

APPROVED MARCH 15th, 2018

The Regular Meeting of the Douglas County Board of County Commissioners was held on February 1, 2018 in the meeting room of the County Administration Building, 1616 8th Street, Minden, NV, beginning at 10:30 AM.

Call to Order – Meeting Called to order at 10:31 AM

Commissioners Present:

Steve Thaler, Chairman
Barry Penzel, Vice Chairman
Nancy McDermid, Board Member
Larry Walsh, Board Member

Commissioners Absent:

Dave Nelson, Board Member

Staff Present:

Ron Pierini, Sheriff
Kathy Lewis, Clerk-Treasurer
Doug Ritchie, Chief Civil Deputy District Attorney

INVOCATION - *None*

PLEDGE OF ALLEGIANCE – Led by Kathy Lewis

PUBLIC COMMENT

Dave Brady said the priority of the Board is to set policy and that can create a no-win situation, he stated that finding a funding source for roads is one of those issues. He said he was disappointed to read that the County will turn out their pockets to find road maintenance funding. He admitted that it's a good year to do it because there are \$6.6 million in the unassigned general fund balance. Mr. Brady proclaimed that he is concerned about using this method moving forward. He mentioned that one of the Commissioners said funding should be fair and equitable and Mr. Brady agreed with that. He went on to say that the same Commissioner claimed that a road maintenance district was a non-starter. He confirmed that he would rather see his taxes reduced than the extra funds from the general fund be used to cover road repair and maintenance for those that are not currently paying for those services.

Jim Slade agreed with Mr. Brady and believes it would be unfair to those already paying for road maintenance through a General Improvement District (GID) to pay for the local roads outside their own community. Mr. Slade stated that Gardnerville Ranchos is the most populated community in Douglas County and the Ranchos along with Johnson Lane, Gardnerville, Indian Hills and Minden make up 82 percent of the Carson Valley population. Mr. Slade added that Johnson Lane is the only community that doesn't pay for its own local roads. He added that during a recent meeting the Board expressed no desire for a GID in

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Johnson Lane. Mr. Slade thinks if the Johnson Lane community doesn't want to pay for the maintenance of their own roads they should stop complaining about it expecting the County to bail them out. Mr. Slade expressed concern about the Board taking money away from other important public services to pay for local roads. Mr. Slade said he stands by his comments on the Master Plan. He believes it is insulting that in 2018 they are sending back the 2016 update because they don't like the format. Mr. Slade asked Commissioners Thaler, Penzel and McDermid why they hadn't mentioned their concerns about the format any sooner. Mr. Slade stated that the Board should be ashamed of themselves believes this is the definition of dysfunctional government.

Lynn Muzzy declared that he is a Johnson Lane resident and that he has respect for the two gentlemen that spoke before him but when he moved to Johnson Lane the County had accepted the roads for maintenance and that is why he moved there. Mr. Muzzy said that now they don't think it's fair but, when he moved into the County the Town of Minden had water for free basically so he believes each area has its own advantages and he believes things still even out to this day.

Mike Avila said he agrees with Mr. Slade and Mr. Brady and went on to say that he doesn't appreciate that they pick and choose when to be equitable.

APPROVAL OF AGENDA

MOTION to approve the agenda; carried.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Nancy McDermid, Board Member
SECONDER:	Larry Walsh, Board Member
AYES:	Thaler, Penzel, McDermid, Walsh
ABSENT:	Nelson

APPROVAL OF PREVIOUS MINUTES

Board of County Commissioners - Special Meeting - Dec 4, 2017 9:00 AM

Board of County Commissioners - Regular Meeting - Dec 7, 2017 10:30 AM

Board of County Commissioners - Special Meeting - Dec 18, 2017 3:00 PM

Board of County Commissioners - Regular Meeting - Dec 21, 2017 1:30 PM

MOTION to approve the minutes of the four meetings, two regular meetings and two special meetings in December of 2017; carried.

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RESULT:	APPROVED [UNANIMOUS]
MOVER:	Nancy McDermid, Board Member
SECONDER:	Larry Walsh, Board Member
AYES:	Thaler, Penzel, McDermid, Walsh
ABSENT:	Nelson

DOUGLAS COUNTY AWARD PRESENTATIONS

Ceremonial presentation of an employee service award to Ron Sagen of 911 Emergency Services for 25 continuous years of service.

Vice Chairman Penzel read the Service Award into the record.

Mr. Sagen thanked the Board and wondered where the 25 years went.

RESULT:	FOR PRESENTATION ONLY.
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Ceremonial presentation of Proclamation 2018P-008 recognizing Sheryl Christian, Recreation Supervisor for Douglas County, for 30 years of dedicated service to Douglas County. (Scott Morgan)

Vice Chairman Penzel read the Proclamation into the record.

Scott Morgan, Community Services Director, thanked Ms. Christian for her 30 years of service and said she did it every day with a smile. Mr. Morgan added that she is a true asset and works long hours and weekends. Mr. Morgan said that Ms. Christian was instrumental in starting a new building. He said that she helped get Parks and Recreation to a nationally recognized level and Douglas County is the model for Parks and Rec in the state thanks to her.

Sheryl Christian thanked everyone and said she loves her job and is proud of being part of the community.

RESULT:	FOR PRESENTATION ONLY.
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Ceremonial presentation of Proclamation 2018P-009 recognizing Debbie Beam's retirement from Douglas County. (Lawrence Werner)

Chairman Thaler read the Proclamation into the record.

Larry Werner, County Manager, stated he has worked with Ms. Beam for a few years and wishes her the best. Mr. Werner added that she has always been a bright spot as the first contact for many people and was always professional. Mr. Werner noted that she knew the organization and she will be missed.

Scott Morgan, Community Services Director, said he appreciates Ms. Beam's years of service and he is proud to have her as part of the County and she will be missed. He added that she is not just a great employee but a great friend.

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Chairman Thaler said he has known Ms. Beam since 1983 and said what a blessing it has been. He said she is an example of the quality and caliber of Douglas County employees and he thanked her and wished her well on behalf of the entire County.

Commissioner McDermid said she and Ms. Beam have been through a lot but she remembers the day she met Ms. Beam and she knew it would be great. Commissioner McDermid stated that no one has done more for the Board and the County Manager's office than Ms. Beam.

Commissioner Walsh said he's only been here a year, but Ms. Beam was always been welcoming and he thanked her for that.

Vice Chairman Penzel said he really appreciated Ms. Beam and that she was always pleasant. He said that anyone staying for thirty years is a great asset to the County and she will be missed.

Debbie Beam thanked the Board and her husband for his patience throughout her career. Ms. Beam said contrary to the uncivil discourse to the Board, she knows they work hard and the job is one that most people won't do. Ms. Beam mentioned that it does sadden her to see the Board berated while doing the best they can. Ms. Beam said the hard work and dedication of the Board is why Douglas County residents should be proud and she is proud to be a part of Douglas County. Ms. Beam thanked Mr. Werner for his support and said it's been a pleasure to work for him.

RESULT: FOR PRESENTATION ONLY.
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CONSENT CALENDAR

FINANCE

A. For possible action. Discussion to accept the auditor's report on Douglas County's general ledger balances through January 2, 2018 per NRS 251.030. (Geoff Bonar)

B. For possible action. Discussion to accept the auditor's report on Douglas County's general ledger balances through January 18, 2018 per NRS 251.030 (Geoff Bonar)

CLERK-TREASURER

C. For possible action. Discussion to accept the cumulative voucher sheets for checks issued for the 12/8/17 Payroll, 12/22/17 Payroll, 12/08/17 Payables, 12/15/17 Payables, 12/22/17 Payables, 12/26/17 Payables, and 12/29/17 Payables. (Kathy Lewis)

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D. For possible action. Discussion to accept the December 2017 Douglas County Investment Report submitted per Douglas County Code 3.02.040. (Kathy Lewis)

E. For possible action. Discussion to approve, with conditions, the Outdoor Festival Permit submitted by the Hard Rock Hotel and Casino for the 2018 AMA National Snow Bike Series, scheduled for February 10, 2018, from 12:00 p.m. to 10:30 p.m., to be held at the Hard Rock Hotel and Casino, Parking Lot C, 50 Highway 50, Stateline, Nevada. (Kathy Lewis)

F. For possible action. Discussion to approve, with conditions, the Outdoor Festival Permit submitted by the Hard Rock Hotel and Casino for the 2018 Summer Concert Series, to be held on various dates beginning June 21 & June 29, July 1 & July 26 and August 3, August 29 & August 30, 2018, from 5:00 p.m. to 10:30 p.m., at the Hard Rock Hotel and Casino, back parking lot, 50 Highway 50, Stateline, Nevada. (Kathy Lewis)

