel Division conducts this recruitment, it could delay the process to fill some of these other positions.

Katy Simon, County Manager, advised that staff would solicit input from each Board member and the Blue Ribbon Election Task Force for criteria and suggestions for selecting candidates for the position.

Commissioner Galloway stated that this has been a difficult position to fill and he would want a very thorough search conducted, and would support the recommendation of staff to retain the search firm of DMG-MAXIMUS. Commissioner Sferrazza stated that he would prefer that the recruitment process be conducted in-house because it would be less expensive and there would be greater control over the quality of the candidates. Commissioner Galloway expressed concern that conducting this in house would delay Personnel in getting the other positions filled because this is such a high-profile position that has had problems in the past and would require a lot of staff time.

Commissioner Short stated that, although he would also like to save money he feels this position needs someone with a great deal of experience and does not believe the thorough screening process that needs to be done can be conducted in-house.

On motion by Commissioner Bond, seconded by Commissioner Short, which motion duly carried with Commissioner Sferrazza voting "no," Chairman Galloway ordered that staff be directed to engage the services of DMG-MAXIMUS to conduct the recruitment and selection process for the Registrar of Voters position.

99-289 INFORMATION TECHNOLOGY POLICY MANUAL - MANAGEMENT INFORMATION SERVICES

Katy Simon, County Manager, advised that the Board received one correction to the Information Technology Policy Manual from Matt Beckstedt, Director, Management Information Services, at yesterday's caucus meeting.

Mr. Beckstedt responded to questions of the Board. Commissioner Galloway stated that this is a very good document and commended everyone involved in developing the manual, with special thanks to Mr. Beckstedt for the extra effort he put forth.

Commissioner Sferrazza stated that he does not want social security numbers to be released to anyone and would like an amendment to Section 13 of the policy to reflect that, adding that he does not know whether those numbers should be required, but if they are, they should not be released to anyone.

On motion by Commissioner Sferrazza, seconded by Commissioner Short, which motion duly carried, Chairman Galloway ordered that the Washoe County Information Technology Policy Manual as amended be approved.

County Manager Simon thanked the Board for acknowledging the ITAC and everyone else that worked hard on this project, and stated that they will be very appreciative of the Board's support for the manual.

99-290 BILL NO. 1238 - AMENDING WCC CHAPTER 20 - SALES OF TAX DELINQUENT PROPERTIES

Bill No. 1238 entitled, "AN ORDINANCE AMENDING CHAPTER 20 OF THE WASHOE COUNTY CODE BY REVISING THE DATES ON WHICH CERTAIN ACTIONS MUST BE TAKEN TO PROCESS THE SALES OF TAX DELINQUENT PROPERTIES HELD BY THE COUNTY TREASURER, INCREASING THE MINIMUM INCREMENT BY WHICH THOSE WHO BID ON SUCH PROPERTIES MAY INCREASE THEIR BIDS AND REVISING THE METHOD OF MAKING DEPOSITS, AND THE AMOUNT OF SUCH DEPOSITS, WHICH ARE REQUIRED TO BE MADE BY SUCCESSFUL BIDDERS," was introduced by Commissioner Bond, the title read to the Board, and legal notice for final action of adoption directed.

99-291 REQUEST TO PURCHASE SLIDE MOUNTAIN BASE LODGE PROPERTY - MT. ROSE SKI AREA - PARKS

Karen Mullen, Director, Department of Parks and Recreation, advised that the owners of the Mt. Rose Ski Area currently hold a 15-year sublease from the New Dawn Corporation who holds the lease from Washoe County on the 114-acre Slide Mountain property until 2028; that the Mt. Rose Ski Area would like to tear down the existing lodge facilities, which were built in the 1950's, and rebuild that facility; and that they would like to purchase the property which would provide the ability to acquire better financing. She further stated that should the Board decide to move forward with this request, it would go through the Park Commission for review of all options, and would go through the public input process; that the County is required to provide an independent appraisal and place the land up for public auction; and that a minimum bid and deed restrictions may be placed on the property prior to sale. She noted that Mt. Rose is not interested in renegotiating the lease or in any sale involving deed restrictions that would prohibit further commercial development. Ms. Mullen then responded to questions of the Board.

