



# STOREY COUNTY PLANNING COMMISSION

Thursday August 6, 2020 6:00 p.m.

26 South B Street, District Courtroom,

Via Zoom

Virginia City, Nevada

## MEETING MINUTES

CHAIRMAN: Jim Hindle

VICE-CHAIRMAN: Summer Pellett

COMMISSIONERS:

Larry Prater, Kris Thompson, Jim Collins, Adrienne Baugh, Bryan Staples

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1. **Call to Order:** The meeting was called to order by the Chairman at 6:00 P.M.
  2. **Roll Call via Zoom:** Jim Hindle, Adrienne Baugh, Larry Prater, Kris Thompson, Summer Pellett, Jim Collins, Bryan Staples joined the meeting at 6:45 p.m.

**Also Present:** Senior Planner Kathy Canfield, County Manager Austin Osborne, Chief Deputy District Attorney Keith Loomis, County Commissioner Jay Carmona and County Commissioner Lance Gilman.

3. **Pledge of Allegiance:** The Chairman led the Pledge of Allegiance.
4. **Discussion/Possible Action:** Approval of Agenda for August 6, 2020.

**Motion:** Approval of Agenda for August 6, 2020, **Action:** Approve, **Moved by** Commissioner Prater, **Seconded by** Commissioner Thompson, **Vote:** Motion carried by unanimous vote (**summary:** Yes=6).

**Public Comment:** Sam Toll said he received an email stating a planning commission agenda had been posted. Asked if there were any changes to the agenda because he could not view it at the time.

**Chairman Hindle** clarified that it was correspondence. The agenda has not changed since the original date of posting.

5. **Discussion/For Possible Action:** Special Use Permit 2020-021 request by the applicant Stericycle, Inc. to construct and operate a medical and other special waste incinerator facility. The project has the potential to provide generation of excess power, which is considered an "electric or gas power generating plant" which is also subject to a special use permit. The subject property is located at 1655 Milan Drive, Tahoe-Reno Industrial Center, McCarran, Storey County, Nevada, a portion of Assessor's Parcel Number (APN) 005-111-73.

Chairman Hindle clarified that this was an item that was continued from the last planning commission meeting.

Commissioner Thompson recused himself from this item due to a pecuniary interest he has as project manager in a transaction between the TRI Center and the applicant.

**Senior Planner Canfield:** Stericycle is proposing to construct and operate a medical waste and other specialty waste incinerator facility to be located at 1655 Milan Drive. The site is zoned I-2, Heavy Industrial with the I-S (Special Industrial Zone) overlay and is an undeveloped parcel. This was continued from the last meeting in which some commissioners asked for written answers

to questions and concerns raised in correspondence and during the planning commission meeting. Stericycle has provided a written response that was forwarded to the planning commissioners earlier in the week and posted to the website. Staff also received additional correspondence from an adjacent property owner in opposition to the project. The correspondence was also posted to the website and forwarded to the planning commissioners. In addition, Staff received a letter of opposition a couple of hours ago. That was posted to the website and forwarded to the planning commissioners.

Stericycle is prepared to answer any questions following a brief presentation.

**Dominic Culotta: Executive V.P. and Chief Engineer for Stericycle:** Stericycle has received, reviewed and taken in to consideration feedback from the community and Stericycle takes this very seriously. The updated presentation reflects this. At this time of pandemic this type of facility is critical, necessary, and timely to support our healthcare communities. Culotta presented an overview of the proposed facility (see attached presentation), explained how the incinerators work, and highlighted the rigorous environmental and safety standards that guide the operation. Stericycle will work to be a model and corporate citizen and valuable member of the community. Introduced members of the Stericycle team (presentation).

