

**CITY COUNCIL MINUTES  
REGULAR MEETING  
AUGUST 6, 2019**

The Winnemucca City Council met in regular session on Tuesday August 6, 2019 at 2:00 p.m. in the City Hall meeting room. Present: Mayor Richard Stone; Council members Mike Owens, Theresa Mavity, Vince Mendiola, Jim Billingsley and Paige Brooks; and, City Manager/Engineer Alicia Heiser, City Attorney Kent Maher and City Clerk Lorrie Haaglund.

**CALL TO ORDER:**

Mayor Stone called the meeting to order at 2:00 p.m.

**PUBLIC COMMENT-PERSONAL COMMUNICATION-CORRESPONDENCE:**

Bill Sovinsky representing Samuel L. Clemens 1856 Outpost of E Clampus Vitis will be placing a plaque recognizing Waterhole Ike, the Golconda Capitalist Pig, at Pioneer Park on September 28, 2019. There will be a BBQ and the public is invited.

Rendal Miller reported he entered into a joint venture with Stan Johnson to open a marijuana recreation dispensary, and recreation and medical marijuana cultivation facility in Winnemucca. The plan is to complete purchase of the Franklin Lumber building (near Walmart), procure a recreation marijuana dispensary license and be open sometime in December 2019. Miller anticipates twenty-five dispensary jobs initially. The cultivation facility should be operational by the spring of 2020 and provide an additional 20 jobs. The site was chosen to have everything (cultivation and dispensary) in one location, it is easy to monitor, it is near the Department of Public Safety Highway Patrol office, it has high visibility and it is away from homes, schools, parks and community centers.

**MINUTES:**

The July 16, 2019 regular City Council meeting minutes were reviewed and Council member Mendiola moved for approval as submitted. Motion carried unanimously.

**WARRANTS-EXPENSES:**

The payments for warrants and expense reports were reviewed; Council member Mavity moved for approval as submitted. Motion carried unanimously with Council member Billingsley abstaining from voting on Jim Dandy Productions warrants as he is the owner of the business.

**PROCLAMATIONS-AWARDS-PRESENTATIONS:**

Mayor Stone presented: Water Department Lead Man Ken Howard with a 20-year service award; Winnemucca Police Department Sergeant Chad Farstveet with a 10-year service award; and, Winnemucca Police Department Sergeant Daniel Klassen with a 5-year service award.

Mayor Stone introduced the new City building inspector Sam Duggan.

**BUSINESS ITEMS:**

**BUSINESS IMPACT DETERMINATION**

After review and consideration of the effect each item could potentially have on a "business," as the term is defined by statute, the Council agreed and Council member Owens moved to make a finding that no item on the agenda appears to impose a direct and significant economic

burden on a business or appears to directly restrict the formation, operation or expansion of a business. Motion carried unanimously.

**PARKING LOT CLOSURE REQUEST / DUTCH OVEN COOK-OFF EVENT / NEVADA OUTDOOR SCHOOL-ERQUIAGA**

Melanie Erquiaga, Executive Director of Nevada Outdoor School, requested the closure and use of the parking lot between Bode Howard Memorial Pool and the baseball field for the 11th annual Buckaroo Dutch Oven Cook-off September 14, 2019 beginning Friday September 13 at 4:00 p.m. until Saturday September 14 at 4:00 p.m. They are hoping to have 20 teams participate. Council member Mavity moved to approve the closure and use of the parking lot between the Bode Howard Memorial Pool and the baseball fields at Vesco Park on September 14, 2019 for the Nevada Outdoor School 11th Annual Buckaroo Dutch Oven Cook-off as requested. Motion carried unanimously.

**GOLF COURSE USE-FEE WAIVER REQUEST / DUCKS UNLIMITED GOLF TOURNAMENT / DUCK UNLIMITED-BOSCH**

Vince Mendiola on behalf of Lee Bosch for Ducks Unlimited (DU) requested the use of the golf course and a tournament fee waiver for the 1st Annual Ducks Unlimited Golf Tournament on August 24, 2019. It will be a half day tournament with 15 teams expected to participate from Elko, Pershing, Lander and Humboldt Counties. Mendiola said the money will be used for DU projects in Humboldt County and the State of Nevada. DU does not sponsor scholarships but they do provide education opportunities for Nevada youth. Council member Billingsley moved to approve the request to use the golf course for a half day tournament and to waive the tournament fee for the 1st Annual Ducks Unlimited Golf Tournament on August 24, 2019. Motion carried unanimously.

**NEVADA DEPARTMENT OF TRANSPORTATION (NDOT) GRANT OFFER / NEVADA AVIATION FUND PROGRAM / 2016 FAA AIRPORT IMPROVEMENT PROGRAM TAXIWAY AND WIND CONE PROJECT**

City Manager Heiser explained that NDOT offered to reimburse the City \$7,128.38 for the 2016 taxiway and wind cone project from Nevada Aviation Fund program funds awarded for FAA Airport Improvement Program projects. There is no local match required. Council member Owens moved to accept the Nevada Department of Transportation \$7,128.38 grant offer from the Nevada Aviation Fund program to reimburse the City for the FAA Airport Improvement Program 2016 taxiway and wind cone project and authorize the Mayor to sign the grant offer acceptance as presented by staff. Motion carried unanimously.