G. For possible action. Discussion to approve, with conditions, the amended Outdoor Festival Permit submitted by Harveys Resort Hotel/Casino, adding two (2) additional dates to the application previously approved by the Board of Commissioners on December 7, 2017, for 22 Outdoor Summer Entertainment Events, to be held on various dates beginning June 14, June 23, June 30, July 7, July 11, July 13, July 14, July 15, July 17, July 18, July 21, July 22, July 28, August 4, August 11, August 18, August 25, August 31, September 1, September 2, September 8 and September 16, 2018, from 6:00 p.m. to 11 p.m., at the Harveys Resort Hotel/Casino, in the Outdoor Amphitheatre, 18 Highway 50, Stateline, Nevada. (Kathy Lewis)

SHERIFF

H. For possible action. Discussion to approve acceptance of a Domestic Violence Grant Addendum to the existing STOP and SASP grant terms and conditions for the previously accepted grant. (Sheriff Pierini)

I. For possible action. Discussion to approve acceptance of an Edward Byrne Memorial Justice Assistance Grant (JAG) for Tri-NET in the amount of \$50,000. (Sheriff Pierini)

J. For possible action. Discussion to accept the Quarterly Jail Status Report for the fourth quarter of 2017. (Sheriff Pierini)

TECHNOLOGY SERVICES

K. For possible action. Discussion to approve the Environmental Systems Research Institute, Inc. (Esri) Small Government Enterprise Agreement (SGEA) extension for Geographic Information Systems (GIS) software licensing in the amount of \$105,000. (Sherri McGee)

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COMMUNITY DEVELOPMENT

L. For possible action. Discussion to approve acceptance of a public utility easement of varying widths granted to Douglas County across two parcels owned by Bently Family, LLC to operate and maintain a public water line. The easement is approximately 14,700 square feet in area and is located west of US Highway 50 in Douglas County's Skyland water system; 1200 and 1192 US Hwy 50, APN's 1418-34-301-001, and -007). (Erik Nilssen)

M. For possible action. Discussion to accept the 2017 Planning Commission Activities Report. (Heather Ferris)

SOCIAL SERVICES

N. For possible action. Discussion to approve acceptance of \$87,876 in AB397 Family Planning Grant funding from the Division of Public and Behavioral Health for Community Health Clinic operations. (Scott Morgan)

SENIOR SERVICES

O. For possible action. Discussion to approve the donation of Vehicle #680-205, a 2003 F-150 Home Delivered Meal Truck which includes a home delivered meal refrigeration package, to the Storey County Senior Center at a total value of approximately \$2,000. (Travis Lee)

P. For possible action. Discussion to approve acceptance of a \$7,028 award from the Nutrition Services Incentive Program (NSIP) grant funds from the State of Nevada Aging and Disability Services Division for reimbursement of food purchased through the Senior Center (Grant Number 04-000-57-NX-18). (Travis Lee)

AIRPORT

Q. For possible action. Discussion to approve an updated Disadvantaged Business Enterprise Program (DBE), which will provide a written program for the Airport to ensure DBE's have an equal opportunity to receive and participate in United States Department of Transportation (DOT)-assisted projects. (Bobbi Thompson)

R. For possible action. Discussion to approve an amendment to the hangar lease with Aces Aircraft Maintenance Inc (Lease 2323BH) adding specific automobile parking spaces for the tenant's customers and employees for an additional \$46.67 per month for a total annual fee of \$560.04. (Bobbi Thompson)

REPORT OF FEES

S. For possible action. Discussion to approve the receipt of the Douglas County Constable's quarterly report of fees for October 1 through December 31, 2017. (Paul Gilbert)

T. For possible action. Discussion to accept the November 30, 2017, Report of Fees from the Recorder's Office. (Karen Ellison)

U. For possible action. Discussion to accept the December 31, 2017, Report of Fees from the Recorder's Office. (Karen Ellison)

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V. For possible action. Discussion to accept the receipt of the Clerk and Tahoe General Services Report of Revenue and Transactions for the month of December 2017. (Kathy Lewis)

W. For possible action. Discussion to accept receipt of the DMV Report of Revenue and Transactions for the month of December 2017. (Kathy Lewis)

COUNTY MANAGER

X. For possible action. Discussion to approve the updated projects list for inclusion in the Western Nevada Development District Comprehensive Economic Development Strategy (CEDS) Update. (Lisa Granahan)

Y. For possible action. Discussion to accept the Law Library's 2017 Annual Report. (Erin Plante)

MOTION to approve consent calendar; carried

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Nancy McDermid, Board Member
SECONDER:	Larry Walsh, Board Member
AYES:	Thaler, Penzel, McDermid, Walsh
ABSENT:	Nelson

ADMINISTRATIVE AGENDA

CONSENT CALENDAR ITEMS PULLED FOR FURTHER DISCUSSION- *None*

FINANCE

1. For possible action. Discussion on the Comprehensive Annual Financial Report for fiscal year ended June 30, 2017. (Vicki Moore)

Vicki Moore, Chief Financial Officer, gave a PowerPoint presentation on the Comprehensive Annual Financial Report which covered the following topics:

- Financial reporting compliance
- Comprehensive annual financial report
- CAFR sections
- Management's discussion and analysis summary of financial results
- Stats of Douglas County financials
- Major changes from prior year
- Summary of net position at June 30, 2017
- Summary statement of activities
- Capital assets
- Long-term liabilities
- General fund at June 30, 2017

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- Independent auditors report
- Stewardship & accountability
- Summary of auditors results
- Schedule of finding questioned costs

To review Ms. Moore's full presentation please see the Board packet.

Commissioner Walsh stated he emailed comments to Ms. Moore about how he could not tie long-term liabilities from page 23 to page 14.

Commissioner McDermid declared that all her questions were answered by the presentation.

Vice Chairman Penzel mentioned he sat down with Ms. Moore and discussed his issues; he referenced the total revenues and expenditures on page 18 and asked Ms. Moore to go over that and asked if they were going to attach a memo.

Ms. Moore said she brought a memo that she will provide the Commissioners and the public. Ms. Moore referenced page 93 and said in the general fund under the final column it shows \$57,149,687 and that is a typo. She said its picking up a subtotal from above and should read \$43,503,166. She mentioned that the change affects the variance for the total revenues and referenced page 99, stating it also affects the excess of revenues over expenditures and the variance should be a positive \$3,692,408.

Vice Chairman Penzel wanted clarification from the auditor as to whether or not the changes were substantial. He also referenced the general fund and stated that if they took the over spenders and subtracted the under spenders there is a \$900,000 differential. Vice Chairman Penzel added that the County Manager is working on which ones to scrub. He also referenced page 92 and said he believes they should scrub for the \$900,000 throughout all funding sources, which the County could use on the road tax and the road fund to maintain all 235 miles of road. Vice Chairman Penzel believes the economic conditions referenced were important and he was impressed with the statistics there. He mentioned that the tax of both direct and overlapping of government shows it's been consistent at about 10 percent, and he thinks that's lost in the General Improvement District (GID) conversation. Vice Chairman Penzel also asked about the total park acreage decrease that was noted.

Scott Morgan, Community Services Director, said there was no reduction in acreage for Douglas County and is unaware of any decrease.

Ms. Moore mentioned that it drops but its undeveloped acreage and they can look at it further.

Chairman Thaler said Ms. Moore is right that as soon as something is developed there will be either a plus or minus.

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Vice Chairman Penzel said there is information about the road fund but the other part has to be consistent. He stated that people need to ask the GIDs for a tax reduction and not the Board. Vice chairman Penzel said there are 235 miles of road to maintain and less than 25 percent of taxes are coming from GID's so the money should go to those paying the tax.

Chairman Thaler thanked the Board for going through this important report and he added that he sees the report as the health of the County, which every department should have a copy of.

Ms. Moore said it's on the website and any department can ask for one.

Chairman Thaler mentioned that it's an expensive document but helpful for all departments. Chairman Thaler asked Ms. Moore what she is looking for dollars augmented.

Ms. Moore said she does not have the total and that is a different conversation as to the net position but that it increased \$8,000,000. She added that the carryover is how they ended up based on what they started with.

Chairman Thaler asked about the committed money and asked what money is available for the Board. He added that in regards to the general fund, he would like to capture explanations as to why departments overspent on their supply budgets. Chairman Thaler said he would like to show examples of this because a lot of stuff does not make sense from the public perception. He stated that seven departments spent their supplies budget but he would like some explanation in the report. Chairman Thaler asked about augments and wanted to make sure they are on the administrative agenda and not the consent agenda. He added that he wants to progress so he wants to know who is overspending and why.

Commissioner Walsh asked Vice Chairman Penzel about the \$900,000 variance in service and supplies and he believes they should know now that they have \$900,000 dollars.