- 50,000 square feet facility will be located on 20 acres at 1665 Milan. All processing will be contained within the building. No waste material will be stored. Facility will be fully fenced and video monitored for security, and will not be open to the general public. Facility will receive 10-15 trailers per day and employ 30 full time team members. Site was intentionally oversized to provide a buffer to minimize impact to neighbors and wildlife.
- Incinerators are small in comparison to municipal solid waste incinerators. Incinerators intended to be placed in this facility are designed to process 3.5 tons per hour as opposed to municipal facilities which are much larger and may process as much as 70 tons or more per hour.
- Traffic impact is very small with proposed 10 to 15 trailers per day. Employment is estimated to be 30 full time skilled and trained team members with good benefits and wages.
- Construction phase of the project will support many jobs.
- Facility will process certain types of waste designated for incineration such as waste pharmaceuticals, trace chemotherapy drugs and pathological waste which often come from hospitals, universities, special service centers, and pharmaceutical centers. Incineration of these types of medical waste is the environmental best practice for disposal. Stericycle is committed to safety of the environment. Implemented a program in the last 18 months that includes a centralized global focus on safety which includes advanced safety programs.
- Facility based in North Salt Lake City, Utah remains fully operational and compliant. The violation that has been brought up by those opposed to this facility in Storey County occurred 9 years ago and has been the only citation for emissions violation experienced in the facilities 24 year history of operation. Results from two separate subsequent county department of health studies have demonstrated that emissions from the facility present no health risks to the surrounding community, however the community around us in North Salt Lake City was re-zoned to residential. The facility was starting to age and is not optimally located and lacks adequate processing capacity. This is what drove our decision to seek a better alternative. The proposed facility in Storey County will be the most technologically advanced of its kind and will adhere to the most stringent environmental standards than are required at all of our other facilities. Stericycle is subject to stringent federal and state regulations under the EPA, Hospital Medical Infectious Waste Incinerator Waste regulations. We follow a proven air pollution control process for best in class emission results. All testing of facilities is done by a third party and submitted to the State Bureau of Air Quality.
- Regarding community engagement, we reached out to the American Wild Horse Campaign and have had productive meetings thus far regarding traffic safety, vehicle strikes (horses), access to drinking water and having sustainable habitat for the wild horses. Committed to further supporting measures to ensure the safety of the wild horses.
- Stericycle has a large local customer base which includes multiple doctor's offices, labs, international airports, retail as well as the Douglas County School District and the Washoe County Sheriff and Health District, and also provide service to federal, state and local governments and all branches of the military.
- Stericycle is committed to being fully transparent and will work with the public officials and members of the local community.

**Commissioner Baugh:** Informed the commission that she was contacted by Will Adler, local representative for Stericycle. He reached out and we spoke. Baugh said she does not have an opinion one way or the other regarding her decision on the special use permit.

**Chairman Hindle** added that he had an email exchange with the Adlers (Will and Sarah). They introduced themselves and said they would be participating in the process. Hindle told them that they were welcome additions from the standpoint that if they had any additional information they could add to help with the decision that would be appreciated. Nothing further from there was discussed.

**Commissioner Prater:** Also spoke with Sarah Adler a couple of times and was invited out to look at the site, but was unable to make it because of other obligations. He told Sarah that he is keeping an open mind. Prater has a question for Mr. Culotta and told him that he has been reviewing Stericycle's response from July 31<sup>st</sup> and the Blockchains correspondence that was 14 pages of comment followed by roughly 320 pages of background information. They put a lot of time and effort into a response to this

(SUP request) and have asked the planning commission to deny the permit. Prater said he was bothered a bit by Stericycle's response to the activity in North Las Vegas. The letter states that you (Stericycle) had an approval but then backed out of it because of lack of infrastructure. Blockchain's says that no, there was no approval. Said he called county staff and thankfully Senior Planner Canfield is very careful with these sorts of issues and had researched the activity in Las Vegas. Turns out that both of you were right in that you did receive a special use permit, it expired in two years, then Stericycle asked for it to be renewed and at that time their staff recommended denial. Prater said he assumes shortly after that it was decided to withdraw the application stating that the reason was lack of infrastructure.

**Dominic Culotta: Executive V.P. and Chief Engineer for Stericycle:** Said that in looking at the North Las Vegas area, and the issues that were coming up, Stericycle allowed that permit to expire. They tried to renew the permit since it had already been issued previously and tried to work out the infrastructure issues. The concerns around the issues with infrastructure was what really drove us (Stericycle) to decide to let the permit expire. The main reason for attempting to renew the permit was simply to keep the opportunity open, but it was pretty clear to Stericycle that it was not the best place to be.

**Dale Rich, V.P. of Incinerator Operations for Stericycle:** Said that Dominic is correct. Stericycle allowed that permit to expire. The infrastructure challenges were significant and ultimately, we made the decision to withdraw the application (SUP).

