

**BOARD OF COUNTY COMMISSIONERS
WASHOE COUNTY, NEVADA**

TUESDAY

10:00 A.M.

JANUARY 14, 2014

PRESENT:

David Humke, Chairman*
Bonnie Weber, Vice Chairperson
Marsha Berkgigler, Commissioner
Vaughn Hartung, Commissioner
Kitty Jung, Commissioner

Nancy Parent, County Clerk
John Slaughter, County Manager
Paul Lipparelli, Legal Counsel

The Washoe County Board of Commissioners convened at 10:15 a.m. in regular session in the Commission Chambers of the Washoe County Administration Complex, 1001 East 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:

Vice Chairperson Weber called for a moment of silence in observance of former Assemblyman Bernie Anderson who recently passed away.

14-03 AGENDA ITEM 3 – PUBLIC COMMENT

Agenda Subject: “Public Comment. Comment heard under this item will be limited to three minutes per person and may pertain to matters both on and off the Commission agenda. The Commission will also hear public comment during individual action items, with comment limited to three minutes per person. Comments are to be made to the Commission as a whole.”

Christopher Corbett, Nevada Executive Director for the People Against the National Defense Authorization Act (PANDA), distributed a document to the Board, which was placed on file with the Clerk. The document covered Emmett, Idaho’s ban of the National Defense Authorization Act (NDAA).

Guy Felton distributed a document, which was placed on file with the Clerk. The document spoke about the Constitution, fraud and sovereign citizens.

***10:22 a.m.** Chairman Humke arrived.

Katherine Snedigar discussed her concerns with ordinances and the County Code. She noted that County Code Chapter 50.092 said, “if a citizen lived in the unincorporated area of the County, a citizen was prohibited from shooting on their

property in any direction where a house was 5,000 feet away.” She indicated that she did not live in a congested area, but the County took great lengths to ensure that every congested area within the County was defined. She said the unincorporated area was thrown into the Code due to an act that occurred over 20 years ago on Pyramid Highway. She stated that part of the ordinance being applied to the unincorporated areas was invalid, and she felt that it needed to be repealed.

Jeanne Herman spoke about public lands.

Sharon Spencer commented that it had been difficult to reach certain individuals since the reorganization of the Community Services Department (CSD), and she was unclear if anyone was in receipt of her concerns or questions. She said there were problems with transparency with the CSD websites and hoped the issues could be addressed. She also requested clarification on the new hierarchy and protocols with all the new management positions.

Charles Lieman stated his opposition to the proposed acquisition of water rights located in Bedell Flat, Upper and Lower Dry Valley, and Newcomb Lake Valley. He urged the Board to consider the economic cost of moving water.

Sam Dehne addressed the Board on several issues.

Commissioner Weber asked the County Manager to have staff contact Ms. Spencer about her concerns. She also requested those concerns be addressed with a presentation during a future Board meeting.

14-04 AGENDA ITEM 4

Agenda Subject: “Election of Chairman of the Washoe County Board of Commissioners.”

Commissioner Berkbigler nominated David Humke to be Chairman of the Board of County Commissioners.

In response to the call for public comment, Sam Dehne congratulated Chairman Humke on his nomination.

On motion by Commissioner Berkbigler, seconded by Commissioner Weber, which motion duly carried, it was ordered that David Humke be elected as the Chairman of the Board of County Commissioners.

14-05 AGENDA ITEM 5

Agenda Subject: “Election of Vice-Chairman of the Washoe County Board of Commissioners.”

Commissioner Berkbigler nominated Bonnie Weber to be Vice Chairman of the Board of County Commissioners.

There was no public comment on this item.

On motion by Commissioner Berkbigler, seconded by Chairman Humke, which motion duly carried, it was ordered that Bonnie Weber be elected as the Vice Chairman of the Board of County Commissioners.

Commissioner Berkbigler explained that she nominated Commissioner Humke as Chairman and Commissioner Weber as Vice Chairman in order to keep continuity. With the recent reorganization of the Manager's Office, she felt that continuity was essential; however, she noted that any one of the Board members would be capable and competent of being Chair or Vice Chair.

14-06 AGENDA ITEM 6

Agenda Subject: "Fix the terms of office of the Chairman and Vice-Chairman of the Board."

Commissioner Weber asked if there were any comments covering this topic in the Board's Rules and Procedures.

Paul Lipparelli, Legal Counsel, said it had been discovered last year that statute indicated the Board not only elect a Chair and Vice Chair, but fix their terms of office. He said the term was up to the discretion of the Board and was customary for a one-year period, but could be more or less.

Commissioner Berkbigler commented that changing the Officers on a yearly basis was a good idea and brought fresh perspective. However, this year her reasoning for retaining the current structure was continuity.

There was no public comment on this item.

On motion by Commissioner Berkbigler, seconded by Commissioner Weber, which motion duly carried, it was ordered that the terms of office for the Chairman and Vice-Chairman of the Board be fixed for one-year.

14-07 AGENDA ITEM 7 – ANNOUNCEMENTS

Agenda Subject: "Commissioners'/Manager's Announcements, Requests for Information, Topics for Future Agendas, Statements Relating to Items Not on the Agenda and any ideas and suggestions for greater efficiency, cost effectiveness and innovation in County government. (No discussion among Commissioners will take place on this item.)"

John Slaughter, County Manager, announced that February 10, 2014 was the scheduled date for the next concurrent meeting. He said the main topic of that meeting would be a discussion on the Emergency Medical Services (EMS) Franchise Agreement. He noted that the meeting would be held at the Reno City Hall.

Commissioner Weber said the Nevada Association of Counties (NACO) would be conducting an online video conference on February 7, 2014 for all the Commissioners in the State about "Aging in Place" and senior issues. She attended the Warm Springs Citizen Advisory Board (CAB) meeting, which had been their first meeting since the restructuring of the CAB's. Commissioner Weber requested an agenda item concerning congested and uncongested areas in the County.

Commissioner Berkgigler commented that she received a number of concerns surrounding the Incline Village General Improvement District (IVGID) about whether or not IVGID was complying with the public hearing laws, and if certain funds were being adequately and fairly appropriated. She explained that the County Commission had no authority over an existing GID, particularly in the case of IVGID because it had been in existence for a long time that pre-dated the last change in the law related to GID's. She requested a future agenda item in order to give the concerned citizens the opportunity to speak in public about those concerns. She questioned how the Board could do anything legally since they had no authority unless a request was received from the State Department of Taxation with regard to a GID. However, at least three people from Incline Village had sent letters to the State Department of Taxation asking that they request the County review the issues occurring with IVGID.

Chairman Humke said there was a Federal initiative to possibly name the Sage Grouse to the endangered species list, which was a major factor to Nevada and the other western states. He said a meeting on this topic was scheduled for February 15th in Winnemucca where Legislators and County Commissioners from throughout the State were invited to participate.

Commissioner Hartung commented that he had asked Bill Whitney, Division Director, to attend that meeting in his absence.

14-08 AGENDA ITEM 8

Agenda Subject: "Proclamation-January 2014 as National Radon Action Month in Washoe County. Requested by Commissioner Weber."

Commissioner Weber read and presented the Proclamation to Susan Howe, Nevada Radon Education Program Director. Ms. Howe said living in a home with an average Radon level of 4pCi/l posed the same risk for developing lung cancer as smoking half a pack of cigarettes a day. She stated lung cancer deaths due to exposure to Radon could be prevented, and prevention began with a simple Radon test people could do in their homes. She stated 6,600 homes in Washoe County had been tested since 1989, which was only 3.5 percent of the County's homes, and she discussed the map of Radon

potential by zip code. She indicated that the Radon hotline was 1-888-Radon-10, the website was www.RadonNV.com, and noted that test kits could be picked up at the University of Nevada Cooperative Extension (UNCE) Office. A copy of the Radon fact sheet and the map of Radon potential by zip code were placed on file with the Clerk. She thanked the Board for their Proclamation.

There was no public comment on this item.

On motion by Commissioner Weber, seconded by Commissioner Berkbigler, which motion duly carried, it was ordered that Agenda Item 8 be adopted.

14-09 AGENDA ITEM 9

Agenda Subject: “Proclamation-January 2014 as EnergyFit Nevada Month. Requested by Commissioner Jung.”

Commissioner Jung read and presented the Proclamation to Kevin Dick, District Health Officer, Paul Thomsen, Governor’s Office of Energy Director, Neal VanCitters, Quality Assurance EnergyFit Nevada Director, Aaron Linfante, Northern Regional Account Manager for EnergyFit Nevada and Scott Kelley, Governor’s Office of Energy Public Information Officer. Commissioner Jung commented that she had the energy audit conducted on her home and, due to the results of the audit, energy updates were completed. She said the difference in terms of energy efficiency in her home was remarkable.

Mr. Dick thanked the Board for their support and recognition of energy efficiency. He said EnergyFit Nevada worked to make homes healthier, more comfortable and energy efficient. He said EnergyFit was honored to be partners with the Governor’s Office of Energy as they worked with local communities and businesses to lead the nation in renewable energy production, energy exportation, energy efficiency and conservation.

Mr. Thomsen said the EnergyFit program was a critical part of the Office of Energy. He said there were three major goals of the Office which were: the production of renewable energy; energy efficiency and savings; and, the exportation of energy from the State. He said nothing compared to the negawatt or the energy a consumer did not have to purchase or could be saved. He said EnergyFit collaborative efforts had infused more than \$3.5 million into local economies and had helped residents save on average 20 percent off of their energy bills. Mr. Thomsen said EnergyFit Nevada would also realize a \$220 million economic impact in Washoe County and across the State. He said residents could visit EnergyFitNevada.org and discover how they could help take charge of their energy usage with a comprehensive energy assessment. He thanked the Board for bringing attention to this program and for the Proclamation.

Mr. Dick indicated that 269 homes had assessments and upgrades implemented in the County since the program had been launched. State-wide, he said

there had been 535 assessments since the program began in northern Nevada and, of those, 466 have had upgrades.

In response to the call for public comment, Katherine Snedigar applauded energy savings, but stated she would never participate in a program such as this because it was federally funded. She said the Proclamation was good for every public building in the State since that was where this needed to be applied, but not to the people who were inhabitants of the State and their abodes.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 9 be adopted.

CONSENT AGENDA

In response to the call for public comment, Cathy Brandhorst voiced her concerns.

14-10 AGENDA ITEM 10A

Agenda Subject: “Approve minutes for the Board of County Commissioners’ November 12, 2013 meeting.”

There was no public comment on this item.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 10A be approved.

