

CARSON CITY BOARD OF SUPERVISORS
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A regularly scheduled meeting of the Carson City Board of Supervisors was held on Thursday, September 5, 2002, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 8:30 a.m.

PRESENT:	Ray Masayko	Mayor
	Jon Plank	Supervisor, Ward 2
	Robin Williamson	Supervisor, Ward 1
	Pete Livermore	Supervisor, Ward 3
	Richard S. Staub	Supervisor, Ward 4

STAFF PRESENT:	John Berkich	City Manager
	Alan Glover	Clerk-Recorder
	Al Kramer	Treasurer
	Ann Beck	Human Resources Director
	William Naylor	Information Services Director
	Mark Forsberg	Chief Deputy District Attorney
	Cheryl Adams	Deputy Purchasing Director
	Bev. Moltz	Lieutenant
	Katherine McLaughlin	Recording Secretary
	(B.O.S. 9/5/02 Tape 1-0001)	

NOTE: Unless otherwise indicated, each item was introduced by staff's reading/outlining/clarifying the Board Action Request and/or supporting documentation. Staff members present for each Department are listed under that Department's heading. Any other individuals who spoke are listed immediately following the item heading. A tape recording of these proceedings is on file in the Clerk-Recorder's office. This tape is available for review and inspection during normal business hours.

CALL TO ORDER, ROLL CALL, INVOCATION, AND PLEDGE OF ALLEGIANCE - Mayor Masayko convened the meeting at 8:30 a.m. Roll call was taken. The entire Board was present constituting a quorum. Rev. Patrick Propster of the Carson City Fellowship invited the public and Board to attend the 9-11 Activities during the weekend and gave the Invocation. Mayor Masayko led the Pledge.

CITIZEN COMMENTS (1-0053) - None.

1. APPROVAL OF MINUTES (1-0060) - May 16, 2002 - Supervisor Plank moved to approve the Carson City Board of Supervisors Minutes of the meeting of May 16, 2002. Supervisor Williamson seconded the motion. Motion carried 5-0.

2. AGENDA MODIFICATIONS (1-0077) - Mayor Masayko indicated that the meeting may be recessed at 11 a.m. and reconvene at 1:30 p.m. so that the Board could attend the Nevada Department of Transportation Board of Directors meeting at 11 a.m.. There were no changes made to the agenda.

LIQUOR AND ENTERTAINMENT BOARD (1-0085) - Mayor Masayko then recessed the Board of

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Supervisors session and convened the Liquor and Entertainment Board. A quorum of the Board was present including Sheriff's Representative Bev. Moltz.

3. TREASURER - Al Kramer

A. ACTION TO APPROVE A BEER AND WINE LICENSE FOR MARK AND JENNIFER CLAYPOOL, DOING BUSINESS AS FLYING PIG PIZZA COMPANY, LOCATED AT 303 NORTH CARSON STREET (1-0091) - Mark and Jennifer Claypool assured the Board that they were familiar with the Liquor Laws, would adequately train their employees in those laws, and would strictly adhere to them. Chairperson Masayko reminded them that law enforcement agencies are to have access to the establishment at all reasonable times. Member Moltz noted the favorable Sheriff's Investigative Report. Member Williamson thanked them for their investment in the community and moved to approve a beer and wine license for Mark and Jennifer Claypool, doing business as Flying Pig Pizza Company, located at 303 North Carson Street under Carson City Municipal Code 4.13; fiscal impact is \$500 Original New Fee and \$150 Quarterly Fee. Member Livermore seconded the motion. Motion carried 6-0. The Claypools indicated the establishment should open in 60 to 90 days or before Nevada Day.

B. ACTION TO APPROVE A FULL BAR LIQUOR LICENSE FOR Q'S STEAKS, BAR-B-QUE AND SALADS, LLC, LOCATED AT 230 FAIRVIEW DRIVE WITH MICHAEL AND LINDA MARANTETTE AS LIQUOR LICENSE MANAGERS (1-0152) - Michael and Linda Marantette committed to abiding by the laws and statutes and not serving minors or intoxicated individuals. They will train their employees to abide by the laws. Clarification indicated that they already have one Carson City Liquor License. Member Moltz noted the favorable Sheriff's Investigative Report. Discussion explained the location of the establishment and thanked them for reopening the establishment. Member Staub welcomed them to his neighborhood and moved to approve a full bar liquor license for Q's Steaks, Bar-B-Que and Salads, LLC, located at 230 Fairview Drive; Michael and Linda Marantette will be the liquor license managers, under Carson City Municipal Code 4.13; fiscal impact is \$1,000 Original New Fee and \$200 Quarterly Fee. Member Livermore seconded the motion. Motion carried 6-0. Discussion indicated the establishment will open in nine or ten days.

C. ACTION TO APPROVE A WHOLESALE DISTRIBUTOR LIQUOR LICENSE FOR WINEVADA, LLC, LOCATED AT 3039 RESEARCH WAY #103 WITH TERRY LANNON AS LIQUOR LICENSE MANAGER (1-0218) - Chairperson Masayko explained the reasons Mr. Lannon was required to appear in person even though he will not be selling direct to the public. Mr. Lannon indicated he was very familiar with the liquor laws and would provide proper training for his employees. Member Moltz noted the favorable Sheriff's Investigative Report. Member Williamson moved to approve a wholesale distributor liquor license for WiNevada, LLC, located at 3039 Research Way No. 103, Terry Lannon will be the Liquor License Manager; under Carson City Municipal Code 4.13; fiscal impact is \$1,000 Original New Fee, \$500 Investigation Fee, and \$200 Quarterly Fee. Member Plank seconded the motion. Motion carried 6-0.

D. ACTION TO APPROVE AN ASSEMBLY PERMIT WITH WAIVER OF THE \$200 PERMIT FEE AND THE \$25 APPLICATION FEE FOR PREMIERE PRODUCTIONS ON SEPTEMBER 8, 2002, AT MILLS PARK (1-0265) - Chairperson Masayko explained the requirement that the

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applicants appear in person to respond to questions regarding the request. Timothy Hartman and Vinson Vernaza representing Premiere Productions, LLC, described the event, its purpose, and reasons for requesting the fee waiver. They could not estimate the number of people who will attend the event. If the parking is inadequate, people will be asked to park in the surrounding area. The entrance will be kept clear to allow emergency vehicle access. Member Plank explained the use of the High School parking lot when the park spaces are filled. Mr. Hartman and Mr. Vernaza indicated they would contact the school about using their parking. The National Guard's participation in the program was noted. Representatives from the National Guard were present. Member Plank moved to approve an assembly permit with a waiver of the \$200 permit fee and the \$25 application fee for Premiere Productions on September 8, 2002, at Mills Park under Carson City Municipal Code 4.28; the fiscal impact is a \$200 assembly permit fee and the \$25 application fee. Member Williamson seconded the motion. Motion carried 6-0.

Member Plank complimented Lt. Moltz on the new Investigative Report format and recommendation terminology. There being no other matters for consideration as the Liquor and Entertainment Board, Chairperson Masayko adjourned it.

BOARD OF SUPERVISORS (1-0397) - Mayor Masayko reconvened the Board of Supervisors session. The entire Board was present, constituting a quorum.

4. CONSENT AGENDA (1-0409)

4-1. TREASURER - ACTION TO APPROVE THE DIRECTION AND ORDER TO SELL REAL PROPERTY FOR TAX DELINQUENCIES WHERE CARSON CITY HAS TAKEN A DEED; APNS: 1-155-02, 02-597-02; 3-103-03; 3-352-29; 4-132-03; 7-051-66; 8-046-03; 8-212-05; 8-232-04; 8-252-11; 8-263-16; 8-281-37; 8-352-02; 8-442-05; 8-731-57; 9-062-01; 9-238-10; AND 9-651-13

4-2. DISTRICT ATTORNEY - ACTION TO APPROVE A LEASE BETWEEN CASINO RADIO, LLC, A SUBSIDIARY OF HOLDER HOSPITALITY GROUP, INC., A NEVADA CORPORATION, CARSON CITY, NEVADA, AND CARSON CITY FOR THE PROPERTY KNOWN AS KPTL SITE ON EDMONDS (APN 10-031-02) AND OTHER MATTERS PROPERLY RELATED THERETO

4-3. CLERK-RECORDER - ACTION TO APPROVE THE CANVASS OF THE VOTE AS PRESENTED BY THE CLERK-RECORDER FOR THE 2002 PRIMARY ELECTION

4-4. DEVELOPMENT SERVICES - CONTRACTS

A. ACTION TO ACCEPT STAFF'S RECOMMENDATION ON CARSON CITY WATER SYSTEM MASTER PLAN - AMENDMENT NO. 1, CONTRACT NO. 2001-076 AND AUTHORIZE DEVELOPMENT SERVICES TO ISSUE CLAIM FORMS TO BROWN AND CALDWELL, 3488 GONI ROAD, SUITE 142, CARSON CITY, NEVADA 89706 FOR AN AMENDMENT AMOUNT OF \$26,550 WITH THE AUTHORITY TO ISSUE AMENDMENTS TO THE CONTRACT FOR A NOT TO EXCEED AMOUNT OF \$3,450

B. ACTION TO ACCEPT DEVELOPMENT SERVICES RECOMMENDATION ON APPROVAL OF AMENDMENT NO. 1 OF THE WASTEWATER RECLAMATION FACILITY EXPANSION PROGRAM ASSISTANCE AGREEMENT, CONTRACT NO. 2001-104, FOR ADDITIONAL CONSULTING SERVICES WITH BERRYMAN AND HENIGAR, 4840 UNIVERSITY AVENUE, SUITE A-1, LAS VEGAS, NEVADA 89103, IN THE AMOUNT OF \$25,000 AND

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AUTHORIZE THE CONTRACTS DIVISION TO ISSUE ADDITIONAL AMENDMENTS FOR A NOT TO EXCEED AMOUNT OF \$5,000