Discussion continued between Commissioner Prater and Dominic Culotta regarding the issue of the North Las Vegas facility and the attempted permit renewal and circumstances related to it, specifically that Staff in Las Vegas recommended denial.

**Selin Hoboy, V.P. of Government Affairs and Compliance for Stericycle:** Would like to focus on why Stericycle wants to build this facility in Storey County. Hoboy said that they found the needed infrastructure here. That was part of the reason why we (Stericycle) didn't further pursue the permit in Las Vegas. This location is ideal for Stericycle's long range vision plan for this type of facility, incineration, with the Heavy Industrial overlay zoning and the project conforms with the Master Plan.

**Chairman Hindle:** Opened Public Comment.

**Matthews Digesti, Vice President of Government Affairs for Blockchains LLC:** Submitted Statement below:

## **I. Introduction**

Chairman Hindle and Members of the Planning Commission. I am Matt Digesti, Vice President of Government Affairs for Blockchains, LLC. I'm here to speak in opposition to the Special Use Permit requested by Stericycle. Although I have provided you a detailed Opposition, I take this opportunity to highlight three important points: First, why Blockchains is here. Second, why Stericycle is here. And third, why the Special Use Permit should be denied.

## **II. First, why is Blockchains here?**

Blockchains is here because we care about Storey County. When founder Jeffrey Berns decided to build a high-tech community, he carefully considered many sites in the U.S. He chose Storey County to develop a world-class, cutting-edge business and technology park integrated with a master-planned residential community. This development builds upon the evolution already taking place at TRIC with the likes of Tesla, Google and Switch already investing billions into the County.

- Mr. Berns acquired 60,000 acres in McCarran and Painted Rock.
  - He made the largest monetary land investment in Storey County history.
  - He has created 100+ high paying jobs in Storey County, and
  - He has long-term plans to create thousands of high paying jobs with future investments in the billions of dollars.
- Yet, these transformational plans could be destroyed by a single company – Stericycle.

## **III. Second, why is Stericycle here?**

I don't need to rehash what was filed in our written statement. Frankly, we would be here all night. Stericycle is here for one reason – it cannot get approved to operate anywhere else. So why would Storey County, with such a positive and historical track record of supporting innovate land development, welcome a business that could threaten the future of that development? Our hope is that Storey County will deny the special use permit application.

## **IV. Lastly, why should the special use permit be denied?**

The special use permit should be denied for three reasons. First, the project causes a substantial detriment to the public good. Utah has determined that Stericycle is dangerous to the public. North Las Vegas concluded the same thing. The wild horse population is also at risk – polluted water sources, altered migration patterns, and increased vehicle-horse accidents harm the public good. Put bluntly, Stericycle significantly increases the risk to the public, the environment, and the wild horse population.

Second, the project is not consistent with the Master Plan. In McCarran, we have Tesla, Switch, Google, and several other Fortune 500 companies. Stericycle is asking you to approve a medical waste incinerator in the middle of these high-tech businesses. This is incompatible and inconsistent. The problem is compounded with the residential component of Blockchains' future development plans. No one wants to live or work next to a polluting medical waste incinerator with a significant history of accidents causing substantial harm to the public.

Lastly, Stericycle made a lot out of the fact that there is new leadership. A new CEO, a board creating unique sub committees. That new leadership was in place when Stericycle told this Commission about the reasons it abandoned North Las Vegas. It left out the fact the staff in North Las Vegas recommended denial. It was not an oversight. It was a choice, by Stericycle's new and improved leadership, to leave out critical information to this Commission. They are requesting your approval on the one hand, while not being transparent on the other.

## V. Conclusion

Thank you for your time. I ask that you carefully consider our paperwork and vote to recommend DENIAL of Stericycle's special use permit application. I have prepared a written statement of my comments and ask the Clerk to attach my statement to the Minutes of this Meeting.

**Commissioner Prater:** Said he has a question for Mr. Digesti. In response to Stericycle's plans you mentioned several times plans that Blockchains has for its properties which included residential. Surely you are aware that there is no allowance for residential development in the Master Plan or in the zoning for TRI.

