



N E V A D A

AGENDA
Regular Meeting
City Council

Wednesday, December 21, 2022 • 5:00 PM

Mayor
Neal E. McIntyre

City Council
Ward 1 - Ryan Hanan
Ward 2 - Felicity Zoberski
Ward 3 - Stan Lau
Ward 4 - Albert Torres
Ward 5 - Fran McKay

City Manager
Patrick Marsh

Fernley City Council Chambers, 595 Silver Lace Boulevard, Fernley, NV 89408

Zoom information:

Please click the following link to join the webinar: <https://us02web.zoom.us/j/82966343247>, or one tap/mobile: 12532158782, Dial: 669 900 9128, Webinar ID: 829 6634 3247

Public Notice: This agenda has been physically posted in compliance with 241.020 at Fernley City Hall, 595 Silver Lace Blvd. In addition, this agenda has been electronically posted in compliance with NRS 241.020(3) at www.cityoffernley.org and NRS 232.2175 at <https://notice.nv.gov/>. To obtain further documentation regarding posting, please contact the City Clerk's Office at (775) 784-9830 or cityclerk@cityoffernley.org

Public Comment: Those wishing to address the City Council may submit public comment through the online public comment form found at <https://www.cityoffernley.org/forms>, or by sending an email to cityclerk@cityoffernley.org. Comments received prior to 4:00 pm the day of the meeting will be provided to City Council and added to the record but will not be read during the live meeting. Public comments received after 4 pm the day of the meeting will be included in the record but may not reach council members before action is taken. Public comment, whether on action items or public comment, is limited to three (3) minutes per person. Unused time may not be reserved by the speaker, nor allocated to another speaker. The public may comment on any matter that is not specifically included on an agenda as an action item or comment on a specific agenda item. Items not included on the agenda cannot be acted upon other than to place them on a future agenda. Additionally, if you wish you can comment in person at the meeting or use the Raise your Hand feature in Zoom (*9 if you are participating via phone).

Accommodations: City Council and staff will make reasonable efforts to assist and accommodate individuals with disabilities desiring to attend the meeting. Please contact the City Clerk's Office at (775) 784-9830 in advance so that arrangements can be made.

Supporting Material: Staff reports and supporting material for the meeting are available at the City Clerk's Office, and on the City's website at www.cityoffernley.org. Pursuant to NRS 241.020(6), supporting material is made available to the general public at the same time it is provided to the City Council.

Order of Business: The presiding officer shall determine the order of the agenda. The Fernley City Council may combine two or more agenda items for consideration; remove an item from the agenda; or delay discussion relating to an item on the agenda at any time. All items are action items unless otherwise noted. Items scheduled to be heard at a specific time will be heard no earlier than the stated time but may be heard later.

1. INTRODUCTORY ITEMS

1.1. Roll Call

1.2. Public Forum

1.3. (For Possible Action) Approval of Agenda

2. CONSENT AGENDA

(PLEASE NOTE: ALL MATTERS LISTED UNDER THE CONSENT AGENDA ARE CONSIDERED ROUTINE, AND MAY BE ACTED UPON BY THE COUNCIL MEMBERS IN ONE MOTION, AND WITHOUT AN EXTENSIVE HEARING. ANY MEMBER OF THE COUNCIL MAY REQUEST THAT AN ITEM BE TAKEN FROM THE CONSENT AGENDA, DISCUSSED, AND ACTED UPON SEPARATELY DURING THIS MEETING.)

2.1. (Possible Action) Approval of the Voucher Report

2.2. (Possible Action) Approval of Minutes

2.3. (Possible Action) Business Licenses

2.4. Possible Action to Approve Amendment No. 1 to the existing Lumos and Associates, Inc. (Lumos) Contract for Engineering Services, for the US 50A/95A Sewer Improvement and Sage Force Main Valve Installation Project, in an amount not to exceed \$35,010.

2.5. Possible Action to authorize the execution of water right banking agreement with Lisa Bergman and Joseph M. Bergman, APN 021-303-25 TCID serial number 1058-1-B-2 in the amount of 22.50 acre-feet.

2.6. Possible Action to authorize the execution of water right banking and dedication agreement with Angela F. Lewis, APN 020-383-03 TCID serial number 1065-1 in the amount of 2.025 acre feet.

2.7. Possible Action to Approve a will-serve commitment for The Meadows at Inglewood Building H Unit 100 (Hair Salon) of .39 ERC's for Water and 1.38 ERC's for Sewer for Lyon County Parcel 020-341-11 located at 1044 Inglewood Drive Build H Unit 100, Fernley, NV.

2.8. Possible Action to Adopt Resolution 22-021, appointing Albert Torres as Mayor Pro Tem for a one-year term expiring December 2023.

2.9. Possible Action to accept a donation of 1,200 cubic yards of asphalt grinding material from Mr. Russ Ferretto to be used to improve road and walking surfaces at the City of Fernley's Out of Town Park.

2.10. Possible Action to reappoint Mr. Cody Wagner to the Fernley Planning Commission

3. REPORTS THIS ITEM IS FOR VARIOUS PUBLIC ENTITY REPRESENTATIVES TO PROVIDE GENERAL INFORMATION TO THE COUNCIL AND PUBLIC. NO ACTION WILL BE TAKEN.

3.1. Reports by City Staff, City Council and the Mayor, including but not limited to monthly statistical reports by city departments.

4. PROCLAMATIONS BY THE MAYOR

5. PRESENTATIONS

5.1. Presentation, discussion and possible action to approve the Annual Comprehensive Financial Report for the year ended June 30, 2022. Presentation by Hinton Burdick, CPAs and Advisors.

6. PUBLIC HEARINGS

6.1. (For Possible Action) Public Hearing - T1V22002 Consideration of a type 1 vacation request (T1V22002) by 290 Logan, LLC to abandon the

public street right of way known as “Shinook Court”, located at approximately 290 Logan Lane (APNs: 021-071-37, 021-071-38, 021-071-39, and 021-071-40) to facilitate development of a project with the working title of Logan Lane Commercial.

6.2. (For Possible Action) Public Hearing - DA22002

Consideration and possible action on Bill #323, as an ordinance associated with DA22002, to authorize the City of Fernley to enter into a development agreement with Fernley Sherwood QOZB, LLC regarding the details of 316 multi-family residential units on a site ±26.25-acres in size, known by the project name Sherwood Villages, and generally located north of Fremont Street, south of US Interstate 80, west of Wildwood Drive, and east of Vine Street, Fernley, NV (APNs: 021-092-05, 021-092-23, 021-092-26, 021-092-27, 021-092-46, 021-092-47, 021-092-54, and 021-092-55).

6.3. (For Possible Action) Public Hearing - MPA22003, ZMA22008, and DA22003

Consideration and possible action on a master plan amendment, zoning map amendment, and development agreement for a site ±83.9-acres in size and generally located north of Farm District Road at the intersection of Clearwater Parkway (APN: 020-341-18) by request of Clements Ranching, LLC to facilitate the development of a project known as Clements Ranch.

1. A master plan amendment request (MPA22003) to certify Resolution #22-018 as a resolution to amend the City of Fernley Comprehensive Master Plan land use on a ±15.5-acre portion of the project site from Single Family Residential (SFR) to Mixed Residential (MR).
2. A zoning map amendment request (ZMA22008) to adopt Bill #318 as an ordinance to amend the zoning on a ±68.4-acre portion of the project site from RR1 (Residential - Rural, 1-acre minimum) to SF6 (Residential - Single Family, 6,000 square feet minimum) and to amend the zoning on a ±15.5-acre portion of the project site from RR1 to MDR14 (Medium Density Residential, 14 dwelling units per acre maximum).
3. A development agreement request (DA22003) to adopt Bill #320 as an ordinance authorizing the City of Fernley to enter into a development agreement with Clements Ranching, LLC to guarantee specific development standards for this project.

7. STAFF REPORTS

- 7.1. (Possible Action) to approve a contract with Headway Transportation, LLC for professional transportation engineering services for the Community Response & Resource Center project in the amount not-to-exceed \$22,000.
- 7.2. (Possible Action) Acceptance of City Council budget priorities for FY 2023-2024.
- 7.3. (Possible Action) To consider cancelling the January 4th City Council Meeting.
- 7.4. For Possible Action: Possible action to authorize the Special City Attorney for Water Matters (Taggart & Taggart, Ltd.) to file a writ petition with the Nevada Supreme Court seeking reversal of a December 14, 2022 order issued by the Tenth Judicial District Court of Nevada in Case No. 22-10DC-0860, which denied Fernley’s request to intervene in said case, and to take all actions properly related thereto.

8. RESOLUTIONS

- 8.1. Discussion and possible action to approve resolution 22-020 to accept the public improvements including roadway, water, and storm drain infrastructure for the Nelson Meadows Phase 2 project.

9. ITEMS REQUESTED BY MAYOR OR CITY COUNCIL MEMBERS:

- 9.1. (Possible action) A request for a future agenda item to adopt a moratorium on water connection fees, sewer connection fees, and water usage fees for years 2023 and 2024, as well as reviewing the Comprehensive Study. (Councilman Hanan)**
- 9.2. (Possible action) A request for a future agenda item to designate streets that off-highway vehicles are permitted to access. (Councilman Hanan)**
- 9.3. (Possible action) A request for a future agenda item to create a Noise Ordinance for the City of Fernley (Councilman Hanan)**

10. ADDRESS REQUEST(S) FOR FUTURE AGENDA ITEMS

11. PUBLIC FORUM

12. ADJOURNMENT

Next Meeting: January 4, 2022 @ 5 PM

Report Criteria:

Detail report.

Invoice detail records above \$0 included.

Paid and unpaid invoices included.

Vendor.Vendor Number = {<>} 2201

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Invoice Amount	Date Paid	GL Account and Title	GL Period
4LEAF CONSULTING LLC								
8922	4LEAF CONSULTING LLC	J0164-01	Consulting Planning- SEP 22	10/13/2022	9,856.00	12/08/2022	100-610-322 Prof Serv-Other	1022
Total 8922:					9,856.00			
AECOM TECHNICAL SERVICES, INC.								
8633	AECOM TECHNICAL SERVICES, INC.	2000695536	Surface water conveyance project engineering and constructi	12/01/2022	12,585.54		510-166100 Construction In Progress	1222
Total 8633:					12,585.54			
AFLAC								
5690	AFLAC	707919	SUPPLEMENTAL INSURANCE NOV 22	12/15/2022	318.92	12/15/2022	100-217400 AFLAC Insurance Payable	1222
Total 5690:					318.92			
AIR MED CARE NETWORK								
8863	AIR MED CARE NETWORK	17253-11182022	Air med Membership	11/18/2022	27.00	12/08/2022	100-416-240 Group Insurance	1122
8863	AIR MED CARE NETWORK	17253-12052022	Hanan-4784505	12/05/2022	26.00	12/08/2022	100-412-240 Group Insurance	1222
8863	AIR MED CARE NETWORK	17253-12052022	McIntyre-4784504	12/05/2022	26.00	12/08/2022	100-412-240 Group Insurance	1222
Total 8863:					79.00			
AIT ADVANCED INTERPRETING & TRANSLATION								
8498	AIT ADVANCED INTERPRETING & TRANSLATION	202212-FMC	Spanish Interpreter - Gerardo De Leon Cevantes / Hermosillo	12/14/2022	160.00		100-425-330 PROF SERV-INTERPRETER	1222
Total 8498:					160.00			
ARAMARK								
1895	ARAMARK	5980048283	Shop - WD Pants Service	11/28/2022	46.46	12/08/2022	510-810-614 Supplies-Plant/Shop/Maint	1122
1895	ARAMARK	5980048306	Shirt contract	11/28/2022	43.80	12/08/2022	100-480-600 GENERAL SUPPLIES/TOOLS	1122
1895	ARAMARK	5980049885	shop mat service	12/01/2022	82.10	12/08/2022	520-810-614 Supplies-Plant/Shop/Maint	1222
1895	ARAMARK	5980049899	rags and rugs	12/01/2022	105.16	12/08/2022	510-840-420 Contract Services	1222
1895	ARAMARK	5980049909	mats cottonwood shop	12/01/2022	159.58	12/08/2022	100-575-614 Supplies-Plant/Shop/Maint	1222
1895	ARAMARK	5980050321	Shop - WD Pants Service	12/05/2022	46.46	12/08/2022	510-810-614 Supplies-Plant/Shop/Maint	1222
1895	ARAMARK	5980050342	uniforms	12/05/2022	48.30	12/08/2022	100-475-616 Supplies-Safety	1222
1895	ARAMARK	5980052474	pants service	12/12/2022	46.46		510-810-614 Supplies-Plant/Shop/Maint	1222
1895	ARAMARK	5980052490	uniforms	12/12/2022	48.30		100-475-616 Supplies-Safety	1222

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Invoice Amount	Date Paid	GL Account and Title		GL Period
Total 1895:					626.62				
AT&T									
13	AT&T	98670 DEC 22	775-786-2229 867 0	11/20/2022	2,328.46	12/08/2022	100-417-530	Communications (Internet,Cell)	1122
Total 13:					2,328.46				
ATKINS NORTH AMERICA, INC									
8853	ATKINS NORTH AMERICA, INC	1983886	COTTONWOOD LAND RIGHT OF WAY CONSULTING	11/23/2022	1,427.53		100-475-745	RTC REIMBURSABLE EXPENDI	1122
Total 8853:					1,427.53				
AUTO & TRUCK ELECTRIC, INC									
8868	AUTO & TRUCK ELECTRIC, INC	42847	Spare switch	12/01/2022	48.00		100-475-430	Service-Repair and Maintenance	1222
Total 8868:					48.00				
BATTERIES PLUS									
16	BATTERIES PLUS	P56391961	Fire system battery. BLD 3	10/27/2022	183.60	12/08/2022	510-840-430	Service-Repair and Maintenance	1022
Total 16:					183.60				
BIG R OF FERNLEY									
20	BIG R OF FERNLEY	15796/5	first aid	12/01/2022	18.99	12/08/2022	100-528-616	Safety Supplies	1222
20	BIG R OF FERNLEY	15798/5	misc supplies	12/01/2022	136.91	12/08/2022	100-475-600	General Supplies	1222
20	BIG R OF FERNLEY	15805/5	wall board tie wire	12/02/2022	9.68	12/08/2022	100-417-612	Building Maintenance Supplies	1222
20	BIG R OF FERNLEY	15806/5	Locate Whisker Nails	12/02/2022	25.96	12/08/2022	510-810-614	Supplies-Plant/Shop/Maint	1222
20	BIG R OF FERNLEY	15814/5	gloves	12/06/2022	23.80	12/08/2022	100-575-616	Safety Supplies	1222
20	BIG R OF FERNLEY	15818/5	chain and file	12/06/2022	73.97	12/08/2022	100-575-600	General Supplies	1222
20	BIG R OF FERNLEY	15828/5	Safety Wire	12/07/2022	8.54		510-810-614	Supplies-Plant/Shop/Maint	1222
20	BIG R OF FERNLEY	15841/5	misc. tolls	12/09/2022	129.73		100-575-600	General Supplies	1222
20	BIG R OF FERNLEY	15844/5	ext cord and cleaners.	12/09/2022	190.43		100-475-600	General Supplies	1222
20	BIG R OF FERNLEY	15865/5	wire hook	12/13/2022	25.58		100-528-600	General Supplies	1222
20	BIG R OF FERNLEY	15872/5	gfl recepticals	12/14/2022	75.96		100-417-428	Contract Services-ELECTRICAL	1222
Total 20:					719.55				
BOB'S PRINTING AND SIGNAGE									
6970	BOB'S PRINTING AND SIGNAGE	110322-1	General Supplies	11/22/2022	381.01	12/08/2022	100-413-600	General Supplies	1122
6970	BOB'S PRINTING AND SIGNAGE	111022-1	Printing	11/22/2022	87.40	12/08/2022	100-412-550	Printing and Postage	1122
6970	BOB'S PRINTING AND SIGNAGE	111522-4	Printing	12/01/2022	81.74	12/08/2022	100-412-550	Printing and Postage	1222
6970	BOB'S PRINTING AND SIGNAGE	111822-1	Name Plates	11/22/2022	140.12	12/08/2022	100-412-600	General Supplies	1122
6970	BOB'S PRINTING AND SIGNAGE	111822-1	Name Plates	11/22/2022	48.44	12/08/2022	100-416-600	General Supplies	1122

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Invoice Amount	Date Paid	GL Account and Title	GL Period
6970	BOB'S PRINTING AND SIGNAGE	112922-1	IN HOUSE ENVELOPES	12/08/2022	248.38		510-810-550 Printing and Postage	1222
6970	BOB'S PRINTING AND SIGNAGE	112922-1	IN HOUSE ENVELOPES	12/08/2022	248.37		520-810-550 Printing and Postage	1222
6970	BOB'S PRINTING AND SIGNAGE	93022-2	Name Plates	10/20/2022	56.88	12/08/2022	100-412-600 General Supplies	1022
6970	BOB'S PRINTING AND SIGNAGE	93022-2	Names Plates	10/20/2022	20.00	12/08/2022	100-416-600 General Supplies	1022
Total 6970:					1,312.34			
BRADY INDUSTRIES OF NEVADA LLC								
8837	BRADY INDUSTRIES OF NEVADA LLC	7711316	ice melt	12/02/2022	645.04	12/08/2022	100-417-600 General Supplies	1222
8837	BRADY INDUSTRIES OF NEVADA LLC	7724619	paper towels misc.	12/09/2022	253.74		100-417-612 Building Maintenance Supplies	1222
Total 8837:					898.78			
CAPITAL FORD INC								
706	CAPITAL FORD INC	50841	FMC Marshal Vehicle	12/06/2022	42,240.00		100-425-740 Vehicles	1222
Total 706:					42,240.00			
CAPITAL GLASS, INC.								
8559	CAPITAL GLASS, INC.	SD15625	auto doors	12/06/2022	305.00	12/08/2022	100-417-420 Contract Services	1222
Total 8559:					305.00			
CC CLEANING SERVICE, LLC								
8913	CC CLEANING SERVICE, LLC	#005FCH	contract service	12/01/2022	940.00	12/08/2022	100-417-420 Contract Services	1222
Total 8913:					940.00			
CHASE PAYMENTECH MERCHANT SERVICES								
8637	CHASE PAYMENTECH MERCHANT SERVICES	NOV 2022	Sewer-CC Processing Fees 6181757	11/30/2022	3,173.28	11/30/2022	520-810-609 Credit Card Fees	1122
8637	CHASE PAYMENTECH MERCHANT SERVICES	NOV 2022	Finance-Cc Processing Fees 6291057	11/30/2022	914.02	11/30/2022	100-415-609 Credit Card Fees - Govt Svcs	1122
8637	CHASE PAYMENTECH MERCHANT SERVICES	NOV 2022	Water-CC Processing Fees 6181757	11/30/2022	3,173.29	11/30/2022	510-810-609 Credit Card Fees	1122
8637	CHASE PAYMENTECH MERCHANT SERVICES	NOV 2022	finance-cc processing fees 6291058	11/30/2022	69.58	11/30/2022	100-415-609 Credit Card Fees - Govt Svcs	1122
Total 8637:					7,330.17			
CITY OF FERNLEY								
32	CITY OF FERNLEY	#30.7838.13	WATER CONVEYANCE; PN# 2019-002-1	12/13/2022	92.35	12/15/2022	510-166100 Construction In Progress	1222
Total 32:					92.35			
CITY OF FERNLEY - PETTY CASH								
31	CITY OF FERNLEY - PETTY CASH	DEC 22	Water-plant/shop supplies	12/07/2022	28.38	12/15/2022	510-840-614 Plant/Shop/Maint. Supplies	1222
31	CITY OF FERNLEY - PETTY CASH	DEC 22	mayor-employee recognition	12/07/2022	131.08	12/15/2022	100-412-586 Employee Recognition	1222

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Invoice Amount	Date Paid	GL Account and Title	GL Period
31	CITY OF FERNLEY - PETTY CASH	DEC 22	mayor-community support	12/07/2022	35.45	12/15/2022	100-412-650 Community Support	1222
31	CITY OF FERNLEY - PETTY CASH	DEC 22	facilities-general supplies	12/07/2022	20.00	12/15/2022	100-417-600 General Supplies	1222
31	CITY OF FERNLEY - PETTY CASH	DEC 22	city manager-general supplies	12/07/2022	18.11	12/15/2022	100-413-600 General Supplies	1222
31	CITY OF FERNLEY - PETTY CASH	DEC 22	city manager-printing & postage	12/07/2022	10.15	12/15/2022	100-413-550 Printing and Postage	1222
Total 31:					243.17			
CIVIC PLUS								
3028	CIVIC PLUS	245712	CivicClerk	10/31/2022	3,055.85	12/08/2022	100-416-420 Contract Services	1022
Total 3028:					3,055.85			
CLEVEN, JOHN A.								
3709	CLEVEN, JOHN A.	12/14-15/22	PER DIEM FOR IT TRNG IN LAS VEGAS 12/14-12/15/22	12/07/2022	172.50	12/08/2022	100-418-580 Training	1222
Total 3709:					172.50			
CMC TIRE, INC								
8903	CMC TIRE, INC	50056843	Tires not in stock-reverse inv#50060316	11/29/2022	1,668.33	12/08/2022	520-810-610 Supplies-Automotive	1122
8903	CMC TIRE, INC	50060039	new tires for 2003 waste water truck	11/29/2022	1,209.60	12/08/2022	520-810-610 Supplies-Automotive	1122
8903	CMC TIRE, INC	50060316	credit memo for tires we did not receive.	12/01/2022	1,668.33-	12/08/2022	520-810-610 Supplies-Automotive	1222
Total 8903:					1,209.60			
CONSTRUCTION MATERIALS ENGINEERS								
5587	CONSTRUCTION MATERIALS ENGINEERS	13210	Green valley park construction inspection services	12/04/2022	1,300.00		230-575-730 Improve other than Buildings	1222
5587	CONSTRUCTION MATERIALS ENGINEERS	13222	Farm District Road lift station phase 2 inspection services	12/05/2022	14,563.00		520-166100 Construction In Progress	1222
Total 5587:					15,863.00			
CORWIN FORD								
8843	CORWIN FORD	3008	truck for street's department	11/21/2022	46,047.25	12/08/2022	100-475-742 Vehicles	1122
Total 8843:					46,047.25			
EMPLOYEES, CITY OF FERNLEY								
8639	EMPLOYEES, CITY OF FERNLEY	DEC 2022	REIMB OSHA 30 TRAINING	12/09/2022	164.00	12/15/2022	100-475-580 Training	1222
Total 8639:					164.00			
FARR CONSTRUCTION								
668	FARR CONSTRUCTION	pay request 10	Surface water conveyance project construction services	11/30/2022	166,572.86		510-166100 Construction In Progress	1122
668	FARR CONSTRUCTION	pay request 6	Farm District Road lift station phase 2 construction services	11/28/2022	191,854.24		520-166100 Construction In Progress	1122

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Invoice Amount	Date Paid	GL Account and Title	GL Period
Total 668:					358,427.10			
FARR WEST ENGINEERING								
6275	FARR WEST ENGINEERING	18946	Surveyor review	11/04/2022	3,778.75		100-228311 Engineering Reimb. (Maps)	1122
6275	FARR WEST ENGINEERING	18946	Surveyor review	11/04/2022	1,195.00		100-610-320 Prof Serv-Engineering	1122
Total 6275:					4,973.75			
FERNLEY COMMUNITY FOUNDATION								
8668	FERNLEY COMMUNITY FOUNDATION	FY22-23 R1	FY22-23 R1 July-Dec Fernstock	12/06/2022	6,000.00	12/08/2022	225-575-650 Grant Awards	1222
Total 8668:					6,000.00			
FERNLEY JUNIOR RODEO ASSOC								
6065	FERNLEY JUNIOR RODEO ASSOC	FY22-23 R1	FY22-23 R 1 July-Dec Fernley JR Rodeo	12/02/2022	10,000.00	12/08/2022	225-575-650 Grant Awards	1222
Total 6065:					10,000.00			
FLYERS ENERGY, LLC								
18	FLYERS ENERGY, LLC	CFS-3243059	GASOLINE - SEWER	11/30/2022	1,250.70	12/08/2022	520-810-626 Gasoline	1122
18	FLYERS ENERGY, LLC	CFS-3243059	GASOLINE - FACILITIES	11/30/2022	238.27	12/08/2022	100-417-626 Gasoline	1122
18	FLYERS ENERGY, LLC	CFS-3243059	GASOLINE - PARKS	11/30/2022	434.63	12/08/2022	100-575-626 Gasoline	1122
18	FLYERS ENERGY, LLC	CFS-3243059	GASOLINE - STREETS	11/30/2022	400.21	12/08/2022	100-475-626 Gasoline	1122
18	FLYERS ENERGY, LLC	CFS-3243059	GASOLINE - FLEET	11/30/2022	278.89	12/08/2022	100-480-626 GASOLINE	1122
18	FLYERS ENERGY, LLC	CFS-3243059	GASOLINE - WATER DIST	11/30/2022	1,437.91	12/08/2022	510-810-626 Gasoline	1122
18	FLYERS ENERGY, LLC	CFS-3243059	GASOLINE - CDD BUILDING	11/30/2022	259.42	12/08/2022	100-605-626 Gasoline	1122
18	FLYERS ENERGY, LLC	CFS-3243059	GASOLINE - VECTOR	11/30/2022	36.96	12/08/2022	100-528-626 Gasoline	1122
18	FLYERS ENERGY, LLC	CFS-3243059	GASOLINE - ANIMAL CONTROL	11/30/2022	126.57	12/08/2022	100-525-626 Gasoline	1122
18	FLYERS ENERGY, LLC	CFS-3243059	GASOLINE - WTP	11/30/2022	2.90	12/08/2022	510-840-626 Gasoline	1122
Total 18:					4,466.46			
FLYNN GIUDICI GOVERNMENT AFFAIRS LLC								
8869	FLYNN GIUDICI GOVERNMENT AFFAIRS LLC	INV-0108	Lobbyist Contract FY22/23 Nov 22	12/01/2022	5,800.00	12/08/2022	100-413-322 Prof Serv-Other	1222
Total 8869:					5,800.00			
HANNEMAN SERVICE								
70	HANNEMAN SERVICE	111270	Misc. Service Labor	12/05/2022	145.00		100-605-322 Prof Serv-Other	1222
70	HANNEMAN SERVICE	111280	propane	12/13/2022	89.70		100-475-623 Propane	1222
70	HANNEMAN SERVICE	12861	2008 Kia Spectra Silver East End of Farm District, no plates	12/05/2022	55.00		100-605-322 Prof Serv-Other	1222

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Invoice Amount	Date Paid	GL Account and Title		GL Period
Total 70:					289.70				
HIGH SIERRA ELEVATOR INSPECTIONS									
8826	HIGH SIERRA ELEVATOR INSPECTIONS	13985	contract services	11/22/2022	610.00	12/08/2022	100-417-420	Contract Services	1122
Total 8826:					610.00				
HINTON BURDICK, PLLC									
8486	HINTON BURDICK, PLLC	275495	over paid inv#274104	10/31/2022	3,500.00-	12/15/2022	100-415-328	Prof Serv-Auditing	1022
8486	HINTON BURDICK, PLLC	275495	FY22 Court MAS Engagement	10/31/2022	5,600.00	12/15/2022	200-425-322	Prof Serv-Other	1022
8486	HINTON BURDICK, PLLC	275495	FY22 Single Audit Services	10/31/2022	2,000.00	12/15/2022	100-415-328	Prof Serv-Auditing	1022
8486	HINTON BURDICK, PLLC	275495	FY22 Audit Services	10/31/2022	26,250.00	12/15/2022	100-415-328	Prof Serv-Auditing	1022
Total 8486:					30,350.00				
HOMETOWN HEALTH									
4842	HOMETOWN HEALTH	24901-018	3721P GROUP HEALTH INSURANCE	12/01/2022	73,420.97	12/08/2022	100-217000	HEALTH INSURANCE PAYABLE	1222
Total 4842:					73,420.97				
IBEW Local 1245									
83	IBEW Local 1245	DEC 2022-1	UNION DUES, ONE HALF OF MONTH	12/02/2022	760.47	12/02/2022	100-219900	OTHER PAYROLL PAYABLES	1222
Total 83:					760.47				
INTERNAL REVENUE SERVICE									
7879	INTERNAL REVENUE SERVICE	DEC 2022-1	FICA TAX PAYABLE, PAYROLL	12/02/2022	295.76	12/02/2022	100-211000	FICA PAYABLE	1222
7879	INTERNAL REVENUE SERVICE	DEC 2022-1	MED TAX PAYABLE, PAYROLL	12/02/2022	6,328.60	12/02/2022	100-211000	FICA PAYABLE	1222
7879	INTERNAL REVENUE SERVICE	DEC 2022-1	W/HOLD TAX PAYABLE, PAYROLL	12/02/2022	25,130.72	12/02/2022	100-212000	FEDERAL WITHHOLDING PAYAB	1222
Total 7879:					31,755.08				
INTERSTATE OIL COMPANY									
4329	INTERSTATE OIL COMPANY	801833-IN	Oil for fleet	11/29/2022	320.19	12/08/2022	100-480-610	AUTOMOTIVE SUPPLIES	1122
Total 4329:					320.19				
JOHNSON CONTROLS									
8907	JOHNSON CONTROLS	1-124213371354	Chemical Building replacement HVAC controllers.	11/28/2022	2,615.09	12/08/2022	510-840-424	Contract Services-HVAC	1122
Total 8907:					2,615.09				

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Invoice Amount	Date Paid	GL Account and Title	GL Period
JOHNSON CONTROLS FIRE PROTECTION LP								
8667	JOHNSON CONTROLS FIRE PROTECTION LP	23264533	fire protection	12/01/2022	423.00	100-417-420	Contract Services	1222
Total 8667:					423.00			
KALBACHER ASSOCIATES, LLC								
8888	KALBACHER ASSOCIATES, LLC	20221201	Grant Services Contract Nov 22	11/09/2022	2,250.00	12/08/2022	100-413-322 Prof Serv-Other	1122
Total 8888:					2,250.00			
KIMLEY-HORN AND ASSOCIATES, INC.								
8715	KIMLEY-HORN AND ASSOCIATES, INC.	22880402	Access Management Policy engineering services	10/31/2022	975.00	100-475-320	Prof Serv-Engineering	1022
Total 8715:					975.00			
KOCH ELEVATOR CO.								
8751	KOCH ELEVATOR CO.	30321	elevator	12/01/2022	190.00	12/08/2022	100-417-420 Contract Services	1222
Total 8751:					190.00			
KOLVET, BRENT								
8611	KOLVET, BRENT	12052022	JUDGE PRO TEM ALL DAY 12/5/22	12/05/2022	396.00	12/15/2022	100-425-335 PROF SERV-SENIOR JUDGE	1222
Total 8611:					396.00			
LOWES CREDIT SERVICES								
7650	LOWES CREDIT SERVICES	02129	brackets for shelf	12/06/2022	30.16	12/08/2022	100-475-614 Supplies-Plant/Shop/Maint	1222
7650	LOWES CREDIT SERVICES	02564	sand sharpie misc.	12/02/2022	48.57	12/08/2022	100-575-600 General Supplies	1222
7650	LOWES CREDIT SERVICES	02942	Well 9A-METER MOUNTING SUPPLIES	11/17/2022	43.98	12/08/2022	510-810-614 Supplies-Plant/Shop/Maint	1122
7650	LOWES CREDIT SERVICES	1217	gate for end of chuck wagon and misc.	12/14/2022	277.78		100-475-600 General Supplies	1222
7650	LOWES CREDIT SERVICES	1596	misc. bits and gloves	11/29/2022	240.03	12/08/2022	100-475-600 General Supplies	1122
7650	LOWES CREDIT SERVICES	17793	cleaning supplies	12/01/2022	49.33	12/08/2022	100-417-600 General Supplies	1222
7650	LOWES CREDIT SERVICES	1812	Supplies - Batteries & Undercoat Spray	12/02/2022	60.73	12/08/2022	510-810-614 Supplies-Plant/Shop/Maint	1222
7650	LOWES CREDIT SERVICES	2051	asphalt bags	12/13/2022	990.95		100-475-600 General Supplies	1222
7650	LOWES CREDIT SERVICES	2091	misc. and concrete	12/06/2022	542.15	12/08/2022	100-475-600 General Supplies	1222
7650	LOWES CREDIT SERVICES	2271	fencing material for Mallard pond	12/14/2022	541.47		100-475-600 General Supplies	1222
7650	LOWES CREDIT SERVICES	23944	General Supplies	12/08/2022	169.83		520-810-600 General Supplies	1222
Total 7650:					2,994.98			
LUMOS & ASSOCIATES INC								
370	LUMOS & ASSOCIATES INC	115343	Industrial park rehab and reconsntruct engineering services	11/11/2022	2,696.00	100-475-745	RTC REIMBURSABLE EXPENDI	1122
370	LUMOS & ASSOCIATES INC	115552	Cottonwood lane reconstruction engineering services	11/30/2022	9,205.37	100-475-745	RTC REIMBURSABLE EXPENDI	1122

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Invoice Amount	Date Paid	GL Account and Title		GL Period
Total 370:					11,901.37				
LYON COUNTY CLERK/TREASURER									
106	LYON COUNTY CLERK/TREASURER	TLT Nov 22	Transient Lodging Tax	11/30/2022	3,549.90		225-227010	TLT Payable to County	1122
Total 106:					3,549.90				
LYON COUNTY RECORDER									
108	LYON COUNTY RECORDER	#020-653-02	LIEN RELEASE; 871 JENNY'S LN; KALAUOKALANI	12/05/2022	40.00	12/08/2022	510-810-322	Prof Serv-Other	1222
108	LYON COUNTY RECORDER	#020-714-14	LIEN RELEASE; 608 NADER WAY; MONJAR	12/06/2022	40.00	12/08/2022	510-810-322	Prof Serv-Other	1222
Total 108:					80.00				
MARSHALL'S SEPTIC CARE									
8509	MARSHALL'S SEPTIC CARE	I9426	portable units	12/01/2022	113.33	12/08/2022	100-575-420	Contract Services	1222
8509	MARSHALL'S SEPTIC CARE	I9427	portabl restrooms	12/01/2022	113.33	12/08/2022	100-575-420	Contract Services	1222
8509	MARSHALL'S SEPTIC CARE	I9428	portables	12/01/2022	514.65	12/08/2022	100-575-420	Contract Services	1222
8509	MARSHALL'S SEPTIC CARE	I9430	portable	12/01/2022	200.66	12/08/2022	100-575-420	Contract Services	1222
8509	MARSHALL'S SEPTIC CARE	I9431	potable units	12/01/2022	200.66	12/08/2022	100-575-420	Contract Services	1222
8509	MARSHALL'S SEPTIC CARE	I9432	portable	12/01/2022	113.33	12/08/2022	100-575-420	Contract Services	1222
8509	MARSHALL'S SEPTIC CARE	I9438	portable	12/01/2022	113.33	12/08/2022	100-575-420	Contract Services	1222
Total 8509:					1,369.29				
MATCO TOOLS									
8529	MATCO TOOLS	124026	3/8 power wrench	12/02/2022	419.95	12/08/2022	100-480-600	GENERAL SUPPLIES/TOOLS	1222
Total 8529:					419.95				
MCDONALD CARANO									
322	MCDONALD CARANO	1245481I	NNCH lawsuit, land use, etc.	10/31/2022	7,040.00		100-414-310	Prof Serv-Legal	1022
Total 322:					7,040.00				
METLIFE SMALL BUSINESS CENTER									
5387	METLIFE SMALL BUSINESS CENTER	DEC 2022	5952725 GROUP DENTAL INSURANCE	12/01/2022	9,677.39	12/08/2022	100-217100	Dental Insurance Payable MetL	1222
Total 5387:					9,677.39				
MISCELLANEOUS ONE TIME VENDOR									
1111	MISCELLANEOUS ONE TIME VENDOR	37.001137	BUSINESS LICENSE OVER PAYMENT	12/07/2022	150.00	12/08/2022	100-320-100	Business License Fees	1222
1111	MISCELLANEOUS ONE TIME VENDOR	37.001151	BUSINESS LICENSE OVER PAYMENT	12/07/2022	236.11	12/08/2022	100-320-100	Business License Fees	1222

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Invoice Amount	Date Paid	GL Account and Title		GL Period
Total 1111:					386.11				
MOBO LAW, LLP									
8906	MOBO LAW, LLP	132680	Conflict Prosecution	11/30/2022	1,472.20	12/08/2022	100-414-310	Prof Serv-Legal	1122
Total 8906:					1,472.20				
MOTOROLA SOLUTIONS, INC.									
6659	MOTOROLA SOLUTIONS, INC.	8281488992	Marshal Radio Charger	10/14/2022	123.78		100-425-600	General Supplies	1022
Total 6659:					123.78				
NCE									
7617	NCE	675222501	On call development inspection services	12/02/2022	5,065.75		100-529-320	Prof Serv-Engineering	1222
Total 7617:					5,065.75				
NEVADA DEPARTMENT OF TAXATION									
6378	NEVADA DEPARTMENT OF TAXATION	TLT Nov 22	Transient Lodging Tax	11/30/2022	2,129.94		225-227015	TLT Payable to State	1122
Total 6378:					2,129.94				
NEVADA DEPT PUBLIC SAFETY - DPS									
7405	NEVADA DEPT PUBLIC SAFETY - DPS	61794	3025337-Mosher	12/01/2022	40.25	12/08/2022	100-413-322	Prof Serv-Other	1222
7405	NEVADA DEPT PUBLIC SAFETY - DPS	61794	3010246-Warner	12/01/2022	40.25	12/08/2022	100-610-322	Prof Serv-Other	1222
7405	NEVADA DEPT PUBLIC SAFETY - DPS	61794	3025335-Altick	12/01/2022	40.25	12/08/2022	100-413-322	Prof Serv-Other	1222
7405	NEVADA DEPT PUBLIC SAFETY - DPS	61794	3025329-Carr	12/01/2022	40.25	12/08/2022	100-425-322	Prof Serv-Other	1222
Total 7405:					161.00				
NORTHERN NEVADA INTERNATIONAL CENTER									
8844	NORTHERN NEVADA INTERNATIONAL CENTER	6643	ASL Interpreter - Russell Davis 22TR00482	11/29/2022	300.00		100-425-330	PROF SERV-INTERPRETER	1122
Total 8844:					300.00				
OFFICE DEPOT									
133	OFFICE DEPOT	272807390001	Pens and Pencils and notepads	11/14/2022	76.70	12/08/2022	100-414-600	General Supplies	1122
133	OFFICE DEPOT	272816348001	Flash drives	11/11/2022	18.00	12/08/2022	100-414-600	General Supplies	1122
133	OFFICE DEPOT	272816389001	Tabs	11/11/2022	52.45	12/08/2022	100-414-600	General Supplies	1122
133	OFFICE DEPOT	273147679001	This credit of - \$ 28.39 relates to invoice 277320744001 .	11/29/2022	28.39-	12/08/2022	100-413-600	General Supplies	1122
133	OFFICE DEPOT	274892266002	Monthly 2023 Planner	12/02/2022	15.19		100-425-600	General Supplies	1222
133	OFFICE DEPOT	276092463001	Chair mat;speakers;binder;folders;organizers;notes	11/11/2022	180.47		100-605-601	Office Supplies	1122
133	OFFICE DEPOT	276369468001	Admin Desk Supplies	11/17/2022	25.20	12/08/2022	510-810-601	Office Supplies	1122

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Invoice Amount	Date Paid	GL Account and Title	GL Period
133	OFFICE DEPOT	276369468001	Admin Desk Supplies	11/17/2022	25.20	12/08/2022	520-810-601 Office Supplies	1122
133	OFFICE DEPOT	276370681001	Supplies	11/16/2022	47.98	12/08/2022	510-810-601 Office Supplies	1122
133	OFFICE DEPOT	276370681001	Supplies	11/16/2022	47.99	12/08/2022	520-810-601 Office Supplies	1122
133	OFFICE DEPOT	277638520001	Office Supplies	11/14/2022	28.68		100-605-601 Office Supplies	1122
133	OFFICE DEPOT	277639889001	Bus card holder	11/14/2022	15.69		100-605-601 Office Supplies	1122
133	OFFICE DEPOT	277639891001	Bus card holder;pens;corr tape;3x3 notes	11/14/2022	22.99		100-605-601 Office Supplies	1122
133	OFFICE DEPOT	277644000001	CITY WIDE PAPER	11/16/2022	33.56		520-810-601 Office Supplies	1122
133	OFFICE DEPOT	277644000001	CITY WIDE PAPER	11/16/2022	33.57		100-415-600 General Supplies	1122
133	OFFICE DEPOT	277644000001	CITY WIDE PAPER	11/16/2022	33.56		100-525-600 General Supplies	1122
133	OFFICE DEPOT	277644000001	CITY WIDE PAPER	11/16/2022	33.56		100-610-600 General Supplies	1122
133	OFFICE DEPOT	277644000001	CITY WIDE PAPER	11/16/2022	33.56		100-475-600 General Supplies	1122
133	OFFICE DEPOT	277644000001	CITY WIDE PAPER	11/16/2022	33.57		100-418-600 General Supplies	1122
133	OFFICE DEPOT	277644000001	CITY WIDE PAPER	11/16/2022	33.56		100-414-600 General Supplies	1122
133	OFFICE DEPOT	277644000001	CITY WIDE PAPER	11/16/2022	33.56		510-840-601 Office Supplies	1122
133	OFFICE DEPOT	277644000001	CITY WIDE PAPER	11/16/2022	33.57		100-413-600 General Supplies	1122
133	OFFICE DEPOT	277644000001	CITY WIDE PAPER	11/16/2022	33.59		100-575-600 General Supplies	1122
133	OFFICE DEPOT	277644000001	CITY WIDE PAPER	11/16/2022	33.56		100-605-600 General Supplies	1122
133	OFFICE DEPOT	277644000001	CITY WIDE PAPER	11/16/2022	33.56		100-416-600 General Supplies	1122
133	OFFICE DEPOT	277644000001	CITY WIDE PAPER	11/16/2022	33.56		510-810-601 Office Supplies	1122
133	OFFICE DEPOT	277644000001	CITY WIDE PAPER	11/16/2022	33.56		100-529-600 General Supplies	1122
133	OFFICE DEPOT	277699223001	Business card holder	11/16/2022	19.89		100-605-601 Office Supplies	1122
133	OFFICE DEPOT	277699982001	Pens Office Supplies	11/16/2022	19.09		100-605-601 Office Supplies	1122
133	OFFICE DEPOT	277699983001	Labels	11/16/2022	23.99		100-605-601 Office Supplies	1122
133	OFFICE DEPOT	278161937001	Planning approval stamp	11/21/2022	122.97		100-610-600 General Supplies	1122
133	OFFICE DEPOT	278253913001	Keyboard Return	11/27/2022	99.99-		100-425-600 General Supplies	1122
133	OFFICE DEPOT	278317608001	Desk Supplies	11/22/2022	73.23	12/08/2022	520-810-601 Office Supplies	1122
133	OFFICE DEPOT	278317608001	Desk supplies	11/22/2022	73.24	12/08/2022	510-810-601 Office Supplies	1122
133	OFFICE DEPOT	278322757001	Desk Supplies	11/22/2022	12.25	12/08/2022	520-810-601 Office Supplies	1122
133	OFFICE DEPOT	278322757001	Desk Supplies	11/22/2022	12.24	12/08/2022	510-810-601 Office Supplies	1122
133	OFFICE DEPOT	279709112001	OFFICE SUPPLIES	12/06/2022	67.83		520-810-601 Office Supplies	1222
133	OFFICE DEPOT	279709112001	OFFICE SUPPLIES	12/06/2022	67.84		510-810-601 Office Supplies	1222
133	OFFICE DEPOT	279714173001	RULER;SIGN HERE FLAGS	12/06/2022	3.45		510-810-601 Office Supplies	1222
133	OFFICE DEPOT	279714173001	CALENDARS	12/06/2022	62.51		510-810-601 Office Supplies	1222
133	OFFICE DEPOT	279714173001	CALENDARS	12/06/2022	57.32		520-810-601 Office Supplies	1222
133	OFFICE DEPOT	279714173001	RULER;SIGN HERE FLAGS	12/06/2022	3.44		520-810-601 Office Supplies	1222
133	OFFICE DEPOT	279742347001	Wall calendar	12/06/2022	7.49		510-810-601 Office Supplies	1222
133	OFFICE DEPOT	279742347001	Wall calendar	12/06/2022	7.50		520-810-601 Office Supplies	1222

Total 133:

1,532.34

O'REILLY AUTO PARTS

6230	O'REILLY AUTO PARTS	3599-223895	running boards for new truck	11/29/2022	266.51		510-810-610 Automotive Supplies	1122
6230	O'REILLY AUTO PARTS	3599-223947	Fuses for Fleet	11/30/2022	15.98	12/08/2022	100-480-610 AUTOMOTIVE SUPPLIES	1122
6230	O'REILLY AUTO PARTS	3599-223948	90K maintenance	11/30/2022	136.81	12/08/2022	100-480-610 AUTOMOTIVE SUPPLIES	1122

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Invoice Amount	Date Paid	GL Account and Title	GL Period
6230	O'REILLY AUTO PARTS	3599-224067	BATTERY MAINTAINER	12/01/2022	52.99	12/08/2022	100-475-430 Service-Repair and Maintenance	1222
6230	O'REILLY AUTO PARTS	3599-224212	new hood supports	12/02/2022	48.38		100-126000 Intergovernmental Receivable	1222
6230	O'REILLY AUTO PARTS	3599-224223	new heater core	12/02/2022	63.83		100-126000 Intergovernmental Receivable	1222
6230	O'REILLY AUTO PARTS	3599-224585	AC pag oil	12/05/2022	24.82		100-126000 Intergovernmental Receivable	1222
6230	O'REILLY AUTO PARTS	3599-224675	Maintenance	12/06/2022	42.99		100-480-610 AUTOMOTIVE SUPPLIES	1222
6230	O'REILLY AUTO PARTS	3599-224676	Work gloves	12/06/2022	23.99		100-480-600 GENERAL SUPPLIES/TOOLS	1222
Total 6230:					676.30			
PACIFIC STORAGE COMPANY								
8876	PACIFIC STORAGE COMPANY	5130165	Shredding	10/19/2022	66.00	12/08/2022	100-416-420 Contract Services	1022
8876	PACIFIC STORAGE COMPANY	5134045	Shredding Services	11/16/2022	66.00	12/08/2022	100-416-420 Contract Services	1122
8876	PACIFIC STORAGE COMPANY	5134046	Shredding Bin	11/16/2022	16.50		100-425-322 Prof Serv-Other	1122
Total 8876:					148.50			
PUBLIC EMPLOYEES BENEFITS PROG								
143	PUBLIC EMPLOYEES BENEFITS PROG	DEC 22	retiree group insurance	12/25/2022	261.08		520-810-240 Group Insurance	1222
143	PUBLIC EMPLOYEES BENEFITS PROG	DEC 22	retiree group insurance	12/25/2022	1.08		510-810-240 Group Insurance	1222
143	PUBLIC EMPLOYEES BENEFITS PROG	DEC 22	retiree group insurance	12/25/2022	223.42		100-415-240 Group Insurance	1222
143	PUBLIC EMPLOYEES BENEFITS PROG	DEC 22	retiree group insurance	12/25/2022	94.16		100-605-240 Group Insurance	1222
Total 143:					579.74			
PUBLIC EMPLOYEES RETIREMENT SYSTEM								
144	PUBLIC EMPLOYEES RETIREMENT SYSTEM	NOV 2022	#621 RETIREMENT CONTRIBUTIONS	11/30/2022	113,644.90	12/14/2022	100-216000 RETIREMENT PAYABLE	1122
Total 144:					113,644.90			
RENO GAZETTE JOURNAL								
152	RENO GAZETTE JOURNAL	5130532	5499606 BILL #326	11/01/2022	139.00		100-610-540 Advertising	1122
152	RENO GAZETTE JOURNAL	5130532	5499590 BILL #324	11/01/2022	155.00		100-610-540 Advertising	1122
152	RENO GAZETTE JOURNAL	5130532	5478480 BILL #317	11/01/2022	171.00		100-413-540 Advertising	1122
152	RENO GAZETTE JOURNAL	5130532	5499601 BILL #325	11/01/2022	143.00		100-610-540 Advertising	1122
152	RENO GAZETTE JOURNAL	5130532	5497496 BILL #317	11/01/2022	171.00		100-610-540 Advertising	1122
152	RENO GAZETTE JOURNAL	5130532	5483767 1ST QTR 2023	11/01/2022	159.00		100-416-540 Advertising	1122
Total 152:					938.00			
RESOURCE CONCEPTS								
8602	RESOURCE CONCEPTS	22-2095	Water Rights Engineering Services- Water Rights Database	11/30/2022	2,490.00		510-810-698 Water Rights Protection	1122
8602	RESOURCE CONCEPTS	22-2131	Water Rights Surveying Consulting Services	11/30/2022	6,038.54		510-810-698 Water Rights Protection	1122

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Invoice Amount	Date Paid	GL Account and Title		GL Period
Total 8602:					8,528.54				
REX MOORE GROUP, INC.									
6461	REX MOORE GROUP, INC.	INV-33215	Compressor Install-electrical	12/06/2022	1,655.00	12/08/2022	510-840-430	Service-Repair and Maintenance	1222
Total 6461:					1,655.00				
SIGNA MECHANICAL									
6530	SIGNA MECHANICAL	221205	New E-One Pumps	12/14/2022	10,874.89		520-810-615	E-One R & M	1222
Total 6530:					10,874.89				
SILVER STATE ANALYTICAL LABORATORIES									
7856	SILVER STATE ANALYTICAL LABORATORIES	RN293206	November Coliform Sampling #2	11/29/2022	240.00	12/08/2022	510-810-423	Contract Services-ANALYTICAL	1122
7856	SILVER STATE ANALYTICAL LABORATORIES	RN293740	December Coliform Sampling #1	12/08/2022	260.00		510-810-423	Contract Services-ANALYTICAL	1222
Total 7856:					500.00				
SIPPOLA, REENA G.									
8878	SIPPOLA, REENA G.	22-1128	Punjabi Interpreter - Grupal Singh 22TR01063	11/29/2022	150.00		100-425-330	PROF SERV-INTERPRETER	1122
Total 8878:					150.00				
SJC LIMITED									
8580	SJC LIMITED	13872	Base rock	11/28/2022	1,823.80	12/08/2022	100-576-600	General Supplies	1122
Total 8580:					1,823.80				
SNAP-ON INDUSTRIAL									
8735	SNAP-ON INDUSTRIAL	ARV/55467020	replacement tools for shop	12/01/2022	32.28	12/08/2022	100-480-600	GENERAL SUPPLIES/TOOLS	1222
Total 8735:					32.28				
SOSU TV CORP									
8909	SOSU TV CORP	WC1129	Fernley Focus Videos - Monthly Retainer DEC 22	12/01/2022	1,083.00	12/08/2022	100-413-322	Prof Serv-Other	1222
Total 8909:					1,083.00				
SOUTHWEST GAS CORP									
204	SOUTHWEST GAS CORP	18971 NOV 22	910000818971 ACH	11/15/2022	30.24	12/05/2022	520-810-621	Natural Gas	1122
204	SOUTHWEST GAS CORP	33096 NOV 22	910001133096 ACH	11/28/2022	572.47	12/19/2022	510-810-621	Natural Gas	1122
204	SOUTHWEST GAS CORP	33438 DEC 22	910001133438 ACH	11/21/2022	1,660.75	12/12/2022	100-417-621	Natural Gas	1122
204	SOUTHWEST GAS CORP	86744 NOV 22	910001086744 WTP	11/09/2022	2,188.66	11/28/2022	510-840-621	Natural Gas	1122

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Invoice Amount	Date Paid	GL Account and Title	GL Period
Total 204:					4,452.12			
STATE BAR OF NEVADA								
6292	STATE BAR OF NEVADA	13380 AM	2023 Bar dues Aaron Mouritsen, No.13380	11/29/2022	500.00	12/08/2022	100-414-581 Dues and Memberships	1122
6292	STATE BAR OF NEVADA	No. 8509	Bar dues; B Jensen	12/07/2022	475.00		100-414-581 Dues and Memberships	1222
Total 6292:					975.00			
STATE COLLECTION & DISB. UNIT (SCaDU)								
176	STATE COLLECTION & DISB. UNIT (SCaDU)	DEC 2022-1	CHILD SUPPORT	12/02/2022	319.85	12/08/2022	100-219900 OTHER PAYROLL PAYABLES	1222
176	STATE COLLECTION & DISB. UNIT (SCaDU)	DEC 2022-2	CHILD SUPPORT	12/16/2022	319.85	12/15/2022	100-219900 OTHER PAYROLL PAYABLES	1222
Total 176:					639.70			
TSK								
8714	TSK	21-058.00-09	AE Schematic Design CRRC 10/01/2022-11/30/2022	12/01/2022	118,516.50	12/08/2022	220-480-810 ARPA	1222
Total 8714:					118,516.50			
UNITED CENTRAL INDUSTRIAL SUPPLY								
8676	UNITED CENTRAL INDUSTRIAL SUPPLY	2611197	fire hose's for waste water and street's dept.	12/01/2022	348.74	12/08/2022	520-810-430 Service-Repair and Maintenance	1222
8676	UNITED CENTRAL INDUSTRIAL SUPPLY	2611197	fire hose	12/01/2022	348.73	12/08/2022	100-475-430 Service-Repair and Maintenance	1222
Total 8676:					697.47			
US BANK								
8510	US BANK	6734472	2016 Series Bond Paying Agent Fees; water	11/25/2022	385.00	12/15/2022	510-810-322 Prof Serv-Other	1122
Total 8510:					385.00			
VERUS ASSOCIATES NEVADA, LLC								
8606	VERUS ASSOCIATES NEVADA, LLC	2129	SCADA and PLC programming	11/30/2022	2,190.63		510-840-429 Contract Services-SCADA	1122
8606	VERUS ASSOCIATES NEVADA, LLC	2129REVISED	Sleeve Valve PLC troubleshooting and reprogram, New comp	12/14/2022	4,126.25		510-840-429 Contract Services-SCADA	1222
8606	VERUS ASSOCIATES NEVADA, LLC	2131	PLC/SCADA Alarm notification system	11/30/2022	2,650.00		510-840-429 Contract Services-SCADA	1122
Total 8606:					8,966.88			
VOYA FINANCIAL								
8591	VOYA FINANCIAL	DEC 2022-1	ROTH IRA	12/02/2022	150.00	12/02/2022	100-215000 457 PAYABLE	1222
8591	VOYA FINANCIAL	DEC 2022-1	DEFERRED COMPENSATION, 457	12/02/2022	3,799.00	12/02/2022	100-215000 457 PAYABLE	1222
Total 8591:					3,949.00			

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Invoice Amount	Date Paid	GL Account and Title		GL Period
WASTE MANAGEMENT									
447	WASTE MANAGEMENT	33001 Dec 22	11-60772-33001	12/05/2022	103.14	12/08/2022	100-417-412	Utility Services-Refuse	1222
447	WASTE MANAGEMENT	33005 Dec 22	11-60745-33005	12/05/2022	14.39	12/08/2022	510-840-412	Utility Service-Refuse	1222
447	WASTE MANAGEMENT	33009 Dec 22	11-60774-33009	12/05/2022	84.39	12/08/2022	510-810-412	Utility Service-Refuse	1222
447	WASTE MANAGEMENT	43003 Dec 22	11-60760-43003	12/05/2022	42.20	12/08/2022	520-810-412	Utility Service-Refuse	1222
447	WASTE MANAGEMENT	65007 NOV 22	6-82641-65007	12/01/2022	135.64	12/08/2022	100-417-412	Utility Services-Refuse	1222
447	WASTE MANAGEMENT	95009 NOV 22	8-29467-95009	12/01/2022	448.45	12/08/2022	100-575-412	Utility Service-Refuse	1222
Total 447:					828.21				
WESTERN INSURANCE SPECIALTIES									
881	WESTERN INSURANCE SPECIALTIES	DEC 2022	SUPPLEMENTAL INSURANCE	12/01/2022	188.14	12/08/2022	100-218100	Western Insurance Payable	1222
Total 881:					188.14				
WESTERN NEVADA SUPPLY CO.									
195	WESTERN NEVADA SUPPLY CO.	19559181	Sensus Iperl Water Meters	11/28/2022	4,461.60	12/08/2022	510-166100	Construction In Progress	1122
195	WESTERN NEVADA SUPPLY CO.	19572951	Meter stock	12/12/2022	4,461.60		510-810-613	Supplies-Meter Service	1222
195	WESTERN NEVADA SUPPLY CO.	19576393	fire hydrant repair parts/inventory	12/09/2022	2,455.40		510-810-613	Supplies-Meter Service	1222
Total 195:					11,378.60				
WETLAB - WESTERN ENVIRON TESTING LAB									
8709	WETLAB - WESTERN ENVIRON TESTING LAB	22100519	canal samples	12/09/2022	696.19		510-840-423	Contract Services-ANALYTICAL	1222
Total 8709:					696.19				
WI SCTF									
8915	WI SCTF	DEC 2022-1	CHILD SUPPORT	12/02/2022	1,569.21	12/08/2022	100-219900	OTHER PAYROLL PAYABLES	1222
8915	WI SCTF	DEC 2022-2	CHILD SUPPORT	12/16/2022	1,569.21	12/15/2022	100-219900	OTHER PAYROLL PAYABLES	1222
Total 8915:					3,138.42				
XPRESS BILL PAY LLC									
2468	XPRESS BILL PAY LLC	NOV 2022	CREDIT CARD PROCESSING FEES	11/30/2022	1,457.45	11/30/2022	510-810-609	Credit Card Fees	1122
2468	XPRESS BILL PAY LLC	NOV 2022	CREDIT CARD PROCESSING FEES	11/30/2022	1,457.45	11/30/2022	520-810-609	Credit Card Fees	1122
Total 2468:					2,914.90				
Grand Totals:					1,028,795.12				

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Invoice Amount	Date Paid	GL Account and Title	GL Period
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Dated: _____

Mayor: _____

City Treasurer: _____

Report Criteria:

Detail report.

Invoice detail records above \$0 included.

Paid and unpaid invoices included.

Vendor.Vendor Number = {<->} 2201

**MINUTES OF THE
FERNLEY CITY COUNCIL MEETING
DECEMBER 7, 2022**

Mayor Edgington called the meeting to order at 5:00 pm and started the meeting with item 1.4.

1. INTRODUCTORY ITEMS

Mayor McIntyre thanked Roy Edgington and Ray Lacy for all of their hard work and years of service.

Mayor McIntyre acknowledged his family and thanked them for showing up and supporting him.

1.1. Roll Call

Roll call was not taken due to Mayor Edgington starting the meeting with item 1.4.

Present: Mayor Edgington, Councilman Lau, Councilman Lacy, Councilwoman Zoberski, Councilman Torres, Councilwoman McKay, Deputy City Manager Lydia Altick, City Engineer Derek Starkey, City Treasurer Denise Lewis, Public Works Director Dave Whalen, Building Official Charity Birkel, Development Services Coordinator Alex Lopez Martinez, City Attorney Brandi Jensen, City Clerk Kim Swanson, Deputy City Treasurer Thomas Lukas, Associate Planner Shay League, Assistant to the City Manager Trisha Conner, Administrative Specialist Sandy Harris, and Administrative Specialist Bailie Scott.

1.2. Public Forum

Wesley Harper, Executive Director of the Nevada League of Cities, wanted to bring greetings and congratulate the newly elected officials. He hoped good relations continue with the City of Fernley.

Nick Vanderpool, Flynn Guidici Government Affairs, thanked Mayor Edgington and Councilman Lacy for the countless hours they dedicated to their positions. Mr. Vander Poel stated he is looking forward to working with the new mayor and council.

1.3. (For Possible Action) Approval of Agenda

Motion: MOVE TO APPROVE THE AGENDA WITH ITEM 7.1 REMOVED, **Action:** Approve.
Moved by: Councilman Lau, **Seconded by:** Councilman Hanan. **Vote:** Passed, **Summary:** Yes 5, **Yes:** Councilwoman Zoberski, Councilman Lau, Councilman Torres, Councilwoman McKay, Councilman Hanan

1.4. Oath of Office to newly elected and seating of newly elected officials

Mayor Edgington requested that Judge Graham swear in the newly elected and reelected officials into office as the first item of order.

Judge Graham swore in newly elected Mayor Neal McIntyre, Councilman Ryan Hanan, and reelected Councilman Stan Lau.

Break from 5:07 pm - 5:32 pm.

1.5. New Council roll call

Present: Mayor McIntyre, Councilman Lau, Councilman Hanan, Councilwoman Zoberski, Councilman Torres, Councilwoman McKay.

2. CONSENT AGENDA

2.1. (Possible Action) Approval of the Voucher Report

2.2. (Possible Action) Approval of Minutes.

2.3. (Possible Action) Business Licenses

2.4. Possible action to authorize the execution of the Water Right Banking and Dedication Agreement with Reghetti Investments, LLC, APN 021-342-06,020-361-18,021-351-04, 020-351-08, TCID serial number 1075-2-A-5, 1057-A, 1078-2-B, 1052-D in the amount of 50.50 acre-feet.

2.5. Possible action to authorize the execution of the Water Right Banking and Dedication Agreement with Joseph Reghetti, APN 020-162-01, TCID serial number 101-1-E-7 in the amount of 7.425 acre feet.

2.6. Possible Action to Approve a will-serve commitment for Lyon County School District for Fernley High School New Gym and Common area of 7.49 ERC's for Water and 17.9 ERC's for Sewer for Lyon County Parcel 021-181-01 located at 1300 HWY 95A South, Fernley, Nv 89408

2.7. (Possible Action) to approve the liquor license for The Meadows Event Center.

2.8. (Possible Action) to approve the liquor license for Dragon City.

Motion: MOVE TO APPROVE THE CONSENT AGENDA, **Action:** Approve. **Moved by:** Councilman Lau, **Seconded by:** Councilwoman Zoberski. **Vote:** Passed, **Summary:** Yes 5, **Yes:** Councilwoman Zoberski, Councilman Lau, Councilman Torres, Councilwoman McKay, Councilman Hanan.

3. REPORTS - This item is for various public entity representatives to provide general information to the Council and public. No action will be taken.

Lt. Brantingham thanked Councilman Lacy and Mayor Edgington for their time of service. He

congratulated Councilman Hanan and Mayor McIntyre on their new positions. On Saturday, December 10th, Pioneer Crossing will be hosting a tip a cop event to raise funds for the shop with a sheriff program. Shop with a sheriff will be held on Saturday, December 17th. The Daughters of the Revolution Group presented a distinguished service award to Deputy Romero Soukup today. Lt. Brantingham also provided the monthly stats of the Sheriff Department's calls for the month of November.

3.1. Reports by City Staff, Council and the Mayor, including but not limited to monthly statistical reports by city departments.

City Manager Marsh reported the FCTA board meeting is scheduled for December 12th at 6PM located in the chambers. He stated Wreaths across America will be held on December 17th. You can sign up to volunteer at wreathsaacrossamerica.org. City hall will be closed December 23rd, December 26th and Jan 2 in observance of the holidays.

Building Official Birkel provided the monthly Building Department stats.

Councilman Hanan thanked everyone and the staff. He stated that everyone has been welcoming and helpful. It is nice to see positivity. He asked constituents to please let him know if th any questions, concerns, or items.

Councilwoman Zoberski thanked the Chamber of Commerce and non-profits that put on the Christmas parade, as well as the City Staff for the Christmas tree lighting and cocoa with a cop.

Councilman Lau thanked Ward 3 for reelecting him, as well as Jim Porter and Dan McCassie for helping him get reelected.

Councilman Torres stated a decision on the water reading that was held at the District Court on November 9th has not been made yet. The construction on Cottonwood Lane has broken ground and we are well on our way to having a new road. Thank you to the Engineering office, Public Works Director Dave Whalen, and all who have been involved in the project.

Councilwoman McKay stated she also got to participate in cocoa with a cop, and had the pleasure of plugging in the Christmas tree. She commented that tonight was a special night for her. She was sworn in to City Council 6 years ago today. She stated that today is Pearl Harbor day and we should not forget the sacrifice that so many military members have made.

4. PROCLAMATIONS BY THE MAYOR

There were no proclamations.

5. PUBLIC HEARINGS

5.1. (For Possible Action) Public Hearing, TSM22007 - Tentative Subdivision Map Consideration and possible action on a Tentative Subdivision Map request for a 282-lot single-family attached residential subdivision named "Duets at Red Hawk Ranch" on a site ±31.15 acres in size and generally located at the southwest corner of Miller Lane and Main Street (APN: 021-041-09) by request of Paradiso Communities.

Shay League, Associate Planner, provided a presentation for TSM22007. See attached presentation.

Councilman Lau asked Associate Planner Shay League to go over what could happen if the conditions of approval are not met by the applicant.

Associate Planner Shay League stated the certificates of occupancy will not be issued in some cases, as well as the applicant not being issued building permits in the first place.

Councilwoman Zoberski inquired about the location of the 2 story duets on Miller Lane. She asked the applicant if they could incorporate the character of Fernley into the design of the development.

Derek Kirkland, Wood Rogers provided a presentation of the project to City Council. See attached presentation.

Councilman Torres thanked the applicant for the amount of information and the thorough presentation on the project. He had no questions when they went through the packet with him.

Councilwoman McKay commented that these new developments will enhance that part of town. She commented that like all new developments it will take a few years before we see something going on. She believes that once exit 50 is completed, it will relieve a lot of the traffic in town.

Mayor McIntyre stated that he loves the project and he is glad that side of town is being improved.

Councilman Hanan stated that he met with a representative from the developer to answer some questions he had yesterday. He is pleased with a pathway to homeownership for many people.

Mayor McIntyre opened up the item for public input. There was no public input for this project.

Motion: MOVE TO APPROVE THE TENTATIVE SUBDIVISION MAP ASSOCIATED WITH TSM22007 BASED ON FINDINGS TM1 THROUGH TM11 AND THE FACTS SUPPORTING THE CRITERIA AS SET FORTH IN THE STAFF REPORT AND SUBJECT TO THE CONDITIONS OF

APPROVAL 1 THROUGH 33 AS LISTED IN THE STAFF REPORT, **Action:** Approve. **Moved by:** Councilman Lau, **Seconded by:** Councilwoman McKay. **Vote:** Passed, **Summary:** Yes 5, **Yes:** Councilwoman Zoberski, Councilman Lau, Councilman Torres, Councilwoman McKay, Councilman Hanan.

6. ORDINANCES

6.1. First Reading, Introduction of Bill # 323

Introduction of Bill # 323 as an ordinance associated with DA22002 to authorize the City of Fernley to enter into a Development Agreement with Fernley Sherwood QOZB, LLC regarding the details of 316 multi-family residential units on a site ±26.25-acres in size and generally located north of Fremont Street, south of US Interstate 80, west of Wildwood Drive, and east of Vine Street, Fernley, NV (APNs: 021-092-23, 021-092-26, 021-092-27, 021-092-46, 021-092-47, 021-092-54, and 021-092-55).

Associate Planner Shay League introduced Bill #323 to the city council.

City Attorney Brandi Jensen stated that APN 021-092-05 should be included with Bill #323. Staff asks that this parcel number be accepted and included in the introduction of the bill.

The council agrees with including APN 021-292-05 in the introduction of the bill and placing it on the December 21st City Council agenda.

Break 6:33-6:39 pm.

6.2. First Reading, Introduction of Bill # 320

Introduction of Bill # 320 as an ordinance associated with DA22003 to authorize the City of Fernley to enter into a Development Agreement with Clements Ranching, LLC for the development of a site ±83.90-acres in size and generally located north of Farm District Road at the intersection of Clearwater Parkway, Fernley, NV (APN: 021-341-18).

Associate Planner Shay League introduced Bill #320 and requested that it be placed on the December 21st City Council agenda.

The council agrees to place Bill #320 on the December 21st agenda.

7. STAFF REPORTS

7.1. Possible action to accept a donation of 1,200 cubic yards of asphalt grinding material from Mr. Russ Ferretto to be used to improve road and walking surfaces at the City of Fernley's Out of Town Park.

This item was pulled from the agenda.

7.2. (For possible action) Approval of FY 2023/2024 Budget Calendar

City Manager Patrick Marsh reported that the budget calendar included in the meeting packet follows state and federal deadlines.

Motion: MOVE TO APPROVE THE BUDGET APPROPRIATION CALENDAR FOR FISCAL YEAR 2023/2024 AS PRESENTED, **Action:** Approve. **Moved by:** Councilman Hanan, **Seconded by:** Councilwoman Zoberski. **Vote:** Passed, **Summary:** Yes 5, **Yes:** Councilwoman Zoberski, Councilman Lau, Councilman Torres, Councilwoman McKay, Councilman Hanan.

7.3. (For possible action) Approval of the Mayor's appointments to various Boards and Committees.

Mayor McIntyre presented the appointments for the various boards and committees that the council members are on.

City Attorney Brandi Jensen asked that the City Attorney's Office be included on the Nevada League of Cities, Nevada League of Cities Legislative Committee, Pool/Pact, and Union Negotiation Team.

Mayor's appointments to various Boards and Committees

January 1st thru December 31, 2023

<u>Board, Commission, Committee</u>	<u>Current Representative</u>	<u>Alternate</u>
4th of July Committee	Zoberski and Hanan	
Arts & Culture Committee	McKay and Zoberski	Hanan
Capital Improvement Committee	Hanan and Lau	
Chamber of Commerce Representative	Mayor and Kim Swanson	
Code Enforcement Committee	McKay and Hanan	Torres
City Legislative Team	Mayor, Torres, McKay, City Staff and Lobbyist	Hanan
Lyon County Debt Management Commission	Mayor	Torres
Lyon County Room Tax Board	McKay	Hanan
Nevada League of Cities	McKay, Lau, CAO	Hanan
NV League of Cities Legislative Committee	Mayor, Torres, McKay, CAO	Zoberski
Neighborhood Watch Representative	Zoberski and Hanan	Lau
Northern Nevada	Mayor, Torres, McKay	Lau

Development Authority		
Pool/Pact	Mayor and City Manager Marsh, CAO	
Regional Transportation Commission	Lau	Torres
Senior Citizen Advisory Committee	Torres	Zoberski
STEM Committee	Hanan	Lau
Union Negotiation Team	Mayor, Hanan and Torres, CAO	McKay
Water Team	Mayor, Torres, McKay	Hanan
Western Nevada Development District	Mayor and Lau	Torres

Motion: MOVE TO APPROVE THE APPOINTMENTS TO BOARDS AND COMMITTEES FOR THE YEAR 2023, **Action:** Approve. **Moved by:** Councilman Hanan, **Seconded by:** Councilman Lau. **Vote:** Passed, **Summary:** Yes 5, **Yes:** Councilwoman Zoberski, Councilman Lau, Councilman Torres, Councilwoman McKay, Councilman Hanan.

8. ADDRESS REQUEST(S) FOR FUTURE AGENDA ITEMS

City Clerk Swanson informed council that Mayor Pro tem is scheduled for the December 21st meeting.

Councilman Hanan requested that adopting a moratorium on water connection fees, sewer connection fees, and water usage fees for years 2023 and 2024, as well as reviewing the comprehensive study be added as an agenda item.

Councilman Hanan requested that designation of streets of off highway vehicle access be added as an agenda item.

Councilman Hanan requested that the creation of noise ordinance be added as an agenda item.

9. PUBLIC FORUM

Tammy Dittman, Fernley resident stated that she would like to make a formal request to have the sound system checked as nothing is coming off of the speakers in the back.

City Attorney Jensen reminded the council and other public entities that the City will be hosting a training from Pool Pact starting December 21, 2022 at 4:00 PM before the City Council meeting.

10. ADJOURNMENT

There being no further business to come before it, the Fernley City Council meeting adjourned at 06:58 PM.

Approved by the Fernley City Council on December 21, 2022, by a vote of:

AYES _____ NAYS: _____ ABSTENTIONS: _____ ABSENT: _____

MAYOR NEAL E. MCINTYRE

ATTEST:

Report Criteria:

License.Status = "Active"

Business.Orignation date = 12/1/2022-12/14/2022

Business Name	Name	Location	Location City	Location State	Location Zip	Business Tel	Description	Occupation
Owl Spirit Creations	Virginia Piert	868 Cottonwood Lane	Fernley	NV	89408	702-302-0273	Hobby/Crafter, Sewing, J	Hand crafted jewelry, soaps &
The Great Question, LLC	Rachel Peterson	2865 Waegle Way	Fernley	NV	89408	775-404-5911	Medical Office or Service	Individual Mamage and family t
Moreno's Landscaping and Cleanu	Jose H. Moreno	928 Jill Marie Lane	Fernley	NV	89408	775-219-5285	Lawn Care & Tree Servic	Yard cleaning and manintenan
Sierra Nevada Pressure Washing L	C McGregor/C Bex/D	15 Penrose Dr.	Yerington	NV	89447	775-686-9548	Car Wash & Mobile Detai	Pressure and soft wash homes
Arcadia Solar NV LLC	John F Murphy	6370 Montissouri Street	Las Vegas	NV	89113	602-368-1202	Contractor	Photovoltaic Systems Contract
Oasis Automotive Specialties LLC	Richard A Anderson	3355 Beverly Drive	Fallon	NV	89406		Automotive Sales/Parts/S	Mobile automobile repair and s
Facque Consulting, LLC	Chris N. Facque	4903 Humboldt Ct.	Fernley	NV	89408	775-225-1337	Consulting Services	Consulting professional service
Vial Dentistry Prof Corp	Nicolette and Matthe	805 E. Main St. Ste B	Fernley	NV	89408	775-575-2555	Dental Office/ Services	General Dentistry
Nevada Recovery Team LLC	Jenel Marable	4525 Spaight Way	Fernley	NV	89408	775-443-8642	Cleaning Services	Residential Home Deep Cleani
Grand Totals:								9

Report Criteria:

License.Status = "Active"

Business.Orignation date = 12/1/2022-12/14/2022



CITY OF FERNLEY

City Council AGENDA REPORT

Meeting Date: December 21, 2022

REPORT TO: Mayor and City Council

REPORT FROM: Jessica Dover

FINANCIAL IMPACT:

Yes: X No:

CURRENTLY BUDGETED:

Yes: X No:

FUND/ACCOUNT:

520-166-100

ACTION REQUESTED: Consent

AGENDA ITEM: (For Possible Action):

Possible Action to Approve Amendment No. 1 to the existing Lumos and Associates, Inc. (Lumos) Contract for Engineering Services, for the US 50A/95A Sewer Improvement and Sage Force Main Valve Installation Project, in an amount not to exceed \$35,010.

AGENDA ITEM BRIEF:

The US 50A/95A Sanitary Sewer Improvements and Sage Force Main Valve Installation Project (Project) was approved as part of the FY 22/23 Budget with the intent of completing upgrades to the Force Main located at the south side of Sage DR. 60% design is complete. Additional expenses were incurred from completing a portion of the Project as an Emergency Repair during FY 21/22. Amendment No. 1 is required for Lumos to complete design of the FY 22/23 Phase. Project Title will be modified as part of this Amendment to better reflect modifications to Project Scope as determined by Staff during the 60% Submittal review process.

RECOMMENDED MOTION:

"I move to Approve Amendment No. 1 to the existing Lumos and Associates, Inc. (Lumos) Contract for Engineering Services, for the US 50A/95A Sewer Improvement and Sage Force Main Valve Installation Project, in an amount not to exceed \$35,010."

BUSINESS IMPACT (per NRS Chapter 237):

A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

ALTERNATIVES:

1. City Council may approve Amendment No. 1 to the Lumos and Associates, Inc. Contract for Engineering Services, originally awarded July 21, 2021
2. City Council may reject proposed Amendment No. 1 and provide additional direction to the City Manager

BACKGROUND:**PROJECT SUMMARY:**Overview

This intent of the Project as originally included in the FY 21/22 Budget, was to upgrade a portion of sewer infrastructure through the US 50A/95A corridor located outside of the pavement section previously reconstructed as part of the NDOT Improvements completed under State Contract 3829.

The proposed scope of Improvements included: remove/replace (3) existing SSMHs, evaluate and replace approximately 140 LF of sewer pipe along the existing bridge at Canal RD on the east side of US 50A/95A, re-route existing conduit bank previously discovered during Construction of NDOT E.A. 74038 and install (3) valves along the existing Force Main located at the south side of Sage DR.

30% design was completed for this Project in October 2021. The existing Sewer crossing located at the Canal RD bridge on the east side of US 50A/95A consists of two pipes: an outer steel casing and an inner (carrier) pipe that serves as the sewer main. The City's Wastewater Division performed a CCTV investigation of the inner pipe in early November 2021. During the work, the sewer camera broke through the inner pipe, its tethering cable severed and the camera became lodged within the carrier pipe adding blockage to the interior pipe which was already in poor condition. As a result, this portion of the Project became an Emergency Repair and the proposed Force Main upgrades located at the south side of Sage DR were temporarily put on hold so that Staff could concentrate efforts on completion of the Emergency Repair Work.

Emergency Repair Work was Substantially Complete in March 2022. This Work replaced approximately 140 LF of sewer main that crosses the canal. Two (2) associated sanitary sewer manholes; (1) located upstream and (1) located downstream from the crossing were replaced as well. A new SSMH was installed north of the crossing to perpetuate bypass pumping efficiency during completion of the emergency repairs and to accommodate future sanitary sewer work and/or maintenance in the area. Ownership of the existing conduit bank previously discovered during Construction of NDOT E.A. 74038 was resolved during completion of the Emergency Repair as well.

The US 50A/95A Sanitary Sewer Improvements and Sage Force Main Valve Installation Project (Project) was approved as part of the FY 22/23 Budget with the intent of completing upgrades to the Force Main located at

the south side of Sage DR. 60% design has been completed for the Project. Additional expenses were incurred from completing a portion of the Project as an Emergency Repair during FY 21/22. Amendment No. 1 is required for Lumos to complete design of the FY 22/23 Phase of the Project. Project Title will be modified as part of this Amendment to better reflect modifications to Project Scope as determined by Staff during the 60% Submittal review process.

Contract for Engineering Services

Lumos and Associates, Inc. (Lumos) was awarded the Contract for Engineering Services for the Project in July, 2021. The 60% design submittal was received by the City in September, 2022. This Project is tentatively scheduled to bid FY 22/23, pending final NDOT and NDEP coordination and permitting requirements.

As the Project has progressed, modifications to Scope Items have been identified and evaluated for inclusion in the Project. As a result, Lumos and Associates, Inc. is requesting that the City consider formal changes to Project Scope, Fee, Schedule and Team, to be incorporated into the existing Contract for Engineering Services (Contract) via Amendment No. 1.

Contract modifications to date; reallocation between Tasks and Proposed Scope/Fee augmentation

The City's Standard Contract language allows the Consultant to submit a written request to the City's Project Manager to reallocate not-to-exceed amounts between Tasks if: (1) the requested reallocation does not change the intent of the original Project Scope, and (2) Consultant shall not be compensated in excess of the Total not-to-exceed Contract amount.