Discussion was held relative to the issue of deed restrictions, how lease payments are calculated, and the previous appraisal completed by Kimmel and Associates.

Commissioner Short commented that Bill Kimmel has already done an appraisal on this and another appraisal would probably come pretty close to the same amount. He stated that the lodge is in bad shape and is not the right thing for the front door of Reno, and to go into the new millennium of skiing; that it is vital that a good lodge is built, and this is a situation where the

community can promote exquisite skiing; and that the manager of Mt. Rose has indicated that they are trying to make Mt. Rose a world class ski area.

Chairman Galloway stated that there may be other options besides selling the entire property and he thinks rather than spending \$7500 for an appraisal, staff could be directed to determine the minimum amount of land that would have to be sold to meet the needs of the Mt. Rose group to upgrade the lodge and maintain the parking and come back to the Board with what kind of deed restrictions might be proposed; that, at that point, if there is still interest on the part of the buyer and the price seemed reasonable for the reduced volume of property, the Board could decide whether to go ahead or not; and that he cannot see selling the entire 114 acres when the need is for parking on a couple of acres and building a lodge on another acre.

Commissioner Sferrazza stated that an appraisal has already been done and he would not want to spend \$7,500 for another one; and that based on the Kimmel appraisal of the property at \$345,000 without the lease encumbrance, he would not want to sell it.

Following further discussion, Ms. Mullen recommended that staff bring back an updated version of the Candace Evert report which was done in 1989 to review issues and options relative to the possible sale of the property. She stated that they could delete the study portion and come up with actual deed restrictions, analysis of each of the areas, and the various options, which she believes would make both staff and the Park Commission more comfortable; and that the Board would then have clear knowledge of what is happening with other ski areas in the region to assist in the decision making process.

Commissioner Short commented that a hang gliding launch site is located above the lodge and he heard that the Park Commission was concerned about always having a place for hang gliding; that the Mt. Rose people would probably not want that because of the liability and all they really need is the lodge and adequate parking; that he also heard that Mt. Rose is going to donate the old condemned residence on the property to the Falcon Ski Team; and that these are the types of things that could be written into the sale document.

Upon inquiry of Commissioner Sferrazza, Ms. Mullen advised that she would estimate the cost of the update to be approximately \$3,500. Commissioner Sferrazza stated that he is opposed to spending any money because he does not support a sale of the property at this point in time.

Chairman Galloway asked if the update could be done in-house to reduce the cost. Ms. Mullen stated that her department is running low on staff time and it would take some time, but they would give it a full attempt. Commissioner Galloway stated that he does not think the Board feels any urgency regarding this matter.

Katy Simon, County Manager, advised that Finance staff should be involved in assisting with the financial impacts, and if that meets the Board's approval, staff would prefer to start after June 1st when the budget process would be finished. Ms. Mullen stated that she would appreciate the assistance of the Finance Department.

On motion by Commissioner Shaw, seconded by Commissioner Bond, which motion duly carried, with Commissioner Sferrazza voting "no," Chairman Galloway ordered that Parks staff be directed to prepare a fact-finding interim report relative to the various options including deed restrictions and dividing the property, etc.; and that staff work with the Finance Department regarding financial impacts..

Commissioner Sferrazza stated that he did not support the motion because he is opposed to spending staff time or money as he thinks there is no need for that and no financial incentive; and that it would be contrary to the preservation of open space to sell this property for possible development without deed restrictions, which was a demand of the party.

Commissioner Short stated that he supports the motion because he wants to see Reno promoted as the Ski Capital of the West which is what the Mt. Rose people are trying to accomplish; that this area has some of the finest skiing in the West, which he believes the Reno Sparks Convention Authority and the community needs to start promoting; and that he would insist on deed restrictions that would prohibit condominiums, etc.

Chairman Galloway stated that he supports the motion because, for one thing, the upgraded ski lodge would benefit the public and he does not think there is much possibility that the Mt. Rose people will proceed if they do not own the property. He then requested that these issues be discussed with the Mt. Rose group as part of Ms. Mullen's fact finding process, and advised that if they are not willing to accept deed restrictions, then, in his opinion, there is no more to discuss.