C. ACTION TO ACCEPT STAFF'S RECOMMENDATION ON BRUNSWICK CANYON RESERVOIR LEAKAGE INVESTIGATIONS PROJECT, CONTRACT NO. 2001-131, AND AUTHORIZE PAYMENT TO HARDING ESE, INC., 1572 EAST COLLEGE PARKWAY, SUITE 162, CARSON CITY, NEVADA 89706, FOR A CONTRACT AMOUNT OF \$186,500 AND AUTHORIZE DEVELOPMENT SERVICES TO ISSUE AMENDMENTS FOR A NOT TO EXCEED AMOUNT OF \$13,500 FOR A MAXIMUM CONTRACT AMOUNT NOT TO EXCEED \$200,000

D. ACTION TO ACCEPT STAFF'S RECOMMENDATION ON APPROVAL OF AMENDMENT NO. 2 OF THE STORMWATER MASTER PLAN PUBLIC PARTICIPATION, CONTRACT NO. 2000-038, FOR ADDITIONAL CONSULTING SERVICES WITH RANDY BOWLING CONSULTING, 5310 KIETZKE LANE, SUITE 204, RENO, NEVADA 89511, IN THE AMOUNT OF \$25,000

E. ACTION TO ACCEPT STAFF'S RECOMMENDATION ON THE DRAINAGE DESIGN - NORTHWEST ALTERNATIVES AGREEMENT - AMENDMENT NO. 3, CONTRACT NO. 9900-009, AND AUTHORIZE DEVELOPMENT SERVICES TO ISSUE CLAIM FORMS TO WRC NEVADA, INC., 6542 SOUTH MCCARRAN BOULEVARD, SUITE B, RENO, NEVADA 89509, FOR AN AMENDMENT AMOUNT OF \$6,600

F. ACTION TO ACCEPT STAFF'S RECOMMENDATION ON THE WASTE-WATER RECLAMATION PLANT DESIGN REPORT, CONTRACT NO. 2001-132 AND AUTHORIZE DEVELOPMENT SERVICES TO ISSUE A CLAIM FORM TO CAROLLO ENGINEERS, 5470 SOUTH EASTERN AVENUE, SUITE 120, LAS VEGAS, NEVADA 89119, FOR A CONTRACT AMOUNT OF \$170,150 AND AUTHORIZE THE CONTRACTS DIVISION TO ISSUE ADDITIONAL AMENDMENTS FOR A NOT TO EXCEED AMOUNT OF \$9,850

G. ACTION TO ACCEPT THE PARKS DEPARTMENT'S RECOMMENDATION ON THE 2002 ENERGY RETROFIT PROJECT AGREEMENT FOR PHASE 1 - AUDIT AND DEVELOPMENT, CONTRACT NO. 2002-001 AND AUTHORIZE DEVELOPMENT SERVICES TO ISSUE PAYMENT TO CMS VIRON ENERGY SERVICES, 3131 EAST CAMELBACK ROAD, SUITE 200, PHOENIX, ARIZONA 85016 FOR A POSSIBLE NOT TO EXCEED AGREEMENT AMOUNT OF \$12,000

H. ACTION TO ACCEPT DEVELOPMENT SERVICES RECOMMENDATION AND AWARD THE GONI WATER TANK INTERIOR RE-COATING PROJECT, CONTRACT NO. 2002-019 TO (BIDDER #1) OLYMPUS AND ASSOCIATES, INC., AS THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER PURSUANT TO THE REQUIREMENTS OF NRS CHAPTER 332, 338, 339, AND 624 FOR A CONTRACT AMOUNT OF \$191,998 AND A CONTINGENCY AMOUNT OF \$68,800

I. ACTION TO ACCEPT DEVELOPMENT SERVICES RECOMMENDATION AND AWARD THE FUJI PARK LANDSCAPING AND SITE IMPROVEMENT PROJECT, CONTRACT NO. 2002-030, TO (BIDDER #2) INTERSTATE UTILITY CONSTRUCTORS, AS THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER PURSUANT TO THE REQUIREMENTS OF NRS CHAPTERS 332, 338, 339, AND 624 FOR A CONTRACT AMOUNT OF \$772,521.24 AND A CONTINGENCY AMOUNT OF \$77,252.12

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4-5. PURCHASING AND CONTRACTS

A. ACTION TO RENEW CONTRACT NO. 9899-059 WITH BADGER METER, INC. FOR THE UTILITIES OPERATIONS DEPARTMENT TO PURCHASE DOMESTIC WATER METERS THROUGH OCTOBER 14, 2003, WITH THE SAME PRICES, TERMS, AND CONDITIONS AS ORIGINALLY BID ON SEPTEMBER 17, 1998

B. ACTION TO APPROVE CONTRACT NO. 0203-063 - A REQUEST FOR THE PURCHASE OF ONE (1) BORDER PATROL BP PRO 4000A INLINE HOCKEY DASHER BOARD SYSTEM FROM ATHLETICA, INC., FOR A NOT TO EXCEED COST OF \$99,666 EXEMPT FROM COMPETITIVE BIDDING

C. ACTION TO APPROVE CONTRACT NO. 0203-064 - A REQUEST TO ENTER INTO A PRICE AGREEMENT WITH COMARK GOVERNMENT EDUCATION SALES, INC., THROUGH OCTOBER 14, 2003, FOR THE PURCHASE OF HARDWARE AND SOFTWARE WHICH IS EXEMPT FROM COMPETITIVE BIDDING PURSUANT TO NRS 332.115

4-6. DEVELOPMENT SERVICES - CONTRACTS - ACTION TO ACCEPT AN IMPROVEMENT AGREEMENT BETWEEN CARSON CITY AND NORTHRIDGE, LLC, REGARDING THE CONSTRUCTION OF PUBLIC IMPROVEMENTS RELATED TO NORTHRIDGE PHASE 11, KNOWN AS A PORTION OF ASSESSOR'S PARCEL NO. 2-101-83

4-7. FINANCE - ACTION TO RATIFY THE EXPENDITURE APPROVAL LISTING FOR THE MONTH OF AUGUST 2002

4-8. PERSONNEL - ACTION TO APPOINT ONE APPLICANT TO THE CARSON CITY ADVISORY BOARD TO MANAGE WILDLIFE

4-9. ENVIRONMENTAL HEALTH - ACTION TO APPROVE A CONTRACT BETWEEN THE STATE OF NEVADA AND THE CARSON CITY ENVIRONMENTAL HEALTH DEPARTMENT IN THE AMOUNT OF \$3,694.50 FOR THE PUBLICATION AND DISTRIBUTION OF ONE ISSUE OF THE "ONE MAN'S TRASH" NEWSPAPER - Mayor Masayko pulled Items 4-3 and 4-8. Supervisor Livermore pulled Item 4-4G. Supervisor Staub explained that Item 4-5A lacked information regarding the prices, conditions and terms. He asked that this information be included with future requests of this nature. Supervisor Plank pulled Item 4-4I. Supervisor Staub expressed his concerns about the amount and number of contracts the City is issuing for consultants particularly in view of the tight economic times facing the City. Staff should be aware of the fiscal constraints on the budget. Although the Board does not micro-manage the expenditures, he asked that staff and the Board be frugal with the consultant contracts and scrutinize them carefully. He realized that the budget had included funds for consultants. Mayor Masayko noted that the contracts he had referenced were from the Utilities Department, which has its own funds and funding sources. The Department's need for these services was noted. The water and sewer rate criteria will be discussed in depth this afternoon. He agreed that the General Fund accounts need to sharpen their pencils in calculating its expenditures. The Board has the opportunity to review the contracts on the Consent Agenda and seek financial discipline when making the budget allocations in March. Supervisor Staub reiterated that the need for the City to not become complacent when revenue sources are diminishing. It is not a case of business as usual. Revenues of the past are not here now. The Board/staff should be certain that it is doing all that it can to prevent a crisis from occurring. Supervisor Williamson moved to approve the 15 items on the Consent Agenda which is one from the Treasurer, one from the District Attorney, seven from Development Services - Contracts, three from Purchasing and Contracts, one from Development Services - Contracts, one from Finance, and one from Environmental Health. Supervisor Plank seconded the motion. Motion

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carried 5-0.

4-3. (1-0544) - Clerk-Recorder Alan Glover explained the Statutes regarding the canvass of the vote. The absentee ballots had been counted with the early voting ballots to protect the secrecy of the voters. The turnout was 45 percent which was less than the elections two and four years ago. It had been a “smooth” election. Staff is now gearing up for the General Election in November. Mayor Masayko commended him and his staff on their efficiency, dedication and diligence. A forty-five percent turnout was considered high for a community of Carson City’s size. He thanked the community for taking the time to vote and tell its officials its opinions. He urged the public to improve the turnout figures for the General Election. Supervisor Plank moved that the Board of Supervisors approve the canvass of the vote as presented by the Clerk-Recorder for the 2002 Primary Election. Supervisors Williamson and Livermore seconded the motion. Motion carried 5-0.

4-8. (1-0620) Gilbert Yanuck introduced himself. Mayor Masayko noted that it is a two-year term. His original appointment had been to fill an unexpired term. Mayor Masayko thanked him for volunteering for the position and complimented him on his attendance at the meetings. Mr. Yanuck thanked the Board for its vote of confidence to reappointment him and stated his intent to continue to faithfully attend the meetings and represent the good of the community to the best of his ability. Supervisors Livermore and Plank and Mayor Masayko complimented him on the thoroughness of the reports that he had been providing to the Board and his dedication to the Committee. Mayor Masayko noted his appointment to the Governor’s Statewide Grouse Advisory Committee. He also announced that there is another vacancy on the Wildlife Board and solicited applications. Supervisor Livermore moved to reappoint Gilbert Yanuck to the Carson City Advisory Board to Manage Wildlife. Supervisor Plank seconded the motion. Motion carried 5-0.