Vice Chairman Penzel said this goes back to when they started the budget process and the problem is each entity knows that if they don't have money in their hiring account, they can move it to supplies and services. Vice Chairman Penzel believes overspending or underspending is an issue and they need a better definition as to what's in the supply and services account. He added that the agency funds are an important part of the Comprehensive Annual Financial Report (CAFR) and that it gets no love in the report. He mentioned that the agency funds that cover GID's, inmate funds, etc., but it's only a summary, yet when the GID trashes him that's all he gets. He believes the clerk gets a full balance sheet but it's important to understand where the money is going and if they adjust their taxes it doesn't come back to the County.

Commissioner McDermid believes that GID residents elect the representatives, so there is an oversight by the people that elect the Boards. She added that they can exercise the right to vote and put in who they want, so spending is up to them.

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Commissioner McDermid does not want to micromanage the Board. She stated that services and supplies are separate from salary and she doesn't think it's a good idea to use salary savings in another line item. Commissioner McDermid declared that the Board can't fault the department if that's not a policy of Douglas County, but they have to look at financial policies to make sure they are followed. She concluded by saying the policies for department heads are different from those of elected officials.

Vice Chairman Penzel said that Topaz Regional Estates (TRE) has their own road system but are tapped out of funds. He added that this conversation is long overdue and he gets comments from GID's whenever it comes up.

Chairman Thaler said that obviously things are ever evolving and they are starting a new budgeting process right now. He added that unless there are exceptions, departments should be held to their budget. Chairman Thaler said that the County does not need to get the entire budget each quarter but it's important that the Board should be able to look at the quarterly budgets.

Public Comment

Dave Brady stated he welcomes the discussion on financial policies and said considering the healthy general fund, he has no problem reducing the tax rate by ten basis points. Mr. Brady would appreciate the update of page 93 and referenced page 76 stating that Public Employee Retirement System (PERS) sets the discount rate for the County and there are two scenarios. He mentioned that the discount rate is at eight percent, but if they reduce discount rate by one percent, then the net pension liability goes up \$39,528,875 and that is a 47% increase. Mr. Brady said that as a County we need to be sensitive that this is a real problem.

Lynn Muzzy said that it looks like Community Development went up 207%, Health and Sanitation went up 369%, and Public Works dropped about 43% so he wants to know what the caused those changes.

John Engles stated that his comment is for Ms. Moore and he said the County needs Ms. Moore and that he appreciates her hard work.

Jim Slade said that when most members of the public hear about the CAFR, they don't care. He added that this year the public may care more because of "tiregate". He added that when the public hears that Ms. Ford is a fraud examiner, well now the public thinks they will get answers and they don't hear anything. Mr. Slade believes the public thinks the Board is sweeping it under the carpet and the fraud itself is a fact and should be acknowledged. He doesn't know who failed, but it seems like it's a failure of oversight. Mr. Slade said he is sure the Ms. Moore did a good job; the County has received a certificate of excellence without acknowledging the fraud. He wants Ms. Ford to comment on the fraud.

Larry Werner, County Manager, said that Mr. Muzzy should make an appointment with the CFO to discuss the changes.

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Ms. Moore seconded what the Mr. Werner said. She went on to say that she would be happy to sit down with residents to explain anything.

Chairman Thaler stated that the Board knows that the District Attorney's Office went public with "tiregate" and when there is criminal activity, it gets criminally investigated and that is normally kept private. He mentioned that there is a civil investigation and a criminal investigation, and that is not uncommon. Chairman Thaler said no Board member or employee likes what they heard but the facts are under investigation and they should not be asking the agencies to hurry up. He believes the County should focus on getting it right. Chairman Thaler understands it's frustrating but said they need to wait to ensure the information is accurate. He added that there is a rumor that the Grand Jury will look into the matter but it's strictly a rumor and all the speculation is fueling the fire.

Vice Chairman Penzel believes that the public forgets a criminal did this but if people step in and start messing around with the investigation, they could screw everything up and make a false claim of someone involved. He added that a false claim could ruin someone's reputation and ruin the hard work of the investigation team. Vice Chairman Penzel said the District Attorney's Office can't address it right now and making accusations is not the appropriate action.

Chairman Thaler called for a break at 12:10 PM

The meeting reconvened at 1:04 PM

COUNTY MANAGER

2. For possible action. Discussion to approve the adoption of the Douglas County Fraud, Waste, and Abuse Program as developed by Moss Adams LLP. (Lawrence Werner)

Larry Werner, County Manager, gave a presentation on the Fraud, Waste, and Abuse Program.

To review Mr. Werner's full presentation please see the Agenda Packet.

Mr. Werner presented on the following topics:

- Executive Summary
- Fraud, Waste, and Abuse Definitions
- Fraud Categories
- Ethics
- Implementation
- Whistleblower Protection/Policy
- Training

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Commissioner McDermid asked what the cost would be and if that is carried through the first six months. She also asked if that includes the cost of the hotline.

Mr. Werner replied with \$46,000 a year and the hotline is an additional \$8,000 a year.

Commissioner McDermid inquired as to whether or not a separate entity would operate the hotline.

Mr. Werner said that yes it is a separate entity and that his office has a few in mind, one of those being the firm Lighthouse, but for the first six months Moss Adams would be facilitating the calls.

Commissioner McDermid asked if a committee of Douglas County employees and Board members could handle that as opposed to a third party.

Mr. Werner mentioned that it could cause issues if one of the members was the subject of a call.

Vice Chairman Penzel said he was glad the information is there, but he doesn't like anonymous complaints. He added that the anonymous complaints may not be from actual members of the County. Vice Chairman Penzel asked if there is a policy to prevent fraudulent calls that may waste County time and resources.

Mr. Werner said the companies take all calls and they are trained to figure out if it's bogus and/or worth the time of the County. He added that they will have a test period to sort these types of issues out beforehand.

Chairman Thaler declared that it's all about who receives the call as to whether or not anonymous reports work. Chairman Thaler asked how many places are using this type of program.

Mr. Werner mentioned that Carson City uses the program but most of the other places are in California.

Chairman Thaler asked if they could see quarterly reports.

Mr. Werner stated that could be an option and they would work on it.

Commissioner Walsh asked if Moss Adams would do the quarterly report.

Mr. Werner confirmed that they would.

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Public Comment

Jim Slade said this is a good step and it's a more robust plan. He added that he does not know the extent of fraud but thinks it's a good idea even though more needs to be done. Mr. Slade claimed that more oversight is needed in various aspects. He referenced "tiregate" and stated the chain of command should have noticed the increase in tires. He doesn't know if a hotline will work but he hopes it prevents some fraud and abuse. Mr. Slade mentioned that he doesn't know when the program starts, but he would like to report waste. He went on to say that he asked for copies of agenda items and the Clerk's office gave him more about 500 more pages than he asked for.

Lynn Muzzy said that in setting up a whistleblower notification system, it seems that the County could have saved \$46,000 dollars by calling other entities to see what they do internally. He's not convinced that a third party will help stop fraud, waste, and abuse. Mr. Muzzy believes a good percentage of the issues could be dealt with if people could speak to managers and a third party. He believes to train taxpayers to be honest only absolves Senior Managers and Human Resources of the responsibility to talk to the complainant. He does not think it's a good idea.

MOTION to adopt the Douglas County Fraud, Waste, and Abuse program as developed by Moss Adams LLP; Carried.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Barry Penzel, Vice Chairman
SECONDER:	Nancy McDermid, Board Member
AYES:	Thaler, Penzel, McDermid, Walsh
ABSENT:	Nelson

3. For possible action. Discussion to adopt Policy Number 100.07 establishing the Douglas County Audit Committee. (Lawrence Werner)

Larry Werner, County Manager, said that this is a companion policy that will help the County figure out how to make things more transparent. He recommended an audit committee be formed. He believes it gives the public a say as to what they can do. Mr. Werner said this also helps the County with accountability and would prefer they have a five-member board with two-year terms possibly appoint on an annual basis. Mr. Werner said the County would set the rules but they would help with the Comprehensive Annual Financial Report (CAFR). He stated that it would be by Board appointment and they could always add or remove language.

Commissioner Walsh stated he is in favor of the committee, but asked if the committee members would have any liability.

Mr. Werner said he would defer to the District Attorney, but they cannot take independent action.

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Doug Ritchie, Chief Civil Deputy District Attorney, said the committee can report back to adopt new policy but the Board will take the action.

Mr. Walsh asked who the internal auditor was.

Mr. Werner stated that Vicki Moore was the comptroller by statute and that makes her the auditor.

Commissioner McDermid asked who on staff would oversee this committee.

Mr. Werner replied that the Chief Financial Officer (CFO) and possibly hiring an independent firm.

Commissioner McDermid asked if a two-year term is enough for the committee to function because there will be a learning curve.

Mr. Werner said longer terms make sense and if the Board wants that the County can do so.