99-292 FUNDING ALTERNATIVES - JUVENILE JUSTICE FACILITY

Katy Simon, County Manager, advised that only a minimal update is currently available because staff was not able to pull together the summary of general fund availability until yesterday; that staff wants to continue working on what general fund resources are available and also have a chance to work with the design budget provided for the Juvenile Justice Facility; that staff believes that some construction and design changes can bring the price down; and that it would be premature to bring a funding package to the Board before a funding proposal could be presented.

County Manager Simon responded to questions of the Board relative to site selection and advised that a list of County owned properties is being looked at first to determine if anything is available that would be appropriate to build the facility on or to sell or trade. Chairman Galloway requested that after the list is screened, it be distributed to the Board members. Ms. Simon advised that this issue will be placed on future agendas for status reports regarding both the site selection and financing issues.

Sam Dehne, Reno citizen, stated that he believes a new facility is needed, but feels that the people creating the need for the facility, such as the big businesses that are being brought into the community by EDawn who are not paying corporate taxes and are paying low wages which requires both parents to work, should pay for facility; and that these companies as well as the casinos are not paying their fair share for the negative impacts they bring to the community. He then asked that the Board not raise property taxes when considering funding for the facility.

Chairman Galloway commented that if the State can come up with a grant for several million dollars and the County can get the cost down, he thinks this project will be possible without a tax increase, tapping into the sales tax, or issuing a bond.

County Manager Simon stated that staff will come back to the Board in 60 days with a status report.

99-293 MODIFY FULL-TIME POSITION TO TWO PART-TIME POSITIONS - LIBRARY

Upon recommendation of Nancy Cummings, Library Director, on motion by Commissioner Sferrazza, seconded by Commissioner Short, which motion duly carried, Chairman Galloway ordered that the modification of a Librarian I position (#145) from one full-time, benefit-eligible position to two part-time positions, one with benefits and one without, be approved.

It was noted that the total hours of the part-time positions will equal a 40-hour work week; and that this "job-sharing" opportunity will set a precedent for developing alternative ways to efficiently staff the Library without increasing salary and benefit costs.

99-294 PRELIMINARY DEVELOPMENT AGREEMENT CASE NO. DA12-4-98 (GEORGE STINSON)-COMMUNITY DEVELOPMENT

5:00 p.m. This was the time set in a Notice of Public Hearing, published in the Reno Gazette-Journal on March 12, 1999, to consider the recommendation of the Washoe County Planning Commission to consider entering into an agreement between George Stinson and Washoe County to fund infrastructure provision and to implement design standards pursuant to the Warm Springs Specific Plan (WS SP). The agreement would facilitate parcelization of a +40.04 acre-site into four parcels, 10 acres in size (see Case No. PM12-43-98). The property is located south of Whiskey Springs Road and east of Broken Spur, approximately 4.0 miles east of the Pyramid Lake Highway. The property is designated Medium Density Rural (MDR) and General Rural (GR) in the Warm Springs Specific Plan and is situated in a portion of the NW1/4 of Section 15, T22N, R21E, MDB&M, Washoe County, Nevada (APN 077-130-14). Proof was made that due and legal notice had been given.

Catherine McCarthy, Planner, Department of Community Development, stated that staff is requesting that this item be continued to April 13, 1999 based on the appeal of Tentative Parcel Map Case No. PM12-43-98. She explained that the Development Agreement is directly linked to the tentative map which would normally not go beyond the Planning Commission, but since it was appealed, it would be appropriate to hear both issues jointly.

Chairman Galloway opened the public hearing and called on those wishing to speak, and there was no response.

On motion by Commissioner Bond, seconded by Commissioner Shaw, which motion duly carried, Chairman Galloway ordered that this item be continued to April 13, 1999.

99-295 MASTER PLAN FOR LEMMON VALLEY MARSH AND PLAYA - MEMORANDUM OF UNDERSTANDING - PARKS

Upon recommendation of Karen Mullen, Director, Department of Parks and Recreation, through Katy Simon, County Manager, on motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, Chairman Galloway ordered that the Master Plan for the Lemmon Valley Marsh and Playa be approved.