14-11 AGENDA ITEM 10B – COMMUNITY SERVICES

Agenda Subject: “Accept grant from the William N. Pennington Foundation [\$21,950, no County match required] for the purchase and installation of pool covers for the Bowers Pools at Bowers Mansion Regional Park - grant term beginning January 15, 2014 through full expenditure; authorize the Acting Director of the Community Services Department to sign the grant agreement and all associated documents on behalf of the County; and authorize Finance to make appropriate budget adjustments. (Commission District 2.)”

Commissioner Weber recognized the William N. Pennington Foundation for their generous grant of \$21,950 for the purchase and installation of pool covers for the Bowers Pools.

There was no public comment on this item.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 10B be accepted, authorized and executed.

14-12 AGENDA ITEM 10C - FINANCE

Agenda Subject: “Approve the settlement of the claim Paul Urban against Washoe County et al, for a total sum [\$45,000] for all claims against all defendants. (All Commission Districts.)”

In response for clarification from Commissioner Hartung, John Slaughter, County Manager, said the Truckee River Flood Project (TRFP) Board of Directors had approved reimbursement of the \$45,000 to Washoe County.

There was no public comment on this item.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 10C be approved.

14-13 AGENDA ITEM 10D – HUMAN RESOURCES

Agenda Subject: “Approve reclassification requests for two vacant Plans Examiners, pay grade LM, to Building Inspectors, pay grade L (Community Services), an Administrative Secretary Supervisor, pay grade K, to a Principal Account Clerk, pay grade J (Sheriff’s Office) and three Department Computer Application Specialists, pay grade J, to a new Department Systems Specialist classification, pay grade KL (Library). Net annual impact of these changes is estimated [\$16,907]. (All Commission Districts.)”

There was no public comment on this item.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 10D be approved.

14-14 AGENDA ITEM 10E - LIBRARY

Agenda Subject: “Approve State Collection Development Grant-In-Aid Award funds from the State of Nevada [\$8,056, with no local match required], retroactive from October 15, 2013 through June 30, 2014, for the augmentation of Library Collections; direct Finance to make the necessary budget adjustments and authorize the Director to sign the grant award document. (All Commission Districts.)”

There was no public comment on this item.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 10E be approved, directed, authorized and executed.

14-15 AGENDA ITEM 10F - MANAGER

Agenda Subject: “Approve appointment of Eugenia Larmore, Mat Sinclair and Peter Gunnerman as at-large representatives to the Organizational Effectiveness Committee (OEC) as recommended by the Washoe County Manager with terms commencing January 1, 2014 and expiring December 31, 2016. (All Commission Districts.)”

There was no public comment on this item.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Eugenia Larmore, Mat Sinclair and Peter Gunnerman be appointed as at-large representatives to the Organizational Effectiveness Committee (OEC) as recommended by the Washoe County Manager with terms commencing January 1, 2014 and expiring December 31, 2016.

14-16 AGENDA ITEM 10G – SENIOR SERVICES

Agenda Subject: “Accept a supplemental grant award from the Nevada Aging and Disability Services Division for the Older Americans Act Title III Program: Aging and Disability Resource Center MIPPA [\$10,625, no match required] retroactive from September 30, 2013 through September 29, 2014; and direct Finance to make the appropriate budget adjustments. (All Commission Districts.)”

There was no public comment on this item.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 10G be accepted and directed.

14-17 AGENDA ITEM 10H – TECHNOLOGY SERVICES

Agenda Subject: “Approve the creation of an intermittent hourly Public Service Intern position for the Technology Services Department, not to exceed a maximum annual cost of [\$28,080]. (All Commission Districts.)”

There was no public comment on this item.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 10H be approved.

14-18 AGENDA ITEM 10I(1) – HEALTH DISTRICT

Agenda Subject: “Approve and execute the Permit for Disinterment of Human Remains (Mario J. Sordi), as allowed under NRS 451.050, Subsection 2. (All Commission Districts.)”

There was no public comment on this item.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried, it was ordered that the request from Aldo Sordi to disinter and remove the remains of Mario J. Sordi, his brother, who died on August 7, 2003 be approved. It was noted that the death certificate indicates the death was not due to a communicable disease.

14-19 AGENDA ITEM 10I(2) – HEALTH DISTRICT

Agenda Subject: “Approve and execute the Permit for Disinterment of Human Remains (Dean Jay Stanton), as allowed under NRS 451.050, Subsection 2. (All Commission Districts.)”

There was no public comment on this item.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried, it was ordered that the request from Louise Stanton to disinter and remove the remains of Dean Jay Stanton, her husband, who died on March 10, 2007 be approved. It was noted that the death certificate indicates the death was not due to a communicable disease.

14-20 AGENDA ITEM 10I(3) – HEALTH DISTRICT

Agenda Subject: “Approve and execute the Permit for Disinterment of Human Remains (Margaret A. McCuddin), as allowed under NRS 451.050, Subsection 2. (All Commission Districts.)”

There was no public comment on this item.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried, it was ordered that the request from Michael McCuddin, Robyn Bartley (McCuddin) and Sharon Henke to disinter and remove the remains of Margaret A. McCuddin, their mother, who died on January 13, 1991 be approved. It was noted that the death certificate indicates the death was not due to a communicable disease.

14-21 AGENDA ITEM 10I(4) – HEALTH DISTRICT

Agenda Subject: “Approve and execute the Permit for Disinterment of Human Remains (Leo B. McCuddin), as allowed under NRS 451.050, Subsection 2. (All Commission Districts.)”

There was no public comment on this item.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried, it was ordered that the request from Michael McCuddin, Robyn Bartley (McCuddin) and Sharon Henke to disinter and remove the remains of Leo B. McCuddin, their father, who died on November 15, 1983 be approved. It was noted that the death certificate indicates the death was not due to a communicable disease.

14-22 AGENDA ITEM 10I(5) – HEALTH DISTRICT

Agenda Subject: “Approve budget amendments [decrease of \$6,000] in both revenue and expenses to the FY14 Underground Storage Tank (UST)/Leaking Underground Storage Tank (LUST) Program Funds (IO 10023); and direct Finance to make appropriate budget adjustments. (All Commission Districts.)”

There was no public comment on this item.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 10I(5) be approved and directed.

14-23 AGENDA ITEM 10J(1) - SHERIFF

Agenda Subject: “Accept donation [\$600] from Ryan L. Souza to the County of Washoe on behalf of the Washoe County Sheriff’s Office to purchase equipment for the K-9 Unit; and authorize Finance to make appropriate budget adjustments. (All Commission Districts.)”

On behalf of the Board, Commissioner Jung thanked Ryan L. Souza for his generous donation.

There was no public comment on this item.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 10J(1) be accepted and authorized.

14-24 AGENDA ITEM 10J(2) - SHERIFF

Agenda Subject: “Accept funding [\$2,000, no County match required] from the U.S. Secret Service in accordance with the Memorandum of Understanding between the Washoe County Sheriff’s Office and the United States Secret Service dated 2/23/07 to reimburse the Washoe County Sheriff’s Office for expenses incurred by Deputies assigned to assist the U.S. Secret Service’s Las Vegas Electronic Crimes Task Force and the South Western Identity Theft and Fraud Task Force (SWIFT) in conducting official investigations; and authorize Finance to make necessary budget adjustments. (All Commission Districts.)”

There was no public comment on this item.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 10J(2) be accepted and authorized.

14-25 AGENDA ITEM 10J(3) - SHERIFF

Agenda Subject: “Acknowledge receipt of status report of Commissary Fund submitted by the Washoe County Sheriff’s Office Commissary Board of Directors. (All Commission Districts.)”

There was no public comment on this item.

On motion by Commissioner Jung, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 10J(3) be acknowledged.

BLOCK VOTE

The following Agenda Items were consolidated and voted on in a block vote: 11, 12, 13, 14, 20 and 21.

14-26 AGENDA ITEM 11 – HEALTH DISTRICT

Agenda Subject: “Recommendation to approve budget amendments totaling an increase [\$314,381] in both revenue and expenses to the FY14 Department of Motor Vehicles (DMV) Excess Reserve Program Funds (IO 20392); and direct Finance to make appropriate budget adjustments. (All Commission Districts.)”

There was no public comment on this item.

On motion by Commissioner Weber, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 11 be approved and directed.

14-27 AGENDA ITEM 12 - PURCHASING

Agenda Subject: “Recommendation to award Invitation to Bid #2870-14 for New Factory Law Enforcement Ammunition on a multiple award basis to the lowest responsive, responsible bidders who represent various manufacturers of ammunitions for use by Washoe County Sheriff’s Office, Washoe County Courts, Constables, Animal Services, and participating joinder agencies including the City of Reno. This award shall run from the date of bid award and be in effect until December 17, 2014, with the County retaining the option for two, one year extensions. [It is estimated County will spend over \$117,500 in Fiscal Year 13/14 for ammunition requirements]. (All Commission Districts.)”

In response to the call for public comment, Cathy Brandhorst spoke about her concerns for the Courts.

On motion by Commissioner Weber, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 12 be awarded.

14-28 AGENDA ITEM 13 – COMMUNITY SERVICES

Agenda Subject: “Recommendation to approve an Agreement for Professional Consulting Services between Washoe County and Lumos and Associates, Inc. to provide project management services for the Washoe County Medical Examiners Facility Project [\$310,030]. (All Commission Districts.)”

There was no public comment on this item.

On motion by Commissioner Weber, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 13 be approved.

14-29 AGENDA ITEM 14 – COMMUNITY SERVICES

Agenda Subject: “Recommendation to accept a Grant Award from the Nevada Division of State Lands for the East Incline Village Phase I Water Quality Improvement Project [\$750,000 - matching funds of \$2,250,000 funded through a U.S. Forest Service Grant and TRPA Water Quality Mitigation Funds] retroactively for the period of November 19, 2013 through December 31, 2017; and if accepted, authorize the Acting Director of Community Services Department to execute the Funding Agreement; and direct Finance to make the necessary budget adjustments. (Commission District 1.)”

In response to the call for public comment, Katherine Snedigar discussed her concerns about public lands. She was opposed to receiving money from the federal government for public lands.

On motion by Commissioner Weber, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 14 be accepted, authorized, executed and directed.

14-30 AGENDA ITEM 20 - MANAGER

Agenda Subject: “Recommendation to approve an increase to the salary range for the Assistant County Manager by 2.3% and to acknowledge the appointment of Kevin Schiller to the unclassified management position of Assistant County Manager at the salary of \$161,824.00 retroactive to January 6, 2014; recommendation to appoint Ken Retterath as the Acting Social Services Director at the salary of \$121,929.60 retroactive to January 6, 2014 and until a formal recruitment can be conducted for the Social Services Director; recommendation to

appoint David Solaro to the unclassified management position of Director of Community Services at the salary of \$143,083.20 effective January 14, 2014; acknowledge the appointment of Don Jeppson to an unclassified management position as a Community Services Department (CSD) Division Director of Building and Safety at his current salary effective January 14, 2014. Net annual impact of these changes is estimated at approximately \$4,630.08. (All Commission Districts.)”