The following lists a brief summary of modifications (including Work authorized utilizing reallocation between Tasks) and/or additions to the original Contract:

- Emergency Repair Work expended available budget (and caused an overage for available Task balance) for the following Tasks: *Task 3 – Topo Survey, Task 6 – Final Design, Task 10 – Construction Admin and Task 11 – Construction Inspection*. Per Lumos' 04/25/2022 reallocation request, (authorized by City 04/26/2022), remaining Contract balance from Task: 1, 2, 4, 7, 8, 9, 12, 13 and 14 were reallocated to reconcile Task overages resulting from Emergency Work and to Ensure adequate budget remained within *Task 5 – Preliminary Design and Task 9 – Utility Potholing* to complete the 60% Submittal
- Exploratory pothole activities were completed by Lumos in May 2022 and confirmed the existing force main material type as Sch40 PVC. These findings contributed to Lumos' subsequent recommendation to City to replace the existing force main in its entirety simultaneously with proposed valve installation. Due to additional force main replacement costs, and potential necessity to upsize the line in the event of future development in the area, combined with further consideration of the system as related to operational practicality should valves be installed on the force main, Staff decided to scale this Project back to SSMH replacement and rehabilitation Work Items only; the force main will not be replaced nor valves installed as part of this Project.
 1. Modified Scope subsequent to exploratory pothole activities and 60% Submittal includes:
replacement of SSMH No. 25, located near the Sage DR/US 50A/95A intersection, and structural lining of (5) downstream SSMHs, previously installed as part of the NDOT Project and FY 21/22 Emergency Repair Work
- Task 1 – Project Management
 1. Additional Scope required to accommodate Lumos scheduling, coordination, quality assurance and invoicing activities through remaining Project duration

- Task 5 – Preliminary Design Services
 1. Existing Contract includes remaining Contract balance of approximately \$2,543.20, which will be used to complete expenditures related to preliminary design services incurred to date
 2. Final Plans and Contract Documents for the Emergency Repair Work were completed under this Task during FY 21/22; this Project was not originally Scoped to accommodate (2) sets of plans or (2) sets of Contract Documents
- Task 6 – Final Design Services
 1. Additional Scope requested to progress design to IFB and develop final bypass pumping plan for planned Improvements
- Task 7 – Agency Permitting and Coordination
 1. NDOT Encroachment Permit will be required to line SSMHs located within NDOT RoW; NDOT Temporary Occupancy Permit will be required to coordinate Construction of Improvements located within and adjacent to NDOT RoW
 2. NDEP Consent will be required for all Sanitary Sewer Improvements related to the FY 22/23 Project Phase, and Emergency Repair Work completed during FY 21/22
 3. This Project was not originally Scoped (FY 21/22) to accommodate (2) sets of NDOT permits; permits were required and obtained during FY 22 as part of Emergency Repair Work
 4. USBR Coordination will not be required for this Phase of Work
- Task 8 – Bidding Assistance
 1. Additional funding required to complete bidding assistance for lining of SSMHs within NDOT RoW and replacement of SSMH No. 25 near the Sage DR/US 50A/95A intersection
 2. This Project was not originally Scoped (FY 21/22) to bid separate Phases of Work; Bidding Assistance Services previously conducted for Emergency Repair Phase of Work
- Task 10, 11 and 12 – Engineering Construction Services
 1. Construction Administration, Construction Inspection and Materials Testing Services previously expended during FY 21/22 Emergency Repair Work; additional amount requested will allow Lumos to conduct ENGR Construction Services for the Sanitary Sewer Manhole Rehab/Reconstruction Phase of the Project
- Task 14 – Project Contingency (OPTIONAL)
 1. 100% of this Task as included per original Contract was reallocated to Task 11 – Construction Inspection per April 25, 2022 reallocation request No. 1 to accommodate Inspection Services performed by Lumos as part of Emergency Repair Work

RELEVANT LAWS, STATUTES, AND REGULATIONS:

Nevada Statutes:

- NRS 625.050 Practice of Professional Engineering
- NRS 625.530 Section 3 Restrictions upon Public Works
- NRS 332.115.b
- NRS 338

FINANCIAL IMPLICATIONS:

Project appropriations are included in the approved FY 2023 Budget as part of the Capital Improvement Plan:

- \$710,000 (520-166-100), US 50A/95A Sewer Improvements and Sage Force Main Valve Installation (Page 219, A-73)
- Construction Services and all remaining Engineering Services for the Project will be paid from the City's ARPA Funds

Proposed Amendment No. 1 to the Existing Contract for Engineering Services, Lumos and Associates, Inc.

The following Tasks have been included in the proposed amended Scope of Work (Attachment A of Amendment No. 1 to the City of Fernley Standard Contract for Engineering Services, Lumos and Associates, Inc.) as OPTIONAL:

- Task 14, Project Contingency

If it is necessary to perform work to be paid from this task, Lumos will prepare and submit a written request detailing the need, scope and not-to-exceed budget for any proposed work. Work under this task shall proceed only with the City Project Manager's prior written approval.

Total Additional ENGR Services, Amendment No. 1: (Tasks 1, 6-8, 10-12)	\$33,010
Total Additional OPTIONAL ENGR Services: (Task 14)	\$2,000
Total Additional (Including OPTIONAL Services):	\$35,010

Existing Contracts, US 50A/95A Sanitary Sewer Improvement Project

Lumos Standard Contract for ENGR Services (with Amendment No. 1)	\$131,840
A&K Earth Movers, Inc. Contract for Construction	\$578,850
Total (E) Contracts (Including OPTIONAL Services):	\$710,690

Estimated Actuals to date, US 50A/95A Sanitary Sewer Improvement Project

Lumos Standard Contract for ENGR Services	\$94,286.80
A&K Earth Movers, Inc. Contract for Construction (Final Contract Amount)	\$486,900
Total Actuals (Including OPTIONAL Services):	\$581,186.80

Projected Expenditures Remaining ⁽¹⁾, US 50A/95A Sanitary Sewer Improvement Project

Lumos Standard Contract for ENGR Services (with Amendment No. 1)	\$37,553.20
A&K Earth Movers, Inc. Contract for Construction	\$0
Total:	\$37,553.20

(1) Does not include FY 22/23 SSMH Rehab/Reconstruct Phase Construction Costs

ATTACHMENTS:

1. 2022.12.21 Amendment No. 1, final
2. US 95A Sewer Manhole Lining and Replacement Map

AMENDMENT No. 1

**TO THE CONTRACT FOR PROFESSIONAL ENGINEERING SERVICES
BETWEEN THE CITY OF FERNLEY AND LUMOS AND ASSOCIATES, INC.**

This Amendment No. 1 to the Contract for Professional Engineering Services (“Contract”) between the City of Fernley (“City”) and Lumos and Associates, Inc. (“Contractor”) is entered into this 21st day of December, 2022, by and between the City, and the Contractor; also referred to as “The Parties.”

On July 21st, 2021, the City and Contractor entered into a Contract for services related to the City of Fernley US 50A/95A Sewer Improvements and Sage Force Main Valve Installation Project (Project). The parties hereby wish to:

- 1.) Amend the Scope of Work, Fee Schedule, Schedule of Services and Project Team as shown per Amendment No. 1 Attachments A, B, C and D, respectively, regarding modifications to the Scope of Work, Fee Schedule, Schedule of Services and Project Team, as originally included in the Contract; approved additional Project funding, not to exceed \$35,010.
- 2.) Revise Project Title from *US 50A/95A Sewer Improvements and Sage Force Main Valve Installation Project* to *US 50A/95A Sanitary Sewer Improvement Project*; to be reflected in future Project documents and correspondence.

The Parties hereby approve and consent to the Amendment changes above. All of the other terms and conditions in the Contract that are not modified by this

Amendment No. 1, shall remain in full force and effect.

Each signatory for the Parties below has read the Amendment No. 1, agrees to be bound by said document, and has the authority to bind their respective entity as listed.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

DATED _____

Lumos and Associates, Inc.

DATED: _____

Neal E. McIntyre
Mayor, City of Fernley

Attest:
DATED: _____

KIM SWANSON
City Clerk, City of Fernley

APPROVED AS TO FORM:

DATED: _____

Brandi Jensen, City Attorney
595 Silver Lace Blvd.
Fernley, NV 89408
775) 784-9861
Attorney for the City of Fernley



Reno
9222 Prototype Drive
Reno, Nevada 89521
775.827.6111

December 6, 2022

JN 10476.000

Jessica Dover, P.E., Senior Project Manager
City of Fernley – Engineering Department
Via Email: jdover@CityofFernley.org

Amendment No. 1 to the Existing Contract for Engineering Services for the City of Fernley US 50A/95A Sewer Improvements & Sage Drive Force Main Project

Dear Jessica:

Lumos & Associates, Inc. is pleased to provide this request for an Amendment to our existing Engineering Services Contract between the City of Fernley and Lumos and Associates, Inc., effective date of Contract July 21, 2021, for the US 50A/95A Sewer Improvements & Sage Drive Force Main Project.

Project Understanding

In May 2020 NDOT and the city entered into Agreement No. R181-20-030 to remove and replace three sanitary sewer manholes along US 50A as part of State Construction Contract 3829; construction improvements for NDOT Project SPF-50A-1(006), E.A. 74038. During replacement of the sewer manholes at stations "LB1" 694+10 and "LB1" 698+66, approximately 240 LF of deteriorated sewer pipe was encountered and subsequently removed and replaced. A fourth sewer manhole encountered in the multi-use path at station "M" 33+38 nearing the end of its useful service life was replaced as well. Improvements to the city's Wastewater Collection System incorporated as part of NDOT's Project were scoped to address city infrastructure located within NDOT's paved Right-of-Way. The intent was to (1) potentially help the City realize cost savings by replacing portions of the Wastewater System beneath US 50A in conjunction with NDOT's US 50A Royal Oak Drive to SR 427 Surface Overlay and Multi-Use Path Project, (Project No. SPF-50A-1-(006)), and (2) potentially reduce necessity of cutting into the new pavement in the near future to replace sanitary sewer manholes nearing the end of their service life. This project was proposed to replace and upgrade a portion of sewer infrastructure through the US 50A/95A corridor located outside of the pavement section previously reconstructed as part of the NDOT Improvements completed under State Contract 3829. The proposed improvements include: Evaluate (3) existing Sanitary Sewer Manholes (SSMHs) to determine rehabilitation and/or replacement requirements, evaluate and replace approximately 140 LF of sewer pipe along the existing bridge at Canal Road on the east side of US 50A/95A, re-route existing conduit bank previously discovered during construction of NDOT E.A. 74038 and install (3) valves along the existing Force Main located at the south side of Sage Drive.

During performance of exploratory CCTV work during the preliminary design phase it was identified that the carrier pipe located within the welded steel casing across the Canal had experienced a full pipe failure and appeared to be conveying raw sanitary sewage within the casing and exterior to the carrier pipe. The carrier pipe was compromised due to heavy corrosion and required replacement in its entirety between existing City of Fernley Sanitary Sewer Manholes (SSMH) No. 22 and 21. Similarly, SSMH No. 22 and 21 were severely corroded beyond reasonable rehabilitation and required replacement in their entirety as documented in the 30% Design Manhole Condition Evaluation Memo (dated 10-4-21). In addition, the City of Fernley's CCTV inspection camera

became lodged within the carrier pipe, requiring emergency bypass and replacement of the existing manholes, casing, and carrier pipe. On November 5, 2021, the City of Fernley authorized the emergency bypass of the sanitary sewer between City of Fernley SSMH No. 21 and SSMH No. 22.

An emergency repair contract was awarded to A&K Earthmovers, Inc., and a Notice to Proceed was issued on December 28, 2021. Emergency repairs were deemed substantially complete on March 4, 2022. Lumos provided emergency contract services, construction management, inspection, and materials testing services under the existing agreement with the City of Fernley. In addition, at the request of the City, Lumos has progressed the Sage Drive Force Main design to the 60% design deliverable for the replacement of the existing force main rather than the original scope to install three (3) new valves on the existing line. Exploratory pothole activities confirmed the existing force main material type as Sch40 PVC. These findings contributed to Lumos' subsequent recommendation to the City to replace the existing force main in conjunction with the valve installation.

As a result of continuing conversations related to the scope of this project with the City of Fernley, it was determined that replacement of the force main would not be included in this project and the project would be limited to replacement of City of Fernley Sanitary Sewer Manhole No. 25 and structural lining of five (5) downstream sanitary sewer manholes.

As a result of the unanticipated scope associated with the emergency repairs and project modifications at the 60% design submittal which adjusted the scope of work to include only the replacement of Sanitary Sewer Manhole No. 25 (included in the original scope) and the structural lining of five (5) downstream sanitary sewer manholes, Lumos and Associates, Inc. is requesting that the City consider formal changes to Project Scope, Fee, Schedule, and Team, to be incorporated into the existing Contract for Engineering Services via Amendment No. 1.

This cover letter provides a brief explanation of modifications and/or additions to the original Contract and summarizes the costs; Amendment No. 1 Attachments A – D are appended for further review and consideration.

Existing Budget Re-allocation:

Table 1 shows the existing tasks, original budgets, revised budgets based on previous reallocations, and the proposed re-allocation associated with this request. Tasks that are complete to date for which a portion of Project budget remains, will be re-allocated to the appropriate task to ensure adequate budget. The following summary describes the requested budget re-allocations and the basis:

- Tasks 1-4: Tasks Complete
- Task 5: Still active – added funds from Task 9 to cover anticipated overrun. Total reallocated funds = \$2,037.98
- Tasks 6-8: Tasks Complete
- Task 9: Task complete - reallocate remaining \$2,037.98 to Task 5 to cover anticipated budget overrun.
- Tasks 10-14: Tasks Complete

Table 1

	Task Description	ORIGINAL BUDGET BY TASK	CURRENT BUDGET BY TASK	REMAINING FUNDS WITHIN TASK ⁽¹⁾	Proposed Reallocation (+/-)	PROPOSED NEW BUDGET BY TASK	REMAINING BUDGET BY TASK AFTER REALLOCATION
1	Project Management	\$3,200.00	\$3,159.50	\$0.00	-	-	\$0.00
2	Geotech Investigation	\$7,400.00	\$5,959.78	\$0.00	-	-	\$0.00
3	Topographic Survey	\$5,320.00	\$6,140.00	\$0.00	-	-	\$0.00
4	Utility Investigation & Coordination	\$1,690.00	\$1,020.00	\$0.00	-	-	\$0.00
5	Preliminary Design Services	\$6,120.00	\$10,786.72	\$505.22	\$2,037.98 From Task 9	\$12,824.70	\$2,543.20
6	Final Design Services	\$4,980.00	\$9,408.00	\$0.00	-	-	\$0.00
7	Agency Permitting & Coordination	\$7,360.00	\$4,726.00	\$0.00	-	-	\$0.00
8	Bidding Assistance	\$5,580.00	\$0.00	\$0.00	-	-	\$0.00
9	Utility Pothole Service	\$12,760.00	\$3,916.50	\$2,037.98	(\$2,037.98) to Task 5	\$1,878.50	\$0.00
10	Construction Admin	\$4,990.00	\$9,405.50	\$0.00	-	-	\$0.00
11	Construction Inspection	\$27,680.00	\$41,530.00	\$0.00	-	-	\$0.00
12	Materials Testing	\$3,750.00	\$778.00	\$0.00	-	-	\$0.00
13	Reimbursable Expenses	\$1,000.00	\$0.00	\$0.00	-	-	\$0.00
14	Project Contingency	\$5,000.00	\$0.00	\$0.00	-	-	\$0.00
	Totals	\$96,830.00	\$96,830.00	\$2,543.20			\$2,543.20

(1) Remaining Task balance calculated through September 2022, Lumos Invoice No. 114505

Scope Amendments

Attachment A details the scope modifications per existing Tasks and proposed Tasks. Table 2, below, summarizes Scope of Work items and associated Fees not included in the original Contract for Engineering Services. The additional Work has been identified and evaluated for inclusion in the Project through design progression.

Table 2

	Existing Task Additional Scope Items	REQUESTED ADDITIONAL FUNDS
1	Project Management – Budget increase for PM based on total additional scope and Amendment No.1.	\$ 370.00
6	Final Design Services – Budget Increase to complete design services through IFB and development of a bypass pumping plan for the planned improvements	\$ 2,480.00
7	Agency Permitting & Coordination – NDOT permitting for lining of manholes in NDOT RoW. NDEP permitting for sanitary sewer improvements.	\$ 2,690.00
8	Bidding Assistance	\$ 4,280.00
10	Construction Admin	\$ 7,350.00
11	Construction Inspection	\$ 14,750.00
12	Materials Testing	\$ 1,090.00
14	Project Contingency (Optional)	\$ 2,000.00
	Total	\$ 35,010.00

Budget Modifications

Total revised budget per Task is summarized in Table 3, below. Table 3 reflects total Scope/Fee modifications to the original Contract for Engineering Services; resulting from approval of Amendment No.1 and includes reallocation of remaining funds and inclusion of requested additional funding.

TABLE 3

	Task Description	REMAINING BUDGET BY TASK AFTER REALLOCATION	REQUESTED ADDITIONAL FUNDS	BUDGET BY TASK AFTER REALLOCATION & ADDITIONAL FUNDS
1	Project Management	\$ 0.00	\$ 370.00	\$ 370.00
2	Geotech Investigation	\$ 0.00	\$ 0.00	\$ 0.00
3	Topographic Survey	\$ 0.00	\$ 0.00	\$ 0.00
4	Utility Investigation & Coordination	\$ 0.00	\$ 0.00	\$ 0.00
5	Preliminary Design Services	\$ 2,543.20	\$ -	\$ 2,543.20
6	Final Design Services	\$ 0.00	\$ 2,480.00	\$ 2,480.00
7	Agency Permitting & Coordination	\$ 0.00	\$ 2,690.00	\$ 2,690.00
8	Bidding Assistance	\$ 0.00	\$ 4,280.00	\$ 4,280.00
9	Utility Pothole Service	\$ 0.00	\$ 0.00	\$ 0.00
10	Construction Admin	\$ 0.00	\$ 7,350.00	\$ 7,350.00
11	Construction Inspection	\$ 0.00	\$ 14,750.00	\$ 14,750.00
12	Materials Testing	\$ 0.00	\$ 1,090.00	\$ 1,090.00
13	Reimbursable Expenses	\$ 0.00	\$ 0.00	\$ 0.00
14	Project Contingency	\$ 0.00	\$ 2,000.00	\$ 2,000.00
	Totals	\$ 2,543.20	\$ 35,010.00	\$ 37,553.20

Tasks 1-14 are time and materials (T&M) not to exceed without prior authorization. Lumos & Associates will be happy to amend this proposed reallocation and augmentation proposal as necessary. If this proposal is acceptable, please provide the City's addendum for execution. Any additional services requested but not covered by this Scope of Work can be provided by an amendment to this proposal. Lumos & Associates, Inc. will send monthly progress billings on this project. The amount of these billings will be based upon the percentage of work completed.

Thank you again for allowing Lumos & Associates to provide you with this proposal. Please do not hesitate to call me at (775) 827-6111 if you have questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Brian Harer', with a large circular flourish on the left side.

Brian Harer
Senior Project Manager
Construction Division

EXHIBIT A

AMENDMENT 1 TO THE SCOPE OF SERVICES **FOR THE US 50A/95A SEWER IMPROVEMENTS & SAGE DRIVE FORCE MAIN** **PROJECT, CONTRACT FOR ENGINEERING SERVICES**

Project Scope

Task 1 – Project Management

- Additional Scope Items:
 - Budget increase for PM based on total additional scope and Amendment No.1.
 - Management of the project will include scheduling of Lumos staff resources, attendance of City design review meetings at 90%, 100% and IFB, coordinating with agencies and utility providers as needed, quality assurance reviews, and invoicing. Detailed monthly invoices will be prepared to document all work performed and status reports will be provided to the City upon request. This task also includes bi-weekly update meetings with City staff if needed.

Task 2 – Geotechnical Investigation

- No change in scope. Task is complete.

Task 3 – Topographic Survey and Base Map

- No change in scope. Task is complete.

Task 4 – Utility Investigation & Coordination

- No change in scope. Task is complete.

Task 5 – Preliminary Design Services

- Items which have been completed under this task include preliminary and final design, technical memorandums, and complete IFB plans and contract documents related to the emergency work, progressing the original design scope to the 30% submittal, and progressing the modified scope to the 60% submittal. Task is active. \$2,037.98 reallocated from Task 9 to cover projected design overrun.

Task 6 – Final Design Services

- Additional/Modified Scope:
 - Progress modified design scope through 90%, 100%, and IFB submittals, and development of a sanitary sewer bypass plan. Modified design scope includes the complete construction of a new sanitary sewer manhole, and structural coating of five (5) existing sanitary sewer manholes.
 - This task will include preparation of final bid documents (drawings and specifications/contract documents). These final drawings will include any comments from the City and other permit agencies from the 90% plans. The drawings will be prepared on 24"x36" format sheets and at a standard engineering scale as typically utilized by the City of Fernley. A final engineer's estimate of probable construction costs will also be prepared under this task. The final deliverable to the City will include an electronic copy of the plans, specifications/contract documents, and cost estimate (PDF), and one (1) full size 24"x36" hard copy of the plans. A download link will be provided to the City to access electronic copies of all the deliverables in PDF format and specifications/contract documents in Microsoft Word format. The final plans,

specifications/contract documents, and cost estimate will be signed and sealed by a Nevada Registered Professional Civil Engineer in responsible charge of preparation.

- A comment resolution matrix will be prepared by Lumos subsequent to the 100% and IFB Submittal review meetings between Lumos and the City. The comment resolution matrix will be in spread sheet format and will include the Sheet/Page reference of concern, the original review comment provided by the City, Permitting Agencies, and Dry Utilities and the resolution reached for each comment.

Task 7 – Agency Permitting & Coordination

- NDOT
 - Lumos will prepare and submit plans depicting improvements in NDOT R/W to obtain NDOT Encroachment Permit(s) as required and complete the desk audit process. Lumos will prepare all associated documentation required to be submitted at the time of application: color-coded R/W plan set, complete/signed/sealed drainage form (or assist City with draft Request for Waiver letter, thereof, as required), runoff control plan, tech specs/special provisions, as required.
 - Lumos will respond to comments and revise and resubmit plans as needed to obtain Encroachment permit.
 - Lumos will assist City with preparation and submittal of Temporary Encroachment Permit applications, as required by City.
 - Lumos will assist the City in preparing NDOT design deviation request letter(s), as requested by City
- NDEP
 - Lumos will prepare and submit two (2) sets of stamped Final Plans and Specifications, along with an application, to the Nevada Division of Environmental Protection, Bureau of Water Pollution Control (NDEP-BWPC).
 - Lumos will assist with implementation of revisions requested by NDEP as appropriate and will provide additional coordination as necessary with NDEP and Shaw Engineering, until final approval letter(s) for the Project have been obtained.

Task 8 – Bidding Assistance

- Bidding will commence once all permits are obtained. Under this task, Lumos will:
 - Prepare a bid advertisement
 - Submit for publication (after City review/approval)
 - Issue and track distribution of project plans and specifications
 - Answer questions during the bid process
 - Prepare, track and distribute addendum(s) as needed
 - Prepare a pre-bid meeting agenda with a sign-in sheet
 - Attend and conduct a pre-bid meeting
 - Compile/distribute meeting notes as an addendum subsequent to the meeting (after review by the City)
 - Attend the bid opening (and conduct if needed)
 - Review submitted bids for accuracy
 - Scan all bids received and opened during the bid-open process and provide an electronic copy (PDF) of all scanned bids to the City
- Return all original bids received and opened during the bid-opening process to the City
- Tabulate bid results into an excel spreadsheet

- Prepare a recommendation of award letter to the City

Task 9 – Utility Pothole Service

- No change in scope. Task is complete.

Task 10 – Construction Admin

- Provide construction administration services as follows:
 - Attend, prepare agenda(s), conduct and document the preconstruction conference and progress meetings throughout the project duration
 - Perform construction coordination
 - Review and provide recommendations on contractor's traffic control plans
 - Review and stamp contractor's submittal for conformance to the contract documents
 - Review and provide recommendations on test results
 - Review and provide recommendations on contractor's construction schedule and work progress
 - Review construction for acceptance and/or mitigation
 - Provide verification and approval of contractor's monthly pay request
 - Provide review of contractor's weekly certified payroll reports and apprenticeship utilization
 - Provide weekly electronic quantities
 - Supervise the inspection and material testing activities
 - Provide recommendations to the City of Fernley for any necessary construction changes due to field conditions. Recommendations will be signed/sealed by NV Prof. ENGR in responsible charge, as applicable
 - Assist in change order review and approval
 - Provide final test results, project photos and videos, and field reports in electronic format (.pdf)

Task 11 – Construction Inspection

- The following construction inspection staffing shall be provided during construction:
 - Provide Inspector(s) that have the appropriate certification required by the Nevada Alliance for Quality Transportation Construction (NAQTC) and American Concrete Institute (ACI). Provide one full time inspector, ten (10) hour workdays for ten (10) shifts. We anticipate a total of one hundred (100) inspection hours.
 - Provide Field Technician(s) that have the appropriate certification required by the Nevada Alliance for Quality Transportation Construction (NAQTC) and American Concrete Institute (ACI). Provide one part-time field technician to obtain/pick-up samples for laboratory testing. We anticipate a total of four (4) field technician hours.
- The inspectors assigned to this project will:
 - Attend the preconstruction conference
 - Monitor the work performed by the Contractor and verify that the work is in accordance with the plans and specifications
 - Provide photo documentation prior to and upon completion of construction
 - Perform on-site soils and aggregate materials sampling as required
 - Perform on-site Nuclear Gauge Density Testing
 - Perform on-site Portland Cement Concrete Testing
 - Assist in problem resolution with the City of Fernley, contractor personnel, utility agencies, the public and others
 - Prepare daily inspection reports, submitted weekly to the City of Fernley
 - Provide quantity reports and assist in review of contractor's monthly progress

- payments
- Assist in preparation of the Punch List

Task 12 – Materials Testing

- Provide Material Testing for compliance with the specifications per the Standard Specifications for Public Works Construction, latest addendum of the 1996 Edition (Orange Book) testing requirements and for compliance with the specifications per the NDOT Standard Specifications for Road and Bridge Construction, 2014 Edition (Silver Book) testing requirements. Testing type and frequency will be per the NDOT Field Testing Guide, Part 2.
- The following tests are anticipated:
 - Provide Soils and Aggregate Testing:
 - Native Backfill (Class E Backfill)
 - Moisture Density Curve
 - Sieve Analysis
 - Plasticity Index
 - Provide Portland Cement Concrete Testing:
 - Concrete for Sanitary Sewer Manhole Cast-in-Place Base and/or Collars
 - Compression, Concrete Cylinders (6)

Task 13 – Reimbursable Expenses

- No change in scope. Task is complete.

Task 14 – Project Contingency (Optional)

- All funds were reallocated to Task 11 (Construction Inspection) for services provided during the emergency repair per Lumos' reallocation request dated April 25, 2022, approved by the City on April 26, 2022.

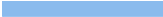
ATTACHMENT B-1 - FEE SCHEDULE

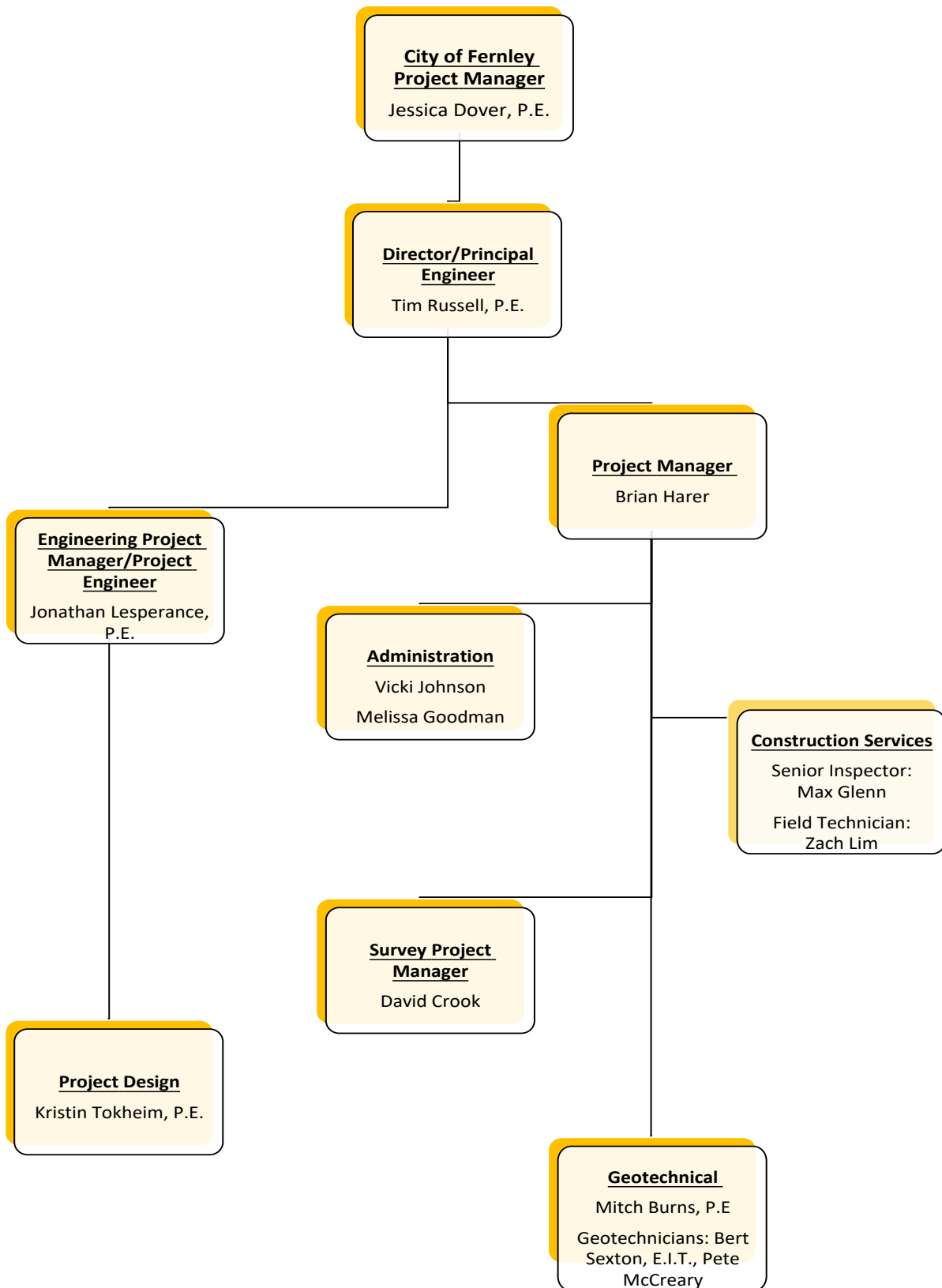


CITY OF FERNLEY											10476.000		
US50A/US95A SEWER IMPROVEMENTS & SAGE FORCE MAIN - AMENDMENT NO. 1											12/6/2022		
BUDGET ESTIMATE													
FEE		\$240	\$185	\$185	\$145	\$125	\$160	\$100	\$75	MATERIALS TESTING	REIMBURSABLE EXPENSES	TOTAL	
ROLE		QA/QC	PM	DESIGN/ OVERSIGHT	STAFF ENGINEER	SENIOR INSPECTOR	MATERIALS ENGINEER	FIELD TECH II	ADMIN				
TASK		T.RUSSELL	B.HARER	J. LESPERANCE	K. TOKHEIM	M. GLENN	M. BURNS	Z. LIM	M. GOODMAN				
DESIGN SERVICES													
1 - Project Management													
Sub Total Hrs.				2								TASK 1	2
Sub Total \$				\$370									\$370
6 - Final Design Services - 90%, 100%, IFB													
Sub Total Hrs.			2	2	12							TASK 6	16
Sub Total \$			\$370	\$370	\$1,740								\$2,480
7 - Agency Permitting & Coordination													
Sub Total Hrs.			2		16							TASK 7	18
Sub Total \$			\$370		\$2,320								\$2,690
8 - Bidding Assistance													
Sub Total Hrs.			4		12				4			TASK 8	20
Sub Total \$			\$740		\$1,740				\$300		\$1,500		\$4,280
DESIGN SERVICES - SUB-TOTAL HOURS		-	8	4	40	-	-	-	4	-	-	TOTAL	56
DESIGN SERVICES - SUB-TOTAL FEE		\$ -	\$ 1,480	\$ 740	\$ 5,800	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ 1,500		\$ 9,820
CONSTRUCTION SERVICES													
10 - Construction Administration													
Sub Total Hrs.			30			5	5		5			TASK 10	45
Sub Total \$			\$5,550			\$625	\$800		\$375				\$7,350
11 - Construction Inspection													
Sub Total Hrs.			10			100		4				TASK 11	114
Sub Total \$			\$1,850			\$12,500		\$400					\$14,750
12 - Materials Testing													
Sub Total Hrs.												TASK 12	
Sub Total \$										\$1,090			\$1,090
CONSTRUCTION SERVICES - SUB-TOTAL HOURS		-	40	-	-	105	5	4	5	-	-	TOTAL	159
CONSTRUCTION SERVICES - SUB-TOTAL FEE		\$ -	\$ 7,400	\$ -	\$ -	\$ 13,125	\$ 800	\$ 400	\$ 375	\$ 1,090	\$ -		\$ 23,190
14 - Project Contingency (OPTIONAL)													
TASK 14 SUB-TOTAL FEE (OPTIONAL):												TOTAL	\$ 2,000
PROJECT TOTAL HOURS		-	48	4	40	105	5	4	9	-	-	GRAND TOTAL	215
PROJECT TOTAL FEE		\$ -	\$ 8,880	\$ 740	\$ 5,800	\$ 13,125	\$ 800	\$ 400	\$ 675	\$ 1,090	\$ 1,500		\$ 35,010

**ATTACHMENT C
SCHEDULE OF SERVICES**

ID	Task Name	Duration	Start	Finish	Sep	4th Quarter Oct	Nov	Dec	1st Quarter Jan	Feb	Mar	2nd Quarter Apr	May	Jun
1	Submit 90% Plans, Specs, and Estimate to City	2.6 wks	Wed 12/21/22	Fri 1/6/23										
2	City Review Comments / Review Meeting (2 Weeks)	1.8 wks	Fri 1/6/23	Wed 1/18/23										
3	Submit 100% Plans, Specs, and Estimate to City	1.6 wks	Wed 1/18/23	Fri 1/27/23										
4	City Review Comments / Review Meeting (2 Weeks)	2.1 wks	Fri 1/27/23	Fri 2/10/23										
5	Submit Final Plans (IFB) and Estimate to City	2.2 wks	Fri 2/10/23	Fri 2/24/23										
6	City Review Comments / Review Meeting (2 Weeks)	2.2 wks	Fri 2/24/23	Fri 3/10/23										
7	Submit Bid Documents to City	1.2 wks	Fri 3/10/23	Fri 3/17/23										
8	Advertise for Bids (3 Weeks)	3.2 wks	Wed 3/22/23	Wed 4/12/23										
9	Pre-Bid Conference	1 day	Fri 3/31/23	Fri 3/31/23										
10	Open Bids	1 day	Wed 4/12/23	Wed 4/12/23										
11	City Council Award	1 day	Wed 5/3/23	Wed 5/3/23										
12	Pre-Construction Conference	1 day	Fri 5/19/23	Fri 5/19/23										
13	Notice to Proceed	1 day	Mon 5/22/23	Mon 5/22/23										
14	Construction	30 days	Mon 5/22/23	Fri 6/30/23										

Project: US50A/US95A SEWER IMPROVEMENTS & SAGE FORCE MAIN AMENDMENT NO. 1 Date: 12/6/2022	Task		Manual Summary Rollup	
	Split		Manual Summary	
	Milestone		Start-only	
	Summary		Finish-only	
	Project Summary		External Tasks	
	Inactive Task		External Milestone	
	Inactive Milestone		Deadline	
	Inactive Summary		Progress	
	Manual Task		Manual Progress	
	Duration-only			







CITY OF FERNLEY

City Council AGENDA REPORT

Meeting Date: December 21, 2022

REPORT TO: Mayor and City Council

REPORT FROM: Kari Weitzel

FINANCIAL IMPACT:

Yes:X

No:

CURRENTLY BUDGETED:

Yes:X

No:

FUND/ACCOUNT:

510-810-698

ACTION REQUESTED: Consent

AGENDA ITEM: (For Possible Action):

Possible Action to authorize the execution of water right banking agreement with Lisa Bergman and Joseph M. Bergman, APN 021-303-25 TCID serial number 1058-1-B-2 in the amount of 22.50 acre-feet.

AGENDA ITEM BRIEF:

Staff is seeking Council approval to authorize the execution of the Water Right Banking and Dedication Agreement with Lisa Bergman and Joseph M. Bergman, APN 021-303-25 TCID serial number 1058-1-B-2 in the amount of 22.50 acre-feet.

RECOMMENDED MOTION:

"I move to authorize the execution of the Water Right Banking and Dedication Agreement with Lisa Bergman and Joseph M. Bergman, APN 021-303-25 TCID serial number 1058-1-B-2 in the amount of 22.50 acre-feet."

BUSINESS IMPACT (per NRS Chapter 237):

A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

ALTERNATIVES:

The City Council could choose to reject the dedication of water rights. This alternative is not recommended by staff and would be contrary to existing city policies.

BACKGROUND:

It is policy for the City of Fernley to have City Council approve all water right dedication agreements.

Lisa Bergman and Joseph M. Bergman is proposing to dedicate 22.5 acre-feet of water rights appurtenant to APN 021-303-25 (TCID Serial Number 1058-1-B-2) to the City of Fernley. The deed and dedication package were reviewed and approved by Taggart and Taggart, Ltd. The water will be used to support future development projects.

RELEVANT LAWS, STATUTES, AND REGULATIONS:

FMC 32.09.035 requires developers to dedicate sufficient water rights to support their proposed development projects. Water dedicated to the City and banked under a banking agreement such as the one proposed here may be used to meet that requirement.

FINANCIAL IMPLICATIONS:

This dedication is being made to support future will serve commitment requests. Pursuant to prior Council direction on December 3, 2014, the City will cover all legal and engineering costs associated with the dedication.

ATTACHMENTS:

1. Bergman Draft Deed
2. Bergmen Dedication Agreement

The undersigned hereby affirms that there is no Social Security number contained in this document

LYON CO. APN: 021-303-25

RECORDING REQUESTED BY:

City of Fernley
595 Silver Lace Blvd
Fernley, NV 89408

AFTER RECORDATION RETURN TO:

City of Fernley
595 Silver Lace Blvd
Fernley, NV 89408

SPACE ABOVE THIS LINE FOR RECORDER'S USE

WATER RIGHTS GRANT, BARGAIN, & SALE DEED

THIS WATER RIGHTS DEED is made and entered into this ____ day of _____, 20__, to convey the below-mentioned water rights from LISA BERGMAN and JOSEPH M. BERGMAN, (hereinafter referred to as "GRANTOR") to the CITY OF FERNLEY, a political subdivision of the State of Nevada (hereinafter referred to as "GRANTEE").

WITNESSETH:

That said GRANTOR, for and in consideration of the sum of Ten Dollars (\$10.00) lawful money of the United States of America, and for other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, and convey to the GRANTEE, and to their successors, heirs, and assigns forever, all of GRANTOR's right, title, and interest in and to those certain waters and water rights situate in Lyon County, State of Nevada, as described as follows, to wit:

A Twenty-Two and Fifty One-Hundredths (22.50) acre-foot/annually portion of Truckee-Carson Irrigation District Serial Number 1058-1-B-2. Said water rights are appurtenant to that certain real property located in Lyon County, State of Nevada described as Lyon County Assessor Parcel Number 021-303-25 further described as follows:

ALL THAT CERTAIN REAL PROPERTY BEING A PORTION OF THE E ½ OF THE NE ¼ OF SECTION 20, T20 N, R 25 E, M.D.B.&M., AND A PORTION OF PARCEL 3 AS SHOWN ON THE PARCEL MAP NO. 109189, LYON COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

STATE OF _____)
: ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2022, by
Joseph M. Bergman.

WITNESS my hand and official seal.

NOTARY PUBLIC

**WATER RIGHTS BANKING
AND DEDICATION AGREEMENT**

This Water Rights Banking and Dedication Agreement made as of the 15th day of November, 2022 (this "Agreement"), by and between LISA BERGMAN and JOSEPH M. BERGMAN, (the "Dedicator") and the CITY OF FERNLEY, a political subdivision of the State of Nevada (the "City"), for the purpose of dedicating and banking certain water rights.

RECITALS

WHEREAS, the City owns and operates a water distribution system located in the City of Fernley, Lyon County; and

WHEREAS, the Dedicator desires to transfer certain water rights to the City as described in Section 2 of this Agreement (the "Water Rights"), to be reserved and credited towards future water utility service requirements; and

WHEREAS, the City is willing to accept the Water Rights to be utilized by the Dedicator for future development requirements within the City's water utility service area, as it may change from time to time; and

WHEREAS, the Dedicator may desire to assign its rights to apply the Water Rights towards future water utility service requirements to an assignee (the "Assignee"); and

WHEREAS, the City will accept the Water Rights in lieu of the provision of new water rights when an application for water utility service is made in the future by the Dedicator or the Assignee, thereby satisfying one of the pre-conditions for water utility service (i.e. the provision of a water right).

NOW, THEREFORE, it is hereby agreed between the Dedicator and City as follows:

1. **Dedication of Water Rights and Facilities.** The Dedicator hereby agrees to dedicate the Water Rights to the City. The Dedicator and the Assignee agree and understand that dedication of the Water Rights is a condition precedent to receiving a will-serve commitment for water utility service from the City. The parties further agree that:
 - (a) The quantity of surface or ground water rights reasonably necessary to ensure an adequate water supply to the subject property is independently determined by the City. The Dedicator and Assignee understand and agree that the determination of the quantity of surface or ground water rights necessary to serve any proposed development will be made at such time as the Dedicator or Assignee request a will serve commitment for the development in accordance with the ordinances, resolutions, statutes, standards, and policies in effect at the time the request for a

will serve commitment is made. In addition, the parties agree and understand that the City has no obligation to independently obtain the necessary water rights to fulfill a will-serve commitment;

- (b) Any facilities for water treatment, supply, storage, transmission and distribution, treatment and disposal, and appurtenances (such as wells, pipelines, pumps and storage tanks), located within or outside of the property for which future will-serve commitments are sought, that are requested and which are reasonably necessary to insure an adequate water supply to the property, will be constructed by the Dedicator or the Assignee, and dedicated to the City; and
- (c) Any easement or legal access reasonably necessary to ensure an adequate water supply to the property will also be dedicated from the Dedicator or the Assignee to the City as part of the grant of will-serve commitments.

2. **Dedicated Water Rights.** The Water Rights dedicated by this Agreement are described as follows:

A Twenty-Two and Fifty One-Hundredths (22.50) acre-foot/annually portion of Truckee-Carson Irrigation District Serial Number 1058-1-B-2. Said water rights are appurtenant to that certain real property located in Lyon County, State of Nevada described as Lyon County Assessor Parcel Number 021-303-25 and further described in that certain Quitclaim Deed recorded in the official records of Lyon County on September 8, 2021, as Document No. 644090.

3. **Revegetation Requirements.** As a condition of receiving water right dedications in exchange for utility service, any lands which are being irrigated within the existing place of use of the Dedicated Water Rights, and which will no longer be a place of use of the Dedicated Water Rights, must be re-vegetated pursuant to a re-vegetation plan approved by the City. The intent of this requirement is to prevent formerly irrigated lands from becoming dust and erosion hazards when the land is no longer irrigated. This requirement does not apply to land which is the existing place of use if that land will become a subdivision, or other use that will maintain ground cover.

- (a) As part of any dedication, the City will determine whether revegetation of formerly irrigated land is required, and if re-vegetation is required, the Dedicator of the water rights, or its assignee, will submit a plan for re-vegetation that will be reviewed and approved by the City.
- (b) A re-vegetation plan must be prepared by a qualified agricultural engineer or the equivalent and must outline the method by which permanent ground cover will be established. The re-vegetation plan shall provide for the application of a suitable seed mixture susceptible to natural germination in the climatic conditions existing

on the formerly irrigated land. The re-vegetation plan shall be deemed fully performed upon the first to occur of the following:

- (i) The City's written confirmation that the re-vegetation plan has been fully performed or
 - (ii) The Dedicator or its assignee, as the case may be, diligently and in compliance with the re-vegetation plan causes not less than two applications of the approved seed mixture to be placed upon the formerly irrigated land without success during a period of thirty (30) months following the date of dedication of the applicable water rights.
- (c) The goal of a re-vegetation plan is to establish natural ground cover that will limit dust and erosion and can be sustained in Fernley's climatic conditions without human assistance.
- (d) For each water right that is dedicated to the City of Fernley from land that it is determined by the City to require re-vegetation, the City of Fernley will hold back a portion of the water right, in an amount equal to ten (10) percent of the total water right, from the issuance of will serve commitments until the City of Fernley has approved the actual re-vegetation of the property at issue. Once the City of Fernley has approved the actual re-vegetation on a former place of use for a dedicated water right, the ten (10) percent portion of the Water Right held back pursuant to this section will be made available for future will serve commitments.
4. **Annexation.** If water utility service is requested by the Dedicator or the Assignee from the City outside the city limits of the City, and the Dedicator or the Assignee desires to use the Water Rights to satisfy the water right dedication requirements for water utility service, the City will determine whether it is appropriate to annex that property and will only provide water utility service if the area is annexed into the City.
- (a) If annexation is necessary, the Dedicator or the Assignee is responsible for any and all annexation costs and fees in the same manner as any other person or entity requesting that property be annexed to the City.
 - (b) If annexation is necessary, all line extensions, water distribution systems and upgrades shall be constructed to the standard required by the City, and the Dedicator or Assignee shall pay all hook-up fees and complete all required improvements that the City determines are reasonably necessary to service the property.
5. **Banking.** The Water Rights dedicated to the City under this Agreement shall be available for use in the satisfaction of the water right dedication requirement that is a pre-condition to receiving water utility service from the City. Once the water rights have been dedicated

to the City, the City will maintain those rights in an account as a credit for the Dedicator for the term of this agreement, including any renewal period.

- (a) During the term of this agreement, including any renewal period, the Dedicator and the Assignee may request will-serve commitments for water utility service from the City. The Water Rights that are held by the City pursuant to this Agreement may be used to satisfy the water dedication requirement that exists at the time of the request for the will-serve commitments.
 - (b) **Place of Will-Serve Commitments.** The Dedicator and the Assignee may request will-serve commitments for water utility service from the City anywhere within the City's water utility service area. Will-serve commitments may be requested for property to which the Water Rights are not appurtenant.
 - (c) **Assignment of Banked Credits.** The Dedicator's banked credits that are held in an account with the City may be assigned to an Assignee. Upon the execution of an assignment agreement with the Assignee, the City will allow the Assignee to receive the credits as satisfaction of the water right dedication requirement in existence when the Assignee applies for will-serve commitments from the City for water utility service.
 - (d) **City Consent to Assignment.** The assignment of banked credits includes the assignment of all rights and obligations under this Agreement and requires the consent of the City. An assignment of banked credits created by this Agreement is invalid without the City's consent. Consent may only be withheld by the City if the Assignee does not agree to comply with the terms of this Agreement. All fees and costs assessed against banked water rights, if any, shall be paid to the City prior to any assignment of banked credits. No assignment agreement will be valid unless and until such costs are reimbursed.
 - (e) **Reduction in Banked Credits.** The City will file an application to change the manner of use and place of use of the Water Rights to municipal uses in the City's water utility service area. If the State Engineer determines, or if appeal from such a ruling by the State Engineer determines, that the total number of acre-feet that can be used by the City for municipal uses in its water utility service area is less than the amount of Water Rights that are dedicated under this Agreement, the City will reduce the credits that are accounted to the Dedicator by the amount of the reduction in the State Engineer's ruling, or in the appeal from such a ruling.
6. **Change Applications.** Dedicator recognizes that the manner of use and place of use of the Water Rights must be changed to allow for municipal use in the City. Change applications that change the points of diversion, manner and place of use of the Water Rights will be prepared so that the Water Rights may be utilized for municipal purposes

within the City's water utility service area as its boundaries are currently set and as they may be expanded through annexation.

- (a) At the option of the Dedicator, the City may prepare all required change applications.
 - (b) If the Dedicator elects to prepare the required change applications, they must be completed, along with appropriate maps and documentation, to the City's satisfaction and delivered to the City for submittal to the State Engineer by and on behalf of the City.
 - (c) The City shall pay all associated statutory fees relating to the filing and approval of the Change Application, including but not limited to the application filing fees, permit fees, and certificate fees.
7. **Removal of Encumbrances.** The Water Rights are currently encumbered by certain Deeds of Trust recorded in the Official Records of Lyon County as Document Nos. 125099 (recorded on June 16, 1989) and 392123 (recorded on September 26, 2006). Notwithstanding any other provision of this Agreement to the contrary, Dedicator and Assignee agree that the City will not issue, and neither Dedicator nor Assignee shall have any right to receive, will-serve commitments under this banking agreement until and unless they provide satisfactory proof to the City that the Beneficiaries identified in said Deeds of Trust has fully reconveyed its interest in the Water Rights.
8. **Use of Dedicated Water Rights.** Dedicator and Assignee agree and acknowledge that the City receives the dedication of Water Rights that are the subject of this agreement free and clear of any encumbrances or liens and that as a result of such dedication the City shall be the sole holder of legal title to such Water Rights. Accordingly, the City may perform any action that a holder of such Water Rights is legally allowed to perform including, without limitation, hypothecation, rental, or lease of the dedicated Water Rights to a third party; and any revenue collected pursuant to such agreements may be utilized by the City at its sole and complete discretion. The parties agree that the City may, by contract or written agreement, permit the use of the Water Rights by other governmental entities, public or private utilities, or any other person or entity, including those engaged in providing water, storm drainage or sewer service. The Parties agree that in exchange for the dedication of Water Rights pursuant to this Agreement, the Dedicator or Assignee shall have the ability, pursuant to Section 5, to use the dedicated Water Rights to satisfy the water right dedication requirement that is a pre-condition to receiving water utility service from the City, however, nothing in this agreement shall be construed as creating an encumbrance or lien on the title of the dedicated Water Rights in favor of Dedicator or Assignee. The Parties further agree that the City reserves the right to satisfy its obligation to provide water service to Dedicator or Assignee in any manner that the City, at its sole discretion and consistent with Nevada Law and the Fernley Municipal Code, determines best serves the interests of the City water system.

9. **Facilities Standards.** Any facilities that are subject to this Agreement shall be designed and constructed in accordance with standards and other requirements prescribed by the City as a condition to provision of water utility service.
10. **Approval of Service Conditional.** Every will-serve notification and administrative approval of applications for water utility service is conditioned upon the acceptance of the dedication, and the satisfaction of all other service requirements that are established by local ordinance or state law. Any application or renewal, including applications for extension of will-serve commitments is subject to the provisions herein. The parties agree that:
 - (a) The City is the final authority in determining the number of will-serve commitments which may be granted by the City; and
 - (b) The City is the final authority regarding the number of will serves that may be serviced by the Water Rights for any development. Such determination shall be based on the criteria established by the City and further established by the State Engineer.
11. **Term of Agreement.** The term of this Agreement shall be for a period of twenty-five (25) years and shall be renewable for one successive twenty-five (25) year period upon application of the Dedicator or the Assignee, and the approval of the City.
 - (a) It is further understood and agreed between the City and the Dedicator that the Parties must agree to renew this agreement for the subsequent twenty-five-year period. The City's decision to approve or reject a renewal of this agreement must be made pursuant to a vote by the Fernley City Council.
 - (b) The City may reject approval of a renewal of this Agreement **only** if:
 - (i) The City sends notice of the expiration of the initial twenty-five-year term to the record owner of the Water Rights and receives no response within thirty (30) days of such notice; and
 - (ii) The Dedicator has not complied with the obligations included in this Agreement or does not agree to comply with the obligations of this Agreement during the renewal term of this Agreement.
 - (c) In the event that this Agreement is terminated, or expires pursuant to the provisions of this section, the City shall retain the title to the Water Rights, regardless of whether the Water Rights have been credited to an existing will-serve commitment.

12. **Notice.** Any notice required pursuant to this Agreement shall be sent via certified mail to the address listed below. Each Party is responsible for informing the other Party of any change in address. Notices from the City, including but not limited to notice of expiration of the 25-year term of this Agreement, shall be made to the address listed below, or to an updated address provided by the Dedicator or Assignee.

Dedicator

City of Fernley

Lisa Bergman c/o John Gezelin, Esq.

Department of Public Works

405 Marsh Ave.

595 Silver Lace Boulevard

Reno, NV 89509

Fernley, NV 89408

13. **General Conditions.**

- (a) **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument.
- (b) **Governing Law.** This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of Nevada applicable to agreements made and to be performed wholly within the State of Nevada.
- (c) **Venue.** Any action or proceeding concerning the rights or responsibilities of the parties to this Agreement shall be heard and entertained in the State district court in Lyon County, Nevada.
- (d) **Entire Agreement.** This Agreement (including any exhibits attached hereto) constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto, including without limitation, that certain memorandum of understanding between the parties. This Agreement may not be modified, changed or supplemented, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto.
- (e) **Survivability.** The parties' rights and responsibilities under this Agreement shall survive the conveyance of the Water Rights by the Dedicator to the City.
- (f) **Waivers; Extensions.** No waiver of any breach of any agreement or provision

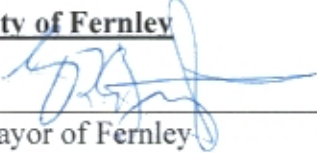
herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

- (g) **Non-Waiver of Rights.** No failure or delay of either party in the exercise of any right given to such party hereunder shall constitute a waiver thereof unless the time specified herein for exercise of such right has expired, nor shall any single or partial exercise of any right preclude any other or further exercise thereof or of any other right. The waiver of any breach hereunder shall not be deemed to be a waiver of any other or any subsequent breach hereof.
- (h) **Further Assurances.** The parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as the other may reasonably require to consummate, evidence, or confirm the dedication of the above reference water rights or any other agreement contained herein in the manner contemplated hereby.
- (i) **Successors and Assigns: Assignment.** This Agreement shall be binding upon and shall inure to the benefit of each of the City and the Dedicator and to their respective heirs, successors and assigns.
 - (i) The City shall have the right to assign its interest in this Agreement in whole or in part to any successor agency, subsidiary, or entity with jurisdiction to supply water service to customers within the City of Fernley, in which case, the references to the City herein shall include such assignee, and provided that such assignee assumes all of the obligations of the City under this Agreement by written instrument.
 - (ii) Any such assignment shall not relieve any party of its obligations under this Agreement. Any attempt to transfer, convey or assign this Agreement other than as provided herein shall be null and void.
- (j) **Time.** Time is of the essence in respect to each and every particular of this Agreement. Any time period to be computed pursuant to this Agreement shall be computed by excluding the first day and including the last. If the last day falls on a Saturday, Sunday or holiday, the last day shall be extended until the next business day that the City is open for business, but in no case will the extension be for more than four (4) days.
- (k) **Severability.** The determination that any covenant, agreement, condition or provision of this Agreement is invalid shall not affect the enforceability of the remaining covenants, agreements, conditions or provisions hereof and, in the event of such determination, this Agreement shall be construed as if such invalid covenant, agreement, condition or provision were not included herein.

- (l) **Delivery of Deed and Warranty.** The Dedicator shall deliver a Water Rights Grant Bargain and Sale Deed conveying and dedicating the Water Rights to the City at the time of the execution of this Agreement. Further, the Dedicator shall warrant that it is the legal owner of the Water Rights.
- (m) **Indemnification.** The Dedicator and the Assignee agree, jointly and severally, to indemnify the City at all times and hold the City harmless in respect of any claims, damages or losses (including, without limitation, attorney's fees and costs), whether known or unknown, disclosed or undisclosed, arising from, by reason of or in connection with any part or portion of this Agreement. Dedicator hereby represents and warrants it has not sold, assigned, transferred, conveyed, hypothecated, pledged, or otherwise disposed of or encumbered the water rights transferred herein except as provided in this Agreement. Dedicator acknowledges that in the event that any claim or dispute relating to the title of the water rights renders such water rights unusable within, or unavailable to, the City's water delivery system, the City may, at its sole discretion and in addition to any other remedies provided for by law, rescind this Agreement and withhold the will-serve commitments provided for herein. In the event that such will-serve commitments have already been issued, the City, in addition to any other remedies provided by law, may require Dedicator or Assignee, jointly or severally, to immediately acquire and dedicate to the City the same quantity and quality of water rights as the water rights rendered unusable within, or unavailable to, the City's water delivery system and/or the City may assign any other banked or reserved water rights in which Dedicator or Assignee have a beneficial interest, and that remain uncommitted to will-serve commitments, to the will-serve commitments already issued pursuant to this Agreement.
- (n) **Attorney's Fees.** In the event of any litigation between the parties hereto arising out of this Agreement, or if one party seeks to judicially enforce the terms of this Agreement, the prevailing party shall be reimbursed for all reasonable costs, including, but not limited to, reasonable attorney's fees.

[signature page follows]

Agreed upon the date set forth above between the following parties:

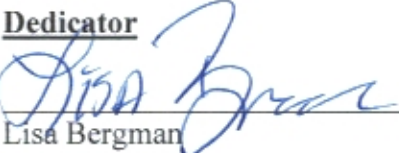
City of Fernley


Mayor of Fernley

Date:

Attested: _____

City Clerk

Dedicator


Lisa Bergman

11-15-22

Date:

Joseph M Bergman

Joseph M. Bergman

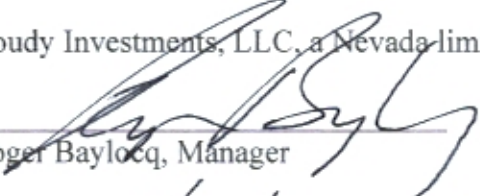
11-15-22

Date:

Assignee

Dedicator assigns a Fifteen (15.0) acre-foot portion of its beneficial interest in the water rights dedicated pursuant to the forgoing agreement to the Assignee identified below who by executing this document agrees to assume all obligations of Dedicator hereunder. All notices related to Assignees portion of this Agreement shall be sent to the address below.

Goudy Investments, LLC, a Nevada limited liability company



Roger Baylocq, Manager

11/22/22

Date:

Address: 2370 Del Monte Lane
Reno, NV 89511

**WATER RIGHTS BANKING
AND DEDICATION AGREEMENT**

This Water Rights Banking and Dedication Agreement made as of the 21 day of November, 2022 (this "Agreement"), by and between ANGELA F. LEWIS, (the "Dedicator") and the CITY OF FERNLEY, a political subdivision of the State of Nevada (the "City"), for the purpose of dedicating and banking certain water rights.

RECITALS

WHEREAS, the City owns and operates a water distribution system located in the City of Fernley, Lyon County; and

WHEREAS, the Dedicator desires to transfer certain water rights to the City as described in Section 2 of this Agreement (the "Water Rights"), to be reserved and credited towards future water utility service requirements; and

WHEREAS, the City is willing to accept the Water Rights to be utilized by the Dedicator for future development requirements within the City's water utility service area, as it may change from time to time; and

WHEREAS, the Dedicator may desire to assign its rights to apply the Water Rights towards future water utility service requirements to an assignee (the "Assignee"); and

WHEREAS, the City will accept the Water Rights in lieu of the provision of new water rights when an application for water utility service is made in the future by the Dedicator or the Assignee, thereby satisfying one of the pre-conditions for water utility service (i.e. the provision of a water right).

NOW, THEREFORE, it is hereby agreed between the Dedicator and City as follows:

1. **Dedication of Water Rights and Facilities.** The Dedicator hereby agrees to dedicate the Water Rights to the City. The Dedicator and the Assignee agree and understand that dedication of the Water Rights is a condition precedent to receiving a will-serve commitment for water utility service from the City. The parties further agree that:
 - (a) The quantity of surface or ground water rights reasonably necessary to ensure an adequate water supply to the subject property is independently determined by the City. The Dedicator and Assignee understand and agree that the determination of the quantity of surface or ground water rights necessary to serve any proposed development will be made at such time as the Dedicator or Assignee request a will serve commitment for the development in accordance with the ordinances, resolutions, statutes, standards, and policies in effect at the time the request for a

will serve commitment is made. In addition, the parties agree and understand that the City has no obligation to independently obtain the necessary water rights to fulfill a will-serve commitment;

- (b) Any facilities for water treatment, supply, storage, transmission and distribution, treatment and disposal, and appurtenances (such as wells, pipelines, pumps and storage tanks), located within or outside of the property for which future will-serve commitments are sought, that are requested and which are reasonably necessary to insure an adequate water supply to the property, will be constructed by the Dedicator or the Assignee, and dedicated to the City; and
- (c) Any easement or legal access reasonably necessary to ensure an adequate water supply to the property will also be dedicated from the Dedicator or the Assignee to the City as part of the grant of will-serve commitments.

2. **Dedicated Water Rights.** The Water Rights dedicated by this Agreement are described as follows:

A Two and Twenty-Five One-Thousandths (2.025) acre-foot/annually portion of Truckee-Carson Irrigation District Serial Number 1065-1. Said water rights are appurtenant to that certain real property located in Lyon County, State of Nevada described as Lyon County Assessor Parcel Number 020-383-03 and further described in that certain Grant, Bargain, and Sale Deed recorded in the official records of Lyon County on May 23, 2019, as Document No. 596391.

3. **Revegetation Requirements.** As a condition of receiving water right dedications in exchange for utility service, any lands which are being irrigated within the existing place of use of the Dedicated Water Rights, and which will no longer be a place of use of the Dedicated Water Rights, must be re-vegetated pursuant to a re-vegetation plan approved by the City. The intent of this requirement is to prevent formerly irrigated lands from becoming dust and erosion hazards when the land is no longer irrigated. This requirement does not apply to land which is the existing place of use if that land will become a subdivision, or other use that will maintain ground cover.

- (a) As part of any dedication, the City will determine whether revegetation of formerly irrigated land is required, and if re-vegetation is required, the Dedicator of the water rights, or its assignee, will submit a plan for re-vegetation that will be reviewed and approved by the City.
- (b) A re-vegetation plan must be prepared by a qualified agricultural engineer or the equivalent and must outline the method by which permanent ground cover will be established. The re-vegetation plan shall provide for the application of a suitable seed mixture susceptible to natural germination in the climatic conditions existing

on the formerly irrigated land. The re-vegetation plan shall be deemed fully performed upon the first to occur of the following:

- (i) The City's written confirmation that the re-vegetation plan has been fully performed or
 - (ii) The Dedicator or its assignee, as the case may be, diligently and in compliance with the re-vegetation plan causes not less than two applications of the approved seed mixture to be placed upon the formerly irrigated land without success during a period of thirty (30) months following the date of dedication of the applicable water rights.
- (c) The goal of a re-vegetation plan is to establish natural ground cover that will limit dust and erosion and can be sustained in Fernley's climatic conditions without human assistance.
- (d) For each water right that is dedicated to the City of Fernley from land that it is determined by the City to require re-vegetation, the City of Fernley will hold back a portion of the water right, in an amount equal to ten (10) percent of the total water right, from the issuance of will serve commitments until the City of Fernley has approved the actual re-vegetation of the property at issue. Once the City of Fernley has approved the actual re-vegetation on a former place of use for a dedicated water right, the ten (10) percent portion of the Water Right held back pursuant to this section will be made available for future will serve commitments.
4. **Annexation.** If water utility service is requested by the Dedicator or the Assignee from the City outside the city limits of the City, and the Dedicator or the Assignee desires to use the Water Rights to satisfy the water right dedication requirements for water utility service, the City will determine whether it is appropriate to annex that property and will only provide water utility service if the area is annexed into the City.
- (a) If annexation is necessary, the Dedicator or the Assignee is responsible for any and all annexation costs and fees in the same manner as any other person or entity requesting that property be annexed to the City.
 - (b) If annexation is necessary, all line extensions, water distribution systems and upgrades shall be constructed to the standard required by the City, and the Dedicator or Assignee shall pay all hook-up fees and complete all required improvements that the City determines are reasonably necessary to service the property.
5. **Banking.** The Water Rights dedicated to the City under this Agreement shall be available for use in the satisfaction of the water right dedication requirement that is a pre-condition to receiving water utility service from the City. Once the water rights have been dedicated

to the City, the City will maintain those rights in an account as a credit for the Dedicator for the term of this agreement, including any renewal period.

- (a) During the term of this agreement, including any renewal period, the Dedicator and the Assignee may request will-serve commitments for water utility service from the City. The Water Rights that are held by the City pursuant to this Agreement may be used to satisfy the water dedication requirement that exists at the time of the request for the will-serve commitments.
 - (b) **Place of Will-Serve Commitments.** The Dedicator and the Assignee may request will-serve commitments for water utility service from the City anywhere within the City's water utility service area. Will-serve commitments may be requested for property to which the Water Rights are not appurtenant.
 - (c) **Assignment of Banked Credits.** The Dedicator's banked credits that are held in an account with the City may be assigned to an Assignee. Upon the execution of an assignment agreement with the Assignee, the City will allow the Assignee to receive the credits as satisfaction of the water right dedication requirement in existence when the Assignee applies for will-serve commitments from the City for water utility service.
 - (d) **City Consent to Assignment.** The assignment of banked credits includes the assignment of all rights and obligations under this Agreement and requires the consent of the City. An assignment of banked credits created by this Agreement is invalid without the City's consent. Consent may only be withheld by the City if the Assignee does not agree to comply with the terms of this Agreement. All fees and costs assessed against banked water rights, if any, shall be paid to the City prior to any assignment of banked credits. No assignment agreement will be valid unless and until such costs are reimbursed.
 - (e) **Reduction in Banked Credits.** The City will file an application to change the manner of use and place of use of the Water Rights to municipal uses in the City's water utility service area. If the State Engineer determines, or if appeal from such a ruling by the State Engineer determines, that the total number of acre-feet that can be used by the City for municipal uses in its water utility service area is less than the amount of Water Rights that are dedicated under this Agreement, the City will reduce the credits that are accounted to the Dedicator by the amount of the reduction in the State Engineer's ruling, or in the appeal from such a ruling.
6. **Change Applications.** Dedicator recognizes that the manner of use and place of use of the Water Rights must be changed to allow for municipal use in the City. Change applications that change the points of diversion, manner and place of use of the Water Rights will be prepared so that the Water Rights may be utilized for municipal purposes

within the City's water utility service area as its boundaries are currently set and as they may be expanded through annexation.

- (a) At the option of the Dedicator, the City may prepare all required change applications.
 - (b) If the Dedicator elects to prepare the required change applications, they must be completed, along with appropriate maps and documentation, to the City's satisfaction and delivered to the City for submittal to the State Engineer by and on behalf of the City.
 - (c) The City shall pay all associated statutory fees relating to the filing and approval of the Change Application, including but not limited to the application filing fees, permit fees, and certificate fees.
7. **Removal of Encumbrances.** The Water Rights are currently encumbered by certain Deeds of Trust recorded in the Official Records of Lyon County as Document Nos. 125099 (recorded on June 16, 1989) and 392123 (recorded on September 26, 2006). Notwithstanding any other provision of this Agreement to the contrary, Dedicator and Assignee agree that the City will not issue, and neither Dedicator nor Assignee shall have any right to receive, will-serve commitments under this banking agreement until and unless they provide satisfactory proof to the City that the Beneficiaries identified in said Deeds of Trust has fully reconveyed its interest in the Water Rights.
8. **Use of Dedicated Water Rights.** Dedicator and Assignee agree and acknowledge that the City receives the dedication of Water Rights that are the subject of this agreement free and clear of any encumbrances or liens and that as a result of such dedication the City shall be the sole holder of legal title to such Water Rights. Accordingly, the City may perform any action that a holder of such Water Rights is legally allowed to perform including, without limitation, hypothecation, rental, or lease of the dedicated Water Rights to a third party; and any revenue collected pursuant to such agreements may be utilized by the City at its sole and complete discretion. The parties agree that the City may, by contract or written agreement, permit the use of the Water Rights by other governmental entities, public or private utilities, or any other person or entity, including those engaged in providing water, storm drainage or sewer service. The Parties agree that in exchange for the dedication of Water Rights pursuant to this Agreement, the Dedicator or Assignee shall have the ability, pursuant to Section 5, to use the dedicated Water Rights to satisfy the water right dedication requirement that is a pre-condition to receiving water utility service from the City, however, nothing in this agreement shall be construed as creating an encumbrance or lien on the title of the dedicated Water Rights in favor of Dedicator or Assignee. The Parties further agree that the City reserves the right to satisfy its obligation to provide water service to Dedicator or Assignee in any manner that the City, at its sole discretion and consistent with Nevada Law and the Fernley Municipal Code, determines best serves the interests of the City water system.

9. **Facilities Standards.** Any facilities that are subject to this Agreement shall be designed and constructed in accordance with standards and other requirements prescribed by the City as a condition to provision of water utility service.
10. **Approval of Service Conditional.** Every will-serve notification and administrative approval of applications for water utility service is conditioned upon the acceptance of the dedication, and the satisfaction of all other service requirements that are established by local ordinance or state law. Any application or renewal, including applications for extension of will-serve commitments is subject to the provisions herein. The parties agree that:
- (a) The City is the final authority in determining the number of will-serve commitments which may be granted by the City; and
 - (b) The City is the final authority regarding the number of will serves that may be serviced by the Water Rights for any development. Such determination shall be based on the criteria established by the City and further established by the State Engineer.
11. **Term of Agreement.** The term of this Agreement shall be for a period of twenty-five (25) years and shall be renewable for one successive twenty-five (25) year period upon application of the Dedicator or the Assignee, and the approval of the City.
- (a) It is further understood and agreed between the City and the Dedicator that the Parties must agree to renew this agreement for the subsequent twenty-five-year period. The City's decision to approve or reject a renewal of this agreement must be made pursuant to a vote by the Fernley City Council.
 - (b) The City may reject approval of a renewal of this Agreement **only** if:
 - (i) The City sends notice of the expiration of the initial twenty-five-year term to the record owner of the Water Rights and receives no response within thirty (30) days of such notice; and
 - (ii) The Dedicator has not complied with the obligations included in this Agreement or does not agree to comply with the obligations of this Agreement during the renewal term of this Agreement.
 - (c) In the event that this Agreement is terminated, or expires pursuant to the provisions of this section, the City shall retain the title to the Water Rights, regardless of whether the Water Rights have been credited to an existing will-serve commitment.

12. **Notice.** Any notice required pursuant to this Agreement shall be sent via certified mail to the address listed below. Each Party is responsible for informing the other Party of any change in address. Notices from the City, including but not limited to notice of expiration of the 25-year term of this Agreement, shall be made to the address listed below, or to an updated address provided by the Dedicator or Assignee.

Dedicator/Assignee

City of Fernley

ERGS, INC.

Department of Public Works

9345 Lemmon Dr.

595 Silver Lace Boulevard

Reno, NV 89506

Fernley, NV 89408

13. **General Conditions.**

- (a) **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument.
- (b) **Governing Law.** This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of Nevada applicable to agreements made and to be performed wholly within the State of Nevada.
- (c) **Venue.** Any action or proceeding concerning the rights or responsibilities of the parties to this Agreement shall be heard and entertained in the State district court in Lyon County, Nevada.
- (d) **Entire Agreement.** This Agreement (including any exhibits attached hereto) constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto, including without limitation, that certain memorandum of understanding between the parties. This Agreement may not be modified, changed or supplemented, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto.
- (e) **Survivability.** The parties' rights and responsibilities under this Agreement shall survive the conveyance of the Water Rights by the Dedicator to the City.
- (f) **Waivers; Extensions.** No waiver of any breach of any agreement or provision

herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

- (g) **Non-Waiver of Rights.** No failure or delay of either party in the exercise of any right given to such party hereunder shall constitute a waiver thereof unless the time specified herein for exercise of such right has expired, nor shall any single or partial exercise of any right preclude any other or further exercise thereof or of any other right. The waiver of any breach hereunder shall not be deemed to be a waiver of any other or any subsequent breach hereof.
- (h) **Further Assurances.** The parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as the other may reasonably require to consummate, evidence, or confirm the dedication of the above reference water rights or any other agreement contained herein in the manner contemplated hereby.
- (i) **Successors and Assigns: Assignment.** This Agreement shall be binding upon and shall inure to the benefit of each of the City and the Dedicator and to their respective heirs, successors and assigns.
 - (i) The City shall have the right to assign its interest in this Agreement in whole or in part to any successor agency, subsidiary, or entity with jurisdiction to supply water service to customers within the City of Fernley, in which case, the references to the City herein shall include such assignee, and provided that such assignee assumes all of the obligations of the City under this Agreement by written instrument.
 - (ii) Any such assignment shall not relieve any party of its obligations under this Agreement. Any attempt to transfer, convey or assign this Agreement other than as provided herein shall be null and void.
- (j) **Time.** Time is of the essence in respect to each and every particular of this Agreement. Any time period to be computed pursuant to this Agreement shall be computed by excluding the first day and including the last. If the last day falls on a Saturday, Sunday or holiday, the last day shall be extended until the next business day that the City is open for business, but in no case will the extension be for more than four (4) days.
- (k) **Severability.** The determination that any covenant, agreement, condition or provision of this Agreement is invalid shall not affect the enforceability of the remaining covenants, agreements, conditions or provisions hereof and, in the event of such determination, this Agreement shall be construed as if such invalid covenant, agreement, condition or provision were not included herein.

- (l) **Delivery of Deed and Warranty.** The Dedicator shall deliver a Water Rights Grant Bargain and Sale Deed conveying and dedicating the Water Rights to the City at the time of the execution of this Agreement. Further, the Dedicator shall warrant that it is the legal owner of the Water Rights.
- (m) **Indemnification.** The Dedicator and the Assignee agree, jointly and severally, to indemnify the City at all times and hold the City harmless in respect of any claims, damages or losses (including, without limitation, attorney's fees and costs), whether known or unknown, disclosed or undisclosed, arising from, by reason of or in connection with any part or portion of this Agreement. Dedicator hereby represents and warrants it has not sold, assigned, transferred, conveyed, hypothecated, pledged, or otherwise disposed of or encumbered the water rights transferred herein except as provided in this Agreement. Dedicator acknowledges that in the event that any claim or dispute relating to the title of the water rights renders such water rights unusable within, or unavailable to, the City's water delivery system, the City may, at its sole discretion and in addition to any other remedies provided for by law, rescind this Agreement and withhold the will-serve commitments provided for herein. In the event that such will-serve commitments have already been issued, the City, in addition to any other remedies provided by law, may require Dedicator or Assignee, jointly or severally, to immediately acquire and dedicate to the City the same quantity and quality of water rights as the water rights rendered unusable within, or unavailable to, the City's water delivery system and/or the City may assign any other banked or reserved water rights in which Dedicator or Assignee have a beneficial interest, and that remain uncommitted to will-serve commitments, to the will-serve commitments already issued pursuant to this Agreement.
- (n) **Attorney's Fees.** In the event of any litigation between the parties hereto arising out of this Agreement, or if one party seeks to judicially enforce the terms of this Agreement, the prevailing party shall be reimbursed for all reasonable costs, including, but not limited to, reasonable attorney's fees.

[signature page follows]

Agreed upon the date set forth above between the following parties:

City of Fernley

Mayor of Fernley

Date:

Dedicator


Angela F. Lewis

11/21/2022
Date:

Attested:

City Clerk

Assignee

Dedicator assigns the entire Two and Twenty-Five One-Thousandths (2.025) acre-foot portion of the beneficial interest in the water rights dedicated pursuant to the forgoing agreement to the Assignee identified below who by executing this document agrees to assume all obligations of Dedicator hereunder.

ERGS, INC., a Nevada corporation


Gregory F. Peek, President

11-18-2022
Date:

Address: 9345 Lemmon Dr.
Reno, NV 89506

The undersigned hereby affirms that there is no Social Security number contained in this document

LYON CO. APN: 020-383-03

RECORDING REQUESTED BY:

City of Fernley
595 Silver Lace Blvd
Fernley, NV 89408

AFTER RECORDATION RETURN TO:

City of Fernley
595 Silver Lace Blvd
Fernley, NV 89408

SPACE ABOVE THIS LINE FOR RECORDER'S USE

WATER RIGHTS GRANT, BARGAIN, & SALE DEED

THIS WATER RIGHTS DEED is made and entered into this 21 day of November, 2022, to convey the below-mentioned water rights from ANGELA F. LEWIS, an unmarried woman, (hereinafter referred to as "GRANTOR") to the CITY OF FERNLEY, a political subdivision of the State of Nevada (hereinafter referred to as "GRANTEE").

WITNESSETH:

That said GRANTOR, for and in consideration of the sum of Ten Dollars (\$10.00) lawful money of the United States of America, and for other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, and convey to the GRANTEE, and to their successors, heirs, and assigns forever, all of GRANTOR's right, title, and interest in and to those certain waters and water rights situate in Lyon County, State of Nevada, as described as follows, to wit:

A Two and Twenty-Five One-Thousandths (2.025) acre-foot/annually portion of Truckee-Carson Irrigation District Serial Number 1065-1. Said water rights are appurtenant to that certain real property located in Lyon County, State of Nevada described as Lyon County Assessor Parcel Number 020-383-03 further described as follows:

Lot 3 of GREENFIELDS SUBDIVISION, according to the map thereof, filed in the office of the County Recorder of Lyon County, Nevada on May 18, 1965 as File No. 95072.

*This legal description appeared previously in Document No. 596391,
recorded on May 23, 2019, Official Records of Lyon County, Nevada.*

TOGETHER WITH all and singular the tenements, hereditaments, and
appurtenances thereunto belonging or in anywise appertaining, and any reversions,
remainders, rents, issues, or profits thereof.

TO HAVE AND TO HOLD, all and singular, the said water rights and the
appurtenances, unto the said GRANTEE, and to their successors and assigns forever.

IN WITNESS WHEREOF the GRANTOR has hereunto executed this WATER
RIGHTS GRANT, BARGAIN, & SALE DEED the day and year first written above.

DATED this 21 day of November, 2022.

GRANTOR:

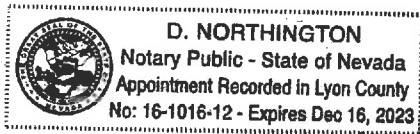
BY:

Angela F. Lewis

STATE OF NV)
COUNTY OF LYON) : ss.

This instrument was acknowledged before me on Nov. 21, 2022, by
Angela F. Lewis.

WITNESS my hand and official seal.



[Signature]
NOTARY PUBLIC



CITY OF FERNLEY

City Council AGENDA REPORT

Meeting Date: December 21, 2022

REPORT TO: Mayor and City Council

REPORT FROM: Kari Weitzel

FINANCIAL IMPACT:	CURRENTLY BUDGETED:	FUND/ACCOUNT:
Yes: No: X	Yes: X No:	510-395-910, 520-395-910

ACTION REQUESTED: Consent

AGENDA ITEM: (For Possible Action):

Possible Action to Approve a will-serve commitment for The Meadows at Inglewood Building H Unit 100 (Hair Salon) of .39 ERC's for Water and 1.38 ERC's for Sewer for Lyon County Parcel 020-341-11 located at 1044 Inglewood Drive Build H Unit 100, Fernley, NV.

AGENDA ITEM BRIEF:

1. The Meadows at Inglewood Building H Unit 100 - is seeking a Will-Serve Request for tenant improvements for this building shell.
2. This project requires .39 ERC's for water and 1.38 ERC's for sewer.
3. The project qualifies to pay a fee in lieu of dedication of water rights pursuant to FMC 32.39.060(a).

RECOMMENDED MOTION:

"I move to approve the Will-Serve for The Meadows at Inglewood Building H Unit 100 of .39 ERC's for Water and 1.38 ERC's for Sewer for Lyon County Parcel 020-341-11 located at 1044 Inglewood Drive Building H Unit 100, Fernley, NV."

BUSINESS IMPACT (per NRS Chapter 237):

A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

ALTERNATIVES:

N/A

BACKGROUND:

While The Meadows at Inglewood holds a beneficial interest in water rights previously banked with the City, they have chosen to pay the in lieu of fee for this particular project as authorized under FMC 32.39.060(a).

RELEVANT LAWS, STATUTES, AND REGULATIONS:

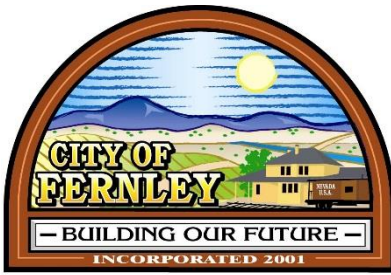
N/A

FINANCIAL IMPLICATIONS:

N/A

ATTACHMENTS:

1. 2022.12.21 Will Serve - TMAI Hair Salon



THE CITY OF FERNLEY
Public Works Department
595 Silver Lace Blvd
Fernley, NV 89408

The City of Fernley hereby certifies that it has adequate water distribution capability and wastewater treatment plant capacity to serve and will serve: Hair Salon (TMAI Building H STE 100) Development/project or property located at APN 020-341-11 Fernley, Nevada with .39 water connections and/or 1.38 sewer connections for Service to 1 unit, upon the following terms and conditions:

1. All applicable fees and costs must be paid, including the utility connection fees in effect at the time of this will-serve certification, currently \$7,000.00 per unit for water and \$5,000.00 per Equivalent Residential Capacity (ERC) unit for sewer.
2. Applicant must comply with all applicable laws, statutes, ordinances and regulations.
3. Said fees and costs must be paid in full before connections to water/sewer services. **Connections to utility service shall be completed within a reasonable time from the date of original approval of this Will-Serve by the Fernley City Council. Failure to diligently pursue connection to utility service may render this Will-Serve null and void.** Public Works, at its sole discretion, shall have authority to determine whether connection to utility service is being diligently pursued and, with sixty (60) days written notice to the party who requested this Will-Serve, may cancel this Will-Serve for failure to connect to utility service within a reasonable time.
4. Service shall be provided only to the project or site identified above. **This Will-Serve is limited to the project or property described above and is not transferable to any other project or property.**
5. Service shall be provided pursuant to the plans and specifications submitted to and approved by Public Works. Service shall not be provided pursuant to any alterations to or deviation from the same without the express written approval of Public Works Department. **This will-serve is to be considered conditional unless public improvement plans have been approved by Public Works.**
6. This Will-Serve applies to: APN# 020-341-11

Fernley City Council Approved Will-Serve on December 21, 2022

Public Works Director

Mayor – City of Fernley

Applicant

Date



CITY OF FERNLEY

City Council AGENDA REPORT

Meeting Date: December 21, 2022

REPORT TO: Mayor and City Council

REPORT FROM: Kim Swanson, City Clerk

FINANCIAL IMPACT:

Yes: No: X

CURRENTLY BUDGETED:

Yes: No: X

FUND/ACCOUNT:

There are none

ACTION REQUESTED: Consent

AGENDA ITEM: (For Possible Action):

Possible Action to Adopt Resolution 22-021, appointing Albert Torres as Mayor Pro Tem for a one-year term expiring December 2023.