It was further ordered that the Memorandum of Understanding for the Lemmon Valley Marsh and Playa - Swan Lake Nature Study Area between Washoe County, the Bureau of Land Management, the City of Reno, the Nevada Office of the Military, the Lahontan Audubon Chapter of the National Audubon Society, the Nevada Division of Wildlife, and the Washoe County School District, be approved and Chairman Galloway be authorized to execute the Memorandum of Understanding at the April 2, 1999 Signing Ceremony at the Marsh.

99-296 AGREEMENT - US FILTER CORPORATION - ASSIGNMENT OF TRUCKEE MEADOWS PROJECT PURCHASE AGREEMENT - WATER RESOURCES

This item was continued from the March 9 and March 16, 1999 meetings.

Commissioner Sferrazza stated that he received a complaint questioning whether the addendum to this agenda item was noticed within three working days prior to the meeting as required under the open meeting law. Legal Counsel Shipman advised that the addendum was posted before 9:00 a.m. on Thursday, which met the open meeting law requirement.

Ed Schmidt, Director, Department of Water Resources, stated that at the Commission meeting last week, the Board directed staff to contact US Filter and notify them that the County Commission would be removing 1472.8 acre-feet of Dry Valley rights out of the Truckee Meadows Project; that last Wednesday morning he and County Manager Simon participated in a phone call with the parties involved and notified them of that action; and that the Board indicated that it wanted a reaction from US Filter to that concept, who is present today to address that issue.

Commissioner Sferrazza stated that he did not remember that the Board asked for US Filter's reaction. Commissioner Galloway advised that he made that request subsequent to the meeting. Commissioner Sferrazza stated that he was somewhat disturbed about the telephone conversation between Franklyn Jeans, County staff and US Filter and wanted to express his displeasure with it because he thinks that should have happened in the open.

Commissioner Galloway disclosed that he had a call this morning from Marty Jessen of US Filter consisting of further reaction to the offer the Board made and he is present to provide that information for the record. Commissioners Bond and Shaw disclosed that they had telephone communication with both sides of the issue.

Marty Jessen, Senior Vice President, US Filter Corporation, stated that at last week's meeting, the Board apparently made an offer different than the one talked about in December, which was to remove part of the assets of the Truckee Meadows Project that the County was to assign to US Filter pursuant to the agreement of December 22, 1998. He advised that that is not acceptable to US Filter; that they negotiated on the whole project, not the whole project less some of the assets; and that assets and liabilities are involved here including water rights, lawsuits, bad PR, etc. and they negotiated for the whole bundle, good and bad. Mr. Jessen then stated that it has been called into question as to whether or not the County has the right to make assignment of the Winnemucca water rights interest; that the County Attorney and staff have represented to them that the County does have that

right; that Mr. Wright and Mr. Jeans have represented that those are part of the deal, and US Filter's attorneys based their position that those are included on those representations; that he respects Mr. Marshall's point of view but he does not have standing in this issue, although he certainly has a very strong interest as he needs that water for the project he is talking about; and that if the Board has any doubt about that issue, he would suggest that it be resolved before any agreement is executed.

Commissioner Galloway stated that he has no doubt that the County has those water rights, but some doubt has been raised as to whether they are part of the original Truckee Meadows Project. Mr. Jessen explained that all the documents that are part of the package they looked at, and the lengthy discussions held with County Water Resources staff indicated that those rights were included.

Commissioner Sferrazza advised that he met with Mr. Jessen and Mr. Schmidt and could not get an explanation of that issue and where it says in the agreement that that water is included; and that he was also told that Franklyn Jeans was out of the deal and now he hears he was involved in a telephone conversation. Mr. Jessen explained that Mr. Jeans at this point remains a partnership owner of the ranch and the project until all documents necessary for the transfer to US Filter are executed, and, thereafter, he will have a carried interest.

Commissioner Sferrazza then referred to the transcript of the December 22, 1998 County Commission meeting and pointed out statements made by Mr. Jessen indicating that he knew these water rights were in dispute. He stated that he did not find language in the agreement relative to US Filter not providing direct water service to any party other than an established retail water utilities, and requested that if that language is not contained in the agreement, such language be placed there, because that was a clear understanding in the action taken on December 22nd. Mr. Jessen stated that it has been previously stated publicly that it is not the desire of US Filter to be the retail distributor of the water, and specific language regarding that is not contained in the agreement because it is not a legal obligation on either party, but is a statement of intent. Legal Counsel Shipman advised that language contained in the agreement regarding that issue simply states the intent but does not say that they would never do that; that staff's concern was that the County not be pushed into having to provide the retail services; and that much of the language negotiation was to try to protect the County from being forced into doing something that it would not otherwise do.