Vice Chairman Penzel stated that he and Chairman Thaler recommended an internal audit and he would like this committee to report to the Board. He added that it also keeps it out of the conflict of interest.

Mr. Werner explained that they would report to the Board.

Commissioner McDermid said that it is listed under purpose and especially if one of the members is a board member that would help.

Vice Chairman Penzel asked if the committee would have to conform to open meeting law.

Commissioner McDermid said that all committees and Boards have to.

Mr. Ritchie explained that the policies formulated would comply with open meeting law, and explained that there are task forces that the County Manager has formed that don't have to comply but it's on a case by case basis.

Vice Chairman Penzel said he wants to cover the County in case of an issue. He is wondering if the Board could be sending a message by not complying with open meeting law and asked if there is a way to comply and get the information out to the auditors.

Commissioner McDermid said that if there is a Board member, they have to comply with open meeting law.

Mr. Werner stated that the intent was to have full open transparency.

Chairman Penzel likes the transparency but he is against giving people the ability to thwart the work of law enforcement by announcing it to the public.

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Mr. Werner said the Board still has to make the final say, and the committee is separate from the Fraud, Waste, and Abuse program (FWA).

Vice Chairman Penzel said if someone brings something up that needs to be investigated, then they would refer it to the audit committee and have them discuss it. Vice Chairman Penzel is concerned that if they sent it out as an open meeting investigation, the people committing the crime be notified that they are going to be investigated.

Mr. Werner said that if there appears to be a risk they can ask the committee to look into it without an investigation. He added that once they find an issue they can ask for an investigation from the Board.

Chairman Thaler thanked Mr. Werner for bringing the item forward, regardless of the public's issue with spending money. He asked how long Mr. Werner has been thinking about this.

Mr. Werner said it has been in the works for about over a year.

Chairman Thaler stated that when you become an elected official, you push things you are interested and Vice Chairman Penzel has been pushing for this program for a year. He believes this is huge for the County and that this will help the CFO's workload. Chairman Thaler said it bugs him when the public says there are too many checks and balances because he believes they are needed.

Mr. Werner stated that once approved they would create an application and advertise it for 30 days to bring it back to interview for an appointment.

Public Comment

David Maxwell stated that he was asked by Commissioner Walsh to apply the committee and he thinks it's a good sign for the County. Mr. Maxwell supports the policy and believes it fits with the FWA program. He added that the County does not have an auditor now but there are Certified Public Accountants that could do it on staff. Mr. Maxwell said that risk assessment is the most important thing, with a few things needed for checks and balances. He added that some critical areas need extra analysis and Vice Chairman Penzel and Chairman Thaler have touched on that. He mentioned that as County processes are evaluated, the auditors will assign risk ratings for each element after assessments reveal which elements have the highest and lowest ratings. Mr. Maxwell said that while it was not identified in the policy, he believes the committee should have to provide a written report annually.

Terry Faff believes this is a great idea that it is long overdue. He said in regards to open meetings the Board is subject to open meeting law but the Board is allowed to have closed meetings and he believes other boards can have closed meetings as well.

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Jim Slade said that it was stated that every public board abides by open meeting law, but Douglas County Sewer Improvement District One violated open meeting law and were found in violation by the Attorney General. He added that the Board would have violated that same law two weeks ago if one citizen had not notified them of an issue with the meeting notice.

Chairman Thaler stated that the Board is not able to meet in private and they are guided by ethics in government.

Mr. Ritchie explained that it's not confidential information, they cannot receive confidential information from staff but there are non-meetings about labor negotiations or for pending and ongoing litigation. He added that there are other exemptions but those are the main ones. Mr. Ritchie said the Board cannot do those things as stated.

Commissioner McDermid asked if the Board agreed that the County Commissioner on the committee should be for one year and not two.

Mr. Werner stated there is three changes, removal of office, one-year for the Board member and four-year terms for the public.

MOTION to adopt policy 100.07 establishing the Douglas County Audit Commission with the change as to the one year for commissioner appointment, alternating four years for the appointment of the public and the option for removal from office for nonperformance; carried.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Larry Walsh, Board Member
SECONDER:	Barry Penzel, Vice Chairman
AYES:	Thaler, Penzel, McDermid, Walsh
ABSENT:	Nelson

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COMMUNITY DEVELOPMENT

4. For possible action. Discussion to approve a request for: (1) A Tentative Subdivision Map to create eleven (11) residential lots from 5.0 to 8.9 acres in size; and, (2) a Variance to Floodplain Development Standards (pursuant to DCC 20.50.190) to allow the construction of a 2,200'-length cul-de-sac partially within a designated Special Flood Hazard Area. The project site is comprised of two contiguous parcels totaling 69.8-acres located immediately north of the intersection of Fish Springs Road and Myers Drive in the RA-5 (Rural Agriculture – 5 Acre Minimum Net Parcel Size) zoning district, within the Fish Springs Community Plan Area. The applicant is Midtown Ventures, LLC (APN's 1221-05-001-001 & 1321-32-002-034). Land Division Application (LDA) 17-027 and Major Variance (MVAR) 17-085. (Steve Mason)

Commissioner Walsh mentioned that he is friends with the owners of the property and developers but that has no bearing on his decision.

Chairman Thaler said he also knows the owners and that it has no bearing on his choice.

Steve Mason, Assistant Planner, and Erik Nilssen, County Engineer shared a presentation on Hunters Point which covered the following topics:

- Subdivision Map
- Findings
- Compatibility
- Variance
- Neighborhood Concerns
- Conceptual Drainage Report
- County Standards
- Traffic study
- Summary

To review the full presentation, please review the supplemental meeting materials.

Chairman Thaler asked what the backup material from the Planning Commission said.

Mr. Mason said there were no official notes, but it was approved five to one with most of the discussion centered on the development of the floodplain.

Commissioner McDermid asked if she was accurate in stating that they can't disturb a blue line stream.

Mr. Nilssen replied that Commissioner McDermid was correct.

Commissioner McDermid asked about the tension basin and if they would be maintained by the Homeowners Association (HOA).

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Mr. Nilssen believed the county should maintain the tension basin but it is conditioned that the HOA maintains it until the County takes on the responsibility.

Commissioner McDermid stated that the Board said they would not maintain local roads.

Mr. Nilssen was not aware of that policy.

Commissioner McDermid said the Board adopted a policy that certain funds would not pay for local roads. She added that there would be water over the road, and she is concerned about how deep the water would get.

Mr. Nilssen said yes it will have water and about one to two feet.

Commissioner McDermid asked how many areas would flood. She is concerned about the maintenance of the road. She also asked how deep the drainage dips would be. Commissioner McDermid believes it needs to be clarified as to who will maintain the road.

Mr. Nilssen replied by saying only one area would have water over the top and the dips have not been designed yet. He stated that staff needs direction on what to do with the road and it should be clear that all roads need to be private if that is the Board's desire.

Commissioner McDermid asked if the HOA is only there to maintain the basins.

Mr. Nilssen stated that the HOA will only maintain the road if it is a private one with a gate.

Vice Chairman Penzel said he is tired of seeing variances. He believes if the code is there it's there to be followed. He mentioned that this one is interesting to him because in the 2014 flood it overtopped the road and in reviewing the engineers report it said that there was a danger of materials being swept on to other lands and that happened. Vice Chairman Penzel doesn't believe the County is mitigating that. He said it seems the Board has an opportunity to fix the drainage and they should. He added that he doesn't know the cost or what it will look like, but just moving it should not be an option with no discussion on the sheeting.

Mr. Nilssen declared that the sheeting will not be increased.

Vice Chairman Penzel said there is a chance to improve it for property owners and he is concerned with the ponds. Chairman Penzel asked what went into developing those ponds and asked if they took into consideration that it was in the A02 area.

Mr. Nilssen stated that ponds are required to handle one and a half times the 25 years, 24-hour storm event. He added that the tension basin is out of the floodplain.

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Vice Chairman Penzel asked about the ditch on either side of the roadway and whether or not there will there be culverts added.

Mr. Nilssen said yes and they would be built at the 15-inch minimum.

Vice Chairman Penzel said that a lot of residents are concerned with water on the road and asked if this is all working towards that concern.

Mr. Nilssen said that if there is a bigger storm then yes, but they can't be asked to mitigate any storm parameters other than what is required.

Vice Chairman Penzel asked if there was a code about ditches and how to use them to divert water. He asked if Mr. Nilssen had ideas about how to handle developments that don't have sewer and water.

Mr. Nilssen said that it's not under the County purview; it is regulated by the Environmental Protection Agency. He added that there are issues with well depth in this area.

Vice Chairman Penzel asked if there was any recommendation to curtail that.

Mr. Nilssen stated they already received Nevada Division of Environmental Protection (NDEP) approval.

Commissioner Walsh asked if the subdivision would impact the creek.