4-4G. (1-0695) - Supervisor Livermore accepted staff’s statement that the costs would be absorbed by the energy savings which would be generated. His understanding of the purpose of the General Fund Contingency Account is that is to be used for unanticipated items or emergencies. For this reason, he did not believe that Consent Agenda items should include any commitment of funds from the Contingency. He also expressed his belief that local contractors should be allowed to bid for some of the subcontracts even though this is not specifically included in the contract. He had been assured by Contracts Coordinator Justine Chambers that this would occur as the contractor was aware of the Board’s position. Mayor Masayko disclosed that they had discussed the funding issue yesterday and encourage Supervisor Livermore to amend staff’s recommended motion so that the funding would not come from the Contingency even if it is necessary for the Department(s) to use its/their CQI funds. Ms. Chambers advised the Board that she had talked to Viron Representative Jay Johnson who had informed her that all of the contractors have Nevada licenses. Supervisor Livermore moved to accept the Parks Department’s recommendation on the 2002 Energy Retrofit Project Agreement for Phase 1 - Audit and Development, Contract No. 2002-001, and authorize Development Services to issue payment to CMC (CMS) VIRON Energy Services, 3131 East Camelback Road, Suite 200, Phoenix, Arizona 85016, for a possible not to exceed the agreement amount of \$12,000; with a funding source to be provided from energy savings and that this contract is a performance contract with no upfront cash commitment from the City; and in the remote chance that Carson City terminates the contract that the funding will be from existing Department CQI savings. Supervisor Staub seconded the motion. Motion carried 4-1 with Supervisor Williamson voting Naye.

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4-4I. (1-0809) Supervisor Plank explained that Fuji Park is in good shape and improvements are occurring contrary to the rumors he had heard. Parks and Recreation Director Steve Kastens explained that the project is in accordance with the decisions and direction given by the Board, the Parks and Recreation Commission, and the Users Coalition. The projects included within the contract were highlighted. The users' contracts have been carefully reviewed and any potential conflict between the contractor and their events have been addressed. The contractor commences work on October 2 and should be completed within 100 days. The difference between the low bid and the project estimate was \$521.24. There is a \$600 difference between the low bidder and the second lowest bidder. Mayor Masayko felt that the users would understand the need to make other arrangements during the construction period. Supervisor Livermore pointed out that this is the second contract for Fuji Park improvements. The first contract had been for restroom improvements. The two contracts total more than \$1 million. The Board is living up to its commitment to use the funds for Fuji Park. Supervisor Williamson pointed out that the funds came from the sale of land to Costco and Question 18. Supervisor Staub invited the public to come and see the improvements as they are constructed so that they will know that the Board is living up to its commitment when they vote in November. Mayor Masayko pointed out that the improvements are permanent and that the Board had committed to making them. Supervisor Plank moved to accept the Development Services recommendation and award the Fuji Park Landscaping and Site Improvement Project, Contract No. 2002-030 to Bidder No. 2, Interstate Utility Constructors, as the lowest responsive and responsible bidder pursuant to the requirements of Nevada Revised Statutes Chapters 332, 338, 339, and 624 for a contract amount of \$772,521.24 and a contingency amount of \$77,252.12; there is a fiscal impact; and the funding source is from 220-0000-411-0309 Capital Acquisitions/Professional Services and 254-5046-452-71-50 Park Improvements/Fairground as provided for in Fiscal Year 2002-2003. Supervisor Livermore seconded the motion. Motion carried 5-0.

5. BOARD OF SUPERVISORS

A. UPDATE ON THE ACTIVITIES OF THE NEVADA-TAHOE CONSERVATION DISTRICT FOR FISCAL YEAR 2002-2003 (1-0951) - District Manager Jason Drew thanked the Board for its funding. He reported on the status of the joint NDOT Highway 28 project and the forest health and bio-mass uses identification efforts which should be completed by Christmas. This program is focused on identification of technologies which will utilize the green bio-masses and reduce the impact on the City's landfill. Discussion on bio-mass uses at the prison and Hospital had been going on for 10 to 15 years. It is hoped that meetings with these entities will be successful in developing a program. Water quality issues are still the number one concern. For this reason they are attempting to do large water quality and erosion control projects. The annual report will be released in late October. The Board was urged to contact him if there are any questions. He also noted that the Board's representative to TRPA is Supervisor Plank and that Chris Freeman is the City's representative to the Conservation District. Supervisor Plank expressed his wish that it would be possible to obtain work from Cal-Trans on the California side equal to what NDOT is doing on the Nevada side of the Lake. Mayor Masayko indicated he would be looking forward to the annual report and the budget session. He also reminded him of the fiscal constraints facing the City. No formal action was required or taken on this item.

B. NON-ACTION ITEMS-INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS; AND C. STAFF COMMENTS AND STATUS REPORTS (1-1039) - Continued.

6. **JUSTICE COURT - Consultant Sharon Murphy**

A. ACTION TO INTRODUCE ON FIRST READING, AN ORDINANCE AMENDING TITLE 8 (PUBLIC PEACE, SAFETY AND MORALS), CHAPTER 8.04 (PROHIBITED CONDUCT) OF THE CARSON CITY MUNICIPAL CODE BY ADDING SECTIONS 8.04.127 (ACTS OR OMISSIONS CONSTITUTING CONTEMPTS), 8.04.128 (SUMMARY PUNISHMENT OF CONTEMPT COMMITTED IN IMMEDIATE VIEW AND PRESENCE OF COURT; AFFIDAVIT OR STATEMENT TO BE FILED WHEN CONTEMPT COMMITTED OUTSIDE IMMEDIATE VIEW AND PRESENCE OF COURT; DISQUALIFICATION OF JUDGE), AND 8.04.129 (PENALTY FOR CONTEMPT) DEFINING CRIME OF CONTEMPT, ESTABLISHING PROCEDURE FOR CONTEMPT PROCEEDINGS, DEFINING PENALTY FOR CONTEMPT, AND OTHER MATTERS PROPERLY RELATED THERETO (1-1045) - The purpose of the ordinance was noted. It was estimated that the modification will generate \$35,000 a year. Mayor Masayko commended her for bringing forward the ordinance as it will allow the City to keep the revenue generated when an individual fails to appear on a traffic or criminal citation. He also explained that the NACO members are discussing their inability to have a Municipal Code which will enable them to receive the fines also. Carson City is in a unique position as it can use city codes. The fees collected under this ordinance will help pay for the Courts. Public comment were solicited but none were given. Supervisor Williamson moved to introduce on first reading Bill No. 132, AN ORDINANCE AMENDING TITLE 8 (PUBLIC PEACE, SAFETY AND MORALS), CHAPTER 8.04 (PROHIBITED CONDUCT) OF THE CARSON CITY MUNICIPAL CODE BY ADDING SECTIONS 8.04.127 (ACTS OR OMISSIONS CONSTITUTING CONTEMPTS), 8.04.128 (SUMMARY PUNISHMENT OF CONTEMPT COMMITTED IN IMMEDIATE VIEW AND PRESENCE OF COURT; AFFIDAVIT OR STATEMENT TO BE FILED WHEN CONTEMPT COMMITTED OUTSIDE IMMEDIATE VIEW AND PRESENCE OF COURT; DISQUALIFICATION OF JUDGE), AND 8.04.129 (PENALTY FOR CONTEMPT) DEFINING CRIME OF CONTEMPT, ESTABLISHING PROCEDURE FOR CONTEMPT PROCEEDINGS, DEFINING PENALTY FOR CONTEMPT, AND OTHER MATTERS PROPERLY RELATED THERETO; the fiscal impact is that any monies generated as a result of this ordinance will be directed to the General Fund as enactment of this ordinance would authorize Carson City Municipal Court Judges and Justices of the Peace to hold individuals in contempt under the Carson City Municipal Code as opposed to under Nevada Revised Statutes, which requires that money generated from enforcement of the Statute be directed to State funds. Supervisor Plank seconded the motion. Motion carried 5-0.

Supervisor Williamson complimented the Justices for identifying a revenue source and Ms. Murphy for her energy and efforts to reorganize the Justice Court.

B. ACTION TO INTRODUCE ON FIRST READING, AN ORDINANCE AMENDING TITLE 10 (VEHICLES AND TRAFFIC) OF THE CARSON CITY MUNICIPAL CODE BY ADDING CHAPTER 10.32 FAILURE TO OBEY CITATION AND SECTION 10.32.010 FAILURE TO OBEY CITATION AUTHORIZING ISSUANCE OF WARRANT FOR VIOLATING PROMISE TO APPEAR GIVEN TO PEACE OFFICER AND OTHER MATTERS PROPERLY RELATED THERETO (1-1157) - Discussion noted the similarities between this item and the preceding item. Comments were solicited but none were given. Supervisor Williamson moved to introduce on first reading Bill No. 133, AN ORDINANCE AMENDING

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TITLE 10 (VEHICLES AND TRAFFIC) OF THE CARSON CITY MUNICIPAL CODE BY ADDING CHAPTER 10.32 FAILURE TO OBEY CITATION AND SECTION 10.32.010 FAILURE TO OBEY CITATION AUTHORIZING ISSUANCE OF WARRANT FOR VIOLATING PROMISE TO APPEAR GIVEN TO PEACE OFFICER AND OTHER MATTERS PROPERLY RELATED THERETO, fiscal impact is the same and that any money generated as a result of this ordinance will be directed to the general fund rather than to the State fund. Supervisor Plank seconded the motion. Motion carried 5-0.