AGENDA ITEM BRIEF:

In December of every year, the mayor appoints a member of the City Council to serve as Mayor Pro Tem for a 1-year term beginning January 1st.

RECOMMENDED MOTION:

"I move to approve Resolution 22-021, appointing Albert Torres as Mayor Pro Tem for a one-year term expiring December 2023.

BUSINESS IMPACT (per NRS Chapter 237):

A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

ALTERNATIVES:

The City Council could choose to approve this appointment at another meeting.

BACKGROUND:

NRS 266.185 authorizes the City Council to provide for the appointment of one of its members as mayor pro tem by resolution or ordinance. During the absence or disability of the mayor, the mayor pro tem shall possess the powers and duties of the Mayor.

RELEVANT LAWS, STATUTES, AND REGULATIONS:

NRS 266.185

FINANCIAL IMPLICATIONS:

There are none.

ATTACHMENTS:

1. Resolution 22-021 Appointing Mayor Pro Tem Torres

CITY OF FERNLEY
RESOLUTION #22-021

**A RESOLUTION OF THE CITY OF FERNLEY APPOINTING ALBERT TORRES AS
MAYOR PRO TEM FOR THE CITY OF FERNLEY**

WHEREAS, the City of Fernley, a political subdivision of the State of Nevada, organized pursuant to the provisions of NRS Chapter 266; and,

WHEREAS, Nevada Revised Statute 266.185 authorizes the City Council, by ordinance or resolution, to provide for the appointment of one of its members as mayor pro tem;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fernley as follows:

Albert Torres is hereby appointed Mayor Pro Tem of the City of Fernley, Nevada, commencing December 31, 2022, and ending December 31, 2024, and shall act as Mayor in case the Mayor is absent from the City or is for any reason temporarily unable to perform the duties of his office.

PASSED, APPROVED AND ADOPTED on the 21st day of December 2022 by the following vote of the Council:

AYES: _____ NAYS: _____ ABSTENTIONS: _____ ABSENT: _____

By: _____
Mayor Neal E. McIntyre

ATTEST:

City Clerk Kim Swanson



CITY OF FERNLEY

City Council AGENDA REPORT

Meeting Date: December 21, 2022

REPORT TO: Mayor and City Council

REPORT FROM: Barry Williams

FINANCIAL IMPACT:	CURRENTLY BUDGETED:	FUND/ACCOUNT:
Yes: No: X	Yes: No: X	N/A

ACTION REQUESTED: Motion

AGENDA ITEM: (For Possible Action):

Possible Action to accept a donation of 1,200 cubic yards of asphalt grinding material from Mr. Russ Ferretto to be used to improve road and walking surfaces at the City of Fernley's Out of Town Park.

AGENDA ITEM BRIEF:

This item is for City Council to approve the donation of 1,200 cubic yards of asphalt grinding material to be used to improve walking and driving surfaces at the City of Fernley's Out of Town Park.

RECOMMENDED MOTION:

"I move to accept the donation of 1,200 cubic yards of asphalt grinding material from Mr. Russ Ferretto to be used to improve road and walking surfaces at the City of Fernley's Out of Town Park."

BUSINESS IMPACT (per NRS Chapter 237):

A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

ALTERNATIVES:

City Council can move to not accept this donation.

BACKGROUND:

On July 12, 2022, Mr. Russ Ferretto contacted the City of Fernley Parks Department Staff stating that he intends to donate 1,200 cubic yards of asphalt grindings to be used to improve walking and driving surfaces at the City of Fernley's Out of Town Park.

Asphalt grindings are made up of pulverized asphalt roadway surfaces and are typically recycled for use as a dirt road stabilizer for improved road stability as well as improving dirt walkway paths, increase water runoff efficiency as well as aiding with dust control.

According to the City of Fernley Donation Policy, approved by City Council on April 1, 2015, there are several questions to ask when determining the benefit of accepting a donation. Staff has determined the following:

1. Does the donation support a program, service, or activity? Yes
2. Does the donation put money back in the hands of the City's customers? No
3. Does the donation save the City money? Yes
4. Does the donation assist in providing services to the City's customers? Yes
5. Does the donation cause unnecessary maintenance and use of resources? No
6. What is the cost of potential replacement of the donated item? Should not need to be replaced
7. Do restrictions upon the use of the item or funds make it practical to accept? No stated restrictions
8. Is the required accounting for the items or funds excessively difficult or time consuming? No
9. Does the donation result in an increase in expenses to the City's budget? No
10. Does the donation cause risk to the City? No
11. Does the donation present a conflict of interest for the City or its employees? No
12. Does the donation fit within the scope of the City's purpose of providing services to members of the community? Yes

The objective of the City's Donation Acceptance Policy states: Donations shall be accepted for purposes that are consistent with the City's mission, programs, services, and activities and must be deemed to be in the public interest. The City shall only accept donations that will:

1. Provide a direct benefit to members of the community, the City and its agencies, boards, and commissions
2. Benefit City operations
3. Not adversely impact the City's budget

If accepted, City Staff intends to use this material to improve parking and walking surfaces as well as improve areas surrounding the rodeo arena as well as the announcer's booth within the Out of Town Park facility and does save the City substantial costs in completing these facility betterment projects.

RELEVANT LAWS, STATUTES, AND REGULATIONS:

NRS 266.265

April 1, 2015, Council adopted Resolution 15-003, The City of Fernley Donations Policy and Procedures.

FINANCIAL IMPLICATIONS:

N/A

ATTACHMENTS:

1. 2022.11 Donation Agreement asphalt grinds

2. Intent to Donate Letter from Russ Ferretto
3. Material Pricing Sheet
4. Resolution 15-003 Donations Policy

DONATION AGREEMENT

This Agreement is made this _____ day of _____, by and between _____ ("Donor") and the City of Fernley, Nevada ("City").

In consideration of the mutual covenants of the Parties contained in this Agreement, Donor does grant to City title to the Property and City accepts from the Donor title to the Property under the following terms and conditions:

1. **No Advantage.** No advantage is to accrue to the donor or to any associated person as a result of the donation. Donor is obligated to inform City of any outstanding items of business, applications, etc. that are before the City currently. All donations and/or in-kind donations, made to the City of Fernley and its agencies must be given unconditionally and voluntarily without any expectation of benefit. A donation cannot be used to influence the outcome of an outstanding approval, permit or license application or award of a procurement call.

2. **Description.** Donor hereby donates to City the following which is more particularly described as:

1200 YARDS @ \$30,000.00
ASPHALT GRINDS

DONATION FAIR MARKET VALUE \$30,000.00 (attach documentation)

*Donor to fill out. City does not verify or confirm fair market value. All estimated value is the responsibility of the Donor.

3. **Agree to Donate/Gift.** By these presents I (we) agree to donate to City and any successor or assign with similar aims and objectives, by way of perpetual interests (including all copyright, trademark and related interests and all rights to copyright), permanently and forever, in, to, and associated with the object(s) described above.
4. **Legal Authority.** I (we) affirm that I (we) own said object(s) and that, to the best of my (our) knowledge, I (we) have good and complete right, title, and interest (including all transferred copyright, trademark, and related interests) in the object to offer this donation, and that right, title and interest is free and clear of all liens, encumbrances, and restrictions.

5. **Assignment and Conveyance.** Donors understand and acknowledge that the Donation Property may be subsequently conveyed by the City to a third party
6. **Effective Date.** The date this Agreement is signed by both Parties shall be (the "Effective Date") of the Agreement.
7. **Discretionary Use.** Being the owner(s) of the material, I give this property to the City to use at their discretion. I understand that all items cannot be on display at all times, and that this is not a loan for the material.
8. **Governing Law; Jurisdiction.** This Agreement shall be governed by and construed according to the laws of the State of Nevada. The parties hereby consent to jurisdiction in Nevada courts.

The City would like to thank you for your donation. Our community is proud the acts provided herein by you and others like you.

FERNLEY:

*By signing this agreement the City Manager hereby accepts the donation on behalf of the City of Fernley.

CITY MANAGER, CITY OF FERNLEY

DATED this _____ day of _____, 20__.

MAYOR, CITY OF FERNLEY

DATED this _____ day of _____, 20__.

ATTEST:

CITY CLERK, CITY OF FERNLEY

DATED this _____ day of _____, 20__.

I have reviewed this Contract and approve as to its legal form.

BRANDI JENSEN

DATED this _____ day of _____, 20____.

DONOR:



Donor: Printed name:

Russ Ferretto

DATED this 17 day of Nov, 2022

City Of Fernley
August 23/2022

I Russ Ferretto donate 1200 yards of asphalt Grindings delivered for City of Fernley Parks Department intended For uses at the out of town park on the 12th day of July 2022.

The price of the grindings at Oxborrow Materials is \$27.00 Per yard for a price comparison as requested by the City of Fernley and Trucking is at \$145.00 per hour as of today's rates also requested by the City of Fernley.
Please accept my donation to better our Park's.

Thank you. Russ Ferretto

A handwritten signature in black ink, appearing to read "Russ Ferretto". The signature is stylized with a large, sweeping initial "R" and a long, curved flourish at the end.



www.oxborrowlandscape.com

2050 KLEPPE LANE ~ SPARKS, NV 89431 ~ O: 775.324.2772 ~ F: 775.324.2249

SUMMER HOURS: MON-FRI ~ 8:00AM - 5:00PM SAT ~ 8:00AM - 1:00PM

WINTER HOURS: MON-FRI ~ 8:00AM - 4:00PM SAT ~ CLOSED

ALL MATERIAL SOLD BY THE CUBIC YARD

SOILS & ADMENDMENTS	
57. Topsoil	\$36.00
58. Double Mix	\$45.00
59. Triple Mix	\$45.00
60. Humus	\$46.00
61. Organic Compost	\$42.00

BARKS	
62. Angel Hair (Redwood)	\$51.00
63. Shredded Cedar	\$52.00
64. Shock Ab (Playground)	\$54.00
66. Supreme Walk-On	\$52.00
67. Small Chunk	\$62.00
68. Medium Chunk	\$62.00
69. Large Chunk	\$62.00

RIVER ROCK	
24. River Cobble - 3" x 8"	\$54.00
25. River Rock - 1 1/2" Minus	\$52.00
26. River Rock - 2" Minus	\$54.00
27. River Rock - 4" Minus	\$53.00
28. River Rock - 3/8" (Painte)	\$49.00
29. River Rock- 3/4" (Painte)	\$47.00
30. Sierra River Rock - 3/4"	\$84.00
31. Sierra River Rock - 1 1/2"	\$84.00
32. Sierra River Rock - 3" x 8"	\$65.00
33. Sierra River Rock - 6" x 12"	\$86.00

DECORATIVE ROCK	
1. Ginger - 3/4"	\$135.00
2. Ginger - 1 1/2"	\$135.00
3. Gremlin Green - 3/4 "	\$90.00
4. Gremlin Green - 1 1/2"	\$90.00
5. Lava, Black - 3/4"	\$42.00
6. Lava, Black - 1 1/2"	\$42.00
7. Lava, Cocoa - 3/4"	\$65.00
8. Lava, Mocha - 3/4"	\$53.00
9. Lava, Mocha - 1 1/2"	\$57.00
10. Lava, Red - 3/4 "	\$49.00
11. Lava, Red - 1 1/2"	\$49.00
12. Limestone - 3/4"	\$112.00
13. Napa Gold - 1 1/2"	\$110.00
14. McCarran - 1" x 4"	\$49.00
15. McCarran - 4" x 10"	\$49.00
16. Nevada Green - 3/4"	\$42.00
17. Nevada Green - 1 1/2"	\$46.00
18. Pink Mountain - 3/4"	\$80.00
19. Pink Mountain - 1 1/2"	\$80.00
20. Salt & Pepper - 3/8"	\$75.00
21. Salt & Pepper - 3/4"	\$75.00
22. Salt & Pepper - 1 1/2"	\$85.00
23. Salt & Pepper - 2" x 6"	\$87.00
53. Deco Rock - 2" x 4"	\$40.00

CONSTRUCTION AGGREGATE	
46. Base - 3/4" Type II, Brown	\$38.00
47. Base - 3/4" Type II, Green	\$42.00
48. Desert Rainbow - 1" x 2"	\$46.00
34. Crushed Rock - 1 1/2"	\$36.00
35. Crushed Rock - 3/4"	\$36.00
36. Crushed Rock - 1 1/2" Trace	\$36.00
37. Crushed Rock - 3/4" Trace	\$37.00
38. Copper - 3/4"	\$55.00
39. Copper - 1 1/2"	\$55.00
40. Copper - 2" x 4"	\$55.00
41. Copper - 3" x 10"	\$55.00
42. Rip Rap - 12" Minus	\$50.00
43. Frock - 2" x 3"	\$44.00
44. Frock - 8" Minus	\$48.00
45. Pea Gravel - 3/8" Chip	\$34.00

SAND & GRAVEL	
49. Granite Pebbles	\$36.00
50. D.G. - 3/8" (Pathway Pebbles)	\$39.00
51. D.G. - 5/16 (Coarse)	\$34.00
52. D.G. - Screened	\$34.00
54. Sand, Mortar	\$43.00
55. Sand, Concrete	\$37.00
Fill Material	\$24.00
Asphalt Grindings	\$25.00

WASTE/DUMP FEES

Landscape Debris	\$34.00
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Concrete	\$25.00
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****PRICES & AVAILABILITY SUBJECT TO CHANGE WITHOUT NOTICE**

CITY OF FERNLEY DONATION ACCEPTANCE POLICY

SCOPE

This policy establishes uniform procedure for acceptance of cash, investments, equipment, land, real property and in-kind goods and services to the City and its specific departments. It further elaborates on conditions for accepting and rejecting donations. It also discusses how the city should account for and report on donations.

PURPOSE

The purpose of this policy is:

- To establish procedures for the review of donations
- To establish procedures for the acceptance of donations
- To identify allowable donations that fit within the City's overall strategic plan, goals and objectives
- To establish guidelines that ensure an ethical framework of arm's length transactions
- To identify how the City will account for and report on donations

OBJECTIVE

Donations shall be accepted for purposes that are consistent with the City's mission, programs, services and activities and must be deemed to be in the public interest. The City shall only accept donations that will:

- 1) Provide a direct benefit to members of the community, the City and its agencies, boards and commissions
- 2) Benefit City operations
- 3) Not adversely impact the City's budget

The City shall not accept a donation of any kind just simply because it's a donation.

QUESTIONS TO ASK WHEN DETERMINING BENEFIT

- 1) Does the donation support a program, service or activity?
- 2) Does the donation put \$\$ back in the hands of the City's customers?
- 3) Does the donation save the City money?
- 4) Does the donation assist in providing services to the City's customers?
- 5) Does the donation cause unnecessary maintenance and use of resources?

- 6) What is the cost of potential replacement of the donated item?
- 7) Do restrictions upon the use of the item or funds make it practical to accept?
- 8) Is the required accounting for the items or funds excessively difficult or time consuming?
- 9) Does the donation result in an increase in expenses to the City's budget?
- 10) Does the donation cause risk to the City?
- 11) Does the donation present a conflict of interest for the City or its employees?
- 12) Does the donation fit within the scope of the City's purpose of providing services to members of the community? i.e., is it within the City's scope to enter into the real estate business?

DEFINITIONS

Gift or Donation. For purposes of this policy, the terms "gift" and "donation" shall be synonymous and may be a contribution of cash, investments, equipment, land, real property or in kind goods and services, which the City has accepted and for which the donor has not received any goods or services in return. A "gift" for purposes of this policy shall not be construed as a gift to an individual employee, Council Member or other as such a "gift" is not covered in this policy.

Anonymous Donations

The phrase "anonymous donation" means that the City doesn't reveal to any third party who the donor was, not that the City doesn't know who the donor was.

POLICY

Types of Donations the City May Accept

Eligible donations are those that support approved programs and services and include the following:

Cash

Investments

Furniture, Fixtures and Equipment

Land

Real Property

In kind goods and services

Inventory held for others:

Donors who wish to make donations that support special purposes and that are provided by an organization independent of the City should be directed, where possible, to the intended organization. In the event the City allows such donations to be stored on the City's property, a letter signed by the donor shall be required. The letter shall include the date of the donation, the Donor's name, to whom the donations are being made, the type of donations and a waiver of all liability for the donations shall be required prior to the City storing such donations.

In no event shall the City accept donations as a donee of supplies or goods to subsequently be donated by the City to others.

Review and Documentation

All potential donations shall be reviewed by the City Manager and the respective department head. All questions/answers to determine benefit shall be formally documented.

All donations to be accepted by the City shall be accompanied by a letter signed by the donor. The letter shall include the date of the donation, the donor's name, the donor's contact information, to whom the donation is being made, the purpose of the donation and whether there are any restrictions or special requirements, the type of donation, the fair market value of the donation and any documentation that would provide proof of the fair market value of the donation. In the event land and/or real property is to be considered, a current title report must be provided by the potential donor.

All donor information shall remain confidential (anonymous) unless where the donor has authorized the release of personal information.

Criteria for Accepting or Declining Donations:

1. The City may elect to accept or decline any donation. If the gift is not accepted, the donor shall be advised in writing by the City Manager.
2. Donations are only to be accepted if the City has the capacity to meet the initial and ongoing costs and obligations associated with the gift.
3. The City may decline donations from any donor who in the opinion of the Council, or of the City Manager under delegated authority, represents a reputational risk to the City.
4. The City shall only accept donations which are shown to provide a benefit to the City and meet the Objectives above.
5. The City shall only accept donations of equipment, land and/or real property that have a clear title.

Acceptance

An acceptance letter signed by the City Manager shall be provided to all donors from whom the City accepts donations. The letter shall convey the terms and requirements of the donation, include donor contact information, the purpose of the donation, the fair market value of the donation, information about the tax receipt, how unused funds will be dealt with and the responsibilities of the respective parties. A statement acknowledging that the donation may be subject to the provisions of the Municipal Freedom of Information and Protection of Privacy Act should also be included.

Once a donation is accepted by the City and a letter of acceptance is sent by the City Manager, the donation letter, the acceptance letter and the benefit determination shall be provided to finance for proper entry in to the City's books and records.

Authority to Accept:

1. The City Council delegates authority to the City Manager to accept unsolicited donations where:
 - a.) The donation has a current value that does not exceed \$10,000 and cumulative donations from the same donor for the same purpose does not exceed \$10,000 in a fiscal year;
 - b) The donation is not in the form of land and/or real property;
 - c) The donation does not involve a proposal to name City facilities and streets; and
 - d) The donation is in compliance with this policy.
2. All donations must be documented by the City Manager:
 - a. Cash and other donations of \$100 or more and under \$10,000 must be documented and the terms communicated to the donor.
 - b. Cash and other donations of \$10,000 or more must be documented through a legal agreement to the satisfaction of the City Attorney. For in kind donations, include where necessary in the opinion of the City Attorney a waiver of liability and an indemnity clause.
 - c. Include the following statement:
"All donations and/or in-kind donations, made to the City and its agencies must be given unconditionally and voluntarily without any expectation of benefit. A donation cannot be used to influence the outcome of an outstanding approval, permit or license application or award of a procurement call. You must advise the City in writing if you, your organization or company is currently involved in a planning approval or procurement process with the City or one of its agencies."
 - d. All donations must be approved by City Council through the consent agenda at a City Council meeting within a reasonable time. Any rejections by the City Manager may be appealed to the City Council by the donee.
3. Donations of cash designated for specific purposes will only be accepted by the City where Council has authorized the specific purpose or a fundraising campaign (whether

conducted by staff or third parties), and where the necessary capital or revenue account has been established.

Instructional information on how to make a donation to the City on its website or in printed general information brochures is not considered to be a fundraising campaign.

4. Where donations are being accumulated for a major project or fundraising campaign, the funds will be held in an appropriate fund or account until sufficient funds for the proposed project have been obtained. Funds from such donations may be spent on feasibility or engineering studies with approval by City Council prior to commencement of the proposed project. Remaining funds may not be spent until sufficient funds to complete the project have been secured and spending authority has been obtained.

In the event donations have been accumulated for a major project or fundraising campaign and if within two (2) years it is deemed that the amount of donations are not sufficient to go forward with the major project, funds shall revert to the general fund. City Council has the option of extending the time limit upon majority vote.

Donations of Land and Real Property:

1. The City may accept a donation of land and/or real property, provided that it has made the requisite findings and documented its formal acceptance in the minutes, as long as the donation does not conflict with public policy or result in an unlawful donation to the City. There may be instances when the City may need to acquire property due to operational necessity and that may result in an economic detriment to the City.

2. Donations of land and/or real property to the City may only be accepted upon a clear title and with the prior approval of Council, which is to include approval of the budget for any future or ongoing obligations arising from the donation.

3. Where appropriate, approval of a donation of land and/or real property is to include the use and disposition of the land and/or real property including the net proceeds arising from a property transaction.

4. Donations of land and/or real property to the City or its boards or commissions, whether designated for specific purposes or not, will be held in the name of the City.

Donations of Investment Securities

The City may only accept publicly traded securities, which may be converted into cash quickly and easily. Immediate disposal (within one week) is required, which will provide for an orderly disposition of the securities. Investments shall be recorded at the fair market value on the date they are received. Since stocks or bonds are to be sold within one week after the receipt of the investments, the contribution amount shall be recorded as the total amount of the proceeds. A contribution of investment securities is completed upon the unconditional delivery of a properly endorsed investment certificate to the City Manager. If the security is mailed and is received by the City Manager in the ordinary

course of the mail, the gift is effective on the date of mailing. The City shall not accept closely held stock as the market value is difficult to determine.

Donations in Relation to City Decision Making Processes:

General:

1. Conditions, contributions and community benefits may only be requested from an applicant seeking an approval, permit or license from the City or its boards or commissions if such requests are permitted or required by that decision making process.
2. In the case of an applicant seeking an approval, permit or license from the City or its boards or commissions, beyond matters permitted or required as part of the decision making process, voluntary donations from the applicant or their representative may only be requested or accepted at arm's length (without influence) from the decision making process:
 - 2.1 Applicants seeking an approval, permit or license may concurrently offer or make voluntary donations to the City or an agency, board or commission for community benefits;
 - 2.2 Voluntary donations for community benefits may be solicited or accepted, for any purpose or community beneficiary, from applicants with a concurrent application for an approval, permit or license.
 - 2.3 Nevada Revised Statutes shall apply.

Procurement Decisions:

3. Voluntary donations may not be solicited and offers may not be made by or accepted from a bidder, proponent or applicant to procurement, or their representative, concurrent to the procurement solicitation and award process.
4. The City shall not accept donations that are conditional upon the endorsement of any product, service or supplier.
5. Current and prospective suppliers to the City that decline solicitations for donations shall not be penalized in procurement decisions of the City.

Other:

6. No advantage is to accrue to the donor or to any associated person as a result of the donation.
7. Donations cannot confer a personal benefit to any City employee or City Official.
8. Donations that violate federal law, state law, the Fernley Municipal Code or City policies will not be accepted by the City.

9. Donors are required to advise the City if a donation to the City is concurrent with a planning approval or procurement process in which the donor, or the donor's organization or company, is involved.

Accounting and Reporting

Once a donation is accepted by the City and a letter of acceptance is sent by the City Manager, the donation letter, the acceptance letter and the benefit determination shall be provided to finance for proper entry in to the City's books and records.

Donations shall be reported according to Generally Accepted Accounting Principles and at fair market value. Capitalization thresholds shall be reviewed upon donations of land, real property and furniture, fixtures and equipment and as such capitalized when appropriate. For donations that do not meet the capitalization threshold, revenue and expense shall be recorded.

Approved by City Council: April 1, 2015

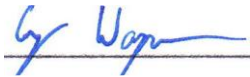
November 22, 2022

Subject: City of Fernley Planning Commission Letter of Interest

Dear Fernley City Council and Staff,

I am writing to convey my interest in continuing my appointment on the Fernley Planning Commission for another term beginning in 2023. It has been my honor to serve on this Commission for 5+ years, and my commitment is to continue serving to my fullest ability.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cody Wagner", is written over a horizontal line.

Cody Wagner
cody.wagner@hotmail.com
(775) 544-2854



CITY OF FERNLEY

City Council AGENDA REPORT

Meeting Date: December 21, 2022

REPORT TO: Mayor and City Council

REPORT FROM: Denise Lewis, Finance Director

FINANCIAL IMPACT:

Yes: No: x

CURRENTLY BUDGETED:

Yes: No:

FUND/ACCOUNT:

NA

ACTION REQUESTED: Motion

AGENDA ITEM: (For Possible Action):

Presentation, discussion and possible action to approve the Annual Comprehensive Financial Report for the year ended June 30, 2022. Presentation by Hinton Burdick, CPAs and Advisors.

AGENDA ITEM BRIEF:

Per NRS 354.624, each local government shall provide for an annual audit of its financial statements. The annual audit must be concluded and the audit report submitted to the governing body no later than 5 months after the close of the fiscal year for which the audit is conducted. The opinion and findings of the auditor contained in the audit report must be presented at a meeting of the governing body held not more than 30 days after the report is submitted to it.

RECOMMENDED MOTION:

"I move to approve the Annual Comprehensive Financial Report for the year ended June 30, 2022".

BUSINESS IMPACT (per NRS Chapter 237):

NA

See attached report for background, analysis, alternatives.

ALTERNATIVES:

Not approve the report.

BACKGROUND:

The City has had an un-modified audit opinion with no material weaknesses and no significant deficiencies; and has not required an extension of time for submission to taxation since 2012.

RELEVANT LAWS, STATUTES, AND REGULATIONS:

NRS 354.624

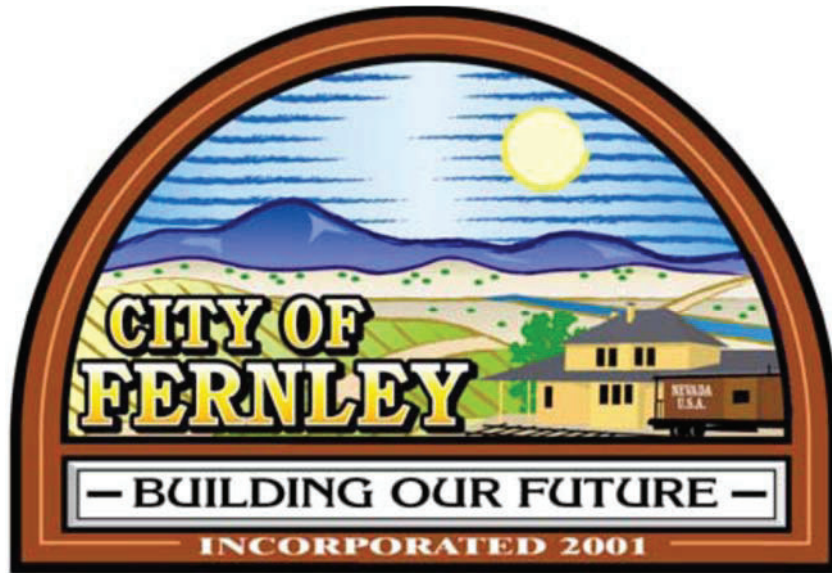
FINANCIAL IMPLICATIONS:

N/A

ATTACHMENTS:

1. City of Fernley 2022 ACFR

ANNUAL COMPREHENSIVE FINANCIAL REPORT



**FISCAL YEAR ENDED
JUNE 30, 2022**

**City of Fernley
Nevada**

CITY OF FERNLEY, NEVADA

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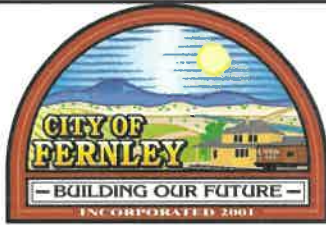
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CITY OF FERNLEY

November 21, 2022

To the Honorable Mayor, Members of the City Council, and Residents of the City of Fernley Nevada:

The annual comprehensive financial report (ACFR) for the City of Fernley for the fiscal year ended June 30, 2022 is hereby submitted. State law requires that local governments provide for an annual audit by independent certified public accountants of its financial statements in accordance with auditing standards generally accepted in the United States of America.

This report consists of management's representations concerning the finances of the City of Fernley. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in the report. To provide a reasonable basis for making these representations, management of the City of Fernley has established a comprehensive internal control framework that is designed both to protect the city's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Fernley's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Fernley's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Fernley's financial statements have been audited by Hinton, Burdick CPAs & Advisors, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Fernley for the fiscal year ended June 30, 2022 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Fernley's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The city was required to have a single audit performed given the City of Fernley expended more than \$750,000 in federal financial assistance during the fiscal year ended June 30, 2022. The federally mandated "Single Audit" is designed to meet the special needs of federal grantor

agencies. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Fernley's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Fernley "the city" was incorporated in 2001 under the provisions of Nevada Revised Statutes (NRS) Chapter 266. The city is in western Nevada, occupies a land area of 164 square miles and serves a population of 19,368 according to the United States Census taken in 2010. The city is empowered to levy a property tax on both real and personal properties located within its boundaries.

The city operates under the Council/Manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and five City Council members. The City Council is responsible for establishing policy, passing ordinances, adopting the budget, appointing committees and establishing the organizational structure of the city. Pursuant to NRS, the Mayor is the chief executive officer of the city. The City Manager is the chief administrative officer of the city. This individual is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the city and for supervising the heads of various departments, excluding appointed officials. The City Council members are elected by Ward to serve four-year staggered terms. The Mayor is an elected position and serves a four-year term.

The city provides a wide range of services, including construction and maintenance of streets, parks, buildings and water and sewer systems; recreational activities and events; vector and animal control; building and planning services; municipal court services; cemetery services; general administrative services; and water and sewer services. The Lyon County Sheriff's office provides law enforcement services. The city contracts with Lyon County for animal shelter services. Fire protection services are provided through the legally separate North Lyon County Fire Protection District. The Fernley Swimming Pool District owns and operates a swimming pool in Fernley and Lyon County operates the senior center. Lyon County and the Lyon County School District also provide regional services in Fernley.

The annual budget serves as the foundation for the city's financial planning and control. All city department heads are required to submit requests for appropriation to the City Manager and Treasurer in January of each year. The two use these requests as the starting point for developing a proposed budget. A series of City Council workshops are held to discuss the budget and during these workshops, the City Manager presents the proposed budgets to the City Council for review. The City Council is required to hold a public hearing on the proposed budget no earlier than the Third Monday in May and not later than the last day in May; and then adopt a final budget by June 1 of each year to be filed with the Department of Taxation. The appropriated budget is a policy document prepared by fund and department. Any augments must be approved by City Council and submitted to the Department of taxation. Department heads may request transfers of appropriations and depending on the departments and funds, City Council may or may not be required to authorize a transfer of appropriations as per NRS. However, City Council is informed of all transfers of appropriations.

Factors Affecting Financial Condition and Outlook

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the city operates. The city relies on property tax revenues, which is the city's main revenue source, to support general government services. As revenues fluctuate, so do the level of the services that may be provided. Given the State of Nevada's property tax structure, the city's limited revenue sources and its inability to impose taxes, it is difficult for the city to maintain city streets at appropriate levels. The city continues to seek other revenue sources, utilize tools and review current revenue streams and fees that may assist in providing additional money for city streets. Federal funding is also reviewed for any opportunities. The city was recently awarded a \$25 million grant by the US Department of Transportation to construct a major roadway that would connect US 50 and Interstate 80.

Local Economy

The city's population continues to grow, but as a result of the pandemic, labor and supply challenges continue to impact projects and costs. While development experienced some decline in the prior year, it has continued as mortgage rates have increased significantly. However, there still exists a significant interest in Fernley for industrial, commercial, and residential development. New and expanding businesses will generate future sales, property, and shared tax revenues for the city.

When the pandemic hit in March of 2020, the city, like many other areas throughout the nation, began to experience significant unemployment. In April 2020, the nation's unemployment rate went from 8.4% the previous month, to an unemployment rate that paralleled the rate at the height of great recession (20.0%). Things have gotten better, however. The US average unemployment rate as of September 2022 was 3.5%; the State of Nevada's was 4.4%; and the city's unemployment rate was 4.7%. Fernley has seen a small increase in the job market over the last year. However, future job growth is expected to increase significantly over the next ten years due to industrial growth.

While the pandemic certainly affected the local economy and still does to this day, there are three other major factors that continue to impact the city. First, the property tax law that was passed in 2005 continues to affect property tax revenue resulting in the under-collection of revenues due to abatement. Second, the city's C-TAX revenue distribution impacts the city and third, the demands and costs to provide city services to the community, including parks, roads, and other services are increasing. While the city has saved to address some of these issues, with the increase in population, the needs are outpacing the city's revenue growth. Therefore, the city must continue to identify revenue sources to ensure quality programs and services can be provided to the community.

Given the negative economic impacts of COVID-19, which resulted in a national recession and the highest inflation rate since 1990, it is critical that the city continues to take a very conservative approach when preparing the budget. While the budget presented is balanced, going forward, there may be a need to look at delaying purchases or hiring to ensure the city's funds are stable and consistent with the current economy.

Long-term financial planning

City staff has worked on establishing many long-range plans. In December 2020, the Fernley City Council adopted the 2021-2026 Strategic Plan, which focuses on the following goals:

- Manage sustainable growth and maintain public infrastructure
- Develop a defined city center with a mix of businesses, restaurants, and entertainment
- Encourage a variety of housing types, density and costs that accommodate the needs, desires, and financial abilities of current and future households.
- Increase opportunities for civic engagement and community building
- Maintain strong partnerships with public agencies and community organizations
- Ensure municipal services meet the needs and expectations of the community
- Develop and maintain revenue sources to support community improvements and services.

Long-term planning is critical for the sustainability of the city. The following plans are used to plan for financial needs and resources for the responsible growth and development of the city.

Description	Date Completed
ADA Transition Plan Infrastructure Survey and Inventory	August 2019
City's Master Plan (Comprehensive Plan)	August 2018
Communications Plan	September 2017
Community Center Conceptual Design	September 2019
Emergency Management Plan	Work in progress
Parks Master Plan	September 2017
Redevelopment Plan	March 2019
Sewer Master Plan	Work in progress
Strategic Plan	Completed December 2020 (2021-2026)
Transportation Master Plan	June 2020
Water Conservation Plan	September 2016
Waster Master Plan	Work in progress
Water Resource Plan	December 2019

Appreciation and Acknowledgements:

The management of the City of Fernley would like to acknowledge the efforts of the city's Finance Department and Hinton, Burdick CPAs & Advisors for their effort and dedication in producing this document.

The preparation of this report could not have been accomplished without the professional, efficient and dedicated staff of the Finance Department. Our auditors, Hinton, Burdick CPAs & Advisors provided the expert support and guidance that made the preparation of this report possible. We would also like to express our thanks to the department heads and employees of the city for their cooperation and assistance, and to the citizens of Fernley whose continued cooperation, support, and assistance have contributed greatly to the financial stability of the City of Fernley.

Respectfully submitted,



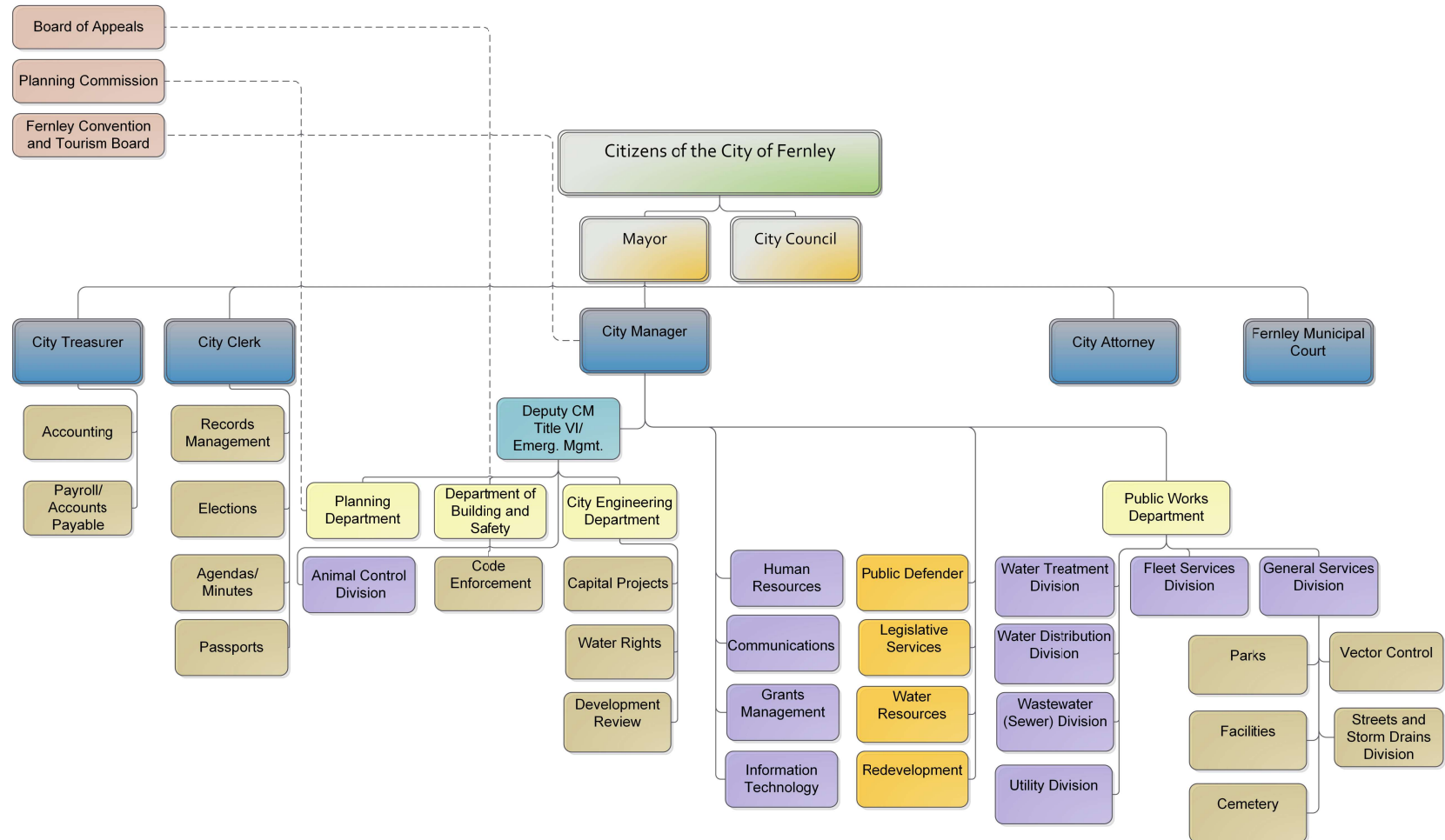
Patrick Marsh
City Manager

Respectfully submitted,



Denise Lewis
City Treasurer
Finance Director

Organizational Chart



**CITY OF FERNLEY, NEVADA
LIST OF PRINCIPAL OFFICIALS**

City Council

Mayor	Roy Edgington
Council Member Ward 1	Raymond Lacy
Council Member Ward 2	Felicity Zoberski
Council Member Ward 3	Stan Lau
Council Member Ward 4	Albert Torres
Council Member Ward 5	Fran McKay

The Fernley City Council meets in regular session the first and third Wednesday of the month in the Council chambers in City Hall located at 595 Silver Lace Boulevard, Fernley, Nevada.

Staff

City Manager	Daphne Hooper
City Attorney	Brandi Jensen
City Treasurer	Denise Lewis
Municipal Court Judge	Lori Matheus
City Clerk	Kimberly Swanson
Public Works Director	Dave Whalen
City Engineer	Derek Starkey
Planning Director	Timothy Thompson
Building Official	Billy Staten



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Nevada**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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Independent Auditors' Report

The Honorable Mayor and City Council
City of Fernley, Nevada

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fernley, Nevada (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fernley, Nevada, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

The City implemented the provisions of GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the proportionate share of the net pension liability, the schedule of changes in the net OPEB liability and related ratios, the schedule of contributions, and the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements and individual nonmajor fund and enterprise fund budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and individual nonmajor fund and enterprise fund budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section, and schedule of business license fees but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

HintonBurdick, PLLC

St. George, Utah
November 21, 2022



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Management's Discussion and Analysis

As management of the City of Fernley (city), we offer readers of the city's financial statements this narrative overview and analysis of the city's financial performance during the fiscal year ended June 30, 2022. This report provides financial information on the city as a whole and by fund. We encourage readers to consider the information presented here in conjunction with the city's letter of transmittal and the financial statements, which follow this section.

Financial Highlights

- The city's total net position was \$196,769,891 at June 30, 2022.
- The city's total expenses were \$22,834,391 at June 30, 2022.
- Business-Type Activities revenue:
 - Water: \$17,965,156
 - Sewer: \$6,445,827
- The city's total Governmental Activities revenue was \$13,421,206.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the city's basic financial statements. The city's basic financial statements comprise three components: 1) government-wide financial statements, 2) basic fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the city's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the city's assets, deferred outflows, liabilities and deferred inflows with the differences reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the city is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Each of the government-wide financial statements identify the activities of the city that are principally supported by taxes and intergovernmental revenues (*governmental activities*) and the activities that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the city include general government, judicial, public works, culture and recreation, community

support and development and health functions. The business-type activities of the city include water and sewer functions.

The government-wide financial statements can be found on pages 25 and 26 of this report.

Basic fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the city can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The city maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Grants Fund, which are considered major funds. Data for the remaining, non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The city adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 27 through 30 of this report.

Proprietary funds. The city maintains two proprietary funds as *enterprise funds* to account for its potable water and sewer (wastewater) operations. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Proprietary Fund financial statements provide separate information for the water and sewer operations. The Water Fund and Sewer Fund are considered to be major funds of the city.

The basic Enterprise Fund financial statements can be found on pages 31 through 33 of this report.

Custodial fund. The Custodial Fiduciary fund is used to account for resources held for the benefit of parties outside the government. Custodial funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the city's own programs. The custodial fund uses the economic resources measurement focus for accounting purposes.

The statement of Fiduciary Net Position for the Custodial Fund can be found on pages 34 and 35 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36 through 65 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 80 through 86 of this report.

Government-wide Financial Analysis

One of the most important questions asked about the city's finances is "Is the city as a whole better off or worse off as a result of this year's activities?" The statement of activities reports information about the city's activities in a way that will help answer this question. The statement of net position presents information on all of the city's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the city is improving or deteriorating. These two statements report the net position of the city and the changes in them. However, considerations should also be given to other non-financial factors such as changes in economic conditions, population growth and new or changed governmental legislation.

The following table represents a summary of the City's statement of net position.

City of Fernley's Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>FY22</u>	<u>FY21</u>	<u>FY22</u>	<u>FY21</u>	<u>FY22</u>	<u>FY21</u>
Assets						
Cash & investments	\$16,307,802	\$14,343,832	\$56,166,398	\$47,442,012	\$72,474,200	\$61,785,844
Receivables (net)	753,324	721,272	1,630,100	1,635,604	2,383,424	2,356,879
Inventory	-	-	159,772	129,288	159,773	129,288
Prepays	-	-	2,700	2,914	2,700	2,914
Restricted assets:						
Temporarily restricted:						
Cash & investments	7,135,178	-	485,034	474,043	7,620,212	474,043
Capital assets (net):						
Land & water rights	5,099,616	4,918,410	46,466,183	44,208,465	51,565,799	49,126,876
Construction in progress	1,527,380	406,231	5,765,896	935,416	7,293,276	1,341,647
Buildings	3,070,754	3,394,180	-	-	3,070,754	3,394,180
Improvements and Other	6,982,947	7,203,994	98,422,463	101,632,308	105,405,410	108,836,302
Machinery, equipment and vehicles	217,789	289,732	856,687	1,011,969	1,074,476	1,301,701
Infrastructure	26,679,503	26,989,944	-	-	26,679,503	26,989,944
Total assets	67,774,293	58,267,595	209,955,234	197,472,020	277,729,527	255,739,615
Deferred outflows						
Deferred charge on refunding	-	-	3,047,170	3,238,207	3,047,170	3,238,207
Deferred outflows related to pensions/OPEB	2,234,639	924,823	1,739,885	1,007,943	3,974,524	1,932,766
Total deferred outflows	2,234,639	924,823	4,787,055	4,246,150	7,021,694	5,170,973
Liabilities						
Accounts payable and other current liabilities	3,944,817	2,534,361	2,396,025	464,111	6,340,842	2,998,472
Unearned Revenue	7,074,748	61,850	2,142,652	-	9,217,400	61,850
Refundable deposits	-	-	485,034	474,043	485,034	474,043
Accrued interest	-	-	733,368	764,993	733,368	764,993
Noncurrent liabilities:						
Due within one year	-	460,524	3,223,545	3,196,243	3,223,545	3,656,767
Due in more than one year	193,003	1,457,315	57,119,259	60,277,083	57,312,262	61,734,398
Net OPEB liability	169,266	148,128	183,505	157,113	342,904	305,241
Net pension liability	3,172,916	4,149,086	2,239,769	3,738,910	5,412,685	7,887,996
Total liabilities	14,554,750	8,811,264	68,523,157	69,072,496	83,076,735	77,883,760
Deferred Inflows						
Deferred inflows related to pensions/OPEB	2,661,404	584,551	2,216,191	643,184	4,887,595	1,227,735

Net position:

Net investment in capital assets	43,577,989	41,468,491	94,334,014	87,734,750	137,912,003	129,203,241
Restricted for:						
Capital projects	874,060	939,178	-	-	874,060	939,178
Future development	174,199	314,152	-	-	174,199	314,152
Judicial	116,492	125,326	-	-	116,492	125,326
Unrestricted	8,050,038	6,949,456	49,670,099	44,267,740	57,720,137	51,217,196
Total net position	<u>\$52,792,778</u>	<u>\$49,796,603</u>	<u>\$144,004,113</u>	<u>\$132,002,490</u>	<u>\$196,796,891</u>	<u>\$181,799,093</u>

At the close of the current fiscal year, the city's total assets exceeded its total liabilities by \$194,652,792. The city has total positive working capital (current assets less current liabilities) of \$62,156,258.

Deferred outflows and deferred inflows are the flows of resources into and out of the city during the fiscal year and represent the recognition of revenues and expenses that are deferred until the future period to which the outflows and inflows are related. \$3 million of the city's deferred outflows relate to water and sewer refunding bonds and represent the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt (amount due at maturity, adjusted for any unamortized premium or discount related to the old debt). \$1.7 million of deferred outflows are related to pension contributions made to the plan after the net pension liability's measurement date and prior to fiscal year end. The city reported \$2.2 million in deferred inflows related to pensions and changes in assumptions.

The majority of the city's net position (70% or \$138 million) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); net of any related outstanding debt used to acquire those assets. The city uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the city's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Less than 1% or \$1.2 million of the city's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (29 % or \$57.7 million) may be used to meet the government's ongoing obligations to citizens and creditors.

The following table summarizes the change in net position for the current fiscal year:

	Governmental Activities		Business-Type Activities		Total	
	FY22	FY21	FY22	FY21	FY22	FY21
Revenues:						
Program revenues:						
Charges for services	\$4,977,772	\$3,933,405	\$15,419,524	\$15,026,794	\$20,397,296	\$18,960,199
Operating grants and contributions	2,708,379	3,862,058	-	-	2,708,379	3,862,058
Capital grants and contributions	1,468,592	743,317	5,527,857	2,554,555	6,996,449	3,297,872
General revenues:						
Property taxes	3,635,121	3,293,351	-	-	3,635,121	3,293,351
Consolidated taxes	205,075	196,323	-	-	205,075	196,323
Fuel Taxes	391,070	306,563	-	-	391,070	306,563
Residential Const. Tax	279,000	191,600	-	-	279,000	191,600
Ancillary fee	-	-	4,407,245	4,317,101	4,407,245	4,317,101
Gaming Licenses	120,170	116,483	-	-	120,170	116,483
Gain (loss) on disposal	8,496	-	2,210	13,692	10,706	13,692
Investment Earnings	(372,467)	36,097	(945,853)	133,235	(1,318,320)	169,332
Miscellaneous revenues	-	138,430	-	-	-	138,430
Total revenues	13,421,208	12,817,627	24,410,983	22,045,377	37,832,191	34,863,004
Expenses:						
General government	3,586,290	3,887,890	-	-	3,586,290	3,887,890
Judicial	445,902	358,504	-	-	445,902	358,504
Public works	4,523,736	3,478,603	-	-	4,523,736	3,478,603
Culture & recreation	1,022,103	932,490	-	-	1,022,103	932,490
Community development	722,118	764,387	-	-	722,118	764,387
Health	121,443	130,491	-	-	121,443	130,491
Water	-	-	9,241,599	9,413,340	9,241,599	9,413,340
Sewer	-	-	3,167,761	3,364,620	3,167,761	3,364,620
Interest and fiscal charges	3,439	45,113	-	-	3,439	45,113
Total expenses	10,425,031	9,597,478	12,409,360	12,777,960	22,834,391	22,375,438
Increase(decrease) in net position	2,996,175	3,220,149	12,001,623	9,267,417	14,997,798	12,487,566
Net position, July 1	49,796,603	46,576,454	132,002,490	122,735,073	181,799,093	169,311,527
Prior period adjustment	-	-	-	-	-	-
Restatement adjustment	-	-	-	-	-	-
Net position, June 30	\$52,792,778	\$49,796,603	\$144,004,113	\$132,002,490	\$196,796,891	\$181,799,093

While the statement of net position shows the financial position of the city, the statement of activities provides answers as to the nature and source of these changes. From a government-wide perspective and as reported in the statement of activities, the city's total change in net position at June 30 was \$14,997,798.

Governmental activities net position increased by \$3 million due to revenues exceeding expenses and certain RTC streets projects not being completed. On June 11, 2020, the governor of the State of Nevada announced the distribution of CARES Act Coronavirus Relief Funds for local governments throughout the State. The city's allocation was \$3.9

million. As a result, in fiscal year 2022, \$985,000 was recognized as revenue and expended on Covid-19 related expenditures. In March of 2021, the American Rescue plan Act of 2021 (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide state, local, and Tribal governments with the resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery. As a result, the city as a whole received \$22 million in funding. In fiscal year 2022, the city recognized as revenue and expended \$480,000 in ARPA funds. \$493K in streets infrastructure was dedicated to the city in 2022 and \$500K in land was transferred to the city. Permit, planning and business license revenues continue to increase as the city continues to grow. In addition, increases in property tax revenues continue due to higher assessed values.

Business-type activities net position increased by \$12 million due to revenues exceeding expenses. Charges for services increased due to an increase in water and sewer user fee revenues resulting from Council approved rate increases. Such increases have provided for the coverage of operating costs as well as for the savings for capital replacement and repairs. Total connections continue to increase due to growth. Water ancillary fees increase or decrease as debt requirements change from year to year. The sewer fund was allocated \$8 million in ARPA funding. \$857,000 was spent in fiscal year 2022.

At the close of the current fiscal year, the city is reporting positive balances in all three categories of net position, to include net investment in capital assets, restricted and unrestricted net position. The same situation held true for the prior fiscal year.

Fund Financial Analysis

Governmental Funds

The focus of the city's *governmental funds* is to provide information on the near-term inflows, outflows, and balances of *available* financial resources. Such information is useful in assessing the city's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

From a fund perspective, at the close of the current fiscal year, the city's governmental funds reported combined ending fund balances of \$13,135,464 with an excess of revenues over expenditures of \$679,471.

The General Fund is the main operating fund of the city. At the close of the current fiscal year, fund balance for the General Fund was \$10,277,199, with an excess of revenues over expenditures of \$162,344. The city paid off the city's administrative building in fiscal year 2022 with the general fund allocation totaling \$1.1 million.

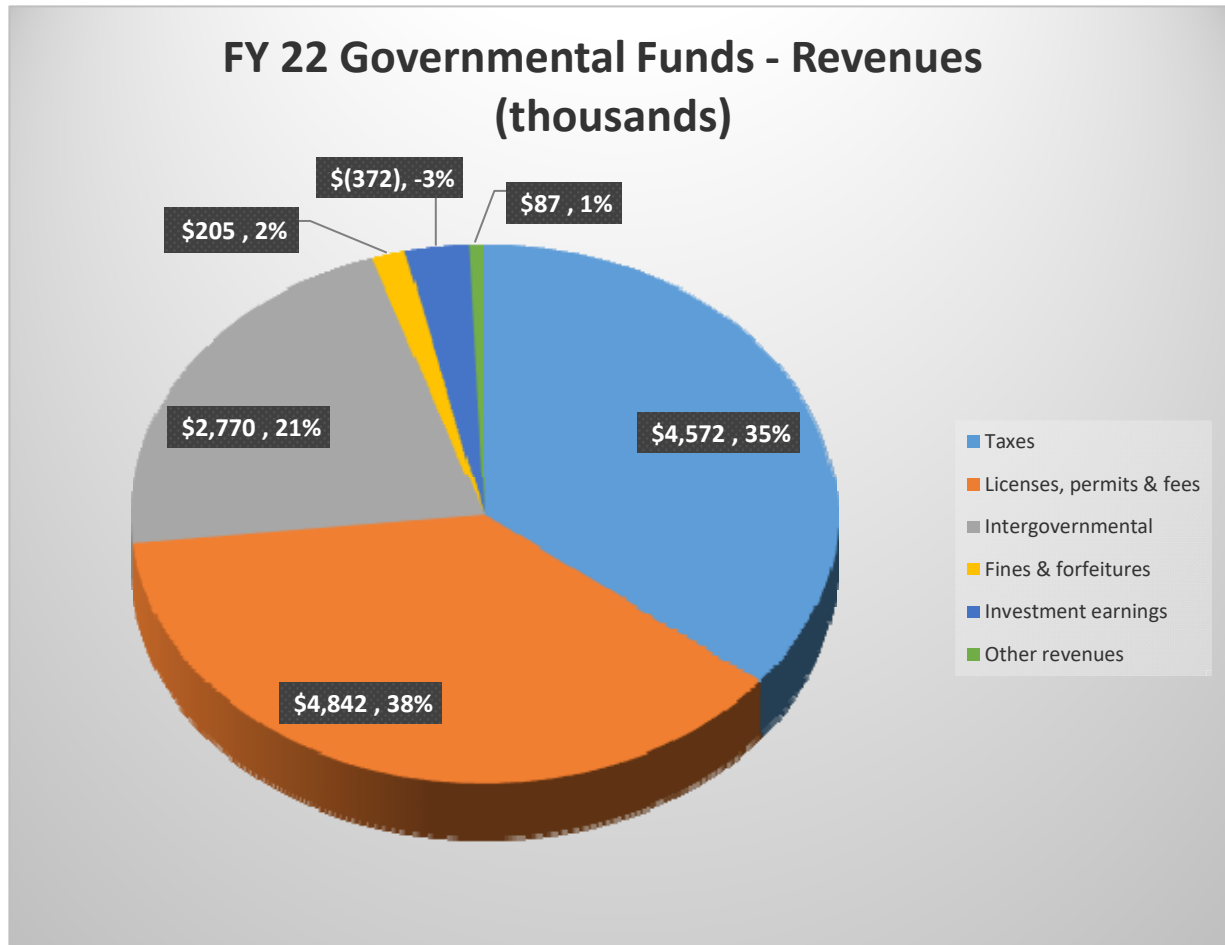
General Fund restricted fund balance, which includes amounts constrained for a specific purpose by external parties, is \$1,005,102; General Fund committed fund balance, which represents funds constrained by Council for public works projects, is \$8,541,389 for the

current year. The remaining General Fund fund balance of \$730,708 is unassigned. Unassigned fund balance represents 8.3% of total General Fund expenditures less capital outlay. In addition, the General Fund had positive working capital of \$10,318,474.

The Transient Lodging Tax Fund (TLT) is a governmental fund which is used to account for taxes collected for transient accommodations. A portion of the tax collected is reserved for future facilities and a portion is provided as grant awards. Fund balance for the TLT Fund at year end is \$2,127,724, with \$838,150 assigned for future facilities.

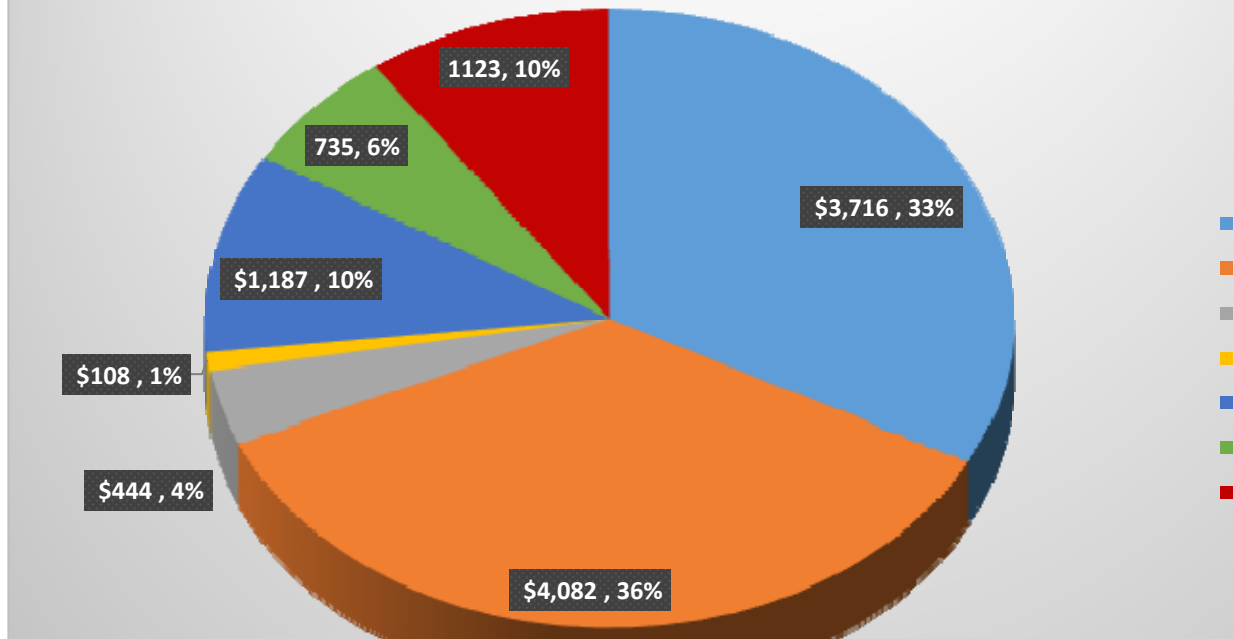
Governmental funds also include those such as the Grants Fund, which is used to account for revenues and expenditures of various grants that the city has applied for and received. The city expended \$1.5 million in grants funds in fiscal year 2022, all of which were federal funds related to the Cares Act and ARPA.

Other government funds include the Municipal Court Administration Fees Fund, the Municipal Court Facilities Fees Fund, the Capital Improvement Fund and the Capital Projects Fund. The Capital Projects Fund is used to account for funds to be used for the acquisition or construction of capital assets, other than those of Enterprise Funds. Fund balance for the Capital Projects fund at year end is \$570,892.



The total of governmental fund revenues as of June 30 is \$12,104,233. The three main sources of governmental revenues for the fiscal year were taxes, licenses/permits and intergovernmental revenue. Taxes make up 35% of revenues and include property taxes and transient lodging taxes. Licenses, permits and fees make up 38% of revenues and include business licenses, franchise fees, liquor licenses, gaming licenses, animal licenses, passport fees, permitting fees, planning fees and inspection fees. Intergovernmental revenues make up 21% of revenues and include consolidated tax, motor vehicle fuel tax, RTC tax, grants and County parks and roads contributions. Fines and forfeitures make up 2% of revenues and include municipal court penalties/fines and warrant fees. Other revenues, which make up less than 1% of revenues, includes investment losses, cemetery fees, donations and other.

FY 22 Governmental Funds - Expenditures (thousands)



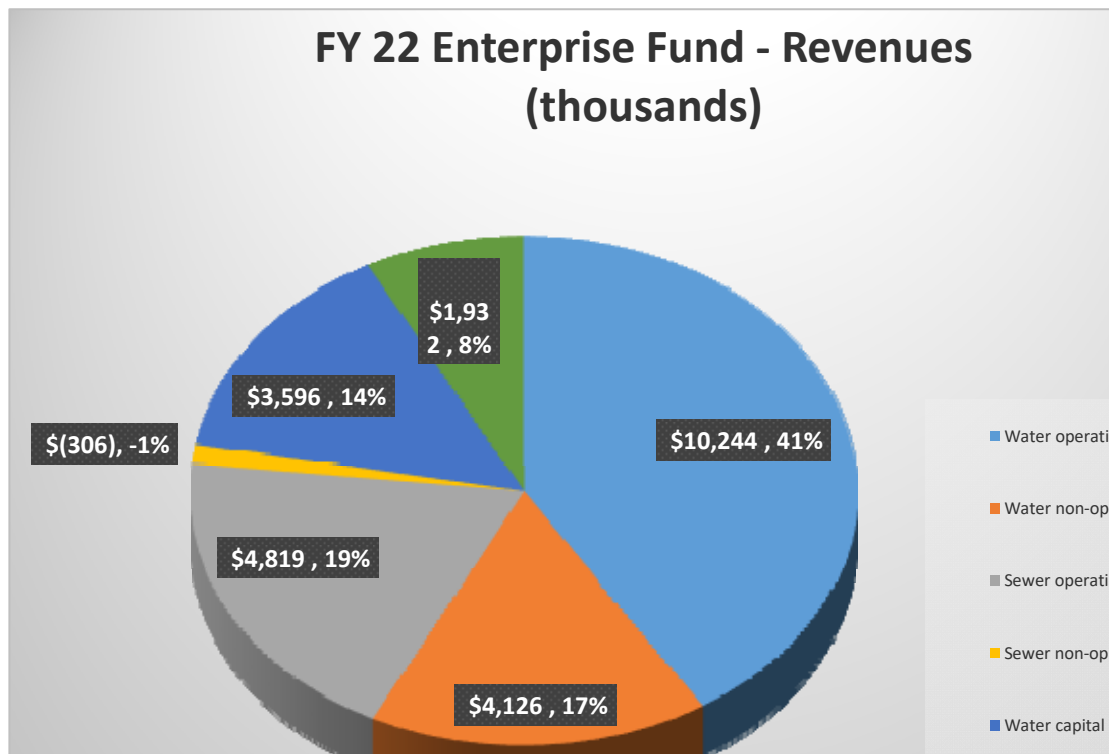
The total of governmental fund expenditures as of June 30 is \$11,424,762 and includes the general fund, the grants fund, the muni court administration fund, the muni court facilities fund, lodging tax fund and both capital funds. Within the general fund, there are six different functions for which there are outlays of expenditures reported and within the functions there are departments. The general government function, which has 33% of outlays, includes the following departments: Mayor/City Council, City Manager, City Attorney, City Clerk, City Treasurer, Facilities, Fleet and Information Technology. The public works function, which has 36% of outlays includes the streets department. The judicial function, which has 4% of outlays, includes the municipal court department and muni court funds. The health function, which has 1% of outlays, includes the cemetery, animal control and vector control departments. The culture and recreation function, which has 10% of outlays, includes the parks department. The community support function, which has 6% of outlays, includes the building and planning departments. Debt service is reported separately and is 10% of outlays and includes principal and interest payments for payoff of the city's administration building.

Proprietary Funds

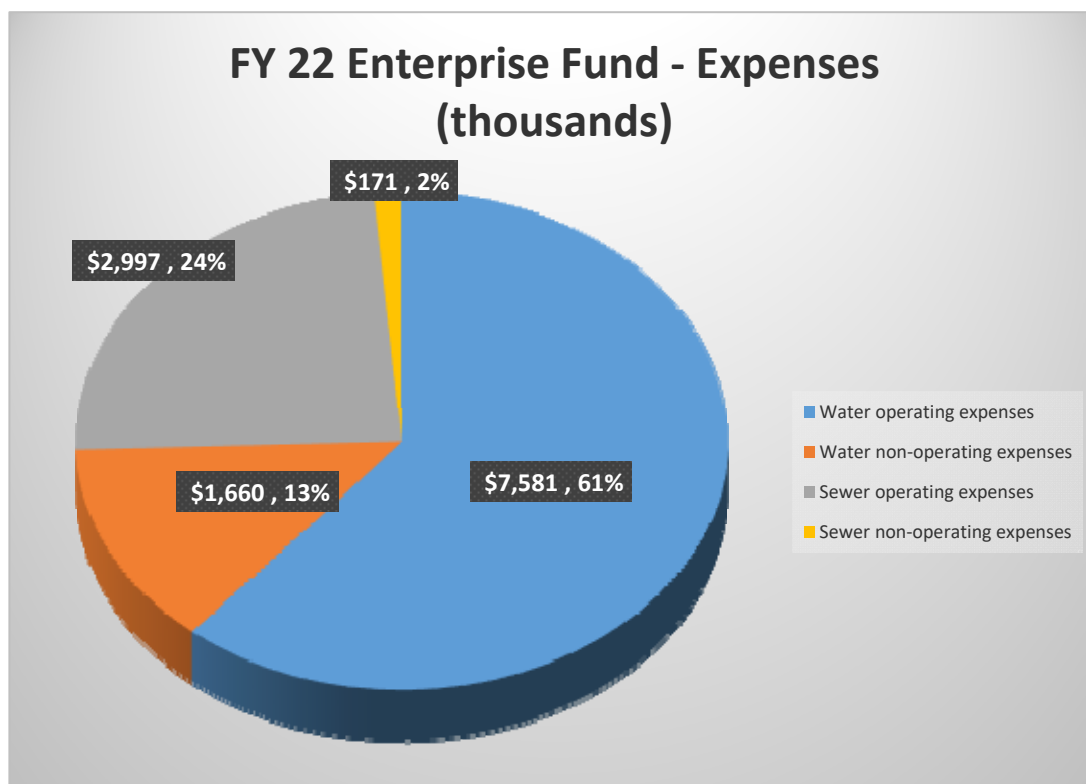
Whereas government funds measure and report available financial resources, *proprietary funds* measure and report economic resources. Proprietary funds are business-like funds and include the city's water and sewer Enterprise Funds.

At the close of the current fiscal year, the city's Enterprise Funds reported a combined ending net position of \$144,004,113, with a change in net position of \$12,001,623. Water Fund operating revenues for the fiscal year is \$10,243,824 and the change in net position is \$8,723,557. Sewer Fund operating revenues for the fiscal year is \$4,819,147 and the change in net position is \$3,278,066. Total net position in the Water Fund at the end of the year is \$104,443,983. Of that amount \$31,371,921 is unrestricted. Total net position in the Sewer Fund at the end of the year is \$39,560,130. Of that amount, \$18,298,178 is unrestricted. Unrestricted net position is the portion of the excess of total assets over total liabilities that may be utilized at the discretion of Council.

In addition, Enterprise funds have combined positive working capital of \$48,978,347. The Water Fund has positive working capital of \$30,346,323. The Sewer Fund has positive working capital of \$18,632,024.



The major sources of operating revenues for both water and sewer are user fees for services. These fees represent **60%** of total enterprise revenues. Non-operating revenues include ancillary water fee revenue and interest income and make up **17%** of total enterprise revenues. The remaining **22%** is grants and capital contribution revenues, which include connection fees.



Operating expenses for both water and sewer include salaries, employee benefits, services, supplies and depreciation. They make up **85%** of total enterprise expenses. Non-operating expenses include interest expense on debt and make up **15%** of total enterprise expenses.

Budgetary Highlights

The City Council adopts an annual operating budget and a five-year capital budget following public budget workshops and a public hearing. The operating budget includes proposed appropriations and the means of financing them. The city's budget remains in effect the entire year, but may be augmented by City Council prior to year end. Budget vs. actual (variance) financial reports are provided to management on a monthly basis and such are presented to City Council on a quarterly basis.

Total General Fund revenues indicate a negative budget vs. actual variance of \$4.2 million. This is a result of \$5.4 million in RTC streets projects not being completed and no revenue recognition. General Fund expenditures indicate a positive budget vs. actual variance of \$7.7 million. This is due in part to the city not spending \$511K it had appropriated in its contingency account; a result of not spending approximately \$5.7 million on streets projects and \$121k on parks projects; and a \$870K savings in streets services and supplies. General Fund excess of revenues over expenditures for the year indicated a positive variance of \$3.4 million.

Total water revenues (excluding grants and capital contributions) indicate a negative budget vs. actual variance of \$773K as service fees were less than budgeted by \$233K and the fact there were investment losses of \$595K. Total water expenses indicate a positive budget vs. actual variance of \$1.6 million. This is attributable to savings in operational expenses including \$1 million in employee benefits and \$401k in services and supplies. The Water Fund's change in net position indicates a positive budget vs. actual variance of \$3.9 million due in part to an increase over budget of capital contributions totaling \$3 million and the savings mentioned above.

Total sewer revenues (excluding grants and capital contributions) indicate a negative budget vs. actual variance of \$291K. This is due to investment losses of \$435K. Total sewer expenses indicate a positive budget vs. actual variance of \$654K. This is due to operational savings. The Sewer Fund's change in net position indicates a positive budget vs. actual variance of \$1.9 million due in part to an increase over budget of grant and capital contributions of \$1.5 million and operating savings of \$678K.

Budgetary schedules can be found on pages 74 through 78 and pages 82 through 86 of this report.

Capital Asset and Debt Administration

Capital assets. The city's total capital assets for its governmental and business-type activities as of June 30, 2022, amounts to \$195,089,218 (net of accumulated depreciation) and includes land, construction in progress, buildings, improvements, machinery and equipment, infrastructure and other capital assets. The city's total net capital assets increased by \$4,098,570 from the prior year. This increase is mainly due to the increase in construction in progress for the surface water conveyance project, the Sage tank rehabilitation project and the US50A/95A sewer improvement project. A major project completed during the year was the the east wastewater treatment plant fire line and potable water main construction project totaling \$909K. Major construction in progress projects include \$493K for the Sage tank rehabilitation project; \$4.2M for the water treatment plant surface water conveyance and treatment design; and \$580K for the US50A/95A sewer improvement project.

City of Fernley Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Totals	
	FY22	FY21	FY22	FY21	FY22	FY21
*Land	\$5,099,616	\$4,918,410	\$1,201,609	\$1,201,609	\$6,301,225	\$6,120,019
*Water rights	--	--	45,264,574	43,006,857	45,264,574	43,006,857
*Construction in progress	1,527,380	406,231	5,765,897	935,416	7,293,277	1,341,647
Buildings	8,667,420	8,667,420	17,530	17,530	8,684,950	8,684,950
Improvements other than buildings	13,253,634	13,022,383	164,816,964	163,482,038	178,070,598	176,504,421

Machinery & Equipment	1,875,153	1,891,055	3,229,035	3,183,740	5,104,187	5,074,795
Other capital assets	40,499,798	39,802,704	1,671,630	1,671,630	42,171,428	41,474,334
TOTAL	68,708,203	68,708,203	213,498,820	213,498,820	282,207,023	282,207,023
Accumulated depreciation	(27,345,012)	(25,505,712)	(70,456,010)	(65,710,663)	(97,801,023)	(91,216,375)
Capital assets, net	\$43,577,989	\$43,202,491	\$151,511,229	\$147,788,157	\$195,089,217	\$190,990,648

*Capital assets, which are not being depreciated

Additional information on the city's capital assets can be found in note 6 of the financial statements.

Long-term debt. At the end of the current fiscal year, the city had total bonded debt outstanding of \$58,092,409. This debt is backed by pledged revenues from the utility system. The unamortized bond premium/discount balance related is \$2,131,976. In addition, the city's long-term liabilities include estimated compensated absences of \$310,250, net pension liability of \$5,412,685 and other post employment benefits (OPEB) of \$352,771.

Pension benefit payments are recognized when due and payable in accordance with the benefit terms. OPEB benefit payments are also recognized when due and payable in accordance with the benefit terms. The city has no obligation other than contributions required by the Nevada Public Employee Retirement System (PERS) and payments required by the Public Employee Benefits Program (PEBP).

	Governmental activities		Business-type activities		Totals	
	FY22	FY21	FY22	FY21	FY22	FY21
General obligation/revenue bonds	--	--	58,092,409	61,025,168	\$58,092,409	\$61,025,168
Installment purchase debt	-	1,734,000	--	--	-	1,734,000
Unamortized bond premium	--	--	2,131,976	2,266,448	2,131,976	2,266,448
Compensated absences	193,003	183,839	117,247	181,709	310,250	365,548
Net pension liability	3,172,916	4,149,086	2,239,769	3,738,910	5,412,685	7,887,996
Other postemployment benefit obligations	169,266	148,128	183,505	157,113	352,771	305,241
TOTAL	\$3,535,185	\$6,215,053	\$62,764,906	\$67,369,348	\$66,300,091	\$73,584,401

The city's total debt balances decreased by \$7.3 million during the current fiscal year due to the principal payments made toward bond debt for business type activities; the payoff of the installment loan; and a decrease in pension liability.

Additional information on the city's long-term debt, Post Employment Retirement Health Insurance Benefits and the city's Defined Benefit Pension Plan can be found in Notes 7, 9 and 10, respectively, of the financial statements.

Economic Factors and Next Year's Budget and Rates

Factors Affecting Financial Condition and Outlook

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Fernley operates. The city relies on property tax revenues, which is the city's main revenue source, to support general government services. As revenues fluctuate, so do the level of the services that may be provided. Given the State of Nevada's property tax structure, the city's limited revenue sources and its inability to impose taxes, it is difficult for the city to maintain city streets at appropriate levels. The city continues to seek other revenue sources, utilize tools and review current revenue streams and fees that may assist in providing additional money for city streets. Any potential opportunities will be reviewed and discussed.

Local Economy

The city's population continues to grow, but as a result of the pandemic, labor and supply challenges continue to impact projects and costs. While development experienced some decline in the prior year, it has continued as mortgage rates have increased significantly. However, there still exists a significant interest in Fernley for industrial, commercial, and residential development. New and expanding businesses will generate future sales, property, and shared tax revenues for the city.

While the pandemic certainly affected the local economy and still does to this day, there are three other major factors that continue to impact the city. First, the property tax law that was passed in 2005 continues to affect property tax revenue resulting in the under-collection of revenues due to abatement. Second, the city's C-TAX revenue distribution impacts the city and third, the demands and costs to provide city services to the community, including parks, roads, and other services are increasing. While the city has saved to address some of these issues, with the increase in population, the needs are outpacing the city's revenue growth. Therefore, the city must continue to identify revenue sources to ensure quality programs and services can be provided to the community.

Given the negative economic impacts of COVID-19, which resulted in a national recession and the highest inflation rate since 1990, it is critical that the city continues to take a very conservative approach when preparing the budget. While the budget

presented is balanced, going forward, there may be a need to look at delaying purchases or hiring to ensure the city's funds are stable and consistent with the current economy.

Long-term financial planning

The City of Fernley has worked on establishing many long-range plans. In December 2020, the Fernley City Council adopted the 2021-2026 Strategic Plan, which focuses on the following goals:

- Manage sustainable growth and maintain public infrastructure
- Develop a defined city center with a mix of businesses, restaurants, and entertainment
- Encourage a variety of housing types, density and costs that accommodate the needs, desires, and financial abilities of current and future households.
- Increase opportunities for civic engagement and community building
- Maintain strong partnerships with public agencies and community organizations
- Ensure municipal services meet the needs and expectations of the community
- Develop and maintain revenue sources to support community improvements and services.

Long-term planning is critical for the sustainability of the city. The following plans are used to plan for financial needs and resources for the responsible growth and development of the City of Fernley.

Description	Date Completed
ADA Transition Plan Infrastructure Survey and Inventory	August 2019
City's Master Plan (Comprehensive Plan)	August 2018
Communications Plan	September 2017
Community Center Conceptual Design	September 2019
Emergency Management Plan	Work in progress
Parks Master Plan	September 2017
Redevelopment Plan	March 2019
Sewer Master Plan	Work in progress
Strategic Plan	Completed August 2020 (2021-2026)
Transportation Master Plan	June 2020
Water Conservation Plan	September 2016
Waster Master Plan	Work in progress
Water Resource Plan	December 2019

Long-term planning is critical for the sustainability of the city. These plans are utilized to plan for financial needs and resources for the responsible growth and development of the City of Fernley.

Budget

The city's annual budget is an all-encompassing financial plan, policy document, operations guide and communications device, which incorporates an organization's mission, vision and strategic plan. Budgets are management tools to help plan for the future.

Each December, City Council establishes key priorities, which assists staff in making determinations as to the types of expenses and expenditures to include in their respective budget requests and as to total appropriations, which are ultimately approved by City Council. In addition, management of the City of Fernley annually updates the Capital Improvement Plan required by state statute and continues to prepare the necessary facilities plans for ultimate development of a more comprehensive Capital Improvement Plan.

For 2022/23, General fund general revenues are budgeted for a \$339K increase in property taxes and RTC streets revenue is budgeted to increase \$4.1 million over prior year's actual.

General fund expenditures are budgeted to increase over prior year's actual by approximately \$9.5 million due to the following: \$7.6 million in the streets department with \$6.8 million being for additional streets capital projects and major maintenance; there is an additional \$400K over prior year actual budgeted for parks improvements, machinery and equipment; \$110K in additional expense is budgeted for cemetery maintenance; an additional \$200K over prior year actual is budgeted for building and safety and includes a new plans examiner position; and an additional \$400K is budgeted over prior year actual in the planning department for area planning. A 2% cola and 3% merit increase is budgeted for all departments, which also increases PERS contributions and payroll taxes for FY 23. Fund balance for the general fund is budgeted to decrease by \$7M compared to prior year's actual due to committed funds being used for streets and other capital projects.

The City has experienced notable turnover over the last few years, which has left certain departments with cost savings when left without key employees. This creates significant variances when comparing prior year actual to the next year's budget and does not necessarily mean that costs are being increased by as much. While a current year's actual's will reflect the savings of an employee that has departed and not yet replaced, the next year's budget will reflect the entire cost for that position.

For 2022/23 Water fund revenues, excluding capital contributions, are budgeted to increase over prior year's actual by \$1.2 million. This is due to a budgeted increase in user fee revenue of approximately \$654K and current investment losses of \$595K. Water fund expenses are budgeted to increase by \$1.6 million and is due to an increase in salaries and benefits; an increase in water rights protection; an increase in repairs and maintenance; an increase in pension expenses; increases in engineering and contract costs; increases in supplies and materials due to increased costs; and increases in other operational expenses.

For 2022/23 Sewer fund revenues, excluding capital contributions, are budgeted to increase by \$496K and is due to an increase in user fees and current investment losses. Sewer fund

operational expenses are budgeted to increase by approximately \$911K due to an increase in salaries and benefits; increases in repairs and maintenance; increases in pension expenses; increases in engineering and contract costs; increases in supplies and materials due to increased costs; and increases in other operational expenses.

An increase in net position is budgeted for both the water and sewer funds at \$3.6 million and \$2.1 million, respectively.

The current financial position of the city indicates that the city will be able to meet its financial obligations as they become due and it will be able to provide service obligations to its constituencies. Therefore, there is adequate cash to meet current obligations and those expected in the near future. However, to ensure the financial position of the city remains positive, it will be in the best interest of the city for management to continue to incorporate long-term planning, look at economic development opportunities, operate within budget, collect revenue due, continue to analyze water and sewer rates and other fee structures and continue to save for capital replacement and maintenance. In order to properly plan for the city's future, it will be very important that responsible decisions are made at all levels of management.

Requests for Information

This financial report is designed to provide a general overview of the city's finances for all those with an interest in the city's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City Treasurer/Finance Director, 595 Silver Lace Blvd, Fernley NV 89408.