Mr. Nilssen stated that it could, but not under the requirements given by the Federal Environmental Management Agency (FEMA) and the County.

Chairman Thaler believes this is a classic situation where there should be a private road. He went on to say that if it connected to another road then maybe the County could maintain it. He does not believe it is possible to create a Master Plan that is variance free. Chairman Thaler understands why they ran the road where they did, because the developer keeps getting thrown every curveball possible.

Mr. Werner stated that in regards to solving the drainage on Fish Springs, the problem is preexisting and the only way to solve it is if the County puts up the majority of the money and that just moving the road would not solve the problem. He believes that it is a County issue.

Commissioner McDermid said that Tahoe Regional Planning Agency (TRPA) has control over the County and they don't allow variances but each jurisdiction can allow them. Commissioner McDermid said you can have that but it means cabins and things like that would not be allowed to add garages and other amenities. She added that it is possible but you have to start from scratch to achieve the desired plan shown in the presentation and she still has a problem with the road and maintaining it. Commissioner McDermid stated that theoretically it could flood

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every year, but the maintenance of it is going to be the challenge. Commissioner McDermid asked what the red line on the map was.

Mr. Mason stated that the red line on the map is a dirt road that potentially could be used as the second egress for the development.

Commissioner McDermid asked what how emergency personnel could enter the development if Fish Springs road was compromised.

Mr. Nilssen said that they would not be able to access the development if that happened but after twenty lots County code requires two means of ingress.

Commissioner McDermid said she understands but when you talk about flooding it's a public safety issue.

Bill Nichols, Applicant, said he's met some of the Commissioners and that his partner is Rick Di Carlo and they've done a number of different projects and are proud of Saratoga Springs because it turned out great. Mr. Nichols wants to retire and he thinks Fish Springs is a good example of a small project he can accomplish. He added that they have designed it to be irregular shaped five-acre parcels, so from an appearance standpoint it will look good. Mr. Nichols stated that it would be good to take a drive out there to alleviate some of the concerns about flooding. He mentioned that they could have done 13 parcels but they didn't want to put the access closer to the West because it could create a blind intersection. Mr. Nichols said they did take public safety into consideration because it's not a direct wash although there is some danger. He added that if the cul-de-sac overflowed Fish Springs would overflow. Mr. Nichols stated that it was their suggestion to contact Bureau of Land Management (BLM) and they were reticent but they got permission to use that as an emergency egress as long as they supervise the design. Mr. Nichols believes it should be a public road like all the other roads. He added that maintenance would be provided by the HOA or a counsel. Mr. Nichols explained that the variance is requested because he thought it was a good idea to split the lot with the road and that is what they are doing that right now because it is the safest way to go.

Vice Chairman Penzel asked if the secondary road would be an easement for the County.

Mr. Nichols said it would be 20 foot in width and allow exit to the North West bisecting BLM property on the corner.

Commissioner McDermid said that Calle de Sol is beyond the BLM property.

Mr. Nichols added that this is not the final design for that road because BLM reserves final approval of that road.

Commissioner McDermid asked why he wants the cul-de-sac road to be public.

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Mr. Nichols said he is only following County code; he has done well quality tests and they have complied with all agency requests and that is why the road should be public.

Commissioner McDermid asked about the denitrification and if he can just turn it off with a switch.

Mr. Nichols said yes but it will be inspected each year.

Chairman Thaler said the Board cannot make it a private road because the County does not have the funding. He wants to make sure that if they put the road in the owner accepts responsibility for maintaining the road and that it is clear that it is an emergency road and it is clear on the deed.

Mr. Nichols stated that they would provide a 20-foot easement and he wants a council to handle the maintenance.

Commissioner Walsh said the red line is on the boundary and asked if the fence would separate the two lots to prevent fighting for the road.

Mr. Nichols said he would fence the lots and propose posts to make sure vehicle traffic is stopped.

Vice Chairman Penzel mentioned he is interested in easements but the reason there are easements there is because eventually they put utilities there.

Mr. Nichols stated that would be maintained by the homeowner.

Vice Chairman Penzel asked why there is not a stub water line requirement.

Mr. Nilssen said it's not in the urban service area and who knows when that would come into play.

Rick Di Carlo stated discussion about whether or not the Board accepts responsibility will come back before the Board in a year. He added that they went with 11 lots because they wouldn't have to get approval if it was moved to the East. He emphasized that they just want the subdivision to be away from the flood.

Public Comment

Jim Slade agreed with staff that it works with zoning, so there should be no reason to oppose, but with the variance it needs to show exceptional hardship. He mentioned that Mr. Nichols bought the land knowing the requirements, so it's hard to say this would cause hardship. He mentioned that the variances should be granted infrequently, but the owner should have known the code requirements. He added that Mr. Nichols said he has to follow the code requirements, unless he asks for a variance. Mr. Slade believes they should do 10 lots so that they do not need the variance and approving the variance would cause potential threats to

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neighbors and future owners. He would like to see this item continued and the applicant asked to submit a new plan.

John Engles said he was at a water summit and the winters will be harder and shorter which could cause more flooding.

Beverley Anderson stated that it is the Board's duty to protect the citizens from flooding and the need is so compelling. She believes this is not an appropriate case to grant a variance and stated the Board should consider all technical evaluations when making a decision. She referenced the flood of 2014 and stated that they can't let that happen again. Ms. Anderson added that the portion of land will be contained in a single parcel but they want to put a cul-de-sac across the flood zone. She mentioned that the HOA is responsible for maintaining the flood zone and ponds, but wondered who will do it prior to people moving in. Ms. Anderson mentioned that the earthquake faults intersect lot seven and the other goes from six, five, four, two and ends up in the retention pond on one. She wondered how the homeowner would be told that they can't build their house on a fault.

Sheila Swadell said she concurs with Mr. Slade and that there is no reason to go with a major variance and she was very disappointed that only one Commissioner looked at this matter. She added that it was because of the Johnson Lane issues that these conditions were put into place. Ms. Swadell declared that none of the engineers were out there when Fish Springs flooded. She stated that it's a big issue and that no vehicles will get through BLM land when it rains because there is a permanent puddle out there.

Mr. Nilssen stated there are two lots in the floodplain because when the road is created it becomes County property which splits the parcels. He added that the only way to not split the floodplain is to place the road on the East side of the parcel which would put it in the active flow area and adds a culvert, which could be worse. Mr. Nilssen said it's better to split the large parcels so they won't have to split the floodplain. He mentioned that there are earthquake faults and the County code has something for that.

Commissioner Walsh asked if the design of this subdivision would have impacted Fish Springs during the flood.

Mr. Nilssen said on page 606 it shows that the design plan would not have made the flood any worse.

Commissioner Walsh said that he has been here for 27 years and he knows Hunters Point would not have added more debris into the area.

Vice Chairman Penzel stated that in terms of approving, one reason deals with undue economic hardship and he said he didn't hear that today.

Mr. Nilssen said they have to cross the floodplain unless they go all the way to the East side. He mentioned that they could not do it because you can't split the

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floodplain. He went on to say that the freer you make the active flow, the better. He added that if something gets clogged you make it worse.

Mr. Mason declared that the variance could be denied and parcels one & 11 would be one in the same.

Commissioner McDermid said she understands why they can't go West but she believes they could go halfway.

Commissioner Walsh noted that the Board is not here to engineer the project and he believes the placement of the road is the best. He added that moving it closer to the creek or the curve doesn't do it for him.

Mimi Moss, Community Development Director, stated that there is a misunderstanding because the variance is only for the creation of two parcels. She stated that it's not for the road, roads can go through the floodplain and the variance is only for the splitting of two parcels. Ms. Moss said that the hardship is that the property owner has to have access and the only access is from Fish Springs Road. She stated that it will create two separate parcels and that's why staff is recommending approval of the variance. Ms. Moss added that from an administrative standpoint, the engineer can say it's safe, so she wants to make sure the focus is on the splitting of the parcel.

Chairman Thaler said that if only one parcel was impacted they would not need the variance, but it's not the Boards job to re-engineer projects and if the Board conditions it, they can't deny it.

Ms. Moss mentioned that it meets all code requirements as is.

Chairman Thaler asked Ms. Moss if she believes it is fair to ask the developer to combine those two parcels.

Ms. Moss said if the concern is splitting the floodplain, they could agree to do that and the request would go away.

Commissioner McDermid asked if staff recommend that they maintain ponds.

Ms. Moss replied yes, because the runoff from the public road is the responsibility of the owner and it's a public right away so the County determines who maintains it.

Commissioner McDermid said so if approved the County does not necessarily accept the road.

Ms. Moss added that is she was correct, and that the Board could reject it later.

Larry Werner, County Manager, stated that the responsibility of the road would come back as a resolution for the Board's decision.

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Chairman Thaler confirmed that it would have to be done by a resolution.