**NEVADA DEPARTMENT OF TRANSPORTATION (NDOT) GRANT OFFER / NEVADA AVIATION FUND PROGRAM / 2017 FAA AIRPRT IMPROVEMENT PROGRAM TAXIWAY PAVEMENT REHABILITATION PROJECT**

City Manager Heiser explained NDOT offered to reimburse the City \$12,995.32 for the 2017 Taxiway A and Taxiway B pavement rehabilitation project from Nevada Aviation Fund program funds awarded for FAA Airport Improvement Program projects. There is no local match required. Council member Owens moved to accept the Nevada Department of Transportation \$12,995.32 grant offer from the Nevada Aviation Fund program to reimburse the City for the FAA Airport Improvement Program 2017 Taxiway A and Taxiway B pavement rehabilitation

project and authorize the Mayor to sign the grant offer acceptance as presented by staff. Motion carried unanimously.

### **MARIJUANA COMPACT AGREEMENT / WINNEMUCCA INDIAN COLONY**

Mayor Stone explained that Tribal Cannabis Consulting is proposing that the City enter into an agreement with the Winnemucca Indian Colony to pay the City a percentage of Colony retail marijuana sales receipts in exchange for the City not licensing another marijuana dispensary in the City. Judy Rojo, Winnemucca Indian Colony representative, commented she is working with Dice LLC; they are trying to utilize the Colony land the best they can. Rojo noted they have broken ground for the Glenn Wasson Memorial Tribal Museum at the corner of Hanson and Highland. A dispensary will help move the tribe forward economically and it will bring a lot of help to the tribe and the Colony residents. Mayor Stone asked for clarification regarding Rojo's election as tribal chairman. Rojo said she was elected in 2016 to a two-year term; elections are held every even-numbered year. Stone asked if a new council had been elected in 2018 and Rojo replied yes, there are five council members. Rojo, who resides in California, commented that tribal members reside elsewhere because they do not have the ability, based on circumstances that exist at the Colony, to live at the Colony, but they have been trying for 20 years to come back to their land. Stone explained that the City will need some documentation to confirm Rojo is the current Tribal Chairman with authority to act for the Colony before the City could enter into any type of agreement. Rojo agreed to provide documentation. Joseph Dice, lobbyist for the Colony, commented that the City has been provided a draft of the compact agreement in hopes that the Council might direct the City Attorney to confer with the Colony attorney, Robert Cisneros, to work out details of an agreement. Dice suggested having only one dispensary in town stabilizes prices and it isn't unheard of to regulate things to create a stable market. The Tribal Council has pledged that all the taxation money must stay in Winnemucca. There are housing grant proposals to build homes at the Colony, and the profits and jobs will stay here. The dispensary will be owned by the tribal community. Dice believes it will better the community by fixing up the Colony and paying for a tribal police department and an Indian health services clinic, which are benefits for the City. A temporary building (triple wide manufactured home) is set for delivery August 26, 2019 and the plan is to be open for business two weeks after that; that's when the City could start earning taxation money. Council member Owens said his biggest concern is the location of the facility. Dice said they understand the concern and are willing to come to the table to discuss the location of the outdoor cultivation facility and limiting sales to the dispensary only. The concerns can be addressed through negotiations. Council member Brooks commented it would be good for City legal counsel to visit with the tribal representatives to at least get some information because one way or another a facility is going to happen; Brooks would rather be at the table discussing it than not. Council member Mendiola said everything should be tabled until it is determined who has authority to act for the Colony. Attorney Cisneros said he will provide the necessary documentation. Stone said he is not in favor of signing a compact because it gives an exclusive and he is not sure the City wants to do that. Stone said it is probable there will be a drop in price for the consumer if there's more than one (dispensary). The City will not get any revenue from the Colony. There are other ordinances which will be addressed later in the meeting and if the City moves forward with them, there will not be an exclusive situation for other operators. Stone said he believes in free enterprise. Brooks commented she would like to have the two legal counsels visit because she doesn't want to see a growing facility at that location. Mendiola said he has a problem with granting exclusive rights. Council member Billingsley said he agrees with the Mayor and Council member Mendiola; he has a problem with a monopoly in the City and excluding anyone from an enterprise they want to undertake. Stone noted the compact agreement could be terminated by either party with a sixty-day notice, but a state licensed facility cannot terminate the City out (of