BASIC FINANCIAL STATEMENTS

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CITY OF FERNLEY, NEVADA
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 16,307,802	\$ 56,166,398	\$ 72,474,200
Receivables (net of allowance)	753,324	1,630,100	2,383,424
Inventory	-	159,773	159,773
Prepays	-	2,700	2,700
Restricted assets:			
Temporarily restricted:			
Cash and investments	7,135,178	485,034	7,620,212
Capital assets (net of accumulated depreciation):			
Land and water rights	5,099,616	46,466,183	51,565,799
Construction in progress	1,527,380	5,765,896	7,293,276
Buildings	3,070,754	-	3,070,754
Improvements and other	6,982,947	98,422,463	105,405,410
Machinery, equipment and vehicles	217,789	856,687	1,074,476
Infrastructure	26,679,503	-	26,679,503
Total assets	<u>67,774,293</u>	<u>209,955,234</u>	<u>277,729,527</u>
Deferred outflows of resources			
Deferred charge on refunding	-	3,047,170	3,047,170
Deferred outflows related to pensions/OPEB	2,234,639	1,739,885	3,974,524
Total deferred outflows of resources	<u>2,234,639</u>	<u>4,787,055</u>	<u>7,021,694</u>
Liabilities			
Accounts payable and other current liabilities	3,944,817	2,396,025	6,340,842
Unearned revenue	7,074,748	2,142,652	9,217,400
Refundable deposits	-	485,034	485,034
Accrued interest	-	733,368	733,368
Noncurrent liabilities:			
Due within one year	-	3,222,373	3,222,373
Due in more than one year:			
Long-term debt	193,003	57,119,259	57,312,262
Net OPEB liability	169,266	183,505	352,771
Net pension liability	3,172,916	2,239,769	5,412,685
Total liabilities	<u>14,554,750</u>	<u>68,521,985</u>	<u>83,076,735</u>
Deferred inflows of resources			
Deferred inflows related to pensions/OPEB	2,661,404	2,216,191	4,877,595
Net position			
Net investment in capital assets	43,577,989	94,334,014	137,912,003
Restricted for:			
Capital projects	874,060	-	874,060
Future development	174,199	-	174,199
Judicial	116,492	-	116,492
Unrestricted	8,050,038	49,670,099	57,720,137
Total net position	<u>\$ 52,792,778</u>	<u>\$ 144,004,113</u>	<u>\$ 196,796,891</u>

The accompanying notes are an integral part of the financial statements.

CITY OF FERNLEY, NEVADA
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 3,586,290	\$ 3,967,086	\$ 1,506,446	\$ -	\$ 1,887,242	\$ -	\$ 1,887,242
Public works	4,523,736	773,244	465,332	1,468,592	(1,816,568)	-	(1,816,568)
Judicial	445,902	205,469	-	-	(240,433)	-	(240,433)
Health	121,443	-	-	-	(121,443)	-	(121,443)
Culture and recreation	1,022,103	31,973	736,601	-	(253,529)	-	(253,529)
Community support and development	722,118	-	-	-	(722,118)	-	(722,118)
Interest on long-term debt	3,439	-	-	-	(3,439)	-	(3,439)
Total governmental activities	10,425,031	4,977,772	2,708,379	1,468,592	(1,270,288)	-	(1,270,288)
Business-type activities:							
Water	9,241,599	10,557,631	-	3,595,658	-	4,911,690	4,911,690
Sewer	3,167,761	4,864,103	-	1,932,199	-	3,628,541	3,628,541
Total business-type activities	12,409,360	15,421,734	-	5,527,857	-	8,540,231	8,540,231
Total primary government	\$ 22,834,391	\$ 20,399,506	\$ 2,708,379	\$ 6,996,449			
General revenues:							
Taxes:							
Property taxes					3,635,121	-	3,635,121
Fuel taxes					391,070	-	391,070
Residential construction tax					279,000	-	279,000
Water ancillary fee revenue					-	4,407,245	4,407,245
Unrestricted state consolidation tax					205,075	-	205,075
Unrestricted gaming licenses					120,170	-	120,170
Gain (loss) on disposal of capital assets					8,494	-	8,494
Unrestricted investment earnings (loss)					(372,467)	(945,853)	(1,318,320)
Total general revenues					4,266,463	3,461,392	7,727,855
Change in net position					2,996,175	12,001,623	14,997,798
Net position - beginning					49,796,603	132,002,490	181,799,093
Net position - ending					\$ 52,792,778	\$ 144,004,113	\$ 196,796,891

The accompanying notes are an integral part of the financial statements.

CITY OF FERNLEY, NEVADA
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Special Revenue Grants Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 13,470,249	\$ -	\$ 2,837,553	\$ 16,307,802
Receivables:				
Property taxes	55,132	-	-	55,132
Interest receivable	27,008	-	3,757	30,765
Other	465,302	-	64,812	530,114
Due from other governments	137,313	-	-	137,313
Restricted cash and investments	-	7,135,178	-	7,135,178
Total assets	<u>\$ 14,155,004</u>	<u>\$ 7,135,178</u>	<u>\$ 2,906,122</u>	<u>\$ 24,196,304</u>
Liabilities				
Accounts payable	2,480,925	128,570	47,867	2,657,362
Accrued liabilities	193,871	-	-	193,871
Due to developers	1,093,584	-	-	1,093,584
Unearned revenue	68,150	7,006,598	-	7,074,748
Total liabilities	<u>3,836,530</u>	<u>7,135,168</u>	<u>47,867</u>	<u>11,019,565</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	<u>41,275</u>	<u>-</u>	<u>-</u>	<u>41,275</u>
Fund balances				
Restricted for:				
Judicial	-	-	116,492	116,492
Capital projects	830,913	-	43,147	874,060
Future development	174,189	10	-	174,199
Committed:				
Capital projects	-	-	570,892	570,892
Convention center	-	-	1,289,574	1,289,574
Public works	8,541,389	-	-	8,541,389
Assigned to:				
Culture and recreation	-	-	838,150	838,150
Unassigned	<u>730,708</u>	<u>-</u>	<u>-</u>	<u>730,708</u>
Total fund balances	<u>10,277,199</u>	<u>10</u>	<u>2,858,255</u>	<u>13,135,464</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,155,004</u>	<u>\$ 7,135,178</u>	<u>\$ 2,906,122</u>	<u>\$ 24,196,304</u>

The accompanying notes are an integral part of the financial statements.

CITY OF FERNLEY, NEVADA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2022

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - total governmental funds	\$ 13,135,464
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 70,923,001	
Accumulated depreciation	<u>(27,345,012)</u>	43,577,989

Some liabilities, including bonds payable and net pension liabilities, are not due and payable in the current period and therefore are not reported in the funds.

Compensated absences	\$ (193,003)	
Other postemployment benefits liability	(169,266)	
Net pension liability	<u>(3,172,916)</u>	(3,535,185)

Unavailable revenue associated with property taxes is recognized as revenue in the government-wide statements.	41,275
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Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.

Deferred outflows related to pensions	\$ 2,234,639	
Deferred inflows related to pensions	<u>(2,661,404)</u>	(426,765)

Net position of governmental activities	<u><u>\$ 52,792,778</u></u>
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The accompanying notes are an integral part of the financial statements.

CITY OF FERNLEY, NEVADA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General	Special Revenue Grants Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 3,915,260	\$ -	\$ 657,206	\$ 4,572,466
Licenses, permits and fees	4,841,836	-	-	4,841,836
Intergovernmental revenue	1,305,941	1,464,469	-	2,770,410
Fines and forfeitures	165,581	-	39,888	205,469
Investment earnings (loss)	(327,474)	-	(45,001)	(372,475)
Other revenues	69,127	-	17,400	86,527
Total revenues	<u>9,970,271</u>	<u>1,464,469</u>	<u>669,493</u>	<u>12,104,233</u>
Expenditures				
Current:				
General government	2,251,981	1,464,469	-	3,716,450
Public works	4,081,764	-	-	4,081,764
Judicial	413,737	-	29,889	443,626
Health	108,416	-	-	108,416
Culture and recreation	1,094,342	-	92,724	1,187,066
Community support and development	734,911	-	-	734,911
Debt service:				
Principal-net of cost sharing	1,119,337	-	-	1,119,337
Interest	3,439	-	-	3,439
Capital outlay	<u>-</u>	<u>-</u>	<u>29,753</u>	<u>29,753</u>
Total expenditures	<u>9,807,927</u>	<u>1,464,469</u>	<u>152,366</u>	<u>11,424,762</u>
Excess (deficiency) of revenues over (under) expenditures	162,344	-	517,127	679,471
Other financing sources (uses)				
Sale of capital assets	<u>8,496</u>	<u>-</u>	<u>-</u>	<u>8,496</u>
Total other financing sources (uses)	<u>8,496</u>	<u>-</u>	<u>-</u>	<u>8,496</u>
Net change in fund balances	170,840	-	517,127	687,967
Fund balances, beginning of year	<u>10,106,359</u>	<u>10</u>	<u>2,341,128</u>	<u>12,447,497</u>
Fund balances, end of year	<u><u>\$ 10,277,199</u></u>	<u><u>\$ 10</u></u>	<u><u>\$ 2,858,255</u></u>	<u><u>\$ 13,135,464</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF FERNLEY, NEVADA
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	687,967
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlay in the current period.

Capital outlay	\$	1,556,771	
Depreciation expense		(1,855,202)	(298,431)

Governmental funds do not report the contributions of capital assets as revenue, unless the assets will be held for sale. However, in the statement of activities, the donation of capital assets is reported as revenue.	673,929
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,734,000
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Because some property taxes will not be collected in time to pay for obligations in the current period, they are not considered available revenues in the governmental funds and are instead reported as deferred revenues. These revenues are accounted for as revenue in the statement of activities.	19,879
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Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the net pension liability is measured a year before the government's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the statement of activities.

Pension/OPEB contributions	\$	2,076,853	
Pension/OPEB expense		(2,264,848)	187,995

Compensated absences and other postemployment benefit obligation expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This adjustment reflects the change in compensated absences and other postemployment benefit obligations.	(9,164)
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Change in net position of governmental activities	\$	2,996,175
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The accompanying notes are an integral part of the financial statements.

CITY OF FERNLEY, NEVADA
Statement of Net Position
Proprietary Funds
June 30, 2022

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total Enterprise Funds</u>
Assets			
Current assets:			
Cash and investments	\$ 34,890,570	\$ 21,275,828	\$ 56,166,398
Receivables, net of allowance	1,112,855	440,686	1,553,541
Interest receivable	47,429	29,130	76,559
Inventory	143,939	15,834	159,773
Prepaid expense	1,350	1,350	2,700
Total current assets	<u>36,196,143</u>	<u>21,762,828</u>	<u>57,958,971</u>
Noncurrent assets:			
Restricted cash and investments	258,338	226,696	485,034
Capital assets:			
Land and water rights	46,280,473	185,710	46,466,183
Construction-in-progress	4,765,625	1,000,271	5,765,896
Buildings	8,765	8,765	17,530
Improvements and other	121,214,489	45,274,106	166,488,595
Machinery, equipment and vehicles	1,577,862	1,651,173	3,229,035
Less accumulated depreciation	<u>(50,204,972)</u>	<u>(20,251,038)</u>	<u>(70,456,010)</u>
Total noncurrent assets	<u>123,900,580</u>	<u>28,095,683</u>	<u>151,996,263</u>
Total assets	<u>160,096,723</u>	<u>49,858,511</u>	<u>209,955,234</u>
Deferred outflows of resources			
Deferred charge on refunding	2,754,262	292,908	3,047,170
Deferred outflows related to pensions/OPEB	<u>1,234,699</u>	<u>505,186</u>	<u>1,739,885</u>
Total deferred outflows of resources	<u>3,988,961</u>	<u>798,094</u>	<u>4,787,055</u>
Liabilities			
Current liabilities:			
Accounts payable	2,013,594	272,429	2,286,023
Accrued liabilities	77,499	32,503	110,002
Refundable deposits	258,338	226,696	485,034
Accrued interest	659,635	73,733	733,368
Compensated absences	58,947	23,126	82,073
Bonds payable - current	2,781,807	358,493	3,140,300
Unearned revenue	<u>-</u>	<u>2,142,652</u>	<u>2,142,652</u>
Total current liabilities	<u>5,849,820</u>	<u>3,129,632</u>	<u>8,979,452</u>
Noncurrent liabilities:			
Compensated absences	24,077	11,097	35,174
Bonds payable	50,542,635	6,541,450	57,084,085
Other postemployment benefits obligation	102,660	80,845	183,505
Net pension liability	<u>1,559,395</u>	<u>680,374</u>	<u>2,239,769</u>
Total noncurrent liabilities	<u>52,228,767</u>	<u>7,313,766</u>	<u>59,542,533</u>
Total liabilities	<u>58,078,587</u>	<u>10,443,398</u>	<u>68,521,985</u>
Deferred inflows of resources			
Deferred inflows related to pensions/OPEB	<u>1,563,114</u>	<u>653,077</u>	<u>2,216,191</u>
Net position			
Net investment in capital assets	73,072,062	21,261,952	94,334,014
Unrestricted	<u>31,371,921</u>	<u>18,298,178</u>	<u>49,670,099</u>
Total net position	<u>\$ 104,443,983</u>	<u>\$ 39,560,130</u>	<u>\$ 144,004,113</u>

The accompanying notes are an integral part of the financial statements.

CITY OF FERNLEY, NEVADA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total Enterprise Funds</u>
Operating revenues			
Service fees	\$ 10,225,479	\$ 4,819,147	\$ 15,044,626
Other revenues	18,345	-	18,345
Total operating revenues	<u>10,243,824</u>	<u>4,819,147</u>	<u>15,062,971</u>
Operating expenses			
Salaries	1,422,315	636,931	2,059,246
Employee benefits	211,825	36,630	248,455
Service, supplies and other	2,505,445	1,064,997	3,570,442
Depreciation expense	<u>3,441,865</u>	<u>1,258,189</u>	<u>4,700,054</u>
Total operating expenses	<u>7,581,450</u>	<u>2,996,747</u>	<u>10,578,197</u>
Operating income	<u>2,662,374</u>	<u>1,822,400</u>	<u>4,484,774</u>
Nonoperating revenues (expenses)			
Water ancillary fee revenue	4,407,245	-	4,407,245
Investment income (loss)	(595,378)	(350,475)	(945,853)
Other income	313,807	44,956	358,763
Interest expense	<u>(1,660,149)</u>	<u>(171,014)</u>	<u>(1,831,163)</u>
Total nonoperating revenues (expenses)	<u>2,465,525</u>	<u>(476,533)</u>	<u>1,988,992</u>
Income before contributions	5,127,899	1,345,867	6,473,766
Grant income	-	857,348	857,348
Capital contributions - connection fees	1,222,516	991,216	2,213,732
Capital contributions - other	<u>2,373,142</u>	<u>83,635</u>	<u>2,456,777</u>
Change in net position	8,723,557	3,278,066	12,001,623
Total net position, beginning of year	<u>95,720,426</u>	<u>36,282,064</u>	<u>132,002,490</u>
Total net position, end of year	<u><u>\$ 104,443,983</u></u>	<u><u>\$ 39,560,130</u></u>	<u><u>\$ 144,004,113</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF FERNLEY, NEVADA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Water Fund	Sewer Fund	Total Enterprise Funds
Cash flows from operating activities:			
Cash received from customers, service fees	\$ 10,200,838	\$ 4,800,434	\$ 15,001,272
Cash received from customers, capacity fees and other	18,345	-	18,345
Cash paid to suppliers	(785,336)	(883,045)	(1,668,381)
Cash paid to employees	(2,055,189)	(949,077)	(3,004,266)
Net cash flows from operating activities	<u>7,378,658</u>	<u>2,968,312</u>	<u>10,346,970</u>
Cash flows from capital and related financing activities:			
Water rights and settlement income	313,807	44,956	358,763
Water ancillary fee revenue	4,500,825	-	4,500,825
Grant revenue	-	3,000,000	3,000,000
Principal paid on capital debt	(2,582,047)	(350,712)	(2,932,759)
Interest paid on capital debt	(1,651,876)	(154,347)	(1,806,223)
Acquisition and construction of capital assets	(5,104,485)	(861,862)	(5,966,347)
Connection fees	1,222,516	991,216	2,213,732
Net cash flows from capital and related financing activities	<u>(3,301,260)</u>	<u>2,669,251</u>	<u>(632,009)</u>
Cash flows from investing activities:			
Investment income (loss)	(614,661)	(364,923)	(979,584)
Net change in cash and investments	3,462,737	5,272,640	8,735,377
Cash and investments, including restricted, beginning of year	31,686,171	16,229,884	47,916,055
Cash and investments, including restricted, end of year	<u><u>\$ 35,148,908</u></u>	<u><u>\$ 21,502,524</u></u>	<u><u>\$ 56,651,432</u></u>
Reconciliation of operating income to net cash flows from operating activities:			
Operating income	\$ 2,662,374	\$ 1,822,400	\$ 4,484,774
Adjustments to reconcile operating income to net cash flows from operating activities			
Depreciation expense	3,441,865	1,258,189	4,700,054
Pension expense	(205,268)	(176,491)	(381,759)
Pension contributions	(192,380)	(83,937)	(276,317)
Changes in operating assets and liabilities:			
(Increase) decrease in receivables	(33,108)	(21,237)	(54,345)
(Increase) decrease in inventories	(22,761)	(7,724)	(30,485)
(Increase) decrease in prepaid expenses	127	87	214
Increase (decrease) in accounts payable	1,742,743	189,589	1,932,332
Increase (decrease) in accrued liabilities	3,724	(4,143)	(419)
Increase (decrease) in customer deposits	8,467	2,524	10,991
Increase (decrease) in other postemployment benefits	17,557	8,835	26,392
Increase (decrease) in compensated absences payable	(44,682)	(19,780)	(64,462)
Net cash flows from operating activities	<u><u>\$ 7,378,658</u></u>	<u><u>\$ 2,968,312</u></u>	<u><u>\$ 10,346,970</u></u>
Noncash investing, capital, and financing activities:			
Contributions of capital assets from developers	\$ 2,373,142	\$ 128,929	\$ 2,502,071

The accompanying notes are an integral part of the financial statements.

CITY OF FERNLEY, NEVADA
Statement of Net Position
Fiduciary Fund
June 30, 2022

	Custodial Funds
Assets	
Cash and investments	\$ 24,642
Total assets	<u>\$ 24,642</u>
Liabilities	
Accounts payable and other liabilities	<u>\$ -</u>
Total liabilities	<u>-</u>
Net Position	
Restricted for asset forfeiture	<u>24,642</u>
Total net position	<u>\$ 24,642</u>

The accompanying notes are an integral part of the financial statements.

CITY OF FERNLEY, NEVADA
Statement of Changes in Net Position
Fiduciary Fund
June 30, 2022

	<u>Custodial Funds</u>
Additions	
Asset forfeitures	\$ 151,526
Total additions	<u>151,526</u>
Deductions	
Asset forfeiture expenses and payments to other governments	<u>(163,973)</u>
Total deductions	<u>(163,973)</u>
Net increase (decrease) in fiduciary net position	(12,447)
Net position - beginning	<u>37,089</u>
Net position - ending	<u><u>\$ 24,642</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 1. Summary of Significant Accounting Policies

Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting entity

The City of Fernley, Nevada (City) was incorporated on July 1, 2001 in accordance with NRS 266. The City operates under a Council-Manager form of government and provides the following services as authorized by law: water and sewer utilities, streets and storm drains, culture and recreation, planning and zoning, animal control, vector control, building and safety, and general and administrative services. Prior to July 1, 2001, the entity was organized as an unincorporated town in accordance with Nevada Revised Statutes 269. The accompanying financial statements present all activities of the City. The City has no separate component units, entities for which the City is considered to be financially accountable that would be combined to form the reporting entity.

Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of presentation – fund financial statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 1. Summary of Significant Accounting Policies, Continued

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The **Grants Fund** is used to account for federal and state grants that are restricted or committed for a specific use.

The City reports the following major enterprise funds:

The **Water Utility Fund** is used to account for the provision of water services to the residents of the City and some residents of Lyon County. All activities necessary to provide services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt.

The **Sewer Utility Fund** is used to account for sewer collection and treatment services for the residents of the City and some residents of Lyon County. All activities necessary to provide services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt.

Additionally, the City reports the following fund type:

The **Custodial Fiduciary Fund** accounts for asset forfeiture funds collected by the City on behalf of others. Included are bonds posted with the municipal court. This fund is excluded from the government-wide financial statements.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 1. Summary of Significant Accounting Policies, Continued

Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, consolidated taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds and custodial funds are reported using the *economic resources measurement* focus and the *accrual basis of accounting*.

Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

Cash and Investments

Cash resources of the individual funds are combined to form a pool of cash and investments, which is managed by the City Treasurer. The City invests in the State of Nevada Local Government Investment Pool, which is reported at fair value.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 1. Summary of Significant Accounting Policies, Continued

Interest income earned is distributed to the appropriate funds based on each fund's equity in the investment. The City also invests in the Nevada Enhanced Savings Term Program (NVEST) and monies are managed by a money manager. The money manager is required to report to the City on a quarterly basis.

The City's policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the State Treasurer's Pool, obligations of the U. S. Government and other investments as allowed by Nevada State Statutes (NRS 355 and NRS355.170). Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in the State Treasurer's Investment Pool (Pool). In accordance with state law, the Pool operates in conformity with all of the requirements of the Security and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the Pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

Cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Based on the nature of the investment policies, all amounts are available on demand and are, therefore, classified as cash equivalents on the Statement of Cash Flows.

Receivables

Due to the nature of the accounts receivable in the governmental type activities, management does not consider an allowance for uncollectible accounts receivable necessary or material.

Receivables in proprietary fund types have arisen in the ordinary course of business, and are shown net of an allowance for uncollectible accounts, as applicable.

Inventories and prepaid items

Proprietary fund inventories are valued at cost using the first-in/first-out (FIFO) method and consist of supplies and materials. Inventories of governmental funds in the fund financial statements are considered consumable supplies and as such are recorded as expenditures at the time of purchase.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

City policy requires that certain resources be set aside for various purposes such as for refundable deposits in the City's water and sewer utility funds.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 1. Summary of Significant Accounting Policies, Continued

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the City as assets with an individual cost of more than \$5,000 for non-infrastructure assets and \$100,000 for infrastructure assets and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Water rights are intangible assets. A water right can be conveyed or transferred. Water rights, however, are appurtenant to the land and are conveyed by deed with the land unless the seller specifically reserves the water right in the deed. Water rights are not depreciable or amortizable.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	25 to 40 years
Treatment facilities and improvements	10 to 20 years
Machinery, equipment and vehicles	5 to 10 years
Other capital assets	25 to 40 years
Infrastructure - Streets and sidewalks	20 to 40 years

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. One item is a pension/OPEB related item reported on the government-wide financial statements. See footnote 9 and 10 for more information. The second item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of these items that qualify for reporting in this category. One type arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental fund's balance sheet.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 1. Summary of Significant Accounting Policies, Continued

The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item is a pension/OPEB related item reported on the government-wide financial statements. See footnote 9 and 10 for more information.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System of Nevada (PERS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the City's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined based on annual actuarial reports. Benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 1. Summary of Significant Accounting Policies, Continued

Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The city manager is authorized to assign amounts to specific purposes in accordance with the City's budget policy. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and expenditures/expenses

Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits.

For governmental funds, amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. A liability for compensated absences is reported in the governmental funds, primarily the General Fund, only if they have matured as a result of employee resignations, terminations and retirements.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 1. Summary of Significant Accounting Policies, Continued

Vested or accumulated vacation and sick leave in the proprietary funds are recorded as an expense and a liability of that fund as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements.

Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. Reconciliation of Government-wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 23.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current financial resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 25.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 3. Stewardship, Compliance and Accountability

Budgets and budgetary accounting

The City of Fernley adheres to the Local Government Budget and Finance Act (Act) incorporated within the statutes of the State of Nevada, in which annual budgets are legally adopted for all funds except fiduciary funds. The Act and City policy include the following procedures to establish the budgetary data, which is reflected in these financial statements:

1. On or before April 15, the City Manager submits to the Fernley City Council a tentative budget for the fiscal year commencing the following July 1, to be filed with the Nevada Department of Taxation.
2. Public hearings on the tentative budget are held no sooner than the third Monday in May and no later than the last day in May, to obtain taxpayer comments.
3. Prior to June 1, at a public hearing, the Council indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Council. The final budget must then be forwarded to the Nevada Department of Taxation for final approval.
4. The City may not amend the budget without approval by the City Council. The Finance Director is authorized to transfer appropriations between accounts within any function, with notification to the City Council. Any revisions that alter the total appropriations of a function or fund must be approved in advance by the City Council. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year.
5. Budgets for all fund types are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Appropriations lapse at year end.
6. In accordance with State statute, actual expenditures may not exceed budgeted appropriations of the various governmental functions of the General, Special Revenue, and Capital Project Funds. Per NRS 354.626, expenditures over budgeted appropriations are allowed for bond repayments, medium term obligation repayments, and other long-term contracts expressly authorized by law. Expense charged to an Enterprise Fund in excess of the original budget appropriation are allowable in accordance with NRS 354.612 and are not a violation of NRS 354.626 if the expenses do not cause a deficit in the equity balance of the fund and if the budget is adjusted in a manner provided by law.

The budget reflected in the financial statements has not been amended from the original budget amounts. There were no amendments for augmentations for prior obligations or supplemental appropriations needed for contingencies and other uses except for grants.

Expenditures over Appropriations

The individual Schedule of Revenues, Expenditures/Expenses and Changes in Fund Balances/Net Position – Budget and Actual reports are listed in the table of contents. None of the City’s funds incurred an excess of expenditures/expenses over appropriations for the year ended June 30, 2022.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 3. Stewardship, Compliance and Accountability, Continued

Property tax calendar

Real property taxes result in a lien on the property and attach on July 1 (the levy date) of the year for which the taxes are levied. Taxes may be paid in four installments payable on the third Monday in August, and the first Mondays in October, January and March to the County Clerk/Treasurer of Lyon County in which the City of Fernley is located. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two year waiting period, if taxes remain unpaid, a tax deed is issued conveying the property to Lyon County with a lien for back taxes and accumulated charges. Redemption may be made by the owner and such persons as described by statute by paying all back taxes and accumulated penalties, interest and costs before sale. As such, real property taxes receivable reflect only those taxes receivable from the delinquent roll years, and current taxes collected within 60 days of year end and delinquent taxes from all roll years prior to 2003-2004 have been written off. No provision for uncollectible accounts has been established, as management does not anticipate any material collection losses with respect to the remaining balances.

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the Department of Taxation at the tax rates described above

Article X, Section 2, of the Constitution of the State of Nevada limits the total taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the county, the county school district, the State, and any other city, town, or special district) to an amount not to exceed \$5 per \$100 of assessed valuation of the property being taxed.

The 1979 Nevada Legislature enacted provisions whereby, commencing July 1, 1979, the combined overlapping tax rate was limited to \$3.64 per \$100 of assessed valuation (as thereafter annually adjusted).

The 1981 Legislature enacted “tax shift” legislation designed to further reduce the level of property taxes collected throughout the State. The additional revenue is being distributed to local governmental units in order to reduce the revenues they would otherwise be required to generate from property taxes for operating purposes.

Delinquent taxes receivable not collected within sixty days after year-end are normally recorded as unavailable revenue as they are not available to pay liabilities of the current period. However, delinquent taxes receivable not collected within sixty days as of year-end were not deemed material and have not been recorded.

Capital Projects Fund

Pursuant to NRS 354.6113, the City is required to indicate in detail the projects that have been funded with money from the Capital Projects Fund, as well as, disclose any planned accumulations of the money in the fund. For the year-ended June 30, 2022, there were no expenditures for any projects and the only accumulation of funds were from interest earnings.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 4. Cash and Investments

A reconciliation of cash deposits and investments to the government-wide statement of net position is as follows:

Cash and investments	\$ 72,474,200
Restricted cash and investments	7,620,212
Custodial fund monies	24,642
	<u>\$ 80,119,054</u>

Deposits

Custodial credit risk

For deposits this is the risk that in the event of a bank failure, the City's deposit may not be returned. The City does not have a formal policy for custodial credit risk. At June 30, 2022 cash on hand was \$2,850 and the carrying amount of the City's deposits was \$3,029,067. None of the City's bank balance of \$2,891,582 was exposed to custodial credit risk since it was insured and collateralized.

Investments

The Nevada State Treasurer's Office operates the Local Government Investment Pool (LGIP). The LGIP is available for investment of funds administered by any Nevada Public Treasurer. The LGIP is not registered with the SEC as an investment company. Deposits in the LGIP are not insured or otherwise guaranteed by the State of Nevada, and participants share proportionally in any realized gain or losses on investments.

The provisions of State Law (NRS 355.170) govern the investment of public funds.

As of June 30, 2022 the City had the following investments, maturities and credit ratings:

Investment Type	Fair Value	Credit Rating (1)		Weighted Average Maturity (2)
		S&P	Moody's	
Corporate Bonds	\$ 13,210,601	N/A	N/A	\$ 11,164
Mortgage-Backed	25,699,762	N/A	N/A	926
U.S. Treasuries	18,457,768	AA+	Aaa	816
Nevada Local Government Investment Pool (LGIP)	19,720,251	N/A	N/A	
Total Fair Value	<u>\$ 77,088,382</u>			

(1) Ratings are provided where applicable to indicate associated credit risk. N/A indicates

(2) Interest rate risk is estimated using the weighted average days to maturity.

(3) FDIC insured.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 4. Cash and Investments, Continued

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2022:

- Corporate Bonds are valued using a matrix pricing model (Level 2 inputs)
- Mortgage-Backed investments are valued using a matrix pricing model (Level 2 inputs)
- U.S. Agencies investments are valued using quoted market prices (Level 1 inputs)
- U.S. Treasuries bills are valued using quoted market prices (Level 1 inputs)
- LGIP: 29.56% is valued using quoted market prices (Level 1 inputs)
- LGIP: 70.44% is valued using a matrix pricing model (Level 2 inputs)

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the provisions of State law (NRS 355.170).

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with State law (NRS 355.170).

NOTE 5. Receivables

Receivables, net of allowance

A summary of receivables reported in the proprietary funds is as follows:

	<u>Water Fund</u>	<u>Sewer Fund</u>
Service revenue receivable	\$ 1,057,684	\$ 440,919
Allowance for doubtful accounts	<u>(3,013)</u>	<u>(233)</u>
	1,054,671	440,686
Water ancillary fees receivable	<u>58,184</u>	<u>-</u>
	<u><u>\$ 1,112,855</u></u>	<u><u>\$ 440,686</u></u>

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 5. Receivables, Continued

Due from other governments

Due from other governments reported in the general fund relate to consolidated tax, motor fuel tax, and RTC shared revenue receivable.

Due from other governments reported in the grants fund relate to various grant revenue receivable.

Other receivables

The other receivables reported in the general fund are franchise taxes receivable that were measurable and available per GASB.

The other receivables reported in the Non-major governmental funds relate to miscellaneous court revenue receivable and transient lodging tax revenues receivable from various entities.

NOTE 6. Capital Assets

Governmental capital asset activity for the fiscal year ended June 30, 2022 was as follows:

Governmental Activities:	Balance 06/30/21	Additions	Deletions	Balance 06/30/22
Capital assets, not being depreciated:				
Land	\$ 4,918,410	\$ 500,000	\$ (318,794)	\$ 5,099,616
Construction in progress	406,231	1,501,184	(380,035)	1,527,380
Total capital assets, not being depreciated:	5,324,641	2,001,184	(698,829)	6,626,996
Capital assets, being depreciated:				
Buildings	8,667,420	-	-	8,667,420
Improvements	13,022,383	231,251	-	13,253,634
Machinery and equipment	1,891,055	-	(15,902)	1,875,153
Infrastructure	39,802,704	697,094	-	40,499,798
Total capital assets, being depreciated:	63,383,562	928,345	(15,902)	64,296,005
Less accumulated depreciation for:				
Buildings	(5,273,240)	(323,426)	-	(5,596,666)
Improvements	(5,818,389)	(452,298)	-	(6,270,687)
Machinery and equipment	(1,601,323)	(71,943)	15,902	(1,657,364)
Infrastructure	(12,812,760)	(1,007,535)	-	(13,820,295)
Total accumulated depreciation	(25,505,712)	(1,855,202)	15,902	(27,345,012)
Total capital assets, being depreciated, net	37,877,850	(926,857)	-	36,950,993
Governmental activities capital assets, net	\$ 43,202,491	\$ 1,074,327	\$ (698,829)	\$ 43,577,989

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 6. Capital Assets, Continued

Depreciation expense was charged to the functions/programs of the City as follows:

Governmental Activities:

General government	\$ 466,115
Public works	1,182,736
Judicial	10,000
Culture and recreation	181,438
Health	14,913
Total depreciation expense - governmental activities	<u>\$ 1,855,202</u>

Business-type capital asset activity for the fiscal year ended June 30, 2022 was as follows:

Business Type Activities:	Balance 06/30/21	Additions	Deletions	Balance 06/30/22
Capital assets not being depreciated:				
Land	\$ 1,201,609	\$ -	\$ -	\$ 1,201,609
Water rights	43,006,857	2,257,717	-	45,264,574
Construction in progress	935,416	5,897,699	(1,067,218)	5,765,897
Total capital assets, not being depreciated	<u>45,143,882</u>	<u>8,155,416</u>	<u>(1,067,218)</u>	<u>52,232,080</u>
Capital assets being depreciated:				
Buildings	17,530	-	-	17,530
Improvements	163,482,038	1,334,926	-	164,816,964
Machinery and equipment	3,183,740	45,295	-	3,229,035
Other capital assets	1,671,630	-	-	1,671,630
Total capital assets, being depreciated	<u>168,354,938</u>	<u>1,380,221</u>	<u>-</u>	<u>169,735,159</u>
Less accumulated depreciation for:				
Buildings	(17,530)	-	-	(17,530)
Improvements	(61,948,770)	(4,483,812)	-	(66,432,582)
Machinery and equipment	(2,171,772)	(200,576)	-	(2,372,348)
Other capital assets	(1,572,591)	(60,959)	-	(1,633,550)
Total accumulated depreciation	<u>(65,710,663)</u>	<u>(4,745,347)</u>	<u>-</u>	<u>(70,456,010)</u>
Total capital assets, being depreciated, net	<u>102,644,275</u>	<u>(3,365,126)</u>	<u>-</u>	<u>99,279,149</u>
Business-type activities capital assets, net	<u>\$ 147,788,157</u>	<u>\$ 4,790,290</u>	<u>\$ (1,067,218)</u>	<u>\$ 151,511,229</u>

Depreciation expense was charged to the functions/programs of the City as follows:

Business-Type Activities:

Water	\$ 3,464,511
Sewer	1,280,836
Total depreciation expense - business-type activities	<u>\$ 4,745,347</u>

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 7. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2022:

	Issue Date	Interest Rate	Maturity Date	Authorized and Issued	Balance 06/30/21	Additions	Retirements	Balance 06/30/22	Current Portion
Governmental Activities:									
Direct placement									
Refunding installment									
Purchase agreement	6/29/2012	2.38%	12/1/2025	4,010,000	\$ 1,734,000	\$ -	\$ (1,734,000)	\$ -	\$ -
Compensated absences					183,839	145,592	(136,428)	193,003	135,102
Net pension liability					4,149,086	-	(976,170)	3,172,916	-
Net OPEB liability					148,128	21,139	-	169,267	-
Total Governmental Activities				4,010,000	6,215,053	166,731	(2,846,598)	3,535,186	135,102
Business-type Activities:									
Sewer Fund:									
Direct placements									
2020 Refunding	5/27/2020	1.03%	2/1/2026	1,239,468	1,213,482	-	(174,952)	1,038,530	176,664
2015A Refunding	8/6/2015	2.35%	2/1/2038	5,807,691	4,751,761	-	(109,146)	4,642,615	113,587
Total direct placements					5,965,243	-	(284,098)	5,681,145	290,251
2017 Series G.O. Bond	1/11/2017	2.43%	1/1/2037	1,416,266	1,285,407	-	(66,613)	1,218,794	68,242
				8,463,425	7,250,650	-	(350,711)	6,899,939	358,492
Water Fund:									
Direct placements									
2020 Refunding	5/27/2020	1.03%	2/1/2026	11,066,532	10,834,518	-	(1,562,048)	9,272,470	1,577,336
Total direct placements					10,834,518	-	(1,562,048)	9,272,470	1,577,336
2015B Refunding	11/4/2015	2%-5%	2/1/2038	37,665,000	30,645,000	-	(1,020,000)	29,625,000	1,070,000
2016 Refunding	11/3/2016	2% - 3%	2/1/2037	9,085,000	8,970,000	-	-	8,970,000	-
2017 Refunding	1/26/2017	3% - 3.75%	2/1/2037	4,425,000	3,325,000	-	-	3,325,000	-
				62,241,532	53,774,518	-	(2,582,048)	51,192,470	2,647,336
Unamortized bond (discount)/premium					2,266,448	-	(134,472)	2,131,976	134,472
Compensated absences					181,709	87,108	(151,570)	117,247	82,073
Net pension liability					3,738,910	-	(1,499,141)	2,239,769	-
Net OPEB liability					157,113	26,392	-	183,505	-
Total Business-type Activities				70,704,957	67,369,348	113,500	(4,717,942)	62,764,906	3,222,373
Total Long Term Debt				74,714,957	\$ 73,584,401	\$ 280,231	\$ (7,564,540)	\$ 66,300,092	\$ 3,357,475

The compensated absence liability is paid from the fund responsible for the employee's compensation with significant liabilities payable from the general fund. The net pension liability and the net other postemployment benefit obligations are liquidated by the general fund. The City has no unused lines of credit as of June 30, 2022.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 7. Long-Term Liabilities, Continued

The direct placement 2015 A refunding bonds in the sewer fund for \$4,751,761 contain a provision in the event of default, a penalty in the amount of one-tenth of one percent of the defaulted payment will be due for each day of nonpayment beyond the grace period.

The direct placement 2020 refunding bonds in the sewer and water fund for \$1,213,482 and \$10,834,518, respectively, contain a provision in the event of default the bond requirements shall be paid out of the expense account or out of the general fund of the City or out of the General Taxes until such time as the event of default is cured.

The purposes of individual bond issues are as follows:

- 2015A and B Refunding Bond Issue: Refund a portion of the 2007 and 2008 Bond Issues
- 2016 Refunding Bond Issue: Refund a portion of the 2007 Bond Issue.
- 2017 Refunding Bond Issue: Refund a portion of the 2007 and 2008 Bond Issues.
- 2020 Refunding Bond Issue: Refund a portion of the 2014 Bond Issues.

Estimated debt service requirements for bonds payable are as follows:

Business-Type Activities					
Direct Placement					
Sewer			Water		
Principal	Interest		Principal	Interest	
\$ 290,251	\$ 119,135		\$ 1,577,336	\$ 95,506	
320,461	115,091		2,526,975	79,260	
325,274	111,291		2,562,047	53,232	
331,115	107,429		2,606,112	26,843	
346,946	101,704		-	-	
1,871,896	381,072		-	-	
2,099,075	149,259		-	-	
96,127	1,698		-	-	
\$ 5,681,145	\$ 1,086,677		\$ 9,272,470	\$ 254,841	

Fiscal Year Ending June 30,	Business-Type Activities			
	Sewer		Water	
	Principal	Interest	Principal	Interest
2023	\$ 68,242	\$ 29,205	\$ 1,070,000	\$ 1,489,406
2024	69,910	27,536	165,000	1,435,906
2025	71,619	25,827	165,000	1,430,956
2026	73,370	24,076	170,000	1,426,006
2027	75,164	22,283	2,905,000	1,417,506
2028-2032	404,297	82,934	16,495,000	5,181,875
2033-2037	456,193	31,037	19,390,000	2,261,988
2038	-	-	1,560,000	56,550
Total	\$ 1,218,794	\$ 242,898	\$ 41,920,000	\$ 14,700,194

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 7. Long-Term Liabilities, Continued

The combined total debt service for both governmental and business-type debt is as follows:

Fiscal Year Ending June 30,	Total	
	Principal	Interest
2023	\$ 3,005,829	\$ 1,733,252
2024	3,082,346	1,657,793
2025	3,123,940	1,621,306
2026	3,180,597	1,584,355
2027	3,327,110	1,541,492
2028-2032	18,771,193	5,645,881
2033-2037	21,945,268	2,442,284
2038	1,656,127	58,248
Total	<u>\$ 58,092,409</u>	<u>\$ 16,284,611</u>

NOTE 8. Interfund Transactions and Balances

As of June 30, 2022, the City had no internal balances.

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund balances are expected to be repaid within one year.

For the fiscal year ended June 30, 2022, the City did not have any interfund transfers.

Transfers are normally used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 9. Postemployment Retirement Health Insurance Benefit

Plan Descriptions:

The City administers a single-employer defined benefit healthcare plan, City of Fernley Employee Health Benefits Plan (COFEHBP). Additionally, the City contributes to an agent multiple-employer defined benefit postemployment healthcare plan, Public Employees' Benefits Plan (PEBP). Each plan provides medical, vision, dental, and life insurance benefits to eligible retired City employees and beneficiaries.

Benefit provisions for the COFEHBP are established pursuant to NRS 287.023 and amended through negotiations between the City and the respective associations. NRS 288.150 assigns the authority to establish benefit provisions to the Board of Commissioners. The plan provides healthcare insurance for eligible retirees and their beneficiaries through the City's group health insurance plan, which covers both active and retired members. Under NRS 287.023, eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. Retirees are required to pay 100% of their premiums under the plan. The COFEHBP does not issue a publicly available financial report.

Benefit provisions for the PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees.

City employees who met the eligibility requirements effective September 1, 2008 for retirement within the Nevada Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 sunsetted the option to join PEBP for City employees who retired from the City after November 29, 2008. Local governments are required to pay the same portion of the cost of coverage for their retirees joining PEBP that the State of Nevada pays for state retirees participating in the plan.

Combined balances for OPEB plans:

The combined balances for both the COFEHBP and PEBP OPEB plans as of and for the year ended June 30, 2022 are as follows:

	<u>COFEHBP</u>		<u>PEBP</u>		<u>Combined</u>
Net OPEB liability	\$ 260,879		\$ 91,892		\$ 352,771
Deferred outflows	167,443		6,213		173,656
Deferred inflows	596,130		-		596,130
OPEB expense	(27,125)		7,308		(19,817)

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 9. Postemployment Retirement Health Insurance Benefit, Continued

Benefits provided:

COFEHBP

Employees who retire from the City are eligible to continue their coverage under the health plans and life insurance plan offered by the City to its active employees or, if they retired prior to September 1, 2008, could elect to participate in the Public Employees' Benefit Plan (PEBP).

Retirees may elect to continue their medical, dental, vision and life insurance coverage for themselves and their dependents under the programs made available to the City's active employees, but are required to pay 100% of the monthly premiums. The only conditions to be eligible for coverage as a retiree are:

1. The employee must have qualified for and started his or her retirement benefits from Nevada PERS;
2. The employee was eligible for benefits while employed by the City; and
3. The City is the employee's last Nevada public agency employer.

City health plan premium rates: The premium rates applicable to retirees not yet eligible for Medicare are the same as those for active employees. Reduced premiums apply to those retirees covered by Medicare.

The monthly medical premium rates in effect for the City beginning July 1, 2022 were:

Coverage Level	Base PPO	Base PPO	PPO	PPO
	Actives & PreMedicare Retirees	Medicare Retirees	Actives & PreMedicare Retirees	Medicare Retirees
Employee Only	\$ 581.06	\$ 406.74	\$ 614.70	\$ 430.29
Employee & Spouse	1,380.59	966.41	1,460.52	1,022.37
Employee & Children	1,351.54	946.08	1,429.79	1,000.85
Employee & Family	1,609.53	1,175.02	1,702.72	1,243.05

Life insurance: The face amount of life insurance for retirees is \$20,000 until age 65, when it decreases to \$13,000; the insurance amount decreases again to \$10,000 at age 70. Premiums for retiree life insurance coverage are currently at the rate of \$0.173 per month per \$1,000 of coverage. A retiree may elect to cover his or her spouse with \$2,000 in life insurance for a premium of \$0.67 per month. Neither the insurance amount nor the premium decrease with age.

Plan Membership:

At July 1, 2020 membership consisted of the following:

	COFEBP	PEBP
Active employees	64	-
Retirees	-	4

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 9. Postemployment Retirement Health Insurance Benefit, Continued

Contributions:

COFEHBP

City contributions to the Plan occur as benefits are paid to retirees. Benefit payments may occur in the form of direct payments for premiums and taxes (“explicit subsidies”) and/or indirect payments to retirees in the form of higher premiums for active employees (“implicit subsidies”). Contribution requirements of the plan members and the City are established and may be amended through negotiations between the City and the associations. Retirees pay 100% of the pay-as-you-go premiums based on a blended rate that blends active participants and retirees. The City’s contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates and is determined in actuarial studies contracted for by the City. Implicit contributions reported by the City were \$0 for the year ended June 30, 2022 (measurement date June 30, 2021).

PEBP

City contributions to the Plan occur as benefits are paid to retirees. In this PEBP program, the only benefit payments occur in the form of direct payments to PEBP on behalf of currently covered retirees. NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired City employees. The contribution requirements of plan members and the City may be amended by the PEBP board. Contributions to the Plan from the City were \$6,213 for the year ended June 30, 2022 (measurement date June 30, 2021).

Plan financial reports:

The PEBP financial report may be obtained by writing to Public Employee’s Benefits Program, 901 S. Stewart Street, Suite 1001, Carson City, NV 89701, or by calling (775) 684-7000, or by accessing the website at <https://pebp.state.nv.us/>. COFEHBP does not issue a separate financial report.

OPEB liability

Net OPEB liability

At June 30, 2022, the City reported a net OPEB liability of \$260,879 for COFEHBP and \$91,892 for PEBP. The net liability was measured as of June 30, 2021 and the total liability was determined by an actuarial valuation as of June 30, 2021. An OPEB trust has not been established so the total liability is equal to net liability. There are no assets accumulated in a trust that meet the criteria in GASB 75 (paragraph 4) to pay related benefits. The total OPEB liability as of June 30, 2022 reflects a change in the use of discount rates of 2.66% as of June 30, 2020 and 2.18% as of June 30, 2021 (2022). There were no other significant changes of actuarial assumptions. The projections are based on established patterns of practice.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 9. Postemployment Retirement Health Insurance Benefit, Continued

OPEB liability discount rate sensitivity

The following presents the net OPEB liability calculated using the discount rate of 2.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.66%)	Discount Rate (2.66%)	1% Increase (3.66%)
Net OPEB liability - COFEHBP	\$ 284,526	\$ 260,879	\$ 238,944
Net OPEB liability - PEBP	101,981	91,892	80,862

OPEB liability healthcare cost trend rates sensitivity

The following presents the net OPEB liability calculated using current healthcare cost trend rates, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than current healthcare cost trend rates:

	1% Decrease (5.00% decreasing to 4.00%)	Medical Trend (6.00% decreasing to 5.00%)	1% Increase (7.00% decreasing to 6.00%)
Net OPEB liability - COFEHBP	\$ 225,703	\$ 260,879	\$ 302,857
Net OPEB liability - PEBP	81,325	91,892	101,149

Actuarial assumptions:

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

COFEHBP

Inflation rate	2.50%
Salary increases	3.00%
Discount rate	2.66% as of June 30, 2020 and 2.18% as of June 30, 2021
Funding method	Entry age normal cost, closed group, level percent of pay
Healthcare trend	Medical premium increase: 5.70% for 7/1/22, 5.60% for 7/1/23, 5.50% for 7/1/24 and 5.40% for later years

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 9. Postemployment Retirement Health Insurance Benefit, Continued

PEBP

Inflation rate	2.50%
Salary increases	N/A – no active employee in this plan
Discount rate	2.66% as of June 30, 2020 and 2.18% as of June 30, 2021
Funding method	Entry age normal cost, closed group, level percent of pay
Healthcare cost trend rates	Pre-Medicare subsidy increase: 5.70% for 7/1/22, 5.60% for 7/1/23, 5.50% for 7/1/24 and 5.40% for later years Medicare subsidy increase: 4.50% for 7/1/20 and later years

The demographic actuarial assumptions used in this valuation are based on the most recently published report of the Nevada Public Employees Retirement System, dated June 30, 2019, which covers the employees included in this valuation except for a different basis used to project future mortality improvements.

Non-disabled life rates for regular employees:

Males and Females: RP-2014 Healthy Annuitant Table set forward 1 year

These rates were then adjusted to anticipate future mortality improvement by applying MacLeod Watts Scale 2020 on a generational basis from 2018 forward (i.e. mortality is projected to improve each year until the payments anticipated in any future year occur).

The discount rate used to measure the total OPEB liability was 2.66% as of June 30, 2020 and 2.18% on June 30, 2021. The City funds the OPEB liability on a pay-as-you-go basis. The discount rate used in the valuations is based on the S&P General Obligation Municipal Bond 20 Year High Grade Index.

Changes in the net OPEB liability

	COFEBP			PEBP		
	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB (asset) liability (a) - (b)	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB (asset) liability (a) - (b)
Balances at June 30, 2020	\$ 214,892	\$ -	\$ 214,892	\$ 90,348	\$ -	\$ 90,348
Changes during the period:						
Service cost	28,770	-	28,770	-	-	-
Interest cost	6,481	-	6,481	2,327	-	2,327
Expected investment income	-	-	-	-	-	-
Employer contributions	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-
Assumption changes	10,736	-	10,736	4,981	-	4,981
Benefit payments	-	-	-	(5,764)	-	(5,764)
Plan experience	-	-	-	-	-	-
Investment experience	-	-	-	-	-	-
Net changes	45,987	-	45,987	1,544	-	1,544
Balances at June 30, 2021	\$ 260,879	\$ -	\$ 260,879	\$ 91,892	\$ -	\$ 91,892

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 9. Postemployment Retirement Health Insurance Benefit, Continued

Plan fiduciary net position

Detailed information about PEBP's fiduciary net position is available in a separately issued PEBP financial report. COFEHBP does not issue a separate financial report.

OPEB expense

For the year ended June 30, 2022, the City recognized OPEB prepaid expense of \$19,817

Deferred outflows/inflows of resources related to OPEB

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	COFEBP		PEBP	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 596,130	\$ -	\$ -
Differences between expected and actual experience	167,443	-	-	-
Net difference between projected and actual earnings	-	-	-	-
Contributions subsequent to the measurement date	-	-	6,213	-
Total	<u>\$ 167,443</u>	<u>\$ 596,130</u>	<u>\$ 6,213</u>	<u>\$ -</u>

Expected average remaining service life: 9.26 years

The amount \$6,213 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	COFEBP	PEBP
Year Ending June 30,	Deferred Outflows (Inflows) of Resources	Deferred Outflows (Inflows) of Resources
2022	\$ (62,376)	\$ -
2023	(62,376)	-
2024	(62,376)	-
2025	(62,376)	-
2026	(62,376)	-
Thereafter	(116,807)	-

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 10. Defined Benefit Pension Plan

Public Employees' Retirement System of Nevada (PERS)

Plan description

PERS administers a cost-sharing, multiple-employer, defined benefit pension plan, which includes both Regular and Police/Fire members. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability.

Benefits provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010, and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.50% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this factor is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.50% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting

Regular members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with 5 years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with 5 years of service, or age 62 with 10 years of service, or any age with 30 years of service. Regular members who entered the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service, or at age 55 with 30 years of service, or any age with 33 1/3 years of service.

Police/Fire members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with 5 years of service, at age 55 with 10 years of service, at age 50 with 20 years of service, or at any age with 25 years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at 65 with 5 years of service, or age 60 with 10 years of service, or age 50 with 20 years of service, or at any age with 30 years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 10. Defined Benefit Pension Plan, Continued

The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. In one plan, contributions are shared equally by employer and employee. In the other plan, employees can take a reduced salary and have contributions made by the employer (EPC).

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuarial funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and results in a relatively level long-term contribution requirement as a percentage of salary.

For the fiscal years ended June 30, 2021 and June 30, 2022 the Statutory Employer/employee matching rate was 15.25%, for Regular employees and 22.00% for Police/Fire. The Employer-pay contribution (EPC) rate was 29.25% for Regular employees and 42.50% for Police/Fire.

The City's contributions for the current and two preceding fiscal years, all of which were equal to the required contributions, were as follows:

Year Ended June 30,	Regular Fund
2020	\$ 590,184
2021	621,239
2022	667,753

Investment policy

The System's policies which determine the investment portfolio target asset allocation are established by the Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 10. Defined Benefit Pension Plan, Continued

The following was the Board adopted policy target asset allocation as of June 30, 2021:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return*
U.S. stocks	42%	5.50%
International stocks	18%	5.50%
U.S. bonds	28%	0.75%
Private markets	12%	6.65%

*As of June 30, 2021, PERS' long-term inflation assumption was 2.50%.

Pension liability

Net pension liability

At June 30, 2022, the City reported a liability of \$5,412,683 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2021. The City's proportion measured as of June 30, 2021, was 0.05935 percent, which was an increase of 0.00272 percent from its proportion measured as of June 30, 2020.

Pension liability discount rate sensitivity

The following presents the net pension liability of the PERS as of June 30, 2021, calculated using the discount rate of 7.25%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of Net pension (asset) / liability	\$ 10,776,478	\$ 5,412,683	\$ 987,991

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website www.nvpers.org.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 10. Defined Benefit Pension Plan, Continued

Actuarial assumptions

The City's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Investment rate of return	7.25%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.20% to 9.10%, depending on service Police/Fire: 4.60% to 14.50%, depending on service Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2021 funding actuarial valuation

Actuarial assumptions used in the June 30, 2021 valuation were based on the results of the experience study for the period July 1, 2016 through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

Pension expense and deferred outflows/inflows of resources related to pensions

For the fiscal year ended June 30, 2022, the City recognized pension income for PERS of \$546,233 due to plan performance and the classification and timing of recognition on contributions made during the year.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 10. Defined Benefit Pension Plan, Continued

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 599,561	\$ 38,092
Changes in assumptions	1,797,104	-
Net difference between projected and actual earnings on pension plan investments	-	4,416,576
Changes in proportion and differences between contributions and proportional share of contributions	747,660	85,427
Subtotal	3,144,325	4,540,095
Contributions subsequent to the measurement date	667,753	-
Total	<u>\$ 3,812,078</u>	<u>\$ 4,540,095</u>
Governmental activities	\$ 2,234,640	\$ 2,661,404
Business-type activities	1,577,438	1,878,691
	<u>\$ 3,812,078</u>	<u>\$ 4,540,095</u>

The \$667,753 reported as deferred outflows of resources related to PERS pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources, excluding the changes in proportion and differences between actual contributions and proportionate share of contributions, will be recognized in pension expense as follows:

Year Ending June 30	Deferred Outflows (Inflows) of Resources
2023	\$ (416,958)
2024	(410,119)
2025	(425,417)
2026	(455,970)
2027	274,339
2028	38,356
Thereafter	-
	<u>\$ (1,395,769)</u>

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 11. Risk Management

The City, like any governmental entity, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries of employees; and natural disasters.

The City has joined together with similar public agencies (cities, counties and special Citys) throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (Pool) is a public entity risk pool currently operating as a common risk management and insurance program for its members.

The City pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The Pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$10,000,000 per event and a \$13,000,000 general aggregate per member.

The City has also joined together with similar public agencies, under the Nevada Interlocal Cooperation Act, to create an intergovernmental self-insured association for workers compensation insurance, the Public Agency Compensation Trust (PACT).

The City pays premiums based on payroll costs to the PACT. The PACT is considered a self-sustaining pool that will provide coverage based on established statutory limits.

The City continues to carry commercial insurance for other risks of loss, including specific risks of loss not covered by the Pool, including bonding and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial coverage for the past three years.

NOTE 12. Commitments and Contingencies

The City is involved with several significant construction contracts that will continue from fiscal year 2022 through subsequent fiscal years. Details of the projects are available in the City's budget. The most significant contracts are listed as follows:

Project	Estimated Cost	Construction in Progress
Cottonwood Lane Reconstruction & Drainage Engineering Design	\$ 1,740,000	\$ 380,864
Shadow Lane	1,900,000	249,903
Community Center	22,400,000	375,400
Green Valley Park	811,120	304,799
Water Treatment Plant Surface Water Conveyance Design and Improvements	8,800,000	4,208,258
Cottonwood Lane Reconstruction Waterline Replacement & Extension Design	550,000	45,425
Sage Tank Rehab and Reconstruction	595,760	493,452
Sewer Improvement	1,290,000	580,115

The City is involved in various matters of litigation. Although the outcome of the litigation is not presently determinable, it is the opinion of City officials that none of the cases will have a materially adverse effect on the City's financial condition.

CITY OF FERNLEY, NEVADA
Notes to the Financial Statements
June 30, 2022

NOTE 13. Tax Abatements

The State of Nevada has entered into various tax abatement agreements that reduce the tax revenues of the City. Partial abatement of sales and use taxes imposed on eligible machinery or equipment used by certain new or expanded businesses under NRS 374-357 have resulted in tax abatements of consolidated taxes for the City for the year ended June 30, 2022 in the amount of \$22,764.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF FERNLEY, NEVADA
Schedule of the Proportionate Share of the Net Pension Liability
June 30, 2022

PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA

	Reporting Fiscal Year (Measurement Date)							
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Proportion of the net pension liability (asset)	0.05935	0.05663%	0.052360%	0.052330%	0.053490%	5.457000%	0.050580%	0.047240%
Proportionate share of the net pension liability (asset)	5,412,683	7,887,995	7,139,247	\$ 7,136,642	\$ 7,113,745	\$ 7,343,649	\$ 5,796,699	\$ 4,922,973
Covered payroll	\$ 4,156,008	\$ 3,959,512	\$ 3,532,948	\$ 3,413,209	\$ 3,377,388	\$ 3,272,180	\$ 2,993,735	\$ 2,635,478
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	130.24%	199.22%	202.08%	209.09%	210.63%	224.43%	193.63%	186.80%
Plan fiduciary net position as a percentage of the total pension liability	86.50%	77.00%	76.50%	75.2%	74.5%	72.2%	75.1%	76.3%

Note: In accordance with GASB 68, employers will need to disclose a 10-year history for the pension schedule above. Additional information will be displayed as it becomes available.

CITY OF FERNLEY, NEVADA
Schedule of Changes in the Net OPEB Liability and Related Ratios
June 30, 2022

	COFEHBP Reporting Fiscal Year (Measurement Date)					PEHBP Reporting Fiscal Year (Measurement Date)				
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Total OPEB liability										
Service cost	\$ 28,770	\$ 35,948	\$ 33,774	\$ 78,992	\$ 85,896	\$ -	\$ -	\$ -	\$ -	\$ -
Interest cost	6,481	7,662	6,785	23,006	19,172	2,327	3,360	3,575	2,568	2,362
Changes of benefit terms	-	-	-	-	-	-	(109,692)	-	-	-
Differences between expected and actual experience	-	(77,838)	-	365,059	-	-	77,838	-	33,036	-
Assumption changes	10,736	10,451	4,188	(923,051)	(64,002)	4,981	1,760	2,579	6,642	(3,524)
Benefit payments	-	-	-	(12,243)	(16,761)	(5,764)	(6,712)	(4,683)	(3,912)	(5,964)
Plan experience	-	-	-	-	-	-	-	-	-	-
Net change in total OPEB liability	45,987	(23,777)	44,747	(468,237)	24,305	1,544	(33,446)	1,471	38,334	(7,126)
Total OPEB liability - beginning	214,892	238,669	193,922	662,159	637,854	90,348	123,794	122,323	83,989	91,115
Total OPEB liability - ending (a)	<u>\$ 260,879</u>	<u>\$ 214,892</u>	<u>\$ 238,669</u>	<u>\$ 193,922</u>	<u>\$ 662,159</u>	<u>\$ 91,892</u>	<u>\$ 90,348</u>	<u>\$ 123,794</u>	<u>\$ 122,323</u>	<u>\$ 83,989</u>
Plan fiduciary net position										
Employer contributions	\$ -	\$ -	\$ -	\$ -	\$ 16,761	\$ -	\$ -	\$ -	\$ -	\$ 5,964
Net investment income	-	-	-	-	-	-	-	-	-	-
Benefit payments	-	-	-	-	(16,761)	-	-	-	-	(5,964)
Investment experience	-	-	-	-	-	-	-	-	-	-
position	-	-	-	-	-	-	-	-	-	-
beginning	-	-	-	-	-	-	-	-	-	-
(b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	\$ 260,879	\$ 305,240	\$ 362,463	\$ 316,245	\$ 746,148	\$ 91,892	\$ 90,348	\$ 123,794	\$ 122,323	\$ 83,989
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Covered payroll	\$ 4,266,942	\$ 4,075,394	\$ 3,875,297	\$ 3,875,297	\$ 2,651,097	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability as a percentage of covered payroll	6.11%	7.49%	9.35%	8.16%	28.14%	N/A	N/A	N/A	N/A	N/A

Note: In accordance with GASB 75, the City will need to disclose a 10 year history for the OPEB schedule above. Additional information will be displayed as it becomes available

CITY OF FERNLEY, NEVADA
Schedule of Contributions
June 30, 2022

Schedule of Retirement Contributions
PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA

	Reporting Fiscal Year							
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 667,753	\$ 621,239	\$ 590,184	\$ 504,013	\$ 485,466	\$ 480,099	\$ 462,679	\$ 390,397
Contributions in relation to the contractually required contribution	(667,753)	(621,239)	(590,184)	(504,013)	(485,466)	(480,099)	(462,679)	(390,397)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
**Covered payroll	\$ 4,445,283	\$ 4,156,008	\$ 3,959,512	\$ 3,532,948	\$ 3,413,209	\$ 3,377,388	\$ 3,272,180	\$ 2,993,735
Contributions as a percentage of covered payroll	15.02%	14.95%	14.91%	14.27%	14.22%	14.00%	14.14%	13.04%

Schedule of OPEB Contributions
COFEHBP and PEHBP

	COFEHBP Reporting Fiscal Year					PEHBP Reporting Fiscal Year				
	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
Contractually required contributions	\$ -	\$ -	\$ -	\$ -	\$ 16,761	\$ -	\$ -	\$ -	\$ -	\$ 5,964
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ (16,761)	\$ -	\$ -	\$ -	\$ -	\$ (5,964)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,266,942	\$ 4,075,394	\$ 3,875,297	\$ 3,875,297	\$ 2,651,097	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.63%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: In accordance with GASB 68 and GASB 75, the City will need to disclose a 10 year history for the Pension and OPEB schedules above. Additional information will be displayed as it becomes available.

CITY OF FERNLEY, NEVADA
Notes to Required Supplementary Information
June 30, 2022

NOTE 1. OPEB – Factors that Affect Trends

There are no factors (e.g. changes in benefit terms, the use of different assumptions, changes in investment policies) that significantly affect trends in the amounts reported in the required schedules.

NOTE 2. OPEB Plan Assets

There are no assets accumulated in a trust that meet the criteria in GASAB 75 (paragraph 4) to pay related benefits.

CITY OF FERNLEY, NEVADA

REQUIRED SUPPLEMENTARY INFORMATION

Major Governmental Funds Schedules of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual For the Year Ended June 30, 2022

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The **Grants Fund** is used to account for federal and state grants that are restricted or committed for a specific use.

Basis of Budgeting:

The City budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for certain activities reported in the General Fund that are budgeted separately in special revenue funds.

Budget and actual comparisons are presented for all funds of the City as required by Nevada Revised Statutes. Such budget comparisons are required to be presented using the budget as adopted, and approved by the State of Nevada Department of Taxation. However, guidance provided in governmental accounting standards specify that four internally reported funds of the City, not meeting the definition of a special revenue fund, do not qualify to be separately presented for external reporting purposes.

The following funds that are reported separately for internal reporting purposes by the City are combined with the General Fund for external financial reporting:

- Residential Construction Tax Fund
- Parks and Facilities Fund
- Arts and Culture Fund
- Computer Technology Fund

CITY OF FERNLEY, NEVADA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes:				
Property tax	\$ 3,648,330	\$ 3,648,330	\$ 3,615,242	\$ (33,088)
Residential construction tax	100,000	100,000	279,000	179,000
Marijuana sales tax	24,500	24,500	21,018	(3,482)
Total taxes	<u>3,772,830</u>	<u>3,772,830</u>	<u>3,915,260</u>	<u>142,430</u>
Licenses, permits and fees:				
Business licenses	690,000	690,000	804,864	114,864
Franchise fee	1,535,505	1,535,505	1,813,297	277,792
Liquor licenses	38,000	38,000	36,675	(1,325)
Gaming licenses	100,000	100,000	120,170	20,170
Building permits	746,442	746,442	1,258,945	512,503
Planning and zoning fees	250,000	250,000	334,426	84,426
Public works and inspection fees	150,000	150,000	438,818	288,818
Other permits and fees	13,750	13,750	34,641	20,891
Total licenses, fees and permits	<u>3,523,697</u>	<u>3,523,697</u>	<u>4,841,836</u>	<u>1,318,139</u>
Intergovernmental:				
Motor vehicle fuel tax	386,453	386,453	391,070	4,617
RTC shared revenue	5,823,000	5,823,000	465,332	(5,357,668)
State consolidated tax	196,609	196,609	205,075	8,466
Fernley park agreement	60,000	60,000	60,000	-
County roads contribution	180,000	180,000	180,000	-
Administration fee	2,500	2,500	4,464	1,964
Total intergovernmental	<u>6,648,562</u>	<u>6,648,562</u>	<u>1,305,941</u>	<u>(5,342,621)</u>
Fines and forfeitures:				
Community service fee	100	100	3,005	2,905
Municipal court fines and fees	162,200	162,200	162,576	376
Total fines and forfeitures	<u>162,300</u>	<u>162,300</u>	<u>165,581</u>	<u>3,281</u>
Investment earnings:				
Investment earnings (loss)	<u>56,000</u>	<u>56,000</u>	<u>(327,474)</u>	<u>(383,474)</u>
Total investment earnings	<u>56,000</u>	<u>56,000</u>	<u>(327,474)</u>	<u>(383,474)</u>
Other revenues:				
Cemetery fees	4,000	4,000	3,150	(850)
Donations	3,000	3,000	1,995	(1,005)
Park facility rental fee	15,000	15,000	10,955	(4,045)
Miscellaneous	31,000	31,000	53,027	22,027
Total other revenues	<u>53,000</u>	<u>53,000</u>	<u>69,127</u>	<u>16,127</u>
Total revenues	<u>14,216,389</u>	<u>14,216,389</u>	<u>9,970,271</u>	<u>(4,246,118)</u>
				(continued)

CITY OF FERNLEY, NEVADA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Continued)
For the Year Ended June 30, 2022

General government:				
Mayor and city council:				
Salaries and wages	\$ 70,853	\$ 70,853	\$ 72,272	\$ (1,419)
Employee benefits	17,725	17,725	17,683	42
Services, supplies and other	50,200	50,200	42,745	7,455
	<u>138,778</u>	<u>138,778</u>	<u>132,700</u>	<u>6,078</u>
City management:				
Salaries and wages	168,727	168,727	202,462	(33,735)
Employee benefits	74,745	74,745	85,032	(10,287)
Services, supplies and other	372,802	372,802	302,286	70,516
	<u>616,274</u>	<u>616,274</u>	<u>589,780</u>	<u>26,494</u>
City clerk:				
Salaries and wages	173,340	173,340	174,268	(928)
Employee benefits	101,488	101,488	98,144	3,344
Services, supplies and other	49,780	49,780	43,557	6,223
	<u>324,608</u>	<u>324,608</u>	<u>315,969</u>	<u>8,639</u>
Finance:				
Salaries and wages	104,564	104,564	94,985	9,579
Employee benefits	30,701	30,701	30,875	(174)
Services, supplies and other	552,750	552,750	52,311	500,439
	<u>688,015</u>	<u>688,015</u>	<u>178,171</u>	<u>509,844</u>
City attorney:				
Salaries and wages	296,392	296,392	312,314	(15,922)
Employee benefits	139,658	139,658	136,304	3,354
Services, supplies and other	152,100	152,100	97,248	54,852
	<u>588,150</u>	<u>588,150</u>	<u>545,866</u>	<u>42,284</u>
Facilities (City Hall) and general:				
Salaries and wages	106,246	106,246	88,258	17,988
Employee benefits	46,992	46,992	34,924	12,068
Services, supplies and other	195,887	195,887	208,290	(12,403)
Capital outlay	-	-	25,626	(25,626)
	<u>349,125</u>	<u>349,125</u>	<u>357,098</u>	<u>(7,973)</u>
Information technology:				
Salaries and wages	55,304	55,304	44,444	10,860
Employee benefits	22,789	22,789	16,865	5,924
Services, supplies and other	106,853	106,853	71,088	35,765
	<u>184,946</u>	<u>184,946</u>	<u>132,397</u>	<u>52,549</u>
Total general government	<u>2,889,896</u>	<u>2,889,896</u>	<u>2,251,981</u>	<u>637,915</u>
Public works:				
Streets and public works:				
Salaries and wages	317,510	317,510	312,925	4,585
Employee benefits	124,579	124,579	134,842	(10,263)
Services, supplies and other	2,970,100	2,970,100	2,099,784	870,316
Capital outlay	6,369,000	6,369,000	669,703	5,699,297
	<u>9,781,189</u>	<u>9,781,189</u>	<u>3,217,254</u>	<u>6,563,935</u>
				(continued)

CITY OF FERNLEY, NEVADA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Continued)
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures (continued)				
Transportation				
Salaries and wages	\$ 113,611	\$ 113,611	\$ 117,036	\$ (3,425)
Employee benefits	53,128	53,128	52,070	1,058
Services, supplies and other	25,842	25,842	18,712	7,130
	<u>192,581</u>	<u>192,581</u>	<u>187,818</u>	<u>4,763</u>
Engineering:				
Salaries and wages	360,088	360,088	359,597	491
Employee benefits	133,242	133,242	121,403	11,839
Services, supplies and other	211,249	211,249	195,692	15,557
	<u>704,579</u>	<u>704,579</u>	<u>676,692</u>	<u>27,887</u>
Total public works	<u>10,678,349</u>	<u>10,678,349</u>	<u>4,081,764</u>	<u>6,596,585</u>
Judicial:				
Municipal court:				
Salaries and wages	245,192	245,192	219,276	25,916
Employee benefits	130,285	130,285	101,475	28,810
Services, supplies and other	86,180	86,180	92,986	(6,806)
Total judicial	<u>461,657</u>	<u>461,657</u>	<u>413,737</u>	<u>47,920</u>
Health:				
Animal control:				
Salaries and wages	46,952	46,952	50,918	(3,966)
Employee benefits	16,650	16,650	17,677	(1,027)
Services, supplies and other	28,000	28,000	13,602	14,398
	<u>91,602</u>	<u>91,602</u>	<u>82,197</u>	<u>9,405</u>
Vector control:				
Salaries and wages	3,490	3,490	4,124	(634)
Employee benefits	1,204	1,204	1,638	(434)
Services, supplies and other	29,671	29,671	4,965	24,706
	<u>34,365</u>	<u>34,365</u>	<u>10,727</u>	<u>23,638</u>
Cemetery				
Services, supplies and other	35,500	35,500	15,492	20,008
	<u>35,500</u>	<u>35,500</u>	<u>15,492</u>	<u>20,008</u>
Total health	<u>161,467</u>	<u>161,467</u>	<u>108,416</u>	<u>53,051</u>
Culture and recreation:				
Parks:				
Salaries and wages	180,655	180,655	157,261	23,394
Employee benefits	77,702	77,702	76,461	1,241
Services, supplies and other	588,400	588,400	534,885	53,515
Capital outlay	447,000	447,000	325,735	121,265
Total culture and recreation	<u>1,293,757</u>	<u>1,293,757</u>	<u>1,094,342</u>	<u>199,415</u>

(continued)

CITY OF FERNLEY, NEVADA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Continued)
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures (continued)				
Community development:				
Building:				
Salaries and wages	\$ 274,446	\$ 274,446	\$ 238,733	\$ 35,713
Employee benefits	87,305	87,305	73,259	14,046
Services, supplies and other	58,450	58,450	45,635	12,815
Capital outlay	32,000	32,000	-	32,000
	<u>452,201</u>	<u>452,201</u>	<u>357,627</u>	<u>94,574</u>
Planning:				
Salaries and wages	206,870	206,870	195,504	11,366
Employee benefits	116,131	116,131	86,324	29,807
Services, supplies and other	107,850	107,850	95,456	12,394
	<u>430,851</u>	<u>430,851</u>	<u>377,284</u>	<u>53,567</u>
Total community development	<u>883,052</u>	<u>883,052</u>	<u>734,911</u>	<u>148,141</u>
Debt service:				
Principal-net of Water & Sewer cost sharing	1,119,337	1,119,337	1,119,337	-
Interest	3,439	3,439	3,439	-
Total debt service	<u>1,122,776</u>	<u>1,122,776</u>	<u>1,122,776</u>	<u>-</u>
Total expenditures	<u>17,490,954</u>	<u>17,490,954</u>	<u>9,807,927</u>	<u>7,683,027</u>
Excess of revenues over (under) expenditures	(3,274,565)	(3,274,565)	162,344	3,436,909
Other financing sources (uses):				
Sale of capital assets	-	-	8,496	8,496
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>8,496</u>	<u>8,496</u>
Net change in fund balance	(3,274,565)	(3,274,565)	170,840	3,445,405
Fund balance, beginning of year	<u>8,287,171</u>	<u>8,287,171</u>	<u>10,106,359</u>	<u>1,819,188</u>
Fund balance, end of year	<u>\$ 5,012,606</u>	<u>\$ 5,012,606</u>	<u>\$ 10,277,199</u>	<u>\$ 5,256,097</u>

CITY OF FERNLEY, NEVADA
Grants Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues				
Intergovernmental revenue:				
Grant revenue	<u>\$ -</u>	<u>\$ 1,464,469</u>	<u>\$ 1,464,469</u>	<u>\$ -</u>
Total revenues	<u>-</u>	<u>1,464,469</u>	<u>1,464,469</u>	<u>-</u>
Expenditures				
Current:				
General government	-	1,464,469	1,464,469	-
Community development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>1,464,469</u>	<u>1,464,469</u>	<u>-</u>
Fund balance, beginning of year	<u>10</u>	<u>10</u>	<u>10</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 10</u></u>	<u><u>\$ 10</u></u>	<u><u>\$ 10</u></u>	<u><u>\$ -</u></u>

CITY OF FERNLEY, NEVADA
SUPPLEMENTARY INFORMATION
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS
AND
BUDGET AND ACTUAL REPORTS

Special revenue funds are used to account for specific revenues that are restricted or committed to expenditure for particular purposes.

The **Municipal Court Administrative Fees Fund** is used to account for the proceeds from Court Administrative Fees set aside per NRS 268.4085 for court administration and graffiti abatement (judicial department expenditures).

The **Municipal Court Facilities Fees Fund** is used to account for the proceeds from Court Facilities Fees set aside per NRS 176.0611 for the provision of court facilities.

The **Transient Lodging Tax Fund** accounts for Transient Lodging Tax revenues to be used for economic development activities.

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The **Capital Projects Fund** is used to account for financial resources used for the acquisition or construction of capital projects for governmental activities. The fund is utilized to set aside funds to provide funding for future projects involving replacement or acquisition of building, improvements and equipment.

The **Capital Improvement Fund** is used to account for road tax revenues used for the acquisition or construction of capital improvements for governmental activities. These funds are also utilized for the repayment of medium-term obligations used for capital improvements.

CITY OF FERNLEY, NEVADA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue			Capital Projects		Total
	Municipal Court Administration Fees	Municipal Court Facilities Fees	Transient Lodging Fund	Capital Projects	Capital Improvement	Nonmajor Governmental Funds
Assets						
Cash and investments	\$ 22,846	\$ 93,492	\$ 2,095,119	\$ 583,007	\$ 43,089	\$ 2,837,553
Receivables:						
Interest	29	125	2,754	791	58	3,757
Other	-	-	64,812	-	-	64,812
Total assets	<u>\$ 22,875</u>	<u>\$ 93,617</u>	<u>\$ 2,162,685</u>	<u>\$ 583,798</u>	<u>\$ 43,147</u>	<u>\$ 2,906,122</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 34,961	\$ 12,906	\$ -	\$ 47,867
Total liabilities	<u>-</u>	<u>-</u>	<u>34,961</u>	<u>12,906</u>	<u>-</u>	<u>47,867</u>
Fund Balances:						
Restricted for:						
Judicial	22,875	93,617	-	-	-	116,492
Capital projects	-	-	-	-	43,147	43,147
Committed:						
Capital projects	-	-	-	570,892	-	570,892
Convention Center	-	-	1,289,574	-	-	1,289,574
Assigned	-	-	838,150	-	-	838,150
Total fund balances	<u>22,875</u>	<u>93,617</u>	<u>2,127,724</u>	<u>570,892</u>	<u>43,147</u>	<u>2,858,255</u>
Total liabilities and fund balances	<u>\$ 22,875</u>	<u>\$ 93,617</u>	<u>\$ 2,162,685</u>	<u>\$ 583,798</u>	<u>\$ 43,147</u>	<u>\$ 2,906,122</u>

CITY OF FERNLEY, NEVADA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue			Capital Projects		Total Nonmajor Governmental Funds
	Municipal Court Administration Fees	Municipal Court Facilities Fees	Transient Lodging Fund	Capital Projects	Capital Improvement	
Revenues						
Taxes	\$ -	\$ -	\$ 657,206	\$ -	\$ -	\$ 657,206
Fines and forfeitures	16,523	23,365	-	-	-	39,888
Investment earnings (loss)	(325)	(1,660)	(32,390)	(9,895)	(731)	(45,001)
Other revenues	-	-	17,400	-	-	17,400
Total revenues	16,198	21,705	642,216	(9,895)	(731)	669,493
Expenditures						
Current:						
Judicial	16,903	12,986	-	-	-	29,889
Culture and recreation	-	-	92,724	-	-	92,724
Capital outlay	-	16,848	-	12,905	-	29,753
Total expenditures	16,903	29,834	92,724	12,905	-	152,366
Excess (deficiency) of revenues over (under) expenditures	(705)	(8,129)	549,492	(22,800)	(731)	517,127
Fund balances, beginning of year	23,580	101,746	1,578,232	593,692	43,878	2,341,128
Fund balances, end of year	\$ 22,875	\$ 93,617	\$ 2,127,724	\$ 570,892	\$ 43,147	\$ 2,858,255

CITY OF FERNLEY, NEVADA
Municipal Court Administration Fees Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fines and forfeitures:			
Municipal administrative fees	\$ 14,000	\$ 16,523	\$ 2,523
Investment earnings (loss)	<u>75</u>	<u>(325)</u>	<u>(400)</u>
Total revenues	<u>14,075</u>	<u>16,198</u>	<u>2,123</u>
Expenditures			
Judicial:			
Service, supplies and other	<u>26,100</u>	<u>16,903</u>	<u>9,197</u>
Total expenditures	<u>26,100</u>	<u>16,903</u>	<u>9,197</u>
Excess (deficiency) of revenues over (under) expenditures	(12,025)	(705)	11,320
Fund balance, beginning of year	<u>15,780</u>	<u>23,580</u>	<u>7,800</u>
Fund balance, end of year	<u><u>\$ 3,755</u></u>	<u><u>\$ 22,875</u></u>	<u><u>\$ 19,120</u></u>

CITY OF FERNLEY, NEVADA
Municipal Court Facilities Fees Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fines and forfeitures:			
Municipal facilities fees	\$ 17,000	\$ 23,365	\$ 6,365
Investment earnings (loss)	<u>28,600</u>	<u>(1,660)</u>	<u>(30,260)</u>
Total revenues	<u>45,600</u>	<u>21,705</u>	<u>(23,895)</u>
Expenditures			
Judicial:			
Service, supplies and other	70,000	12,986	57,014
Capital outlay	<u>15,000</u>	<u>16,848</u>	<u>(1,848)</u>
Total expenditures	<u>85,000</u>	<u>29,834</u>	<u>55,166</u>
Excess (deficiency) of revenues over (under) expenditures	(39,400)	(8,129)	31,271
Fund balance, beginning of year	<u>45,255</u>	<u>101,746</u>	<u>56,491</u>
Fund balance, end of year	<u><u>\$ 5,855</u></u>	<u><u>\$ 93,617</u></u>	<u><u>\$ 87,762</u></u>

CITY OF FERNLEY, NEVADA
Transient Lodging Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes:			
Transient lodging tax	\$ 350,000	\$ 657,206	\$ 307,206
Investment earnings (loss)	9,000	(32,390)	(41,390)
Miscellaneous	4,000	17,400	13,400
	<u>363,000</u>	<u>642,216</u>	<u>279,216</u>
Total revenues			
Expenditures			
Culture and recreation:			
Services, supplies and other	139,000	92,724	46,276
	<u>139,000</u>	<u>92,724</u>	<u>46,276</u>
Total expenditures			
Excess of revenues over (under) expenditures	224,000	549,492	325,492
Fund balance, beginning of year	1,448,887	1,578,232	129,345
Fund balance, end of year	<u><u>\$ 1,672,887</u></u>	<u><u>\$ 2,127,724</u></u>	<u><u>\$ 454,837</u></u>

CITY OF FERNLEY, NEVADA
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Investment earnings (loss)	<u>\$ 5,000</u>	<u>\$ (9,895)</u>	<u>\$ (14,895)</u>
Total revenues	<u>5,000</u>	<u>(9,895)</u>	<u>(14,895)</u>
Expenditures			
Capital outlay	<u>500,000</u>	<u>12,905</u>	<u>487,095</u>
Total expenditures	<u>500,000</u>	<u>12,905</u>	<u>487,095</u>
Excess (deficiency) of revenues over (under) expenditures	(495,000)	(22,800)	472,200
Fund balance, beginning of year	<u>495,011</u>	<u>593,692</u>	<u>98,681</u>
Fund balance, end of year	<u><u>\$ 11</u></u>	<u><u>\$ 570,892</u></u>	<u><u>\$ 570,881</u></u>

CITY OF FERNLEY, NEVADA
Capital Improvements Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Investment earnings (loss)	<u>\$ 250</u>	<u>\$ (731)</u>	<u>\$ (981)</u>
Total revenues	<u>250</u>	<u>(731)</u>	<u>(981)</u>
Excess (deficiency) of revenues over (under) expenditures	250	(731)	(981)
Fund balance, beginning of year	<u>44,000</u>	<u>43,878</u>	<u>(122)</u>
Fund balance, end of year	<u><u>\$ 44,250</u></u>	<u><u>\$ 43,147</u></u>	<u><u>\$ (1,103)</u></u>

CITY OF FERNLEY, NEVADA
SUPPLEMENTARY INFORMATION
ENTERPRISE FUND
BUDGET AND ACTUAL REPORTS

The **Water Utility Fund** is used to account for the provision of water services to the residents of the City and some residents of Lyon County. All activities necessary to provide services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt.