**Mr. Digesti:** Commented to Commissioner Prater that he is correct that within the industrial center residential development is not allowed, however part of the land purchase included an area called Painted Rock. When we speak of residential development that is just one piece of the entire development. Residential will sit outside of the industrial center, but the high tech business park sits partially within and partially outside of the industrial center. Painted Rock is obviously close enough to this proposed project and could be impacted.

**Greg Hendricks, American Wild Horse Campaign:** Thanked the Stericycle staff as well as Mr. Adler for their time listening to our concerns and requests related to mitigation on impacts to the wild horses. The American Wild Horse Campaign still has concerns with the impact to the wild horses, habitat and to our volunteers out at the site being in close proximity to the construction area and also the final facility. One of the elements that we would like to bring up is that we currently have no really detailed mitigation plan from Stericycle.

We would like to see prior to approval or at least a contingency put in writing to address some of the specific concerns that we provided to them relating to lighting and traffic on Milan, and fence setbacks so that there isn't a trap next to the road where the entrance and exit will be. Recommend that a mitigation plan be developed in writing and presented either prior to or during the approval process including mitigation for Blockchain's concern as it related to wild horses.

**Sam Toll:** Said he is calling in from Gold Hill where his house is perhaps the farthest away from this facility that it could be. Speaking in opposition of the special use permit. Toll said he shares the concerns that Mr. Digesti from Blockchains brought up, and also concerned about the wild horses. Said that even though he didn't participate in the vote, it is his understanding that Storey County voted against Yucca Mountain when the opportunity was presented before the voters. By the board approving these types of businesses, both Stericycle and the Asian Chemical company we are setting a precedent to invite similar types of companies in to Storey County. It's important to recognize the types of firms that we are going to let in and be cautious about what the long term impact is for this type of development not only to the horses but the impact to our first responders. Toll stated that if there is an accident what type of equipment and dangers are they going to be facing when they enter a dangerous situation at either of the two facilities (Stericycle, AUECC). Said he has talked to folks within the fire department and there is a very big concern about training, equipment and potential for personal injury and what could be released into the environment. Encouraged the board not to approve this permit.

**Dominic Culotta:** Stericycle started about 30 years ago because of the crisis of needles washing up on the Atlantic seaboard shoreline. We set out with the purpose to improve the safety of the communities and the environment. Currently we treat about 900k tons of medical waste each year and another 42k tons of pharmaceuticals. We are about protecting people, promoting public health and safeguarding the environment. We are trusted by hospitals, healthcare companies, and government. We are very safe and when you look at the grand scale of what Stericycle handles and the amount of issues that have actually occurred, there will be some, and there will be some exceptions, but we are highly committed to continuously improve and do it significantly. Culotta stated that in the first half of 2020 versus the first half of 2019, a 31% improvement in the safety frequency of our employees. We do protect all the environments around us. Stericycle has seven incinerating facilities, 46 (inaudible) facilities, and 130 transport sites, and in regard to that, we have minimal concerns and continue to get better and better as we go forward. Mr. Culotta discussed the leadership changes that have occurred in the last 18 months and various other pertinent aspects of the Stericycle company and the appropriateness of the TRIC site.

**Commissioner Baugh:** Said to Dominic Culotta to be cautious in stating statistics from the first six months of last year versus the first six months of this year. Baugh said that she is not sure and nobody knows how much demand you had, and that kind of thing. It was a very different six months of the year from 2019 and 2020 due to the Covid situation. Baugh also stated that she is disappointed to not see a written plan to address the horses.

**Commissioner Collins:** Said he cares about horses, but this is an industrial park and said he understand that they (Stericycle) are going to address some things for the horse community. Collins said he thinks this (project) would fit in to the industrial park, it is not a residential area.

**Chairman Hindle:** Asked Mr. Culotta if Stericycle has other US based facilities and has Stericycle had issues with governmental regulators in those facilities, and whether or not the government agencies have shut down facilities due to non-compliance issues.

**Dominic Cullota:** Said they have about 180 facilities spread across the United States. The companies have two core businesses, the medical waste and the document destruction (shredding). Some are transportation facilities and (inaudible), and seven incinerators. The incinerators are in Kansas, Louisiana, North Carolina to the east. Generally, issues arise because of areas right next to us are rezoned to residential.