7. DEVELOPMENT SERVICES - UTILITIES - Operations Manager Tom Hoffert - ACTION TO APPROVE THE WATER RIGHT PURCHASE AND SALE AGREEMENT FOR ASH CANYON CREEK WATER RIGHTS BETWEEN THE JIMMIE PETE JARRARD CHILDREN'S TRUST, ROBERT "BOBBIE" ANDERSEN, THE KAE JARRARD TRUST, AND CARSON CITY (1-1195) -

Supervisor Staub disclosed his representation of the Jarrard Trust and some of the Jarrard Children on various matters and in bringing the proposal to the City. He did not have any financial gain whatsoever from the proposal. Therefore, he would participate in the discussion and decision. A copy of the appraisal had been given to the Board. (The Clerk did not have a copy.) The agreement includes a provision which indicates that Carson City will only pay for the amount which the State Engineer approves and that the City can put to beneficial use. If problems arise with these clauses, there are rescinding rights in the agreement. At this time staff does not foresee any problems with the agreement but they could arise if the State Engineer does not allocate the water as perceived. The rights are decreed. Discussion explained the term "decreed". It does not guarantee that the user will receive all of his/her water rights annually. The price range for water rights is between \$2,000 and \$3,000. Problems encountered in moving water rights from other areas to Carson City and the value of those rights were described. These rights will require development of a river well as the current wells do not have any additional capacity. Reasons the City sends offers to purchase to the Subconservancy and other utilities were limned. Mr. Hoffert felt that the City could have used 85 percent of the 152 acre feet of water rights during the summer and that between 60 and 70 percent of the time the City will be able to use 100 percent of the water rights. Supervisor Livermore explained his reasons for raising these points of concern. Ash Canyon water ranks second in water quality after Kings Canyon. Marlette-Hobart is third. There is no arsenic in the surface water. The City tests for it. The water rights will give the City additional water during the summer time to help mitigate the peak usage periods. The sellers do not want a long-term lease and prefer to sell the rights. The acquisition of water rights from the Long Ranch were described to illustrate the difference in price, volume, and need. There is \$360,000 in this year's budget for water right purchases. Last year's budget had included \$60,000 for the acquisition. These funds were moved forward to this year's budget. Clarification indicated the correspondence with Jack Pershing was over Well No. 50 which is located in Kings Canyon. The water which is being acquired is currently being diverted and is not part of the stream flow during an irrigation season. Some of the water is currently subleased through the Anderson lease under the Ash Canyon Water Rights holders agreement and should not have an impact on the stream flows as it is already being diverted. Mayor Masayko pointed out that it could be possible for the City to receive all of the water within one week if the stream flow is high enough. The cost to pump water is more expensive than using surface water. The agreement is to purchase the water rights which will be offset by the current lease. The estimated escrow fees should not exceed \$1,000 which will be split 50-50. Supervisor Livermore moved to approve the water right purchase and sale agreement for Ash Canyon Creek Water Rights between The Jimmie Pete Jarrard Children's Trust, Robert "Bobbie" Andersen, The Kae Jarrard Trust, and Carson City; fiscal impact is \$366,000 plus one-half of the escrow fee of approximately \$1,000; and the funding source is 520-3505 Water Rights Purchases. Supervisor Williamson seconded the motion. Motion carried 5-0.

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Mayor Masayko noted for the record, as the issue will be discussed this afternoon, that surface water rights had been acquired by Carson City Utilities from Ash Canyon in 1990 and 1992 at \$2900 an acre foot. This purchase involved a larger volume of water rights and included water rights for both Kings Canyon and Ash Canyon. The Kings Canyon water rights were a large percent of the water rights which help drive up the cost. Mayor Masayko pointed out that the cost of the water rights needs to be considered when establishing the hookup fees.

8. DEVELOPMENT SERVICES - ENGINEERING - City Engineer Larry Werner - ACTION TO INTRODUCE ON FIRST READING AN ORDINANCE APPROVING A WATER LINE AND SEWER LINE REIMBURSEMENT AGREEMENT BETWEEN CARSON CITY AND COS BUILDING, LLC, REGARDING APN 01-021-18 LOCATED AT 2814 N. CARSON STREET, APN 01-032-20 LOCATED AT 2706 N. CARSON STREET, AND APN 01-032-21 LOCATED AT 2748 N. CARSON STREET, CARSON CITY, NEVADA, FOR WATER LINE AND SEWER LINE INSTALLATION (1-1461) - Discussion indicated that staff is developing a new method of handling similar agreements. The project is estimated to cost \$63,700 for the two parcels. Mr. Werner indicated that all of the parcels have been identified and their participation cost established. The City will receive a 15 percent administrative fee. The location was limned. Discussion expressed the hope that the parcel numbers were correct as the Assessor had billed the taxes incorrectly. Supervisor Plank moved to introduce on first reading Bill No. 134, AN ORDINANCE APPROVING A WATER LINE AND SEWER LINE REIMBURSEMENT AGREEMENT BETWEEN CARSON CITY AND COS BUILDING, LLC, REGARDING APN 01-021-18 LOCATED AT 2814 N. CARSON STREET, APN 01-032-20 LOCATED AT 2706 N. CARSON STREET, AND APN 01-032-21 LOCATED AT 2748 N. CARSON STREET, CARSON CITY, NEVADA, FOR WATER LINE AND SEWER LINE INSTALLATION; fiscal impact is none except for a 15 percent administrative fee to the City upon any reimbursement to the applicant. Supervisor Williamson seconded the motion. Motion carried 5-0.

RECESS: A recess was declared at 10 a.m. The entire Board was present when Mayor Masayko reconvened the meeting at 10:20 a.m., constituting a quorum.

9. PARKS AND RECREATION - Director Steve Kastens - ACTION TO APPROVE AND ADOPT THE RECOMMENDATIONS AND PRIORITY RANKING OF PROPERTIES AS ESTABLISHED BY THE TRI-COUNTY GROUP FOR THE PURCHASE OF ENVIRONMENTALLY SENSITIVE LANDS IN CARSON CITY, DOUGLAS COUNTY, AND WASHOE COUNTY THROUGH THE SOUTHERN NEVADA PUBLIC LAND MANAGEMENT ACT, ROUND IV (1-1552) - Open Space Manager Juan Guzman - Reasons for developing a regional priority listing were limned. Parks and Recreation Director Scott Morgan and Washoe County Parks and Recreation Director Karen Mullens were introduced. Mr. Kastens' introduction included compliments to them for being willing to look at the priorities on a regional basis and to their County Managers who had sporadically participated in the process. Mr. Guzman showed computerized slides showing the various sites and explained the purpose of the funding act, the process which had been used, and the goals that were established. During the process public participation had been solicited and will be solicited in the future by the Executive Committee who makes the final recommendations. The Board could decide against the group's recommendations as it has the ability to veto/amend the listing. A justification to reject any or all of the priorities was based on the impact on ad valorem taxes created by the removal of property from the tax list. A flow charts illustrating the process was displayed. Nominations for the list were accepted last fall. It will take

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approximately a year before their status is finalized. Properties which had been prioritized previously remain at the top of the list. Justification for the properties included on the list was provided. The Forest Service has asked that the group establish a program for dealing with the property owners. The State Park's desire to acquire two parcels at the top of Ash Canyon Road was explained. The Forest Service is not interested in owning this property. The Forest Service's desire to have property in Kings Canyon was limned. The Forest Service does not want the cabin which is on the property. It was recommended that the Open Space Committee acquire the 40-acre parcel near the Borda site as the seller does not want to wait 1-1/2 years for the Forest Service to complete the acquisition process. Discussion explained that the building industry is very interested in the site, hence the need to acquire the property soon. Slides illustrating the other recommended parcels were shown and explained.

Mayor Masayko iterated his desire to ensure that the property adjacent to the Silver Saddle Ranch be acquired from OpenSpace before other commitments are made with the understanding that the Forest Service/BLM intends to buy the property from Open Space and that it has a higher priority than others. Mr. Guzman explained the current status of this property and the hope that it will be acquired in Round 3 of the process. Mayor Masayko also expressed his concern that the process does not create an impediment to the V&T Railroad reconstruction project. The property owners, i.e., Messrs. Bentley and Serpa, have been working with the supporters on the project. Mr. Guzman explained that this is the message he has always relayed to BLM. The Carson River Advisory Committee and the Parks and Recreation Commission have gone on record supporting this message. He felt certain that BLM is aware of the intent to use the corridor for the railroad. Mayor Masayko noted that it could be a long time before the railroad is constructed as well as receive funding for the Federal acquisition.

Supervisor Livermore expressed concerns regarding the conversion of property from a private owner to public ownership due to the loss in ad valorem taxes. He agreed that the appropriate place for the land should be in the hands of the Parks and Recreation Commission/Open Space Advisory Committee. Public input should be recognized and allowed throughout the process. He also pointed out that there are Federal lands which can be disposed of and used for residences. Mr. Guzman explained that the message that had been given to Senator Rhoades had been the need for a balance between what the community/public feels should be maintained as open space and areas that can be developed. Supervisor Livermore explained the impact the government acquisition of the property would have on the School District as a result of the loss of ad valorem taxes. Mr. Guzman indicated that he would discuss this concern with the School District. Mr. Guzman then explained that the use of conservation easements allows the property to remain open for public use while keeping the property in private hands. Supervisor Williamson applauded the cooperation being exhibited among the three counties.

Richard Hardenbrook explained his concern about the Scripps Family land which had been given to Nevada and the State's use of the property which prohibited public use and failed to protect its natural elements. A grant had been obtained to develop a portion of the property into the State Forest Service's tree farm. A portion of this site was later used as the Forest Service's vehicle service center which is allegedly against the grant. The Washoe County taxpayers have spent \$38 million to date acquiring property surrounding the Scripps site to protect wildlife. He felt that the number one site for acquisition should be the original Scripps site. Mayor Masayko explained that the Board could not address his concern. He should seek legal recourse through the court system. Mr. Hardenbrook explained the costs he had encountered in attempting to research the site. As a person on retirement and a fixed income, he did not feel that either he or his neighbors could financially afford to hire an attorney. Mayor

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Masayko explained that the advocates who want to preserve the deed restrictions should follow the legal path. This is a Washoe County issue and not one for Carson City to enter. The Board of Supervisors could tell him to repurchase the land but could not influence the decision. Washoe County Parks and Recreation Director Karen Mullen may know whom he should contact to discuss the matter or direct him to the Washoe County Commissioners. Mr. Hardenbrook indicated that he had "argued" with them about this issue and that they were allegedly writing a letter. Mr. Hardenbrook then stated that he was telling the Board that as elected officials they were violating the people's trust and as such it had been done intentionally. He also alleged that BLM has consistently covered it up and is culpable.