The **Sewer Utility Fund** is used to account for sewer collection and treatment services for the residents of the City and some residents of Lyon County. All activities necessary to provide services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt.

CITY OF FERNLEY, NEVADA
Water Fund
Schedule of Revenues, Expenses, and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2022

	Final Budget	Actual	Variance with Final Budget
Operating revenues			
Service fees	\$ 10,458,000	\$ 10,225,479	\$ (232,521)
Other revenues	25,000	18,345	(6,655)
Total operating revenues	10,483,000	10,243,824	(239,176)
Operating expenses			
Salaries	1,549,983	1,422,315	127,668
Employee benefits	1,289,191	211,825	1,077,366
Service, supplies and other	2,907,265	2,505,445	401,820
Depreciation and amortization	3,350,000	3,441,865	(91,865)
Total operating expenses	9,096,439	7,581,450	1,514,989
Operating income	1,386,561	2,662,374	1,275,813
Nonoperating revenues (expenses)			
Water ancillary fee revenue	4,234,049	4,407,245	173,196
Investment income (loss)	125,000	(595,378)	(720,378)
Other income	300,000	313,807	13,807
Interest expense	(1,793,992)	(1,660,149)	133,843
Total nonoperating revenues (expenses)	2,865,057	2,465,525	(399,532)
Income (loss) before contributions and transfers	4,251,618	5,127,899	876,281
Capital contributions - connection fees	548,000	1,222,516	674,516
Capital contributions - other	2,000	2,373,142	2,371,142
Change in net position	4,801,618	8,723,557	3,921,939
Net position, beginning of year	95,720,426	95,720,426	-
Net position, end of year	\$ 100,522,044	\$ 104,443,983	\$ 3,921,939

CITY OF FERNLEY, NEVADA
Sewer Fund
Schedule of Revenues, Expenses, and Changes in Net Position
Budget and Actual
For the Year Ended June 30, 2022

	Final Budget	Actual	Variance with Final Budget
Operating revenues			
Service fees	\$ 4,690,000	\$ 4,819,147	\$ 129,147
Total operating revenues	4,690,000	4,819,147	129,147
Operating expenses			
Salaries	724,915	636,931	87,984
Employee benefits	497,084	36,630	460,454
Service, supplies and other	1,194,359	1,064,997	129,362
Depreciation and amortization	1,250,000	1,258,189	(8,189)
Total operating expenses	3,666,358	2,996,747	669,611
Operating income (loss)	1,023,642	1,822,400	798,758
Nonoperating revenues (expenses)			
Investment income (loss)	85,000	(350,475)	(435,475)
Other revenues	30,000	44,956	14,956
Interest expense	(155,000)	(171,014)	(16,014)
Total nonoperating revenues (expenses)	(40,000)	(476,533)	(436,533)
Income (loss) before contributions and transfers	983,642	1,345,867	362,225
Grant revenue	10,000	857,348	847,348
Capital contributions - connection fees	390,000	991,216	601,216
Capital contributions	-	83,635	83,635
Change in net position	1,383,642	3,278,066	1,894,424
Net position, beginning of year	36,282,064	36,282,064	-
Net position, end of year	\$ 37,665,706	\$ 39,560,130	\$ 1,894,424

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CITY OF FERNLEY, NEVADA

STATISTICAL SECTION

This part of the City of Fernley’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the government’s overall financial health.

Contents	Schedule #
Financial Trends	1 - 4
<i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	5 - 9
<i>These schedules contain information to help the reader assess the government’s most significant local revenues source, the property tax.</i>	
Debt Capacity	10 - 14
<i>These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information.....	15 - 16
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	
Operating Information	17 - 19
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from comprehensive annual financial reports of the relevant year.

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CITY OF FERNLEY, NEVADA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 39,585,451	\$ 38,673,348	\$ 37,695,679	\$ 37,994,508	\$ 37,208,612	\$ 37,323,025	\$ 38,680,768	\$ 40,357,694	\$ 41,468,491	\$ 43,577,989
Restricted	579,648	451,356	495,088	581,220	721,349	831,863	1,005,536	1,176,707	1,378,656	1,164,751
Unrestricted	3,139,551	3,630,111	937,118	1,502,904	1,569,877	1,043,219	2,644,869	5,042,053	6,949,456	8,050,038
Total Governmental Activities Net Position	<u>\$ 43,304,650</u>	<u>\$ 42,754,815</u>	<u>\$ 39,127,885</u>	<u>\$ 40,078,632</u>	<u>\$ 39,499,838</u>	<u>\$ 39,198,107</u>	<u>\$ 42,331,173</u>	<u>\$ 46,576,454</u>	<u>\$ 49,796,603</u>	<u>\$ 52,792,778</u>
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 87,153,121	\$ 85,184,784	\$ 83,801,681	\$ 86,036,844	\$ 85,478,988	\$ 87,836,128	\$ 86,902,632	\$ 86,087,313	\$ 87,734,750	\$ 94,334,014
Restricted	-	588,478	589,005	-	-	-	-	-	-	-
Unrestricted	12,394,733	12,816,064	13,380,569	12,852,334	15,277,028	20,652,315	29,464,793	36,647,760	44,267,740	49,660,232
Total Business-type Activities Net Position	<u>\$ 99,547,854</u>	<u>\$ 98,589,326</u>	<u>\$ 97,771,255</u>	<u>\$ 98,889,178</u>	<u>\$ 100,756,016</u>	<u>\$ 108,488,443</u>	<u>\$ 116,367,425</u>	<u>\$ 122,735,073</u>	<u>\$ 132,002,490</u>	<u>\$ 143,994,246</u>
PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 126,738,572	\$ 123,858,132	\$ 121,497,360	\$ 124,031,352	\$ 122,687,600	\$ 125,159,153	\$ 125,583,400	\$ 126,445,007	\$ 129,203,241	\$ 137,912,003
Restricted	579,648	1,039,834	1,084,093	581,220	721,349	831,863	1,005,536	1,176,707	1,378,656	1,164,751
Unrestricted	15,534,284	16,446,175	14,317,687	14,355,238	16,846,905	21,695,534	32,109,662	41,689,813	51,217,196	57,710,270
Total Primary Government Net Position	<u>\$ 142,852,504</u>	<u>\$ 141,344,141</u>	<u>\$ 136,899,140</u>	<u>\$ 138,967,810</u>	<u>\$ 140,255,854</u>	<u>\$ 147,686,550</u>	<u>\$ 158,698,598</u>	<u>\$ 169,311,527</u>	<u>\$ 181,799,093</u>	<u>\$ 196,787,024</u>

CITY OF FERNLEY, NEVADA
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EXPENSES										
Governmental Activities:										
General government	\$ 2,422,886	\$ 1,991,411	\$ 2,283,841	\$ 2,192,152	\$ 2,374,481	\$ 2,475,923	\$ 2,378,207	\$ 2,126,212	\$ 3,887,890	\$ 3,586,290
Judicial	215,504	238,892	276,019	316,607	357,630	382,905	406,089	304,202	358,504	445,902
Culture and recreation	1,126,357	1,384,571	788,165	570,042	1,076,790	1,027,991	1,009,256	866,419	932,490	1,022,103
Community development	1,591,456	849,079	937,675	761,489	894,130	658,254	700,250	615,483	764,387	722,118
Public works	1,100,290	2,202,499	2,001,841	2,786,120	2,596,460	2,370,288	2,736,438	3,040,844	3,478,603	4,523,736
Health	177,080	192,690	194,156	210,014	205,322	231,491	271,017	120,909	130,491	121,443
Debt Service:										
Interest and fiscal charges	87,015	92,415	88,060	81,325	74,435	67,366	60,119	52,705	45,113	3,439
Total Governmental Activities Expenses	6,720,588	6,951,557	6,569,757	6,917,749	7,579,248	7,214,218	7,561,376	7,126,774	9,597,478	10,425,031
Business-type Activities:										
Water	9,284,992	9,323,274	9,319,610	9,022,783	9,287,677	8,764,164	8,860,175	10,775,140	9,413,340	9,241,599
Sewer	2,396,803	2,492,747	2,472,798	2,579,837	2,721,599	2,657,654	2,876,352	3,525,867	3,364,620	3,177,628
Other	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Expenses	11,681,795	11,816,021	11,792,408	11,602,620	12,009,276	11,421,818	11,736,527	14,301,007	12,777,960	12,419,227
Total Primary Government Expenses	\$ 18,402,383	\$ 18,767,578	\$ 18,362,165	\$ 18,520,369	\$ 19,588,524	\$ 18,636,036	\$ 19,297,903	\$ 21,427,781	\$ 22,375,438	\$ 22,844,258

**CITY OF FERNLEY, NEVADA
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
CONTINUED**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General government	\$ 1,355,031	\$ 1,870,597	\$ 1,837,966	\$ 1,849,714	\$ 2,008,097	\$ 2,350,210	\$ 2,766,705	\$ 3,018,252	\$ 3,148,777	\$ 3,967,086
Judicial	95,834	155,846	268,742	275,179	239,898	245,457	281,212	240,177	225,069	205,469
Culture and recreation	950	14,722	15,410	15,054	14,223	34,708	10,441	30,307	30,241	31,973
Community development	115,130	-	-	-	-	-	-	-	-	-
Public works	-	17,019	41,363	44,247	39,265	143,102	323,774	274,520	529,318	773,244
Health	4,157	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	113,124	616,222	933,829	1,655,405	1,090,508	646,981	3,355,145	2,163,973	3,862,058	2,708,379
Capital Grants and Contributions	1,385,242	1,008,428	404,435	710,254	381,488	211,148	182,674	1,521,915	743,317	1,468,592
Total Governmental Activities Program Revenues	<u>3,069,468</u>	<u>3,682,834</u>	<u>3,501,745</u>	<u>4,549,853</u>	<u>3,773,479</u>	<u>3,631,606</u>	<u>6,919,951</u>	<u>7,249,144</u>	<u>8,538,780</u>	<u>9,154,743</u>
Business-type Activities:										
Charges for Services:										
Water	8,277,063	5,174,551	5,681,977	5,416,406	7,035,414	9,377,744	9,136,029	9,641,223	10,347,050	10,557,631
Sewer	1,929,793	1,981,631	2,560,138	2,204,453	2,820,540	3,814,919	4,158,774	4,393,118	4,679,744	4,864,103
Other	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	33,044	501,543	1,555,727	1,633,213	902,539	1,418,743	1,304,147	1,452,994	2,554,555	5,527,857
Total Business-type Activities Revenues	<u>10,239,900</u>	<u>7,657,725</u>	<u>9,797,842</u>	<u>9,254,072</u>	<u>10,758,493</u>	<u>14,611,406</u>	<u>14,598,950</u>	<u>15,487,335</u>	<u>17,581,349</u>	<u>20,949,591</u>
Total Primary Government Revenues	<u>\$ 13,309,368</u>	<u>\$ 11,340,559</u>	<u>\$ 13,299,587</u>	<u>\$ 13,803,925</u>	<u>\$ 14,531,972</u>	<u>\$ 18,243,012</u>	<u>\$ 21,518,901</u>	<u>\$ 22,736,479</u>	<u>\$ 26,120,129</u>	<u>\$ 30,104,334</u>
NET (EXPENSE)/REVENUE										
Governmental Activities	\$ (3,651,120)	\$ (3,268,723)	\$ (3,068,012)	\$ (2,367,896)	\$ (3,805,769)	\$ (3,582,612)	\$ (641,425)	\$ 122,370	\$ (1,058,698)	\$ (1,270,288)
Business-type Activities	(1,441,895)	(4,158,296)	(1,994,566)	(2,348,548)	(1,250,783)	3,189,588	2,862,423	1,186,328	4,803,389	8,530,364
Total Primary Government Net (Expense)/Revenue	<u>\$ (5,093,015)</u>	<u>\$ (7,427,019)</u>	<u>\$ (5,062,578)</u>	<u>\$ (4,716,444)</u>	<u>\$ (5,056,552)</u>	<u>\$ (393,024)</u>	<u>\$ 2,220,998</u>	<u>\$ 1,308,698</u>	<u>\$ 3,744,691</u>	<u>\$ 7,260,076</u>

**CITY OF FERNLEY, NEVADA
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
CONTINUED**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes:										
Property	\$ 1,924,602	\$ 2,145,992	\$ 2,199,262	\$ 2,452,000	\$ 2,322,674	\$2,468,443	\$ 2,625,643	\$ 2,948,107	\$ 3,293,351	\$ 3,635,121
Consolidated	132,962	136,402	143,389	148,249	154,423	163,528	172,906	181,233	196,323	205,075
Fuel	292,483	306,330	344,360	402,749	378,322	389,175	406,360	391,939	306,563	391,070
Residential Construction Tax	-	-	-	-	-	196,000	203,000	134,000	191,600	279,000
Unrestricted gaming licenses	104,761	106,132	104,513	120,221	116,693	124,344	121,418	98,213	116,483	120,170
Unrestricted interest income	12,334	10,032	6,485	25,243	30,001	67,822	160,048	185,105	36,097	(372,467)
Miscellaneous revenue	211,636	14,000	14,000	150,525	224,862	83,558	85,116	184,316	138,430	8,494
Total Governmental Activities	<u>2,678,778</u>	<u>2,718,888</u>	<u>2,812,009</u>	<u>3,298,987</u>	<u>3,226,975</u>	<u>3,492,870</u>	<u>3,774,491</u>	<u>4,122,913</u>	<u>4,278,847</u>	<u>4,266,463</u>
Business-type Activities:										
Unrestricted interest income	39,272	32,634	20,361	69,582	87,782	205,986	604,173	749,133	133,235	(945,853)
Miscellaneous revenue	340,893	3,326,391	3,378,183	3,396,889	3,029,839	4,477,714	4,412,386	4,432,186	4,330,793	4,407,245
Total Business-type Activities Revenues	<u>380,165</u>	<u>3,359,025</u>	<u>3,398,544</u>	<u>3,466,471</u>	<u>3,117,621</u>	<u>4,683,700</u>	<u>5,016,559</u>	<u>5,181,319</u>	<u>4,464,028</u>	<u>3,461,392</u>
Total Primary Government Revenues	<u>\$ 3,058,943</u>	<u>\$ 6,077,913</u>	<u>\$ 6,210,553</u>	<u>\$ 6,765,458</u>	<u>\$ 6,344,596</u>	<u>\$8,176,570</u>	<u>\$ 8,791,050</u>	<u>\$ 9,304,232</u>	<u>\$ 8,742,875</u>	<u>\$ 7,727,855</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ (972,342)	\$ (549,835)	\$ (256,003)	\$ 931,091	\$ (578,794)	\$ (89,742)	\$ 3,133,066	\$ 4,245,283	\$ 3,220,149	\$ 2,996,175
Business-type Activities	(1,061,730)	(799,271)	1,403,978	1,117,923	1,866,838	7,873,288	7,878,982	6,367,647	9,267,417	11,991,756
Total Primary Government Change in Net Position	<u>\$ (2,034,072)</u>	<u>\$ (1,349,106)</u>	<u>\$ 1,147,975</u>	<u>\$ 2,049,014</u>	<u>\$ 1,288,044</u>	<u>\$7,783,546</u>	<u>\$11,012,048</u>	<u>\$10,612,930</u>	<u>\$12,487,566</u>	<u>\$14,987,931</u>

CITY OF FERNLEY, NEVADA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	25,250	10,812	29,922	30,284	-	-	-	-	-
Restricted	342,123	342,572	370,168	419,398	561,017	692,652	877,714	1,024,586	1,209,442	1,005,102
Committed	-	1,541,178	2,982,946	3,174,349	3,155,343	3,490,868	4,995,231	6,789,537	8,371,753	8,541,389
Assigned	1,449,207	405,310	47,349	166,089	364,750	358,654	287,546	-	-	-
Unassigned	617,104	841,826	397,344	429,488	441,228	490,621	496,447	499,320	525,164	730,708
Total general fund	<u>\$ 2,408,434</u>	<u>\$ 3,156,136</u>	<u>\$ 3,808,619</u>	<u>\$ 4,219,246</u>	<u>\$4,552,622</u>	<u>\$5,032,795</u>	<u>\$6,656,938</u>	<u>\$8,313,443</u>	<u>\$10,106,359</u>	<u>\$10,277,199</u>
All other governmental funds										
Reserved - Transient Lodging Tax Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Nonspendable	22,177	-	-	-	-	-	-	-	-	-
Restricted	237,523	108,784	124,920	161,822	160,332	139,211	127,822	152,121	169,214	159,649
Committed	1,210,436	1,073,980	1,123,386	1,273,255	1,448,069	692,933	940,312	1,209,139	1,488,942	1,860,466
Assigned	164,333	133,690	162,254	229,289	278,752	380,287	451,216	569,512	682,982	838,150
Total all other governmental funds	<u>\$ 1,634,469</u>	<u>\$ 1,316,454</u>	<u>\$ 1,410,560</u>	<u>\$ 1,664,366</u>	<u>\$1,887,153</u>	<u>\$1,212,431</u>	<u>\$1,519,350</u>	<u>\$1,930,772</u>	<u>\$ 2,341,138</u>	<u>\$ 2,858,265</u>

* Due to implementation of GASB 54, fund balance classifications changed in fiscal year 2011.

CITY OF FERNLEY, NEVADA
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES										
Taxes	\$ 2,164,248	\$ 2,411,183	\$ 2,487,401	\$ 2,795,364	\$ 2,812,455	\$3,067,427	\$3,220,095	\$3,533,231	\$ 3,982,332	\$ 4,572,466
Licenses and permits	1,578,429	1,867,564	1,798,242	1,973,548	2,117,464	2,564,561	3,202,328	3,382,189	3,784,452	4,841,836
Intergovernmental	1,668,561	1,776,740	1,556,833	2,318,128	1,643,631	1,013,704	3,216,222	2,785,663	3,942,337	2,770,410
Fines and forfeits	95,834	155,845	268,742	275,178	239,899	245,457	281,213	240,177	225,068	205,469
Miscellaneous	127,651	173,738	222,002	106,838	115,390	148,117	695,291	241,645	184,315	(285,948)
Developer fees	-	-	-	-	-	-	-	-	-	-
Total revenues	5,634,723	6,385,070	6,333,220	7,469,056	6,928,839	7,039,266	10,615,149	10,182,905	12,118,504	12,104,233
EXPENDITURES										
General government	2,276,007	1,933,656	1,974,369	1,894,419	1,859,292	2,164,818	2,057,249	1,924,107	4,950,269	3,716,450
Judicial	215,296	235,890	278,105	319,189	346,754	373,745	388,640	309,668	345,133	443,626
Culture and recreation	745,405	909,293	756,953	707,664	880,248	957,631	880,657	770,684	830,168	1,187,066
Community development	1,482,004	1,035,564	952,037	759,975	862,260	677,702	1,789,963	1,079,507	890,158	734,911
Public works	1,826	1,156,200	1,053,634	2,664,492	1,946,728	1,574,313	3,017,847	3,690,576	2,504,197	4,081,764
Health	176,523	190,276	181,749	212,740	193,821	229,966	260,962	157,046	161,415	108,416
Debt service:										
Principal	84,000	86,000	280,000	286,000	293,000	301,000	308,000	315,000	323,000	1,119,337
Interest	87,015	92,415	88,060	81,325	74,435	67,366	60,119	52,705	45,113	3,439
Cost sharing Water and Sewer funds	-	-	-	(101,525)	(83,862)	(83,096)	(79,350)	(184,315)	(138,431)	-
Bond issuance cost	-	-	-	-	-	-	-	-	-	-
Capital outlay	304,055	316,091	82,816	-	-	956,358	-	-	4,200	29,753
Total expenditures	5,372,131	5,955,385	5,647,723	6,824,279	6,372,676	7,219,803	8,684,087	8,114,978	9,915,222	11,424,762
Excess (deficiency) of revenues over expenditures	262,592	429,685	685,497	644,777	556,163	(180,537)	1,931,062	2,067,927	2,203,282	679,471
OTHER FINANCING SOURCES (USES)										
Transfer out	-	(105,507)	(11,051)	-	-	-	-	-	-	-
Transfer in	-	105,507	11,051	-	-	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-	-	-	-	-	-
Proceeds from insurance	40,625	-	-	-	-	-	-	-	-	-
Proceeds from disposal of capital assets	-	-	-	-	-	-	-	-	-	8,496
Total other financing sources (uses)	40,625	-	-	-	-	-	-	-	-	8,496
Net change in fund balance	\$ 303,217	\$ 429,685	\$ 685,497	\$ 644,777	\$ 556,163	\$ (180,537)	\$1,931,062	\$2,067,927	\$ 2,203,282	\$ 687,967
Debt service as a percentage of noncapital expenditures	3.4%	3.3%	6.8%	6.6%	6.2%	6.3%	6.0%	6.0%	4.6%	11.4%

data from Auditors DRAFT CAFR

Stmnt of revenues, expeditures and changes in fund balance governmental funds pg 26

debt service>row50>reconciliation for the statement of revenues>capital outlay pg27

SCHEDULE 5

**CITY OF FERNLEY, NEVADA
ESTIMATED ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Assessed Value			Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value
	Real Property	Personal Property	Total		
2013	-	-	440,455,995	1,258,445,700	35.0
2014*	405,137,703	39,114,259	444,251,962	1,269,291,320	35.0
2015	543,179,007	35,480,263	578,659,270	1,653,312,200	35.0
2016	620,951,224	34,017,878	654,969,102	1,871,340,291	35.0
2017	555,711,189	29,916,104	585,627,293	1,673,220,837	35.0
2018	602,011,283	38,175,159	640,186,442	1,829,104,120	35.0
2019	676,171,175	39,120,159	715,291,334	2,043,689,526	35.0
2020	759,219,557	45,816,542	805,036,099	2,300,103,140	35.0
2021	823,291,448	57,767,554	881,059,002	2,517,311,434	35.0
2022	860,202,471	58,590,439	918,792,910	2,625,122,600	35.0

* First year breakdown of assessed value between real and personal property was made available.
Personal Property amounts provided by Lyon County Assessor's Office.

SCHEDULE 6

**CITY OF FERNLEY, NEVADA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST FIVE FISCAL YEARS**

Fiscal Year	Taxes Levied	Tax Collections	Collections as a % of Original Levy	Collections in Subsequent Years	Total Tax Collections	Total Collections as a % of Original Levy
2014	2,153,267	2,100,601	97.55%	34,904	2,135,505	99.18%
2015	2,309,133	2,182,422	94.51%	18,827	2,201,249	95.33%
2016	2,370,149	2,327,316	98.19%	26,237	2,353,553	99.30%
2017	2,333,033	2,297,252	98.47%	16,442	2,313,694	99.17%
2018	2,486,770	2,447,325	98.41%	18,843	2,466,168	99.17%
2019	2,652,966	2,606,805	98.26%	23,526	2,630,331	99.15%
2020	2,652,966	2,606,805	98.26%	22,223	2,629,028	99.10%
2021	3,333,289	3,268,314	98.05%	25,206	3,293,520	98.81%
2022	3,628,330	3,608,138	99.44%		3,608,138	99.44%

Source: Lyon County, State of NV Department of Taxation and City of Fernley
Data is not available prior to fiscal year 2014.

**CITY OF FERNLEY, NEVADA
PRINCIPAL PROPERTY OWNERS
JUNE 30, 2022**

Taxpayer	Land Use	Taxable		Approximate Percentage of Total Estimated Assessed Value
		Taxable Value (1)	Assessed Value	
M4 NEW FERNLEY QOZB LLC	General Industrial	35,411,829	12,394,140	1.35%
POLARIS SALES INC	General Industrial	\$ 28,592,337	\$ 10,007,318	1.09%
NEWLANDS INDUSTRIAL LLC	Commercial Industrial	25,048,269	8,766,894	0.95%
QG PRINTING II LLC	General Industrial	21,721,277	7,602,447	0.83%
MSC INDUSTRIAL DIRECT CO INC	General Industrial	17,249,480	6,037,318	0.66%
COLE ID FERNLEY LLC	General Industrial	17,026,463	5,959,262	0.65%
DECEUNINCK NORTH AMERICA LLC	General Industrial	13,592,343	4,757,320	0.52%
WAL-MART STORES INC	General Commercial	12,650,989	4,427,846	0.48%
SHERWIN-WILLIAMS ACCEPTANCE COR	Heavy Industrial	11,768,766	4,119,068	0.45%
TREX COMPANY LLC	General Industrial	11,057,071	3,869,975	0.42%
		<u>\$ 171,292,986</u>	<u>\$ 67,941,588</u>	<u>7.39%</u>

Source: Lyon County Assessor's Office

Note: (1) Assessed value is 35% of estimated taxable value.

**CITY OF FERNLEY, NEVADA
WATER USER FEES
LAST TEN FISCAL YEARS**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
WATER UTILITY										
Number of Customers	6,466	6,510	6,769	6,774	7,114	7,495	7,674	7,790	7,937	8,144
Annual Average Day Demand per customer	501	509	465	444	437	405	420	421	506	472
Gallons of water used (in thousands) *	1,186,009	1,209,731	1,148,351	1,097,947	1,133,827	1,107,035	1,176,667	1,198,017	1,465,753	1,403,382
Direct rate per 1,000 gallons	\$ 2.08	\$ 2.15	\$ 2.15	\$ 2.15	\$ 3.10	\$ 3.10	\$ 3.28	\$ 3.45	\$ 3.60	\$ 3.68

Source: City of Fernley
* Includes residential and commercial customers.

SCHEDULE 9**CITY OF FERNLEY, NEVADA
PRINCIPLE WATER USERS**

Employer	June 30,			
	2022		2013	
	User Fees	Rank	User Fees	Rank
*City of Fernley	276,493	1	164,058	1
*Lyon County School District	236,698	2	145,585	2
Trex Manufacturing Company	196,978	3	72,132	5
Trex Company	130,568	4	-	
Pilot Travel Centers, LLC	99,380	5	-	-
Reno/Villa Park llc	90,373	6	-	-
Veterans Cemetery	79,078	7	56,192	5
Sherwin Williams	77,630	8	30,951	7
Blue Beacon	48,311	9	25,763	10
Essential Industries Inc	33,924	10		

Source: City of Fernley

* User Fees totals represent all City of Fernley and all Lyon County School District facilities combined
Fees reported in 2010 were not combined.

CITY OF FERNLEY, NEVADA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities	Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Intallment Purchase Agreement	Water Bonds	Sewer Bonds	Unamortized Bond Premium (Discount)			
2013	3,926,000	68,134,205	7,300,795	45,835	79,406,835	15.15%	4,217
2014	3,840,000	66,557,336	7,132,664	43,350	77,573,350	13.45%	4,086
2015	3,560,000	65,933,524	7,071,476	40,865	76,605,865	12.96%	4,016
2016	3,274,000	65,175,380	7,073,707	2,552,345	78,075,432	13.00%	4,123
2017	2,981,000	63,153,474	7,091,821	2,804,336	76,030,631	10.50%	3,806
2018	2,680,000	60,886,568	6,950,855	2,669,864	73,187,287	11.28%	3,792
2019	2,372,000	58,590,165	7,941,221	2,535,392	71,438,778	9.81%	3,610
2020	2,057,000	56,366,532	7,616,378	2,400,920	68,440,830	8.67%	3,356
2021	1,734,000	53,774,518	7,250,650	2,266,448	65,025,616	7.85%	3,111
2022	-	51,192,470	6,899,939	2,131,976	60,224,385	6.47%	2,854

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 15 of Demographic Statistics for personal income and population data.

SCHEDULE 11

**CITY OF FERNLEY, NEVADA
RATIOS OF GENERAL OBLIGATION DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	Business-Type General Obligation Revenue Bonds	Percentage of Actual Property Value (1)	Percentage of Personal Income (2)	Per Capita (2)
2013	75,480,835	6.00%	14.40%	4,008
2014	73,733,350	5.81%	12.79%	3,883
2015	73,045,865	4.42%	12.35%	3,829
2016	74,801,432	4.00%	12.45%	3,950
2017	73,116,113	4.37%	10.10%	3,660
2018	70,507,287	3.85%	10.87%	3,653
2019	69,066,778	3.38%	9.48%	3,490
2020	66,383,831	2.89%	8.41%	3,255
2021	63,291,616	2.51%	7.64%	3,028
2022	60,224,385	2.29%	6.47%	2,854

Note: (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data - Schedule 5.

(2) Population information may be found on Schedule 15 - Demographic Statistics.

SCHEDULE 12

**CITY OF FERNLEY, NEVADA
GENERAL OBLIGATION DIRECT AND OVERLAPPING DEBT
JUNE 30, 2022**

		Debt Outstanding	Presently Self-Supporting General Obligation Debt	Percent Applicable⁽¹⁾	Applicable Net Debt
Direct					
City of Fernley ⁽²⁾	\$	60,224,385	\$ 60,224,385	100.00%	<u>\$ -</u>
Overlapping					
Lyon County	\$	17,906,145	11,680,580	38.00%	2,365,601
Lyon County School District	\$	79,360,000	79,360,000	38.00%	-
Total Overlapping Debt					<u>2,365,601</u>
Total Direct and Overlapping Debt					<u><u>\$ 2,365,601</u></u>

⁽¹⁾ Calculation based on present assessed valuation of Fernley compared to Lyon County

⁽²⁾ Amounts are net of issuance (discounts)/premiums

**CITY OF FERNLEY, NEVADA
COMPUTATION OF GENERAL OBLIGATION DEBT LIMIT
JUNE 30, 2022**

Estimated Assessed Value	\$ 918,792,910
Debt Limit - 30 Percent of Total Assessed Value	275,637,873
General Obligation Revenue Bonds	58,092,409
Total Amount of Debt Applicable to Debt limit	<u>58,092,409</u>
Legal Debt Margin	<u>\$ 217,545,464</u>
Total debt applicable to the limit as a percentage of debt limit	21.08%

General Obligation Debt Limit

The City is limited by NRS 266.600 as to the amount of general obligation debt it can have outstanding. The limit is equal to 30 percent of the City's total assessed valuation. As of June 30, 2022, the City has no general obligation debt outstanding and none proposed. It has \$58,092,409 of general obligation revenue supported debt outstanding. Based on the fiscal year 2022 assessed value, the City's available general obligation debt limit is approximately \$275,637,873.

Other factors also limit the amount of debt the City can issue. These factors include, but are not limited to, voter approval, overlapping tax rates, available revenues, market conditions and types of projects to be funded.

**CITY OF FERNLEY, NEVADA
WATER AND SEWER FUNDS REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2013	6,855,545	3,841,334	3,014,211	1,751,912	3,545,754	5,297,666	57%
2014	7,121,106	4,157,098	2,964,008	1,745,000	3,501,453	5,246,453	56%
2015	7,042,676	4,428,993	2,613,683	1,905,868	3,330,671	5,236,539	50%
2016	7,009,051	4,378,965	2,630,086	4,309,399	733,462	5,042,861	52%
2017	8,757,498	4,788,516	3,968,982	2,267,295	2,440,032	4,707,327	84%
2018	12,056,792	4,619,356	7,437,436	2,474,354	2,403,558	4,877,912	152%
2019	13,164,375	4,895,196	8,269,179	2,604,667	2,331,202	4,935,869	168%
2020	13,735,523	6,732,112	7,003,411	2,226,092	2,734,476	4,960,568	141%
2020	13,735,523	6,732,112	7,003,411	2,226,092	2,734,476	4,960,568	141%
2021	14,696,543	10,849,562	3,846,981	2,932,759	1,805,391	4,738,150	81%
2022	15,062,971	10,578,197	4,484,774	2,932,759	1,806,223	4,738,981	95%

Note: (1) Total operating expenses exclusive of depreciation

**CITY OF FERNLEY, NEVADA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2013	18,831	524,160,885	27,835	13.60%
2014	18,987	576,597,216	30,368	11.30%
2015	19,077	591,253,461	30,993	9.80%
2016	18,936	600,649,920	31,720	8.10%
2017	19,975	723,772,922	36,234	6.30%
2018	19,300	648,885,300	33,621	6.00%
2019	19,790	728,390,740	36,806	5.40%
2020	20,396	789,590,348	38,713	8.50%
2021	20,901	828,724,650	39,650	6.30%
2022	21,105	930,688,290	44,098	5.50%

Sources:

- (1) Nevada Demographers' Office
- (2) Bureau of Economic Analysis
- (3) Nevada Employment Security Department-BEA
- (4) Lyon County Data

(1) NV Demographer's Office. Fernley is 36% of Lyon County population.

**CITY OF FERNLEY, NEVADA
LYON COUNTY MAJOR EMPLOYERS
JUNE 30,**

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment (1)	Employees	Rank	Percentage of Total County Employment (1)
Lyon County School District	1000-1499	1	5.33%	1,250	1	6.52%
Lyon County	500-599	2	2.35%	550	3	2.35%
Wal-Mart	250-499	3	1.60%	375	5	1.30%
Snyder Family foods	250-499	4	1.60%	375	-	0.00%
Trex Company, Inc.	100-249	5	0.75%	175		78.00%
Sherwin-Williams	100-249	6	0.75%	175	-	0.00%
Pilot Travel Center	100-249	7	0.75%	175	-	0.00%
Lowe's Home Improvement	100-249	8	0.75%	175	9	0.00%
Nevada Cement Co	100-249	9	0.75%	175	-	0.00%
City of Fernley	100-249	10	0.32%	75		0.00%

Source: Nevada Department of Employment, Training & Rehabilitation

(1) Total employment statistics are for the Lyon County area, as information is not available at the City level.

CITY OF FERNLEY, NEVADA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
FUNCTION/PROGRAM										
General government	13.8	13.1	13.1	15.1	14.1	14.1	14.6	15.9	16.1	20.5
Judicial	3.0	3.0	3.0	3.5	4.0	4.0	4.0	5.0	4.0	5.0
Public works	4.8	4.8	4.8	6.3	7.9	7.9	8.2	7.3	7.9	10.1
Culture and recreation	5.6	4.6	4.6	4.7	4.7	4.7	5.7	4.4	4.6	3.7
Community development	4.9	5.0	5.0	5.0	5.0	6.0	7.0	7.0	7.0	7.0
Health	2.0	1.5	1.5	1.5	1.5	1.5	1.5	1.2	1.2	1.1
Water	16.1	16.4	16.4	17.4	16.5	16.8	17.3	22.0	23.0	21.7
Sewer	6.6	6.6	6.6	7.6	8.9	8.9	10.3	12.0	13.0	11.4
Total	<u>56.8</u>	<u>55.0</u>	<u>55.0</u>	<u>61.0</u>	<u>62.5</u>	<u>63.8</u>	<u>68.5</u>	<u>74.7</u>	<u>76.8</u>	<u>80.5</u>

CITY OF FERNLEY, NEVADA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2013	2014	2015*	2016	2017	2018	2019	2020	2021	2022
Judicial:										
Municipal Court Cases Filed:										
Drug	5	9	-	75	45	22	42	26	31	30
Driving under influence	12	22	57	58	52	48	52	54	72	69
Domestic violence	-	9	77	99	53	77	57	13	-	-
Traffic	524	2,129	3,463	3,008	2,073	2,443	3,204	2,795	2,025	2,239
Other	14	262	373	372	194	105	307	253	238	231
Public Safety:										
Calls for Service:										
Criminal	3,891	4,415	845	856	802	882	1,192	1029	1303	1101
Non-criminal	3,184	3,745	4,165	4,408	4,366	4,267	3,524	2408	2431	2451
Domestic violence	784	776	397	422	388	439	420	361	369	353
Follow-up	2,107	3,384	1,167	880	849	1,094	1,212	1012	1097	804
Traffic-stops	1,224	1,490	1,862	1,804	1,798	2,251	1,607	1246	1726	1151
Civil papers	1,701	1,323	125	102	680	897	939	819	961	817
Animal	392	451	300	237	1,558	981	485	334	527	501
Death/Coroner	102	88	-	-	-	-	-	-	-	-
Public service	2,014	2,807	1,022	1,141	1,175	1,167	1,421	1,711	1,715	1,843
Assist other agencies	932	938	744	713	699	841	753	652	721	627
Alarms	802	934	500	569	586	439	322	307	293	310
Accident	167	176	131	180	171	202	237	353	384	319
Private property accident	123	141	-	-	-	-	-	-	-	-
Mental health	2	7	120	145	122	133	147	119	157	166
Other	-	0	639	754	101	103	344	683	860	775
Administrative	9,924	23,029	-	-	-	-	-	-	-	-
Total Calls for Service	27,516	43,880	12,017	12,211	13,295	13,696	12,603	11,034	12,544	11,218
Total Charges										
Felon	114	109	308	292	274	206	273	233	272	310
Gross misdemeanor	14	16	72	55	49	34	45	35	61	69
Misdemeanor	142	152	742	624	560	510	547	416	487	462
Driving under influence	27	30	-	-	-	-	-	-	-	-
Domestic violence	45	38	-	-	-	-	-	-	-	-
Total Arrests	342	345	763	660	642	574	637	506	639	607
Citations:										
Traffic	210	314	-	-	-	-	-	-	-	-
Non-traffic	280	244	-	-	-	-	-	-	-	-
Total Citations	490	558	-	-	-	-	-	-	-	-
Water Utility:										
Customer count	7,305	7,341	7,362	7,431	7,114	7,258	7,440	7,572	7,754	7,935
New connections	3	17	285	78	111	1,126	1,804	1,556	1,655	1,605
Sewer Utility:										
Customer count	6,402	6,466	6,539	6,600	6,463	6,673	6,854	6,980	7,144	7,338
New connections	1	13	281	75	106	1,075	1,630	1,407	1,454	1,452
Building:										
Number of permits issued	230	237	256	400	486	567	700	533	581	772
Number of inspection	494	873	1,059	1,996	5,647	12,218	16,737	12,092	7,954	13,654
Planning:										
Number of applications processed	30	23	25	53	53	65	42	48	51	50
Source: City of Fernley										

* In 2015 the Lyon County Sheriff's Office changed the way they tracked statistical information. Some categories reported in the past are no longer tracked.

SCHEDULE 19

**CITY OF FERNLEY, NEVADA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

FUNCTION/PROGRAM	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Streets:										
Public Road Mileage	126.79	126.79	126.79	127.09	127.09	127.09	127.09	130.06	130.06	131.2
Parks and Recreation:										
Parks and Open Space Acreage	155	155	155	155	155	155	155	155	155	155
Developed Parks	11	12	12	12	12	12	12	12	12	12
Tennis Courts	1	1	1	1	1	1	1	1	1	1
Rodeo Arena	2	2	2	2	2	2	2	2	2	2
Playing Fields	19	19	19	19	19	19	19	19	19	19
Pavilions	7	7	7	7	7	7	7	7	7	7
Skate Park	1	1	1	1	1	1	1	1	1	1
Water Utility:										
Water lines (miles)	152.1	152.1	152.1	152.4	152.4	152.4	152.4	152.4	152.4	153.4
Fire Hydrants	1,073	1,073	1,073	1,075	1,077	1,077	1,077	1,077	1,077	1,094
Sewer Utility:										
Sanitary Sewer Lines (miles)	124.9	124.2	124.2	124.5	124.5	124.5	124.5	124.6	124.6	125.4
Sanitary Sewer Manhole Count	1,825	1,825	1,825	1,832	1,832	1,832	1,832	1,835	1,835	1,859

Source: City of Fernley

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COMPLIANCE SECTION

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**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

The Honorable Mayor and City Council
City of Fernley, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fernley, Nevada, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 21, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HintonBurdick, PLLC

St. George, Utah
November 21, 2022



Independent Auditors' Report on State Legal Compliance

The Honorable Mayor and City Council
City of Fernley, Nevada

We have audited the financial statements of the City of Fernley, Nevada for the fiscal year ended June 30, 2022 and have issued our report thereon dated November 21, 2022. Our audit also included test work on the City's compliance with selected requirements identified in the State of Nevada Revised Statutes (NRS) including, but not limited to, NRS section 354.624 and section 354.6241.

Management of the City is responsible for the City's compliance with all requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit and make specific statements regarding funds established and the status of prior year findings and recommendations; accordingly, we make the following statements:

For the fiscal year ended June 30, 2022, the City of Fernley has taken steps to act upon recommendations made in prior years.

The City has established a number of funds in accordance with NRS 354.624 as follows:

Enterprise Funds:

Water Utility Fund
Sewer Utility Fund

Funds whose balance is required to be used only for a specific purpose or carried forward to the succeeding fiscal year in any designated amount:

Special Revenue Funds:

Grants Fund
Municipal Court Administration Fund
Municipal Court Facilities Fund
Transient Lodging Tax Fund

Capital Projects Funds:

Capital Projects Fund
Capital Improvements Fund

The City appears to be using the above listed funds expressly for the purposes for which they were created and in accordance with NRS 354.624 and as per the provisions of NRS 354.6113 for capital projects funds. The funds are being administered in accordance with Generally Accepted Accounting Principles and the reserves, as applicable, appear reasonable and necessary to carry out the purposes of the funds. Sources of revenues available and fund balances and net position are reflected in the individual fund financial statements.

CITY OF FERNLEY, NEVADA

Schedule of Fees Imposed Subject to the Provisions of NRS 354.5989 – Limitation of Fees for Business Licenses

The statutory and regulatory requirements of the funds are as follows:

Water Fund	City Resolution
Sewer Fund	City Resolution
Grants Fund	City Resolution
Municipal Court Administration Fund	NRS 268.4085
Municipal Court Facilities Fund	NRS 176.0611
Transient Lodging Tax Fund	City Ordinance #2009-018
Capital Projects Fund	City Resolution
Capital Improvements Fund	City Resolution

NRS 354.624 requires a schedule of all fees imposed by the City that were subject to the provisions of NRS 354.5989. See the following page for the schedule.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the City of Fernley complied, in all material respects, with the requirements identified above for the fiscal year ended June 30, 2022.

The purpose of this report is solely to describe the scope of our testing of the applicable compliance requirements identified in the Nevada Revised Statutes (NRS) and the results of that testing based on the state requirements. Accordingly, this report is not suitable for any other purpose.

HintonBurdick, PLLC

St. George, Utah
November 21, 2022

CITY OF FERNLEY, NEVADA

**Schedule of Fees Imposed Subject to the Provisions of NRS
354.5989 – Limitation of Fees for Business Licenses**

Flat fixed fees:

Base revenue:

Business license revenue for the year ended June 30, 2021 \$ 203,035

Adjustment to base:

1. Percentage increase in population of the local government	0.98%	
2. Percentage increase in the Consumer Price Index for the year ending on December 31, next preceding the year for which the limit is being calculated	<u>5.3%</u>	
	6.28%	<u>12,751</u>

Adjusted base at June 30, 2022	<u>\$ 215,786</u>
--------------------------------	-------------------

Actual business license revenue for the year ended June 30, 2022	<u><u>\$ 217,313</u></u>
--	--------------------------

Fee calculated on a percentage of gross revenue:

Base revenue:

Business license revenue for the year ended June 30, 2021 \$ 548,948

Adjustment to base:

1. Percentage increase in the Consumer Price Index	5.3%	<u>29,094</u>
Adjusted base at June 30, 2022		<u><u>\$ 578,042</u></u>

Actual business license revenue for the year ended June 30, 2022	<u><u>\$ 587,551</u></u>
--	--------------------------

The city implemented a change in calculating business license fees that was effective January 1, 2017. Certain business licenses are now calculated as a fraction or percentage of the gross revenue of the business instead of a flat fixed fee as in previous years.



CITY OF FERNLEY

City Council AGENDA REPORT

Meeting Date: December 21, 2022

REPORT TO: Mayor and City Council

REPORT FROM: Shay League

FINANCIAL IMPACT:

Yes: No: X

CURRENTLY BUDGETED:

Yes: No: X

FUND/ACCOUNT:

N/A

ACTION REQUESTED: Motion

AGENDA ITEM: (For Possible Action):

(For Possible Action) Public Hearing - T1V22002

Consideration of a type 1 vacation request (T1V22002) by 290 Logan, LLC to abandon the public street right of way known as "Shinook Court", located at approximately 290 Logan Lane (APNs: 021-071-37, 021-071-38, 021-071-39, and 021-071-40) to facilitate development of a project with the working title of Logan Lane Commercial.

AGENDA ITEM BRIEF:

This is a type of application that this body of the Council has not seen before. A type 1 vacation is a request for the City of Fernley to vacate or abandon any public street. In this instance, the right-of-way was dedicated to construct a public street in preparation for a planned development; however, the street was never actually constructed. The applicant wishes to build a different type of development on these parcels that will not require a public street and asks that we abandon the right-of-way that was previously dedicated to us.

RECOMMENDED MOTION:

"I move to approve the type 1 vacation request and Order of Abandonment associated with T1V22002."

BUSINESS IMPACT (per NRS Chapter 237):

A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

ALTERNATIVES:

All motions appropriate in accordance with City of Fernley City Council parliamentary procedure are possible, to include: tabling, denial, and so forth.

BACKGROUND:

In 2007, Sandbank Properties II LLC created this vacation as part of an industrial subdivision map intended to support a project known as Logan Lane Commercial Development. The project was never constructed and Sanbank Properties sold all six parcels created by the industrial subdivision map to 290 Logan LLC in December of 2021. 290 Logan LLC (the applicant) has filed another application to re-unite all six parcels into one large parcel. As part of re-uniting those parcels, this application requests that City of Fernley fully abandon the right-of-way that was initially dedicated to create a public street, called "Shinook Court", in between the subdivided parcels. Because the applicant intends to build on just one large parcel, they no longer need a public street.

RELEVANT LAWS, STATUTES, AND REGULATIONS:

- Nevada Revised Statutes Chapter 278 - Planning and Zoning Fernley Municipal Code
 - NRS 278.480 - Vacation or abandonment of street or easement: Procedures, prerequisites and effect; appeal; reservation of certain easements; sale of vacated portion.
- Title 32 - Development Code
 - Section 32.03.080 (a) - Vacations, Type I vacations

FINANCIAL IMPLICATIONS:

N/A

ATTACHMENTS:

1. Order of Abandonment

APN: None

Adjacent APN's: 021-071-37, 021-071-38,
021-071-39, & 021-071-40

Recording requested by:
When recorded, return to:
City of Fernley
595 Silver Lace Blvd.
Fernley, NV 89408

Mail Tax Statement to:
290 Logan, LLC.
1 International Blvd, Suite 410
Mahwah, NJ 07495

Notice: Per NRS 239B.030, this document does not contain personal information as defined in
NRS 603A.040

ORDER OF ABANDONMENT
Shinook Court per Subdivision Tract Map No. 415344

WHEREAS:

- A. A petition to vacate or abandon portions of a public right-of-way was filed with the City Clerk of the City of Fernley by the owner of all the real property containing the road offer of dedication further described in Exhibit "A" and graphically shown on Exhibit "B";
- B. A duly noticed public hearing was held by the City Council for the City of Fernley on _____, 2022, for the purposes of considering the proposed vacation and abandonment, and it was duly moved, seconded, and passed by the City Council of the City of Fernley that the public road offer of dedication described in Exhibit "A", and graphically shown on Exhibit "B", be vacated and abandoned;
- C. Based on the information received in the written staff report and at the public hearing, this Council finds that the abandonment will not result in a material injury to the public;

NOW THEREFORE, IT IS HEREBY ORDERED by the City Council of the City of Fernley

1. That the public right-of-way more particularly described in Exhibit "A", and graphically shown on Exhibit "B", hereto VACATED and ABANDONED pursuant to the laws of the State of Nevada and title to said property shall revert and vest in the abutting property owner. Abutting properties owner being 290 Logan, LLC., owner of Lots 1, 2, 4, and 5, as shown on the Official Plat for Logan Lane Commercial Development, filed in the Office of the County Recorder of Lyon County, State of Nevada, on October 16, 2007, as File No. 415344, Official Records; also known as APNs: 021-071-37, 021-071-38, 021-071-39, & 021-071-40.

RESERVING THEREFROM, over, under, across and through the abandoned area, a blanket public utilities and access easement for the benefit of all public utilities for the operation, maintenance, repair, and reconstruction and upgrade of existing public utility facilities, and access thereto. Such easements are relocatable and resizable with future development and approval of the impacted utility and the City Engineer.

2. This Order shall be recorded in the County Record's office, Lyon County, Nevada.

DATED: This _____ day of _____, 2022.

City of Fernley, a municipal corporation

By _____
Neal McIntyre, Mayor

STATE OF NEVADA)
) SS Acknowledgement in a respective capacity
COUNTY OF LYON)

This Instrument was acknowledged before me on _____, 2022
By Neal McIntyre as Mayor of the City of Fernley.

Notary Public

EXHIBIT A
LEGAL DESCRIPTION FOR ABANDONMENT OF SHINOOK COURT

All that certain real property situate within a portion of the Southeast Quarter (SE 1/4) of Section Eleven (11), Township Twenty (20) North, Range Twenty-four (24) East, Mount Diablo Meridian, City of Fernley, County of Lyon, State of Nevada, being all of the Shinook Court as shown on Tract Map No. 415344, recorded October 16, 2007, Official Records of Lyon County, Nevada, and being more particularly described as follows:

COMMENCING at the southwest corner of Lot 5 as shown on aforesaid Tract Map No. 415344 bears;

THENCE easterly coincident with the southerly line of said Lot 5, South 88°56'53" East, 151.10 feet to the southwest corner of aforesaid Shinook Court, said point also being the beginning of a tangent curve to the left, concave northwesterly, having a 20.00 foot radius, and further being the **POINT OF BEGINNING**;

THENCE coincident with the right-of-way of said Shinook Court the following seven (7) courses and distances:

- 1) 31.43 feet along the arc of said curve, through a central angle of 90°02'58",
- 2) North 01°00'09" East, 129.26 feet to the beginning of a tangent curve to the left, concave southwesterly, having a 25.00 foot radius,
- 3) 20.41 feet along the arc of said curve, through a central angle of 46°46'11" to a point of reverse curvature, having a 48.00 foot radius,
- 4) 229.16 feet along the arc of said curve, through a central angle of 273°32'22" to a point of reverse curvature, having a 25.00 foot radius,
- 5) 20.41 feet along the arc of said curve, through a central angle of 46°46'11",
- 6) South 01°00'09" West, 129.34 feet to the beginning of a tangent curve to the left, concave northeasterly, and having a 20.00 foot radius,
- 7) 31.40 feet along the arc of said curve, through a central angle of 89°57'02" to a point coincident with the northerly right of way of Logan Lane as shown on the Parcel Map for LBK & VW, recorded November 13, 1989, as File No. 128947, Official Records of Lyon County, Nevada,

THENCE westerly coincident with said northerly right of way of Logan Lane, North 88°56'53" West, 90.00 feet to the **POINT OF BEGINNING** and end of this description.

Containing 15,286 square feet of land, more or less.

SEE EXHIBIT "B" attached hereto and made a part hereof.

BASIS OF BEARINGS for this description is based on the Nevada State Plane Coordinate System of 1983, West Zone, NAD 83/94.

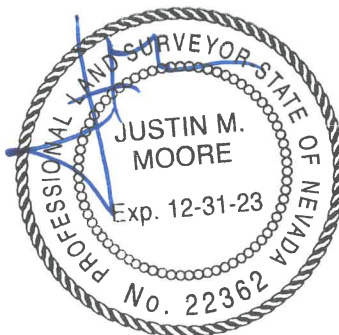
Prepared By:

ODYSSEY ENGINEERING, INC.

Justin M. Moore, P.L.S.

Nevada Certificate No. 22362

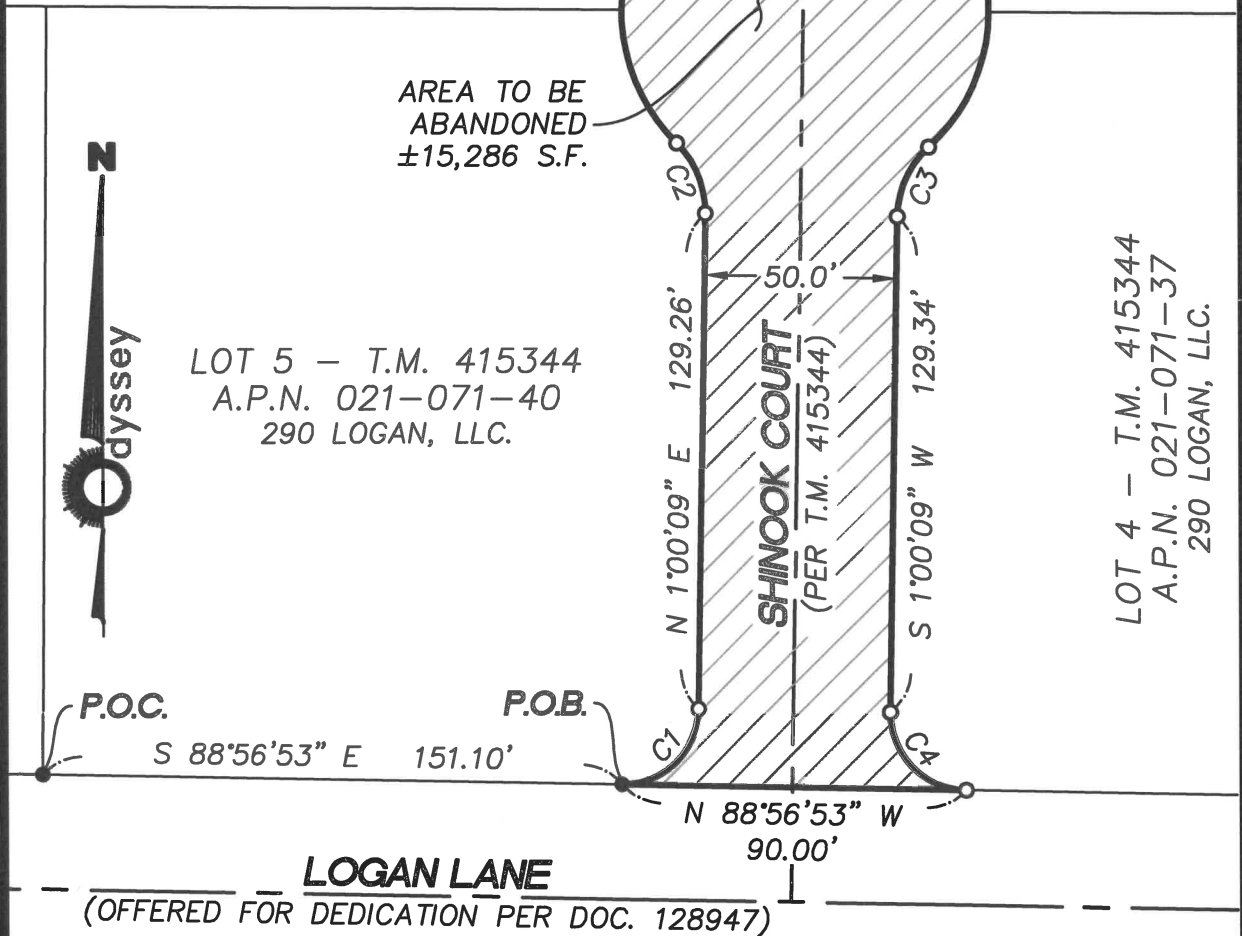
895 Roberta Lane, Suite 104, Sparks, NV 89431



CURVE TABLE			
CURVE #	DELTA	RADIUS	LENGTH
C1	90°02'58"	20.00'	31.43'
C2	46°46'11"	25.00'	20.41'
C3	46°46'11"	25.00'	20.41'
C4	89°57'02"	20.00'	31.40'

LOT 1 - T.M. 415344
A.P.N. 021-071-39
290 LOGAN, LLC.

LOT 2 - T.M. 415344
A.P.N. 021-071-38
290 LOGAN, LLC.



LOT 4 - T.M. 415344
A.P.N. 021-071-37
290 LOGAN, LLC.



EXHIBIT "B"

WWW.ODYSSEY-CIVIL-ENGINEERING.COM

SHINOOK COURT ABANDONMENT

LOCATED WITHIN THE SOUTHEAST 1/4 OF
SECTION 11, T.20N., R.24E., M.D.M.

FERNLEY LYON COUNTY NEVADA

SCALE:
1"=50'
DATE:
08-11-2022
SHT. NO.:
1 of 1



CITY OF FERNLEY

City Council AGENDA REPORT

Meeting Date: December 21, 2022

REPORT TO: Mayor and City Council

REPORT FROM: Shay League

FINANCIAL IMPACT:

Yes: No: X

CURRENTLY BUDGETED:

Yes: No: X

FUND/ACCOUNT:

N/A

ACTION REQUESTED: Ordinance
Motion

AGENDA ITEM: (For Possible Action):

(For Possible Action) Public Hearing - DA22002

Consideration and possible action on Bill #323, as an ordinance associated with DA22002, to authorize the City of Fernley to enter into a development agreement with Fernley Sherwood QOZB, LLC regarding the details of 316 multi-family residential units on a site ±26.25-acres in size, known by the project name Sherwood Villages, and generally located north of Fremont Street, south of US Interstate 80, west of Wildwood Drive, and east of Vine Street, Fernley, NV (APNs: 021-092-05, 021-092-23, 021-092-26, 021-092-27, 021-092-46, 021-092-47, 021-092-54, and 021-092-55).

AGENDA ITEM BRIEF:

This development agreement is primarily intended to establish 3 distinct phases for the construction of the site and related civil improvements.

RECOMMENDED MOTION:

"I move to adopt Bill # 323, an ordinance authorizing the City of Fernley to enter into a development agreement (DA22002) with Fernley Sherwood QOZB, LLC, based on the analysis and findings as listed in the staff report."

BUSINESS IMPACT (per NRS Chapter 237):

A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

ALTERNATIVES:

"Based on information received in written materials and at the public hearing on this matter, I move to deny adoption of Bill # 323 and the associated development agreement (DA22002)."

Note: Though no further motion language has been provided, any motion appropriate under the City of Fernley City Council parliamentary procedure is acceptable.

BACKGROUND:

In 2005, the City Council approved a zoning map amendment for the initial Sherwood project. The zoning was changed from RR1/T (Rural Residential, 1-acre minimum with Trailer overlay) to E1 (Estate Residential, 12,000 square feet minimum lot size). On September 20, 2006, the City Council approved a tentative subdivision map request for a 71-lot single family residential subdivision. The approval eventually lapsed.

On July 20, 2016, the City Council approved a new tentative subdivision map to allow for a 69-lot single family residential subdivision. This approval has also since lapsed.

In 2018, the City of Fernley's Comprehensive Master Plan was updated. To bring the property zoning into conformance with the Master Plan land use, a zoning map amendment request (ZMA20003) to change the zoning to MDR14 (Medium Density Residential, 14 dwelling units per acre maximum) was approved by the City Council on September 16, 2020.

On May 12, 2021, Planning Commission approved a conditional use permit to allow for the construction of a maximum of 320 multi-family residential units. On May 11, 2022, Planning Commission approved a one-year extension of this conditional use permit, which now expires May 12, 2023, and cannot be renewed. On November 9, 2022, Planning Commission recommended approval of this development agreement by a vote of 5-1.

ANALYSIS:

This development agreement is primarily intended to establish 3 distinct phases for the construction of the site and related civil improvements. Regarding the completion of infrastructure improvements deemed necessary to support this project, Fernley Municipal Code Section 32.13.030 requires that "before a final subdivision map, final parcel map or final division map for division of land into large parcels is signed by the city, or before a final certificate of occupancy is issued for a new development project, all required improvements ... must be completed by the developer and approved by the city". This development agreement allows the developer to complete those improvements throughout the construction of the project instead of before the final map can be recorded. In exchange, the developer is agreeing to the eventual improvement of both sides of Fremont Street from the western boundary of their property to 95A, with the exception of any sections already improved upon by the Fremont Apartments project.

FINDINGS:

Approval Criteria

DA1. The development agreement must be consistent with the City's Master Plan.

The City of Fernley Comprehensive Master Plan land use category of this site is Suburban Mixed Use (SMU). This land use is intended to have the following characteristics and location:

- Encourages a broad mix of uses including high-density residential in a suburban context within close

proximity to services and employment

- Allows for vertical or horizontal mixing of uses on sites
- Should be connected to adjacent uses through a system of sidewalks and trails
- Primarily located near downtown core and highly encouraged along Main Street
- Municipal services are required

Any given site does not need to meet all these characteristics in order to be considered consistent with the City's Master Plan. This site embodies 3-4 out of 5 of these characteristics. First, it is an excellent example of high-density residential in a suburban context and is very near most of the City of Fernley's existing commercial development. Second, the developer has agreed to install sidewalks from the western border of their development to the improvements already agreed upon by the developer of the Fremont Apartments. This will connect the project to adjacent uses via sidewalk, but it will also connect the existing neighbors. Third, this is infill development and municipal services are already available to this property. The fourth characteristic is arguable. Spatially, this project is very near our downtown core, but it is cut off from that core due to the railroad tracks south of the project site. As the City of Fernley works to integrate the northwest and southwest sections of our city across that barrier, this location would be a natural extension of the downtown core.

Finally, the agreement itself spells out which of the City's goals and action strategies it supports. They are as follows:

Population, Housing, and Employment

HP.1.1 Enhance Fernley's vitality as a community by providing a variety of housing types, density and costs that accommodate the needs, desires, and financial abilities of the current and future households.

HP.1.2 Encourage housing that supports sustainable development patterns by promoting the efficient use of land, conservation of natural resources, easy access to services and public facilities such as parks, and resource efficient design and construction.

HP.1.3 Strive for viable mixed income neighborhoods throughout Fernley that collectively reflect the diversity of housing types and tenure (rental and ownership).

HP.1.4 Provide opportunities for high-density residential development near the downtown core and elsewhere in the community where appropriate.

Land Use

LU.1.1 Encourage and plan for new development in areas where adequate public services and facilities can be provided efficiently.

LU.1.2 Encourage new development to be in accordance with the Comprehensive Master Plan land use category, and other land use controls to accomplish community principles.

LU.1.5 Promote infill development.

DA2. The development agreement must be otherwise consistent with Nevada and federal law.

Staff certifies that they have examined this document and found no inconsistencies with Nevada or federal law.

RELEVANT LAWS, STATUTES, AND REGULATIONS:

- Nevada Revised Statutes, Chapter 278 – Planning and Zoning
- Fernley Municipal Code, Title 32 – Development Code
 - Specific section of note (though all sections are applicable): Fernley Municipal Code, Section

32.03.100 (a) – Development agreements

FINANCIAL IMPLICATIONS:

N/A

ATTACHMENTS:

1. Bill # 323 – DA22002
2. Development Agreement

When recorded, mail to:
City Clerk
City of Fernley
595 Silver Lace Boulevard
Fernley, NV 89408

BILL # 323
CITY OF FERNLEY
ORDINANCE # _____

A GENERAL ORDINANCE AUTHORIZING THE CITY OF FERNLEY TO ENTER INTO A DEVELOPMENT AGREEMENT (DA22002) WITH FERNLEY SHERWOOD QOZB, LLC, TO ESTABLISH THREE DISTINCT PHASES FOR SITE CONSTRUCTION AND RELATED CIVIL IMPROVEMENTS ON A SITE APPROXIMATELY 26.25-ACRES IN SIZE AND GENERALLY LOCATED NORTH OF FREMONT STREET, SOUTH OF US INTERSTATE 80, WEST OF WILDWOOD DRIVE, AND EAST OF VINE STREET, IN FERNLEY, NV (APNS: 021-092-05, 021-092-23, 021-092-26, 021-092-27, 021-092-46, 021-092-47, 021-092-54, AND 021-092-55) AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO.

THE CITY COUNCIL OF THE CITY OF FERNLEY, hereinafter "the Council", DO HEREBY ORDAIN:

Based on the provisions set forth in Nevada Revised Statutes and the City of Fernley Municipal Code, the Council does hereby authorize the City of Fernley to enter into a development agreement with Fernley Sherwood QOZB, LLC, as attached.

The development agreement involves future development on the aforementioned parcels. The purpose of this development agreement is to memorialize specific requirements which would satisfy the civil improvement standards as set forth in §32.23.030 of the Fernley Municipal Code.

BILL # 323 BEING HEREBY PROPOSED on this 7th day of December 2022.

BILL # 323 BEING HEREBY PASSED, APPROVED and ADOPTED this 21st day of December 2022, by the following vote of the Council:

Ayes: _____ Nays: _____ Abstentions: _____ Absent: _____

FERNLEY CITY COUNCIL

By: _____ Date: _____
Neil McIntyre, Mayor

Attest By: _____ Date: _____
Kim Swanson, City Clerk

When recorded, mail to:

City Clerk
City of Fernley
595 Silver Lace Boulevard
Fernley, NV 89408

DEVELOPMENT AGREEMENT

ARTICLE 1. PARTIES, DEFINITIONS AND PROPERTY DESCRIPTIONS.

This Development Agreement (“**Agreement**”) is by and between:

“Developer” FERNLEY SHERWOOD QOZB, LLC,
a Delaware limited liability company
3522 S. Emerson St.
Englewood, CO 80113
Email: matt@vertexcolorado.com

“City” City of Fernley,
a Nevada municipal corporation
595 Silver Lace Boulevard
Fernley, NV 89408
Email: pmarsh@cityoffernley.org

Key definitions in this Agreement are:

“Project” means the multi-family 316-residential unit development known as the Sherwood Villages, being developed pursuant to a conditional use permit (Case No. CUP20003), approved pursuant to Chapter 278 of the Nevada Revised Statutes (“**NRS**”) by the Planning Commission for the City of Fernley (“**Planning Commission**”), which site is located in the City of Fernley, Nevada (the “**City**”).

“Project Property” means that real property located in the City of Fernley, County of Lyon, State of Nevada, more particularly described as Exhibit “A” attached hereto.

“Record”, “Recording”, “Recordation”, or “Recorded”: To file, the filing, or filed of record with the Office of the County Recorder of Lyon County, Nevada. The date of Recording shall refer to that time at which a document or map is Recorded.

ARTICLE 2. RECITALS.

- A. Developer is the current owner of the Project Property and is a developer of multi-family subdivision lots in the Project.

- B. On May 12, 2021, the Planning Commission approved the conditional use permit (CUP20003) for Sherwood (the “**Entitlement**”) subject to Conditions of Approval as set forth in said letter (the “**Conditions**”) attached hereto as Exhibit “B”. The Entitlement is approved to be constructed in three phases, as shown on Exhibit “E” attached hereto (the “**Phasing Plan**”). On May 11, 2022, the Planning Commission approved an extension of the Entitlement to May 12, 2023.
- C. The development of the Project, including the Project Property, must be conducted pursuant to the provisions of the NRS, the Entitlement, the Conditions, and the City’s Municipal Code (“**Code**”).
- D. Pursuant to the Conditions, the Developer is required to make certain improvements to Fremont Street. The Conditions require the developer to provide a full width pavement section including street lighting, curb, gutter, and sidewalk along the entire length of Fremont Street from the intersection with U.S. Highway 95A to the westerly property line of the Sherwood Project. The Developer will complete these offsite improvements excluding the improvements already completed or the improvements required to be completed by the Fremont Apartments. It is the Developer’s understanding that the Fremont Apartments are required to complete the west Fremont/I95A left turn, through and right turn lanes. The Developer will complete the Chisholm Trail improvements in accordance with the Conditions. The Developer is further required to acquire all necessary right-of-way (“**ROW**”) to accommodate a 60-foot ROW. The Developer proposes completing the improvements related to Fremont Street in a series of phases as set forth herein as Exhibit “D” (the “**Improvements Phasing Plan**”).
- E. The City is authorized, pursuant to NRS 278.360, NRS 278.0201 through 278.0207, inclusive, and Code §32.03.100(a), to enter into binding development agreements with any person having a legal or equitable interest in land concerning the development of that land provided that such agreement is consistent with the City of Fernley Comprehensive Master Plan August 2018 (“**Master Plan**”).
- F. The Master Plan includes the following goals:
- Enhance Fernley’s vitality as a community by providing a variety of housing types, density and costs that accommodate the needs, desires and financial abilities of the current and future households. Master Plan §HP.1.1.
 - Encourage housing that supports sustainable development patterns by promoting the efficient use of land [...and] easy access to services and public facilities[...]. Master Plan §HP.1.2.
 - Strive for viable mixed income neighborhoods throughout Fernley that collectively reflect the diversity of housing types and tenure (rental and ownership). Master Plan §HP.1.3.
 - Provide opportunities for high-density residential development near the downtown core and elsewhere in the community where appropriate. Master Plan §HP.1.4.

- Encourage new development in areas where adequate public services and facilities can be provided efficiently. Master Plan §LU.1.1
- Encourage new development to be in accordance with the Comprehensive Master Plan land use category. Master Plan §LU.1.2.
- Promote infill development. Master Plan §LU.1.5.

G. By entering into this Agreement, the City will ensure the orderly development of the Project in accordance with the Conditions, and consistent with the City's goals set forth in the Master Plan as identified in Recital F above. As such, approval of this Agreement is consistent with the Master Plan, as required by NRS 278.0203 and Code §32.03.100(A)(6)(a).

H. Acknowledging the foregoing, the parties desire to enter into this Agreement to provide for the matters set forth herein.

NOW, THEREFORE, in exchange for mutual considerations, the sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 3. DEVELOPMENT MATTERS.

Section 3.1 Development Standards.

The permitted uses of the Project Property, the density or intensity of its use, the maximum height and size of the proposed buildings, and any dedication of any portion of the Project Property to the City for public use shall be as provided in this Agreement, the Entitlements, the Conditions, the Code, and any future entitlements or approvals issued by the City for the Project or the Project Property, as the same may hereafter be revised, modified or amended from time to time in accordance with applicable law.

A. The density of the Project Property is 11.8 dwelling units per acre.

B. The permitted use of the Project Property is multi-family apartments.

C. As of the Effective Date, Chapter 32.09 of the Code of Ordinances for the City of Fernley, Nevada, shall be the applicable development standards for the Project Property.

Section 3.2 Limitation.

The provisions of NRS 278.0201 apply to this Agreement.

Section 3.3 Improvements related to Fremont Street.

Compliance with Condition No. 16 of the Conditions, shall be satisfied as follows:

A. Prior to the issuance of the certificate of occupancy for the first building in Phase 1 of the Entitlement, as shown on the Phasing Plan, the Developer shall complete (i) construction of back of curb to back of curb and all underground water, sanitary and storm facilities within the ROW, and (ii) construction of

the retention pond to generally be located at 1200 Fremont Street (the “**Phase 1 Improvements**”), as shown on the Improvements Phasing Plan.

B. Prior to the issuance of the certificate of occupancy for the first building in Phase 2 of the Entitlement, as shown on the Phasing Plan, the Developer shall complete (i) relocation of the dry utility on the south side of Fremont Street and the required sidewalk improvements related thereto, and (ii) landscaping improvements and street lights on the south side of Fremont Street (the “**Phase 2 Improvements**”), as shown on the Improvements Phasing Plan.

C. Prior to the issuance of the certificate of occupancy for the first building in Phase 3 of the Entitlement, as shown on the Phasing Plan, the Developer shall complete construction on all improvement shown on the final approved civil improvement plans (the “**Phase 3 Improvements**”), as shown on the Improvements Phasing Plan.

D. Phase 2 Improvements and Phase 3 Improvements will only be completed to the north side of Fremont Street, if and when, the Developer has acquired the ROW, as shown on Exhibit “E” (the “**Right of Way Map**”).

Section 3.4 Acquisition of ROW on Fremont Street

During the course of construction of the Phase 2 Improvements and the Phase 3 Improvements, the Developer shall make a good faith effort to acquire all necessary ROW for the required improvements to be completed. If, after a good faith effort, the Developer is unable to acquire sections of the ROW, the City shall allow improvements to be constructed on the ROW acquired for each parcel adjacent to Fremont Street. Prior to the start of Phase 3 or the issuance of the first certificate of occupancy for Phase 2 of the Project, whichever occurs first, the Developer and City shall enter into a mutually beneficial plan to determine actions necessary to finish the improvements within the Fremont Street ROW. As part of such plan, the Developer shall be required to furnish, as security for the completion of the Fremont Street ROW improvements, a performance bond or cash deposit equal to the sum of: (i) full cost of the improvements, including any required contingency; (ii) the estimated value of any land necessary to complete the north side of Fremont Street for which the right-of-way was not acquired by the Developer; and (iii) the estimated cost of civil improvements on that land. In the event the Developer fails to complete the improvements or to acquire the necessary rights-of-way for the improvements, said performance bond or other security may, at the option of the City, be used for the payment of the costs of completion of said improvements and/or for the acquisition of said rights-of-way in accordance with the provisions of NRS Chapter 37.

ARTICLE 4. GENERAL TERMS.

Section 4.1 Effective Date; approved by ordinance.

This Agreement is not effective until it has been approved by ordinance by the City Council for the City of Fernley (“**City Council**”) and Recorded.

Section 4.2 Term; Cancellation.

This Agreement shall continue in full force and effect in for 20 (twenty) years with an automatic one-year extension, unless cancelled in accordance with the terms NRS 278.0205. A cancellation of this Agreement is not effective or binding until approved by ordinance of the City Council and Recorded in accordance with NRS 278.0205.

Section 4.3 Modifications and Amendments.

Modifications and amendments to this Agreement are not effective or binding until approved by ordinance of the City Council and Recorded in accordance with NRS 278.0205.

Section 4.4 Breach.

A violation of this Agreement by either party shall be a breach of this Agreement by that party if, within 60 days after receipt of notice of such violation delivered in accordance with Section 4.7 below by the non-violating party, the party in violation fails to cure such violation. If the material breach is not corrected within 60-day cure period, the defaulting Party is in default, and the Party alleging material breach may elect any one or more of the following courses:

A. Amendment or Termination by City. After proper notice and the expiration of the above-referenced period for Developer to correct the alleged material breach, the City may give notice of intent to amend or terminate this Agreement as authorized by NRS Chapter 278. Following any such notice of intent to amend or terminate, the matter shall be scheduled and noticed as required by law for consideration and review solely by the City Council. Following consideration of the evidence presented before the City Council and a finding that a material breach has occurred by Developer and remains uncured, City may amend or terminate this Agreement. Developer shall have twenty-five (25) days after receipt of written notice of termination to institute legal action pursuant to this Section.

B. Termination by Developer. In the event City materially defaults under this Agreement, Developer shall have the right to terminate this Agreement after providing notice and an opportunity to cure as set forth in this Section. Developer shall have the option, in its discretion, to maintain this Agreement in effect and seek to enforce all of City's obligations by pursuing an action for specific performance or other appropriate judicial remedy.

Section 4.5 Entire Agreement.

With respect to the matters addressed herein (including the recitals), this Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties.

Section 4.6 Assignments; Transfer of rights.

Developer shall have the right to assign all or any portion of its rights and delegate any obligations under this Agreement to third parties who acquire fee simple absolute ownership to any portion of the Project Property subject to approval by the City of Fernley. Approval shall be given by the City unless there is a substantial governmental interest to refuse the assignment. Any subsequent acquisition by a third party shall assume all of the Developer's obligations with respect to this agreement and any portion of the Project Property transferred.

Section 4.7 Notices; when deemed sufficiently given.

A. Formal notices, demands and communications between the City and Developer must be in writing and must be sent to the addresses stated in Article 1 above and to each successor or assign of Developer to the address given by such party in writing and if no written notice is given, then to the address stated in any subsequent agreement(s), and/or to any address or number subsequently communicated to the sending party in writing.

B. If notice is sent by registered or certified mail to the correct address, postage prepaid, it will be deemed sufficiently given the earlier of when actually received by the addressee or three business days after it is received by the U.S. Post Office as indicated on the receipt.

C. If notice is sent by courier, or overnight delivery service (Federal Express, UPS Overnight, U.S. Postal Priority Mail), and is properly addressed, it will be deemed sufficiently given when delivered as indicated in the records of the courier or service.

Section 4.8 Further documents.

Each party agrees to honor any reasonable requests by the other party to complete, execute, and deliver any document necessary to accomplish the purposes hereof.

Section 4.9 Attorney's fees and costs.

If any party hereto institutes any action or proceeding (including arbitration, if authorized or mutually agreed upon) against the other or others arising out of or relating to this Agreement, the prevailing party shall be awarded attorney's fees and costs by the other party.

Section 4.10 Time of Essence.

Time is of the essence in the performance of this Agreement.

Section 4.11 Governing law.

The laws of the State of Nevada, without regard to conflicts of law principles, shall govern the interpretation and enforcement of this Agreement.

Section 4.12 Severability of invalid or unenforceable provisions.

If any provision contained in this Agreement is held to be unenforceable by a court of law or equity, this Agreement shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Agreement unenforceable.

Section 4.13 Binding effect; successors and assigns; assignment/delegation.

This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, and permitted successors and assigns of the parties hereto. To the extent that any assignment of any right under this Agreement changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Agreement, attempts to operate as novation, or includes a waiver or

abrogation of any defense to payment by the City, such offending portion of the assignment shall be void, and shall be a breach of this Agreement.

Section 4.14 No third-party beneficiaries intended.

Unless otherwise specifically identified in this Agreement, there are no third-party beneficiaries intended by this Agreement and no third parties have any standing to enforce any of the provisions of this Agreement.

Section 4.15 Representation and warranties by persons who sign this Agreement.

Each person who signs this Agreement represents and warrants to each other person who signs this Agreement that he or she is an authorized agent of and has actual authority to execute this Agreement on behalf of the party for whom he or she is signing, and that all required approvals and actions have been taken to authorize the execution of this Agreement with the intent and effect of binding the party to this Agreement.

Section 4.16 Counterparts.

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original; and such counterparts shall constitute one and the same Agreement. Any signature page of the Agreement may be detached from any counterpart without impairing the legal effect of any signatures, and may be attached to another counterpart identical in form. This Agreement may be executed by signatures provided by facsimile or email, and such signatures shall be as binding and effective as original signatures.

Section 4.17 Construction.

This Agreement is the product of joint collaboration and negotiations among the parties and their counsel. The terms and conditions of this Agreement shall be construed as a whole according to their fair meaning, and not strictly for or against any party. Further, any ambiguities are to be resolved according to their fair meaning, and not construed against the drafting party.

Section 4.18 Council Approval.

This Agreement shall not be effective until executed by the City after its approval by the Fernley City Council.

[Signature Pages Follows]

EXECUTED on the dates indicated:

City:

CITY OF FERNLEY,

a Nevada municipal corporation

Dated _____, 2021

By: _____

Name _____

Its: _____

Attest: _____

City Clerk

State of Nevada

County of Lyon

This instrument was acknowledged before me on _____ by _____ as
_____ of City of Fernley, a Nevada municipal corporation.

(Signature of notarial officer)

(Seal, if any)

Developer:

FERNLEY SHERWOOD QOZB, LLC
a Delaware limited liability company

Dated _____, 2021

By: _____

Name _____

Its: _____

State of _____

County of _____

This instrument was acknowledged before me on _____ by _____ as
_____ of FERNLEY SHERWOOD QOZB, LLC, a Delaware limited liability
company.