There was no public comment on this item.

On motion by Commissioner Weber, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Kevin Schiller be appointed to the unclassified management position of Assistant County Manager at the salary of \$161,824.00 retroactive to January 6, 2014. It was further ordered that Ken Retterath be appointed as the Acting Social Services Director at the salary of \$121,929.60 retroactive to January 6, 2014 and until a formal recruitment could be conducted for the Social Services Director; David Solaro be appointed to the unclassified management position of Director of Community Services at the salary of \$143,083.20 effective January 14, 2014; and, Don Jeppson be appointed to an unclassified management position as a Community Services Department (CSD) Division Director of Building and Safety at his current salary effective January 14, 2014.

John Slaughter, County Manager, recognized the newly appointed Assistant County Manager Kevin Schiller, Community Service Director Dave Solaro, Acting Social Services Director Ken Retterath and Building and Safety Division Director Don Jeppson.

Commissioner Jung thanked Mr. Solaro since it had to have been a difficult position to be an interim director for as long as he carried that duty. She said there was now some stability and security for the employees.

14-31 AGENDA ITEM 21 - MANAGER

Agenda Subject: “Recommendation for approval of a request pursuant to Washoe County Code 2.030 to initiate proceedings to amend Washoe County Code (Chapters 5, 15, 40, 45, 65, 80, 95 and 130) to reorganize the Office of the County Manager and other County Offices to include the following: abolish the position of Director of Finance; reinstate an additional Assistant County Manager position; assign Budget and Internal Audit functions to the Management Services Division; assign Purchasing and Risk Management Divisions to the Office of the Comptroller, and to update various provisions related to appointment of County staff. (All Commission Districts)”

There was no public comment on this item.

On motion by Commissioner Weber, seconded by Commissioner Hartung, which motion duly carried, it was ordered that the reorganization of the Office of the

County Manager and other County Offices to include the following be approved: abolish the position of Director of Finance; reinstate an additional Assistant County Manager position; assign Budget and Internal Audit functions to the Management Services Division; assign Purchasing and Risk Management Divisions to the Office of the Comptroller, and to update various provisions related to appointment of County staff.

14-32 AGENDA ITEM 15 - MANAGER

Agenda Subject: “Discussion and possible action on the process for filling a temporary vacancy on the Sparks Justice Court (terminating January 4, 2015) including soliciting applicants, screening applicants (including possibly appointing a subcommittee of the Board), and to establish the process and timeframe for the appointment. (All Commission Districts.)”

John Slaughter, County Manager, said the staff report referenced NRS 4.150 that stated, “the Board of County Commissioners shall either appoint a person to fill the vacancy pursuant to NRS 245.170” (a suitable person who is an elector of the county to fill the vacancy until the first Monday in January after the next ensuing biennial election) or “provide by resolution for an election procedure to fill the vacancy for the remainder of the unexpired term.” He noted that filing for judicial offices was currently open and would close on January 17th.

Chairman Humke said the staff report suggested the pattern used the last time the Board made an appointment to the Reno Justice Court in 2007, and he felt that process worked well.

Commissioner Hartung said rather than establishing a subcommittee, he suggested calling for applicants and allowing them five minutes to address the Board.

Commissioner Berkbigler agreed with Commissioner Hartung. She preferred the applicants come before the entire Board since every Commissioner’s opinion was of value in these types of vacancies. She stated that she did not want the Board to appoint someone that would leave a vacancy in another Court.

Commissioner Weber agreed that the appointment should be brought to the Board for discussion, but it would also be acceptable if another judge wanted to fill the vacancy temporarily without running for the position in November. She said that would be a fair and level playing field for the applicants who filed to run for the seat.

Commissioner Hartung said the position could be left vacant and allow the Court to fill the seat with a Pro Tem Judge, but that could be a long process unless a retired Judge stepped forward to fill the seat. He asked if the person had to reside in the Sparks Township.

Paul Lipparelli, Legal Counsel, explained that the residency requirements from three different statutes applied clearly when a person was running for an office, but

he did not believe those statutes mandated that a temporary appointee, or a Pro Tem Judge had to reside within the Township. Commissioner Hartung asked if the Board could indicate they were interested in not just filling the position and appointing someone, but potentially appointing a retired judge, or a Pro Tem Judge.

Mr. Lipparelli added there was a distinction between Pro Tem Judges and a full-time appointed temporary Judge. He explained that a Pro Tem Judge had to be arranged day-by-day or week-by-week by the Court Administration, which could cause an administrative burden. He commented that the Board had the option to appoint someone to the Office from now until January 2015 when the newly elected judge entered office. He said the appointed person would be entitled to the salary and benefits of the Office and would be a temporary, full-time holder of the office and not be scheduled as a Pro Tem Judge. He urged the Board to consider input from the Court on the viability of Pro Tem versus a temporary, full-time judge.

Sparks Justice Court Judge Kevin Higgins agreed that it would be difficult to fill the position to the equivalent of a full-time position with Pro Tem Judges since the vast majority were employed or not available to be full-time, temporary Pro Tems. He explained there were costs associated with a Pro Tem Judge that equated to \$200 per day and, if a Senior Justice of the Peace was appointed, the statute required the appointee be paid the same as a full-time Justice of the Peace so there would be no savings. It was the discretion of the Board, but he would prefer a full-time person for the next 10 months.

Commissioner Weber asked if a retired judge could work for the Court. Judge Higgins was unclear if that would work with their schedules. Commissioner Weber said the position could be offered to consider a retired judge filling in for 10 months. Judge Higgins said that was a possibility. He would encourage the Board to conduct both processes simultaneously as a parallel tract, which would entail either a retired judge filling the position or anyone from the public interested in applying.

Commissioner Hartung said he would prefer Judge Higgins to be part of the thought process. He also suggested going to the pool of Judges in the City of Reno, Incline Village and/or Wadsworth for a rotation through the Sparks Justice Court to assist with the case load. He agreed with Commissioner Weber about an appointee having an advantage if they chose to run for the Office. He suggested holding a conversation with Judge Scott Pearson about a rotation until the position was filled.

Chairman Humke said it would be a productive path to follow the pattern taken when Judge Higgins was appointed in 2003, and run an advertisement in order to see how many individuals applied for the position. He said the Board would benefit from a subcommittee screening the applicants and then choosing some of them to move forward to the Board.

Commissioner Jung asked if the Board had identified a deadline for the applications. Mr. Slaughter replied that a deadline had not been identified. He suggested the February 11, 2014 Board meeting be targeted for the discussion and then choose a

deadline for applicants to apply. Since the term ends in January of 2015, Commissioner Jung said the Board needed to expedite this process rather than using a long formal process. She said the longer the Sparks Justice Court worked without the additional Judge compounded the problem and the desirability of the position lessened. She agreed with a subcommittee to assist in choosing the final candidates which would be presented to the Board. She felt it was imperative that Chairman Humke be part of the subcommittee since he was an attorney and practicing Judge.

Mr. Lipparelli said staff could advertise the position and collect applications. He said it would help the process if the Board gave direction for the minimum qualifications for the position. Statutorily, he said the applicant had to be a qualified elector in Nevada and, if there were further qualifications that the Board felt were necessary, those could be included in the advertisement. He said some concerns had been expressed that an appointed person would gain an advantage in the election, and if the Board as a whole felt that was an unfair advantage, it might be a disqualifying status since the Board was not interested in appointing a person that had filed or planned on filing to run for the office. He indicated that the applicant did not have to be a licensed attorney since that was not required in the Sparks Township, but any requirements listed in the advertisement would assist in the application process and keep the number of applicants to a manageable level.

Commissioner Hartung asked if the Board could legally exclude a person that had the intent of running in the election without threat of litigation. Mr. Lipparelli replied it was more of the Board expressing their viewpoint that a person with the intent of running may not fair favorably in an appointment process because that may cause an unfair advantage in the upcoming election. Commissioner Hartung commented when he suggested a Pro Tem Judge, he was suggesting a person that would be more permanent, such as a retired judge. He suggested staff contact a number of retired judges to see if they were interested in applying for the seat. He said once the Board knew the number of applicants perhaps a special meeting could be scheduled.

Commissioner Weber agreed that the process needed to be conducted quickly, but she was concerned about a special meeting due to the Commissioner's schedules. If a special meeting was going to be scheduled, that scheduling needed to occur at this meeting. She also agreed that the position needed to be advertised quickly.

Chairman Humke stated he was unsure if a special meeting was needed because the Manager always considered schedules and Board meetings that were already planned.

Commissioner Hartung asked if the Board would establish a minimum set of qualifications.

Chairman Humke moved that the Board authorize the County Manager to; (1) establish a process for recruitment and that process include a general advertisement in newspapers or other alternate advertising means, such as the County's website for a

period not less than two weeks and then consider any future meetings and the recruiting process; and, (2) that the Board establish the standards for applicants to be high school graduates or GED equivalent and that the person be a Nevada elector. Commissioner Jung seconded the motion.

Commissioner Hartung questioned the minimum qualifications of a GED equivalent since that person may not have any judicial experience. He was unclear if Judge Higgins would want a person on the bench without that experience which would take more time for training.

Chairman Humke stated that he placed the qualification in the motion because Mr. Lipparelli suggested requirements be mentioned and suggested a higher set of qualifications than was contained in statute. He said the citizens of Sparks were intent on their Justice Court being open to those not law-trained as well as those that were law-trained.

Commissioner Jung understood Commissioner Hartung's concerns; however, that would be determined by the subcommittee and then the Board.

Chairman Humke felt the Board could rely on their management staff to shape the advertisement. He suggested those individuals with arbitration or hearing officer experience be encouraged to apply.

Mr. Slaughter stated that the January 28th and February 11th meetings were already on the calendar. He said February 11th could be the target date to make the selection. Chairman Humke stated that date would meet Judge Higgin's desire.

Mr. Lipparelli indicated that the agenda permitted the Board to appoint their subcommittee, which may additionally help the process.

Commissioner Weber asked if the application process had to be open for two weeks. She felt that was too long and suggested a one week timeline from Tuesday, January 21st through Monday, January 27th.

Chairman Humke asked if there was a motion to amend the application timeline. Commissioner Weber made a motion to amend the two week timeline for applications, to five working days for the application process. Commissioner Jung seconded the motion to amend.

The motion to amend the two week timeline for applications to five working days for the application process passed on a 5 to 0 vote.

In response to the call for public comment, Katherine Snedigar spoke on the qualifications needed for Judges and noted that Judges were required to have bonds.