Ms. Mullen indicated that Washoe County understands the concern, however, it is not part of the land acquisition act/process. Washoe County is discussing the matter. The issue is between the State and BLM. Mayor Masayko indicated that as interested parties, the Board would be heard if it decided to enter the discussions. He also requested that the Board be kept informed about the matter and asked to see the final letter(s). Ms. Mullen indicated that part of the area in question is where the Forest Service Administrative Offices are located on East Lake Boulevard.

Supervisor Williamson moved to adopt Resolution No. 2002-R-50 and adopt the recommendations and priority ranking of properties as established by the Tri-County Group for the purchase of environmentally sensitive lands in Carson City, Douglas County, and Washoe County through the Southern Nevada Public Land Management Act Round IV. Supervisor Plank seconded the motion. Motion carried 5-0.

RECESS: A recess was declared at 10:55 a.m. The entire Board was present when Mayor Masayko reconvened the meeting at 1:30 p.m., constituting a quorum.

11. COMMUNITY DEVELOPMENT - Director Walter Sullivan

A. ACTION TO INTRODUCE ON FIRST READING AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE TITLE 18, ZONING, DELETING SECTION 18.11.020 TO ELIMINATE THE 500-FOOT SEPARATION REQUIREMENT FOR CHILD CARE FACILITIES; AND REVISING THE CARSON CITY DEVELOPMENT STANDARDS, SECTION 1.6, LAND USE AND SITE DESIGN, CHILD CARE FACILITIES PERFORMANCE STANDARDS, RELATING TO CHILD CARE FACILITIES, AND OTHER MATTERS PROPERLY RELATED THERETO (1-2348) -

Discussion explained the Board's decision regarding the first ordinance and Planning Commission's review and revisions to that ordinance. Benefits of having the Commission reconsider the matter without being influenced by the Board were noted. Mayor Masayko pointed out that the proposed process will still require the operator to obtain a special use permit and for the necessary findings to be made before a permit will be issued.

Public comments were solicited. Attorney Chris MacKenzie, representing Mr. and Mrs. Gutzman, indicated that as a matter of policy, they objected to the ordinance. There had been valid reasons for the implementation of the 500-foot barrier. It provides an advantage for the residential area which they wished to maintain. The commercial zones are different and should not be considered with the residential area. Mayor Masayko indicated that the Board understood his concern.

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Daren Selby, representing Carrie Henson, felt that as other zoning districts do not have the restriction, it should not be continued. The special use permit process will evaluate the merits of having them clustered together. He identified two sites where the child care facilities are located across the street from one another. He also pointed out that the 500-foot rule was not on the books when Mr. and Mrs. Gutzman had obtained their special use permit. Therefore, he felt it was fair to Mr. and Mrs. Gutzman to remove it from the books at this time.

Supervisor Plank explained that the 500-foot prohibition goes in all directions from the child care facility. The Regional Transportation Commission is attempting to eliminate curbside parking on arterials and collector streets. Child care facilities need curbside parking as indicated by his illustration on Silversage/Roop. He hoped that the Planning Commission will evaluate the parking and traffic issues as part of the special use permit process. The facility on Fifth Street has adequate parking and is not grandfathered. The operator on Silversage/Roop was required to make accommodations with her neighbors as there is a 15 minute parking restriction in front of her establishment. This makes more sense than having the 500-foot rule. Mayor Masayko agreed. Mr. Sullivan explained that the traffic issues are part of the special use permit process and need to be analyzed. Supervisor Plank explained his curbside parking concerns. Supervisor Williamson moved to introduce on first reading Bill No. 135, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE TITLE 18, ZONING, DELETING SECTION 18.11.020 TO ELIMINATE THE 500-FOOT SEPARATION REQUIREMENT FOR CHILD CARE FACILITIES; AND REVISING THE CARSON CITY DEVELOPMENT STANDARDS, SECTION 1.6, LAND USE AND SITE DESIGN, CHILD CARE FACILITIES PERFORMANCE STANDARDS, RELATING TO CHILD CARE FACILITIES, AND OTHER MATTERS PROPERLY RELATED THERETO, File No. A-02/03-4, there is no fiscal impact. Supervisor Plank seconded the motion. Motion carried 5-0.

B. ACTION REGARDING AN APPEAL OF THE PLANNING COMMISSION'S DECISION TO DENY A SPECIAL USE PERMIT APPLICATION FROM CARRIE HENSON TO ALLOW A CHILD CARE FACILITY FOR 30 CHILDREN ON PROPERTY ZONED SINGLE FAMILY 6,000 (SF6) LOCATED AT 2117 SOUTH ROOP STREET, APN 9-093-03 (FILE NO. U-01/02-27) (1-2661) - Discussion regarding the Board's options indicated that if the Board returns the item to the Planning Commission it will be able to consider the application under the foregoing ordinance which will be in effect at that time. All of the public and Board comments are part of the record and will be considered by the Commission. A denial will require Ms. Henson to wait a year before submitting a new application unless there are substantial changes to justify a new application. Supervisor Plank felt that the Board should deny the application and uphold the Planning Commission's decision as referring it back to the Commission assumes that the ordinance modification will be approved. Mr. Sullivan explained that the Commission had denied the application as the Code includes the 500-foot prohibition. The Commission had unsuccessfully attempted to find a way to approve the application. Supervisor Livermore explained that he had supported elimination of the 500-foot rule as child care facilities are typically small businesses. None of the other businesses have a similar prohibition against competitors. He supported returning the item to the Planning Commission based on his feeling that the timeframe for implementation of the ordinance is doable.

Public comments were solicited. Ron Gutzman pointed out that the 500-foot restriction is enforce right now. He had been battling this application since March. He would be the only one who would be injured by the ordinance revision. His letter to the Planning Commission indicated that it would be detrimental to have childcare facilities next door to each other. Childcare facilities are spread throughout the community. He felt that the entire matter was

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directed solely at him. He had repeatedly solved the problems that had been raised. The Board is now changing the game. Having a childcare facility next door to him will create a negative impact on his childcare facility. Allegedly, there are two people who are interested in his facility, however, they are waiting until the Board acts before making a decision. Mayor Masayko thanked him for his comments. In defense of the record he pointed out that the previous decision does not automatically grant Ms. Henson a special use permit. She must go through the special use permit process. He should inform the Planning Commission and Board at that time why she should not be granted a special use permit. He repeated his statement that the record should show that Ms. Henson has not been given a special use permit. Mr. Henson indicated that he realized this. Additional public comments were solicited but none were given. Supervisor Plank moved to uphold the Planning Commission's decision to deny U-01/02-27 because it is not in compliance with the Code without assuming that anything will change even though it appears that it may. When a second was not made, the motion died for lack of a second.

Supervisor Staub moved to refer back to the Planning Commission a special use permit application from Carrie Henson to allow a child care facility for 30 children on property zoned Single Family 6000 (SF6) located at 2117 South Roop Street, APN 009-093-03, File No. U-01/02-27; and there is no fiscal impact. Supervisor Livermore seconded the motion. Mayor Masayko directed that it will be brought back after the Code is changed; otherwise, the Board will not see it. Motion carried 4-1 with Supervisor Plank voting Naye.

C. ACTION TO ADOPT BILL NO. 129 ON SECOND READING, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE TITLE 18, ZONING, SECTION 18.04.120, TO ALLOW OUTDOOR SEATING AND COOKING FACILITIES IN CONJUNCTION WITH A RESTAURANT OPERATION AS A CONDITIONAL USE WITHIN THE NEIGHBORHOOD BUSINESS (NB) ZONING DISTRICT AND OTHER MATTERS PROPERLY RELATED THERETO (1-2975) - Mayor Masayko indicated for the record that he had not received any comments regarding this ordinance amendment. Discussion indicated that the applicant's special use permit had been approved by the Planning Commission subject to the Board's adoption of the proposed ordinance. Supervisor Williamson moved to adopt on second reading Bill No. 129, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE TITLE 18, ZONING, SECTION 18.04.120, TO ALLOW OUTDOOR SEATING AND COOKING FACILITIES IN CONJUNCTION WITH A RESTAURANT OPERATION AS A CONDITIONAL USE WITHIN THE NEIGHBORHOOD BUSINESS (NB) ZONING DISTRICT AND OTHER MATTERS PROPERLY RELATED THERETO; File No. A-02/03-2. Supervisors Livermore and Plank seconded the motion. Motion carried 5-0.

12. FINANCE - Director David Heath

A. CARSON CITY UTILITIES ADVISORY COMMITTEE STATUS UPDATE AND REQUEST FOR DIRECTION FROM THE BOARD OF SUPERVISORS WITH RESPECT TO THE FOLLOWING ISSUES: COST ALLOCATION/RATE MAKING METHODOLOGY, FUNDING OF PLANT EXPANSION, FUNDING OF PLANT REPLACEMENT, AND RECOVERY OF ENERGY COSTS (1-3042) - Committee Chairperson Ron Knecht, Financial Consultant John Bonow - Mr. Heath commended the Committee members on their time, dedication and effort on the program. Discussion established the protocol to be followed for discussion of the items. Mr. Heath then explained that the current revenue stream will not cover the capital needs which includes the mandated Clean Drinking Water Act requirements and the utility

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energy costs. It has been ten years since the last rate change was implemented. He also felt that it would take \$19 million for each utility to meet the capital requirements for the next five years which starts with fiscal year 03-04. Mayor Masayko disclosed that he and Mr. Heath had discussed this issue yesterday. Mr. Heath had given Mayor Masayko a sheet indicating the net book value for the water and sewer utilities which was part of the audited financial statements. The water system has a gross book value before depreciation of \$55 million and a net book value of \$40 million. The \$19 million in improvements will increase the book value by 50 percent. This is a large capital requirement. The gross book value before depreciation for the sewer system is \$88 million with a net book value of \$62 million. This capital is increased by one-third as a result of the \$19 million infusion. These are hefty requirements which cannot be ignored. The Board must determine how to finance these requirements. Clarification indicated that the plan is to finance these improvements rather than to pay for them over a four-year period. A 15-year note for each utility will require \$2 million for principal and interest per year to finance the \$19 million or a total payment of \$4 million for both utilities per year.