Vice Chairman Penzel believes the problem is that if the floodplain crosses one parcel, he thought the developers don't want more than one property owner on one floodplain. He added that they can contain the water within the development and he agrees with Commissioner Walsh, that if they go by the code they will be creating another problem and by granting the variance will not be causing any additional problems.

Commissioner McDermid stated that she still has concerns with maintaining the road.

MOTION to approve land division application 17-027 and variance application 17-085 based upon the ability to make the required findings as outlined in the staff report and subject to the recommended conditions of approval; Carried.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Larry Walsh, Board Member
SECONDER:	Barry Penzel, Vice Chairman
AYES:	Thaler, Penzel, McDermid, Walsh
ABSENT:	Nelson

Chairman Thaler called for a break at 3:51 PM

The meeting reconvened at 4:06 PM

PUBLIC WORKS

5. Presentation on the fiscal condition of Douglas County's Carson Valley and Regional Water Utility Funds, and the Sewer Utility Fund. (Ron Roman)

Ron Roman, Interim Public Works Director, presented on the following topics:

- Sewer Utility 325
- Carson Valley Water 326
- Regional Water 324

To review Mr. Roman's full presentation please see the Board Packet.

Commissioner McDermid asked what the connection fees are.

Mr. Roman listed the fees as follows East Valley at \$6,020, Genoa Lakes at \$7,072 and North County at \$7,150.

Commissioner McDermid asked about the interest and late fees and the sewer revenue growth numbers.

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Mr. Roman stated the interest is coming from customer bills and the revenue is a positive increase from the monthly billing of what was projected.

Vice Chairman Penzel said water revenue declined and it's the same number as the variance. He believes the revenue is going down because they are discouraging water use and that does not seem effective.

Heather MacDonnell, Finance Accountant, said that the figures are there to explain how they came up with the total.

Vice Chairman Penzel said that Carson Valley has the highest rates but sits on the largest aquifer and he is against a rate study because this environment is foreign to anyone not in a desert.

Mr. Roman said they are strictly reporting on the revenues projected versus the actual and added they could have the discussion when it comes to reviewing the rates.

Chairman Thaler asked if there was a rate increase built into the contract and asked if that would decrease the revenue.

Mr. Roman said there was and it would decrease the revenue.

RESULT: FOR PRESENTATION ONLY.
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6. For possible action. Discussion to determine whether to uphold or reject the Bid Protest submitted by KG Walters Construction, which pertains to the staff's recommendation to award the North Valley Wastewater Treatment Plant Improvements project to Farr Construction Corporation, d.b.a. Resource Development Company. (Nicholas Charles and Walt Johnson, KG Walters Construction)

Chairman Thaler read items 6 and 7 into the record and held a discussion on both.

Nicholas Charles, Douglas County Public Works, presented on the following topics:

- Bid Process
- Bid Protest
- Time of Licensure
- Bid Protest Timeline
- Options

To review Mr. Charles' full presentation please see the supplemental meeting materials.

Commissioner McDermid asked if there has ever been a protest in the past.

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Mr. Charles stated that he has not seen one for Douglas County.

Chairman Thaler called for a break at 4:40 PM

The meeting reconvened at around 4:47 PM

Jeff Spencer, Silver State Law, representing KG Walters, stated that his client protested the contract because Resource Development Company (RDC) had a bid limit of \$4.5 million and they bid \$9 million. He added that Nevada Revised Statutes (NRS) 338 & 624 states they would be considered not properly licensed at the time of the bid. Mr. Spencer added that the second question is, was RDC properly licensed at the time of submittal? Mr. Spencer stated that the item says the bid shall contain evidence of bidder's authority and this is a separate sentence therefore a separate requirement. He referenced page 684 and said the bid needs to have bidder's authority and the number of the contractor's license. Mr. Spencer posed the question as to whether or not NRS 338 applies to this contract. He believes it does and wondered what consequences RDC should face since they did not have licensing capacity due to the bidding limit of the license at the time of the bid. Mr. Spencer referenced a letter from Noah Allison of the State Contractors Board and said that it is proof that they did not have an unlimited bid license until after the bid was submitted to Public Works. He mentioned that RDC could have provided an original bond or writer amending the existing bond within thirty days of the date of the letter. Mr. Spencer declared that they did not provide the amendment until after the date of the bid opening and backdated it at the advice of a licensing aid from the Contractors Board. He added that the letter from Mr. Allison states that the approval of the bid limit would become effective when all contingencies were met, which Mr. Spencer states is after the bid submittal date. Mr. Spencer indicated that there is nothing to support the idea that RDC can backdate a bid and obtain a retroactive proper license and therefore RDC did not have the appropriate limit and their bid should be invalid. Mr. Spencer said one of the possible options is to rescind the bid from RDC and award the contract to KG Walters.

Vice Chairman Penzel said the letter clearly states the license is in effect on October 23rd, 2017 and NRS 338 says the division should not award a contract if a bidder is not properly licensed.

Mr. Spencer said that they applied for an increase but his point is that the bond was not provided until after the time of the bid and the language "the writer was effective" means the bond was signed and backdated.

Commissioner McDermid said she didn't believe it said that.

Mr. Spencer said the effective date does not mean it's resolved. He reiterated that they backdated it. He added that the question is if that retroactively gave them that unlimited bid at the time of submitting it.

Vice Chairman Penzel asked if the investigation has been concluded.

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Mr. Spencer replied that it is still ongoing.

Commissioner McDermid asked when RDC went to the bond company to get the bond.

Mr. Spencer stated it was done on November 21st, 2017.

Commissioner McDermid followed up by asking if there was documentation that RDC did secure the bond on October 23rd and it did not get to the Contractors Board until November 21st.

Mr. Spencer stated that yes he received a letter stating that.

Commissioner McDermid asked if these licenses have ever been backdated.

Mr. Spencer said these are a rare occurrence.

Commissioner McDermid said that staff called the contractors board to verify whether or not RDC was able to make the bid and they were told yes.

Mr. Charles said yes they did comply but the State Contractors Board has backed off of the original statements.

Commissioner McDermid asked if staff proceeded with the contract.

Mr. Charles answered, yes they did.

Chairman Thaler asked if Mr. Spencer knew if the Contractors Board has issued a violation for not having a bond in place.

Mr. Spencer stated that no final decision has been made yet.

Chairman Thaler asked what Mr. Spencer believes that means.

Mr. Spencer stated that the Contractors Board is cognoscente that the Board still needs to take the final decision.

Chairman Thaler mentioned that the Contractors Board's decision doesn't depend on our decision. He asked if the Contractors Board has ever said that RDC was not licensed at the time of bid opening.

Mr. Spencer referenced the letter and the contingencies that were placed on RDC.

Chairman Thaler asked if the backdate does not make it official.

Mr. Spencer stated that the clerk does not have that authority.

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Chairman Thaler asked if she is not authorized, then why the Contractors Board has not sent us anything saying that.

Mr. Spencer believes they may not have said anything to protect the job of the clerk.

Chairman Thaler asked Mr. Spencer if he knows if the Contractors Board routinely back dates documents.

Mr. Spencer said that they do not normally do that.

Chairman Thaler asked if Mr. Spencer knew of any time other than this, when the Contractors Board backdated something.

Mr. Spencer declared that he did not know of any situation similar to this.

Chairman Thaler said the Board has no knowledge that the Contractors Board clerk can't do this, and wondered if that makes it allowable.

Mr. Spencer said he understands the Board's position but he does not know. He believes RDC panicked when they realized they did something wrong because they asked for advice.

Commissioner McDermid said the letter from the Contractors Board was dated October 23rd and bids were open November 17th, so she is confident that staff verified with the Contractors Board that RDC could make the bid. Commissioner McDermid stated that if they got the bond in October then they knew what to do and complied and staff verified that.

Mr. Spencer said yes, but the bid took place before they completed that condition.

Commissioner McDermid reiterated that she is certain staff would not send the letter, unless they knew for a fact they were verified.

Chairman Penzel referenced NRS 338 and said that if the dates are right they cured the condition. He added that the only questions are what is the limit and were they licensed. Vice Chairman Penzel said he does not believe this matter is about the bond.

Mr. Spencer said that the Contractors Board has not said that RDC has an unlimited license as of October 23rd. He added that as of November 21st RDC has an unlimited license.

Vice Chairman Penzel asked if Mr. Spencer has a letter saying that they did not have an unlimited license.

Mr. Spencer said he did not.