Chairman Humke asked if there was any additional discussion on the amended motion. Being no further discussion, the motion to; (1) establish a process for recruitment and that process include a general advertisement in newspapers or other alternate advertising means, such as the County's website from Tuesday, January 21st through Monday, January 27th; and, (2) that the Board establish the standards for applicants to be high school graduates or GED equivalent and that the person be a Nevada elector passed on a 5 to 0 vote.

Commissioner Weber moved to appoint Chairman Humke and Commissioner Hartung to the subcommittee for the selection. Commissioner Berkbigler seconded the motion.

Commissioner Hartung agreed to serve on the subcommittee. Mr. Lipparelli noted that the subcommittee would have to conduct their work under the State's Open Meeting Law.

Chairman Humke disclosed that he conducted judicial work for certain Indian tribes.

On call for the question, the motion to appoint Chairman Humke and Commissioner Hartung to the subcommittee passed on a 5 to 0 vote.

14-33 AGENDA ITEM 16 - MANAGER

Agenda Subject: "Update, discussion and possible direction to staff regarding implementation of provisions of the Nevada Medical Marijuana Act (SB 374 of the 2013 Nevada Legislature). Requested by Commissioner Hartung."

Bob Webb, Planning Manager, said a Working Group had been formed, and he identified the members of that Group. He said SB 374 was codified into NRS 453A, titled the medical use of marijuana. He said the Division of Public and Health located within the Nevada Department of Health and Human Services was tasked with implementing SB 374 and NRS 453A. The Division had prepared proposed regulations through the Nevada Administrative Code (NAC) as NAC 453A. Mr. Webb said the Division had held two State-wide workshops to consider the draft NAC regulations. He noted that the public comment period expired on December 30, 2013 and the Division had revised and released the updated NAC, which contained 58 pages of regulations. The next step for the draft regulations would be to submit them to the Legislative Counsel Bureau (LCB) for review, as required by State law, and then those regulations would also be reviewed by the Legislative Commission and potentially the State Board of Health. Currently, the State anticipated those regulations being adopted on April 1, 2014, which was the implementation date of SB 374. Mr. Webb said the Working Group had been scrutinizing both the NRS and the NAC. He indicated that the Board had adopted a resolution on November 12, 2013 directing staff to not accept, but rather return, any applications or documents for medical marijuana establishments pursuant to SB 374 until the Commission adopted County Codes, resolutions, policies or procedures to regulate

medical marijuana within the unincorporated County. Further, the resolution directed staff to begin a review of County Code policies and procedures required to implement SB 374 and then provide a status report no later than the first Board meeting in June. After a thorough review of NRS 453A and the proposed NAC regulations, he said staff was working on Code changes and a resolution that would allocate the State law imposed limit of 10 dispensaries with the County.

Mr. Webb indicated that staff intended to have any Code changes adopted prior to April 1, 2014. This would allow the County to have regulations and procedures in place when the State issued Provisional Registration Certificates for medical marijuana establishments. Currently, he said the State would open a 10-day application period and, during those 10 days, would accept applications for anyone wishing to open a medical marijuana establishment. After reviewing criteria within NAC, he said the State would issue a Provisional Registration Certificate to an establishment. He explained that an establishment could be a dispensary, a cultivation facility, a facility that produced edible products or products that were infused such as topical ointments, or a testing facility. Once that Provisional Registration Certificate was issued, the applicant would go to their local jurisdiction to obtain local jurisdiction approval, which could include zoning and licensing requirements. He said once the local jurisdiction approval was obtained, the State would make the Registration Certificate permanent.

Mr. Webb said staff proposed that all four types of medical marijuana establishments be principally regulated in the County through Chapter 25, the County's Licensing Ordinance. This approach would allow the County to regulate the establishments, similar to other businesses with controls as needed for application submittal requirements, agency review, approval of those applications, location restrictions based on State law, hours of operation, registration of the worker with the Sheriff's Office, criteria to revoke or suspend the licenses and other appropriate regulations. He stated that changes would also be required in the County's Zoning Code, or the Development Code (Chapter 110). He said those four types of establishment uses would then be placed where the State said they could occur, which was commercial or industrial zoning. He indicated that the Development Code also needed to be changed in order to address parking for those establishments; however, staff believed that other development standards, such as landscaping were adequate and did not need refinement. Mr. Webb said Chapter 53, criminal citations, would also need to be reviewed through the Sheriff's Office and the District Attorney's Office to modify the possession of marijuana to ensure that those Codes did not inadvertently put either an establishment or a person with a medical marijuana card in jeopardy for holding a certain amount of medical marijuana.

Mr. Webb said the Health District had reviewed the NRS and the NAC and the proposed changes to Chapters 25 and 110, but did not believe there were any required changes to their Board's regulations at this point. However, they did want to ensure that Code language was placed in the Business License Ordinance to ensure adequate health review and approval for medical marijuana establishments producing food products, solid waste management and air quality controls. The intent was to bring

the Code changes to the Board for a first reading as soon as possible. He remarked that the Board already did a blanket initiation for all County Codes resulting from the 2013 Legislative session and this would be brought forward under that initiation as a response to SB 374.

Mr. Webb said the Working Group would also prepare a resolution to allocate the State mandated 10 dispensaries in the County. However, State law did not allocate any other restrictions on establishments by number, but cultivation and testing facilities would be limited by the State, based on the number of dispensaries and patients. He said the County Commission would need to review the allocation of the 10 dispensaries. He explained that State law limited the number of dispensaries within any one local government jurisdiction to 25 percent and defined a local government jurisdiction as a city, town, township or unincorporated area. Mr. Webb stated that under State law, the Board was allowed to increase any jurisdictions allocation if they determined that an increase was necessary to ensure the more populous areas of the County had access to medical marijuana for medical uses. Staff's initial recommendation was that the 10 dispensaries be allocated between the two Cities, the unincorporated County and the townships as follows:

- 2 dispensaries within the City of Reno
- 2 dispensaries within the City of Sparks
- 1 dispensary in the Gerlach/Wadsworth Township
- 1 dispensary for the Incline Village/Crystal Bay Township
- 2 dispensaries within the unincorporated County outside of the Gerlach/Empire and the Incline Village/Crystal Bay dispensaries

Mr. Webb indicated there were two unallocated dispensaries remaining and noted that staff sought direction on the allocation of those two or a different mix of the proposed dispensary list. The two dispensaries could remain unallocated in reserve and then craft a resolution that a local jurisdiction would return to the Board in the future to request one or both of those dispensaries. Another option would be to allocate one or both of those unallocated dispensaries to the City of Reno since they had a larger population. He said it was important to bring the resolution back before the Board as soon as possible so the Board could establish the number of dispensaries and give guidance to the Cities of Reno and Sparks for their regulations. He said staff also sought direction on fees. Currently, if the regulations were placed within the Business License Ordinance those establishments, in regard to fees, would be treated as other businesses. He explained that equated to a \$75 application fee and the first year's operational fee. After the first year, the fee was based on the reported gross annual receipts, which ranged from \$55 a year for a business that made less than \$25,000 annually to a maximum of \$655 a year for a business that made \$5 million or more annually. He noted that the District Attorney's (DA's) Office was reviewing the actual wording of SB 374 and the supporting NRS codification since it appeared at first that the Senate bill and State law limited local jurisdictions fees to be revenue neutral. If that were the case, any fees would have to be structured to recover the costs of reviewing an application or subsequent costs for inspections or monitoring whatever policies and procedures were in place. Additionally,

there was a separate State law specific to business licenses that limited the amount of revenue any local jurisdiction could collect from license fees to a complex formula based on the Consumer Price Index (CPI) and the prior two year's revenue.

Commissioner Hartung questioned if there had been any discussions with the Regional Transportation Commission (RTC) about establishing a new parameter for the Regional Road Impact Fees (RRIF) since dispensaries could generate a substantive amount of traffic. He asked if there was a difference between a dispensary and a growing operation, and could one or both of the unallocated dispensaries be used as a growing facility. As proposed in State law and NAC, Mr. Webb replied each establishment would receive a separate registration certificate from the State; however, State law also allowed that several types could be combined. He had not heard of a combination for a cultivation and a dispensary, but had heard of cultivation and testing facilities being combined because every product produced at a cultivation facility had to be tested before being released; however, they were looked upon as separate establishments that were co-located. He felt that the County should do the same and, if they were in the same building, the County would license the same facility. He explained there were very strict rules about who could visit an establishment and what that establishment did with their product. The only establishment where the public could enter was a dispensary, but they had to have a valid medical marijuana card or be a qualified caregiver. Commissioner Hartung asked if that used one of the 10 dispensaries. Mr. Webb stated that a dispensary by itself would use one of the County's 10 allocations. He clarified they could be co-located, but there would have to be sufficient controls to ensure that the only place the public visited was a dispensary. He noted that a cultivation facility had to be enclosed facilities that had requirements for security, odor and emission control.

Commissioner Berkbigler understood that the 10 dispensaries allocated to the County did not relate to a growing facility. If it was a growing facility, she said that would be licensed separately and, if it were a food facility that would be licensed separately, but would require a County license and be permitted by the State. Mr. Webb said the State would issue separate registration certificates for each type of establishment. Commissioner Berkbigler said the 10 allocations to the County were designated as dispensaries. Mr. Webb clarified that the 10 allocations were for dispensaries equating to 10 dispensary certificates for the County.

Commissioner Berkbigler said she had some concerns about the fees. She explained that the local governments in Arizona were allowed to set and place a fee on a dispensary and understood that staff was attempting to draft regulations similar to Arizona. She commented that anyone could obtain a medical marijuana card, and she felt there were some serious costs associated to the County that need to be taken into consideration. From a fee perspective, she requested staff review every way possible for the County to ensure that fees could be applied to the licensing and permitting of a dispensary, growth and food facility.

Commissioner Jung asked for clarification on the 10 dispensaries that staff identified. Mr. Webb explained that the 10 dispensaries were given to the County and the

County was allowed to disperse 25 percent of those 10 to a local jurisdiction. Commissioner Jung noted that the County was the only jurisdiction doing the due diligence. If the Board agreed with staff's proposal for the dispensaries, Mr. Webb said he needed direction on the two unallocated dispensaries. He stated that he had spoken to his counterparts from the Cities of Reno and Sparks and suggested they all work together in moving forward in order to have commonality among regulations, policies and procedures. Commissioner Jung asked on the best practices for the unallocated dispensaries. Mr. Webb replied that the regulations were being reviewed from California, Arizona and Colorado, but nothing was found about dispensary allocations. He indicated the only two counties in Nevada with restrictions and allocations were Clark County and Washoe County, but he had not heard anything from Clark County on how that was being approached. Commissioner Jung commended staff on their research and believed that the County would be ready to conduct business the first part of April.

To clarify a question from Commissioner Weber, Mr. Webb said currently all businesses in the unincorporated area of the County paid a flat \$75 fee, which covered their application and the first year. He said a medical marijuana establishment would be subject to that flat fee if there was no special treatment.