Chairperson Knecht explained that there are two ways to consider rate making—one uses the depreciation basis and the other uses replacement cost requirements. He was unsure whether the City could develop the mandated sound accounting methods from the historical records to meet the Federal accounting standards required in the next few years. For this reason the Committee had not changed the current replacement cost requirement accounting system. Mayor Masayko pointed out that these two procedures and their impact were included in the Board's packet. Chairperson Knecht introduced the three Committee members who were present—Members Osborne, Martel, and Smeath. He also thanked the staff for its dedication and assistance. The depreciation basis will require a substantial fee increase. The replacement basis does not, however, answer all of the questions. Which method should the Committee use? If the replacement basis is used, should the capital improvements continue to be made on a pay-as-you-go basis or should the City finance the improvements? This will assess a usage charge on the rate payers. The numbers in the packet reflect a pay-as-you-go approach. He then questioned whether the City should view the operations as a corporation and assume that the rate payers will pay whatever the City needs or should the view be that of a ratepayer and taxpayer as businesses and residents of Carson City. The pay-as-you-go approach is considered the corporate viewpoint and the taxpayer/ratepayer view is the financing approach. Mayor Masayko clarified for the record that the current pay-as-you-go program includes a significant hookup fee of \$3334 for water and \$2226 for sewer for each equivalent residential customer. This is the payment required for all new customers for access to the commodity and the equivalent amount for the plant in service that must be purchased in order to prevent rate shock for the other customers. He felt that this program provides most of the needed capital for the pay-as-you-go program as opposed to the cash flow which could be applied to the debt service. Chairperson Knecht agreed. He also felt that the minimum amount that should be set for a hookup fee should be related to the procurement of the water rights for the new customer plus an allocation of capital and overhead/operating costs. This is the topic had been deferred by the Committee to a future meeting. Mayor Masayko then explained the Board's action to approve the acquisition of 162 acre feet of water rights at \$2400 an acre foot. In 1990 water rights per acre foot were worth \$2900. The current \$3334 hookup charge for new customers equates to 73 percent for new resources. This does not leave much for the system which must process the water rights. He did not wish to return to the Guastello report and determine how it had established the connection charges and rates. Reasons for his concern with that program were delineated. He questioned whether the remaining 27 percent of the fee could support all of the other services provided by the utility. Chairperson Knecht explained that this amount had been based on a three percent growth rate, the estimated costs for that growth, and the belief that the revenue projections

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would occur. The City had not obtained the estimated revenue as the three percent growth rate had not occurred. It may be that this system now penalizes the individuals who do hookup as they must pay for the growth that had not occurred. Mayor Masayko felt that this is part of his concern as it means that the system had been over invested/constructed as the growth had not occurred. Chairperson Knecht asked for direction on this point as the Committee had been using the capital program as a given and had not included a review of the resource planning and the capital program. He questioned whether the Committee should review this now or delay it for a second round? Mayor Masayko agreed that it may be necessary to revisit some of the issues in the future after the consultant has provided the "what if" scenarios. He was not suggesting that a larger burden be placed on the Committee, however, at some point the bleeding must be stopped or the City will run out of money. He was uncertain whether the enterprise could continue to cover increased energy costs from the operating budget with a slow growth in customers. He was also uncertain whether the Committee had the time and tools necessary to establish classes of customers, develop rate designs, and provide rules for the future. The process should at least stop the bleeding, buy time, and allow for other things to occur. He then suggested that rate increases be phased in. Chairperson Knecht explained that the staff report shows that there have not been a lot of rate increases and that the rates have been kept low particularly when compared to surrounding areas. It has been ten years since the last rate increase which was commendable and should be remembered when the rate increases are implemented. A comparison to other utility rates was noted. Direction on the energy issue had been requested due to the fluctuation in rates over time. Right now the energy costs appear to be dropping and are forecast to drop substantially in 2004. He suggested consideration be given to having a surcharge which tracks the utility costs rather than inclusion of the energy costs as part of the base rate. Mayor Masayko indicated that he could support this type of program based on a rate that is fair in its calculation and truly compensates the utility for the cost of providing the service. As the rates had not been adjusted in ten years and as the commercial users are currently subsidizing the residential users, he did not believe that they had been calculated correctly and fairly. He was unsure what was included in his monthly service bill but the energy costs should be recovered. The surcharge would be easy to calculate, however, does not equalize the rate that will be there in the future for commercial and residential users and the level that recovers costs for production and delivery in the summer as compared to the winter. Once consumption hits a certain level, the City must pump water for irrigation. He was unsure whether the rate of \$1.30 compensated the City for the energy costs required for more than 50,000 gallons. He acknowledged that additional work would be required to develop a fundamental energy program that is not a simple energy cost adjustment clause. He also felt that annual review of the energy rates would be necessary. Chairperson Knecht supported the annual review and reiterated his comments concerning the fluctuation of energy costs to illustrate the need for this review.

(2-0015) Supervisor Livermore explained that his energy bill used to show a fluctuation in demand between the summer usage and winter usage. The impact of the fluctuation on the price of the commodity was noted. His personal electric bill in the summer includes a demand charge when his usage is over a set level. His discussion with the Public Utility Commission indicated that they had not considered domestic wells when developing the rate structure and formula. He also explained his belief that the Board/City should not impose a rate increase due to a date on the calendar. Reasons for having a rate increase should be supported by the need for one. Mayor Masayko asked the audience to show by nodding/shaking his/her head to indicate whether the individual was convinced that the rates must be adjusted. He indicated that everyone had nodded.

Chairperson Knecht returned to his original question as to whether the Committee should consider the utility from a corporate or rate payer view point. Supervisor Livermore pointed out that there are no stockholders who receive

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a contribution for their investment. The rate payers have the ability to pay more if there is a deficit. The rates should recover the cost of the service and not generate revenue for stockholders. Supervisor Williamson explained that the taxpayer's view should continue to be considered. The Water and Sewer Departments are self-sufficient enterprise accounts. All of the funds generated are used by that Department. Money is not taken for the General Fund or used by other Departments. The proposed policy is to keep the Departments solvent.

Chairperson Knecht then asked whether the Committee should consider pay-as-you-go through monthly charges or financing the improvements and charging the ratepayers the principal and interest should be done from a ratepayer/taxpayer's view or the City's view. Supervisor Williamson indicated that she supported stable, gradual increases as a taxpayer. She did not believe that they should make \$38 million from the residents in the next four years. There should be a way to "extend the pain" and develop a financially feasible program for the individuals who live here and for the Utility operation. Supervisor Plank explained that his viewpoint is that the rate payers are the stockholders. The connection fee buys into the corporation and the dividend is the affordable rates and efficiency of the operation. It should not go broke or the City as a whole will have to pay for it. Chairperson Knecht agreed that it is necessary to maintain the financial margins of the enterprise and agreed that the ratepayers are the stockholders. Mayor Masayko pointed out that it is not necessary for the user to be both a taxpayer or a stockholder. He also felt that large water users, particularly in the summertime, should shoulder an increased portion of the cost. He was not trying to tell the Committee how to design the rates but it should be similar to the ad valorem rate difference between a \$200,000 and a \$300,000 house. Businesses who must plant landscaping in accordance with City Code and retired individuals living in a mobile home with a small amount of landscaping should have a different rate. He agreed that some socialization should be allowed but it should not be total. Higher users during high energy cost periods should pay more for the unbridled use of the commodity. Supervisor Livermore explained his appreciation of the discussion. His electric bill had shown a demand charge created by higher summer usage. Various methods of assessing the utility bill were described. He pointed out the need for the rates to be equitable and consider the different lawn practices found throughout the community. He acknowledged that the process will not be an easy one to solve. Supervisor Plank pointed out that the comparison sheets clearly indicate that the City is giving the services away. In the future new connections should make up the difference. He also felt it was unfortunate that the commercial users were subsidizing the residential users as the residential users probably use less water. The tiering should be more gradual. Mayor Masayko pointed out that the landscaping style of each residence is the owner's preference. Supervisor Livermore responded by noting that the standard of the 1970s is not that of today's world. He questioned how the homes which had been built on different standards could be treated fairly to recognize the change in culture. Mayor Masayko indicated that this is the resident's choice. Supervisor Staub pointed out that Phoenix does not have a lot of green grass. They use a lot of zeroscape. Las Vegas residents believe that they can water their lawns and still do have lawns. He also felt that the discussion had been mainly geared toward the water utility and not the sewer utility. He believed that cross subsidization should not occur. The people who create the most burden should be responsible for the most cost. Capital expansion should be considered. He agreed that the impact of the utilities including storm drainage and its costs should be considered due to the impact on individuals who live on fixed incomes. Energy needs must be included in the cost considerations. It has taken 13 years to reach the present state. Time should be taken to resolve the problem. It is not realistic for the Committee to say that it could all be done at one time. His lease agreements include annual CPI increases and a common area maintenance fee. If these fees had been included in the rate structure initially, today's burden may have been less. Mayor Masayko indicated that the Board comments felt that the rate design should not include a

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capital recovery component but that the hookup fees could. The current rate does not fully recover all of the costs to acquire the capital enterprise. The deficits caused by extraordinary costs must be recovered. This should create a fairer, reasonable and understandable rate distribution method between user classes and show that the higher summer users pay more. Supervisor Williamson felt that the current tiered system does assess higher charges for the larger users. It is unfair to have the small number of large users pay 80 percent of the costs for the service. A graduated schedule should be used. She supported Supervisor Livermore's concern regarding changing the rules in the middle of the game. An individual who has had a lawn for 20 years should not be forced to makeup in one large swoop for the City's failure to correctly assess the service fee in the past. For this reason gradual increases should be used. Stability is a function of a good rate. People also need to know what to expect so that they can budget appropriately. She also asked the Utility/Finance Department what the actual cost to connection is. Chairperson Knecht indicated that this information will be in the report. Discussion indicated that this information is in the Guastello report. Justification for wanting to see this information was limned. Mayor Masayko thanked the Committee for its work. Chairperson Knecht felt that adequate direction had been provided. Mayor Masayko indicated that the Board may adjust, accept, or reject the Committee's recommendations when submitted. He also urged the Committee to educate the public regarding the process and needs to avoid upsetting the public due to the belief that the rates were developed in secrecy. Chairperson Knecht explained that the next Committee meeting will be on September 12th at the State Legislature in Room 3023 at 5:30 p.m. and invited the public to attend.