(Signature of notarial officer)

(Seal, if any)

EXHIBIT “A”
LEGAL DESCRIPTION

LEGAL DESCRIPTION

All that certain real property situate in the County of Lyon, State of Nevada, described as follows:

TRACT 1:

Parcel A as shown on the PARCEL MAP FOR KENNETH D. HORTON & JIMMIE DALE HORTON, filed for record in the office of the Recorder of Lyon County, Nevada, on June 13, 1995, as File No. 183107.

APN: 021-092-47

TRACT 2:

Parcel B as shown on the PARCEL MAP FOR KENNETH D. HORTON & JIMMIE DALE HORTON, filed for record in the office of the Recorder of Lyon County, Nevada, on June 13, 1995, as File No. 183107.

APN: 021-092-46

TRACT 3:

A parcel of land located in a portion of Southeast ¼ of Section 12, Township 20 North, Range 24 East, M.D.B.&M., bounded and described as follows:

Commencing at the Northeast corner of the Dolores Court right of way, as shown on the Horton Parcel Map, File No. 183107, Lyon County Records; thence North 86°21'14" West a distance of 328.92 feet to the point of beginning; thence North 03°38'46" East a distance of 50.00 feet; thence North 55°24'20" West a distance of 365.79 feet; thence South 00°20'58" West a distance of 238.51 feet; thence South 03°54'16" West a distance of 283.24 feet; thence South 84°45'19" East a distance of 138.94 feet; thence North 11°52'26" East a distance of 239.84 feet; thence around a curve to the left, concave Northeasterly, having a radial bearing of North 11°53'20" East, an arc length of 71.6 feet, a central angle of 82°02'39" and a radius of 50.0 feet; thence South 86°21'14" East a distance of 170.90 feet, to the point of beginning.

NOTE: The above metes and bounds description appeared previously in that certain Deed recorded in the office of the County Recorder of Lyon County, Nevada on December 23, 2005, as Document No. 371420 of Official Records.

APN: 021-092-54

TRACT 4:

A Parcel of land situate in the Southwest 1/4 of the Southeast 1/4 of Section 12, Township 20 North, Range 24 East, M.D.B.&M., more particularly bounded and described as follows, to-wit:

Commencing at the Southwest corner of the Southeast 1/4 of Section 12, Township 20 North, Range 24 East, M.D.B.&M., and running thence along the North and South center line of said Section 12 at a bearing of North 1°23'40" East, for a distance of 596 feet to a point and thence South 85°14'30" East, for a distance of 434.96 feet to a point and thence South for a distance of 26 feet to a point and thence South 87° East, for a distance of 628.85 feet to a point which said point is the Southwest corner of this parcel and the true point of beginning and thence around the parcel as follows:

North for a distance of 643.06 feet to the Northwest corner; South 87°30' East for a distance of 337.15 feet to the Northeast corner; South for a distance of 646.00 feet to the Southeast corner; North 87° West for a distance of 337.15 feet to the Southwest corner; the point of beginning.

NOTE: The above metes and bounds description appeared previously in that certain Indenture recorded

in the office of the County Recorder of Lyon County, Nevada on April 16, 2004, as Document No. 318471 of Official Records.

APN: 021-092-26

TRACT 5:

A Parcel of land situate in the Southwest 1/4 of the Southeast 1/4 of Section 12, Township 20 North, Range 24 East, M.D.B.&M., more particularly bounded and described as follows, to-wit:

Commencing at the Southwest corner of the Southeast 1/4 of Section 12, Township 20 North, Range 24 East, M.D.B.&M., and running thence along the North and Southcenter line of said Section 12 at a bearing of North 1°23'40" East, for a distance of 596 feet to a point and thence South 85°14'30" East, for a distance of 434.96 feet to a point and thence South for a distance of 26 feet to a point and thence South 87° East, for a distance of 291.70 feet to a point which said point is the Southwest corner of this Parcel and the true point of beginning and thence around the parcel as follows:

North for a distance of 640.12 feet to the Northwest corner; South 87°30' East for a distance of 337.15 feet to the Northeast corner; South for a distance of 643.06 feet to the Southeast corner; North 87° West for a distance of 337.15 feet to the Southwest corner; the point of beginning.

NOTE: The above metes and bounds description appeared previously in that certain Indenture recorded in the office of the County Recorder of Lyon County, Nevada on April 16, 2004, as Document No. 318471 of Official Records.

APN: 021-092-27

TRACT 6:

A parcel of land situate in the Northwest 1/4 of the Southeast 1/4 of Section 12, Township 20 North, Range 24 East, M.D.B.&M., more particularly bounded and described as follows:

Commencing at an iron bolt set in pavement which marks the Southeast corner of the West 1/2 of the Southeast 1/4 of Section 12, Township 20 North, Range 24 East, M.D.B.&M.; and running thence North along the East side of said West 1/2 of the Southeast 1/4 for a distance of 1786.03 feet to a point which said point is the Southeast corner of this parcel and the true point of beginning, and thence around the parcel as follows: North 87°30'00" West following generally parallel to an existing fence line for a distance of 632.70 feet to the Southwest corner; thence North 0°17'34" East for a distance of 354.20 feet to the Northwest corner; thence North 86°58'00" East for a distance of 352.49 feet to a point; and thence North 23°03'00" West for a distance of 37.85 feet to the South right of way line of Highway No. 80; and thence following said South line at a bearing of South 79°42'05" East, for a distance of 298 feet to the point of intersection with the East line of the Northwest 1/4 of the Southeast 1/4 aforesaid and thence running South along said East line of a distance of 382 feet to the point of beginning, and also the right of ingress and egress to the above property over a 30 foot road following generally parallel to the North right of way line of Fernley Drain Number One, from the existing County Road to the Southwest corner of this parcel.

NOTE: The above metes and bounds description appeared previously in that certain Deed recorded in the office of the County Recorder of Lyon County, Nevada on February 28, 2005, as Document No. 343926 of Official Records.

EXCEPTING THEREFROM any mobile home(s) situated thereon

APN: 021-092-23

TRACT 7:

A parcel of land located in a portion of the Southeast 1/4 of Section 12, Township 20 North, Range 24 East, M.D.B.&M., bounded and described as follows:

Commencing at the Northeast corner of the Dolores Court right of way, as shown on the Horton Parcel

Map, File No. 183107, Lyon County Records, the point of beginning; thence North 86°21'14" West a distance of 328.92 feet; thence North 03°38'46" East a distance of 50.00 feet; thence North 55°24'20" West a distance of 365.79 feet; thence North 00°20'58" East a distance of 69.64 feet; thence South 89°15'15" East a distance of 633.22 feet; thence South 01°14'53" West a distance of 339.97 feet; to the point of beginning.

NOTE: The above metes and bounds description appeared previously in that certain Deed recorded in the office of the County Recorder of Lyon County, Nevada on February 28, 2005, as Document No. 343926 of Official Records.

APN: 021-092-55

TRACT 8:

A parcel of land located in the Southwest 1/4 of the Southeast 1/4 of Section 12, Township 20 North, Range 24 East, M.D.B.&M., being further described as follows:

COMMENCING at the quarter Section corner between Sections 12 and 13, Township 20 North, Range 24 East, M.D.B.&M.; thence North 89°24' East along the Section line between Sections 12 and 13, to the Southeast corner of the West 1/2 of the Southeast 1/4 of Section 12; thence North along the Easterly line of the West 1/2 of the Southeast 1/4 of Section 12, a distance of 28.0 feet; thence West parallel to the Section line between Sections 12 and 13, a distance of 290.0 feet to the True Point of Beginning; thence North parallel to the Easterly line of the West 1/2 of the Southeast 1/4 of Section 12, a distance of 475.0 feet to a point; thence North 87°24' West, a distance of 183.53 feet to a point; thence South parallel to the Easterly line of the West 1/2 of the Southeast 1/4 of Section 12, a distance of 489.0 feet to a point; thence East parallel to the Section line between Sections 12 and 13, a distance of 183.0 feet to the POINT OF BEGINNING.

NOTE: The above metes and bounds description appeared previously in that certain deed re-recorded in the office of the County Recorder of Lyon County, Nevada on December 9, 2021, as Document No. 649464 of Official Records.

APN: 021-092-05

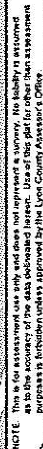


EXHIBIT “B”

CONDITIONS OF APPROVAL FOR CUP20003

1. APPROVAL:

THE PERMIT IS APPROVED AS SUBMITTED AND CONDITIONED. ANY SUBSTANTIVE CHANGE SHALL REQUIRE REVIEW AND APPROVAL BY THE PLANNING COMMISSION AS AN AMENDMENT TO THIS CONDITIONAL USE PERMIT.

2. EXPIRATION DATE:

THE DESIGN REVIEW SHALL EXPIRE WITHIN ONE (1) YEAR OF THE DATE OF APPROVAL, UNLESS THE PERMITTED USE HAS BEEN ESTABLISHED OR CONSTRUCTION TO ACCOMMODATE THAT USE HAS BEGUN AND IS BEING DILIGENTLY PURSUED. A ONE-YEAR EXTENSION MAY BE GRANTED BY THE ADMINISTRATOR IF REQUESTED PRIOR TO THE EXPIRATION DATE OF THE DESIGN REVIEW APPROVAL.

3. WATER RIGHTS:

THE DEVELOPER SHALL COMPLY WITH ALL CITY OF FERNLEY MUNICIPAL CODES REGARDING THE DEDICATION OF WATER RIGHTS, INCLUDING ASSOCIATED FEES, FOR THE CONNECTION TO THE CITY'S MUNICIPAL WATER SYSTEM IN THE AMOUNT THAT IS REQUIRED PRIOR TO THE ISSUANCE OF ANY BUILDING PERMIT FOR ANY PHASE OF THE PROJECT.

4. LANDSCAPING/IRRIGATION:

THE DEVELOPER SHALL SUBMIT A LANDSCAPING AND IRRIGATION PLAN FOR THE PROJECT IN CONFORMANCE WITH TITLE 32 OF THE FERNLEY MUNICIPAL CODE FOR REVIEW AND APPROVAL BY THE ADMINISTRATOR PRIOR TO ISSUANCE OF A BUILDING PERMIT FOR THE PROJECT. THE LANDSCAPING AND IRRIGATION SHALL BE INSTALLED PER THE APPROVED PLANS PRIOR TO ISSUANCE OF THE CERTIFICATE OF OCCUPANCY FOR EACH BUILDING TO THE APPROVAL OF THE ADMINISTRATOR.

5. WATER AND SEWER MAINS AND SERVICES:

THE DEVELOPER SHALL COMPLY WITH ALL CITY OF FERNLEY MUNICIPAL CODES REGARDING CONNECTION TO THE CITY'S SANITARY SEWER AND POTABLE WATER SYSTEMS, INCLUDING BUT NOT LIMITED TO: ASSOCIATED FEES, DESIGN STANDARDS, DEVELOPMENT CODE REQUIREMENTS, AND STATE REQUIREMENTS.

PRIOR TO THE ISSUANCE OF A BUILDING PERMIT FOR THE PROJECT, THE DEVELOPER SHALL PROVIDE THE CITY WITH A UTILITY PLAN FOR WATER AND SANITARY SEWER THAT IS IN CONFORMANCE WITH THE CITY OF FERNLEY MUNICIPAL CODE, PUBLIC WORKS DESIGN MANUAL, AND THE NEVADA ADMINISTRATIVE CODE TO THE APPROVAL OF THE CITY ENGINEER, PUBLIC WORKS DIRECTOR AND ADMINISTRATOR.

THE PROJECT SHALL UTILIZE A MASTER METER FOR THE DOMESTIC WATER SERVICE FOR EACH BUILDING OR GROUP OF BUILDINGS. THE DEVELOPER MAY INSTALL SEPARATE IRRIGATION METER OR INSTALL THE IRRIGATION CONNECTION DOWNSTREAM OF THE DOMESTIC MASTER METER WITH APPROPRIATE BACKFLOW PREVENTION. INDIVIDUAL SERVICE METERS FOR EACH BUILDING WILL NOT BE ALLOWED. ALL INTERNAL WATER AND SEWER MAINS SHALL BE MAINTAINED BY THE PROPERTY OWNER UNLESS APPROVED FOR ACCEPTANCE BY THE CITY OF FERNLEY PUBLIC WORKS DIRECTOR AND CITY ENGINEER.

6. WATER SYSTEM LOOPING:

THE DEVELOPER SHALL PROVIDE THE CITY WITH A UTILITY PLAN FOR THE WATER SYSTEM THAT DEMONSTRATES ADEQUATE SYSTEM LOOPING PRIOR TO THE ISSUANCE OF A PERMIT. THE PLAN SHALL BE IN CONFORMANCE WITH THE CITY OF FERNLEY'S MUNICIPAL CODE, NEVADA ADMINISTRATIVE CODE AND PUBLIC WORKS DESIGN MANUAL TO THE APPROVAL OF THE CITY ENGINEER, PUBLIC WORKS DIRECTOR, AND ADMINISTRATOR.

7. WATER AND SEWER SYSTEM MODELING:

THE DEVELOPER SHALL COMPLETE WATER AND SEWER MODELING FOR THE PROJECT PRIOR TO THE ISSUANCE OF A PERMIT. THE DEVELOPER SHALL CONSTRUCT ANY IMPROVEMENTS IDENTIFIED BY THE MODELING AS NECESSARY TO SERVE THE PROJECT IN ACCORDANCE WITH STATE AND LOCAL REGULATIONS.

8. NEVADA DEPARTMENT OF ENVIRONMENTAL PROTECTION:

THE DEVELOPER SHALL COMPLY WITH ALL REQUIREMENTS OF THE NEVADA DEPARTMENT OF ENVIRONMENTAL PROTECTION BUREAU OF SAFE DRINKING WATER AND BUREAU OF WATER POLLUTION CONTROL FOR THE WATER AND SEWER INFRASTRUCTURE DESIGN AND CONSTRUCTION TO THE APPROVAL OF THE ADMINISTRATOR, PUBLIC WORKS DIRECTOR AND CITY ENGINEER.

9. GRADING PERMIT:

THE DEVELOPER SHALL SUBMIT A GRADING PLAN FOR ANY PHASE OF THE PROJECT TO THE APPROVAL OF THE CITY ENGINEER. PRIOR TO THE ISSUANCE OF A GRADING PERMIT FOR THE DEVELOPMENT THE DEVELOPER SHALL POST A SURETY BOND FOR REGRADING AND RECLAMATION OF THE SITE. DEVELOPER SHALL COMPLY WITH ALL GRADING REQUIREMENTS SET FORTH IN THE CITY OF FERNLEY DEVELOPMENT CODE AS WELL AS ALL STATE AND FEDERAL REGULATIONS INCLUDING, BUT NOT LIMITED TO, STORM WATER POLLUTION PREVENTION AND AIR QUALITY RELATED TO SURFACE AREA DISTURBANCE.

THE DEVELOPER SHALL PROVIDE VERIFICATION OF A STORM WATER DISCHARGE PERMIT FROM THE NEVADA DEPARTMENT OF ENVIRONMENTAL PROTECTION TO THE APPROVAL OF THE CITY ENGINEER PRIOR TO ISSUANCE OF A GRADING PERMIT OR BUILDING PERMIT FOR THE DEVELOPMENT.

10. STORM DRAINAGE:

THE DEVELOPER SHALL PROVIDE A FINAL DRAINAGE REPORT FOR THE PROJECT IN CONFORMANCE WITH THE FERNLEY MUNICIPAL CODE AND THE PUBLIC WORKS DESIGN MANUAL FOR REVIEW AND APPROVAL BY THE CITY ENGINEER PRIOR TO APPROVAL OF A BUILDING PERMIT FOR ANY PORTION OF THE PROJECT. EACH SUCCESSIVE PHASE OF THE PROJECT SHALL SUBMIT AN UPDATED DRAINAGE REPORT FOR REVIEW AND APPROVAL BY THE CITY ENGINEER SHOWING THE CUMULATIVE EFFECT OF THE DEVELOPED PORTION OF THE PROJECT ALONG WITH THE PROPOSED PHASE'S EFFECT ON THE TOTAL DISCHARGE INTO THE DRAINAGE SYSTEM. THE STORM WATER AND DRAINAGE PLANS FOR THE PHASES OF THE DEVELOPMENT SHALL BE REVIEWED AND APPROVED BY THE CITY ENGINEER PRIOR TO THE ISSUANCE OF A GRADING PERMIT FOR THE PHASES OF THE PROJECT.

ALL INTERNAL STORM DRAIN INFRASTRUCTURE SHALL BE MAINTAINED BY THE PROPERTY OWNER.

11. GEOTECHNICAL REPORT:

THE DEVELOPER SHALL PROVIDE A GEOTECHNICAL REPORT FOR THE PROJECT IN CONFORMANCE WITH THE REQUIREMENTS OF THE DEVELOPMENT CODE FOR REVIEW AND APPROVAL BY THE CITY ENGINEER PRIOR TO THE APPROVAL OF A GRADING PERMIT OR BUILDING PERMIT FOR ANY PORTION OF THE PROJECT.

12. STRUCTURAL CONTROLS:

THE DEVELOPER SHALL UTILIZE STRUCTURAL CONTROLS FOR THE TREATMENT OF STORM WATER RUNOFF IN ACCORDANCE WITH BEST MANAGEMENT PRACTICES TO THE APPROVAL OF THE PUBLIC WORKS DIRECTOR AND CITY ENGINEER.

13. SANITARY SEWER REPORT:

THE DEVELOPER SHALL PROVIDE A FINAL SANITARY SEWER REPORT FOR THE PROJECT IN CONFORMANCE WITH THE FERNLEY MUNICIPAL CODE AND THE PUBLIC WORKS DESIGN MANUAL FOR REVIEW AND APPROVAL BY THE CITY ENGINEER PRIOR TO ISSUANCE OF A BUILDING PERMIT FOR ANY PORTION OF THE PROJECT.

14. DESIGN STANDARDS:

THE DEVELOPER SHALL COMPLY WITH ANY DESIGN STANDARDS AND REGULATIONS AS SET FORTH IN THE FERNLEY MUNICIPAL CODE OR ADOPTED DESIGN MANUAL INCLUDING BUT NOT LIMITED TO DIMENSIONAL STANDARDS (§32.06.080(B)); DESIGN STANDARDS (§32.06.080(I)) SUCH AS SITE PLANNING, PARKING AND CIRCULATION, COMMUNITY AMENITIES, LANDSCAPING AND SCREENING (§32.06.080 & §32.09.090), AND BUILDING ARCHITECTURE; ADJACENCY STANDARDS (§32.09.030); GRADING (§32.09.070); BUFFER REQUIREMENTS (§32.09.090(E)); LIGHTING (§32.09.100); STREETS (§32.09.140); AND UTILITY CONSIDERATIONS. THE DEVELOPER SHALL DEMONSTRATE IN WRITING COMPLIANCE WITH THESE REQUIREMENTS PRIOR TO THE ISSUANCE OF A BUILDING PERMIT FOR THE PROJECT.

15. ENGINEERING/PUBLIC WORKS:

THE DEVELOPER SHALL COMPLY WITH ALL THE REQUIREMENTS OF THE CITY OF FERNLEY MUNICIPAL CODE, DEVELOPMENT CODE AND PUBLIC WORKS DESIGN MANUAL FOR THE CONSTRUCTION OF ANY PUBLIC OR PRIVATE INFRASTRUCTURE TO THE APPROVAL OF THE CITY ENGINEER AND PUBLIC WORKS DIRECTOR PRIOR TO THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY FOR THE PROJECT.

16. FREMONT STREET IMPROVEMENTS:

IN ACCORDANCE WITH SECTION 32.09.140 OF THE FERNLEY MUNICIPAL CODE, THE EXISTING FREMONT STREET SHALL BE IMPROVED TO A FULL WIDTH PAVEMENT SECTION AND INCLUDE STREET LIGHTING, CURB, GUTTER, AND SIDEWALK. THE NEW ROADWAY SHALL COMPLY WITH THE CITY'S 60-FOOT RIGHT OF WAY STANDARD. THE IMPROVEMENTS ARE REQUIRED ALONG THE ENTIRE LENGTH OF FREMONT STREET FROM THE INTERSECTION WITH U.S. HIGHWAY 95A TO THE WESTERLY PROPERTY LINE OF THE PROJECT. ALL NECESSARY RIGHT-OF-WAY TO ACCOMMODATE THE IMPROVEMENTS SHALL BE ACQUIRED PRIOR TO THE ISSUANCE OF A BUILDING PERMIT, OR IF APPLICABLE, PRIOR TO THE RECORDATION OF A FINAL MAP. ALL IMPROVEMENTS SHALL BE COMPLETED AND ACCEPTED PRIOR TO THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY FOR THE FIRST BUILDING OF THE PROJECT.

17. NORTH LYON COUNTY FIRE PROTECTION DISTRICT:

THE DEVELOPER SHALL COMPLY WITH ALL REQUIREMENTS OF THE NORTH LYON COUNTY FIRE PROTECTION DISTRICT, INCLUDING BUT NOT LIMITED TO: DEVELOPING A PLAN TO PROVIDE ADEQUATE EMERGENCY ACCESS THROUGHOUT THE SITE, DEVELOPING A MASTER FIRE HYDRANT AND FIRE FLOW PLAN, DEVELOPING A MASTER FIRE DEPARTMENT CONNECTION (FDC) PLAN, AND INSTALLING FIRE SUPPRESSION AND/OR ALARM SYSTEMS TO THE APPROVAL OF THE FIRE CHIEF PRIOR TO THE ISSUANCE OF A BUILDING PERMIT.

18. FREMONT INTERSECTION CAPACITY IMPROVEMENTS:

THE EXISTING TRAFFIC VOLUMES PLUS PROJECT TRAFFIC WILL CREATE A LEVEL OF SERVICE D ON THE FREMONT STREET/U.S. HIGHWAY 95A INTERSECTION.

PER THE CITY OF FERNLEY DESIGN STANDARDS SECTION 3.3.3.c.ii, THE DEVELOPER SHALL COMPLETE MITIGATION MEASURES FOR INTERSECTIONS THAT OPERATE AT A LEVEL OF SERVICE D OR LESS. POSSIBLE MEASURES INCLUDE, BUT ARE NOT LIMITED TO, SIGNALIZATION OR SIGNALIZATION IMPROVEMENTS, CHANNELIZED MEDIANS, TURNING LANES, STORAGE LANE INCREASE, RESTRICTED TURNS AND/OR ADDITIONAL LANES.

THE TRAFFIC REPORT IDENTIFIES RESTRIPING THE EASTBOUND APPROACH OF FREMONT STREET TO INCLUDE A SEPARATE RIGHT TURN LANE AS WELL AS THE ADDITION OF A SEPARATE RIGHT TURN LANE ON THE WESTBOUND APPROACH OF CHISHOLM TRAIL.

THE DEVELOPER SHALL SUBMIT IMPROVEMENT PLANS FOR THE MITIGATION MEASURE/S PRIOR TO THE ISSUANCE OF THE FIRST BUILDING PERMIT FOR THE PROJECT. THE MITIGATION MEASURE WILL NEED TO BE REVIEWED AND APPROVED BY THE ADMINISTRATOR, CITY ENGINEER, PUBLIC WORKS DIRECTOR, AND NDOT.

THE MITIGATION MEASURE/S SHALL BE CONSTRUCTED AND ACCEPTED PRIOR TO THE ISSUANCE OF THE CERTIFICATE OF OCCUPANCY FOR THE FIRST BUILDING PERMIT OF THE PROJECT.

19. BUILDING DEPARTMENT:

THE DEVELOPER SHALL COMPLY WITH ALL REQUIREMENTS OF THE BUILDING DEPARTMENT TO THE APPROVAL OF THE BUILDING OFFICIAL PRIOR TO THE ISSUANCE OF A BUILDING PERMIT.

20. ACCESS AND CIRCULATION:

THE DEVELOPER SHALL USE APPROPRIATE STRIPING AND SIGNAGE AS MAY BE NECESSARY TO MINIMIZE TRAFFIC CONFLICT WITHIN THE DEVELOPMENT SITE TO THE APPROVAL OF THE ADMINISTRATOR AND CITY ENGINEER FOR THE LIFE OF THE PROJECT.

THE PROPOSED PINWOOD DRIVE EXTENSION SHALL BE A GATED VEHICULAR EMERGENCY ACCESS ONLY. THE DEVELOPER SHALL PROVIDE PEDESTRIAN ACCESS FROM THE PROJECT TO THE SINGLE-FAMILY RESIDENTIAL SUBDIVISION TO THE EAST. BOTH THE PINWOOD DRIVE EXTENSION AND THE PROPOSED SHERWOOD DRIVE SHALL REMAIN PRIVATE AND NOT DEDICATED TO THE CITY.

THE DEVELOPER SHALL COMPLY WITH ANY OTHER REQUIREMENTS PERTAINING TO ACCESS AND CIRCULATION OF THE CITY OF FERNLEY AND NORTH LYON COUNTY FIRE PROTECTION DISTRICT TO THE APPROVAL OF THE FIRE CHIEF, PUBLIC WORKS DIRECTOR, CITY ENGINEER, AND ADMINISTRATOR.

21. FEDERAL, STATE, AND LOCAL AGENCIES:

THE DEVELOPER SHALL COMPLY WITH ALL REQUIREMENTS OF ANY FEDERAL, STATE, OR LOCAL AGENCY WITH JURISDICTION OVER THE PROJECT TO THE APPROVAL OF THE ADMINISTRATOR.

22. TRAFFIC ANALYSIS REPORT:

THE DEVELOPER SHALL PROVIDE A TRAFFIC ANALYSIS REPORT FOR THE PROJECT IN CONFORMANCE WITH THE CITY OF FERNLEY'S MUNICIPAL CODE AND THE PUBLIC WORKS DESIGN MANUAL FOR REVIEW AND APPROVAL BY THE CITY ENGINEER AND PUBLIC WORKS DIRECTOR PRIOR TO THE ISSUANCE OF A BUILDING PERMIT FOR ANY PORTION OF THE PROJECT. SUCCESSIVE PHASES OF THE PROJECT SHALL SUBMIT AN UPDATED TRAFFIC ANALYSIS REPORT FOR REVIEW AND APPROVAL BY THE CITY ENGINEER AND PUBLIC WORKS DIRECTOR SHOWING THE CUMULATIVE EFFECT OF THE DEVELOPED PORTION OF THE PROJECT ALONG WITH THE PROPOSED PHASE'S EFFECT.

23. PARKING:

VISITOR PARKING SHALL BE PROVIDED THROUGHOUT THE SITE. THE DEVELOPER SHALL SUBMIT IMPROVEMENT PLANS THAT SHOW APPROPRIATE STRIPING AND SIGNAGE FOR THE VISITOR PARKING STALLS.

24. PEDESTRIAN CIRCULATION:

THE DEVELOPER SHALL CONSTRUCT PEDESTRIAN PATHWAYS WITHIN THE DEVELOPMENT INCLUDING CONNECTIONS TO THE SIDEWALKS ALONG FREMONT STREET PER THE APPROVED IMPROVEMENT PLANS.

25. CONSTRUCTION MAINTENANCE:

THE DEVELOPER SHALL LOCATE AND UTILIZE A SUFFICIENT NUMBER OF TRASH CONTAINERS ON-SITE TO BE UTILIZED DURING THE CONSTRUCTION OF THE PROJECT TO MAINTAIN THE PROJECT SITE IN A CLEAN AND ORDERLY STATE TO THE APPROVAL OF THE ADMINISTRATOR.

26. CONSTRUCTION HOURS:

THE DEVELOPER SHALL LIMIT ALL CONSTRUCTION AND CONSTRUCTION RELATED ACTIVITIES TO BETWEEN THE HOURS OF 7:00 AM TO 7:00 PM, SEVEN DAYS A WEEK. THE DEVELOPER SHALL INSTALL SIGNS AT ALL ACCESS POINTS TO THE PROJECT THAT CLEARLY INDICATE THE HOURS OF ACTIVITY ON-SITE PRIOR TO THE START OF ANY CONSTRUCTION-RELATED ACTIVITIES TO THE APPROVAL OF THE ADMINISTRATOR. THE DEVELOPER SHALL MAINTAIN THESE SIGNS IN GOOD REPAIR FOR THE DURATION OF THE CONSTRUCTION OF THE PROJECT. ONCE CONSTRUCTION IS FINISHED, THE DEVELOPER SHALL REMOVE THESE SIGNS.

27. PROJECT CONTACT:

THE DEVELOPER SHALL DESIGNATE TO THE ADMINISTRATOR A PROJECT CONTACT PERSON RESPONSIBLE/AUTHORIZED TO CORRECT PROBLEMS REGARDING THE PROJECT ON A 24-HOUR/7-DAYS A WEEK BASIS. THE DEVELOPER SHALL DESIGNATE THE PROJECT CONTACT PERSON TO THE ADMINISTRATOR PRIOR TO ISSUANCE OF A GRADING PERMIT FOR THE PROJECT.

28. ARCHITECTURE/BUILDING ELEVATIONS:

THE DEVELOPMENT OF THE SUBJECT SITE SHALL BE IN SUBSTANTIAL CONFORMANCE WITH THE ARCHITECTURAL/BUILDING ELEVATIONS SUBMITTED AS PART OF THIS APPLICATION. SUBSTANTIAL CHANGES TO THE ARCHITECTURE/BUILDING ELEVATIONS SHALL REQUIRE REVIEW AND APPROVAL BY THE ADMINISTRATOR PRIOR TO THE ISSUANCE OF A BUILDING PERMIT FOR THAT BUILDING. THE DEVELOPER SHALL ARTICULATE LONG FACADES BY VARYING BUILDING MASS, FORM, TEXTURE, MATERIALS, AND INTERPLAY OF SOLID AND OPEN AREAS.

29. TRASH ENCLOSURES:

THE DEVELOPER SHALL LOCATE AND INSTALL TRASH ENCLOSURES TO THE APPROVAL OF WASTE MANAGEMENT AND THE ADMINISTRATOR INCLUDING THE APPROPRIATE SIZE AND LOCATION. THE TRASH ENCLOSURES SHALL MATCH THE PROJECT'S ARCHITECTURE AND BUILDING MATERIALS TO THE APPROVAL OF THE ADMINISTRATOR PRIOR TO ISSUANCE OF THE CERTIFICATE OF OCCUPANCY FOR THE INDIVIDUAL BUILDINGS.

30. UTILITY SCREENING:

THE DEVELOPER SHALL WORK IN CONJUNCTION WITH THE UTILITY COMPANIES TO LOCATE UTILITY EQUIPMENT SUCH AS ELECTRICAL, GAS, AND WATER JUNCTION BOXES, INCLUDING TRANSFORMER BOXES, VAULTS, AND ELECTRICAL PANELS, IN AREAS WHERE THE EQUIPMENT IS SCREENED BY EITHER ARCHITECTURAL ELEMENTS THAT MATCH THE MAIN STRUCTURE'S COLORS AND MATERIALS OR BY ADJUSTING THE APPROVED LANDSCAPING TO COMPENSATE TO THE APPROVAL OF THE ADMINISTRATOR PRIOR TO THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY FOR EACH INDIVIDUAL BUILDING.

31. SCREENING:

THE MECHANICAL EQUIPMENT SHALL BE SCREENED FROM VIEW OF THE PARKING LOT, ADJACENT PUBLIC STREETS, AND PUBLIC AREAS BY USING AN ARCHITECTURAL ELEMENT OF THE BUILDING CONSISTING OF SAME MATERIALS AND BE DURABLE MATERIALS TO THE APPROVAL OF ADMINISTRATOR. ANY LOADING DOCKS AND SERVICE AREAS INCLUDING TRASH COMPACTION AND/OR DUMPSTER(S) SHALL BE SCREENED FROM VIEW OF PARKING LOTS AND PUBLIC AREAS. LOADING DOCK SCREENING SHALL BE HIGH ENOUGH TO SCREEN THE TRUCKS. THE SCREENING SHALL BE REVIEWED AND APPROVED BY THE ADMINISTRATOR PRIOR TO THE ISSUANCE OF A BUILDING PERMIT FOR EACH INDIVIDUAL BUILDING.

32. LIGHTING:

THE DEVELOPER SHALL SUBMIT A LIGHTING PLAN FOR REVIEW AND APPROVAL BY THE ADMINISTRATOR PRIOR TO THE ISSUANCE OF A BUILDING PERMIT. THE DEVELOPER IS REQUIRED TO COMPLY WITH THE LIGHTING STANDARDS AND REQUIREMENTS IN THE CITY OF FERNLEY MUNICIPAL CODE. TO REDUCE THE IMPACT OF GLARE AND MINIMIZE THE EFFECT OF FIELD AND PARKING LIGHTING, LIGHTING FIXTURES WITH EXTERNAL "HOODS" AND INTERNAL GLARE REDUCTION LOUVERS SHALL BE USED.

33. TRUCKEE CARSON IRRIGATION DISTRICT (TCID)/BUREAU OF RECLAMATION:

THE DEVELOPER SHALL PROVIDE WRITTEN DOCUMENTATION FROM THE BUREAU OF RECLAMATION AND TRUCKEE CARSON IRRIGATION DISTRICT THAT ANY PROPOSED IMPROVEMENTS AFFECTING ANY BUREAU OF RECLAMATION FACILITY HAS BEEN REVIEWED AND APPROVED BY THE BUREAU OF RECLAMATION AND/OR THE TRUCKEE CARSON IRRIGATION DISTRICT TO THE APPROVAL OF THE ADMINISTRATOR, CITY ENGINEER, AND PUBLIC WORKS DIRECTOR.

34. RECIPROCAL EASEMENTS:

THE DEVELOPER SHALL PROVIDE IRREVOCABLE RECIPROCAL PARKING, ACCESS, STORM DRAINAGE MAINTENANCE, WATER INFRASTRUCTURE MAINTENANCE, SANITARY SEWER INFRASTRUCTURE MAINTENANCE, AND LANDSCAPE MAINTENANCE EASEMENTS OVER THE ENTIRE SITE TO THE APPROVAL OF THE ADMINISTRATOR PRIOR TO THE ISSUANCE OF A BUILDING PERMIT. THESE EASEMENTS SHALL BE INCORPORATED INTO THE RECORDED DOCUMENTS FOR THE SITE.

35. NEVADA DEPARTMENT OF TRANSPORTATION:

THE DEVELOPER SHALL COMPLY WITH ALL REQUIREMENTS OF THE NEVADA DEPARTMENT OF TRANSPORTATION TO THE APPROVAL OF THE ADMINISTRATOR, PUBLIC WORKS DIRECTOR AND CITY ENGINEER.

36. MAPPING:

THE DEVELOPER SHALL SUBMIT AND PROCESS THE APPROPRIATE MAPPING APPLICATIONS WHICH MAY INCLUDE A COMBINATION OF THE FOLLOWING: A REQUEST FOR VACATION (ABANDONMENT); REVERSION TO ACREAGE; MERGER AND SUBDIVISION PARCEL OR SUBDIVISION MAP; TENTATIVE AND/OR FINAL PARCEL MAP; OR TENTATIVE AND FINAL SUBDIVISION MAP. NO FINAL MAP SHALL BE RECORDED UNTIL SUCH TIME AS ALL NECESSARY RIGHTS-OF-WAY HAVE BEEN ACQUIRED AND IMPROVEMENT PLANS, CONSISTING OF ALL NECESSARY PUBLIC FACILITIES TO SERVE THE PROJECT, HAVE BEEN REVIEWED AND APPROVED BY THE CITY.

EXHIBIT "C"

PHASING PLAN

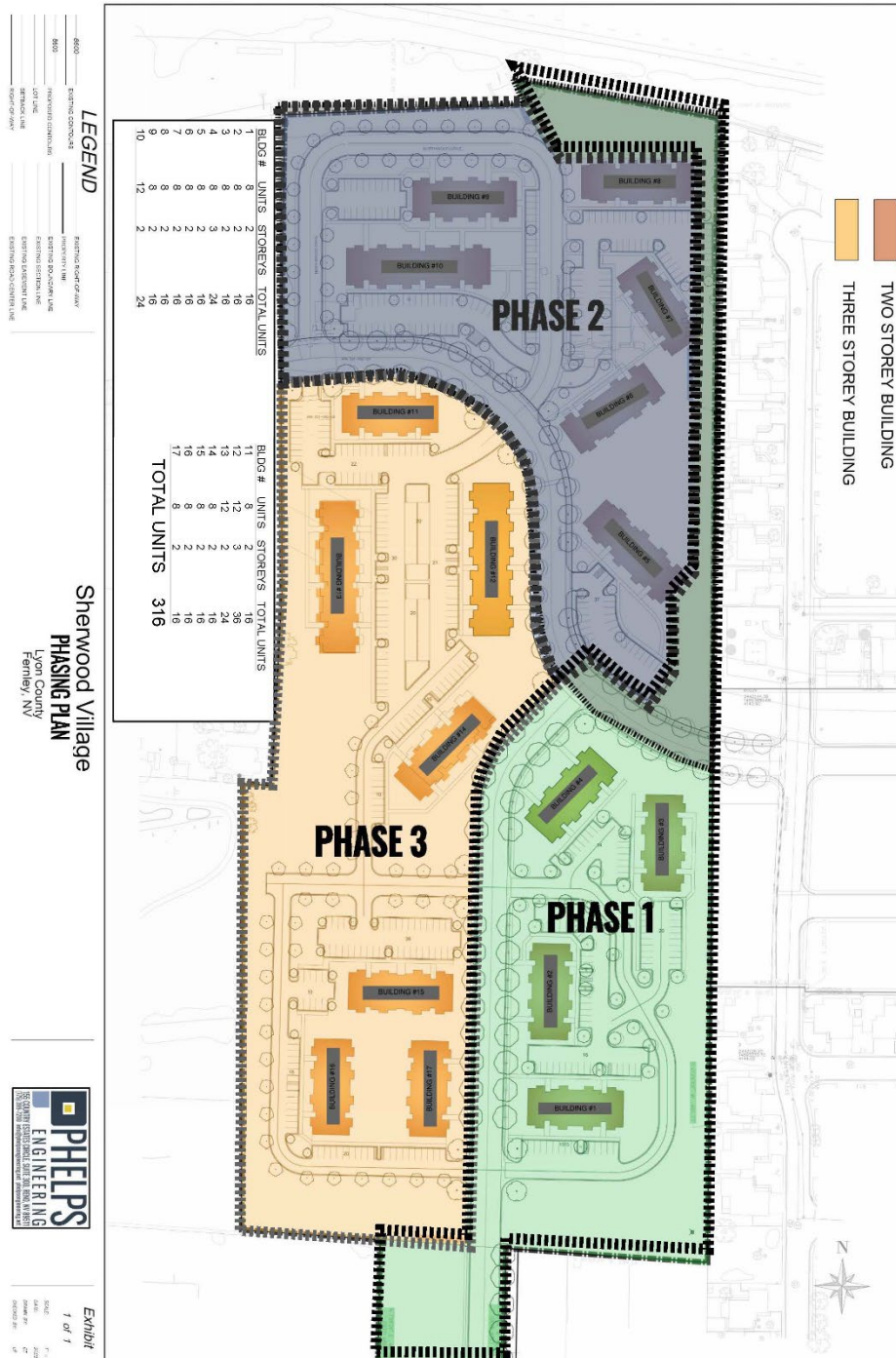


EXHIBIT “D”



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CITY OF FERNLEY

City Council AGENDA REPORT

Meeting Date: December 21, 2022

REPORT TO: Mayor and City Council

REPORT FROM: Shay League

FINANCIAL IMPACT:	CURRENTLY BUDGETED:	FUND/ACCOUNT:
Yes: No: X	Yes: No: X	N/A

ACTION REQUESTED: Ordinance
Resolution
Motion

AGENDA ITEM: (For Possible Action):

(For Possible Action) Public Hearing - MPA22003, ZMA22008, and DA22003

Consideration and possible action on a master plan amendment, zoning map amendment, and development agreement for a site ±83.9-acres in size and generally located north of Farm District Road at the intersection of Clearwater Parkway (APN: 020-341-18) by request of Clements Ranching, LLC to facilitate the development of a project known as Clements Ranch.

1. A master plan amendment request (MPA22003) to certify Resolution #22-018 as a resolution to amend the City of Fernley Comprehensive Master Plan land use on a ±15.5-acre portion of the project site from Single Family Residential (SFR) to Mixed Residential (MR).
2. A zoning map amendment request (ZMA22008) to adopt Bill #318 as an ordinance to amend the zoning on a ±68.4-acre portion of the project site from RR1 (Residential - Rural, 1-acre minimum) to SF6 (Residential - Single Family, 6,000 square feet minimum) and to amend the zoning on a ±15.5-acre portion of the project site from RR1 to MDR14 (Medium Density Residential, 14 dwelling units per acre maximum).
3. A development agreement request (DA22003) to adopt Bill #320 as an ordinance authorizing the City of Fernley to enter into a development agreement with Clements Ranching, LLC to guarantee specific development standards for this project.

AGENDA ITEM BRIEF:

The applicant hopes to construct 68.4-acres of SF6 (6,000 square foot lot minimum) single-family housing and 15.5-acres of multi-family housing. The multi-family housing is to be located on the northern portion of the parcel that is adjacent to what has been master planned as future commercial development along US HWY 50A.

The single-family housing is proposed to surround the multi-family housing to provide a transitional buffer to neighboring parcels.

RECOMMENDED MOTION:

Approval

"I move to approve the master plan amendment associated with MPA22003, the zoning map amendment associated with ZMA22008, and the development agreement associated with DA22003, based on findings MP1 through MP3, findings Z1 through Z3, approval criteria D1 and D2, and the facts supporting these findings and approval criteria as set forth in the staff report. As an extension of these approvals, I further move to certify Resolution 22-018, and adopt Bills 318 and 320 as general ordinances."

BUSINESS IMPACT (per NRS Chapter 237):

A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

ALTERNATIVES:

Denial

"Based on information received in written materials and at the public hearings on this matter, I move to deny the master plan amendment associated with MPA22003, the zoning map amendment associated with ZMA22008, and the development agreement associated with DA22003. As an extension of these denials, I further move to refuse certification of Resolution 22-018 and refuse adoption of Bills 318 and 320. I have determined the proposed changes are detrimental to the public's health, safety, and general welfare and am unable to make the following findings and approval criteria: *(address one or more finding / condition of approval as applicable from each application)*."

Note: Though specific language has only been provided for acceptance or denial of all three applications, any motion appropriate under City Council parliamentary procedure is allowed and these items may each be addressed through a separate motion if preferred by the motioning Councilmember.

BACKGROUND:

- First, Planning Commission recommended approval of ZMA22008 by a vote of 3-2 on 09/14/2022.
- Second, also on 09/14/2022, MPA22003 failed by a 3-2 vote in favor of a recommendation of approval. This happened because a supermajority of 5 from the 7 appointed Planning Commission members is required for a recommendation of approval in the case of a master plan amendment. Through that same vote, the Planning Commission refused to certify an early draft of Resolution #22-018.
- Third, Planning Commission recommended approval of DA22003 by a vote of 5-1 on 11/09/2022.
- Finally, Bills # 318 and 320 were read by title and introduced at the 10/19/2022 and 12/07/2022 City Council meetings, respectively.

This land was previously used by the Clements family for agricultural purposes, which is a use that they no

longer find sustainable.

FINDINGS AND APPROVAL CRITERIA:

Master Plan Amendment

MP1. The master plan amendment would implement the goals listed within the City of Fernley Master Plan as listed in the staff report.

MP2. The master plan amendment would be compatible with surrounding land uses.

MP3. Public notice was given, and a public hearing held per the requirements of Nevada Revised Statutes and Fernley Development Code.

Zoning Map Amendment

Z1. Consistent with the city's master plan and otherwise consistent with state and federal law.

Z2. Consistent with the surrounding land uses.

Z3. Public notice was given, and a public hearing held per the requirements of the development code and Nevada Revised Statutes.

Development Agreement

D1. Consistent with the city's master plan.

D2. Otherwise consistent with Nevada or federal law.

Staff certifies that public notice was given, and the applicable public hearings were held (or are to be held on December 21, 2022) per the requirements of the Fernley Development Code and Nevada Revised Statutes.

The developer has addressed and provided evidence for each of the applicable findings in the attached project descriptions. Please refer to pages 6-11 of the "Clements Ranch Property Master Plan Amendment & Zoning Map Amendment Project Description" and pages 2-6 of the "Clements Ranch Property Development Agreement Project Description". While the applicant chose to address findings listed in Nevada Revised Statutes section related to development agreements, staff chose the conditions of approval as listed in Fernley Development Code. Regardless, the findings of fact the applicant has listed address the conditions of approval identified by staff.

RELEVANT LAWS, STATUTES, AND REGULATIONS:

- Nevada Revised Statutes, Chapter 278 - Planning and Zoning
- Fernley Municipal Code, Title 32 - Development Code
- City of Fernley Comprehensive Master Plan

Though all code sections from the above sources are in effect, here are some especially pertinent sections to consider:

- FMC Section 32.03.040 (b) - Annexation, comprehensive master plan, and zoning applications / Comprehensive master plan amendments
- FMC Section 32.03.040 (e) - Annexation, comprehensive master plan, and zoning applications / Zoning map amendments (rezoning)
- FMC Section 32.03.100 (a) - Other procedures / Development agreements

- FMC Chapter 32.06 - Zoning Districts
- FMC Chapter 32.09 - Development Standards
- FMC Chapter 32.12 - Adequate Public Facilities

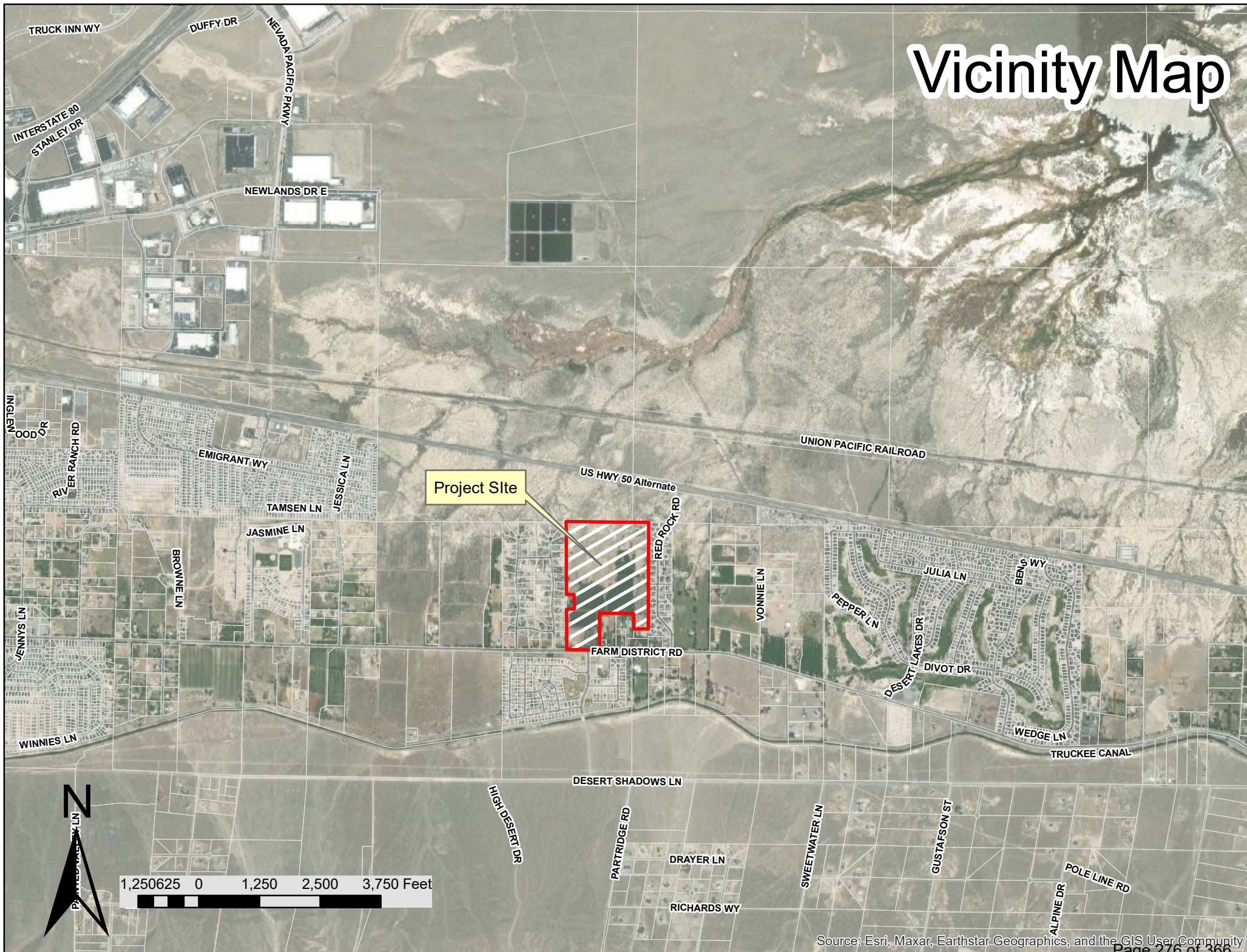
FINANCIAL IMPLICATIONS:

N/A

ATTACHMENTS:

1. Project Vicinity Map
2. MPA22003 & ZMA22008 Project Description
3. Resolution # 22-018 - MPA22003
4. MPA22003 Existing Land Use
5. MPA22003 Proposed Land Use
6. Bill # 318 – ZMA22008
7. ZMA22008 Existing Zoning
8. ZMA22008 Proposed Zoning
9. DA22003 Project Description
10. Bill # 320 – DA22003
11. DA22003 Development Agreement

Vicinity Map



EXECUTIVE SUMMARY

Project Name:	Clements Ranch Master Plan and Zoning Map Amendment
Site Location:	±83.9-acre parcel located at O Farm District Road north of the intersection of Farm District Road and Clearwater Parkway in Fernley, NV.
APN Numbers:	021-041-09
Applicant:	Clements Ranching LLC
Applicant's Representative:	Wood Rodgers, Inc., Attention: Derek Kirkland, AICP
Owner:	Clements Ranching LLC
Proposed Action:	This application requests to: 1) Change the zoning on a ±68.4-acre portion of APN 021-041-09 from RR1 to ±68.4 acres of SF6 (Single-Family Residential – 6,000 square foot minimum lot size). 2) Change the Master Plan Land Use designation on a portion of APN 021-341-18 from ±15.5 acres of Single-Family Residential (SFR) to ±15.5 acres of Mixed Residential (MR). 3) Change the zoning of the ±15.5-acre portion of APN 021-341-18 to coincide with the proposed Master Plan Amendment from ±15.5 acres of RR1 to ±15.5 acres of MDR14 (Medium Density Residential – 14 dwelling units per acre maximum).
Current Land Use Classification:	±83.9-acre SFR
Proposed Land Use Classification:	±68.4-acres SFR / ±15.5 acres MR
Current Zoning:	Rural Residential 1 acre (RR1)
Proposed Zoning:	±68.4-acres SF6 / ±15.5-acres MDR14
Flood Zone Designation:	Zone X
Gross Site Area	±83.9 acres

Adjacent Land Use and Zoning		
Adjacent Properties	Current Zoning District	Comprehensive Plan Land Use Designation
North Vacant Commercial Land / US 50 / Bureau of Reclamation Parcel in process to be acquired by the City of Fernley	C2/R20	C/OSP
West Existing Subdivision	RR1	SFR
East Existing Subdivision	RR 1/2	SFR
South Existing Subdivision	SF20	SFR

ANALYSIS**Background / Existing Conditions**

The Clements Ranch Property, APN 021-341-18 (±83.9 acres) is located north of Farm District Road, between Bridle Path Way and Red Rock Road (Vicinity map provided in Section 2 of this application package). The property is currently vacant except for the old ranching houses. The subject parcel (APN 021-341-18) is used currently for agriculture purposes, which the Clements family has operated for the past 60+ years. According to the Clements Family (Applicant) farming in the valley is no longer a viable long-term option. As much as they regret the necessity, they also noted it is the right time to surrender to the inevitable and begin the process to plan for the next use as Fernley continues to grow. More specifically, the Clements Family has noted several challenges that have ultimately led to this decision with the more prominent issues being the fact that the family is starting to age out of the agriculture business with no additional family members wanting to take over coupled with the challenge of continued restrictions on irrigation as growth has continued over the years (reduction from irrigating 6 to 7 times per year to the current 2). Adding to the irrigation challenges are the planned closure of the canal next year. The regulations on irrigation, as well as the continued cost to operate the ranch have created a situation where the land used for agricultural purposes is no longer a viable option.

As the Clements Family moves on to the next chapter a master planned community that can serve Fernley for multiple generations was desired and is the reason for the current requests. Multiple zoning designations that lend themselves to workforce housing provides opportunity for more Fernley families to live and work in the same location. Offering different levels of density within the same community gives new working-class families the chance to buy their first home with an opportunity to move to a larger home as time goes on while staying in the same area. Something that does not really exist at this end of town.

Master Plan and Zoning Designations

The Master Plan land use designation for the subject property is Single-Family Residential (SFR), which allows single-family zoning, including the requested SF6 zoning for ±68.4 acres of the parcel. The current RR1 zoning is not a compatible zoning designation under the SFR land use designation. The requested ±15.5 acres of MDR14 zoning requires a Master Plan Amendment to Mixed Residential (MR) to support the proposed zoning (*Refer to the Master Plan and Zoning maps in Section 3 of this submittal packet*).

On behalf of the applicant, Wood Rodgers is submitting this Zoning Map Amendment and Master Plan Amendment request applicable to the subject parcel. The requests are necessary to allow for the future development of the property to help fulfill the current and future anticipated housing demand in Fernley as a result of continued employment growth in the surrounding area. The proposed Master Plan and Zoning Map Amendments would allow for a mix of single-family detached lots and a small portion set aside for single-family attached lots to create diversity in the housing type mix to address the “missing middle” product type.

The City of Fernley Code of Ordinances Section 32.06.070 outlines development standards for Single-family Residential Districts (SF20, SF12, SF9, and SF6). This code section would require future projects to provide buffering, lot matching or transition of density when adjacent to existing residential properties.

Section 32.06.080 of the City of Fernley Code outlines development standards for Multiple Family Residential districts (MDR14, MF21, and MF30). Multi-family districts are intended primarily for higher density residential uses, mixed use centers, and single family attached uses (i.e. triplex/townhomes/duplex). The proposed ±15.5 acres of MDR14 is situated in the northern portion of the parcel and is buffered from existing residential properties through the proposed SF6 zoning, and is directly adjacent to the existing commercial center along US 50. This is an ideal location to promote adequate density transition while offering a higher density to help support the existing commercial zoning.

Justification for Request

One of the important community principles that guided the 2018 City of Fernley Comprehensive Master Plan update was to diversify Fernley’s housing types and provide more obtainable options to serve a broader range of the community. Previous land patterns in Fernley have promoted larger lots, which have led to higher housing costs and inefficient use of infrastructure resulting in higher utility costs. The proposed Zoning Map Amendment will help implement the new Master Plan and increase the overall supply of housing in the region while the Master Plan Amendment will help to diversify Fernley’s housing products.

Why SF6 and MDR14?

- ✓ *SUPPORTS ADJACENT COMMERCIAL PROPERTY AND NEARBY VICTORY LOGISTICS EMPLOYMENT CENTER*
- ✓ *HELP DIVERSIFY FERNLEY’S HOUSING STOCK – PRODUCTS TO ADDRESS THE “MISSING MIDDLE”*
- ✓ *SUPPORTS INFRASTRUCTURE IMPROVEMENTS*
- ✓ *HELPS FILL THE CURRENT HOUSING NEEDS WITH MORE OBTAINABLE PRODUCT TYPES*

The Farm District Road area has been changing from its agricultural past to a more suburban residential area for the past several decades. Most of the density has transitioned to the north side of Farm District Road with the most recent development underway with Friendly 5 just west of the subject parcel. Farm District Road has become a highly desired residential area, and the Clements property is one of the last remaining ranches surrounded by existing residential that has developed over the past several decades. As farming is no longer a viable option for the family and given the fact that the subject parcel is less than 2 miles from the Victory Logistics employment center via US 50, the family sees this as an opportunity to provide a more efficient use of their land. The change in use for the Clements Ranch will support a variety of housing options for the future employment growth nearby providing those future employees a quality place to live and raise their own families. This proposed Master Plan Amendment and Zoning Map Amendment are the first step in creating a legacy master planned community that the community can be proud.

Compatibility

Clements Ranch has seen tremendous growth surrounding the property over the last several decades with residential subdivisions popping up to the east and west. The Clements family embraced the changes and continued to be neighborly while they continued operating their family’s ranch. Over the last decade changes in agriculture and many other factors including the family getting older have made ranching the property no longer a viable option. The family has also seen the employment center moving in less than 2 miles away realizing that the area has transformed, and their land would be more suitable to provide quality housing for the future growth and employment for the City of Fernley.

The Farm District Road area has seen quite a few changes over the decades, and it is common to see a mix of lot sizes ranging from 1 acre to half acre to 6,000 square feet along with some multi-family. The proposed request provides typical single family detached lots adjacent to the exiting subdivisions and places the higher density MR/MDR-14 zoning closer to the commercial and buffered from exiting residents. The new zoning code also anticipated these types of situations and provides residential adjacency code requirements (32.06.070). A future project would address these requirements as part of a tentative map, which may include lot width matching, larger lots around the perimeter, and limiting stories to match the existing homes. In today’s housing market 6,000 square foot lots are highly desirable and lend themselves to more obtainable for multiple households opposed to larger lots that tend to be more expensive and less desirable for their higher long term maintenance costs. Duplex type units which would be allowed under the proposed MDR-14 have become very popular in the market for first time home buyers, workforce housing options, as well as for some seniors looking to downsize. The proposed zoning will create an opportunity for a mix of quality housing products that are more obtainable to support the nearby employment center providing a much more efficient use of the infill parcel.

Transportation

Access and circulation also make the subject property ideal for future residential growth. The subject property currently has an access onto Farm District Road at the Clearwater Parkway intersection in the southwestern portion of the property. The property also has access to Quick Cal Way within the adjacent subdivision to the east which would provide an opportunity for a future gated emergency access through its connection with Red Rock Road. Understanding the need for more access to US 50 from Farm District Road it is also anticipated that a new access point to the north of the subject parcel would be constructed with a future project in order to provide a direct access point to US 50. There is also an existing shared use path that runs along Farm District Road. It is anticipated that a future project would provide a connection point between the existing shared use path and US 50 offering improved bike and pedestrian connectivity for the surrounding area.

While not part of the proposed request at this time, it is anticipated that the future north access point would include a collector roadway connecting Farm District Road/Clearwater Parkway to US 50 as well as connectivity to the Friendly 5 subdivision to the west, which also has identified a new connection point to US 50. The Applicant has been coordinating with the landowner of the existing commercial parcels to the north regarding a connection point through their property. The north connection to US 50 would be part of a future development project and is not part of this Master Plan and Zoning Map Amendment as there are no housing units proposed to be constructed with this request.

Sewer, Water, and Utilities

Most utilities needed to serve the subject property are currently available within Farm District Road, which fronts the south boundary of the project site. The City operates an 18-inch-diameter water main on the south side of Farm District Road, and dry utilities (natural gas, power, communications, cable TV) are available on the north side of the highway. Additionally, these utilities are also available on the Quick Cal Way street stub to the east (i.e., off Red Rock Road).

City sewer services are not currently stubbed to the project site, but a sewer connection is available on the Quick Cal Way street stub to the east. This connection could serve a portion of the southern part of the project site. For the north half of the site, it is anticipated that a connection would be made to the existing sewer main in Red Rock Road from the northeast corner of the site and/or across public lands (Bureau of Reclamation) from the northwest project corner to the 10-inch sewer main extending from the Friendly 5 Ranch subdivision, located approximately 0.5 miles (2,600 feet) to the west.

Southwest Gas and NV Energy will provide gas and electrical service, respectively, to new development at the project site. Telephone service will be provided by AT&T and cable television will be from Charter Communications.

There is adequate capacity for utilities to support future development. A future project would provide all necessary backbone infrastructure and utility connections.

Schools

The closest schools to the subject parcels are East Valley Elementary School, located approximately 2 miles east, and Silverland Middle School, located less than 2 miles west of the site. Fernley High School is located approximately 3.5 miles west. According to the Lyon County School District's 2016 Facilities Plan, all the Fernley schools are currently under capacity and are planned to be within adequate utilization through 2025, with the exception of one elementary school. The School District's 10-year capital program identifies a new elementary school that is planned to be built in the next 4 to 6 years, which would address elementary school capacity. A future project would provide additional tax benefits for the school district.

Police & Fire

Police protection is provided by the Lyon County Sheriff's office. Fire protection is provided by the North Lyon County Fire Protection District Station 62, located less than ¼ mile east of the parcel. The subject site is located in a developed area near existing development that is already served by these agencies.

Parks/Recreation

The subject property is located approximately 550 feet north of Autumn Winds Park and less than one mile west of the Fernley Golf Club. A future project would incorporate recreational opportunities and connections to existing parks and pedestrian amenities.

Positive Fiscal Support

The subject parcel is an infill parcel located in an area surrounded by existing older residential development adjacent to existing infrastructure. The current agricultural use is no longer viable for the family and does not provide any fiscal benefit for the City of Fernley at this time. One of the issues the City of Fernley is facing is the previous larger lot developments no longer cover the costs of the infrastructure which has led to a continual increase in utility fees and roads left in poor shape. Developing the subject site with more large lots would only bring further negative impact to the City of Fernley and would be an inefficient use of the land given the large employment center (Victory Logistics) currently under construction less than 2 miles away.

The proposed MPA and ZMA will provide a mix of unit types that will take advantage of the existing infrastructure helping provide fees that will support the City of Fernley's ongoing utility and public service costs for this area and will provide for more efficient use of the land going forward. The additional units supported by the MPA and ZMA will provide additional impact fees and tax revenues that will support the City of Fernley schools, parks, roads, and public services while also providing more obtainable housing options that are appropriate to support the growing workforce.

Victory Logistics employment center, less than 2 miles away from the subject site, is anticipated to generate over 10 million square feet of new industrial space along with over 10,000 employees within the first phase (Northern Nevada Business Weekly <https://www.nnbw.com/news/2021/jul/27/playing-long-game-massive-fernley-development-sets/>). Utilizing the subject infill parcel to help support the adjacent employment growth is a much more efficient use of the land and will fill the gap in needed housing within the City of Fernley. Obtainable housing products and helping fill in the "missing middle" product types is critical to support the future employment centers already approved and underway as well as supporting the future economic growth of Fernley.

MASTER PLAN AMENDMENT FINDINGS FOR APPROVAL

Pursuant to the City of Fernley Municipal Code Section 32.03.040(b)(6) *Findings for approval*, a master plan amendment may be approved if it is:

- 1) **The master plan amendment would implement the goals listed within the City of Fernley Master Plan as listed in the staff report.**

Response: The proposed Master Plan Amendment to change ± 15.5 acres ($\pm 18\%$) of the subject parcel from SFR to MR adjacent to existing commercial along US 50 would help meet several of the goals identified in the City's Master Plan, which are outlined below.

The latest Master Plan update anticipated growth of the region, and since its adoption growth in new industry and jobs for Fernley has been off the charts. This is one of the big reasons behind the proposed Master Plan Amendment, providing workforce housing opportunities close to the source of employment. The Victory Logistics employment center is less than 2 miles from the subject parcel and is slated to bring 10 million square feet of industrial along with over 10,000 jobs within their first phase currently underway (Northern Nevada Business Weekly <https://www.nnbw.com/news/2021/jul/27/playing-long-game-massive-fernley-development-sets/>). The demand to provide a variety of housing types to cover the new job growth is increasing as these industrial developments are moving at a fast pace, faster than housing is coming available. The proposed change to the Master Plan supports the anticipated growth in the area, continues to support the goals and policies of the Master Plan, and provides opportunity for additional workforce housing less than 2 miles away. The location of the proposed change is ideal seeing the subject area is adjacent to existing commercial and can be adequately buffered from existing residential areas.

Applicable Master Plan Policies

HP.1.1: *Enhance Fernley's vitality as a community by providing a variety of housing types, density and costs that accommodate the needs, desires, and financial abilities of the current and future households.*

Comment: The proposed development provides a variety of housing densities, lot sizes, and cost options. Single-family attached options in the northern portion of the parcel will offer townhomes, duplexes, or triplexes, and the remainder of the site will be developed with single-family detached lots at 6,000 square feet, 15,000 square feet, and $\frac{1}{2}$ acre lot sizes. This will offer a variety of sizes and housing cost options to the area, addressing the growing need for housing in Fernley.

HP.1.2 *Encourage housing that supports sustainable development patterns by promoting the efficient use of land, conservation of natural resources, easy access to services and public facilities such as parks, and resource efficient design and construction.*

Comment: The subject parcels are within an area near existing infrastructure and close to US 50, which is an area of Fernley proposed for redevelopment. Main sewer and water infrastructure are available adjacent to the subject site north of the parcel and within Red Rock Rd. The subject parcel is surrounded by existing development with a future commercial center located to the north. The proposed MR would provide workforce housing opportunities for the adjacent employment center (Victory Logistics) while also providing higher density to support the future commercial which remains undeveloped today. There is an existing connection to US 50 via Red Rock Rd and a planned US 50 connection further west through the Friendly 5 planned community currently under construction. It is anticipated that a future project would provide addition connection opportunities though a main collector road from Farm District through the subject parcel to the northern connection points.

HP.1.3 *Strive for viable mixed income neighborhoods throughout Fernley that collectively reflect the diversity of housing types and tenure (rental and ownership).*

Comment: The range of housing options and lot sizes proposed in this project will equate to a variety of cost options, promoting a mixed income neighborhood on the site which will blend well with surrounding development. Single-family attached homes in the ±15.5 acres of proposed MDR14 zoning would introduce affordable housing options to the city and promote efficient use of existing infrastructure, utilities, and services. This could effectively spur further redevelopment efforts and attract new residents to the city.

HP.1.6 *Provide a spectrum of high-quality housing to meet the City's need.*

Comment: Given the new large scale industrial projects that have been recently approved in Fernley and the surrounding area the City of Fernley is expected to see increased population and employment over the next 20 years. The largest industrial development in Fernley, Victory Logistics, sits less than 2 miles away with an anticipated employment generation of over 10,000 people in phase 1. The housing options proposed on the subject parcel will introduce multiple high-quality options at different price points, addressing the City's growing need.

LU.1.1 *Encourage new development in areas where adequate public services and facilities can be provided efficiently.*

Comment:

Sewer, Water, and Utilities

Most utilities needed to serve the project site are currently available within Farm District Road, which fronts the south boundary of the project site. The City operates an 18-inch-diameter water main on the south side of Farm District Road, and dry utilities (natural gas, power, communications, cable TV) are available on the north side of the highway. Additionally, these utilities are also available on the Quick Cal Way street stub to the east (i.e., off Red Rock Road).

City sewer services are not currently stubbed to the project site, but a sewer connection is available on the Quick Cal Way street stub to the east. This connection could serve a portion of the southern part of the project site. For the north half of the site, arrangements would have to be made to route the sewer main(s) across property owned by third parties to connect to the City's sewer network. Available options are the existing sewer main in Red Rock Road from the northeast corner of the site and/or across public lands (Bureau of Reclamation) from the northwest project corner to the 10-inch sewer main extending from the Friendly 5 Ranch subdivision, located approximately 0.5 miles (2,600 feet) to the west.

Southwest Gas and NV Energy will provide gas and electrical service, respectively, to new development at the project site. Telephone service will be provided by AT&T and cable television will be from Charter Communications.

There is adequate capacity for utilities to support future development. A future project would provide all necessary backbone infrastructure and utility connections.

Schools

The closest schools to the subject parcels are East Valley Elementary School, located approximately 2 miles east, and Silverland Middle School, located less than 2 miles west of the site. Fernley High School is located approximately 3.5 miles west. According to the Lyon County School District's 2016 Facilities Plan, all the Fernley schools are currently under capacity and are planned to be within adequate utilization

through 2025, with the exception of one elementary school. The School District's 10-year capital program identifies a new elementary school that is planned to be built in the next 4 to 6 years, which would address elementary school capacity. A future project would provide additional tax benefits for the school district.

Police & Fire

Police protection is provided by the Lyon County Sheriff's office. Fire protection is provided by the North Lyon County Fire Protection District Station 62, located less than ¼ mile east of the parcel. The subject site is located in a developed area near existing development that is already served by these agencies.

Parks/Recreation

The subject property is located approximately 550 feet north of Autumn Winds Park and less than one mile west of the Fernley Golf Club. A future project would incorporate recreational opportunities and connections to existing parks and pedestrian amenities.

LU.1.5 Promote infill development.

Comment: The subject parcel is an infill site surrounded by existing subdivisions and planned commercial development along US 50 as well as existing infrastructure and services. The proposed Master Plan Amendment provides workforce housing opportunities adjacent to existing commercial properties and is adequately buffered from the existing subdivisions and therefore would be compatible with the surrounding area. The MR designation would provide workforce housing opportunities for the proposed Victory Logistics employment center less than 2 miles away with direct connectivity to US 50.

2) The master plan amendment would be compatible with surrounding land uses.

Response: To the north of the subject parcel are existing commercial property fronting along US 50. The proposed MR designation would be compatible with the existing commercial. The proposed land plan also includes leaving areas of SFR to the east and west which would provide an adequate buffer or density transition from the proposed MR and existing subdivisions. Future development of the SFR areas will also have to address residential adjacency standards. The MR was placed specifically where the subject area will have direct access to the existing commercial area and to US 50 so that it can be compatible with the surrounding land uses while also providing an opportunity to create workforce housing for the Victory Logistics district less than 2 miles away.

3) Public notice was given, and a public hearing held per the requirements of Nevada Revised Statutes and Fernley Development Code.

Response: The Applicant acknowledges that public notice and a public hearing are required per the development code and Nevada Revised Statutes and ensures that these actions will be carried out as part of the project process.

ZONING MAP AMENDMENT FINDINGS FOR APPROVAL

Pursuant to the City of Fernley Municipal Code Section 32.03.040(e)(6) *Findings for approval*, a zoning map amendment may be approved if it is:

1) Consistent with the city’s Master Plan and otherwise consistent with state and federal law.

Response: SF6 is one of five zoning districts allowed in the Single Family Residential (SFR) Master Plan designation. The current RR1 is not a compatible zoning district for SFR. MDR14, proposed in the northern 15.5 acres of the site, is compatible with the proposed Mixed Residential (MR) Master Plan designation, requiring a Master Plan Amendment (included with this request). The proposed zoning in the 15.5-acre portion of the site would facilitate future development of the site with medium-density residential options, which is compatible with surrounding development and aligns with the existing adjacent commercial parcels, and would support future employment less than 2 miles away.

As described in the Master Plan, the MR land use category should include a mix of housing options and densities, have access to municipal services, and be located in an area within walking distance to services and amenities. The proposed zoning map amendment will expand the potential options of housing types the site could be developed with. The site will have access to existing municipal services and be in an ideal location for access to nearby businesses and services. Additionally, the zoning map amendment would promote development of a currently vacant infill site in an area near a recently approved employment center (Victory Logistics).

Below is an analysis of how the proposed zoning map amendment will further the goals and policies of the City of Fernley adopted Master Plan.

Applicable Master Plan Policies

HP.1.2 *Encourage housing that supports sustainable development patterns by promoting the efficient use of land, conservation of natural resources, easy access to services and public facilities such as parks, and resource efficient design and construction.*

Comment: The subject parcel is currently vacant and surrounded by existing subdivisions and future commercial development. Existing infrastructure for utilities is in close proximity and connections will be easily accessible. The Zoning Map Amendment request would promote a density compatible with the Master Plan and support expanded housing options for residents.

LU.1.1 *Encourage new development in areas where adequate public services and facilities can be provided efficiently.*

Comment:

Sewer, Water, and Utilities

Main utilities including sewer and water are provided by the City of Fernley and connections are located near the subject parcel. There is adequate capacity for utilities to support future development of the site. A future project would provide all necessary backbone infrastructure and utility connections.

Schools

The closest schools to the subject parcels are East Valley Elementary School, located approximately 2 miles east, and Silverland Middle School, located less than 2 miles west of the site. Fernley High School is located approximately 3.5 miles west. According to the Lyon County School District’s 2016 Facilities Plan, all the Fernley schools are currently under capacity and are planned to be within adequate utilization through 2025, with the exception of one elementary school. The School District’s 10-year capital program identifies a new elementary school that is planned to be built in the next 4 to 6 years, which would

address elementary school capacity. A future project would provide additional tax benefits for the school district.

Police & Fire

Police protection is provided by the Lyon County Sheriff's office. Fire protection is provided by the North Lyon County Fire Protection District Station 62, located less than ¼ mile east of the parcel. The subject site is located in a developed area near existing development that is already served by these agencies.

Parks/Recreation

The subject property is located approximately 550 feet north of Autumn Winds Park and less than one mile west of the Fernley Golf Club. A future project would incorporate recreational opportunities and connections to existing parks and pedestrian amenities.

LU.1.2 *Encourage new development to be in accordance with the Comprehensive Master Plan land use category.*

Comment: The current RR1 zoning of the subject parcel is not in conformance with the current Master Plan designation of Single Family Residential (SFR) or the proposed Master Plan designation of Mixed Residential (MR) on the northern 15.5-acre portion of the property. The proposed 68.4 acres of SF6 zoning designation is compatible with the existing SFR Master Plan designation. The proposed 15.5 acres of MDR-14 would be compatible with the proposed Master Plan designation of Mixed Residential (MR). This zoning amendment to MDR14 and SF6 will bring the property into conformance with the existing and proposed Master Plan designations on the site and will help support the overarching goals and policies of the Comprehensive Master Plan.

LU.1.5 *Promote infill development.*

Comment: The subject parcel is an infill site surrounded by existing and planned residences and commercial development as well as existing infrastructure and services. The proposed Zoning Map Amendment would be compatible with the surrounding area and would encourage infill development which would support growth and diversity of housing options. The proposed Master Plan and Zoning Map Amendments will also support the already approved Victory Logistics employment center, less than 2 miles from the subject site, with workforce housing options.

2) Consistent with the surrounding land uses.

Response: The proposed zoning designations of SF6 and MDR14 encourage a mix of housing types consistent with the adopted Master Plan. The mid-range density of MDR14 would be a compatible land use with various residential districts and commercial uses making this designation an ideal transition between commercial and more traditional single family uses. There are plenty of examples where a range of density exists along Farm District Road, and recent code updates provide specific adjacency standards to existing subdivisions to encourage better compatibility between densities. The proposed amendments will continue the single family residential while keeping the higher dense MDR14 closer to the existing commercial area along US 50. Below is a compatibility analysis of the surrounding area:

NORTH – Vacant commercial land adjacent to US Highway 50 and a Bureau of Reclamation Parcel which is in process of being acquired by the City of Fernley. Properties to the north have Master Plan designations of Commercial (C) and Open Space & Parks (OSP), which allow for a variety of commercial uses and community/regional parks, respectively. MDR14 and SF6 zoning would be compatible and provide additional customers for the commercial retail uses through the introduction of new housing types and densities. Victory Logistics employment center is less than 2 miles northwest of the subject site and will require housing for their future employees. This employment center is approved and underway.

SOUTH – Existing subdivision with SFR land use designation. Existing residential development to the south has similar lot sizes and provides a transition between SFR parcels and lower-density Rural Residential (RR) parcels located further south. A future project would have to meet code requirements for adjacency providing buffers or lot width matching, and possibly limitations on number of stories.

EAST – Existing Country Ranch 2 subdivision with SFR land use designation and compatible residential development. A future project would have to meet code requirements for adjacency providing buffers or lot width matching, and possibly limitations on number of stories.

WEST – Existing Country Ranch Estates subdivision with SFR land use designation and compatible residential development. A future project would have to meet code requirements for adjacency providing buffers or lot width matching, and possibly limitations on number of stories.

3) Public notice was given, and a public hearing held per the requirement of the development code and Nevada Revised Statutes.

Response: The Applicant acknowledges that public notice and a public hearing are required per the development code and Nevada Revised Statutes and ensures that these actions will be carried out as part of the project process.

CITY OF FERNLEY
RESOLUTION # 22-018

A RESOLUTION OF THE CITY OF FERNLEY FOR A COMPREHENSIVE MASTER PLAN AMENDMENT, ASSOCIATED WITH CASE NUMBER MPA22003, TO CHANGE THE LAND USE ON A ±15.5-ACRE PORTION OF THE ±83.9-ACRE PROJECT SITE FROM SINGLE FAMILY RESIDENTIAL (SFR) TO MIXED RESIDENTIAL (MR) GENERALLY LOCATED NORTH OF FARM DISTRICT ROAD AT THE INTERSECTION OF CLEARWATER PARKWAY. (APN: 021-341-18)

WHEREAS, the 2018 Fernley Comprehensive Plan was adopted by Resolution of the Planning Commission on August 8, 2018, and by the City Council on August 15, 2018; and

WHEREAS the proposed Master Plan Amendment would implement Goals HP.1.1, HP.1.2, HP.1.3, HP.1.6, LU.1.1, and LU.1.5 of the City of Fernley Comprehensive Master Plan.

NOW, THEREFORE, BE IT RESOLVED, that based on the discussion and findings provided in the staff report and/or testimony presented at the December 21st, 2022 public hearing, that the change in the land use classification of a ±15.5-acre portion of the ±83.9-acre project site from Single Family Residential (SFR) to Mixed Residential (MR) generally located north of Farm District Road at the intersection of Clearwater Parkway (APN: 021-341-18) be adopted as part of the City of Fernley's Comprehensive Master Plan.