Chairman Humke commented that this appeared to be mixed State and local regulations for this activity and inquired on the mixture of regulations. Mr. Webb said he was unclear on the mixture.

Lieutenant Eric Spratley, Washoe County Sheriff's Office (WCSO) explained that the WCSO originally was against this issue at the Legislature. He said they presented all their concerns to the Legislature and because those concerns were met, the WCSO was no longer opposed to this piece of Legislation. He explained that their main concern was having establishments on every corner and people with signs handing out medical marijuana cards, such as occurred throughout California. He said the Legislature was very receptive of their concerns, but he was unclear on the formula for the number of dispensaries. He said the WCSO wanted to provide the patients who needed this product access and noted that the Legislation would be supported from a law enforcement perspective. However, Lieutenant Spratley said marijuana was still a Class I drug and federally illegal. He noted there were many other issues involving banks and the larger Pharmacies that did not want to potentially lose their licenses to provide other medications while providing medical marijuana.

Chairman Humke said it appeared in this analysis that cities or townships would be subservient to the counties and the placement of the dispensaries. Mr. Webb explained that he did not mean to portray that in the presentation, but State law placed the responsibility on the County Commissions to allocate the 10 dispensaries. He noted that the resolution would state this did not give any authority or permission for those dispensaries to be placed in the Cities of Reno or Sparks. The County Commission was complying with State law by allocating those 10 dispensaries amongst the local government jurisdictions as articulated in the law.

Chairman Humke asked about the number of patients and how that was determined. Mr. Webb replied there was currently medical marijuana card holders in the State based on the amendment to the State Constitution passed several years ago. He said a section of NRS 453A dealt with how a person in the State would receive a medical marijuana card. He understood there were about 1,800 cardholders currently in the State, but explained there was a strict process for a person to gain a medical marijuana card. Chairman Humke asked if State regulations provided for a rank order of applicants for any of the facilities. Mr. Webb explained that the NAC currently mentioned a rank order be done by the State when they received the applications. Part of the State's application process was to articulate the ranking process or the numerical score and how those numerical scores would be awarded. He added there were guidelines in the NAC about the standards; however, the State would be the ranking authority. Chairman Humke asked if the County had to live with the ranking order. Mr. Webb understood that the ranking order would be set by the State and then they would issue the Provisional Registration Certificates. The County would then deal with an establishment arriving with a Provisional Registration Certificate granted by the State. Chairman Humke said that was fundamental of local government and, in his opinion, expressed a hatred of local government by the State. He asked how, when and by what process would it take for the United States to crush this endeavor. Mr. Webb replied that possession of marijuana was still a federal offense, which was a major concern of the Working Group.

Due to the State regulations, Chairman Humke commented that the County had no practical way of extracting a reasonable regulatory fee if it had to be treated as a straight business license. He understood if the County did not use all their allocations they could then go to another county.

Commissioner Hartung asked if this would require any zoning changes. Mr. Webb explained that four new use types were being proposed, one for each of the types of establishments. He said they would be categorized across commercial and industrial zoning categories, where they were allowed, and then review the use type as to whether it was allowed in all commercial types and industrial. Commissioner Hartung asked if the tribe(s) received any permits. Mr. Webb replied that he was not aware of any dispensaries being allocated to the tribes. Commissioner Hartung asked if the Board could allow the WCSO to create a process to charge a fee for inspections to ensure that certain standards were met with security. Mr. Webb said the NAC regulations required an agent card for those working inside an establishment. He said there was currently a registration card in place through licensing where the WCSO required the applicant to be photographed and fingerprinted. He said it was being proposed for the Code that the County collect registration cards for the same people who received the agent cards to enable the WCSO to know who was working at the facilities. Commissioner Hartung stated extra law enforcement would be involved, and he was trying to find a way to offset some of those additional man-hours potentially placed on law enforcement.

Commissioner Jung said the Board was attempting to find creative ways for revenue to enhance the ability of the County and continue to be a model State. She asked if a sales tax was paid on pharmaceuticals. Greg Salter, Deputy District Attorney,

stated that he was unclear if that occurred. Commissioner Jung clarified there was no sales tax paid on pharmaceuticals and this would be the only form of medicine in the State that had a sales tax. Mr. Salter explained that there would be a 2 percent Excise Tax on both the wholesale and retail sale of medical marijuana. He said 25 percent would go to the State for the administration of the program, and 75 percent would go to the distributive account of the school system. Commissioner Jung asked if the County collected property taxes on these establishments. Mr. Salter noted that the establishments would pay property taxes. Commissioner Jung stated there were other revenues that could be received, not just application fees. She said while there may be some unintended consequences to this law, she felt it could be figured out and she did not want the County to miss out on the opportunity for revenue. Mr. Salter said the concept in SB 374 and the regulations was for the fees to be revenue neutral and not generate fees that generated revenue above and beyond the cost of providing the service. He said the County could write their regulations to include collecting fees for the purpose of providing regulatory services.

Commissioner Berkbigler agreed that the Board needed creative ideas. She said for the first 18 months of Arizona's program, they made \$25 million. In the State of Colorado, she said one growing facility made \$40 million in the first year. She disagreed with this County only collecting \$655 for a business that could make over \$40 million a year. She said the Board needed to find ways to make the County whole, which could mean fees being placed on these facilities. Commissioner Berkbigler disclosed that she was a partner to a firm that had medical marijuana clients.

In response to the call for public comment, Cathy Brandhorst stated her concerns and opinions on this issue.

There was no action taken on this item.

1:23 p.m. The Board recessed.

2:07 p.m. The Board reconvened with all members present.

14-34 AGENDA ITEM 17 - MANAGER

Agenda Subject: "Discussion and possible direction to staff to discuss with their counterparts in Storey County the advisability and feasibility of implementing the boundary line change between the counties provided in Section 1.5 of Senate Bill 272 of the 2013 Session of the Nevada State Legislature, with the intent that Washoe County staff report back to the Board with recommendations on approval or disapproval and any terms, conditions or agreements advisable or necessary. (Commission District 4.)"

Robert Sader, Tahoe-Reno Industrial Center (TRIC), said the TRIC was a proponent of SB 272 and we're supportive for both counties to begin discussing this issue at the staff level in order to make recommendations to their respective Boards on whether

this was in the best interest of both counties. He said there was a desire of the TRIC to develop a 300 acre area of their land in Washoe County as an integrated hole with the TRIC in Storey County. The project in Storey County was a large industrial project with over 9,000 acres zoned for industrial use. He noted that over 1,000 acres had already been developed with industrial users and that the entire infrastructure was in place for heavy industrial use. In supporting a boundary line adjustment between the two counties, he said the process in the Legislature involved two pieces of land: the Sunny Hills Project in a different part of the County; and, this project. He explained that each of the proposed boundary line changes could be considered separately, which was done so each project would not carry the pros or the cons of the other. He indicated that Section 1.5 of the bill dealt with the land owned by the TRIC and noted that the proposal today was only for consideration of Section 1.5. He said the legislation allowed for consideration of the proposal until July of 2015.

Commissioner Weber said the request was to have staff from both counties work together. Mr. Sader stated that was correct. He noted that the Storey County Board of Commissioners had already authorized their staff to work with Washoe County staff.

Commissioner Hartung was agreeable with staff engaging in conversations on how the process could work. He said there were some potential issues that could impact the County and future development in the East Truckee Canyon that needed to be discussed.

In the past, Commissioner Weber stated that the County had been approached by a developer that pushed legislation through which resulted in the County giving up land to another county and receiving nothing in return. She said if there was remuneration and some financial advantages there may be reasons to move forward and have staff begin the discussions.

Commissioner Hartung said the Board had no desire in this discussion to talk about the Sunny Hills project and noted that would be a separate discussion. He asked on the timeline for staff discussions. Mr. Sader replied that the staffs would set the timeline, but he hoped it would be a fairly short timeframe.

Commissioner Berkbigler echoed the support for staff to begin discussions in order to determine the benefits for Washoe County. She asked when the Sunny Hills project would come before the Board.

John Slaughter, County Manager, replied that would be brought to the Board on a future agenda.

Chairman Humke indicated that the Legislature decided to make the two projects separate with a separate decision-making process; however, he felt the projects should be tied together and have both staffs analyze them simultaneously.

Commissioner Hartung questioned the benefits of staff reviewing both projects and the nexus between the two projects. Chairman Humke replied they shared the same bill in the Legislature with local decision making. He believed that Storey County did not want to do the Sunny Hills project.

Commissioner Weber believed the projects needed to be separated because they were in two different areas. Commissioner Hartung agreed and felt that one project may compromise the other because they were very different parcels of land.

There was no public comment on this item.

Chairman Humke stated that he would not support a motion since he wanted both land owners to be treated fairly.

On motion by Commissioner Hartung, seconded by Commissioner Berkbigler, which motion duly carried with Chairman Humke voting “no,” it was ordered that staff be directed to contact and discuss with their counterparts in Storey County the advisability and feasibility of implementing the boundary line change between the counties provided in Section 1.5, Senate Bill 272 of the 2013 Nevada Legislative Session with the intent that the Washoe County staff report back to the Board with recommendations on approval, disapproval and any terms, conditions or agreements advisable or necessary.

14-35 AGENDA ITEM 18 - MANAGER

Agenda Subject: “Recommendation to acknowledge the Turnipseed Engineering water rights study and appraisal of + 3,418.1 acre feet of groundwater rights located in Bedell Flat, Upper and Lower Dry Valley, and Newcomb Lake Valley [appraised value of \$7,180,000]; and direction to staff regarding possible purchase of those groundwater rights. (Commission District 5.)”

John Slaughter, County Manager, stated on September 24, 2013 the Board gave direction to staff to engage Turnipseed Engineering to conduct a Water Rights Study and appraisal of the groundwater rights that had been offered for sale to the County. He said the staff report also contained letters that had been received about this issue.

Paul Lipparelli, Legal Counsel, explained there were some key legal issues associated in moving forward with this proposal. He said this proposal came to the County through Intermountain Water Supply Ltd. (Intermountain Water) and the first step was to obtain an appraisal, which was necessary in dealing with these types of property rights. He said the appraisal had been completed and now the Board had a general idea of the value from an independent appraiser. He said the Board also had the benefit of Mr. Turnipseed’s report, which included some conclusions about the data concerning this property. Mr. Lipparelli said if the Board chose to move forward with the transaction, a period of time would be needed based on Board direction to negotiate a

Purchase and Sale Agreement containing the actual terms of the transaction. He stated that Intermountain Water had already prepared a draft agreement resulting in some of the terms Intermountain Water had in mind. He said another component was financing, and he noted that the proposal was approximately \$9 million, and the County would need to identify a funding source. He indicated there was a process in Chapter 350 where the Board could give notice of intent to use medium term financing, conduct a hearing and adopt a resolution. If the Board was interested in moving forward, staff would need direction on negotiation of the contract and the timing of the financing element.