Mr. Bonow described the reasons the Committee had sought guidance from the Board and the review undertaken to understand the current rates and usage. He indicated that the users could be broken down into various groups/classes. They know what the costs to operate the facilities are. It will be possible to break down the capital needs, the cost recovery items, and project future needs and allocate that cost among the users. Board direction will remove the subsidy established in the last rate review. The 1989 rate review had developed the correct amount of recovery but the adequate reserves and the cushion was not maintained due to the lack of an annual review and consideration of the inflation and growth concerns. The current proposal recovers the costs and assesses the fees equitably. Discussion indicated that after his firm leaves, its study should be used as a tool to keep the Utilities headed in the right direction. The study also needed to be understandable and clearly indicate how the rates were established. The phasing portion of the study definitely needs to indicate where the rates are going and why. All of the future needs should be spread over time and adequate reserves established to provide for those needs. The rate should not meet that need immediately. It should also consider that the City will at some future date be totally built out and that there will be less demand or need to expand the systems as the customer base will not grow. At that time the capital demands should be reduced. Supervisor Staub and Mayor Masayko reiterated the need to educate the public and not wait until the rate structure is submitted to the Board for consideration. Supervisor Livermore asked for a clear understanding of the replacement costs and a comparison to the new growth needs. An adequate explanation of these costs had been lacking in previous discussions. Public discussion was again solicited without any comments being made. Mayor Masayko expressed his hope that the discussion had provided adequate direction for the Commission and again thanked the Committee for its efforts. No formal action was taken. Discussion then explained the next meeting date for the Board and Committee. The draft rate schedule will be released to the public before that date. Mr. Berkich was directed to find a more suitable meeting location than the Committee had been using and to ensure that the meetings are televised even if it is taped and aired later. No formal action was taken.

B. REVIEW OF FISCAL YEAR 2001-2002 FINANCIAL SUMMARY (2-0757) - Copies of

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the computerized slides are in the file. Final audited figures will be provided in November. Sales tax revenue was approximately \$1.5 million above projections. Discussion explained the savings that had occurred in the Sheriff's budget had been due to turnover. The financial stabilization program's balance is at 8.3 percent. With the \$1 million the Board had set aside last year, there is a reserve of \$4.5 million. Funding for the capital improvement program was limned. The City's debt rating remains as high as possible. An application had been submitted for recognition of the City's financial reporting methods. The general fund revenue sources were reviewed. This year's budget is estimated to end 1.5 percent lower than last year's budget due the loss of Walmart and an expected reduction in auto sales. The gasoline sales tax may be indexed in the future. The enterprise funds were then reviewed. Concerns were expressed regarding the water connections numbers and reporting mechanisms. The charts also illustrated this same concern. Mr. Heath indicated that he would check into it. It was felt that the reason the sewer connections had jumped two percent was due to the mandatory connection program. Mr. Heath agreed to research this account also. Concerns were expressed about the Building Department enterprise fund. It was felt that Chief Building Official Phil Herrington was aware of the concern and managing the budget. Graphs illustrating the trend in assessed value for the last five years were displayed. It was felt that there will be a small loss in revenue from property taxes. The population growth was outlined. Growth has been less than three percent which had been used in the projections. A handout was given to the Board and Clerk showing the sales tax revenue sources. A drop in auto sales is projected. Discussion noted that the entire State had experienced a decrease in sales tax revenue during the month of June. A decrease in automobile sales has been projected for some time, however, they are still being manufactured and, with the incentives that are being offered, sales continue to be strong. The impact of depreciation on the water and ambulance enterprise accounts was noted. Reasons for reducing the working capital balance in the water and sewer accounts were discussed. Mr. Heath pointed out that there is a \$5 million in balance in both utilities. It could be used to mitigate the capital spending programs required to meet the Clean Water Act. It was hoped that this would avoid rate shock for the community when implemented. The need for graduated rate increases to avoid rate shock was pointed out. Comments also indicated a desire to discuss the ambulance prison contract. Mayor Masayko stressed that the staff should be aware of the need to conserve and that the \$1.4 million in unexpected sales tax revenue will not automatically be used for capital expenditures. The Board will make a decision on this allocation during either the budget process or the December meeting. The City will be facing some lean years and the reserve will be needed during that period. No action was required or taken.

C. ACTION TO ADOPT ON SECOND READING BILL NO. 130, AN ORDINANCE AMENDING TITLE 12 (WATER, SEWERAGE AND DRAINAGE) CHAPTER 12.03 (SEWER CONNECTION CHARGES AND USE RATES) BY ADDING SECTION 12.03.037 RIGHT-OF-WAY TOLL TO REQUIRE PAYMENT OF RIGHT-OF-WAY TOLL BY CARSON CITY WATER AND SEWER UTILITY AND OTHER MATTERS PROPERLY RELATED THERETO (2-1201) - Mayor Masayko indicated for the record that he had not received any comments on this ordinance between first and second readings. Discussion indicated that the fiscal impact was \$41,000 for sewer and \$49,000 for water. Public comments were solicited. Chamber of Commerce Chief Executive Officer Larry Osborne questioned whether the Board would have made a similar decision in March if it had all of the financial information now available and pointed out the compounding factor. Mayor Masayko iterated his reason for opposing the fee as being based on his belief that the Board needed to analyze the entire fund and not just that required for the Dispatch Center. Supervisor Livermore invited the Mayor to attend the Chamber of Commerce Manufacturers' meeting on September 12. Supervisor Livermore then moved to adopt on second reading Bill No. 130, Ordinance No. 2002-28, AN

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ORDINANCE AMENDING TITLE 12 (WATER, SEWERAGE AND DRAINAGE) CHAPTER 12.03 (SEWER CONNECTION CHARGES AND USE RATES) BY ADDING SECTION 12.03.037 RIGHT-OF-WAY TOLL TO REQUIRE PAYMENT OF RIGHT-OF-WAY TOLL BY CARSON CITY WATER AND SEWER UTILITY AND OTHER MATTERS PROPERLY RELATED THERETO; fiscal impact is \$41,000 in General Fund revenue. Supervisor Williamson seconded the motion. Motion carried 4-1 with Mayor Masayko voting Naye.

D. ACTION TO ADOPT ON SECOND READING BILL NO. 131, AN ORDINANCE AMENDING TITLE 12 (WATER, SEWERAGE AND DRAINAGE) CHAPTER 12.01 (WATER CONNECTION CHARGES AND USE RATES) BY ADDING SECTION 12.01.057 RIGHT-OF-WAY TOLL TO REQUIRE PAYMENT OF RIGHT-OF-WAY TOLL BY CARSON CITY WATER AND SEWER UTILITY AND OTHER MATTERS PROPERLY RELATED THERETO (2-1314) - Mayor Masayko ruled that public comments were given under Item C. Supervisor Williamson moved to adopt on second reading Bill No. 131, Ordinance No. 2002-29, AN ORDINANCE AMENDING TITLE 12 (WATER, SEWERAGE AND DRAINAGE) CHAPTER 12.01 (WATER CONNECTION CHARGES AND USE RATES) BY ADDING SECTION 12.01.057 RIGHT-OF-WAY TOLL TO REQUIRE PAYMENT OF RIGHT-OF-WAY TOLL BY CARSON CITY WATER AND SEWER UTILITY AND OTHER MATTERS PROPERLY RELATED THERETO, fiscal impact is \$49,000. Supervisor Plank seconded the motion. Motion carried 4-1 with Mayor Masayko voting Naye.

13. DISTRICT ATTORNEY - Chief Deputy District Attorney Mark Forsberg

A. ACTION ON A MOTION FINDING THAT THE PROPOSED ELECTRIC UTILITY BUSINESS LICENSE ORDINANCE AMENDMENT IMPOSES A DIRECT AND SIGNIFICANT ECONOMIC BURDEN ON A BUSINESS OR DIRECTLY RESTRICTS THE FORMATION, OPERATION OR EXPANSION OF A BUSINESS, THAT A BUSINESS IMPACT STATEMENT HAS BEEN PREPARED, ACCEPTED AND IS ON FILE WITH THE BOARD OF SUPERVISORS AND THAT THE REQUIREMENT OF THE ACT HAVE BEEN MET (2-1336) - Mr. Forsberg indicated that the Sierra Pacific franchise agreement had been renegotiated. Representatives of Sierra Pacific were introduced. The Business Impact Statement had been prepared and is contained in the Board packet. Staff had determined that it will have a significant impact on businesses. The following item amends the business license fee ordinance to include Sierra Pacific as suggested by Sierra Pacific. Negotiations were done within the statutory limits. The Board's suggested one-half of a percent increase provides a business license fee of 2.5 percent and is applicable to all electrical service providers. The franchise fee has been eliminated. Item C is the ordinance revising the franchise agreement. The proposed business license fee will generate \$1.25 million in revenue. Public comments were solicited regarding this impact. None were given. Mayor Masayko indicated that Chamber of Commerce Chief Executive Officer Larry Osborne's letter would be discussed under Item B. Supervisor Williamson moved to make the finding that the proposed electric utility business license ordinance amendment imposes a direct and significant economic burden on a business or directly restricts the formation, operation or expansion of a business, that a business impact statement has been prepared, accepted and is on file with the Board of Supervisors and that the requirements of the act have been met. Supervisor Plank seconded the motion. Discussion indicated that the impact statement is in the Board packet and is attached to the following item's information. Mr. Berkich indicated that a

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schedule delineating the impact of the proposed increase on various business and residential users had been distributed to the Board and Clerk. (A copy is in the file.) Motion carried 5-0.