RESOLUTION CERTIFIED this 21st day of December 2022, by the following vote of the Fernley City Council:

AYES: _____ NAYS: _____ ABSTENTIONS: _____ ABSENT: _____

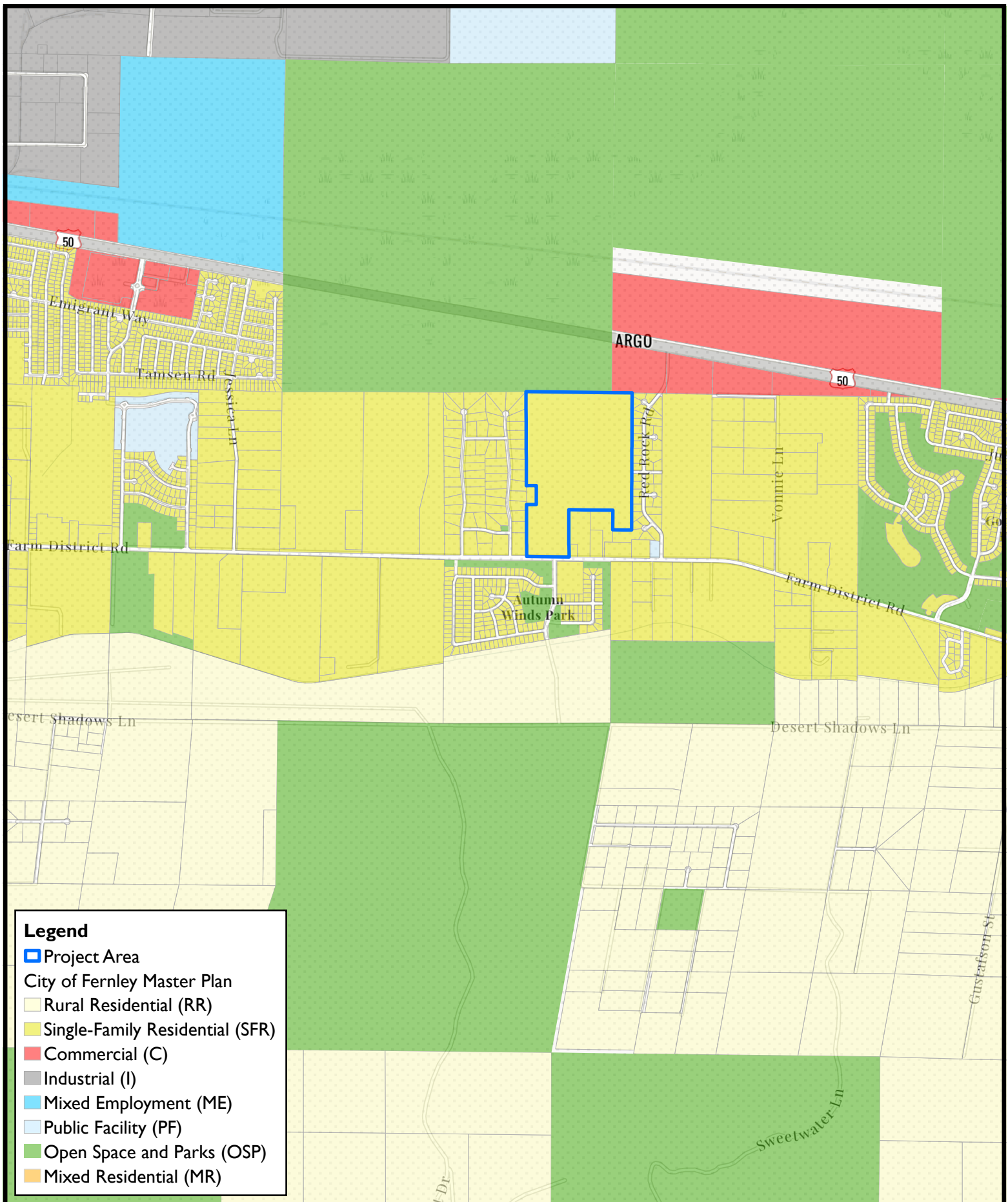
FERNLEY CITY COUNCIL

By: _____
Neil McIntyre, Mayor

Date: _____

Attest By: _____
Kim Swanson, City Clerk

Date: _____



Legend

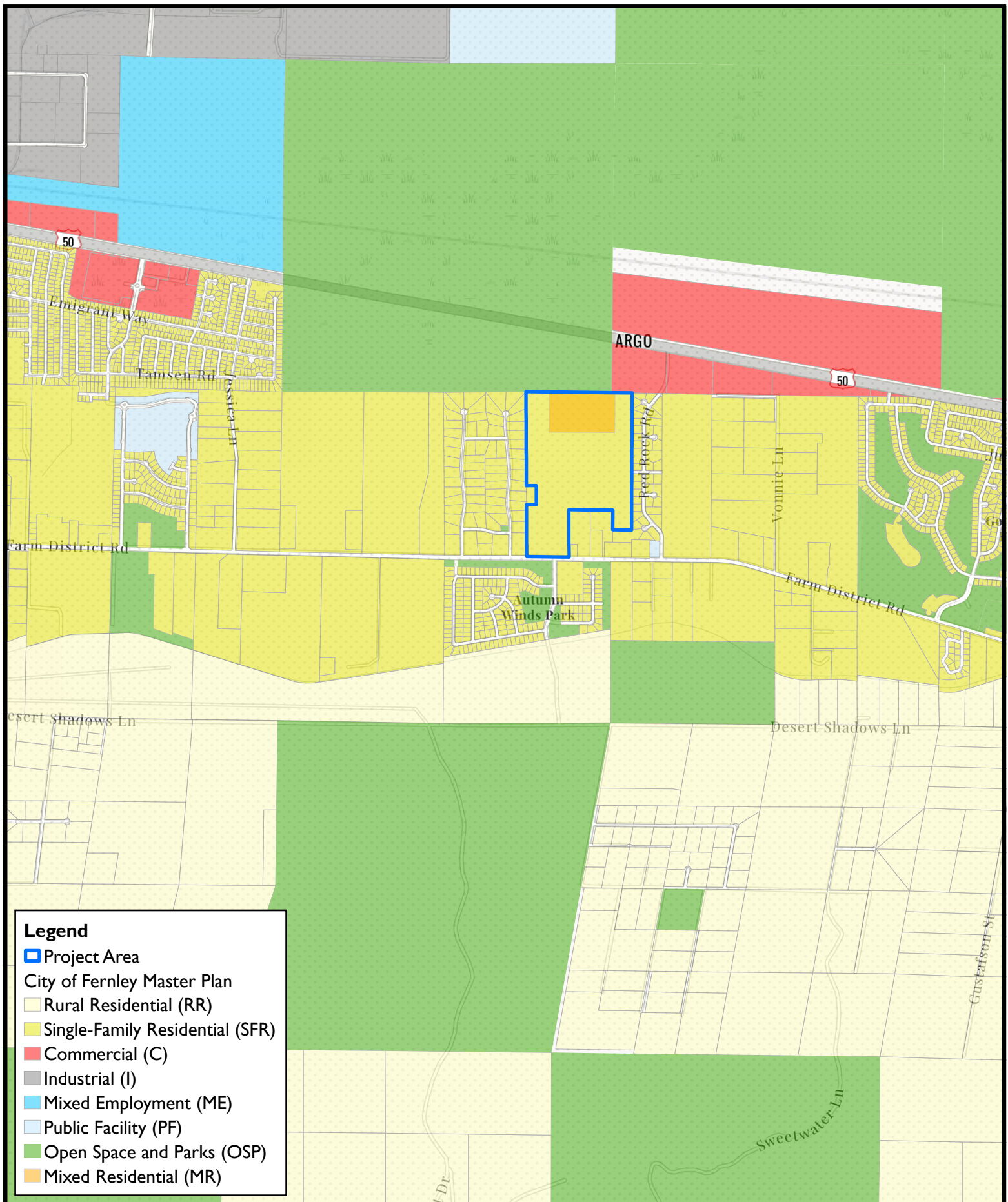
- Project Area
- City of Fernley Master Plan
- Rural Residential (RR)
- Single-Family Residential (SFR)
- Commercial (C)
- Industrial (I)
- Mixed Employment (ME)
- Public Facility (PF)
- Open Space and Parks (OSP)
- Mixed Residential (MR)

Existing Master Plan

Clements Ranch Property ZMA/MPA
July 2022



WOOD RODGERS
 BUILDING RELATIONSHIPS ONE PROJECT AT A TIME
 1361 Corporate Boulevard Tel: 775.823.4068
 Reno, NV 89502 Fax: 775.823.4066



Legend

- Project Area
- City of Fernley Master Plan
- Rural Residential (RR)
- Single-Family Residential (SFR)
- Commercial (C)
- Industrial (I)
- Mixed Employment (ME)
- Public Facility (PF)
- Open Space and Parks (OSP)
- Mixed Residential (MR)

Proposed Master Plan

Clements Ranch Property ZMA/MPA

July 2022



WOOD RODGERS

BUILDING RELATIONSHIPS ONE PROJECT AT A TIME

1361 Corporate Boulevard
Reno, NV 89502

Tel: 775.823.4068
Fax: 775.823.4066

When recorded, mail to:
City Clerk
City of Fernley
595 Silver Lace Boulevard
Fernley, NV 89408

BILL # 318
CITY OF FERNLEY
ORDINANCE # _____

A GENERAL ORDINANCE FOR A ZONING MAP AMENDMENT, ASSOCIATED WITH ZMA22008, TO CHANGE THE ZONING ON A ±68.4-ACRE PORTION OF ASSESSOR'S PARCEL NUMBER (APN) 021-341-18, GENERALLY LOCATED NORTH OF FARM DISTRICT ROAD AT THE INTERSECTION OF CLEARWATER PARKWAY, FROM RR1 (RESIDENTIAL RURAL, 1 ACRE) TO SF6 (SINGLE-FAMILY, 6,000 SQUARE FEET) AND TO CHANGE A ±15.5-ACRE PORTION OF THE SAME APN FROM RR1 TO MDR14 (MEDIUM DENSITY RESIDENTIAL, 14 DWELLING UNITS PER ACRE) AND OTHER MATTERS PROPERLY RELATING THERETO.

THE CITY COUNCIL OF THE CITY OF FERNLEY, hereinafter "the Council", DO HEREBY ORDAIN:

Section 1: The zoning of property described in Exhibit "A", which is attached hereto and incorporated herein by reference, situated in the City of Fernley, County of Lyon, State of Nevada, is hereby changed from RR1 (Residential Rural, 1 Acre) to ±68.4-acres of SF6 (Single-family, 6,000 square feet) and ±15.5-acres of MDR14 (Medium Density Residential, 14 dwelling units per acre), on a site approximately ±83.9-acres in size and generally located north of Farm District Road at the intersection of Clearwater Parkway in Fernley, NV (APN: 021-341-18).

SECTION 2: The zoning map of the City of Fernley is hereby amended in accordance with the zoning map amendment herein.

SECTION 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 4: The City Clerk is instructed and authorized to publish the title to this ordinance as provided by law and to record the plan certified herein as provided by law.

SECTION 5: This ordinance shall become effective upon passage, approval, and publication.

SECTION 6: The provisions of this ordinance shall be liberally construed to effectively carry out its purposes in the interest of public health, safety, welfare and convenience.

SECTION 7: If any subsection, phrase, sentence or portion of this section is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions.

SECTION 8: The City Council finds that this ordinance is not likely to impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business, or is otherwise exempt from Nevada Revised Statutes Chapter 237.

BILL # 318 BEING HEREBY PROPOSED on this 19th day of October 2022.

BILL # 318 BEING HEREBY PASSED, APPROVED and ADOPTED this 21st day of December 2022, by the following vote of the Council:

Ayes: _____ Nays: _____ Abstentions: _____ Absent: _____

FERNLEY CITY COUNCIL

By: _____
Neal McIntyre, Mayor

Date: _____

Attest By: _____
Kim Swanson, City Clerk

Date: _____

**LEGAL DESCRIPTION
FOR
ZONING MAP AMENDMENT**

All that certain real property situate within a portion of the Northeast One-Quarter (NE 1/4) of Section Twenty-One (21) and a portion of the Northwest One-Quarter(NW 1/4) of Section Twenty-Two (22), Township Twenty (20) North, Range Twenty-Five (25) East, Mount Diablo Meridian, City of Fernley, County of Lyon, State of Nevada, being a portion of Parcel 2-A as shown on the Parcel Map for "Clements Ranching, LLC, recorded on December 8, 2017, as File No. 573596, filed in the Official Records of Lyon County, Nevada, and being more particularly described as follows:

BEGINNING at the Northwest corner of said Parcel 2-A, from which the North One-Quarter (N 1/4) corner of said Section Twenty-One (21) being marked by a 2 1/2" G.L.O. brass cap, bears North 89°41'03" West a distance of 1324.08 feet;

THENCE along the North line of said Section Twenty-One (21), South 89°41'03" East a distance of 327.64 feet;

THENCE departing said North line, South 00°24'04" West a distance of 641.86 feet;

THENCE South 89°45'51" East a distance of 1052.88 feet;

THENCE North 00°14'09" East a distance of 639.68 feet to the North line of said Section Twenty-Two (22), from which the Northwest corner of said Section Twenty-Two (22) being marked by a 2 1/2" G.L.O. brass cap, bears North 88°57'02" a distance of 55.21 feet;

THENCE along said North Line of said Section Twenty-Two (22), South 88°57'02" East a distance of 273.94 feet to the Northeast corner of said Parcel 2-A;

THENCE along the East line of said Parcel 2-A, South 00°12'46" West a distance of 2195.70 feet to the Southeast corner of said Parcel 2-A;

THENCE along the South line of said Parcel 2-A the following five (5) courses and distances:

1. North 89°22'53" West a distance of 299.60 feet;
2. North 00°14'00" East a distance of 318.31 feet;
3. North 89°22'53" West a distance of 709.07 feet;
4. South 00°37'53" East a distance of 761.17 feet;
5. North 89°22'53" West a distance of 663.69 feet to the Southwest corner of said Parcel 2-A;

THENCE along the East line of said Parcel 2-A the following five (5) courses and distances:

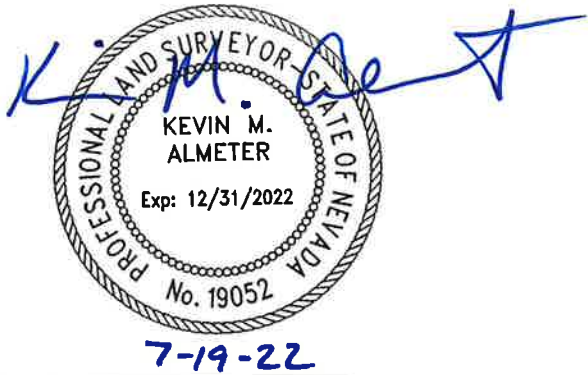
1. North 00°23'45" East a distance of 831.10 feet;
2. South 89°36'15" East a distance of 158.23 feet;
3. North 00°23'45" East a distance of 302.21 feet;
4. North 89°36'15" West a distance of 158.23 feet;
5. North 00°23'45" East a distance of 1500.53 feet to the POINT OF BEGINNING;

**LEGAL DESCRIPTION
FOR
ZONING MAP AMENDMENT**

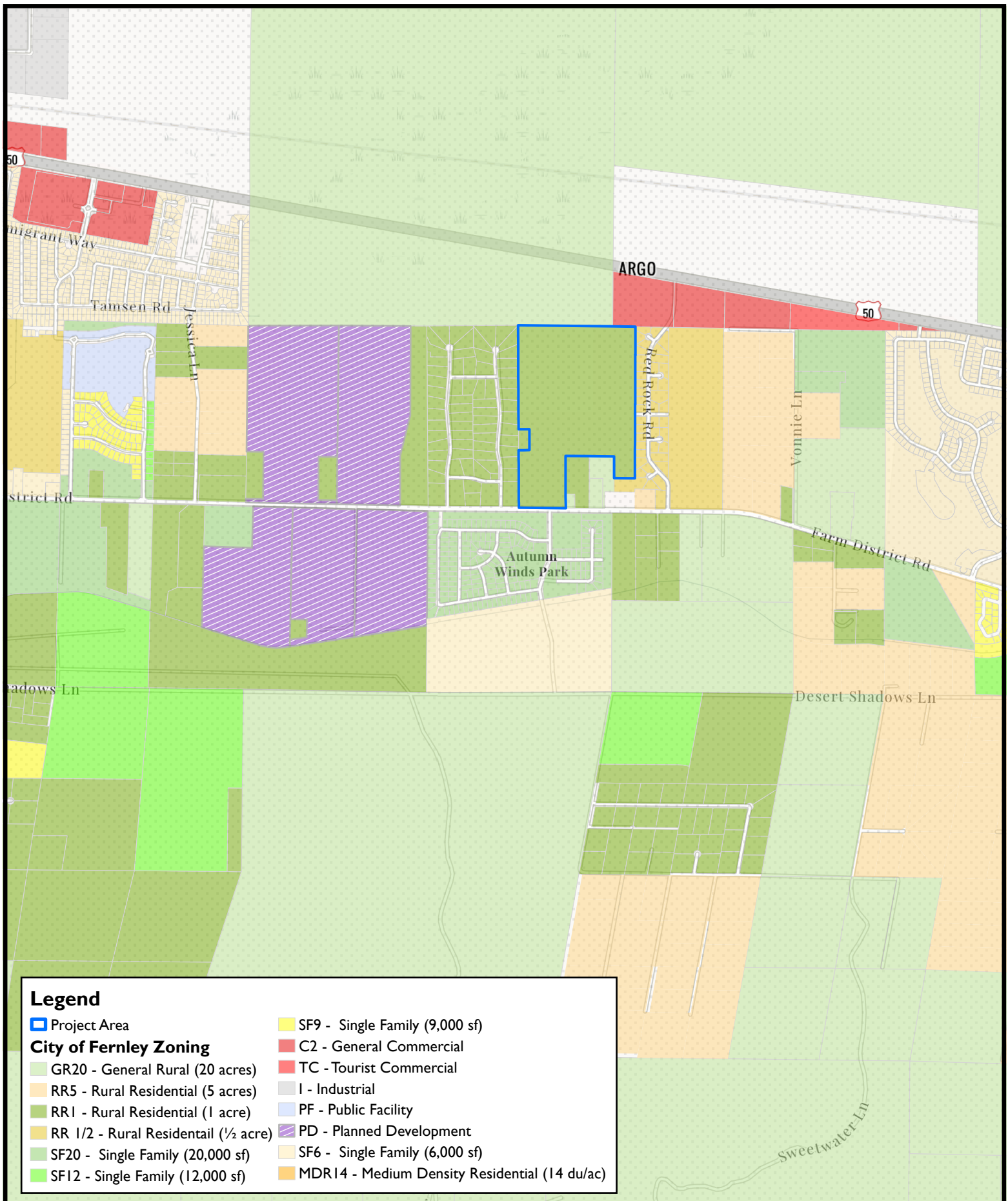
Containing 68.42 acres of land, more or less.

The basis of bearings for this legal description is identical to that as shown on said Parcel Map No. 573596.

Prepared by:
Wood Rodgers, Inc.
1361 Corporate Blvd.
Reno, NV 89502



Kevin M. Almeter P.L.S.
Nevada Certificate No. 19052



Legend

Project Area

City of Fernley Zoning

GR20 - General Rural (20 acres)

RR5 - Rural Residential (5 acres)

RR1 - Rural Residential (1 acre)

RR 1/2 - Rural Residential (1/2 acre)

SF20 - Single Family (20,000 sf)

SF12 - Single Family (12,000 sf)

SF9 - Single Family (9,000 sf)

C2 - General Commercial

TC - Tourist Commercial

I - Industrial

PF - Public Facility

PD - Planned Development

SF6 - Single Family (6,000 sf)

MDR14 - Medium Density Residential (14 du/ac)

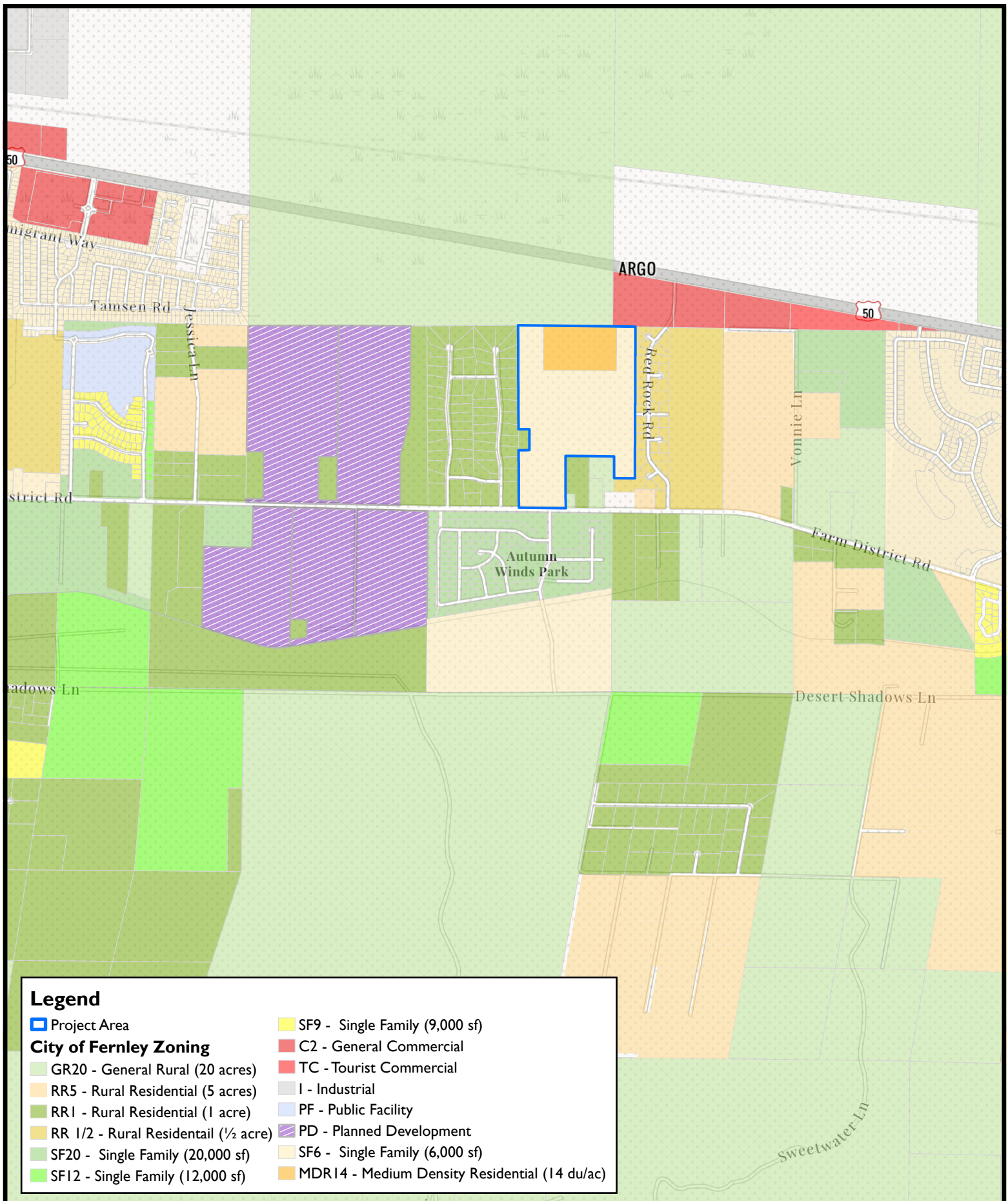


Existing Zoning

Clements Ranch Property ZMA/MPA

July 2022

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 Reno, NV 89502 Fax: 775.823.4066



Legend

 Project Area

City of Fernley Zoning

GR20 - General Rural (20 acres)

RR5 - Rural Residential (5 acres)

RR1 - Rural Residential (1 acre)

RR 1/2 - Rural Residential (1/2 acre)

SF20 - Single Family (20,000 sf)

SF12 - Single Family (12,000 sf)

SF9 - Single Family (9,000 sf)

C2 - General Commercial

TC - Tourist Commercial

I - Industrial

PF - Public Facility

PD - Planned Development

SF6 - Single Family (6,000 sf)

MDR14 - Medium Density Residential (14 du/ac)



Proposed Zoning

Clements Ranch Property ZMA/MPA

July 2022

WOOD RODGERS
 BUILDING RELATIONSHIPS ONE PROJECT AT A TIME
 1361 Corporate Boulevard Tel: 775.823.4068
 Reno, NV 89502 Fax: 775.823.4066

EXECUTIVE SUMMARY

Project Name:	Clements Ranch Development Agreement
Site Location:	±83.9-acre parcel located at O Farm District Road north of the intersection of Farm District Road and Clearwater Parkway in Fernley, NV.
APN Numbers:	021-341-18
Applicant:	Clements Ranching LLC
Applicant's Representative:	Wood Rodgers, Inc.; Attention: Derek Kirkland, AICP
Owner:	Clements Ranching LLC
Proposed Action:	This is a request for a Development Agreement associated with Master Plan Map Amendment – MPA22003 and Zoning Map Amendment – ZMA22008 on APN 021-341-18 (±83.9 acres).
Current Land Use Classification:	±83.9-acre SFR
Proposed Land Use Classification:	±68.4-acres SFR / ±15.5 acres MR
Current Zoning:	Rural Residential 1 acre (RR1)
Proposed Zoning:	±68.4-acres SF6 / ±15.5-acres MDR14
Flood Zone Designation:	Zone X
Gross Site Area	±83.9 acres

Adjacent Land Use and Zoning		
Adjacent Properties	Current Zoning District	Comprehensive Plan Land Use Designation
North Vacant Commercial Land / US 50 / Bureau of Reclamation Parcel in process to be acquired by the City of Fernley	C2/R20	C/OSP
West Existing Subdivision	RR1	SFR
East Existing Subdivision	RR 1/2	SFR
South Existing Subdivision	SF20	SFR

ANALYSIS

Background

A Master Plan Map Amendment (MPA22003) and Zoning Map Amendment (ZMA22008) were submitted to the City of Fernley on July 19, 2022 for the Clements Ranch Property (APN 021-341-18). The Applicant is proposing certain buffering standards along the east and west property lines adjacent to the existing subdivisions. As a master plan and zoning map amendment cannot be conditioned the Applicant is proposing a Development Agreement to provide assurance that the buffering standards can be enforced going forward.

Justification for Request

As part of a Master Plan Map Amendment (MPA22003) and Zoning Map Amendment (ZMA22008) recently submitted to the City of Fernley, the Applicant has proposed certain buffering standards along the west and east property boundary of the subject parcel. These proposed buffering standards are outlined as followed and are included in the attached Development Agreement:

- 1. Minimum 0.40 acre lots with lot width matching, and future houses limited to single story along the western boundary.**
- 2. Minimum 14,000 square foot Lots with lot width matching, and future houses limited to single story along the eastern boundary and APN 021-341-13.**
- 3. The Clements Ranch Property will be limited to 400 units.**

These proposed standards are consistent with the Development Code for Adjacency (Section 32.09.030(D)), and will provide further protections for existing residences along the eastern and western boundary where the SF6 zoning is proposed.

Development Agreement Findings

- 1) The proposed development agreement conforms to the maps and policies of the master plan.**

Response: The proposed development agreement is associated with a Master Plan Map Amendment (MPA22003) and Zoning Map Amendment (ZMA22008) for APN 021-341-18. The proposed development agreement puts in writing the buffering standards that will be required for any future development along the western and eastern boundaries adjacent to existing subdivisions. The proposed Master Plan and Zoning Map Amendments are consistent with the goals and policies of both the City's Master Plan and Strategic Plan to address growth in the region. The proposed development agreement supports those requests while providing adequate buffering as outlined in the City of Fernley Development Code for Adjacency (Section 32.09.030(D)).

The proposed ±68.4 acres of SF6 zoning is consistent with the current Master Plan designation of Single Family Residential (SFR). The proposed development agreement ensures the proposed zoning will remain compatible with the surrounding area. The proposed SF6 zoning and this development agreement also provide a buffer between the existing subdivisions and the proposed Master Plan Amendment to change ±15.5 acres (±18%) of the subject parcel from SFR to MR adjacent to existing commercial along US 50 would help meet several of the goals identified in the City's Master Plan, which are outlined below.

The latest Master Plan update anticipated growth of the region, and since its adoption growth in new industry and jobs for Fernley has steadily increased resulting in demand for more housing. The proposed Master Plan Amendment provides a mix of housing opportunities close to the source of future employment. The Victory Logistics employment center is less than 2 miles from the subject parcel and is slated to bring 10 million square feet of industrial along with over 10,000 jobs within their first phase currently underway (Northern Nevada Business Weekly <https://www.nnbw.com/news/2021/jul/27/playing-long-game-massive-fernley-development-sets/>).

The proposed change to the Master Plan supports the anticipated growth in the area, continues to support the goals and policies of the Master Plan, and provides opportunity for additional workforce housing less than 2 miles away. The location of the proposed change is ideal seeing the subject area is adjacent to existing commercial and can be adequately buffered from existing residential areas.

Applicable Master Plan Policies

HP.1.1: Enhance Fernley's vitality as a community by providing a variety of housing types, density and costs that accommodate the needs, desires, and financial abilities of the current and future households.

Comment: The proposed development provides a variety of housing densities, lot sizes, and cost options. Single-family attached options in the northern portion of the parcel will offer townhomes, duplexes, or triplexes, and the remainder of the site will be developed with single-family detached lots at 6,000 square feet, 14,000 square feet, and 0.40 acre lot sizes. This will offer a variety of sizes and housing cost options to the area, addressing the growing need for housing in Fernley.

HP.1.2 Encourage housing that supports sustainable development patterns by promoting the efficient use of land, conservation of natural resources, easy access to services and public facilities such as parks, and resource efficient design and construction.

Comment: The subject parcels are within an area near existing infrastructure and close to US 50, which is an area of Fernley proposed for redevelopment. Main sewer and water infrastructure are available adjacent to the subject site north of the parcel and within Red Rock Rd. The subject parcel is surrounded by existing development with a future commercial center located to the north. The proposed MR would provide workforce housing opportunities for the adjacent employment center (Victory Logistics) while also providing higher density to support the future commercial which remains undeveloped today. There is an existing connection to US 50 via Red Rock Rd and a planned US 50 connection further west through the Friendly 5 planned community currently under construction. It is anticipated that a future project would provide addition connection opportunities though a main collector road from Farm District through the subject parcel to the northern connection points.

HP.1.3 Strive for viable mixed income neighborhoods throughout Fernley that collectively reflect the diversity of housing types and tenure (rental and ownership).

Comment: The range of housing options and lot sizes proposed in this project will equate to a variety of cost options, promoting a mixed income neighborhood on the site which will blend well with surrounding development. Single-family attached homes in the ±15.5 acres of proposed MDR14 zoning would introduce affordable housing options to the city and promote

efficient use of existing infrastructure, utilities, and services. This could effectively spur further redevelopment efforts and attract new residents to the city.

HP.1.6 *Provide a spectrum of high-quality housing to meet the City's need.*

Comment: Given the new large scale industrial projects that have been recently approved in Fernley and the surrounding area the City of Fernley is expected to see increased population and employment over the next 20 years. The largest industrial development in Fernley, Victory Logistics, sits less than 2 miles away with an anticipated employment generation of over 10,000 people in phase 1. The housing options proposed on the subject parcel will introduce multiple high-quality options at different price points, addressing the City's growing need.

LU.1.1 *Encourage new development in areas where adequate public services and facilities can be provided efficiently.*

Comment:

Sewer, Water, and Utilities

Most utilities needed to serve the project site are currently available within Farm District Road, which fronts the south boundary of the project site. The City operates an 18-inch-diameter water main on the south side of Farm District Road, and dry utilities (natural gas, power, communications, cable TV) are available on the north side of the highway. Additionally, these utilities are also available on the Quick Cal Way street stub to the east (i.e., off Red Rock Road).

City sewer services are not currently stubbed to the project site, but a sewer connection is available on the Quick Cal Way street stub to the east. This connection could serve a portion of the southern part of the project site. For the north half of the site, arrangements would have to be made to route the sewer main(s) across property owned by third parties to connect to the City's sewer network. Available options are the existing sewer main in Red Rock Road from the northeast corner of the site and/or across public lands (Bureau of Reclamation) from the northwest project corner to the 10-inch sewer main extending from the Friendly 5 Ranch subdivision, located approximately 0.5 miles (2,600 feet) to the west.

Southwest Gas and NV Energy will provide gas and electrical service, respectively, to new development at the project site. Telephone service will be provided by AT&T and cable television will be from Charter Communications.

There is adequate capacity for utilities to support future development. A future project would provide all necessary backbone infrastructure and utility connections.

Schools

The closest schools to the subject parcels are East Valley Elementary School, located approximately 2 miles east, and Silverland Middle School, located less than 2 miles west of the site. Fernley High School is located approximately 3.5 miles west. According to the Lyon County School District's 2016 Facilities Plan, all the Fernley schools are currently under capacity and are planned to be within adequate utilization through 2025, with the exception of one elementary school. The School District's 10-year capital program identifies a new elementary school that is planned to be built in the next 4 to 6 years, which would address elementary school capacity. A future project would provide additional tax benefits for the school district.

Police & Fire

Police protection is provided by the Lyon County Sheriff's office. Fire protection is provided by the North Lyon County Fire Protection District Station 62, located less than ¼ mile east of the parcel. The subject site is located in a developed area near existing development that is already served by these agencies.

Parks/Recreation

The subject property is located approximately 550 feet north of Autumn Winds Park and less than one mile west of the Fernley Golf Club. A future project would incorporate recreational opportunities and connections to existing parks and pedestrian amenities.

LU.1.5 Promote infill development.

Comment: The subject parcel is an infill site surrounded by existing subdivisions and planned commercial development along US 50 as well as existing infrastructure and services. The proposed Master Plan Amendment provides workforce housing opportunities adjacent to existing commercial properties and is adequately buffered from the existing subdivisions and therefore would be compatible with the surrounding area. The MR designation would provide workforce housing opportunities for the proposed Victory Logistics employment center less than 2 miles away with direct connectivity to US 50.

2) The proposed development agreement complies with the requirements of NRS.

Response: The City is authorized, pursuant to NRS 278.0201 through 278.0207, inclusive, and Code §32.03.100(a), to enter into binding development agreements with any person having a legal or equitable interest in land concerning the development of that land—such as an agreement to determine proper application of the Adjacency Rule to particular property—provided that such agreement is consistent with the City of Fernley Comprehensive Master Plan August 2018.

3) The proposed development agreement is consistent with this development code and all other applicable codes and ordinances.

Response: The proposed development agreement sets forth buffering standards that meet or exceed the development code (Section 32.09.030(D)) for future development within the proposed SF6 zoning designations within the subject parcels.

- 4) **The proposed development agreement will not be detrimental to or cause adverse effects to adjacent property owners, residents, or the general public, and conditions must be included to address the completion or phasing of improvements as well as provisions to address abandonment of the project. Conditions and assurance measures shall address dust control, vandalism, weed control, traffic, community blight, safety and maintenance issues resulting in the case of partial development or abandonment. All such conditions and assurance measures shall match the duration of the development agreement.**

Response: This proposed development agreement has been designed to reduce and mitigate any effects to adjacent residents and property owners. Any conditions agreed upon with the applicant and the governing bodies will be integrated into future development plans as required by this development agreement.

- 5) **The proposed development agreement provides clear and substantial benefit to the residents of the city.**

Response: This proposed development agreement provides buffering standards that exceed the development code requirements for adjacency (Section 32.09.030(D)) for the proposed SF6 zoning designations along western and eastern property boundary and adjacent to APN 021-341-13. These buffering standards will provide a benefit for residents of the City adjacent to these areas and ensure the standards are met with any future development within the SF6 zoning designations within the subject parcel.

When recorded, mail to:
City Clerk
City of Fernley
595 Silver Lace Boulevard
Fernley, NV 89408

**BILL # 320
CITY OF FERNLEY
ORDINANCE # _____**

A GENERAL ORDINANCE AUTHORIZING THE CITY OF FERNLEY TO ENTER INTO A DEVELOPMENT AGREEMENT (DA22003) WITH CLEMENTS RANCHING, LLC, TO GUARANTEE SPECIFIC DEVELOPMENT STANDARDS ON A SITE APPROXIMATELY 83.90-ACRES IN SIZE AND GENERALLY LOCATED NORTH OF FARM DISTRICT ROAD AT THE INTERSECTION OF CLEARWATER PARKWAY IN FERNLEY, NV (APN: 021-341-18) AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO.

THE CITY COUNCIL OF THE CITY OF FERNLEY, hereinafter "the Council", DO HEREBY ORDAIN:

Based on the provisions set forth in Nevada Revised Statutes and the City of Fernley Municipal Code, the Council does hereby authorize the City of Fernley to enter into a development agreement with Clements Ranching, LLC, as attached.

The development agreement involves future development on the aforementioned parcel. The purpose of this development agreement is to memorialize specific requirements which would satisfy the development standards as set forth in §32.09 of the Fernley Municipal Code.

BILL # 320 BEING HEREBY PROPOSED on this 7th day of December 2022.

BILL # 320 BEING HEREBY PASSED, APPROVED and ADOPTED this 21st day of December 2022, by the following vote of the Council:

Ayes: _____ Nays: _____ Abstentions: _____ Absent: _____

FERNLEY CITY COUNCIL

By: _____ Date: _____
Neil McIntyre, Mayor

Attest By: _____ Date: _____
Kim Swanson, City Clerk

When recorded, mail to:
City Clerk
City of Fernley
595 Silver Lace Boulevard
Fernley, NV 89408

DEVELOPMENT AGREEMENT

ARTICLE 1. PARTIES, DEFINITIONS AND PROPERTY DESCRIPTIONS.

This Development Agreement (“**Agreement**”) is by and between:

“Developer” **Clements Ranching, LLC,**
a Nevada limited liability company
3000 Farm District Road
Fernley, NV 89408
Email: mattpclements@gmail.com

“City” **City of Fernley,**
a Nevada municipal corporation
595 Silver Lace Boulevard
Fernley, NV 89408
Email: laltick@cityoffernley.org

Key definitions in this Agreement are:

“Affiliate” means an entity, partnership or corporation which Developer controls, or in which Developer has a controlling interest or which controls Developer. For purposes of this definition, “control” when used with respect to any entity, means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, partnership interests, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Approvals” means the zoning, land use, and mapping approvals and authorizations relating to the Project Property, together with applicable conditions, as granted by the City through the normal approval process. This includes MPA22003, ZMA22008, and any future entitlements requested and/or required for the Project.

“Building Permit” shall mean an official document or certificate issued by the Building Official (as defined in the Code from time-to-time) authorizing the construction of a residence or commercial building within the Project Property. This includes standard plan permits, model permits and production permits.

“Code” means the City of Fernley Municipal Code, as may be amended from time to time, including all rules, regulations, standards, criteria, manuals and other references adopted therein.

“Project” means the Master Plan Map Amendment (MPA22003) and Zoning Map Amendment (ZMA22008) submitted to the City of Fernley, Nevada (the **“City”**) on July 19, 2022, and any future residential project located on the Project Property.

“Project Property” means that real property consisting of approximately 83.9 acres located in the City of Fernley, County of Lyon, State of Nevada, more particularly described as **Exhibit A** attached hereto, having Lyon County Assessor’s Parcel Number (**“APN”**) 021-341-18.

“Record”, “Recording”, “Recordation”, or “Recorded”: To file, the filing, or filed of record with the Office of the County Recorder of Lyon County, Nevada. The date of Recording shall refer to that time at which a document or map is Recorded.

ARTICLE 2. RECITALS.

- A. Developer is the current owner of the Project Property and anticipates proposing residential development on the Project Property.
- B. On July 19, 2022, Developer submitted applications to the City for a Master Plan Map Amendment and Zoning Map Amendment for the Project Property.
- C. Developer has proposed certain buffering standards along the west and east property boundary of the subject parcel consistent with the City’s Development Code (**“Code”**) standards for adjacency (Code §32.09.030(D)), and a limitation on the total number of units which may be provided.
- D. The City is authorized, pursuant to NRS 278.360, NRS 278.0201 through 278.0207, inclusive, and Code §32.03.100(a), to enter into binding development agreements with any person having a legal or equitable interest in land concerning the development of that land provided that such agreement is consistent with the City of Fernley Comprehensive Master Plan August 2018 (**“Master Plan”**).
- E. The Master Plan includes the following goals:
 - Enhance Fernley’s vitality as a community by providing a variety of housing types, density and costs that accommodate the needs, desires and financial abilities of the current and future households. Master Plan §HP.1.1.
 - Encourage housing that supports sustainable development patterns by promoting the efficient use of land [...and] easy access to services and public facilities[...]. Master Plan §HP.1.2.
 - Strive for viable mixed income neighborhoods throughout Fernley that collectively reflect the diversity of housing types and tenure (rental and ownership). Master Plan §HP.1.3.

- Provide a spectrum of high-quality housing to meet the City's need. §HP1.6.
- Encourage new development in areas where adequate public services and facilities can be provided efficiently. Master Plan §LU.1.1
- Promote infill development. Master Plan §LU.1.5.

F. By entering into this Agreement, the City will ensure the orderly development of the Project in accordance with the Conditions, and consistent with the City's goals set forth in the Master Plan as identified in Recital E above. As such, approval of this Agreement is consistent with the Master Plan, as required by NRS 278.0203 and Code §32.03.100(A)(6)(a).

G. Acknowledging the foregoing, the parties desire to enter into this Agreement to provide for the matters set forth herein.

NOW, THEREFORE, in exchange for mutual considerations, the sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 3. DEVELOPMENT MATTERS.

Section 3.1 Development Standards.

The permitted uses of the Project Property, the density or intensity of its use, the maximum height and size of the proposed buildings, and any dedication of any portion of the Project Property to the City for public use shall be as provided in this Agreement, the Code, and any future Approvals issued by the City for the Project or the Project Property, as the same may hereafter be revised, modified or amended from time to time in accordance with applicable law.

Section 3.2 Limitation.

Except as otherwise provided in this Agreement, the provisions of NRS 278.0201 shall apply to this Agreement to the extent that any rules, regulations, ordinances, laws, and official policies promulgated or enacted after the Effective Date conflict with the terms and conditions of this Agreement or the Approvals. Notwithstanding the foregoing, any development on the Project Property shall be subject to: (i) any rules, regulations, ordinances, laws, and official policies promulgated or enacted after the Effective Date that are not in conflict with Approvals or the terms of this Agreement; (ii) the Building Codes in effect at the time of issuance of the permit for the particular development activity; and (iii) other construction standards applicable to all developers other than Developer if such changes or additional standards are required in order to prevent a condition dangerous to the health or safety of City residents. Nothing in this Agreement shall preclude application of new or changed ordinances, regulations, plans or policies specifically mandated and required by changes in state or federal laws or regulations.

Section 3.3 Standards for Residential Adjacency; Limitation on Number of Dwelling Units.

The City and Developer agree that if the City approves the Master Plan Map Amendment (MPA22003) and Zoning Map Amendment (ZMA22008) submitted by the Developer on July 19, 2022, the Project Property and all future permits and Approvals considered by the City in connection therewith, shall require the following development standards and impose the following development constraints upon the Project Property:

(i) Along the western boundary of the Project Property, residential lots shall provide a minimum 0.40-acre lot area with lot width matching, a 30-foot rear setback, and all residential structures shall be limited to a single story;

(ii) Along the eastern boundary of the Project Property and along the boundary line shared between the Project Property and APN 021-341-13, residential lots shall provide a minimum of 14,000 square feet lot area with lot width matching, a 30-foot rear setback, and all residential structures shall be limited to a single story; and

(iii) The maximum density allowed on the Project Property shall not exceed 400 residential units.

The development standards set forth above shall survive the termination of this Agreement and are deemed a permanent part of the zoning established by ZMA22008. Any development standards not addressed above shall be governed by the Code and any conditions of the Approvals.

Section 3.4 Further Requirements

The Developer acknowledges that further Approvals will be necessary to develop the Project including, but not limited to, tentative and final subdivision maps. All future Approvals required or requested by the Developer in connection with the Project shall be reviewed and considered for approval in accordance with the terms of this Agreement and applicable law.

ARTICLE 4. GENERAL TERMS.

Section 4.1 Effective Date; approved by ordinance.

This Agreement is not effective until it has been approved by ordinance by the City Council for the City of Fernley (“**City Council**”) and Recorded (the date of Recording being referred to herein as the “**Effective Date**”).

Section 4.2 Term; Cancellation.

This Agreement shall continue in full force and effect for 10 years from the Effective Date, unless cancelled or extended in accordance with the terms of NRS 278.0205. A cancellation of this Agreement is not effective or binding until approved by ordinance of the City Council and Recorded in accordance with NRS 278.0205.

Section 4.3 Modifications and Amendments.

Modifications and amendments to this Agreement are not effective or binding until approved by ordinance of the City Council and Recorded in accordance with NRS 278.0205.

Section 4.4 Breach.

A violation of this Agreement by a party shall be a breach of this Agreement by that party if, within 60 days after receipt of notice of such violation delivered in accordance with Section 4.7 below by the non-violating party, the party in violation fails to cure such violation. If the material breach is not corrected within 60-day cure period, the defaulting Party is in default, and the Party alleging material breach may elect any one or more of the following courses:

A. Amendment or Termination by City. After proper notice and the expiration of the above-referenced period for Developer to correct the alleged material breach, the City may give notice of intent to amend or terminate this Agreement as authorized by NRS Chapter 278. Following any such notice of intent to amend or terminate, the matter shall be scheduled and noticed as required by law for consideration and review solely by the City Council. Following consideration of the evidence presented before the City Council and a finding that a material breach has occurred by Developer and remains uncured, City may amend or terminate this Agreement. Developer shall have twenty-five (25) days after receipt of written notice of termination to institute legal action pursuant to this Section.

B. Termination by Developer. In the event City materially defaults under this Agreement, Developer shall have the right to terminate this Agreement after providing notice and an opportunity to cure as set forth in this Section. Developer shall have the option, in its discretion, to maintain this Agreement in effect and seek to enforce all of City's obligations by pursuing an action for specific performance or other appropriate judicial remedy.

Section 4.5 Entire Agreement.

With respect to the matters addressed herein (including the recitals), this Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties.

Section 4.6 Assignments; Transfer of rights.

A. To an Affiliate of Developer. The rights of Developer under this Agreement may be freely transferred or assigned to an Affiliate of Developer provided that such entity shall assume in writing all obligations of Developer hereunder, and provide substitute security in form and amount acceptable to the City for any security previously provided by Developer in compliance with the Code, if any.

B. To a Third Party. If Developer sells or transfers more than fifty percent (50%) of the Project Property to a party other than an Affiliate, Developer shall be relieved of its obligations under this Agreement, provided that such transferee assumes all duties and obligations of Developer then unsatisfied and provides substitute security, in form and amount acceptable to City, for any of Developer's previous obligations for which Developer provided performance security, if any.

C. Transfer Not to Relieve Developer of its Obligation. Except as expressly provided herein, no assignment or transfer of any portion of the Project Property shall relieve Developer of its obligations hereunder as to the portion of the Project Property so assigned or transferred, and such assignment or transfer shall be subject to all of the terms and conditions of this Agreement, provided, however, that no such transferee shall be deemed to be the Developer hereunder unless such transferee expressly assumes such obligations and duties of Developer. This subsection shall have no effect upon the validity of obligations recorded as covenants, conditions, restrictions or liens against parcels of real property.

D. In Connection with Financing Transactions. Developer has full discretion and authority to transfer, assign or encumber the Project Property or portions thereof, in connection with financing transactions, without limitation to the size or nature of any such transaction, the amount of land involved or the use of the proceeds therefrom, and may enter into such transactions at any time and from time to time without permission of or notice to City. All such financing transactions shall be subject to the terms and conditions of this Agreement.

Section 4.7 Notices; when deemed sufficiently given.

A. Formal notices, demands and communications between the City and Developer must be in writing and must be sent to the addresses or facsimile numbers stated in Article 1 above and to each successor or assign of Developer to the address given by such party in writing and if no written notice is given, then to the address stated in subsequent agreements, and/or to any address or number subsequently communicated to the sending party in writing.

B. If notice is sent by registered or certified mail to the correct address, postage prepaid, it will be deemed sufficiently given the earlier of when actually received by the addressee or three business days after it is received by the U.S. Post Office as indicated on the receipt.

C. If notice is sent by courier, or overnight delivery service (Federal Express, UPS Overnight, U.S. Postal Priority Mail), and is properly addressed, it will be deemed sufficiently given when delivered as indicated in the records of the courier or service.

D. If notice is sent by facsimile, properly addressed to the addressee specified in Article 1 above and is actually sent to the correct facsimile number, it will be deemed sufficiently given when receipt is confirmed by either the receiving or sending facsimile machine, provided that that confirmation is in writing and sufficiently identifies the document, and indicates the time and date that the document was received by the receiving facsimile machine.

Section 4.8 Further documents.

Each party agrees to honor any reasonable requests by the other party to complete, execute, and deliver any document necessary to accomplish the purposes hereof.

Section 4.9 Legal Actions.

The City and Developer agree that they would not have entered into this Agreement if either were to be liable for damages under or with respect to this Agreement that would be greater than without this Agreement. Accordingly, the City and Developer may pursue any course of

action or equity available for breach, except that neither party shall be liable to the other or to any other person for any monetary damages for a breach of this Agreement. If any party hereto institutes any action or proceeding (including arbitration, if authorized or mutually agreed upon) against the other or others arising out of or relating to this Agreement, the prevailing party shall be awarded attorney's fees and costs by the other party.

Section 4.10 Time of Essence.

Time is of the essence in the performance of this Agreement.

Section 4.11 Governing law.

The laws of the State of Nevada, without regard to conflicts of law principles, shall govern the interpretation and enforcement of this Agreement.

Section 4.12 Severability of invalid or unenforceable provisions.

If any provision contained in this Agreement is held to be unenforceable by a court of law or equity, this Agreement shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Agreement unenforceable.

Section 4.13 Binding effect; successors and assigns; assignment/delegation.

This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, and permitted successors and assigns of the parties hereto. To the extent that any assignment of any right under this Agreement changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Agreement, attempts to operate as novation, or includes a waiver or abrogation of any defense to payment by the City, such offending portion of the assignment shall be void, and shall be a breach of this Agreement.

Section 4.14 No third-party beneficiaries intended.

Unless otherwise specifically identified in this Agreement, there are no third-party beneficiaries intended by this Agreement and no third parties have any standing to enforce any of the provisions of this Agreement.

Section 4.15 Representation and warranties by persons who sign this Agreement.

Each person who signs this Agreement represents and warrants to each other person who signs this Agreement that he or she is an authorized agent of and has actual authority to execute this Agreement on behalf of the party for whom he or she is signing, and that all required approvals and actions have been taken to authorize the execution of this Agreement with the intent and effect of binding the party to this Agreement.

Section 4.16 Counterparts.

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original; and such counterparts shall constitute one and the same Agreement. Any signature page of the Agreement may be detached from any counterpart without impairing the legal effect of any signatures, and may be attached to another counterpart identical in form. This Agreement may be executed by signatures provided by facsimile or email, and such signatures shall be as binding and effective as original signatures.

Section 4.17 Construction.

This Agreement is the product of joint collaboration and negotiations among the parties and their counsel. The terms and conditions of this Agreement shall be construed as a whole according to their fair meaning, and not strictly for or against any party. Further, any ambiguities are to be resolved according to their fair meaning, and not construed against the drafting party.

[Signature Pages Follows]

EXECUTED on the dates indicated:

City:

CITY OF FERNLEY,

a Nevada municipal corporation

Dated _____, 2022

By: _____

Name _____

Its: _____

Attest: _____

City Clerk

State of Nevada

County of Lyon

This instrument was acknowledged before me on _____ by
_____ as _____ of City of Fernley, a Nevada
municipal corporation.

(Signature of notarial officer)

(Seal, if any)

Developer:

CLEMENTS RANCHING, LLC
a Nevada limited liability company

Dated _____, 2022

By: _____

Name _____

Its: _____

State of _____
County of _____

This instrument was acknowledged before me on _____ by
_____ as _____ of CLEMENTS RANCHING,
LLC, a Nevada limited liability company.

(Signature of notarial officer)

(Seal, if any)

EXHIBIT A
LEGAL DESCRIPTION

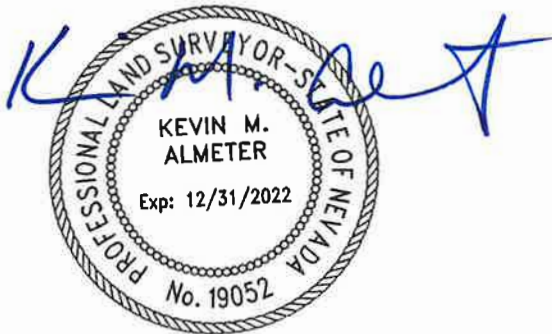
EXHIBIT A
LEGAL DESCRIPTION FOR PROJECT PROPERTY

All that certain real property situate within a portion of the Northeast One-Quarter (NE 1/4) of Section Twenty-One (21) and a portion of the Northwest One-Quarter (NW 1/4) of Section Twenty-Two (22), Township Twenty (20) North, Range Twenty-Five (25) East, Mount Diablo Meridian, City of Fernley, County of Lyon, State of Nevada, and being more particularly described as follows:

BEING Parcel 2-A of the Parcel Map for "Clements Ranching, LLC", recorded on December 8, 2017, as File No. 573596, filed in the Official Records of Lyon County, Nevada.

APN: 021-341-18

Prepared by:
Wood Rodgers, Inc.
1361 Corporate Blvd.
Reno, NV 89502



8-11-22

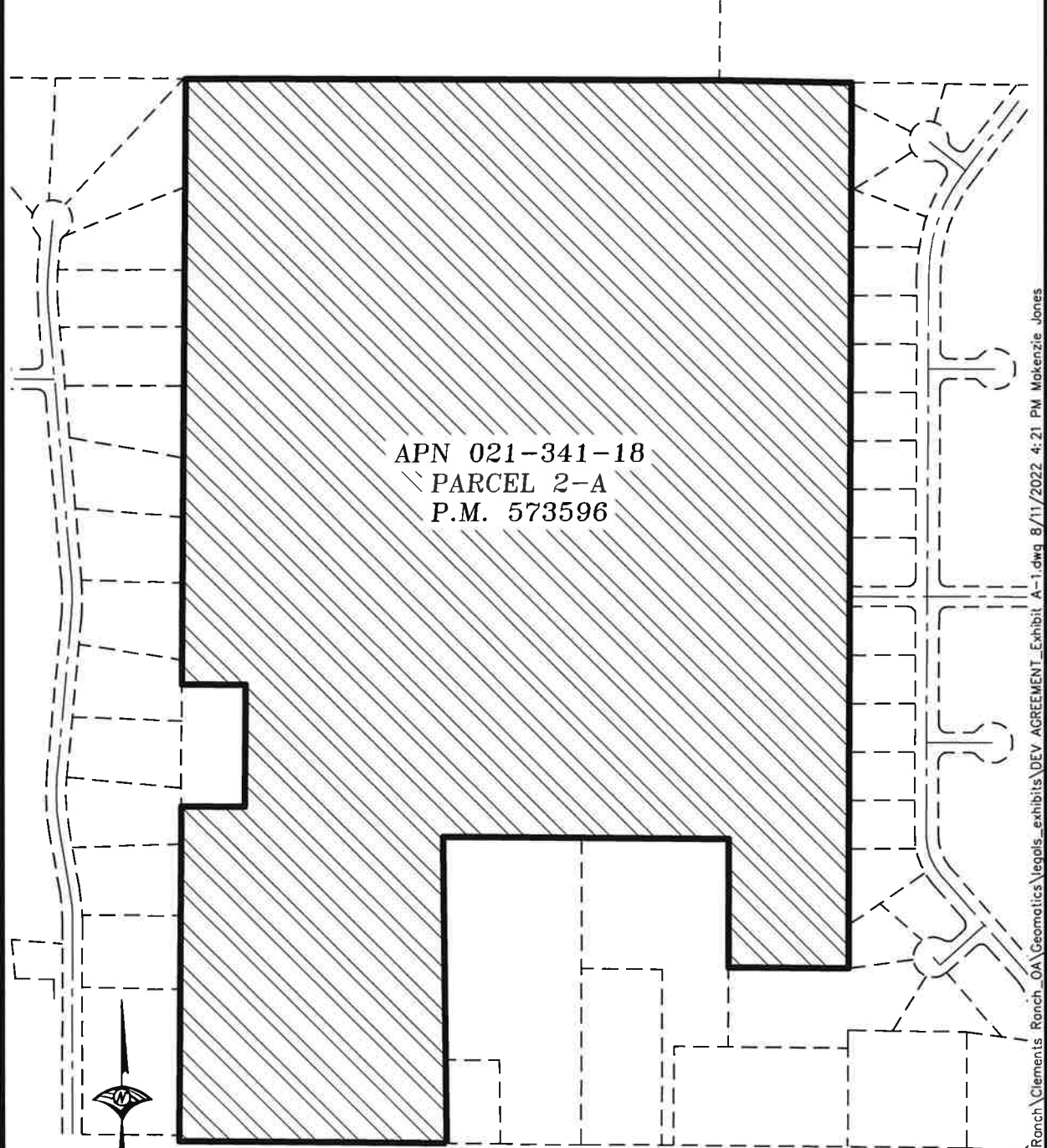
Kevin M. Almeter, P.L.S.
Nevada Certificate No. 19052

EXHIBIT A-1

PLAT TO ACCOMPANY

PROJECT PROPERTY

PORTIONS OF THE NE 1/4 OF SECTION 21 &
THE NW 1/4 OF SECTION 22
TOWNSHIP 20 NORTH, RANGE 25 EAST, M.D.M.
FERNLEY LYON COUNTY NEVADA



APN 021-341-18
PARCEL 2-A
P.M. 573596



1" = 400'

FARM DISTRICT ROAD

JOB NO. 3460004
SHEET 1 OF 1



WOOD RODGERS
BUILDING RELATIONSHIPS ONE PROJECT AT A TIME

1361 Corporate Blvd
Reno, NV 89502

Tel 775.823.4068
Fax 775.823.4066

J:\Jobs\3460_Clements Ranch\Clements Ranch_OA\Geomatics\egols_exhibits\DEV AGREEMENT_Exhibit A-1.dwg 8/11/2022 4:21 PM McKenzie Jones



CITY OF FERNLEY

City Council AGENDA REPORT

Meeting Date: December 21, 2022

REPORT TO: Mayor and City Council

REPORT FROM: Trisha Conner, Assistant to the City Manager

FINANCIAL IMPACT:	CURRENTLY BUDGETED:	FUND/ACCOUNT:
Yes: X No:	Yes: X No:	220-480-810 (PN#: 2022.001.3)

ACTION REQUESTED: Motion

AGENDA ITEM: (For Possible Action):

(Possible Action) to approve a contract with Headway Transportation, LLC for professional transportation engineering services for the Community Response & Resource Center project in the amount not-to-exceed \$22,000.

AGENDA ITEM BRIEF:

The Community Response & Resource Center project is required to have a Traffic Study per City Municipal Code Title 32 in the Administrative Review. The City of Fernley sought two proposals from qualified firms to serve as the City's technical team for a traffic impact study for the Community Response & Resource Center project. Staff recommends entering into a contract with Headway Transportation LLC for the professional traffic engineering services for the Community Response & Resource Center project in the amount not to exceed \$22,000.

RECOMMENDED MOTION:

"I motion to approve the contract for professional transportation engineering services to Headway Transportation LLC for the Community Response & Resource Center project in the amount not-to-exceed \$22,000."

BUSINESS IMPACT (per NRS Chapter 237):

A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

ALTERNATIVES:

Council may ask for more information.

BACKGROUND:

The Community Response & Resource Center project is required to have a Traffic Study per City Municipal Code Title 32 in the Administrative Review. The City of Fernley sought two proposals from qualified firms to serve as the City's technical team for a traffic impact study for the Community Response & Resource Center project. Staff recommends entering into a contract with Headway Transportation LLC for the professional traffic engineering services for the Community Response & Resource Center project in the amount not to exceed \$22,000.

SCOPE OF WORK

Task 1 - Traffic Impact Study - \$18,000

Evaluation of the following intersections:

- E. Main Street/Lois Lane
- Lois Lane/Project Driveway
- E. Main Street/Train Depot Driveway

Evaluation of two study periods:

- AM peak hour
- PM peak hour

Four study scenarios:

- Existing Conditions
- Existing Plus Project Conditions
- Future Year Conditions (20-year horizon)
- Future Year Plus Project Conditions

Completion of the following tasks:

- Conduct weekday AM and PM peak hour turn movement counts for the existing study intersections
- Identify existing and planned intersection configurations and controls
- Perform existing conditions level of service analysis
- Perform trip generation, distribution, and assignment
- Calculate Existing Plus Project levels of service
- Calculate Future Year and Future Year Plus Project levels of service
- Review project access locations and configurations and make recommendations
- Evaluate intersection configurations and the potential need for turn lanes and/or intersection control improvements, if unacceptable LOS conditions are found
- Make recommendations for bicycle and pedestrian facilities, if applicable
- Provide a crash history summary
- Provide figures, tables, and detailed calculations
- Document all analysis findings in a complete draft report
- Incorporate one round of client comments on the draft report
- Provide a complete report for submittal to the City of Fernley and NDOT

- Address one round of NDOT comments

Exclusions

Please note that the analysis of additional intersections, roadway segments, additional study or phasing scenarios, and rework resulting from changes to the site plan, land uses, or building sizes/phasing, will be considered additional work that can be provided for an additional fee. This scope of work excludes an Intersection Control Evaluation and formal signal warrant analysis.

Task 2 (Optional) - Meetings and Hearing Attendance (Time and Materials Basis) - \$4,000

Attendance at, and preparation for, all meetings and public hearings will be billed on a time-and-materials basis at \$200/hour. Travel time will be based on travel to and from the Reno, NV office location. The initial budget of \$4,000 will not be exceeded without prior approval. This task is limited to twenty hours of professional staff time.

ARPA Funding Update for the Community Response & Resource Center Project

On August 4, 2021, Fernley City Council approved the ARPA spending plan which included \$12,000,000 for the development of a Community Response & Resource Center (CRRC). ARPA State and Local Fiscal Recovery Funds allows for capital project/investments that respond to the COVID-19 public health emergency. On October 20, 2021, Fernley City Council approved the professional architect-engineering services for the CRRC project to TSK Architects in the amount of \$2,168,170. On February 16, 2022, Fernley City Council approved the contract for the Owner's Representative/Construction Management Services to Cumming Management Group, Inc. in the amount of \$602,232. On July 20, 2022, Fernley City Council approved the pre-construction CMAR contract to CORE Construction in the amount of \$94,500. On October 5, 2022, Fernley City Council approved the contract for environmental consulting services with RCI in the amount of \$25,000.

ARPA Project: Community Response & Resource Center	Description	Amount
TSK Architects - Approved	Professional architect-engineering services	\$2,168,170.00
Cumming Management Group, Inc. - Approved	Professional Owner's Representative/Construction Management Services	\$602,232.00
CORE Construction - Approved	CMAR Pre-Construction Services	\$94,500.00
Resource Concepts, Inc. - Approved	Environmental Consulting Services	\$25,000.00
<i>Proposing:</i> Headway Transportation, LLC	Professional Traffic Engineering Services	\$22,000.00
To be determined	Other eligible needs will be presented to Council prior to expenditures	\$9,088,098.00
	TOTAL	\$12,000,000.00

RELEVANT LAWS, STATUTES, AND REGULATIONS:

2 CFR Part 200, Section 601 and 602 of the Social Security Act, NRS Chapter 338, City of Fernley's Municipal Code Title 32

FINANCIAL IMPLICATIONS:

The City of Fernley must comply with the Department of Treasury 2 CFR Part 200 and Sections 601 and 602 of the Social Security Act. ARPA funds may be used to cover eligible costs incurred during the period that begins March 3, 2021, and ends on December 31, 2024, as long as the award funds for the obligations incurred by December 31, 2024 are expended by December 31, 2026. Any funds not expended by December 31, 2026 to cover such obligation must be returned.

ATTACHMENTS:

1. Fernley Form Contract Professional Services Contract (March 2021 Design Professional) - CRRC Traffic Study contract
2. Attachment A - Scope of Work CRRC Traffic Study
3. Attachment B - Fee Schedule CRRC Traffic Study
4. Attachment C - Schedule of Services CRRC Traffic Study
5. Attachment D - Project Team CRRC Traffic Study
6. Attachment E - Proposal 11-14-22
7. Attachment F - CLFRF Award Terms Conditions CRRC Traffic Study

CONTRACT

A Contract For Transportation Engineering Services

THIS CONTRACT is made and entered into this 21st day of December 2022, by and between the CITY OF FERNLEY, a municipal corporation within the State of Nevada whose address is 595 Silver Lace Blvd, Fernley, Nevada 89408 (the "City"), and Headway Transportation, LLC, a consulting firm, whose address is 5482 Longley Lane, Suite B, Reno, NV 89511 ("Consultant").

WHEREAS Nevada Revised Statutes ("NRS") Chapter 266 authorizes the City to engage the services of independent contractors; and

WHEREAS the services of Consultant are deemed to be both necessary and in the best interests of the City; and

WHEREAS the City desires to retain the services of Consultant on the terms and conditions set forth in this Contract;

NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

1. **CONTRACT NUMBER**: CRRC Traffic - 1
2. **CONTRACT TERM**: This Contract shall be effective from the day it is approved by the City Council (which date shall be inserted into the introductory paragraph of this Contract) and, subject to appropriation, shall remain in full force and effect until the services are completed unless terminated earlier pursuant to Section 6.
3. **CONSULTANT'S SERVICES**:
 - a. **Description of Services.**
 - i. **Attachments:**
 1. **Attachment A**: Scope of Work. Consultant hereby agrees to provide the services set forth in the Scope of Work attached hereto as Attachment A and incorporated herein by this reference.
 2. **Attachment B**: Fee Schedule
 3. **Attachment C**: Schedule of Services. Tasks and subtasks shall be completed in accordance with the schedule in Attachment C. Any change(s) to the schedule must be approved in writing by the City's Project Manager.

CONTRACT

A Contract For Transportation Engineering Services

4. **Attachment D:** Project Team. Consultant will perform the work using the project team identified in Attachment D. Any changes to the project team must be approved in writing by the City's Project Manager.

5. **Attachment E:** Consultant proposal.

- b. **Standard Of Care:** Notwithstanding anything to the contrary in this agreement or in any other contract document relating to the project, in performing its work under this agreement Consultant shall perform its services to the standard of care of a reasonable professional that is performing the same or similar work, at the same time and locality and under the same or similar conditions faced by Consultant Cooperation with City. Consultant agrees that its officers, associates, employees and subcontractors will cooperate with the City in providing the services under this Contract and will be, with advance notice, available for consultation with the City at such reasonable times as to not conflict with the City's other responsibilities.
- c. **Notice to Proceed.** Consultant shall not commence work until the Contract is fully executed by City and Consultant and a Notice to Proceed (NTP) has been issued to the Consultant by the City.
- d. **Optional Services.** The City shall have the right to exercise its option(s) for all or any part of the OPTIONAL tasks or subtasks identified in Attachment B Fee Schedule, (and further described in Attachment A Scope of Services). The Consultant shall not commence work on any OPTIONAL task prior to issuance of a NTP for the OPTIONAL task by the City.

4. REQUIRED APPROVAL COMPENSATION AND TERMS OF PAYMENT:

- a. **Compensation.** The City agrees to pay Consultant for the services set forth in the Scope of Work either a lump sum fee or an hourly fee based on the Fee Schedule attached hereto as Attachment B and incorporated herein by this reference.
- b. **Reimbursable Expenses.** Consultant agrees that all of its direct and indirect expenses are included in the lump sum or hourly fee set forth in the Fee Schedule, unless the Fee Schedule specifically provides otherwise.
- c. **Payment Invoicing.** Consultant shall submit an invoice for payment for the services provided by Consultant based on the manner or method of payment set forth in Attachment A (Scope of Work) and Attachment B (Fee Schedule).

CONTRACT

A Contract For Transportation Engineering Services

- d. **Timeliness of Billing.** Consultant acknowledges and agrees that timeliness of billing is of the essence to this Contract and recognizes that the City is on a fiscal year ending on June 30. All invoices for services rendered prior to July 1 must be submitted to the City no later than 30 days after the end of the fiscal year.
- e. **Dispute:** If the City disputes a payment or portion thereof that a design professional alleges is due, the city must dispute the matter in a written notice and no later than 30 days after the design professional submits the notice of payment. If the City fails to pay the invoice amount in a timely manner than a penalty of \$100 will be imposed.
- f. **Not to Exceed.** The maximum amount payable to Consultant to complete each task is equal to the not-to-exceed amounts identified in Attachment B. Consultant may submit a written request to the City's Project Manager to reallocate not-to-exceed amounts between Tasks. The request to reallocate must be accompanied by a revised fee schedule with associated revised not-to-exceed amounts and must be approved in writing by the City's Project Manager prior to performance of the work. Consultant shall not be compensated in excess of the Total not-to-exceed Contract amount:

Subtotal Professional Services: (Tasks 1) \$18,000.00

Subtotal OPTIONAL Professional Services: (Task 2) \$ 4,000.00

Total NTE Amount (Including OPTIONAL Services) \$22,000.00

5. **NOTICE:** All notices or other communications required or permitted to be given hereunder shall be deemed delivered: (i) when written notice is received by the party to whom it is directed, if delivered personally, or by email; or (ii) three (3) days after deposit with the United States Post Office, if mailed by certified mail, return receipt requested, postage prepaid and addressed to the party to be notified. Notices shall be addressed as follows:

If to the City: City Manager
City of Fernley
595 Silverlace Blvd.
Fernley, NV 89408

If to Consultant: Consultant
Address
City State

CONTRACT

A Contract For Transportation Engineering Services

6. INSPECTION & AUDIT:

- a. **Books and Records.** Consultant agrees to keep and maintain under general accepted accounting principles (GAAP) full, true, and complete records, contracts, books, and documents as are necessary to fully disclose to the City, the State of Nevada or the United States Government, or their authorized representatives, upon audits or reviews, sufficient information to determine compliance with all state and federal regulations and statutes.
- b. **Inspection & Audit.** Consultant agrees that the relevant books, records (written, electronic, computer related or otherwise), including, without limitation, relevant accounting procedures and practices of Consultant or its subcontractors, financial statements and supporting documentation, and documentation related to the performance of this Contract shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location of Consultant where such records may be found, with or without notice by the City, and with regard to any federal funding, the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of the Inspector General, or any of their authorized representatives. All subcontracts shall reflect the requirements of this paragraph.
- c. **Period of Retention.** All books, records, reports, and statements relevant to this Contract must be retained a minimum three years and for five years if any federal funds are used under this Contract. The retention period runs from the date of payment for the relevant services by the City, or from the date of termination of this Contract, whichever is later. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

7. TERMINATION OR SUSPENSION:

- a. **Suspension.** The City may suspend, without cause, the performance by Contract under this Contract for such period of time as the City, in its sole discretion, may prescribe by providing written notice to Consultant. The suspension shall be effective as of the date set forth in the written notice. With such suspension, the City agrees to pay Consultant the amount of compensation earned as of the effective date of the suspension.
- b. **Termination Without Cause.** The City reserves the right to terminate this Contract without cause or default on the part of Consultant with ten (10)

CONTRACT

A Contract For Transportation Engineering Services

days' prior written notice to Consultant. In the event of termination, without cause or default, the City agrees to pay Consultant for the services performed before the date that notice of termination is received by Consultant.

- c. **Termination for Non-Appropriation.** Consultant acknowledges that the City is a governmental entity and the Contract's validity is based upon the availability of public funding under its authority. The City reserves the right to reduce estimated or actual quantities, in whatever amount necessary, without prejudice or liability to the City, if funding is not available or if legal restrictions are placed upon the expenditure of monies for the services required under this Contract. In addition, without prejudice or liability to the City, if funding is not appropriated or otherwise made available to support the continuation of this Contract in any fiscal year succeeding the first fiscal year, this Contract will be deemed to have been terminated automatically when appropriated funds expire and are not available.
- d. **Default or Breach.** A default or breach (an "Event of Default") may be declared with or without termination. Each of the following shall constitute an Event of Default:
 - i. If Consultant fails, in the judgment of the City, to provide or satisfactorily perform any of the conditions, work, deliverables, goods, or services called for by this Contract, and such failure continues for more than fifteen (15) days after written notice is delivered to Consultant provided that if the nature of such breach is such that although curable, the breach cannot reasonably be cured within a fifteen (15) day period, an Event of Default shall not exist if Consultant shall commence to cure such breach and thereafter rectifies and cures such breach with due diligence, but in no event later than sixty (60) days after the written notice;
 - ii. If any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Consultant to provide the goods or services required by this Contract is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or
 - iii. If Consultant: (i) becomes insolvent, subject to receivership, or voluntarily or involuntarily subject to the jurisdiction of the bankruptcy court; (ii) makes a general assignment for the benefit of creditors; (iii) admits in writing to the inability to pay its debts as they become due; or (iv) takes any action for the purpose of effecting any of the foregoing.

CONTRACT

A Contract For Transportation Engineering Services

- e. **For Cause Termination and Time to Correct. For Cause Termination and Time to Correct.** This Contract may be terminated by the non-defaulting party upon a declared default or breach only after service of formal written notice as specified in paragraph (4), and the subsequent failure of the defaulting party within a reasonable time of receipt of that notice to provide evidence, satisfactory to the non-defaulting party, showing that the declared default or breach has been corrected or is being corrected as expeditiously as is prudent and practicable.
- f. **Winding Up Affairs upon Termination.** In the event that this Contract is terminated for any reason, the parties agree that the provisions of this paragraph survive termination:
 - i. The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination.
 - ii. Consultant shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if requested by the City.
 - iii. Consultant shall execute any documents and take any actions necessary to effectuate an assignment of this Contract if requested by the City; and
 - iv. Consultant shall preserve, protect, and promptly deliver possession to the City of all proprietary information in accordance with Section 18.
 - v. In the event that dispute(s) arise during the winding up of affairs upon termination, the parties agree to meet and negotiate in good faith to resolve any such disputes(s).
- 8. **REMEDIES:** Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages exclusive of lost profits.
- 9. **ATTORNEYS' FEES, COSTS, AND EXPENSES:** Unless otherwise stated herein, the parties will bear their own attorneys' fees, costs, and expenses in connection with the negotiation, execution, and performance of this Contract. In the event of an action to enforce the contract, the prevailing party is entitled to reasonable attorney's fees and costs.

CONTRACT

A Contract For Transportation Engineering Services

10. LIMITED LIABILITY: Contract liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise specified in the Attachments. Damages for any default or breach by the City shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to Consultant, for the fiscal year budget in existence at the time of the default or breach.

11. FORCE MAJEURE: Neither party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of this Contract after the intervening cause ceases.

12. INDEMNIFICATION: The City does not require the Consultant to defend, indemnify or hold harmless the public body or the employees, officers or agents of that public body from any liability, damage, loss, claim, action or proceeding caused by the negligence, errors, omissions, recklessness or intentional misconduct of the employees, officers or agents of the public body.

- a. The City does require the Consultant to indemnify and hold harmless the public body, and the employees, officers and agents of the public body from any liabilities, damages, losses, claims, actions or proceedings, including, without limitation, reasonable attorneys' fees and costs, to the extent that such liabilities, damages, losses, claims, actions or proceedings are caused by the negligence, errors, omissions, recklessness or intentional misconduct of the Consultant or the employees or agents of the Consultant in the performance of the contract.
- b. The City does not require the Consultant to defend the public body and the employees, officers and agents of the public body with respect to the liabilities, damages, losses, claims, actions or proceedings caused by the negligence, errors, omissions, recklessness or intentional misconduct of the Consultant or the employees or agents of the Consultant which are based upon or arising out of the professional services of the Consultant. If the Consultant is adjudicated to be liable by a trier of fact, the trier of fact shall award reasonable attorney's fees and costs to be paid to the public body, as reimbursement for the attorney's fees and costs incurred by the public body in defending the action, by the Consultant in an amount which is proportionate to the liability of the Consultant.
- c. The City does require the Consultant to defend the public body and the employees, officers and agents of the public body with respect to the liabilities, damages, losses, claims, actions or proceedings caused by the

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A Contract For Transportation Engineering Services

negligence, errors, omissions, recklessness or intentional misconduct of the Consultant or the employees or agents of the Consultant which are not based upon or arising out of the professional services of the Consultant.

13. INDEPENDENT CONTRACTOR: Consultant is associated with the City only for the purposes and to the extent specified in this Contract, and in respect to performance of the contracted services pursuant to this Contract, Consultant is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for the City whatsoever with respect to the indebtedness, liabilities, and obligations of Consultant or any other party. Consultant shall be solely responsible for, and the City shall have no obligation with respect to: (1) withholding of income taxes, FICA or any other taxes or fees; (2) industrial insurance coverage; (3) participation in any group insurance plans available to employees of the City; (4) participation or contributions by either Consultant or the Public Employees Retirement System; (5) accumulation of vacation leave or sick leave; or (6) unemployment compensation coverage provided by the City. Consultant shall indemnify and hold the City harmless from, and defend the City against, any and all losses, damages, claims, costs, penalties, liabilities, and expenses arising or incurred because of, incident to, or otherwise with respect to any such taxes or fees. Neither Consultant nor its employees, agents, or representatives shall be considered employees, agents, or representatives of the City.

14. INSURANCE: Unless expressly waived in writing by the City, Consultant shall, at Consultant's sole expense, procure, maintain and keep in force during the entire term of this Contract those policies of insurance which have been agreed to by the parties as evidenced by the parties initials in the signature spaces provided below. The City shall have no liability except as specifically provided in this Contract. Consultant shall not commence work before Consultant has provided the required evidence of insurance to the City. Any insurance or self-insurance available to the City shall be in excess of, and non-contributing with, any insurance required from Consultant. Consultant's insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by the City, Consultant shall provide the City with renewal or replacement evidence of insurance no less than thirty (30) days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by this Contract, an insurer or surety shall fail to comply with the requirements of this Contract, as soon as Consultant has knowledge of any such failure, Consultant shall immediately notify the City and immediately replace such insurance or bond with an insurer meeting the requirements.

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A Contract For Transportation Engineering Services



- a. **Workers' Compensation and Employer's Liability Insurance.** Industrial insurance protecting Consultant and the City from potential employee claims based upon job-related sickness, injury, or accident, during the performance of this Contract. Consultant shall provide a work certificate issued by a qualified insurer in accordance with NRS 616B.627. Prior to commencing any work, Consultant shall complete and provide the following written request to a qualified insurer: ****CONTACTOR NAME has entered into a contract with Owner to perform work from THE ____ DAY OF _____, 20__ to THE ____ DAY OF _____, 20__ and requests that an industrial insurance provider qualified and licensed to offer such insurance within the State of Nevada, provide to The City of Fernley, Nevada 1) a certificate of coverage issued pursuant to NRS 616B.627 and 2) notice of any lapse in coverage or nonpayment of coverage that Consultant is required to maintain. The certificate and notice should be mailed to:

City of Fernley

595 Silver Lace Blvd

Fernley, NV 89408

- i. Consultant may, in lieu of furnishing a certificate of an insurer, provide an affidavit indicating that Consultant is a sole proprietor and that:
1. In accordance with the provisions of NRS 616B.659, Consultant has not elected to be included within the terms, conditions, and provisions of NRS chapters 616A to 616D, inclusive; and
 2. Consultant is otherwise in compliance with those terms, conditions and provisions.



- b. **Professional Liability Insurance.** Minimum Coverage Limit required (not deductible amount): \$1,000,000 Each Claim, \$2,000,000 Aggregate.
- i. Retroactive date: Prior to commencement of the performance of this Contract
 - ii. Discovery period: Three (3) years after the termination date of this Contract.

- c. **General Requirements.**

CONTRACT

A Contract For Transportation Engineering Services

- i. Additional Insured: By endorsement to the general liability insurance policy evidenced by Consultant, ***the City of Fernley, its officers, employees, and immune contractors*** shall be named as additional insureds for all liability arising from this Contract.
 - ii. Waiver of Subrogation: Each insurance policy shall provide for a waiver of subrogation in favor of the City.
 - iii. Cross-Liability: All required liability policies shall provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.
 - iv. Deductibles and Self-Insured Retentions: Insurance maintained by Consultant shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by the City. Such approval shall not relieve Consultant from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed \$5,000 per occurrence, unless otherwise approved by the City.
 - v. Policy Cancellation: Except for ten days' notice for non-payment of premium, each insurance policy shall be endorsed to state that; without thirty (30) days prior written notice to the City, the policy shall not be canceled, non-renewed or coverage and/or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by certified mail to the address shown below.
 - vi. Approved Insurer: Each insurance policy shall be issued by insurance companies: (a) authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to the City and having agents in the State of Nevada upon whom service of process may be made; and (b) currently rated by A.M. Best as "A-VII" or better.
- d. **Evidence of Insurance.** Prior to the start of any work, Consultant must provide the following documents to the City:
- i. Certificate of Insurance: The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to the City to evidence the insurance policies and coverages required of Consultant.
 - ii. Additional Insured Endorsement: An Additional Insured Endorsement (CG20 10 or C20 26), signed by an authorized insurance company representative, **must** be submitted to the City to evidence the endorsement of the City as an additional insured per General Requirements, Subsection 1) above.

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A Contract For Transportation Engineering Services

- iii. Schedule of Underlying Insurance Policies: If an Umbrella or Excess insurance policy is evidenced to comply with minimum limits, a copy of the underlying schedule from the Umbrella or Excess insurance policy may be required.
- iv. Review and Approval: Documents specified above must be submitted for review and approval by the City prior to the commencement of work by Consultant. Neither approval by the City nor failure to disapprove the insurance furnished by Consultant shall relieve Consultant of Consultant's full responsibility to provide the insurance required by this Contract. Compliance with the insurance requirements of this Contract shall not limit the liability of Consultant or its sub-contractors, employees or agents to the City or others, and shall be in addition to and not in lieu of any other remedy available to the City under this Contract or otherwise. The City reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements. Consultant will mail all required insurance documents to the City at the address identified in section 4 of this Contract.
- e. **Failure to Maintain Required Coverages.** If Consultant fails to carry the required insurance, the City may: (i) order Consultant to stop further performance of the Contract, and declare Consultant in breach, terminate the Contract if such breach is not remedied; or (ii) purchase replacement insurance and withhold the costs or premium payments made from the payments due to Consultant or charge the replacement insurance costs back to Consultant.

15. COMPLIANCE WITH LEGAL OBLIGATIONS: Consultant shall procure and maintain for the duration of this Contract any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Consultant to provide the goods or services required by this Contract. Consultant will be responsible to pay all taxes, assessments, fees, premiums, permits, and licenses required by law. Real property and personal property taxes are the responsibility of Consultant in accordance with NRS 361.157 and 361.159. Consultant agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract.

16. WAIVER OF BREACH: Failure to declare a breach or the actual waiver of any particular breach of this Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other default or breach.

17. SEVERABILITY: If any portion, provision, or part of this Contract is held, determined, or adjudicated by any court of competent jurisdiction to be invalid, unenforceable, or void for any reason whatsoever, each such portion, provision, or part shall be severed

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A Contract For Transportation Engineering Services

from the remaining portions, provisions, or parts of this Contract, and such determination or adjudication shall not affect the validity or enforceability of such remaining portions, provisions, or parts.