Commissioner Berkgigler disclosed that she had met with Robert Marshall, Tom Marshall and representatives from Fish Springs (Vidler) Water. She questioned where the money would come from, what were the costs associated with moving the water closer to the City of Reno and how would that be paid for, and what was the Truckee Meadows Water Authority's (TMWA's) position on this proposal.

Commissioner Weber said she had spoken to Mr. Marshall for years over many issues and also worked with Vidler Water through the pipeline process. She disclosed that this conversation was heard at the Warm Springs Citizen Advisory Board (CAB) meeting. She felt the water needed to be viewed as an asset to the County because it was known that no other water could be transported through the Vidler pipeline to the North Valleys; however, these water rights came with the transfer opportunity into the North Valleys. Commissioner Weber commented on a sale that took place in 2007 for water rights and the price those rights sold for at that sale. She felt this was an asset since there were no current plans for the water in the future and that the proposal should be explored.

Commissioner Jung stated that she had met with the Marshalls on this topic and disclosed that she received a phone call from TMWA General Manager Mark Forre expressing some major concerns. She asked for staff to check if the State Water Engineer would view the County's status differently once they no longer were in the water purveyor business, in terms of the benefits, features and liabilities once the County's Department of Water Resources (DWR) water utilities merged with TMWA.

Commissioner Hartung disclosed that he had met with the Marshalls and also had conversations with members of Vidler Water. He said on December 13, 2013 an article appeared in the *Reno Gazette Journal* with respect to a settlement agreement that Vidler Water had made with the tribe dealing with the importation of water. If the County acquired those water rights, he asked if there could be a potential encumbrance the County would assume. He was concerned since a previous Board had decided the County would no longer be in the water business and that DWR would merge with TMWA. He wondered how this could affect that merger and if having an asset outside of the merger could also be a concern.

Chairman Humke disclosed that he had met with the Marshalls, and their counsel Rew Goodenow. He also met with District Attorney Richard Gammick, Assistant District Attorney Paul Lipparelli, Vidler Water and staff from DWR. He commented if

this violated the TMWA merger that would be an interpretation and noted he did not see that happening. During the previous water rights sale in 2007, he said the Board had been advised by counsel and the Parks Commission on how to proceed with that sale. He noted during those meetings representatives from TMWA were present and bid on each and every lot which ran the price up on all those water rights. Chairman Humke was unclear on how much the Board should listen to TMWA in regard to these water rights.

Robert Marshall, Intermountain Water Co-Manager, explained that he began this project in 1993 after the Honey Lake project collapsed. He said the Bureau of Land Management (BLM) had issued a “No Action Alternative” on the Honey Lake application for a right-of-way grant pursuant to an Environmental Impact Study (EIS). He explained that a Feasibility Study was conducted in 1993 indicating that it would be feasible to take water into Lemmon Valley since there was no water importation at that time. Initially, the water project consisted of the surface water on his cattle ranch along with ground water rights, which he applied for near Winnemucca Ranch Road. At some point, an ordinance passed prohibiting the exportation of ground water out of the Warm Springs Valley. He said the engineers then suggested reviewing the area in Bedell Flat and Dry Valley. He remarked that Dry Valley was a large separate hydrographic basin and Bedell Flat, which was on the west of the Warm Springs Valley, was also a fairly large hydrographic basin. Mr. Marshall said the basins were available so he filed for those rights. In 1997, he went before the Regional Water Planning Commission (RWPC) and moved forward with the project to move water to the Lemmon Valley area. He said the amendment to the Regional Water Management Plan to include the North Valleys strategy, dated March 31, 1997, was termed the Warm Springs Groundwater Importation Project. He said there was also another proposal named the Green Gulch project, but that project was in California and never materialized. Another project mentioned was the Truckee Meadows Groundwater Importation project, which was the Honey Lake project before Vidler Water resuscitated that project. The amendment’s direction stated that the Green Gulch and the Warm Springs Groundwater Importation projects be aggressively pursued and implemented as needed or merited, and to reconsider the Truckee Meadows Groundwater Importation project as future conditions merited. Based on that document, the Warm Springs Groundwater Importation was a preferred project and supposed to be pursued. After it was determined to add the water from Bedell Flat and Dry Valley, he went before the RWPC and received a conformance review approval in April of 2000.

Mr. Marshall said many protests were filed over the years and, in the process, many studies were conducted and modeling was conducted with a complete EIS. This resulted in a right-of-way grant being given from the federal government for the entire pipeline. He said Intermountain Water attended hearings before the State Engineers Office for their place of use and went through the Inter-basin Transfer process, which was completed and noted that all the water rights were permitted for municipal use in Lemmon Valley. Mr. Marshall felt the County was the ideal entity to acquire the water rights and make the investment since the County purchased all the surface water rights in Dry Valley in 1988, but it was difficult to do anything profitably or economically when only the surface rights or ground water rights were owned. He approached the County in order to put together the water rights the County held for 26 years with all the

groundwater rights allowing the County to own all the water rights in the two adjoining basins and the three contiguous basins. A suggested payment plan would be for the County to pay Intermountain Water over a period of 10 years with a down payment of 7.5 percent and a reasonable rate of interest. He noted that Intermountain Water would not retain any security interest in the water and, as soon as escrow closed, the County would own the water free and clear. He indicated that there was no other opportunity or possibility to put together the surface water already owned by the County unless this deal was made. Mr. Marshall stated it was never envisioned for this water to proceed through the Vidler pipeline.

Mr. Goodenow stated that the focus should be on the terms originally proposed and how those may have been affected by the appraisal. The original proposal identified 3,418 acre-feet with a \$747,000 down payment and a balance of \$9,250,000 at 5 percent over a 10 year period. The price would then be approximately \$2,925 an acre-foot, which was a modest price by public market standards. He said the appraisal process was completed and that the proposal would be a good deal for the County. He said a price range was established that encompassed the price being offered, which was between \$1,266 an acre-foot and \$3,329 an acre-foot. He said there was a dollar estimate of value given in the appraisal of \$2,100 an acre-foot, but because of the intention described by Mr. Marshall the offer was adjusted by Intermountain Water to add 82 acre-feet resulting in a total acre foot offered of about 3,500 acre feet that would result in a total purchase price of \$9,661,851, a down payment of \$724,638.82 and the same terms over 10 years at 5 percent. Mr. Goodenow hoped that direction would be given to staff to begin negotiating the contract with Intermountain Water.

In response to the call for public comment, Jeanne Herman spoke about proven water sources. She felt this project would be a huge expense for the taxpayers since there was no funding source identified.

Katherine Snedigar questioned where the proof was that water was present in the area and proof that Mr. Marshall actually owned the water. She stated that the water belonged to the public and was not an asset.

Sharon Spencer stated that this water would not be beneficial to the Warm Springs Valley.

Charles Lieman stated if the County purchased this water it could either be shipped to Lemmon Valley, which would be a great expense, or it could be held as an investment. However, an investment was money that was placed with a plan and the plan he heard was to hopefully sell the water rights. He suggested a plan or a budget be developed for the water rights.

Zannifer Rolich felt if something had value, it only had value if it could be used or of it could be sold.

Steve Hartman, Vidler Water Company Vice President and General Counsel, said that Vidler Water responded to a fair message in terms of where the County and the community would go relative to water rights, which was new development to pay the cost of bringing in new water assets. He said Vidler had expended approximately \$100 million in permitting, constructing and delivering the water to the North Valleys in support of the North Valleys Master Plan and the projected growth in that Master Plan. Along the way, he said Vidler and Intermountain Water became embroiled in litigation and sued in Federal Court by the Pyramid Lake Indian Tribe, but there was now a Settlement Agreement. The Agreement was very clear in Section 2.21 that the Intermountain Water project did not comprise a part of and could not be a part of the Vidler project, which was a requirement under the Settlement Agreement with the Tribe. He said Vidler went to a considerable expense to provide the community with an incredible asset and only wished that the playing field be leveled. He indicated that the Settlement Agreement was very specific and did not allow for any water from Intermountain Water to be in that pipeline.

Mark Freese, Nevada Department of Wildlife (NDOW), said NDOW was interested on the implications to the wildlife and vegetation if the County were to go through and pursue purchasing the water rights. He urged that staff be directed to review some of those considerations and if there would be any consequences for wildlife.

Hugh Ezzell asked if business was being changed for developments in the County. He said Vidler provided the water right to sell in Washoe County, then made an agreement with the County to dedicate that water right to the County, in trust, and then Vidler had to sell the water and build the pipeline. He suggested the County sell their surface water rights in the area to Intermountain Water. He questioned if the County had conducted an economic analysis on the \$10 million investment and if there was a rate of return on that investment.

Mr. Lipparelli stated that Mr. Hartman had submitted two documents which were: the May 2007 Pyramid Lake-Paiute Tribe Fish Springs Ranch Settlement Agreement; and, a transcript of a proceeding in Federal District Court from March 29, 2007. A copy of the documents was placed on file with the Clerk.

In response to several points made in the letter from Mr. Foree, Mr. Goodenow said it was not the intention of Intermountain Water for the proposed sale to interfere with the proposed TMWA merger. In his letter, Mr. Foree asked if there was the intention to utilize CSD Water Division (WD) assets to finance the purchase. Mr. Goodenow said Intermountain Water was not connected with the decision the County would make as to where it would apply monies from the budget, and the proposal did not contemplate taking funds from CSDWD to pay for this sale. The second point raised was if the proposed transaction imposed any obligations on the consolidated water utility following the merger with respect to the Intermountain Water right permits. Mr. Goodenow felt that the proposal did not impact the merger proposal. He said future costs was not a part of the transaction proposal, but would be an investment since it was a

unique opportunity for the County. He stated that Intermountain Water did not oppose a level playing field.

Commissioner Hartung asked if the water was certified with the State or had been proven. Mr. Goodenow explained that certificated water was water that had been placed to the beneficial use of a location. He said proven water was a separate concept and, in order to receive the permit, it had to be shown that the water was present. He believed that the existence of the water was proven, but it was not certificated and certification had not been issued.