Further discussion commenced relative to the issue of whether the Dry Valley water rights are part of the original Truckee Meadows Project. Legal Counsel Shipman stated that she stands by her opinion that those rights belong as part of the project; that this is a piece of a much larger issue to privatize the project and get the County and the taxpayers away from having to subsidize in any way the continuation of the project which more properly belongs in the private sector; and that her suggestion would be that the Board find a way to move this transfer forward.

Commissioner Galloway stated that one of the alternatives presented to US Filter was whether they would be willing to resolve the Dry Valley water rights issue by arbitration and US Filter has advised that this would not be acceptable. Mr. Jessen stated that the reason for that position is that it has been represented that those water rights are included in the original Truckee Meadows Project and should an arbitrator decide that they are out, then that would mean a different deal exists; and that the Dry Valley water rights are a key part of the asset base of the project. Mr. Jessen responded to further questions of the Board.

Bob Marshall, Warm Springs ranch owner and co-manager of Intermountain Pipeline, Ltd., stated that the agreement approved last week is not a different agreement than what was discussed at the December 22nd meeting, which was to approve the agreement in concept subject to looking at the Spanish Flat water; that the most critical issue discussed in December was the problem with the Spanish Flat water that was permitted and certificated for use in Warm Springs Valley and which clearly came within the exception in Paragraph 1.04 of the August 23, 1988 agreement; that the issue was very clear and US Filter was placed on notice at that time that there was serious discussion regarding that water; that he met with US Filter for the first time the Friday before that December meeting and the issue of the Spanish Flat water was specifically discussed; that there was a subsequent telephone conference call in his office with Tim Holt who represented Franklyn Jeans, and Mr. Jessen and Mr. Holt indicated that Mr. Jeans had said that the water from Spanish Flat Reservoir that went into the Warm Springs Valley was never part of that deal; and that now they have changed their mind.

Mr. Marshall then stated that they do not agree with the analysis done by Legal Counsel Shipman relative to the Spanish Flat

water; and that after a thorough discussion last week on these issues, it was his understanding that the Board determined that this was not going to be included in the project.

Commissioner Galloway stated that the Board did not make that determination, but, rather, listened to Mr. Marshall's argument and said that two parties negotiating a contract can agree on anything; and that the Board simply said they would like to make an offer that they would approve the contract if those 1452 acre feet were excluded, but did not say that was the result of absolute determination of anything.

Commissioner Bond commented that the Board could be here all night talking about who said what and when; that because of her effort to try to protect the Warm Springs Valley people as much as possible from any major impact because of a water project that US Filter might be doing she made the attempt to negotiate withholding some of those water rights; that she is not a water expert and there has been conflicting testimony from water experts inside and outside the community; that the whole issue is too important to have it fall apart at this juncture and the real issue is whether or not the water in Dry Valley is part of this project; and that she cannot make that determination and believes that the State Engineer will be looking out for the interest of the Warm Springs residents and will ultimately be the person who says whether that water is "wet" and is part of whatever project is proposed.

Bob Firth, representing the Reno-Sparks Chamber of Commerce Water Task Force, advised that they are an ad-hoc group that tracks these types of projects and issues in the region, and provides comments when they think it is appropriate; and that they have watched this issue unfold in the last couple of months and it appears that it has become quite confused and convoluted over one issue which is the small amount of water in Dry Valley, or with the former Winnemucca Ranch. He stated that they are offering a couple of alternatives to try and move this matter forward being

- (1) for the Board to reaffirm what was done last week, which was to withhold the Dry Valley water rights from the contract with US Filter, and,
- (2) that this be referred to the Regional Water Planning Commission (RWPC) for a technical review of the Dry Valley issue.