the tax revenue). Council member Mavity commented that the City study committee learned the two most important concerns for the City are the ability to regulate and the security with local police; she thinks those are still the most significant matters. Mavity said she is not in favor of a compact that is exclusive. Dice commented the tribe is doing the right thing by coming to the table and offering to talk about concerns and seeing if things can be negotiated. Dice explained that the idea behind tribal marijuana is different than state regulated marijuana because tribal marijuana is community owned with profits distributed among the entire community instead of only to one owner. A compact not only benefits the Colony, it will benefit Humboldt County and the City. The draft agreement is a “boiler plate” document which allows the two attorneys to get together to see if they can develop a City-Tribe agreement which will benefit everyone in the community. Billingsley asked how much of the profits go to the tribe. Dice said 51% go to the Tribe and 49% will go to Dice, LLC. Council member Brooks moved to table this item until verification of authority is determined and to direct the City Attorney and Tribal Attorney to review and discuss the compact. Motion failed with Council members Brooks and Owens voting aye and Council members Billingsley, Mavity and Mendiola voting nay. Council member Billingsley moved to table this item and direct the City Attorney to confer with the Tribal legal counsel with the understanding there will not be an exclusive agreement for the Colony having the only dispensary in the City. Motion carried unanimously.

#### **ORDINANCE INTRODUCTION / AMEND ZONING CLASSIFICATIONS TO DEFINE CITY LOCATIONS WHICH PROHIBIT AND ALLOW MARIJUANA ESTABLISHMENTS**

Council member Owens moved to introduce and set for public hearing at the next available Council meeting an ordinance to amend the City zoning classifications to define locations in the City which prohibit and allow marijuana establishments. Motion carried unanimously.

#### **ORDINANCE INTRODUCTION / LICENSING, FEES AND REGULATORY REQUIREMENTS FOR MARIJUANA ESTABLISHMENTS IN THE CITY**

Council member Mavity moved to introduce and set for public hearing at the next available Council meeting an ordinance to add licensing, fees and other regulatory requirements for marijuana establishments in the City. Motion carried unanimously.

#### **BODE HOWARD MEMORIAL POOL**

City Manager Heiser said there are no updates to report. The POOL/PACT inspection report was received and will be incorporated into the City report. Overall, the inspection report was good; the facility is clean, safe, and has all the proper equipment, markings, etc. There are some small items the City will address. There are no firm proposals for a feasibility study, but there should be a couple of proposals by the next meeting.

#### **STAFF-COUNCIL REPORTS**

City Manager Heiser reported: (i) the BLM will schedule the Interdisciplinary Design Team meeting this week for the Railroad Spring pipeline; (ii) the Well #8 project has been awarded to Hydro Resources West, approval was received from Nevada Division of Water Resources (NDWR) to drill the well and perform the pump testing, all permit applications are submitted to NDEP and once the NDEP permits are approved a notice to proceed will be issued; (iii) there are no updates on the Airport property acquisition project, there will be one final attempt to acquire the property before the FAA deadline for grant close-out at the end of September; (iv) Schedule 1 of the Airport heavy aircraft apron expansion and reconstruction project awarded to

Q & D Construction will begin in August and be complete the end of September; (v) the river water level has dropped and Hunewill should be able to finish the Second Street storm drain project; (vi) the City will be joining with the County project to complete the planned Kluncy Canyon RTC chip seal project; (vii) she is working on the bid documents for the Potato Road/Fountain Way/ Railroad Street mill and overlay project and plans to be out to bid this month and complete construction by the end of October; and, (viii) the RTC curb and gutter project will be completed in phases with the first phase to begin sometime in the fall.

Council member Billingsley reported the WCVA board is discussing different options for the Convention Center rebuild; so far, the figures to construct or refurbish are cost prohibitive.

Council member Brooks reported on the Landfill Committee meeting and reminded that National Night Out will be held this evening.

Mayor Stone reported on a breakfast meeting with the new NV Gold Mines venture and the Nevada Mining Association dinner. Stone commented that Reno-Sparks Chamber of Commerce members took part in a Marigold Mine tour. The Department of Taxation has requested a meeting with the City Manager and Mayor regarding the tribal marijuana issue.

**PUBLIC COMMENT:**

Tracy Oppenlander voiced her opinion regarding the proposed marijuana compact agreement with the Winnemucca Indian Colony, noting she believes there is not a lot of unity in the group and they did not seem to her to be transparent or above board.

The meeting was adjourned at 3:40 p.m.

Respectfully submitted,

Lorrie Haaglund  
City Clerk

**PASSED AND ADOPTED:** August 20, 2019

**VOTE OF COUNCIL:**

**AYES:** Owens, Mavity, Mendiola, Billingsley, Brooks  
**NAYS:** \_\_\_\_\_  
**ABSTAIN:** \_\_\_\_\_  
**ABSENT:** \_\_\_\_\_

**APPROVED:**

**ATTEST:**

\_\_\_\_\_  
Richard Stone  
Mayor

\_\_\_\_\_  
Lorrie Haaglund  
City Clerk