In response to Commissioner Jung, Mr. Lipparelli understood that the process of receiving permission from the State Engineer to use water belonging to the public was to ask for a permit to explore, test and establish what was present, after which a certificate would be obtained from the State Engineer once beneficial use for the water had been established. The permits allowed someone to lay claim to the water and determine the quality and quantity and then certificated water rights were received. The other type was adjudicated water rights, which were water rights that a court had determined belonged to a certain person by virtue of their historical use. He said the Intermountain Water proposal offered all the rights, title and interest that Intermountain Water had to the permits issued by the State Engineer, which were permits for test wells and production wells along with all the other rights attached to those permits, such as BLM right-a-way corridor permits based on their request for right-a-way corridor and easement necessary to deliver the water from the wells to Lemmon Valley, which was the destination for this project. He said the Board had seen the extensive documents and the plan developed by Intermountain Water that detailed the process for developing the water for use in Lemmon Valley. He said that would all be part of the Intermountain Water proposal offered to the County.

Commissioner Jung said she had been approached by several constituents concerned about the difference between permission versus certification. Until the water was certificated, she said it was unknown since it was just an estimate. She questioned if there was a way that Intermountain Water could obtain the certification and she requested that documentation. She also requested the implications on the surface water expressions, wildlife, plant life, and an economic analysis.

Vahid Behmaram, Water Rights Manager, agreed that water had to be placed to beneficial use before a certificate was issued by the State Engineer's Office. He said the question was sustainability and whether or not water was available. He reviewed State Engineers Ruling No. 6164, dated 2012, which stated the amount of groundwater available for appropriation, under the applications, was 61,127 acre-feet in Stage I development, pumping pursuant to the application shall be limited to 38,000 acre-feet to provide for a pumping stress that allowed for collection of reliable transient State data and effective calibration. He said the initial stage would continue for a minimum of eight years and the data from those eight years of pumping and updated modeling results would be submitted to the State Engineer's Office before moving to Stage II.

Mr. Behmaram indicated during the Coyote Springs project, Order No. 1169, the State Engineer required Las Vegas Valley Water District, the Southern Nevada Water Authority, Coyote Springs, Nevada Power and the Moapa Valley Water District to conduct a study that must cover a minimum five-year period during which at least 50 percent of the water rights currently permitted in the Coyote Springs Valley Groundwater Basin were pumped a minimum of two consecutive years.

Mr. Behmaram said the point was the State Engineers Office needed hard data in availability of water. This proposal was a computer-model simulation with 10 days of pump testing versus eight years. He said there was no hard data on the availability of this resource. He commented that SB 405 from the 2007 Legislative Session attempted to amend Chapter 532 by adding a new section that read, "the State Engineer has full exclusive and final authority with respect to the appropriation, allocation and determination of availability of water." However, he noted that SB 405 failed and did not become law. The State Engineer was not in support of the language that said they would be the only public agency that could analyze and manage water in a given area because he believed there were a number of entities that should also have that right. He said the fact that the State Engineer issued permits did not mean the County had to accept those at face value, which was the intent of SB 405. Mr. Behmaram read an excerpt from Mr. Turnipseed's report, "this consultant's study said there was not enough data to determine if there was 1,500 acre-feet of water in Dry Valley," and "it was recommended for additional modeling and additional studies to be conducted." The report also said, "the integrated study and model would also provide for an adaptive management approach to understanding the system that may be updated and revised as groundwater development in the region proceeds and evolves." Mr. Behmaram said understanding a water resource did not occur overnight, but was an evolution to stress the aquifer and put the water to beneficial use or at least use it for a period of time to know whether the resource was there. He said that had been the model in the region and had relied on conversion of agricultural water rights to municipal since it was known that the water existed.

Chairman Humke referenced the final paragraph in the TMWA letter and asked if it was a suggestion by TMWA that the merger between them and CSDWD was at an end. Mr. Lipparelli replied that he did not want to draw conclusions on what Mr. Foree thought about the merger, but felt that Mr. Foree suggested he would benefit knowing whether the County intended to include the water it may purchase from Intermountain Water among the assets transferred to TMWA and, if so, Mr. Foree said the County had a duty under the Interlocal Agreement to put them on notice of that intent so TMWA could evaluate that at the merger table. Mr. Lipparelli said Intermountain Water representatives had stated that the proposal was being made to the County as an entity, not the County as a water operator. He said Mr. Foree was asking for that confirmation and he felt that was a fair question. Chairman Humke asked if the Commissioners had ever suggested in an Attorney-Client meeting that this proposal would be included in the TMWA merger. Mr. Lipparelli replied that he had never heard any Commissioner express an interest in buying Intermountain's Water as an asset for the County's water resources operation.

Commissioner Weber said there were many questions asked by all the Commissioners and that list needed to be developed.

Commissioner Hartung stated he had additional questions for staff and said there had been no discussion about the Comprehensive Regional Water Management Plan and how that forecasted the need for water in Lemmon Valley. If the County would purchase this asset, he asked on the timing and would the asset be liquid. He said the question was where the best use for this water was, but he was not convinced that purchasing the water rights, if the County owned them, that they would be utilized and could the rights be moved to the Warm Springs Valley.

In response to a question from Commissioner Weber, Mr. Goodenow replied that Intermountain Water had proposed to transfer all their rights that surrounded these particular water rights, which included all permits to the County such as rights that arose under previous proposals, one of which was to take the water to Lemmon Valley. Commissioner Weber asked if the County could transfer the water to another area. Mr. Goodenow stated that was correct, subject to any other permitting restrictions that may apply.

Mr. Marshall said Intermountain Water had already addressed the inter basin or outer basin transfer and were currently permitted for municipal use in Lemmon Valley. At any time in the future, he said the County could file a change application to change the place of beneficial use.

Several of the questions for staff were summarized as the following: locating the funding source; the cost to move the water; any implications involving the TMWA merger; how would the State Engineer view the County as no longer being a water purveyor; the timeframe for the investment or the length of time where the asset would be utilized; the cost associated or estimate with transporting the water, but the area of use was unknown; any potential litigation from the Tribe; have staff review the surface rights already owned by the County in that area and the potential to develop those rights and why they had not been used; the implication on wildlife and plant life; and, an economic analysis if Intermountain Water would be willing to fund to stress the beneficial use to receive the certification prior to any discussion of value.

Commissioner Jung suggested staff watch the video of the meeting to ensure they had all the questions asked by the Board. She also suggested that what was finally decided by the Board become policy and be codified.

Mr. Slaughter remarked that staff would summarize and list the questions. He said he would work with the Chairman to ensure that all the questions were captured and then schedule a date to return to the Board.

Mr. Goodenow understood that the Board's direction to staff was to return with the answers to their questions and then meet with Intermountain Water to obtain their input.

There was no action taken on this item.

14-36 AGENDA ITEM 19 - MANAGER

Agenda Subject: “Status report on Human Services Agency Integration.”

Kevin Schiller, Assistant County Manager, stated that the first step in integration was reviewing the County Code. He said staff would return to the Board with proposed Code changes, which would allow for a Human Services Agency umbrella that would open the door to utilize the resources in funding to move forward with the senior objectives in Senior Services. He said staff was already reviewing areas where Code changes were needed in order to move in the right direction and continue to build.

4:32 p.m. Chairman Humke temporarily left the meeting and Vice Chairperson Weber assumed the gavel.

Mr. Schiller said the aging population was the fastest growing population and came with accountability and responsibility. He continued to work with the State since there were needs and resources available for collaboration. He emphasized there was still a responsibility to the local constituency specific to services and in moving forward to improve those services. He highlighted certain areas that would be reviewed such as, Veterans Services Officers to facilitate case management and nutrition and meals. He indicated that many senior citizens stated their meal from “Meals on Wheels” was their only meal of the day. He highlighted that there had been much work done on the Senior Services Master Plan and clarified it was a living document moving in the direction of targeting and prioritizing services.

4:43 p.m. Commissioner Hartung temporarily left the meeting.

Grady Tarbuton, Senior Services Director, spoke on the number of senior citizens that received home-delivered meals each day. He said the proposed change in meal delivery would add approximately 33,000 meals a year in the community. He indicated that the consolidation would give the County the authority and the ability to make decisions on how Senior Services would serve senior citizens.

Vice Chairperson Weber thanked Senior Services for the Cold Springs congregate meals and said the community was thankful.

There was no public comment on this item.

On motion by Commissioner Berkbigler, seconded by Commissioner Jung, which motion duly carried with Chairman Humke and Commissioner Hartung absent, it was ordered that Agenda Item 19 be accepted.

4:46 p.m. The Board recessed.

6:00 p.m. The Board reconvened with all members present.

The County Commission will convene as the County Liquor and Gaming Board for Agenda Item Nos. 23 and 24 only.

14-37 **AGENDA ITEM 23 – COMMUNITY SERVICES**

Agenda Subject: “Second reading and adoption of an Ordinance amending the Washoe County Code at Chapter 30 (Intoxicating Liquor and Gaming Licenses and Regulations) by amending certain provisions relating to the definitions of a supplier of liquor, craft distillery and distillation; adding requirements to license craft distilleries; and, providing for other matters properly relating thereto. (Bill No. 1703). (All Commission Districts.) To be heard before Agenda Item #24.”

Paul Lipparelli, Legal Counsel, noted that the Washoe County Sheriff was also a member of the County Liquor and Gaming Board, but indicated that the Sheriff was absent from the meeting.

The Chairman opened the public hearing by calling on anyone wishing to speak for or against adoption of said Ordinance. There being no response, the hearing was closed.

Nancy Parent, County Clerk, read the title for Ordinance No. 1522, Bill No. 1703.

On motion by Commissioner Jung, seconded by Commissioner Weber, which motion duly carried with Sheriff Haley absent, Chairman Humke ordered that Ordinance No. 1522, Bill No. 1703, entitled, "AN ORDINANCE AMENDING THE WASHOE COUNTY CODE AT CHAPTER 30 (INTOXICATING LIQUOR AND GAMING LICENSES AND REGULATIONS) BY AMENDING CERTAIN PROVISIONS RELATING TO THE DEFINITIONS OF A SUPPLIER OF LIQUOR, CRAFT DISTILLERY AND DISTILLATION; ADDING REQUIREMENTS TO LICENSE CRAFT DISTILLERIES; AND, PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO," be approved, adopted and published in accordance with NRS 244.100.

14-38 **AGENDA ITEM 24 – COMMUNITY SERVICES**

Agenda Subject: “Recommendation to adopt a Resolution amending the Washoe County Master Liquor License Fee Schedule to include new craft distillery liquor license fees, as authorized by Washoe County Code Chapter 30 (Intoxicating Liquor and Gaming Licenses and Regulations), with an effective date of January 24, 2014. (All Commission Districts.) To be heard after Agenda Item #23.”

There was no public comment on this item.

On motion by Commissioner Weber, seconded by Commissioner Hartung, which motion duly carried with Sheriff Haley absent, it was ordered that Agenda Item 24 be adopted. The Resolution for same is attached hereto and made a part of the minutes thereof.