He further stated that he is a member of the RWPC, but is not here on their behalf today; and that the RWPC did review the former Truckee Meadows Project a number of months ago but did not review the Dry Valley water rights as they were not given any information on that issue; and that if there are technical issues, it is part of their job to review those from a regional perspective and offer a recommendation to the Board. Mr. Firth then responded to questions of the Board and advised that he considers this a small amount of water because he does not think that 1400 acre-feet of water rights would make or break a 13,000 acre-foot project, noting, however, that if the issue goes to the RWPC they would take all information and testimony into consideration in their evaluation.

Ralph Riggins, 20-year Washoe County resident, advised that he is one of several partners in the Fish Springs Ranch and they feel that they have dealt fairly with the County for over 10 years; and that they are now asking for the Board to be fair with them and US Filter because if there is no agreement there is no sale, and they do not sell the Fish Springs Ranch.

Sam Dehne, Reno citizen, stated that the project is lousy, noting that Senator Reid said it is bad and he agrees; that it was turned down several years ago and to bring it back now and let some private corporation do it does not change anything; and that the taxpayer will end up paying for this somewhere along the line and it should be turned down. He then asked about the Indian rights, noting that he has heard that they are upset about this, too.

Tom Wright, President of the Hawthorne Group, advised that they are the funding partner with Franklyn Jeans and the Truckee Meadows Project which started some 10 years ago; that he was not aware of any dispute about the Winnemucca water rights being part of the project and that issue was never questioned in any conversations he had with County attorneys and staff; that there have been problems in the last few years with the Project and they have jointly filed a Takings case against the US Government because of the way they have been mistreated in this matter; that they realized the options rights with the County with respect to the water would expire at the end of the year, and if those were allowed to expire, they viewed it as a breach of their agreement with the County who had an obligation to maintain and preserve those water rights; that in order to avoid one more conflict they looked for someone who would join with them and US Filter was clearly the most qualified of the people they spoke with, and showed the

most interest and spent the most time trying to understand the needs of this community; that he participated in most of those meetings and there was never any doubt about the water at the Winnemucca Ranch being part of this Project; and that they are at a critical date to close this transaction and would urge the County to approve the agreement including the Dry Valley water rights as originally proposed. Mr. Wright responded to several questions asked by Commissioner Sferrazza and advised that he does not think anyone has had a very good deal relative to the project and everyone is riding on US Filter being able to sell these water rights and develop something for the community; and that approving the agreement as originally proposed will preserve and prevent any further actions by them against the County. Commissioner Sferrazza took strong exception to this statement and asked how the County could be sued under the Project agreement, advising that he has read the contract and the only remedy is termination of the agreement. Following further questioning by Commissioner Sferrazza, Mr. Wright stated that they have discussed these issues with County legal staff and a lawsuit could be based on breach of contract; but that he is not here today to threaten but to urge the Board to approve the agreement.

Paul Mosely, lawyer representing U. S. Filter, stated that he has looked at the Lionel, Sawyer opinion and agrees with Legal Counsel Shipman's interpretation of the contract, which is a more common sense reading; that ultimately it comes down to the fact that the County has the water rights and has the right to transfer them, and it is then up to the State Engineer to look at those rights and determine if it is appropriate to move them and to look at the interest of the parties at that time; and that if it is not appropriate a permit will not be granted. He urged the Board to reconsider and reaffirm the action taken in December to include these water rights within the transaction. Mr. Mosely then responded to questions of the Board.

Further discussion commenced relative to the County's obligations with regard to any decision the State Engineer would make and Legal Counsel Shipman read language contained in the agreement that the County would not be guaranteeing any actions taken by the State Engineer.

Ross de Lipkau, lawyer representing Mr. Marshall, advised that he submitted an opinion letter with regard to the 1988 agreement and it is his emphatic position that language contained in the agreement, which he read into the record, excludes any surface waters flowing from Basin No. 2 into Warm Springs Valley, which includes the waters of Spanish Flat, or Dry Valley, as it is sometimes called; that he believes that language was put in because the drafters took into consideration that if the waters of Spanish Flat were allowed to be a part of the Honey Lake Project, the downstream rights held by Washoe County and the Marshall ranch would be impaired; that the Board should not reconsider its vote of March 16th which excluded the 1452 acre-feet of water rights of Dry Valley; and that he urges that the County ignore threats of lawsuits and look at the agreement of August 23, 1988 which sets forth the remedies of both parties and are quite exclusive.