**Dale Rich, V.P. of Incinerator Operations:** Stated that none of the incinerator facilities have been closed down and no regulatory actions have occurred to even suggest that. All of the facilities are in compliance with emission standards and permitting. Said that at present they conduct emissions testing on an annual basis, and the testing has been successful. From an impact perspective in regard to the Utah facility, a government agency conducted two health studies and those studies concluded that an older facility, one that's been operating for years, with lesser technology had no measurable impact on the environment.

**Chairman Hindle:** Asked staff if they know the number of hazardous operations there are in TRIC.

**Austin Osborne, County Manager:** Stated that there are quite a few companies at TRIC that are classified in one way or another and this board approved another medical waste processing facility a year or two ago. There are companies that deal with hazardous substances and have special use permits such as high volumes of ammunition and manufacturing of military arms, hydrogen and gas to diesel processing, a company that transfers medical waste and other municipal waste into diesel fuel, a company that manufactures gas and diesel. Said that if you visit a Golden Gate Petroleum gas station, most of that fuel comes from the TRIC. There are a few additional companies that deal in hazardous substances that are quite volatile but do not require a special use permit.

**Chairman Hindle:** Asked staff how active NDEP is in the TRIC.

Also confirmed that the staff report states that the proposed parcel is zoned I2 heavy industrial and all the adjacent properties to this parcel are zoned I2 heavy industrial. It does not abut to a parcel with a less intensive industrial zoning. Senior Planner Canfield confirmed Hindle's statement.

**Austin Osborne, County Manager:** NDEP (Nevada Division of Environmental Protection) is involved in air emissions and water monitoring, compliance, and regulatory measures. NDEP follows NRS and NAC. They are the authority in the state of Nevada for monitoring all environmental matters. I believe Stericycle will also be under EPA air regulations according to the process they will be using.

**Senior Planner Canfield:** Said that NDEP issues their own permits, follows up and monitor the permits. Storey County does not have air quality regulations, we look to NDEP to have the expertise to do that.

**County Manager Osborne:** Regarding the master plan and residential uses at TRIC; the master plan prohibits residential uses in TRIC. The zoning also prohibits residential uses at TRIC as does the Development Agreement between TRIC and the county. Residential uses are not compatible with industrial and heavy intense uses that TRIC is designed to accommodate.

Osborne stated that he has worked in Planning on staff for about 10 years and was on the planning commission prior to that. In all of these cases including this one, the Storey County Fire Chief and Storey County Fire Protection District was intimately involved in the development of these staff reports for companies and they have no concerns as far as being able to respond to the types of emergency, medical, fire and other types of responses to this use as well as any other use out at TRIC and across the county.

**Commissioner Pellett:** Stated that looking at this from a planning perspective, this area has been zoned heavy industrial since 1999 and it also carries the land use designation as well. Some of the issues that could arise with this type of use are being mitigated. Stericycle is going to be subject to federal regulations, the EPA and NDEP, which are included in the conditions of approval. Pellett said that from a planning perspective she typically relies on those agencies to properly do their job in making sure that the environmental impacts are meeting all of the standards that are put in place at both the federal and state level. According to the staff report the applicant is proposing to fall within those regulations, and this is heavy industrial zoning and a heavy industrial land use.

This is the type of use that fits in to the TRIC, and regarding the wild horse issue, 10 to 15 trucks a day doesn't seem to be anything that is not typical already at TRIC. Said she would assume that many other land uses out there have a higher impact when it comes to truck traffic. Does not see how we can discuss the horses being at risk specifically due to Stericycle. Also, it has already been mentioned that other incinerator facilities exist at TRIC. Pellett said that she is having a hard time seeing that this proposed use would not be acceptable in heavy industrial zoning in an industrial park.