B. ACTION AND APPROVAL OF AN ORDINANCE AMENDING AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE (CCMC) TITLE 4 LICENSES AND BUSINESS REGULATIONS AMENDING SECTION 4.04.107 (PUBLIC UTILITIES) TO CHANGE THE BUSINESS LICENSE FEE TO 2.5 PERCENT AND OTHER MATTERS PROPERLY RELATED THERETO (2-1492) - Discussion ensued concerning State laws restricting the amount and dates for an annual review. Mr. Forsberg felt that there is a five percent cap on annual reviews. Mayor Masayko encouraged Mr. Osborne to participate in the annual discussions.

Mr. Osborne explained the Chamber's opposition to the fee increase and reasons for the original question regarding the need to call it a business license. They now understand its purpose. He acknowledged the need for him to respond during the annual rate review periods. He also pointed out the need to increase utility fees when the business license fee is increased. Discussion explained that Southwest Gas has a separate franchise agreement which will be revised in the future. Federal court rulings mandated changing the fee from a franchise to a business license. Mr. Osborne indicated that the Chamber will work with the City on the business license fee ordinance. He reminded the Board of the current economic problems which had been growing since March and the impact the ordinance will have on manufacturers, who are the highest electrical users. New businesses are not opening as indicated by Mr. Heath's previous report on business license revenue. Businesses are closing due to the current economic hardships. He predicted that next year's budget will encounter more "holes". The City's method of doing business must be revised. The City had never used the word "cut" throughout its discussions on the budget. Cuts must be made before the next budget review session. The City should not continue to increase its fees to meet the budget demands. Businesses are cutting back and reducing labor forces as sales have not been increased and their reserves have been spent. His agency has experienced a decrease in membership renewals. The Chamber is attempting to live within its means without an increase in its fees. He urged the Board to seek reductions wherever possible. The proposed fees may not close a business but could force additional labor reductions. He thanked the staff for recognizing the impact to businesses.

Mayor Masayko thanked him for his comments and expressed his hope that the message had been relayed to staff during last year's budget review. Supervisor Livermore explained the response he had always received from the Chamber when information was needed. He pointed out that Municipal and State governmental agencies were missing from the impact statement. The increased fees will address public safety needs including the 911 dispatchers. The ordinance will not pay for existing staff. He also indicated his intent to clarify his position on the budget and its process during the next review period. Mr. Osborne reiterated the need for this message to be sent to staff before the budget review process commences. Supervisor Plank felt that the message had already been sent to staff as indicated by the discussion during the Consent Agenda. Mayor Masayko reiterated the Board's message to staff for the Internal Finance Committee to review the \$45 million budget and maximize it before asking for new revenue sources. Supervisor Staub reiterated his comments during the Consent Agenda indicating that "business as usual" cannot occur and the need for belt tightening. He has repeatedly stressed this point during his weekly meeting with Mr. Berkich. He also hoped that with the new Internal Auditor the agencies' performances can be evaluated and tightened. Mr. Osborne expressed a willingness to assist wherever possible. Supervisor Williamson noted that Utility

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Advisory Committee Chairperson Knecht had stated that the utility costs will be dropping. Discussion indicated that this may not occur. Supervisor Staub pointed out the need to include unfunded mandates in the equation which is not easy to do when the belt is being tightened. Mayor Masayko indicated that he would not support the fee increase. The City's \$45 million budget should be scrutinized. Once the ordinance is adopted, the business license increases will become almost automatic and never ending. Electrical costs also impact the City's water and sewer utilities. He also cautioned the Board to remember the current economic state of the nation. Discussion between Supervisor Livermore and Mr. Berkich explained the reasons the franchise fee was changed to a business license fee and pointed out that the majority of the utilities statewide are assessed a five percent business license fee. The City is moving toward the business license fee but not at the five percent rate. Additional public comments were solicited but none were given. Mayor Masayko acknowledged the presence of the Sierra Pacific representatives. He also pointed out that the ordinance included typographical errors which should be corrected before the second reading. Supervisor Williamson moved to introduce on first reading Bill No. 136, AN ORDINANCE AMENDING AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE (CCMC) TITLE 4 LICENSES AND BUSINESS REGULATIONS AMENDING SECTION 4.04.107 (PUBLIC UTILITIES) TO CHANGE THE BUSINESS LICENSE FEE TO 2.5 PERCENT AND OTHER MATTERS PROPERLY RELATED THERETO; fiscal impact is an additional \$250,000 a year for a total of \$1.250 million. Clarification indicated that the \$1,250,000 is a full year of business license fees. Supervisor Plank seconded the motion. Motion carried 4-1 with Mayor Masayko voting Naye.

C. ACTION ON THE FIRST READING OF AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE (CCMC) CHAPTER 5.06 (SIERRA PACIFIC POWER COMPANY) DELETING SECTIONS 5.06.020 TEXT OF FRANCHISE, 5.06.030 ENACTMENT OF ORMSBY DISTRICT FRANCHISE AND 5.06.040 TEXT OF ORMSBY DISTRICT FRANCHISE AND AMENDING SECTION 5.06.010 ENACTMENT OF URBAN DISTRICT FRANCHISE, ADDING SECTION 5.06.020 TEXT OF FRANCHISE AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO (2-1932) - Discussion corrected the typographical error on Page 2 at Line 15 to change "9" to be a right facing parentheses. Mr. Berkich added to Page 3 at Line 19 that "Sierra Pacific will comply with". Discussion indicated the major differences between the original franchise agreement and the proposed ordinance. During the discussion, Mayor Masayko disclosed that he is a retired Sierra Pacific employee who receives a benefit from Sierra Pacific's retirement fund which is guaranteed and that he owns stock in the Company. He is not a major shareholder and will not benefit from the proposed ordinance. Mr. Forsberg indicated that the fees associated with the ordinance are considered "pass throughs" by Sierra Pacific and are paid by the ultimate users as a separate line item on the users' bills. He continued his review of the major revisions including the clause that will allow Sierra Pacific to master plan its future projects and eliminate the need to seek a special use permit to construct them. Discussion indicated the City will have a review process over the master plan. Supervisor Williamson pointed out the need to revise the numbering on Page 3 as number nine had been dropped and that Sierra Pacific should be capitalized and spaced in Section ten. Clarification also indicated that paragraph four had been included in the listing but it had not been numbered and that the two subparagraphs on Page 3 at the top should be numbered A and B. A revised copy of the ordinance was given to Sierra Pacific. Discussion indicated that Sierra Pacific representatives had participated in the negotiations and thanked them for their assistance. Public comments were solicited but none were given. Supervisor Staub moved to introduce on first reading Bill No. 137, AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE CHAPTER 5.06 (SIERRA PACIFIC POWER COMPANY) DELETING

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SECTIONS 5.06.020 TEXT OF FRANCHISE, 5.06.030 ENACTMENT OF ORMSBY DISTRICT FRANCHISE AND 5.06.040 TEXT OF ORMSBY DISTRICT FRANCHISE, AND AMENDING SECTION 5.06.010 ENACTMENT OF URBAN DISTRICT FRANCHISE, ADDING SECTION 5.06.020 TEXT OF FRANCHISE AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO with the corrections to be made in the document: Page 2 Line 15 a number "92" should be parens 2 unparens [(2)]; Line 16.5, the italicized paragraph should have number 4 added to it; and added on Page 2 at Line 22.5 there should have an additional line between Paragraph 5 and Paragraph 6 to separate it properly; Page 3 Line 3 the number 1 should become Paragraph A; Page 3 Line 7.5 the number 2 should become B; Page 3 Line 18 the number 10 should be 9 and the "p" in Pacific should be added and a space between Sierra and Pacific; Page 3 Line 19.5 should read "Sierra Pacific will comply with Sierra's established tree trimming standards"; and then all paragraphs after the now known as Paragraph 9 should be reduced by one so that the total document, so that this Section III should have a total number of paragraphs at 14 and not 15. Supervisor Livermore seconded the motion. Mr. Berkich thanked Sierra Pacific employees and the City staff for their work on the ordinance. Mayor Masayko also thanked them for their cooperation. The motion to adopt Bill No. 137 as amended was voted and carried 5-0.

5. B. NON-ACTION ITEMS-INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS (2-2228) - Mayor Masayko reported on the NDOT Statewide Transportation Advisory Commission (STAC) and the status of the NDOT efforts to acquire the Lompa property. NDOT is to move forward with a condemnation action. STAC indicated an unwillingness to authorize right-of-entry procedures at this time. He had suggested that State and City engineers work together to attempt to determine an option for handling drainage from Phase 1B until the Lompa property is acquired and the drainage handled permanently. His suggestion would allow the work on Phase 1B to continue. He was unsure whether there had been an answer to his suggestion but proposed to meet with NDOT Director Thomas Stephens or his team as well as STAC and press for a response. Concerns were expressed regarding what would happen to the funds which had been allocated to the project if work does not continue. He thanked Supervisor Plank and City staff for attending. He had not been aware of the desire for the full Board to attend the meeting. Otherwise, he would have agenzized the meeting for a possible quorum of the Board. Supervisor Plank felt that Mayor Masayko had represented the City quite well. He also announced the V&T Railway fundraiser on September 8 at the Tamarack Junction at 4 p.m. Both he and Mayor Masayko had tickets if anyone wished to obtain them. Supervisor Staub announced the Boys and Girls Club auction and barbeque on Saturday at the Pony Express Pavilion at 2 p.m.

There being no other matters for discussion/action, Supervisor Staub moved to adjourn. Supervisor Williamson seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the meeting at 4:30 p.m.

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The Minutes of the September 5, 2002, Carson City Board of Supervisors meeting

ARE SO APPROVED ON February 6, 2002.

/s/
Ray Masayko, Mayor

ATTEST:

/s/
Alan Glover, Clerk-Recorder