Upon inquiry of Commissioner Shaw, Legal Counsel Shipman responded that in her opinion and the opinion of the District Attorney's office, the exclusion statement in the 1988 agreement referred to the 960 acre-feet in Warm Springs that is still excluded; and that what was not clear under the original language was whether even those 960-acre feet were excluded. Upon inquiry of Commissioner Sferrazza, Mr. de Lipkau stated that it is his opinion that Warm Springs Valley is in Basin 2 and the Winnemucca Ranch includes Warm Springs Valley plus Spanish Flat, or Dry Valley; and that, therefore, the exclusion of any surface waters which flow from Basin 2, which is the entire Winnemucca Ranch, into Warm Springs can only include the 1452 acre-feet.

Chairman Galloway commented that Mr. Jessen indicated that the questions about this issue should be resolved before any agreement is signed and asked if US Filter would be willing to allow time for an independent expert to make that determination. Mr. Jessen stated that since December they have invested a lot of money including 3 months of option extensions at \$60,000 per month, which expires the 31st of this month, and there is no extension beyond that time; that they are not willing to continue to throw money at this while the County decides whether or not it has an asset to sell, which staff has represented it does have, noting that, while County staff cannot bind the Board, they do represent the Board; that they did discuss the Spanish Flat water issue with Mr. Marshall and they have differing points of view; and that with regard to the suggestion to refer this to the Regional Water Planning Commission, that should have already been figured out.

Commissioner Bond moved that the Board reconsider its action of March 16, 1999 and Commissioner Shaw seconded the motion.

Chairman Galloway stated that, in his opinion, there is no doubt that the County has the water rights to the 1452 acre-feet in question; that he does not consider Mr. Marshall's argument to be conclusive, but, rather, a plausibility argument, and it did not

convince him; that since Mr. Jessen has not agreed to the offer or an arbitration alternative, he will support the motion to reconsider, noting, however, that he is not pleased with US Filter's attitude on the arbitration matter. Commissioner Short referred to statements made by County Manager Simon set forth in the December 22nd transcript indicating that the basis of the offer made by US Filter includes Legal Counsel and others, and US Filter's interpretation, that the project included the Dry Valley water rights; and that if he was making a deal with someone that said something was included, he would think it was included. Commissioner Sferrazza stated that he strenuously opposes the motion to reconsider; that he believes that Legal Counsel does not have the right to make decisions for the Board on this issue; that he does not believe that the history presented supports the opinion offered by Counsel; that statements made in the transcript of the December 22, 1999 meeting make it clear that there was a great deal of confusion, but Mr. Jessen accepted Mr. Marshall's description of the disputed water rights; and that he thinks it is inappropriate to reconsider this matter based on a telephone conversation and threat of a lawsuit which, in his opinion, would constitute a frivolous lawsuit. Commissioner Bond stated that she did not make the motion to reconsider based on any threat. Commissioner Sferrazza advised that the County has been threatened with a lawsuit and it has been suggested by Legal Counsel repeatedly that if the County does not go forward with this, somehow, it will be subject to litigation, and the whole reason for doing this is to get away from litigation; that Section 10.02 of the project agreement makes it very clear that the only remedy is termination, which is hardly a serious threat; that this was a bad deal to begin with and will be made even worse if water that is clearly owned by the County is allowed to be added to this agreement; and that the water has independent value and is a public asset and should be sold to the highest bidder under State law.

Chairman Galloway advised that this item was put on the agenda by the County Manager with his consent, but he did not initiate it; that when he consented to place this on the agenda he was not aware of any phone call threatening the County with a lawsuit; and that it was his intent only to provide the opportunity to resolve the water rights issues.

Katy Simon, County Manager, advised that she had the same conversation with each Commissioner following last Tuesday's action by the Board to make a new offer to US Filter; that a conference call was scheduled that she, Ms. Shipman, and Mr. Schmidt participated with the other parties in the discussion regarding the offer and during that conversation certain representations were made; that she did not tell the Board members that the County would be sued and carefully told each member that there was a possibility that there would be legal actions; and that based on those conversations with each Board member, the idea of reconsideration was discussed and brought forward to the Chair, which procedure she hopes constituted a mutual discussion and fully informed process.