**Motion:** In accordance with the recommendation by staff, the Findings of Fact under Section 3.A of this report with the addition of Finding 8 (added by Senior Planner Canfield), and other findings deemed appropriate by the Planning Commission, and in compliance with the conditions of approval, I Summer Pellett, recommend approval of Special Use Permit 2020-021, to construct and operate a medical and other special waste incinerator facility. The project has the potential to provide generation of excess power, which is considered an "electric or gas power generating plant" which is also subject to a special use permit. The subject property is located at 1655 Milan Drive, Tahoe-Reno Industrial Center, McCarran, Storey County, Nevada, a portion of Assessor's Parcel Number (APN) 005-111-73. , **Action:** Approve, **Moved by** Commissioner Pellett, **Seconded by** Commissioner Staples,

**Senior Planner Canfield** read the findings into the record:

- (1) This approval is for Special Use Permit 2020-021, a request by the applicant Stericycle, Inc., to construct and operate a medical and other special waste incinerator facility. The project has the potential to provide generation of excess power, which is considered an "electric or gas power generating plant" which is also subject to a special use permit. The subject property is located at 1655 Milan Drive, Tahoe-Reno Industrial Center, McCarran, Storey County, Nevada, a portion of Assessor's Parcel Number (APN) 005-111-73.
- (2) The Special Use Permit conforms to the 2016 Storey County Master Plan for the McCarran planning area in which the subject property is located. A discussion supporting this finding for the Special Use Permit is provided in Section 2.E of this staff report and the contents thereof are cited in an approval of this Special Use Permit.
- (3) The subject property is located within an existing industrial neighborhood in the McCarran area of Storey County. The zoning is based on the 1999 Storey County Zoning Ordinance which identifies this property as I-2 Heavy Industrial. The proposed facility is defined as a "recycling facilities and operations involving use, recovery or residue of hazardous materials and/or wastes" and has an incinerator and has the potential to provide an "electric or gas power generating plant" and requires a Special Use Permit.
- (4) Granting of the Special Use Permit, with the conditions of approval listed in Section 4 of this report, will not under the circumstances of the particular case adversely affect to a material degree the health or safety of persons/property in the neighborhood of the subject property. The project is expected to meet the safety and health requirements for the subject area. The use will also be subject to building and fire plan review in order to ensure compliance with federal, state and other codes.
- (5) The Special Use Permit will not impose substantial adverse impacts or safety hazards on the abutting properties or the surrounding area, and it will comply with all federal, state and county regulations.
- (6) The conditions under the Special Use Permit do not conflict with the minimum requirements in the 1999 Storey County Zoning Ordinance Sections 17.37 I-2 Heavy Industrial and 17.62 Special Uses.
- (7) Granting of the Special Use Permit will not, under the circumstances of the particular case, adversely affect to a material degree the health or safety of persons working in the neighborhood or area of the subject property and will not be materially detrimental to the public welfare or materially injurious to property improvements in the neighborhood or area of the subject property.
- (8) Granting of the Special Use Permit would not be incompatible with or detrimental to the surrounding area.

**Commissioner Prater** requested a roll call vote.

**Vote:** Motion carried by vote (**summary:** Yes=5, Pellett, Staples, Hindle, Baugh, Collins, Nay=1, Prater).

Chairman Hindle Recessed meeting for 5 minutes after allowing Commissioner Thompson to rejoin the meeting.

**6. Discussion/Possible Action:** Special Use Permit Amendment 2017-020-A1-2020 by applicant Asia Union Electronic Chemicals – Reno, Inc. (AUECC). The applicant requests an amendment to Special Use Permit (SUP) Number 2017-020 to modify the language associated with Conditions of Approval C, D, S, T and BB which relate to chemical and substance inventory, outdoor loading/unloading, water/fog deluge systems, bulk product loading/unloading, filling stations, training

requirements, outdoor chemical storage, security footage storage and release reporting requirements. The subject property is located at 1400 Waltham Way, APN 004-091-81, McCarran, Storey County, Nevada.

**Senior Planner Canfield:** Stated that this is an amendment to a special use permit issued to AUECC in September of 2017. AUECC has activated their SUP and have been doing construction on the site. They are getting close to finishing construction and would soon like to begin operations. The request is to amend some of the language in the SUP specifically five different conditions out of the 33 conditions that were approved in 2017. When AUECC originally began this process with Storey County the SUP was their first step and since this use was so unique, staff completed a very detailed review of the project which resulted in very detailed conditions of approval. What AUECC is finding now is that sometimes the very detailed conditions don't necessarily match with the other regulatory agencies' best practices and regulations that they are requiring. Staff is proposing to modify five conditions so that AUECC can meet the requirements of the other agencies along with county requirements. In no way do any of these modifications change the safety requirements that we have placed on the project, it is just looking at different ways to reach the same goal. AUECC staff is here tonight and have a brief presentation.