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John Moore, Moore Law Group, representing RDC, stated that during the presentation no one caught the fact that Farr was licensed and the only question was whether or not the limit was high enough. He stated that in October they had a \$4.5 million limit and they submitted all the paperwork to the Contractors Board and the Contractors Board approved it on October 23rd. Mr. Moore said that Farr had one condition and they received a grace period of 30 days and they put the bond in within 30 days. Mr. Moore said when Farr received the letter they spoke with Melanie Vasquez who confirmed that their increase was approved. He added that his client was told to backdate the bond and the increase would be retroactive. Mr. Moore stated that Farr ordered the bond on or about October 27th and if Ms. Vasquez said you can't backdate it then the client would have paid to get the bond right away but they were told they had time. He stated Farr then took the bond down the day they received it and they fulfilled their requirements to have the bond put in place. Mr. Moore believes the Contractors Board could have said Ms. Vasquez can't provide legal advice but they did not and he doesn't believe the Contractors Board will give a decision on this matter. Mr. Moore declared that public works denied the protest initially and there is no new information today. He added that Farr has stated why they backdated the bond and they paid extra to get it backdated. He mentioned that he has seen bonds backdated in the past and doesn't believe NRS applies. Mr. Moore stated that it has been outlined in his letter and when the Board looks at the bid documents, the bidder has to have a license or the bidder shall convent in writing to meet qualification before the contract was awarded and that is awarded when a notice of award is sent out, which Farr did. He mentioned that the award is funded through the Environmental Protection Agency (EPA) grant and Nevada Statutes that govern that fund says that you only have to ensure that the contract is awarded to the lowest responsive and responsible bidder. He contended if it was a drinking water contract it would be different.

Vice Chairman Penzel agreed with the Chairman and believes the compliance with federal regulations is important and confirmed he has read Mr. Moore's letter.

Mr. Moore stated that one of the options is to uphold the bid protest, because Farr was not properly licensed and KG Walters was. He believes Farr was properly licensed based on the requirements and instructions of the Contractors Board. Mr. Moore added that if they were not properly licensed, they did not need to be because federal and Nevada regulation say that Douglas County does not have to abide by NRS.

Chairman Thaler asked if Mr. Moore or his client asked Ms. Vazquez to provide anything in writing as to why it was backdated. He asked why Mr. Moore needed to backdate the bond.

Mr. Moore said that they did not ask for anything in writing from Ms. Vasquez and the backdating was because of the length of time the bond would take.

Chairman Thaler stated that what someone is told and what is in writing are two different things but they aren't sure what message the Contractors Board was

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sending. He asked Mr. Moore what would have happened if the bond was dated the date received.

Mr. Moore said if they were not told they could backdate the bond they would have purchased it sooner.

Chairman Thaler said in regards to the backdating of documents, it's just hearsay and they could leap to the fact that it was backdated and the Contractors Board has not said anything one way or another. Chairman Thaler asked what took so long to get the bond.

Mr. Moore stated that the underwriting of the bond just takes time.

Doug Ritchie, Chief Civil Deputy District Attorney, asked Mr. Moore if he believes his client has to comply with NRS 338.

Mr. Moore said it depends in what regard, and listed; prompt payment, the portions of NAC, and he that he believes the contract provisions have some sections that they must comply. Mr. Moore said that Mr. Spencer mentioned that the contractor must comply with NRS 338 and referenced section 16 as to what defines a contractor because if it were to say bidder he would not be able to make this case.

Mr. Ritchie asked Mr. Moore if his client has to comply with NRS 624 as a contractor.

Mr. Moore replied, yes.

Mr. Ritchie asked Mr. Moore whether or not Farr would have acquired a higher bid limit if they did not satisfy the contingencies.

Mr. Moore replied, no.

Mr. Ritchie asked Mr. Moore to clarify his position.

Mr. Moore stated that Farr was told by the Contractors Board that if the bond was retroactively dated so was the license.

Commissioner McDermid said that based upon what is on page 714 at section 13.10; everything is moot as long as the license was good before awarded.

Carey Rosser, Deputy District Attorney, stated that the way it's written, a bidder could satisfy the bid documents by having the license or attaching this covenant to their bid. She added that perhaps the Board could ask if the covenant was attached.

Mr. Moore stated that there was none attached but they submitted the bond when they did at the advice of the Contractors Board.

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Commissioner McDermid stated that she believes staff relied on the information they were given as the basis for the contract being awarded.

Mr. Spencer stated that he has an email from Dave Bachman sent from Mr. Charles alerting him that the Contractors Board showed RDC with a bid limit at \$4.5 million. He further states the bond should have been done immediately and it's not reasonable to say that it took so long. Mr. Spencer referenced a letter stating the bond agency promises 24-hour turnaround and asked the Board to look at the actions of RDC to determine the intent. He added that RDC knew it needed a bond to get their unlimited license and their own counsel admitted it was not provided until November 21st and the backdate actions show they were in trouble. He stated that there is no crystal clear direction but the facts state they needed to comply before the license was increased and the contract should not have been awarded.

Mr. Ritchie stated that the Contractors Board email states that the bond was issued October 23rd but was subject to a condition precedent. He asked Mr. Spencer if he is arguing that they did not provide the bond within 30 days of the date of approval.

Mr. Spencer stated he is arguing the condition precedent.

Mr. Ritchie stated that the condition precedent says to provide bond within 30 days and asked if they did that.

Mr. Spencer replied with yes and said the problem is that they did it after the bid.

Public comment

Steve Rippe stated he does not know any of these people but he believes the burden of proof is on KG Walters.

Commissioner McDermid believes both companies could do a good job and believes staff did their job. She wished the Contractors Board would have resolved this.

Commissioner Walsh said that if any contractor has beaten the RDC bid they could reject them all outright.

Vice Chairman Penzel said that the Contractors Board is not clear so he would agree to reject all bids.

MOTION to reject all bids due to the uncertainty of all bids; carried.

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RESULT:	APPROVED [UNANIMOUS]
MOVER:	Nancy McDermid, Board Member
SECONDER:	Barry Penzel, Vice Chairman
AYES:	Thaler, Penzel, McDermid, Walsh
ABSENT:	Nelson

7. For possible action. Discussion to approve and award a contract to Farr Construction Corporation d.b.a Resource Development Company or to KG Walters Construction Company, Inc., for the construction of the North Valley Wastewater Treatment Plant Improvements project. (Nicholas Charles)

Read into the record and discussed as part of item #6

8. For possible action. Discussion to approve and award a contract to Keller Associates, Inc. for engineering services during the construction of the North Valley Wastewater Treatment Plant Improvements project, in the amount of \$355,315, and authorize the Public Works Director to sign change orders up to 10% of the contract amount. (Nicholas Charles)

Item tabled

9. For possible action. Discussion to approve and award a contract to CH2M Hill, Inc. for engineering services during construction of the North Valley Wastewater Treatment Plant Improvements project, in the amount of \$83,000, and authorize the Public Works Director to sign change orders up to 10% of the contract amount. (Nicholas Charles)

Item tabled

10. For possible action. Discussion to approve and award a contract to Lumos & Associates, Inc. for materials testing and special inspections for the North Valley Wastewater Treatment Plant Improvements project, in the amount of \$96,800, and authorize the Public Works Director to sign change orders up to 10% of the contract amount. (Nicholas Charles)

Item tabled

11. For possible action. Discussion to approve and award a contract to CH2M Hill, Inc. for instrumentation, controls, and Supervisory Control and Data Acquisition (SCADA) improvements related to the North Valley Wastewater Treatment Plant Improvements project and water and sewer utility SCADA improvements, in the amount of \$394,000, and authorize the Public Works Director to sign change orders up to 10% of the contract amount. (Nicholas Charles)

Item tabled

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MOTION to table items 8-11; carried.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Nancy McDermid, Board Member
SECONDER:	Barry Penzel, Vice Chairman
AYES:	Thaler, Penzel, McDermid, Walsh
ABSENT:	Nelson

SHERIFF

12. For possible action. Discussion to approve an agreement with the Washoe Tribe for Douglas County to provide inmate services to the Washoe Tribal Police Department at a cost of \$55.00 per day/per inmate. (Captain Jim Halsey)

Captain Jim Halsey, Douglas County Sheriff, stated that he is presenting an interagency agreement with the Washoe Tribe to house inmates and they will provide \$55 a day per inmate and cover any additional costs that would be boreed by the Tribe. He mentioned that they have housed inmates for the Tribe in the past and it's a one-year agreement that can be canceled at any time.

Commissioner McDermid asked if this is the standard rate to house inmates for other agencies.

Captain Halsey replied by saying yes and it is based current operating costs.

Vice Chairman Penzel thanked Captain Halsey for getting this done.

Chairman Thaler believes this shows great cooperation and he is happy the Sheriff's Office is doing this.