Commissioner Shaw stated that on December 22nd of last year it was clear in his mind as to what the Board was dealing with; that this issue has gone on and on and every time it is heard, it results in different opinions from different sides and adds to the confusion; and that if the Board hesitates further he believes the citizens and taxpayers of Washoe County are going to lose.

Chairman Galloway called for the vote on the motion to reconsider and the motion passed 4 - 1 with Commissioner Sferrazza voting "no".

Commissioner Bond then moved, seconded by Commissioner Shaw, that the Dry Valley water rights identified at the March 16, 1999 meeting not be excluded; and that the Agreement between Washoe County and US Filter Corporation, concerning assignment of the Truckee Meadows Project Purchase Agreement and related assets; a limited term Option for US Filter to purchase the Dry Valley Water rights held by Washoe County; assignment to US Filter of the expenses and limited management control of the Takings Litigation against the United States; providing the opportunity for banking of project water rights through a trust; and containing general provisions regarding the transfer of the Truckee Meadows Project to US Filter Corporation be approved, with the following amended language to be made to Exhibit E: "Prior to the transfer of any water from County to Filter, subject to the option contained in this agreement, Filter shall obtain a finding from the Nevada State Engineer that inclusion of the water for use in the Reno/Sparks Metropolitan Area is in the public interest after taking into account, as appropriate, the concerns of water users in Warm Springs Valley."

Upon inquiry of Chairman Galloway, Mr. Jessen stated that their lawyer, Mr. Mosely, and others have reviewed the amended language and find it acceptable.

Commissioner Short commented that he is sympathetic to the Marshall family who have invested a lot of money, effort and time in

this, but is also sympathetic to the taxpayers of Washoe County; that when this Project was crafted in the 1980's, maybe it was a good idea, but it has been a terrible burden on Washoe County who is into this for approximately \$5 million plus staff time; that he does not want the County to go into the water business with anybody else and does not want to import water into the Truckee Meadows; and that for those reasons he will support the motion.

Commissioner Bond stated that it is her intent to try to make the best out of something that has resulted in a bad situation, adding that she does not believe that was what was intended, but it is the way it has worked out; and that if the project does not happen the water will still be there and it will belong to Washoe County.

Chairman Galloway stated that he would like to have seen agreement on the water rights dispute and is not happy that did not happen; that he would have to make the call that the Dry Valley water rights were included in the original agreement; that this deal has been held up for about 10% of the water, being water that he would not have supported other than to put the County back in the position it should have been from the beginning where private parties would import the water with their own money and would be subject to regulation, etc.; and that if the County did nothing and the water rights were allowed to lapse, whether it resulted in a lawsuit or not by the original Honey Lake Project partners, he does not see how the County would have recovered anything.

Commissioner Sferrazza stated that he will not support the motion; that this is the first time he has seen the amended language and it appears the other side had knowledge of it before he did; that he opposes giving away a public asset and thinks the environmental concerns still exist; that the Board had the opportunity to put this to rest by not enabling this agreement; that the County will be promoting a project that will enable development in Lemmon Valley for 68,000 homes that have already been approved; and that he does not think that the Warm Springs Valley water was ever part of the agreement.

Chairman Galloway noted that some of those previously approved developments are old and may never be built, and he considers that to be a peripheral issue to the matter at hand; and that the County always faces the issue of new development.

Chairman Galloway called for the vote and the motion to approve the agreement passed 4 - 1 with Commissioner Sferrazza voting "no." It was further ordered that Chairman Galloway be authorized to execute all documents, deeds and agreements that may be necessary to implement said agreement.

99-297 DRAFT JOINT USE AGREEMENT - SCHOOL DISTRICT - MANAGEMENT AND USE OF JOINT USE FACILITIES - PARKS

On motion by Commissioner Sferrazza, seconded by Chairman Galloway, which motion duly carried, it was ordered that the Draft Joint Use Agreement with the Washoe County School District for management and use of joint use Park facilities be approved; and that staff be directed to bring back a final draft of the agreement for signature.

* * * * *

There being no further business to come before the Board, the meeting adjourned at 6:50 p.m.

JIM GALLOWAY, Chairman
Washoe County Commission

ATTEST: AMY HARVEY, County Clerk