18. ASSIGNMENT/DELEGATION: To the extent that any assignment of any right under this Contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Contract, attempts to operate as a novation, or includes a waiver or abrogation of any defense to payment by the City, such offending portion of the assignment shall be void, and shall be a breach of this Contract. Consultant shall neither assign, transfer nor delegate any rights, obligations, or duties under this Contract without the prior written consent of the City.

19. PROPRIETARY INFORMATION: Any reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer code (which is intended to be consideration under this Contract), or any other documents or drawings, prepared or in the course of preparation by Consultant (or its subcontractors) in performance of its obligations under this Contract shall be the exclusive property of the City and all such materials shall be delivered into the possession of the City by Consultant upon completion, termination, or cancellation of this Contract. Consultant shall not use, willingly allow, or cause to have such materials used for any purpose other than performance of Consultant's obligations under this Contract without the prior written consent of the City. Notwithstanding the foregoing, the City shall have no proprietary interest in any materials licensed for use by the City that are subject to patent, trademark, or copyright protection.

20. PUBLIC RECORDS: Pursuant to NRS 239.010, information or documents received from Consultant may be open to public inspection and copying. The City will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests. Consultant may label specific parts of an individual document as a "trade secret" or "confidential," provided that Consultant thereby agrees to indemnify and defend the City for honoring such a designation. The failure to so label any document that is released by the City shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

21. FEDERAL FUNDING: In the event federal funds are used for payment of all or part of this Contract:

- a. Consultant certifies, by signing this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-

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A Contract For Transportation Engineering Services

specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

- b. Consultant and its subcontractors shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.
- c. Consultant and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions.)

22. LOBBYING: The parties agree, whether expressly prohibited by federal, state or local law, or otherwise, that no funding associated with this Contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence any of the following: (a) any federal, state, county or local agency, legislature, commission, council or board; (b) any federal, state, county or local legislator, commission member, council member, board member, or other elected official; or (c) any officer or employee of any federal, state, county or local agency; legislature, commission, council or board.

23. CERTIFICATION REQUIRED BY NEVADA SENATE BILL 26 (2017): By signing this Agreement, the CONSULTANT provides a written certification, as a material part of this Agreement, that the CONSULTANT is not currently engaged in, and during the Term shall not engage in, a boycott of Israel. The term "boycott of Israel" has the meaning ascribed to that term in Section 3 of Nevada Senate Bill 26 (2017). The CONSULTANT shall be responsible for fines, penalties, and repayment of any State of Nevada or federal funds that may arise (including those that the CITY pays, becomes liable to pay, or becomes liable to repay) as a direct result of the CONSULTANT's non-compliance with this Section. If, at any time during the formation or duration of this Agreement, CONSUTLANT is engaged or engages in a boycott of Israel, it will constitute a material breach of this Agreement.

24. PROPER AUTHORITY: Consultant represents and warrants Consultant has full power and authority to enter into this Contract. Any services performed by Consultant before this Contract is effective or after it ceases to be effective are performed at the sole risk of Consultant.

25. GOVERNING LAW; VENUE: This Contract will be interpreted, and the rights and liabilities of the parties determined, in accordance with the laws of the State of Nevada, excluding its conflict of laws rules. In any action or proceeding arising under this

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A Contract For Transportation Engineering Services

Contract, each party (a) consents to the jurisdiction of Nevada Courts, and of the pertinent appellate courts, and consents to the venue of such action or proceeding in Lyon County, Nevada courts, (b) irrevocably agrees that all actions or proceedings arising out of or relating to this Contract shall be litigated in such courts, and (c) consents to personal jurisdiction within Lyon County, Nevada. Each party accepts for itself, generally and unconditionally, the exclusive jurisdiction and venue of the aforesaid courts and waives any defense of lack of personal jurisdiction, improper venue, inconvenient forum or any similar defense, and irrevocably agrees to be bound by any non-appealable judgment rendered thereby in connection with this Contract.

26. INTEGRATED CONTRACT: This Contract (including any addenda, exhibits, or attachments incorporated into and made a part of this contract) constitutes the entire agreement and understanding among the parties regarding the matters set forth herein and supersedes all previous negotiations, discussions, and understandings regarding such matters. The parties acknowledge and represent that they have not relied on any promise, inducement, representation, or other statement made in connection with this Contract that is not expressly contained herein. The terms of this Contract are contractual and not a mere recital. In the event of any conflict between the terms in the terms hereof and Contractor's terms and conditions, the terms of this Agreement shall control and govern."

27. COUNTERPARTS: This Contract may be executed in multiple counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

28. ADVICE OF COUNSEL: Each party hereto represents and agrees that it has had the opportunity to seek and has sought from attorneys any such advice as it deems appropriate with respect to signing this Contract or the meaning of it. Each party has undertaken such independent investigation and evaluation as it deems appropriate and is entering into this Contract in reliance on that and not in reliance on any advice, disclosure, representation or information provided by or expected from any other party or such party's attorneys. This is an agreement of settlement and compromise, made in recognition that the parties may have different, disputed or incorrect understandings, information and contentions, as to facts and law, and with each party compromising and settling any potential correctness or incorrectness of its understandings, information and contentions as to the facts, law, claims, duties, disclosures and conduct occurring before or during the entry into this Contract. No conduct, failure, misunderstanding or misinformation and no claim of fraud or fraudulent inducement occurring prior to or in connection with the execution hereof shall be a ground for rescission hereof or for recovery of damages, except as otherwise expressly provided herein.

29. MODIFICATION; NO WAIVER: The provisions of this Contract, including this paragraph, may be modified or waived only in writing signed by both parties. No waiver with respect to any portion of this Contract shall apply to any other portion of

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A Contract For Transportation Engineering Services

the Contract, and a waiver on one occasion shall not be deemed to be a waiver of the same or any other breach on a future occasion. No course of dealing by any party, and no failure, omission, delay, or forbearance by any party in exercising such party's rights or remedies shall be deemed a waiver of any such rights or remedies or a modification of this Contract.

30. INTERPRETATION OF AGREEMENT: This Contract shall be construed without regard to the party or parties responsible for its preparation and shall be deemed to have been prepared collectively by the parties. Any ambiguity or uncertainty arising herein shall not be interpreted or construed against any party hereto on the basis that a party prepared or drafted a particular provision of this Contract.

31. COOPERATION OF PARTIES: The parties agree to cooperate to accomplish the purpose of this Contract and to execute any and all supplementary documents and to take all additional actions not inconsistent with the terms set forth in this Contract that are necessary and appropriate to give full force and effect to the terms and intent of this Contract.

32. NON-DISCRIMINATION: In connection with the performance of work under this Contract, Consultant agrees not to discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, sexual orientation, gender identity or expression, or age, including, without limitation, with regard to employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including, without limitation, apprenticeship. Consultant further agrees to insert this provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

33. Coronavirus Local Fiscal Recovery Fund Award Terms and Conditions. Contractor and its subcontractors shall comply with all terms, conditions, and requirements of the U.S. Department of the Treasury Coronavirus Local Fiscal Recovery Fund Award Terms and Conditions in **Attachment F**.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

CONTRACT

A Contract For Transportation Engineering Services

In witness whereof, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby:

CITY OF FERNLEY

Mayor, City of Fernley Date

City Clerk, City of Fernley Date

Approved as to form:

City Attorney, City of Fernley Date

Originating Department:

City Manager, City of Fernley Date

CONTRACT

A Contract For Transportation Engineering Services

CONSULTANT, being first duly sworn, deposes and says: That CONSULTANT. is the Consultant; that NAME OF PERSON REPRESENTING CONSULTANT has read the foregoing Contract; and that he understands the terms, conditions, and requirements thereof.

CONSULTANT

BY: Loren E. Chilson, PE

TITLE: Principal

FIRM: Headway Transportation, LLC

BUSINESS LICENSE #:

Address: 5482 Longley Lane, Suite B

City: Reno State: NV Zip Code: 89511

Telephone: 775-322-4300

E-mail Address: lchilson@headwaytransportation.com

(Signature of Consultant)

DATED _____.

SCOPE OF WORK

Task 1 – Traffic Impact Study (\$18,000)

Our study/work items will include:

Evaluation of the following intersections:

- ▶ E. Main Street/Lois Lane
- ▶ Lois Lane/Project Driveway
- ▶ E. Main Street/Train Depot Driveway

Evaluation of two (2) study periods:

- ▶ AM peak hour
- ▶ PM peak hour

Four (4) study scenarios:

- ▶ Existing Conditions
- ▶ Existing Plus Project Conditions
- ▶ Future Year Conditions (20 year horizon)
- ▶ Future Year Plus Project Conditions

Completion of the following tasks:

- ▶ Conduct weekday AM and PM peak hour turn movement counts for the existing study intersections
- ▶ Identify existing and planned intersection configurations and controls
- ▶ Perform existing conditions level of service analysis
- ▶ Perform trip generation, distribution, and assignment
- ▶ Calculate Existing Plus Project levels of service
- ▶ Develop Future Year traffic volume forecasts
- ▶ Calculate Future Year and Future Year Plus Project levels of service
- ▶ Review project access locations and configurations and make recommendations
- ▶ Evaluate intersection configurations and the potential need for turn lanes and/or intersection control improvements, if unacceptable LOS conditions are found
- ▶ Make recommendations for bicycle and pedestrian facilities, if applicable
- ▶ Provide a crash history summary
- ▶ Provide figures, tables, and detailed calculations
- ▶ Document all analysis findings in a complete draft report
- ▶ Incorporate one round of client comments on the draft report
- ▶ Provide a complete report for submittal to the City of Fernley and NDOT
- ▶ Address one (1) round of NDOT comments

Attachment A: Scope of Work
A Contract for Transportation Engineering Services

Exclusions:

Please note that the analysis of additional intersections, roadway segments, additional study or phasing scenarios, and rework resulting from changes to the site plan, land uses, or building sizes/phasing, will be considered additional work that can be provided for an additional fee. This scope of work excludes an Intersection Control Evaluation (ICE) and formal signal warrant analysis.

Task 2 (OPTIONAL) – Meetings & Hearing Attendance (Time & Materials Basis, \$4,000 Budget)

Our attendance at, and preparation for, all meetings and public hearings will be billed on a time-and-materials basis at \$200/hour. Travel time will be based on travel to and from our Reno, NV office location. The initial budget of \$4,000 will not be exceeded without your prior authorization. This task is limited to twenty (20) hours of professional staff time.

Attachment B: Fee Schedule
A Contract for Transportation Engineering Services

BUDGET

Headway Transportation will perform Task 1 of the above Scope of Work for a lump sum fixed fee of **\$18,000**. Optional Task 2 will be performed only upon your request, on a time-and-materials basis, up to the stated budget, which will not be exceeded without your prior authorization.

Total of all tasks: \$22,000

Attachment C: Schedule of Services
A Contract for Transportation Engineering Services

SCHEDULE

Headway Transportation can provide the draft traffic impact study within six (6) weeks of receiving written authorization to proceed and the site plan to be used for the study. Our final report can be submitted within two (2) weeks of receiving all client review comments on the draft.

Attachment D: Project Team
A Contract for Transportation Engineering Services

Below is the list of staff personnel that would be available to provide services on this project.

Loren E. Chilson, PE, Principal
Headway Transportation, LLC



November 14, 2022

Trisha Conner
City of Fernley
595 Silver Lace Boulevard
Fernley, NV 89408

Proposal to Prepare a Traffic Impact Study for the Fernley Community Response & Resource Center (CRRC) Project

Dear Ms. Conner,

Thank you for the opportunity to submit this proposal to prepare a traffic impact study for the Community Response & Resource Center project in Fernley, NV. Headway Transportation has prepared this scope of work based on the preliminary site plan, our conversation with you, and our completion of numerous similar studies approved through the City of Fernley and NDOT.

SCOPE OF WORK

Task 1 – Traffic Impact Study (\$18,000)

Our study/work items will include:

Evaluation of the following intersections:

- ▶ E. Main Street/Lois Lane
- ▶ Lois Lane/Project Driveway
- ▶ E. Main Street/Train Depot Driveway

Evaluation of two (2) study periods:

- ▶ AM peak hour
- ▶ PM peak hour

Four (4) study scenarios:

- ▶ Existing Conditions
- ▶ Existing Plus Project Conditions
- ▶ Future Year Conditions (20 year horizon)
- ▶ Future Year Plus Project Conditions

Headway Transportation, LLC
5482 Longley Lane, Suite B, Reno, Nevada 89511
775.322.4300
www.HeadwayTransportation.com

Completion of the following tasks:

- ▶ Conduct weekday AM and PM peak hour turn movement counts for the existing study intersections
- ▶ Identify existing and planned intersection configurations and controls
- ▶ Perform existing conditions level of service analysis
- ▶ Perform trip generation, distribution, and assignment
- ▶ Calculate Existing Plus Project levels of service
- ▶ Develop Future Year traffic volume forecasts
- ▶ Calculate Future Year and Future Year Plus Project levels of service
- ▶ Review project access locations and configurations and make recommendations
- ▶ Evaluate intersection configurations and the potential need for turn lanes and/or intersection control improvements, if unacceptable LOS conditions are found
- ▶ Make recommendations for bicycle and pedestrian facilities, if applicable
- ▶ Provide a crash history summary
- ▶ Provide figures, tables, and detailed calculations
- ▶ Document all analysis findings in a complete draft report
- ▶ Incorporate one round of client comments on the draft report
- ▶ Provide a complete report for submittal to the City of Fernley and NDOT
- ▶ Address one (1) round of NDOT comments

Exclusions:

Please note that the analysis of additional intersections, roadway segments, additional study or phasing scenarios, and rework resulting from changes to the site plan, land uses, or building sizes/phasing, will be considered additional work that can be provided for an additional fee. This scope of work excludes an Intersection Control Evaluation (ICE) and formal signal warrant analysis.

Task 2 (OPTIONAL) – Meetings & Hearing Attendance (Time & Materials Basis, \$4,000 Budget)

Our attendance at, and preparation for, all meetings and public hearings will be billed on a time-and-materials basis at \$200/hour. Travel time will be based on travel to and from our Reno, NV office location. The initial budget of \$4,000 will not be exceeded without your prior authorization. This task is limited to twenty (20) hours of professional staff time.

BUDGET

Headway Transportation will perform Task 1 of the above Scope of Work for a lump sum fixed fee of **\$18,000**. Optional Task 2 will be performed only upon your request, on a time-and-materials basis, up to the stated budget, which will not be exceeded without your prior authorization.

Total of all tasks: \$22,000



SCHEDULE

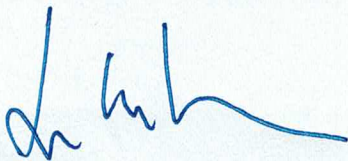
Headway Transportation can provide the draft traffic impact study within six (6) weeks of receiving written authorization to proceed and the site plan to be used for the study. Our final report can be submitted within two (2) weeks of receiving all client review comments on the draft.

CONTRACT TERMS

This work will be performed under the terms outlined in this letter agreement and our Standard Contract Terms (attached). If you agree with these terms, please countersign below in the space provided and return this agreement to us, which will serve as our contract and notice to proceed.

We sincerely appreciate this opportunity to assist you with this project and look forward to working with the project team. Please do not hesitate to contact me at 775.322.4300 with any questions or concerns.

Sincerely,
Headway Transportation, LLC



Loren E. Chilson, PE
Principal

Attachments: Standard Contract Terms

AUTHORIZATION TO PROCEED:

Entity Name: _____

Signature: _____

Print: _____

Date: _____



STANDARD CONTRACT TERMS

These STANDARD CONTRACT TERMS, and the additional terms outlined in the letter agreement, shall constitute the entire agreement by and between HEADWAY TRANSPORTATION, LLC (HEADWAY) and the CLIENT, whose signature appears in the signature block of the letter agreement.

By signing the letter agreement, the parties agree to the following terms:

- 1) Prompt Payment. CLIENT shall pay HEADWAY an amount not to exceed the fee amount noted in the letter agreement as consideration for the services described in the Scope of Work. HEADWAY invoices shall be submitted to the CLIENT monthly and CLIENT agrees to pay said invoices within 30 days of receipt. If HEADWAY has not received payment within 60 days, HEADWAY reserves the right to stop work until payment is received. HEADWAY agrees to notify the CLIENT of delinquent payment and intent to stop work at least three (3) days prior to ceasing work. CLIENT shall pay all costs incurred by HEADWAY in collecting past due invoices, including reasonable attorney's fees.
- 2) Notice of Intent to Lien. Pursuant to NRS 108.245 you are hereby given notice that HEADWAY may, at a future date, claim a lien as provided by law against the subject property if HEADWAY is not paid.
- 3) Relevant Information. CLIENT shall provide, at no charge, all information, previous reports, mapping, etc., relevant to the project which is readily available to the CLIENT and deemed necessary for performance of the Scope of Work.
- 4) Ownership of Materials. All materials prepared by HEADWAY under the Scope of Work are for the sole use of completing the current project. CLIENT agrees not to use the materials on other projects or for a revised project without HEADWAY's written consent. No other use shall occur without HEADWAY's prior written consent except as required by governing law.
- 5) No Third Party Rights. This agreement is for the sole use and benefit of the CLIENT, whose signature appears in the signature block of the letter agreement, HEADWAY, and any sub-consultants which HEADWAY may choose to engage for completion of the work. No rights are granted to any other party.
- 6) Severability. Should any part of this agreement be deemed illegal or unenforceable for any reason, that provision shall be severed from the agreement with the remainder of the agreement standing in full force.
- 7) Modification of Agreement. No modification of any kind shall be made to this agreement unless done so in writing with signatures provided by both parties.
- 8) Termination. Either party may terminate this agreement, without cause, having given ten (10) days written notice. CLIENT agrees to fully compensate HEADWAY for work completed through the date of receiving notification.
- 9) Legal Action. Should legal action become necessary to collect past due invoices, both parties agree to binding Arbitration, using a single Arbitrator, with proceedings occurring under the auspices of the American Arbitration Association. The prevailing party shall be reimbursed all costs, including reasonable attorney's fees, in addition to other relief granted. All other legal action shall be brought before the Court of Law having competent jurisdiction over the matter. Both parties agree to bear their own costs and attorney's fees for all legal actions regardless of which party prevails.
- 10) Limitation of Liability. CLIENT agrees to limit HEADWAY's liability to the CLIENT, due to negligent acts, errors or omissions such that HEADWAY's total aggregate liability to all those named shall not exceed \$50,000 or the total fee for services rendered on the project, whichever is greater.
- 11) Nevada Law. This agreement shall be governed and construed in accordance with the laws of the State of Nevada.
- 12) HEADWAY maintains professional liability insurance.

U.S. DEPARTMENT OF THE TREASURY
CORONAVIRUS LOCAL FISCAL RECOVERY FUND
AWARD TERMS AND CONDITIONS

1. Use of Funds:
 - a. Recipient understands and agrees that the funds disbursed under this award may only be used in compliance with section 603(c) of the Social Security Act (the Act), Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
 - b. Recipient will determine prior to engaging in any project using this assistance that it has the institutional, managerial, and financial capability to ensure proper planning, management, and completion of such project.
2. Period of Performance: The period of performance for this award begins on the date hereof and ends on _____. As set forth in Treasury's implementing regulations, Recipient may use award funds to cover eligible costs incurred during the period that begins on _____, and ends on _____.
3. Reporting: Recipient agrees to comply with any reporting obligations established by Treasury as they relate to this award.
4. Maintenance of and Access to Records:
 - a. Recipient shall maintain records and financial documents sufficient to evidence compliance with section 603(c) of the Act, Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
 - b. The Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, shall have the right of access to records (electronic and otherwise) of Recipient in order to conduct audits or other investigations.
 - c. Records shall be maintained by Recipient for a period of five (5) years after all funds have been expended or returned to Treasury, whichever is later.
5. Pre-award Costs: Pre-award costs, as defined in 2 C.F.R. §200.458, may not be paid with funding from this award.
6. Administrative Costs: Recipient may use funds provided under this award to cover both direct and indirect costs.
7. Cost Sharing: Cost sharing or matching funds are not required to be provided by Recipient.
8. Conflicts of Interest: Recipient understands and agrees it must maintain a conflict of interest policy consistent with 2 C.F.R. §200.318(e) and that such conflict of interest

policy is applicable to each activity funded under this award. Recipient and subrecipients must disclose in writing to Treasury or the pass-through entity, as appropriate, any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. § 200.112.

9. Compliance with Applicable Law and Regulations:

- a. Recipient agrees to comply with the requirements of section 603 of the Act, regulations adopted by Treasury pursuant to 603(f) of the Act, and guidance issued by Treasury regarding the foregoing. Recipient also agrees to comply with all other applicable federal statutes, regulations, and executive orders, and Recipient shall provide for such compliance by other parties in any agreements it enters into with other parties relating to this award.
- b. Federal regulations applicable to this award including, without limitation, the following:
 - i. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.
 - ii. Universal Identifier and System for Award Management (SAM) 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 1 C.F.R. Part 25 is hereby incorporated by reference.
 - iii. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
 - iv. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.
 - v. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
 - vi. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 21.
 - vii. New Restrictions on Lobbying, 31 C.F.R. Part 21
 - viii. Uniform relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§4601-4655) and implementing regulations.

- ix. Generally applicable federal environmental laws and regulations.
- c. Statutes and regulations prohibiting discrimination applicable to this award include, without limitation, the following:
- i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§2000D *et seq.*) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;
 - ii. The Fair Housing Act, Title VII of the Civil Rights Act of 1963 (42 U.S.C. §§3601 *et seq.*), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
 - iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;
 - iv. The Age Discrimination act of 1975, as amended (42 U.S.C. §§ 6101 *et. Seq.*), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in progress or activities receiving federal financial assistance; and
 - v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§12101 *et. seq.*), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.
10. **Remedial Actions.** In the event of Recipient's noncompliance with section 603 of the Act, other applicable laws, Treasury's implementing regulations, guidance, or any reporting or other program requirements, Treasury may impose additional conditions on the receipt of a subsequent tranche of future award funds, if any, or take other available remedies as set forth in 2 C.F.R. § 200.339. In the case of a violation of section 603(c) of the Act regarding the use of funds, previous payments shall be subject to recoupment as provided in section 603(e) of the Act.
11. **Hatch Act.** Recipient agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 AND 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.
12. **False Statements.** Recipient understands that making false statements or claims in connection with this award is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.

13. Publications. Any publications produced with funds from this award must display the following language: “This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [name of Recipient] by the U.S. Department of the Treasury.”
14. Debts Owed the Federal Government.
- a. Any funds paid to Recipient (1) in excess of the amount to which Recipient is finally determined to be authorized to retain under the terms of this award; (2) that are determined by the Treasury Office of Inspector General to have been misused; or (3) that are determined by Treasury to be subject to a repayment obligation pursuant to section 603(e) of the Act and have not been repaid by Recipient shall constitute a debt to the federal government.
 - b. Any debts determined to be owed the federal government must be paid promptly by Recipient. A debt is delinquent if it has not been paid by the date specified in Treasury’s initial written demand for payment, unless other satisfactory arrangements have been made or if the Recipient knowingly or improperly retains funds that are a debt as defined in paragraph 14(a). Treasury will take any actions available to it to collect such a debt.
15. Disclaimer.
- a. The United States expressly disclaims any and all responsibility or liability to Recipient or third persons for the actions of Recipient or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this award or any other losses resulting in any way from the performance of this award or any contract, or subcontract under this award.
 - b. The acceptance of this award by Recipient does not in any way establish an agency relationship between the United States and Recipient.
16. Protections for Whistleblowers.
- a. In accordance with 41 U.S.C. §4712, Recipient may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonable believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contact (including the competition for or negotiation of a contract) or grant.
 - b. The list of persons and entities referenced in the paragraph above includes the following:
 - i. A member of Congress or a representative of a committee of Congress
 - ii. An Inspector General;
 - iii. The Government Accountability Office;

- iv. A Treasury employee responsible for contact or grant oversight or management;
- v. An authorized official of the Department of Justice or other law enforcement agency;
- vi. A court of grand jury; or
- vii. A management official or other employee of Recipient, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.

c. Recipient shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

17. Increasing Seat Belt Use in the United States. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Recipient should encourage its contractors to adopt and enforce on the job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.
18. Reducing Text Messaging While Driving. Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Recipient should encourage its employees, subrecipients, and contractors to adopt and enforce policies that ban text messaging while driving, and Recipient should establish workplace safety policies to decrease accidents caused by distracted drivers.



CITY OF FERNLEY

City Council AGENDA REPORT

Meeting Date: December 21, 2022

REPORT TO: Mayor and City Council

REPORT FROM: Dave Whalen, Public Works Director

FINANCIAL IMPACT:		CURRENTLY BUDGETED:		FUND/ACCOUNT:
Yes:	No:	Yes:	No:	

ACTION REQUESTED:

AGENDA ITEM: (For Possible Action):

For Possible Action: Possible action to authorize the Special City Attorney for Water Matters (Taggart & Taggart, Ltd.) to file a writ petition with the Nevada Supreme Court seeking reversal of a December 14, 2022 order issued by the Tenth Judicial District Court of Nevada in Case No. 22-10DC-0860, which denied Fernley's request to intervene in said case, and to take all actions properly related thereto.

AGENDA ITEM BRIEF:

RECOMMENDED MOTION:

BUSINESS IMPACT (per NRS Chapter 237):

See attached report for background, analysis, alternatives.

ALTERNATIVES:

BACKGROUND:

RELEVANT LAWS, STATUTES, AND REGULATIONS:

FINANCIAL IMPLICATIONS:

ATTACHMENTS:

None



CITY OF FERNLEY

City Council AGENDA REPORT

Meeting Date: December 21, 2022

REPORT TO: Mayor and City Council

REPORT FROM: Gavin Henderson

FINANCIAL IMPACT:

Yes: No: X

CURRENTLY BUDGETED:

Yes: No: X

FUND/ACCOUNT:

N/A

ACTION REQUESTED: Resolution

AGENDA ITEM: (For Possible Action):

Discussion and possible action to approve resolution 22-020 to accept the public improvements including roadway, water, and storm drain infrastructure for the Nelson Meadows Phase 2 project.

AGENDA ITEM BRIEF:

Staff is seeking Council approval of a resolution to accept the roadways and utility infrastructure for the Nelson Meadows Phase 2. The new roadways are a new portion of Nevada Pacific Blvd. and portion of Westward Ln. The improvements were completed and are currently under a one-year warranty period. NRS 278.390 requires the local planning commission or the governing body to accept roadway right of way improvements by resolution.

RECOMMENDED MOTION:

"I move to approve resolution 22-020 to accept the public improvements including roadway, water, sewer and storm drain infrastructure for Nelson Meadows Phase 2."

BUSINESS IMPACT (per NRS Chapter 237):

A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

ALTERNATIVES:

Staff does not recommend City Council choose to not accept the improvements.

BACKGROUND:

The construction of 94-lot single family residential subdivision (Nelson Meadows) and public infrastructure (roadways, water main/apparatuses, sanitary sewer main, and storm drain) on a site approximately 63.21 acres in size in the RR1/2 (Rural Residential One-Half Acre Minimum Parcel Size) zoning district, generally located north of Farm District Road, east of Browne Lane, and west of Rainbow Lane, Fernley, NV. (APN: 021-331-35).

After the resolution is signed, staff will send to the Lyon County recorder's office and notify the City's finance department to include the value of the infrastructure in the City's financial statement.

RELEVANT LAWS, STATUTES, AND REGULATIONS:

NRS 278 sets the state laws for planning and zoning. The City of Fernley Development Code and Design Standards sets the laws for the development in the City of Fernley.

FINANCIAL IMPLICATIONS:

The added value of the new improvements will be added to the City's financial records. The ongoing cost of maintenance will be absorbed into the current budget for streets, water and sewer. The additional homes created by the map and constructed with the improvements will supplement the City's water and sewer revenues with additional service accounts.

ATTACHMENTS:

1. 22-020 Nelson Meadows PH2 Acceptance Resolution SR Revised Dec 2022
2. 2020.11.28 Nelson Meadows Ph 2 Vicinity Map
3. 2022.11.28 Nelson Meadows PH2 Acceptance Memo to Finance
4. 657696-1
5. Nelson Meadows PH2, Public Infrastructure Acceptance



CITY OF FERNLEY

CITY COUNCIL AGENDA REPORT

Meeting Date: December 21, 2022

REPORT TO: Mayor and City Council

REPORT THRU: Derek Starkey, City Engineer

REPORT FROM: Gavin Henderson, Associate Engineer

REVIEWED BY: Brandi Jensen, City Attorney

REVIEWED BY: Denise Lewis, City Treasurer

FINANCIAL IMPACT:

Yes: ☐ No: ☒

CURRENTLY BUDGETED:

Yes: ☐ No: ☒

FUND/ACCOUNT:

ACTION REQUESTED: ☐ Consent ☐ Ordinance ☒ Resolution ☐ Motion ☐ Receive/File

AGENDA ITEM: Staff Report (For Possible Action):

Discussion and possible action to approve resolution 22-020 to accept the public improvements including roadway, water, and storm drain infrastructure for the Nelson Meadows Phase 2 project.

Business Impact (per NRS Chapter 237):

- ☐ A Business Impact Statement is Attached.
- ☒ A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

Agenda Item Brief:

Staff is seeking Council approval of a resolution to accept the roadways and utility infrastructure for the **Nelson Meadows Phase 2**. The new roadways are a new portion of Nevada Pacific Blvd. and portion of Westward Ln. The improvements were completed and are currently under a one-year warranty period. NRS 278.390 requires the local planning commission or the governing body to accept roadway right of way improvements by resolution.

See attached report for background, analysis, alternatives.

RECOMMENDED MOTION:

“I move to approve resolution 22-020 to accept the public improvements including roadway, water, sewer and storm drain infrastructure for Nelson Meadows Phase 2.”

ALTERNATIVES:

Staff does not recommend City Council choose to not accept the improvements.

PROJECT SUMMARY:

Nelson Meadows Phase 2 was approved by the City of Fernley City Council on May 18, 2020. Nelson Meadows Phase 2 Subdivision project mapped a new portion of Nevada Pacific Blvd. and Westward Ln in 2022. The improvements have been completed and staff has received the final verification of public improvements. Staff has written the resolution to reflect the requirements of NRS. After the resolution is approved, Staff will have it recorded with the County Recorder.

BACKGROUND:

The construction of 94-lot single family residential subdivision (Nelson Meadows) and public infrastructure (roadways, water main/apparatuses, sanitary sewer main, and storm drain) on a site approximately 63.21 acres in size in the RR1/2 (Rural Residential One-Half Acre Minimum Parcel Size) zoning district, generally located north of Farm District Road, east of Browne Lane, and west of Rainbow Lane, Fernley, NV. (APN: 021-331-35).

After the resolution is signed, staff will send to the Lyon County recorder's office and notify the City's finance department to include the value of the infrastructure in the City's financial statement.

ANALYSIS:

None.

FINDINGS:

None.

LEGAL IMPLICATIONS:

NRS 278 sets the state laws for planning and zoning. The City of Fernley Development Code and Design Standards sets the laws for the development in the City of Fernley.

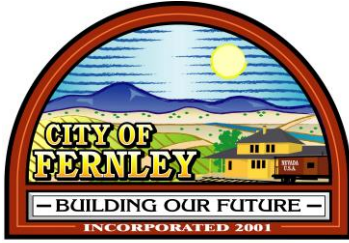
FINANCIAL IMPLICATIONS:

The added value of the new improvements will be added to the City's financial records. The ongoing cost of maintenance will be absorbed into the current budget for streets, water and sewer. The additional homes created by the map and constructed with the improvements will supplement the City's water and sewer revenues with additional service accounts.

ATTACHMENTS:

- **Resolution 22-020 Nelson Meadows PH2 Acceptance Resolution**
- **Memo to Finance Department**





CITY OF FERNLEY Engineering Department

Water Treatment/Distribution
Wastewater
Streets/Storm Drain
Parks
Facilities &
Vector Control

To: Finance Department

Cc: City Manager Office
Gavin Henderson, Associate Engineer

From: Derek Starkey, City Engineer

Date: November 28, 2022

Subject: Acceptance of Nelson Meadows Phase 2 Public Infrastructure

This memo is to inform you of the estimated value of new infrastructure recently accepted by the City of Fernley.

On **November 9, 2022**, the engineering department issued a notice of completion for: **Nelson Meadows PH2**.

The new utility quantities and values are included with the engineer's estimate included with this memorandum.

Streets	\$521,953.00
Sanitary Sewer	\$97,170.00
Storm Drain	\$60,940.00
Water	\$127,710.00

Total: **\$807,773.00**

To keep the C.A.F.R. up to date we have included the following quantities for this project:

Total new miles of streets: 0.30 mi
Total new miles of water line: 0.25 mi
Total new hydrants: 2
Total new miles of sewer main: 0.30 mi
Total new manholes: 6

Please let us know if additional information is needed.

OWNER'S CERTIFICATE

THIS IS TO CERTIFY THAT UNDERSIGNED, CMG LAND HOLDINGS LLC, A NEVADA LIMITED LIABILITY COMPANY, IS THE OWNER OF THE TRACT OF LAND REPRESENTED ON THIS PLAT AND HAS CONSENTED TO THE PREPARATION AND RECORDATION OF THIS PLAT, THAT THE SAME IS EXECUTED IN COMPLIANCE WITH AND SUBJECT TO THE PROVISIONS OF N.R.S. CHAPTER 278, AND THE STREETS AND EASEMENTS SHOWN FOR ACCESS, UTILITY AND DRAINAGE ARE HEREBY GRANTED, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS FOREVER.

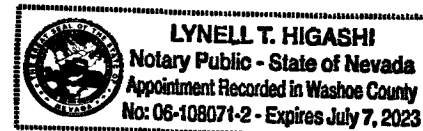
CMG LAND HOLDINGS LLC A NEVADA LIMITED LIABILITY COMPANY

BY: Kim McCreary DATE: 1-28-22
PRINT NAME: Kim McCreary
TITLE: Manager

NOTARY ACKNOWLEDGEMENT

STATE OF Nevada } S.S.
COUNTY OF Washoe }
THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON 1/28/22
BY Kim McCreary AS Manager OF CMG LAND HOLDINGS, LLC
A NEVADA LIMITED LIABILITY COMPANY, PERSONALLY APPEARED BEFORE ME, A NOTARY PUBLIC, WHO ACKNOWLEDGED THAT THEY EXECUTED THE ABOVE INSTRUMENT.

Lynell T. Higashi
NOTARY PUBLIC
(MY COMMISSION EXPIRES 7/7/23)



TITLE COMPANY CERTIFICATE

THE UNDERSIGNED HEREBY CERTIFIES THAT THIS PLAT HAS BEEN EXAMINED AND THAT THE SUBDIVIDER OFFERING THIS PLAT IS THE LAST TITLE HOLDER OF RECORD FOR ALL THE LANDS DELINEATED HEREON, AND THAT SAID LANDS ARE FREE FROM ANY LIENS OR ENCUMBRANCES AS OF 2/1/2022 EXCEPT FOR DOCUMENT NO. 584749, DOCUMENT NO. 586202 AND DOCUMENT NO. 586640 IN THE OFFICIAL RECORDS OF LYON COUNTY

TICOR TITLE OF NEVADA, INC.
BY: Julie Salas DATE: 2/10/2022
NAME: Julie Salas
TITLE: COMMERCIAL TITLE OFFICER

SECURITY INTEREST HOLDERS CERTIFICATE

THIS IS TO CERTIFY THAT THE UNDERSIGNED, KIM WADE McCREARY AND SUSAN L. McCREARY, TRUSTEES OF THE ENOCH TRUST, BENEFICIARY OF DEED OF TRUST PER DOCUMENT NO. 584749, CONSENT TO THE PREPARATION AND RECORDATION OF THIS PLAT.

KIM WADE McCREARY AND SUSAN L. McCREARY
TRUSTEES OF THE ENOCH TRUST

BY: Kim McCreary DATE: 1-28-22
NAME: Kim McCreary
TITLE: Manager

SECURITY INTEREST HOLDERS CERTIFICATE

THIS IS TO CERTIFY THAT THE UNDERSIGNED, HERITAGE BANK OF NEVADA, BENEFICIARY OF DEED OF TRUST PER DOCUMENT NO. 649270 & 649271, CONSENT TO THE PREPARATION AND RECORDATION OF THIS PLAT.

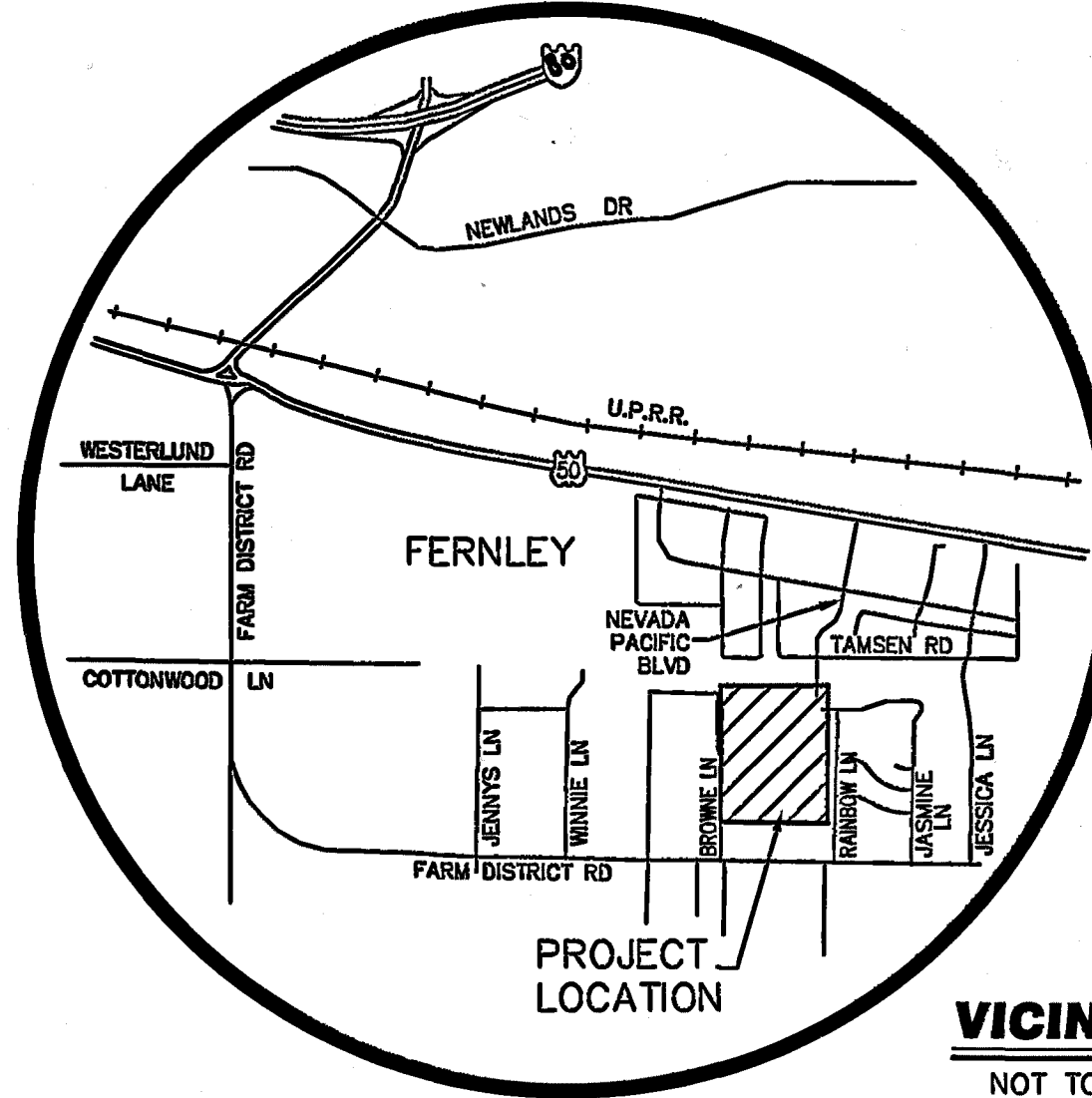
HERITAGE BANK OF NEVADA

BY: Rodger W. Smith DATE: 2-10-22
NAME: Rodger W. Smith
TITLE: Vice President

UTILITY COMPANIES' CERTIFICATE

THE UTILITY EASEMENTS SHOWN ON THIS MAP HAVE BEEN CHECKED, ACCEPTED AND APPROVED BY THE UNDERSIGNED UTILITY AND CABLE TV COMPANIES.

Kathleen Perkins 2/2/2022
SIERRA PACIFIC POWER CO. d/b/a NV ENERGY DATE:
PRINTED NAME: KATHLEEN PERKINS
Bryson Gonzales 02-01-2022
NEVADA BELL TELEPHONE CO. d/b/a AT&T NEVADA DATE:
PRINTED NAME: Bryson Gonzales
Armando Espino 2/3/22
CHARTER COMMUNICATIONS DATE:
PRINTED NAME: Armando Espino
Amanda Marcucci 2/2/22
SOUTHWEST GAS CORPORATION DATE:
PRINTED NAME: Amanda Marcucci



VICINITY MAP
NOT TO SCALE

TRUCKEE-CARSON IRRIGATION DISTRICT CERTIFICATE

- EVERY PARCEL DEPICTED UPON THIS MAP LIES WITHIN THE GEO-PHYSICAL BOUNDARIES OF THE NEWLANDS FEDERAL RECLAMATION PROJECT (PROJECT) ESTABLISHED BY ACT OF CONGRESS IN 1902 (32 STAT. 388), AND THE BOUNDARIES OF THE DISTRICT AS AUTHORIZED BY THE NEVADA IRRIGATION DISTRICT ACT (NRS 539.010 ET SEQ). DEPICTED ON THIS MAP ARE PROJECT EASEMENTS AND/OR RIGHTS OF WAY FOR THE CONSTRUCTION, MAINTENANCE, AND/OR OPERATION OF PROJECT CANALS, LATERALS, DRAINS, AND/OR FACILITIES. OBSTRUCTIONS AND/OR NUISANCES TO OR WITHIN PROJECT CANALS, LATERALS, DRAINS, AND/OR FACILITIES, ARE IMPERMISSIBLE.
- THE DISTRICT BY AGREEMENT WITH THE UNITED STATES OF AMERICA, THROUGH THE BUREAU OF RECLAMATION (RECLAMATION) OF THE DEPARTMENT OF THE INTERIOR, IS THE AGENT FOR THE OPERATION AND MAINTENANCE OF THE PROJECT. THE DISTRICT IS AUTHORIZED TO ENTER PROJECT EASEMENTS AND/OR RIGHTS OF WAY FOR ALL LAWFUL PURPOSES ASSOCIATED WITH THE OPERATION AND MAINTENANCE OF THE PROJECT.
- ALL LANDS DEPICTED HEREON, HAVING SURFACE WATER RIGHTS APPURTENANT THERETO, ARE SUBJECT TO REGULATION BY THE DISTRICT FOR THE DELIVERY AND DISTRIBUTION OF WATER AS PROVIDED FOR BY NRS 539.235.
- THE DISTRICT ASSUMES NO LEGAL DUTY, AS TO THE LANDS DEPICTED HEREON, FOR THE INSPECTION OR REVIEW OF PAST OR FUTURE HYDROLOGIC CONDITIONS, INCLUDING, WITHOUT LIMITATION, CHANGES TO SURFACE OR GROUNDWATER SOURCES, WATER TABLES, OR FLOODING, AND MAKES NO CLAIM OR WARRANTY AS TO THE EXISTENCE OF SUCH ADVERSE HYDROLOGIC CONDITION(S) NOW ATTENDING THE LANDS, OR EXISTING STRUCTURES, OR AS TO ANY STRUCTURE(S) TO BE PLANNED OR TO BE CONSTRUCTED THEREON.
- THE DISTRICT ASSUMES NO LEGAL DUTY FOR, NOR MAKES ANY WARRANTY ASSOCIATED WITH, THE ACCURACY OF THE WATER RIGHTS DEPICTED ON THIS MAP.

Rusty Jardine, Esq.
RUSTY JARDINE, ESQ., MANAGER

3/9/2022
DATE

NOTE

STRIEFF DRAIN RELEASED UNDER DOCUMENT NO 593312

COUNTY CLERK/TREASURER CERTIFICATE

THE UNDERSIGNED HEREBY CERTIFIES THAT ALL PROPERTY TAXES ON THE LAND SHOWN HEREON FOR THE FISCAL YEAR HAVE BEEN PAID AND THAT THE FULL AMOUNT OF ANY DEFERRED PROPERTY TAXES FOR THE CONVERSION OF THE PROPERTY FROM AGRICULTURAL USE HAS BEEN PAID PURSUANT TO N.R.S. 361A.265.

A.P.N. 022-571-01
LYON COUNTY TREASURER

BY: Lisa Glass DATE: 5/24/22

Lisa Glass, deputy
NAME / TITLE (PRINT)

NEVADA DIVISION OF ENVIRONMENTAL PROTECTION

THIS FINAL MAP IS APPROVED BY THE DIVISION OF ENVIRONMENTAL PROTECTION OF THE STATE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES. THIS APPROVAL CONCERNS SEWAGE DISPOSAL, WATER POLLUTION, WATER QUALITY AND WATER SUPPLY FACILITIES AND IS PREDICATED UPON PLANS FOR A PUBLIC WATER SUPPLY A COMMUNITY SYSTEM FOR DISPOSAL OF SEWAGE

REZ
DIVISION OF ENVIRONMENTAL PROTECTION

Ryan Fahney, NDEP-SWC
PRINTED NAME

DIVISION OF WATER RESOURCES CERTIFICATE

THIS PLAT IS APPROVED BY THE STATE OF NEVADA DIVISION OF WATER RESOURCES OF THE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES CONCERNING WATER QUANTITY, SUBJECT TO REVIEW OF APPROVAL ON FILE IN THIS OFFICE.

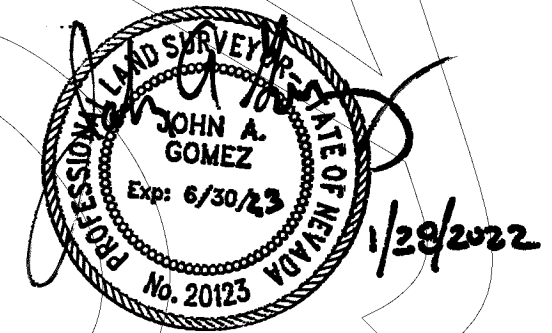
BY: Malcolm J. Wilson, P.E. DATE: 2/11/22
DIVISION OF WATER RESOURCES

SURVEYOR'S CERTIFICATE

I, JOHN A. GOMEZ, A PROFESSIONAL LAND SURVEYOR LICENSED IN THE STATE OF NEVADA, AS AGENT FOR LUMOS AND ASSOCIATES, INC., DO HEREBY CERTIFY THAT:

- THIS PLAT REPRESENTS THE RESULTS OF A SURVEY CONDUCTED UNDER MY DIRECT SUPERVISION AT THE INSTANCE OF CMG LAND HOLDINGS LLC.
- THE LANDS SURVEYED LIE WITHIN THE NORTHWEST ONE-QUARTER (1/4) OF SECTION 20, T.20 N., R.25 E., M.D.M., CITY OF FERNLEY, COUNTY OF LYON, STATE OF NEVADA AND THE SURVEY WAS COMPLETED ON SEPTEMBER 10, 2020.
- THIS PLAT COMPLIES WITH THE APPLICABLE STATE STATUTES AND ANY LOCAL ORDINANCES IN EFFECT ON THE DATE THAT THE GOVERNING BODY GAVE ITS FINAL APPROVAL.
- THE MONUMENTS DEPICTED ON THE PLAT ARE OF THE CHARACTER SHOWN, OCCUPY THE POSITIONS INDICATED, AND ARE OF SUFFICIENT NUMBER AND DURABILITY.

JOHN A. GOMEZ, P.L.S.
NEVADA CERTIFICATE No. 20123



CITY COUNCIL CERTIFICATE

I HEREBY ATTEST THAT THIS FINAL MAP WAS APPROVED AND ACCEPTED BY THE FERNLEY CITY COUNCIL ON THE 18th DAY OF MAY, 2022.

Tim Thompson, AICP
PLANNING DIRECTOR

5/19/22
DATE

CITY OF FERNLEY CERTIFICATE

IT IS HEREBY CERTIFIED THAT THIS FINAL MAP IS IN SUBSTANTIAL COMPLIANCE WITH THE CITY OF FERNLEY WATER, WASTEWATER, ROADWAY AND DRAINAGE STANDARDS AND REGULATIONS AND THAT ALL REQUIRED IMPROVEMENTS HAVE BEEN COMPLETED OR A PROPER FINANCIAL SECURITY HAS BEEN POSTED GUARANTEEING COMPLETION OF THIS FINAL MAP AND ALL CONDITIONS OF APPROVAL HAVE BEEN SATISFIED. IN ADDITION ALL OFFERS OF DEDICATION FOR ALL PUBLIC ROADWAYS WERE REJECTED WITH THE RESERVATION TO ACCEPT SAID OFFERS AT A LATER DATE.

Derek W. Starker
CITY OF FERNLEY ENGINEER
PRINTED NAME:

5/20/2022
DATE

CITY OF FERNLEY SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT THIS FINAL MAP HAS BEEN REVIEWED AND APPROVED

Grant Alexander, P.L.S.
ACTING CITY SURVEYOR
GRANT ALEXANDER, P.L.S.

4-7-22
DATE

GIS CERTIFICATE

A DIGITAL COPY OF THIS MAP HAS BEEN DELIVERED TO THE CITY OF FERNLEY AND LYON COUNTY G.I.S. DEPARTMENTS.

Joseph Lantry - GIS Tech.
CITY OF FERNLEY G.I.S. DEPARTMENT
PRINTED NAME:

04/09/22
DATE

Holly Villalobos - Mapping Administrator
COUNTY OF LYON G.I.S. DEPARTMENT
PRINTED NAME:

5/24/22
DATE

RIGHT TO FARM

THE LANDS SHOWN HEREON ARE SUBJECT TO THE RIGHT TO FARM ORDINANCE AS SET FORTH IN THE FERNLEY CITY CODE, TITLE 10.

FILED No. 657690

FEES: \$95.00

FILE FOR RECORD AT THE REQUEST OF LUMOS & ASSOCIATES, INC.

ON THIS 24th DAY OF May

2022 AT 40 MINUTES PAST 1

O'CLOCK P.M., OFFICIAL RECORDS OF LYON COUNTY, NEVADA.

Margie Kassebaum
COUNTY RECORDER

BY: Randi Thompson
DEPUTY RECORDER

FINAL MAP

NELSON MEADOWS PHASE 2

LOT 8 OF NELSON MEADOWS PHASE 1
FILE NO. 607337
SITUATE IN THE N.W. 1/4 OF SECTION 20,
TOWNSHIP 20 NORTH, RANGE 25 EAST, M.D.M.

CITY OF FERNLEY COUNTY OF LYON STATE OF NEVADA

LUMOS & ASSOCIATES

8222 PROTOTYPE DRIVE
RENO, NV 89521
TEL (775) 827-6111
FAX (775) 827-6122

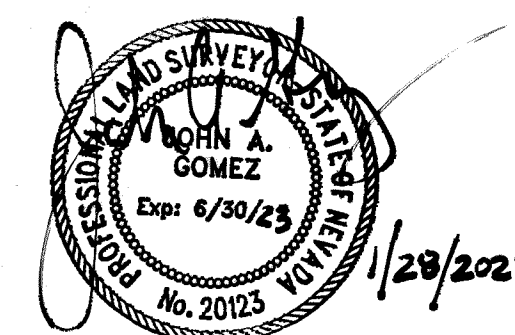
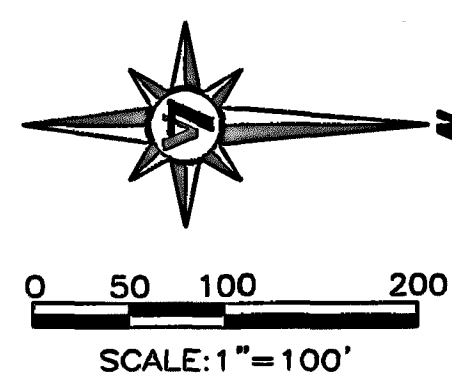
Drawn By: SEW
Sheet: 1 OF 4
Job No.: 9016.001
Dwg No.: 9016.001-FM.DWG

Doc# 657690 5/24/2022 10f4

SEE SHEET 3 FOR NOTES

(1) DONNER MEADOWS PHASE 2 DOC. NO. 409126 06/28/07
(2) PARCEL MAP DOC. NO. 451070 11/16/09
(3) PARCEL MAP DOC. NO. 222518 08/19/98
(4) DONNER MEADOWS PHASE 1 DOC. NO. 350511 5/11/2005
(5) DOC. NO. 441004 4/15/2009 (PRIVATE ACCESS EASEMENT)
(6) NELSON MEADOWS PHASE 1 DOC. NO. 607337 12/02/19

THE BASIS OF BEARINGS FOR THIS SURVEY IS NEVADA STATE PLANE COORDINATE SYSTEM, WEST ZONE NAD83(94). ALL DIMENSIONS ON THIS MAP ARE GROUND DISTANCES. GRID TO GROUND FACTOR IS 1.000257000



LOT B OF NELSON MEADOWS PHASE 1
FILE NO. 607337
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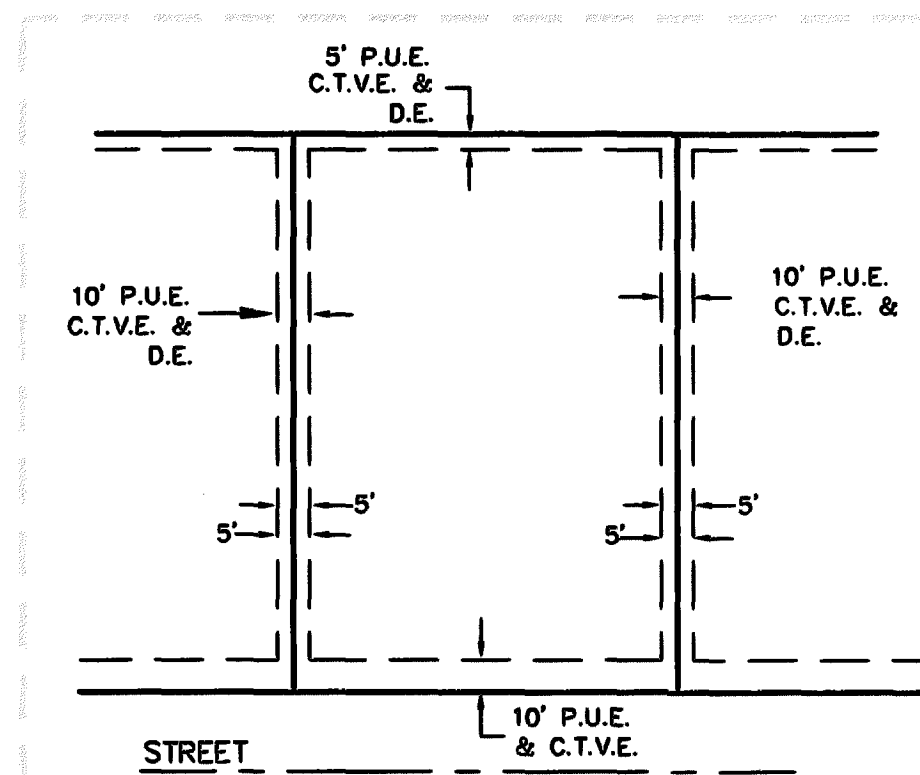
Drawn By : SEW
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Job No. : 9016.001
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NOTES

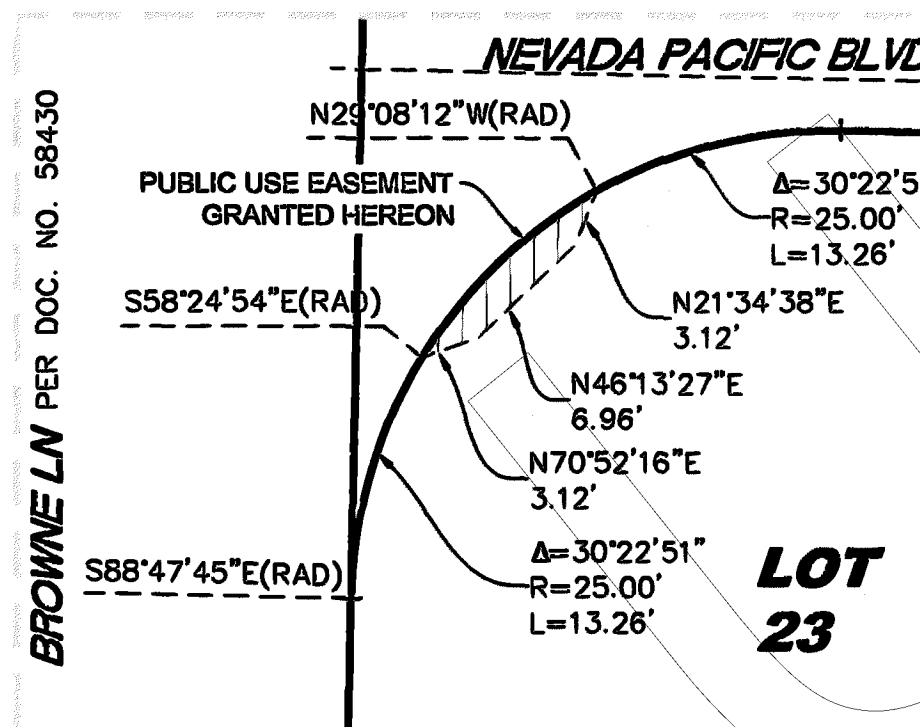
- TOTAL AREA OF THIS FINAL MAP IS 45.99 GROSS ACRES, CONSISTING OF 22 RESIDENTIAL LOTS (11.58± AC), 1.97 ACRES OF ROADWAY AND 1 REMAINDER PARCEL (32.44± AC).
- A PUBLIC UTILITY EASEMENT IS HEREBY GRANTED WITHIN EACH PARCEL FOR THE EXCLUSIVE PURPOSE OF INSTALLING AND MAINTAINING UTILITY SERVICES TO THAT PARCEL AND THE EXCLUSIVE RIGHT TO EXIT THAT PARCEL WITH SAID UTILITY SERVICES FOR THE PURPOSE OF SERVING OTHER PARCELS AT LOCATIONS MUTUALLY AGREED UPON BY THE OWNER OF RECORD AT THE TIME OF INSTALLATION AND THE UTILITY COMPANY.
- PUBLIC UTILITY EASEMENTS SHALL INCLUDE USE FOR THE INSTALLATION AND MAINTENANCE OF CABLE TELEVISION FACILITIES, CITY WATER, SEWER & STORM DRAIN.
- PUBLIC UTILITY EASEMENTS ARE HEREBY GRANTED, TEN (10.00) FEET IN WIDTH CENTERED ON THE INTERIOR PARCEL LINES, FIVE (5.00) FOOT IN WIDTH ADJACENT TO ALL SIDE AND REAR LOT LINES AND TEN (10.00) FEET IN WIDTH ADJACENT TO ALL STREET RIGHTS OF WAY.
- THE CITY, COUNTY, SCHOOL DISTRICT AND SPECIAL DISTRICTS ARE NOT OBLIGATED TO FURNISH AND SERVICE, SPECIFICALLY MENTIONING FIRE PROTECTION AND ROADS, TO THE LAND SO DIVIDED AND THAT ANY PUBLIC UTILITY MAY BE SIMILARLY FREE OF OBLIGATION.
- ALL EASEMENTS ARE ESTABLISHED AS INDICATED EXCEPT WHERE SUCH EASEMENTS OVERLAY AN EXISTING PUBLICLY MAINTAINED IRRIGATION OR DRAINAGE EASEMENT. IN SUCH CASE THE APPROPRIATE UTILITY EASEMENT SHALL LIE PARALLEL WITH AND CONTIGUOUS TO THE EXISTING EASEMENT.
- ROADS DESIGNATED AS PUBLIC ROADS AS SHOWN UPON THIS MAP WILL NOT BE ELIGIBLE FOR ACCEPTANCE BY THE CITY FOR MAINTENANCE UNTIL THEY ARE IMPROVED, (AT NO COST TO THE CITY) TO CITY STANDARDS.
- ACCEPTANCE OF THIS MAP BY THE CITY IS NOT A COMMITMENT THAT A BUILDING PERMIT WILL BE ISSUED ON ANY OR ALL LOTS.
- THE STREIFF DRAIN EASEMENT HAS BEEN RELEASED BY THE UNITED STATES, PER DOCUMENT 593312, RECORDED MARCH 15, 2019, OFFICIAL RECORDS OF LYON COUNTY.
- A PUBLIC UTILITY EASEMENT IS HEREBY GRANTED TO SOUTHWEST GAS WITHIN EACH PARCEL FOR THE EXCLUSIVE PURPOSE OF INSTALLING AND MAINTAINING UTILITY SERVICE FACILITIES TO THAT PARCEL, WITH THE RIGHT TO EXIT THAT PARCEL WITH SAID UTILITY FACILITIES FOR THE PURPOSE OF SERVING ADJACENT PARCELS.

LEGEND

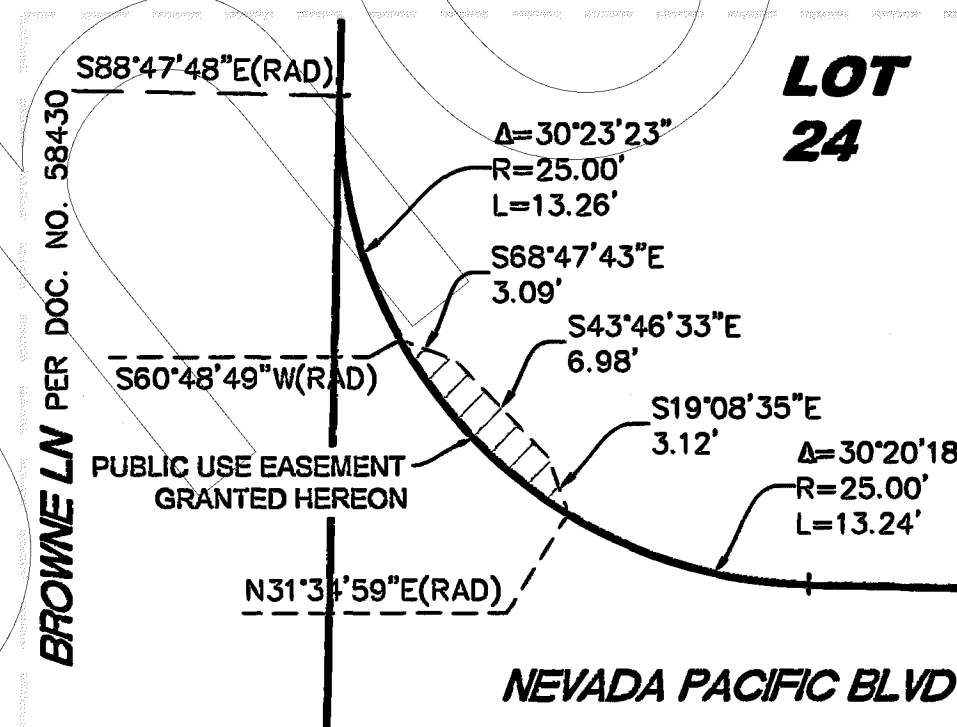
- ▶ FOUND 1/4 SECTION CORNER AS NOTED
- FOUND 5/8" REBAR W/CAP PLS 11178
- FOUND MONUMENT AS DESCRIBED HEREON
- FOUND 5/8" REBAR W/CAP PLS 20123
- ⊙ FOUND MONUMENT WELL W/ DISK PLS 7633
- SET 5/8" REBAR W/CAP PLS 20123
- ⊙ SET MONUMENT WELL W/ DISK PLS 20123
- DIMENSION POINT, NOTHING FOUND OR SET
- (1) PER REFERENCED DOCUMENT
- P.U.E. PUBLIC UTILITY EASEMENT
- C.T.V.E. CABLE TELEVISION EASEMENT
- D.E. DRAINAGE EASEMENT
- L.C.O.R. LYON COUNTY OFFICIAL RECORDS
- (RAD) RADIAL BEARING



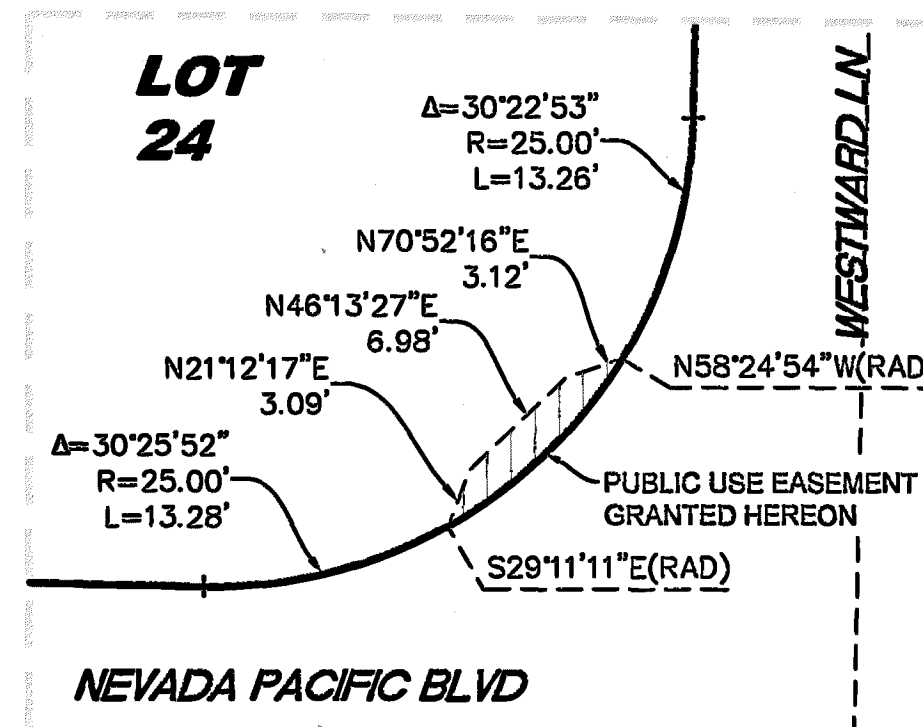
TYPICAL LOT EASEMENTS
NOT TO SCALE



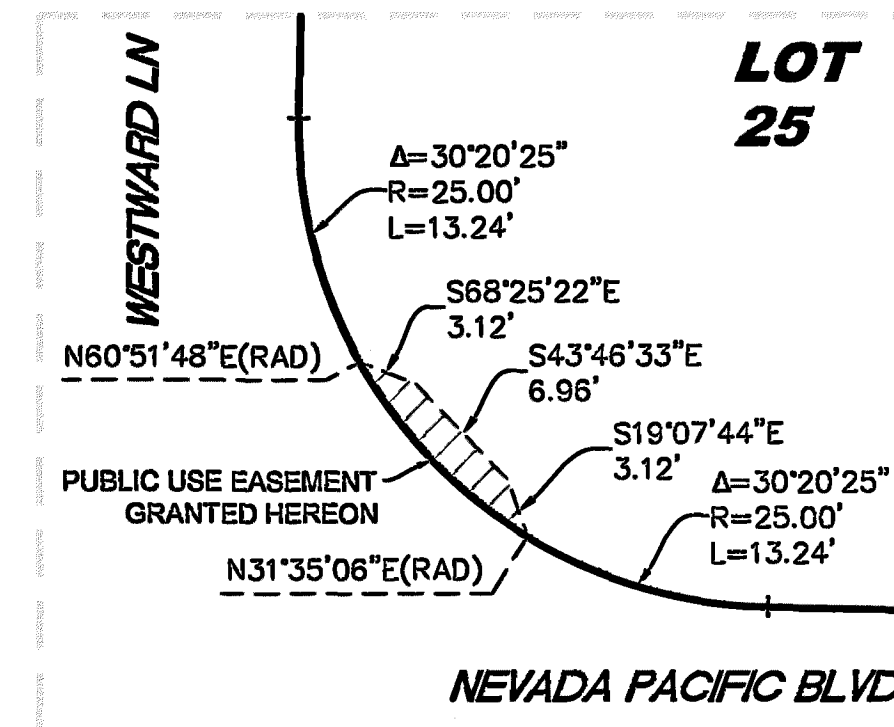
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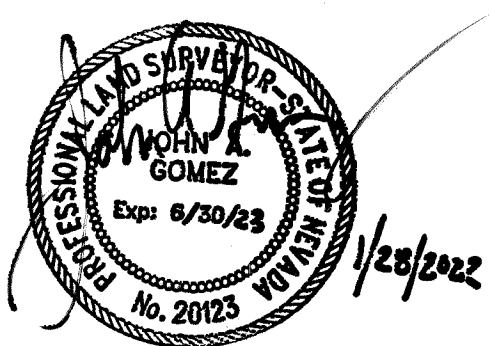
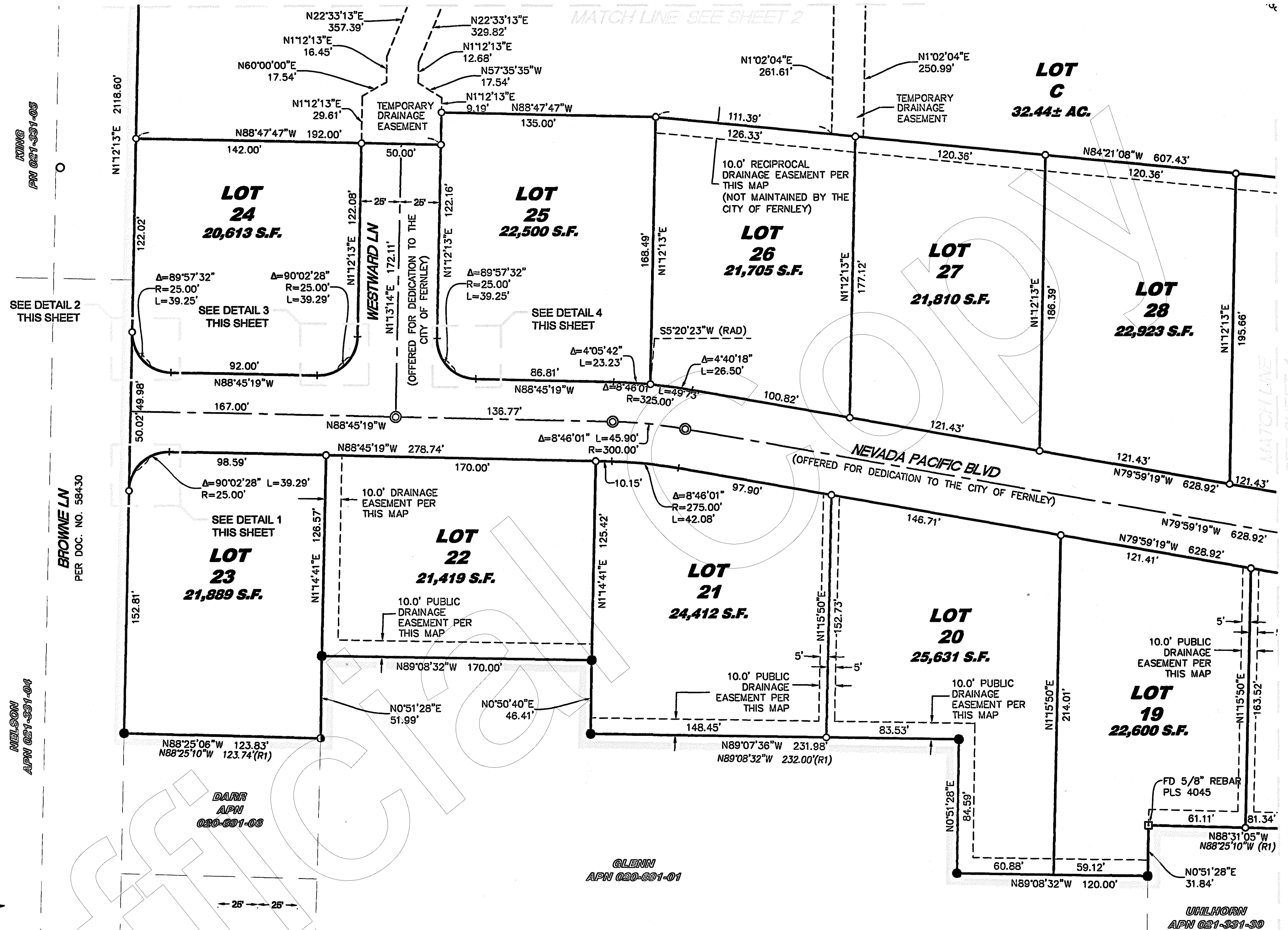
DETAIL 2
NOT TO SCALE



DETAIL 3
NOT TO SCALE



DETAIL 4
NOT TO SCALE



FINAL MAP
FOR
NELSON MEADOWS PHASE 2

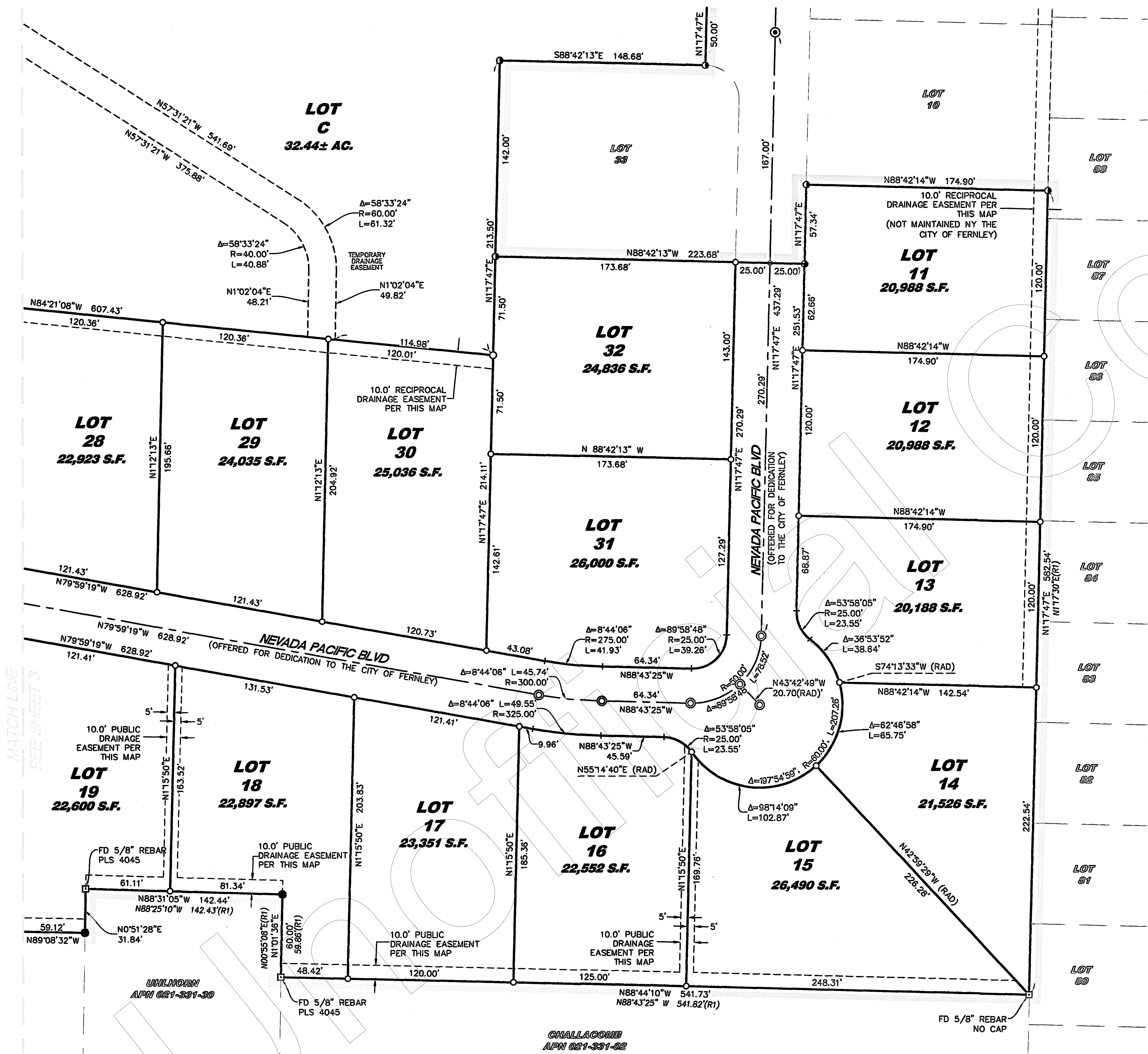
LOT B OF NELSON MEADOWS PHASE 1
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CITY OF FERNLEY COUNTY OF LYON STATE OF NEVADA

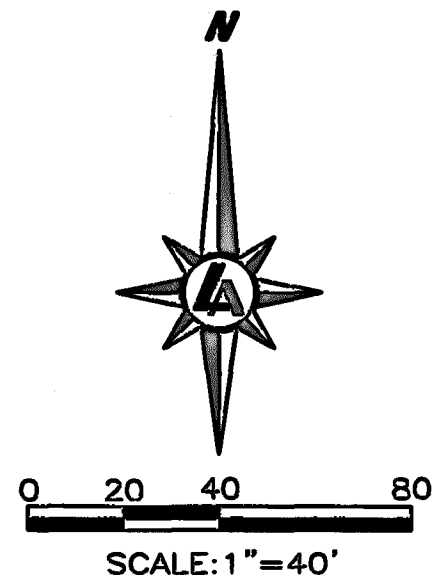
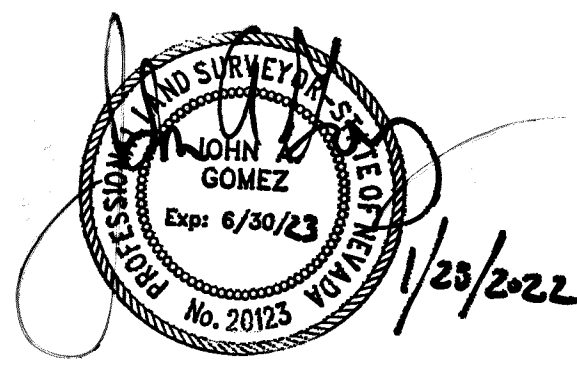
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Sheet: 3 OF 4
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- LEGEND**
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FINAL MAP
FOR
NELSON MEADOWS PHASE 2
LOT B OF NELSON MEADOWS PHASE 1
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Sheet: 4 OF 4
Job No. : 9016.001
Dwg No. : 9016001-FM.DWG

Doc# 657696 5/24/2022 40F4

Lyon County APN:

RECORDING REQUESTED BY:

City of Fernley
595 Silver Lace Blvd
Fernley NV 89408

Main Recorded Documents to:

City of Fernley
595 Silver Lace Blvd
Fernley NV 89408

**RESOLUTION #22-020 FOR ACCEPTING
NELSON MEADOWS PH2 SUBDIVISION, PUBLIC IMPROVEMENTS
THAT INCLUDES ROADWAYS, WATER, SEWER, AND STORM DRAINS**

**FINAL MAP OF NELSON MEADOWS PH2
RECORDED MAY 24, 2022, DOCUMENT NUMBER 657696.**

WHEREAS, it is a function of the City of Fernley to operate and maintain public roads and public water, sewer, and storm drain infrastructure; and

WHEREAS, Nevada Pacific Boulevard and Westward Lane, were offered for dedication by Final Map of Nelson Meadows Phase 2 Subdivision, Document Number 657696, recorded on May 24, 2022 (the "Final Map"); and

WHEREAS, NRS 278.390 specifically provides that if at the time a final map is approved but the associated streets are rejected, the offer of dedication shall remain open and the governing body or planning commission may by resolution at a later date, and without further action by the subdivider, rescind its action and accept and open the streets for public use; and

WHEREAS, said streets have been constructed and meet current City standards; and

WHEREAS, The City Council finds that it is in the best interest of the public to accept said streets and public water, sewer, and storm drain infrastructure.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Fernley, pursuant to the authority of NRS 278.390, that Nevada Pacific Boulevard and Westward Lane as shown on the Final Map are hereby accepted, and the Public Works Department is directed to open the roads for public use and maintenance.

BE IT FURTHER RESOLVED, and hereby ordered, that the City of Fernley, Public Works Department shall record this resolution in the Office of the Lyon County Recorder.

PASSED, APPROVED, AND ADOPTED this 21st day of December 2022, by the following vote of the Council:

AYES:___ NAYS:___ ABSTENTIONS:___ ABSENT:___

FERNLEY CITY COUNCIL

Date: December 21, 2022

By: _____
Neal McIntyre, Mayor

Attest: _____
City Clerk, Kim Swanson