14-39 AGENDA ITEM 22

Agenda Subject: “Discussion and possible action with regard to administrative matters pertaining to the Washoe County Board of Commissioners, including the service of individual Commissioners on various boards and commissions and the adopted Rules and Procedures for the Board of Commissioners. Possible action taken may include appointment and reappointment of Commissioners, alteration of terms of service on boards and commissions where legally permissible, amendment, additions to and/or repeal of the 2012 Rules and Procedures, and such other action as the Board of Commissioners may desire to take in regard to these administrative matters. (All Commission Districts.)”

Commissioner Weber suggested leaving the Commissioner’s appointments to boards and commissions the same and return in July to see if any changes were requested.

In response to the call for public comment, Cathy Brandhorst addressed the Board.

On motion by Commissioner Weber, seconded by Commissioner Berkgigler, which motion duly carried, it was ordered that all the board and commission assignments would remain the same and would be further addressed in July 2014.

14-40 AGENDA ITEM 25

Agenda Subject: “Reports/updates from County Commission members concerning various boards/commissions they may be a member of or liaison to.”

Commissioner Weber announced that a Virginia City – Truckee Railroad (V&T) Commission meeting was scheduled for January 27th and there was also an upcoming I-11 conference call scheduled. She attended a conference call for the Western Interstate Region of the National Association of Counties that included 15 western States. She also said she would attend the Regional Transportation Commission (RTC) meeting on January 17, 2014.

Commissioner Hartung said he attended a Truckee Meadows Water Authority (TMWA) meeting where an idea was presented by Reno Mayor Cashell about placing bronze animal statues in the downtown core. He noted that he was elected as the Vice Chairman of the Truckee River Flood Management Committee.

Commissioner Jung commented that the District Board of Health would hold their annual strategic retreat on January 16, 2014 and she looked forward in working with the new District Health Officer. She said the Library Board of Trustees was meeting on January 15th and the Regional Job Networks would meet on January 16th.

14-41 AGENDA ITEM 26

Agenda Subject: “Possible Closed Session for the purpose of discussing labor negotiations with Washoe County, Truckee Meadows Fire Protection District and/or Sierra Fire Protection District per NRS 288.220.”

There was no closed session scheduled.

14-42 AGENDA ITEM 28 – PUBLIC COMMENT

Agenda Subject: “Public Comment. Comment heard under this item will be limited to three minutes per person and may pertain to matters both on and off the Commission agenda. The Commission will also hear public comment during individual action items, with comment limited to three minutes per person. Comments are to be made to the Commission as a whole.”

Cathy Brandhorst addressed the Board.

COMMUNICATIONS

The following communications and reports were received, duly noted, and ordered placed on file with the Clerk:

14-43 Notice of Completion between Washoe County Community Services Department – Water Resources, Utility Services Division, and K.G. Walters Construction Co., Inc., State Contractor’s License Numbers 17382, 17383, 42498, for the South Truckee Meadows Water Reclamation Facility – 2011 Rehabilitation and Enhancement Project. This notice will be filed with the Washoe County Recorder on or about March 21, 2013. The bid date was September 29, 2011, and the final cost was \$1,706,254,31. (BCC Meeting of 11-08-11.)

14-44 Fully executed Contract No. 3555, Project No. SI-0032(117), for Various Intersections throughout District 2, Carson, Churchill, Douglas, Lyon, Mineral, Pershing, Washoe and Storey Counties.

14-45 Fully executed First Amended and Restated Neighborhood Stabilization Program Agreement between the Nevada Housing Division and Washoe County. (BCC meeting of 09-25-12.)

14-46 Fully executed Second Amendment to the Truckee River Water Quality Settlement Agreement. (BCC Meeting of 9-27-11)

AUDITORS REPORTS

14-47 Carson-Truckee Water Conservancy District for FY ended June 30, 2013.

14-48 Palomino Valley General Improvement District for FY 2012-13.

COMPREHENSIVE ANNUAL REPORTS/FINANCIAL STATEMENTS

14-49 Incline Village General Improvement District – For FY ended June 30, 2013.

14-50 City of Sparks – For FY ended June 30, 2013.

14-51 Truckee River Flood Management Authority – for the 13 months ended June 30, 2013.

14-52 Reno-Tahoe International Airport - For the year ended June 30, 2013. (The full report could be viewed on www.renoairport.com.)

* * * * *

6:22 p.m. There being no further business to discuss, on motion by Commissioner Jung, seconded by Commissioner Weber, which motion duly carried, the meeting was adjourned.

DAVID E. HUMKE, Chairman
Washoe County Commission

ATTEST:

NANCY PARENT, County Clerk and
Clerk of the Board of County Commissioners

*Minutes Prepared by:
Stacy Gonzales, Deputy County Clerk*



RESOLUTION OF THE
WASHOE COUNTY LIQUOR AND GAMING BOARD

AMENDING THE WASHOE COUNTY MASTER LIQUOR LICENSE FEE SCHEDULE
TO INCLUDE NEW CRAFT DISTILLERY LIQUOR LICENSE FEES

Whereas the 2013 Nevada State Legislature passed Assembly Bill (AB) 153, which created a new liquor manufacturer type called craft distillery, and the Governor signed AB 153 into law and the law was effective on July 1, 2013; and,

Whereas the Washoe County Liquor and Gaming Board adopted amendments to Washoe County Code Chapter 30 (Intoxicating Liquor and Gaming Licenses and Regulations) on January 14, 2014 to license and regulate craft distilleries in Washoe County; and,

Whereas Washoe County liquor license fees are adopted by resolution of the Washoe County Liquor and Gaming Board and set forth in the Washoe County Master Liquor License Fee Schedule pursuant to Washoe County Code Section 30.150; and,

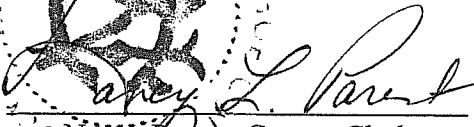
Whereas the Washoe County Liquor and Gaming Board approved a Business Impact Statement related to this resolution amending the Washoe County Master Liquor License Fee Schedule and determined that the proposed craft distillery liquor license fee does not impose a direct and significant economic burden upon a business, nor does it directly restrict the formation, operation, or expansion of a business; and,

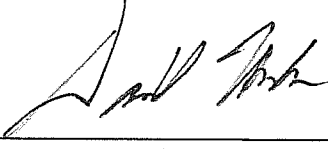
14-88

Now, therefore, be it resolved that the Washoe County Liquor and Gaming Board does hereby amend the Washoe County Master Liquor License Fee Schedule as shown in Attachment A to this resolution, with an effective date of January 24, 2014.

ADOPTED on January 14, 2014.

WASHOE COUNTY LIQUOR AND GAMING BOARD

ATTEST

Nancy Parent, County Clerk


Chair



Washoe County

Master Liquor License Fee Schedule

Washoe County Code Chapter 30

Effective January 24, 2014

LIQUOR LICENSE FEES

License	Quarterly, or Fraction Thereof, Fee	Additional Quarterly Fee for Receipts in Excess of \$25,000
Brew pub license and/or brewery license	\$ 225.00	\$1 per quarter, or fraction thereof, for each \$1,000 of annual gross liquor receipts ¹
Cabaret license	\$ 300.00	\$1 per quarter, or fraction thereof, for each \$1,000 of annual gross liquor receipts ¹
Craft Distillery	\$ 225.00	\$1 per quarter, or fraction thereof, for each \$1,000 of annual gross liquor receipts ¹
Importer/Wholesaler intoxicating liquor license	\$ 300.00	No additional fee
Liquor catering license ²		
Separate liquor catering license	\$ 225.00	\$1 per quarter, or fraction thereof, for each \$1,000 of annual gross liquor receipts ¹
Liquor catering license in conjunction with another liquor license	\$ 125.00	\$1 per quarter, or fraction thereof, for each \$1,000 of annual gross liquor receipts ¹
Liquor tasting license	No license fee	
Package beer license	\$ 50.00	\$1 per quarter, or fraction thereof, for each \$1,000 of annual gross liquor receipts ¹
Package liquor license	\$ 200.00	\$1 per quarter, or fraction thereof, for each \$1,000 of annual gross liquor receipts ¹
Retail beer and wine license	\$ 125.00	\$1 per quarter, or fraction thereof, for each \$1,000 of annual gross liquor receipts ¹
Service bar license ³	\$ 125.00	\$1 per quarter, or fraction thereof, for each \$1,000 of annual gross liquor receipts ¹
Temporary intoxicating liquor license ⁴	\$ 125.00	No additional fee

1/4/08

License	Quarterly, or Fraction Thereof, Fee	Additional Quarterly Fee for Receipts in Excess of \$25,000
Tavern license	\$ 225.00	\$1 per quarter, or fraction thereof, for each \$1,000 of annual gross liquor receipts ¹
Wine-maker's license	\$ 225.00	\$1 per quarter, or fraction thereof, for each \$1,000 of annual gross liquor receipts ¹
Administrative Processing Fee		
Nevada Department of Taxation liquor licenses within the Cities of Reno or Sparks ⁵	\$ 50.00 (for each application)	

Notes:

1. "Annual Gross Liquor Receipts" is defined in Washoe County Code 30.010.2
2. A liquor catering license may be issued as a separate liquor license or in conjunction with another type of liquor license. This license includes the use of one portable bar structure.
3. The fee is for each service bar.
4. A temporary intoxicating liquor license is good for one event only.
5. State of Nevada license for Importer/Wholesaler of Intoxicating Liquors, Wine-making, Brew Pubs, Breweries, or Craft Distilleries. The fee is collected only for businesses not located within, or not doing business within, unincorporated Washoe County.

LIQUOR LICENSE FEE FOR A NEW BUSINESS

A new business which has not completed its first fiscal year shall pay the fixed quarterly license fees set forth in this master liquor license fee schedule, plus an additional quarterly fee, if applicable, of \$50 in lieu of a fee based on annual gross liquor receipts. After the business has completed its first fiscal year, the business shall pay the additional quarterly fees set forth in this fee schedule.

14-38

LIQUOR LICENSE FEE FOR A BUSINESS WITH MULTIPLE LOCATIONS AND/OR MULTIPLE LIQUOR LICENSES

This provision does not apply to liquor catering licenses, liquor tasting licenses, or temporary intoxicating liquor licenses.

If a business is required to possess more than one type of liquor licenses, it shall, for each business location, pay the sum of the quarterly fees for each of the licenses at that location and an additional quarterly fee, if applicable⁶, of \$1 for each \$1,000 of annual gross liquor receipts in excess of \$25,000 received at each location. The additional quarterly license fee shall be based on the total annual gross liquor receipts for each business location, regardless of the number of liquor licenses issued to the business at each location.

Note:

- 6: Importer/wholesaler licensees are exempt from this requirement.

Note: Fee Schedule adopted by the Washoe County Liquor and Gaming Board on January 14, 2014.