Public comment – None

MOTION to approve an agreement between the Washoe Tribe and Douglas County for the Douglas County Sherriff's jail to provide inmate services to the Washoe Tribal police department at a cost of \$55.00 per day/per inmate; Carried.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Nancy McDermid, Board Member
SECONDER:	Larry Walsh, Board Member
AYES:	Thaler, Penzel, McDermid, Walsh
ABSENT:	Nelson

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DISTRICT ATTORNEY

13. For possible action. Discussion to adopt Ordinance Number 2018-1498, amending Title 2 of the Douglas County Code by adding Chapter 2.62: Records Management; Section 2.62.010 Disposition of Records, adopting a schedule for the retention of county records and setting forth the manner in which such records may be disposed of. Second Reading. (Kathryn Etcheverria & Carey Rosser)

Carey Rosser, Deputy District Attorney, stated that this is a second reading for the ordinance and it was published in the record courier. She said is here looking to answer any more questions the Board may have. Ms. Rosser said this ordinance establishes a manner in which records can be disposed of, in accordance with the Nevada State Library and Archives.

Commissioner McDermid asked if there have been any changes to this ordinance.

Ms. Rosser said she has not received any comments at this time and there are no changes.

Public Comment – None

MOTION to adopt Ordinance Number 2018-1498 amending Title 2 of the Douglas County Code by adding Chapter 2.62: Records Management; Section 2.62.010 Disposition of Records, adopting a schedule for the retention of county records and setting forth the manner in which such records may be disposed of; Carried.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Nancy McDermid, Board Member
SECONDER:	Larry Walsh, Board Member
AYES:	Thaler, Penzel, McDermid, Walsh
ABSENT:	Nelson

CLERK-TREASURER

14. For possible action. Discussion to approve a contract with Devnet, Inc. for \$798,824.60, for FY2017/18 thru FY 2023/24, for Property Tax, CAMA, wEdge and EdgeMaps software licenses, maintenance and support. Funds of \$500,000 have already been budgeted. (Kathy Lewis and Doug Sonnemann)

Kathy Lewis, Clerk-Treasurer presented on the Devnet property tax program. She presented on the following topics:

- Replacement of Property Tax and CAMA System
- Total Cost of Replacing our Property Tax and CAMA System
- Consequences

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- Recommendation

To review Ms. Lewis' full presentation, please review the Board packet.

Commissioner McDermid asked which Counties are not going with Devnet.

Ms. Lewis stated that currently Carson and Lyon Counties are not with Devnet but, Carson had a discussion with Devnet that week.

Vice Chairman Penzel asked where Devnet is located.

Ms. Lewis stated that they are in Ohio.

Commissioner McDermid asked is Devnet was a solid company and what their stamina for staying was.

Ms. Lewis said that they have all the state of Illinois and they are with 12 Nevada Counties. She added that Devnet would not start another project until Douglas County was done.

Chairman Thaler mentioned that this was a well-researched decision.

Public comment – *None*

MOTION to approve a contract with Devnet, Inc. for \$798,824.60, for FY 2017/18 thru FY 2023/24, for Property Tax, CAMA, wEdge and EdgeMaps software licenses, maintenance and support; Carried.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Nancy McDermid, Board Member
SECONDER:	Larry Walsh, Board Member
AYES:	Thaler, Penzel, McDermid, Walsh
ABSENT:	Nelson

COUNTY MANAGER

15. For possible action. Discussion to approve a professional services contract with CR Engineering for the Douglas County Mechanical, Electrical and Plumbing Improvement Project, in the amount of \$107,000, which was previously budgeted in FY 2017/18. (Scott McCullough)

Scott McCullough, Project Manager, stated that the Capital Improvement Project (CIP) has identified a need for Heating Ventilation and Air Conditioning (HVAC) for the Library, Judicial Law Enforcement Center, and the Minden Inn. He added that the County requested a proposal of design from CR Engineering. Mr. McCullough

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stated that CR Engineering has a good track record and is familiar with Douglas County.

Vice Chairman Penzel stated that because the County is moving to an asset management program he believes this fits into that plan. He added that he is concerned about replacements and would like to see units replaced based on condition rather than the length of time.

Mr. McCullough stated that the asset management plan is vital to these types of projects. He said its been 20-25 years and maintenance is getting tough so he prefers to replace units rather than waiting for the fatal flaw.

Chairman Thaler said that its part of a bigger project, so it's hard but this is just the beginning. Chairman Thaler asked Vice Chairman Penzel if he was asking about a new asset management program as opposed to the one the Board shot down.

Vice Chairman Penzel stated that its part of it but the Board also has all the assets listed in the consolidated accounting report. He believes Public Works needs to combine that with an asset management program to be effective.

Larry Werner, County Manager, stated that it's the same program but they need to expand it.

Commissioner McDermid believes that it was part of the direction but it was incomplete. She added that the direction was to expand it. She went on to say that if you have assets and you don't have line items for operation and maintenance you are missing the boat.

Chairman Thaler stated that Mr. Radtke can now cross some things off his to-do list.

Glenn Radtke, Fleet and Facilities Manager, stated that they have done a few projects so he is happy to be getting things done.

Public comment - None

MOTION to approve a professional services contract with CR Engineering for the Douglas County mechanical electrical and plumbing (MEP) improvement project in the amount of \$107,000 and authorize the County Manager to increase the contract amount by up to 10% for any required added scope of services; Carried.

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RESULT:	APPROVED [UNANIMOUS]
MOVER:	Nancy McDermid, Board Member
SECONDER:	Larry Walsh, Board Member
AYES:	Thaler, Penzel, McDermid, Walsh
ABSENT:	Nelson

16. For possible action. Discussion to approve a letter of support for the Carson Valley Visitors Authority Wayfinding Project. (Lisa Granahan and Jan Vandermade)

Lisa Granahan, Economics Vitality Manager, introduced Jan Vandermade, Executive Director of the Carson Valley Chamber of Commerce and Grace Larson of the Carson Valley Visitors Authority.

Jan Vandermade and Grace Larson presented on the Visitors Authority Wayfinding Project. They covered the following topics:

- Overview
- Project Area
- Sign Inventory
- Way Finding Opportunity
- Wayfinding Hierarchy
- Corridor Samples
- Mock-ups
- District Sample
- Next steps

To review Mr. Vandermade and Ms. Larson's full presentation please review the Board packet.

Commissioner McDermid said she is concerned that there are other areas where Wayfinding has been done and they are not looking to those areas for ideas and wondered why they wouldn't coordinate with Tahoe.

Mr. Vandermade said it was a brief presentation and did include Topaz Lake, the South side of Carson Valley, or the crossroads to Kingsbury and Highway 88. He said that the consistency has been a theme with Nevada Department of Transportation (NDOT) and as they go and refine the signs they would add more symbols and less language.

Commissioner McDermid referenced page 1185 and asked why Clear Creek is not one of the signs.

Chairman Thaler stated that this is not a final version and it is just a project overview.

Mr. Vandermade said they will make sure the trails are listed.

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Vice Chairman Penzel asked what the letter of support was for.

Mr. Vandermade said the letter was given to him by the Towns and it's more just to show support.

Vice Chairman Penzel asked if they are asking if the Board will budget money for it? He said if they are going to budget for it, they need some data that the County Manager who can present in the direction of funding. He added that the Towns get budgeted by the County anyway. Vice Chairman Penzel said this is good and there should be signs but this doesn't move the County forward. He mentioned that the AAA magazine "Via" has a front page with an electric car that is driverless and it drives in a three-mile area for Las Vegas, while also giving you audio notes of interesting places. He believes maybe Douglas County can do that which is a more tech-savvy option.

Mr. Vandermade said it doesn't have to be an "and" versus an "or" and there already is a lot of communicating in the tech world. He added that in regards to the signage, people are still driving through the Carson Valley and not stopping so he loves the idea of a tech option but he thinks they could do both.

Chairman Thaler stated that he's a Board member for the Carson Valley Visitors Authority and he's seen this item for a while and this is what the Board tasked the executive director to look for. Chairman Thaler said they will come back for money but they can decide that later. He agreed that they should reach out to the Lake Tahoe Visitors Authority.

Vice Chairman Penzel said they should talk to John Herb about potential ideas.

Mr. Vandermade said Mr. Herb has been contacted and they hope he will be more involved.

Public comment – *None*

MOTION to approve a letter of support for the Carson Valley Visitors Authority Wayfinding project; Carried.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Larry Walsh, Board Member
SECONDER:	Nancy McDermid, Board Member
AYES:	Thaler, Penzel, McDermid, Walsh
ABSENT:	Nelson

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17. For presentation only. Reports/updates from County Commission members concerning the various boards and/or commissions that they may be a member of or a liaison to or meetings/functions they have attended.

Chairman Thaler stated that National Association of Counties (NACO) is holding training tomorrow about statewide funding for two hours and anyone can attend.

No other presentations.

RESULT: FOR PRESENTATION ONLY.
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CLOSING PUBLIC COMMENT - *None*

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 7:40 PM

Respectfully submitted:

Steven J. Thaler, Chairman
Douglas County Board of Commissioners

ATTEST:

Kathy Lewis, Clerk-Treasurer