**Curtis Dove, Global CEO for AUECC:** He introduced Danielle Knight, Environmental Health and Safety Manager and Jared Kerney, Plant Manager. Mr. Dove said they are at the completion phase of the project and looks at this as the "as built" situation after they have gone through the detailed design and regulatory compliance and permits.

**Danielle Knight** shared her screen for the presentation: A quick recap of who AUECC is; a purifier of commonly used industrial grade chemicals specifically acids and bases with a few solvent processes. All of the processes involve filtration, dilution, absorption and condensation. These are very simplistic processes not involving a chemical reaction. The end consumer would be those manufacturers of computer chips. In September of 2017, our SUP was issued. There were some broad brushstrokes used in the language that could prohibit AUECC from operating all of the processes and compliance with other regulatory agencies. Over the past three years we (AUECC) have had a plethora of other agencies that we have to comply with including federal, state and of course the special use permit. AUECC falls under the NDEP Chemical Accident Prevention Program (CAPP). It is a very involved process designed to go through each one of AUECC's processes item by item to ensure that all the industry standards are considered. We want to ensure that the SUP accurately reflects how the systems are going to run. Special Use Permit Clarifications:

-Generalized language was used to limit the chemical list; however, this would prevent AUECC from having diesel fuel required to run fire water pumps and simple water treatment chemicals used for drinking water disinfection.

-Forklift limitations that restricted moving "bulk" containers; however, bulk is not defined. It is required to use forklifts to move 55 gallon drums and Intermediate Bulk Containers (IBC) aka totes.

-Language in the existing SUP does not apply to all AUECC chemicals, Example: Water Fog Deluge would not be appropriate for Sulfuric Acid (a water reactive chemical with negligible vapor pressure)

-In cooperation with County Departments over the past year, AUECC has prepared these clarifications for consideration.

-As requested by County officials, these clarifications have been assessed by a third party consultant, McGinley and Associates.

**Senior Planner Canfield:** Stated that this application has also been reviewed by the county Fire Marshal Martin Azevedo. He is available tonight to answer any questions.

**Martin Azevedo, Fire Marshal:** Said that everyday chemicals like diesel or gasoline are defined within Fire code section 105. This basically states what they can have in the building and outside the building without a permit. They do fall under the State Fire Marshal guidelines for permitting. Said he has reviewed those documents with the State Fire Marshal's office and have had conversations with (inaudible) regarding this. Said he is confident with the permitting process with the State.

**Commissioner Prater:** Asked the applicant why there is a problem with 24/7 surveillance.

**Danielle Knight:** Said they are not trying to overlook the 24/7 surveillance, however the way section in the current SUP is written requires AUECC to maintain 90 days of video footage and that gets into a data management problem. We (AUECC) are compliant with the Department of Homeland Security requirements and that is a non-prescriptive standard that only requires something that is more appropriate for our operation. From a data management standpoint 90 days of data video management would be poor resolution as compared to thirty days. We are proposing to store thirty days of footage which is the standard for Department of Homeland Security, thirty days of 24/7 surveillance footage.

**Senior Planner Canfield:** Stated that the condition will say that surveillance must comply with the Department of Homeland Security recommendations.

Planning staff did not receive any comments from the public regarding this item.

**Chairman Hindle** opened Public Comment. There was none.

**Motion:** In accordance with the recommendation by staff, the Findings of Fact under Section 5.A of this report, and other findings deemed appropriate by the Planning Commission, and in compliance with the conditions of approval, I Larry Prater, recommend approval of Special Use Permit Amendment 2017-020-A1-2020 to modify the language associated with Conditions of Approval C, D, S, T and BB which relate to chemical and substance inventory, outdoor loading/unloading, water/fog deluge systems, bulk product loading/unloading, filling stations, training requirements, outdoor chemical storage, security footage storage and release reporting requirements. The subject property is located at 1400 Waltham Way, APN 004-091-81, McCarran, Storey County, Nevada., **Action:** Approve, **Moved by** Commissioner Prater, **Seconded by** Commissioner Thompson,

**Senior Planner Canfield** read the findings into the record:

- (1) This approval is for Special Use Permit Amendment 2017-020-A1-2020 by applicant Asia Union Electronic Chemicals – Reno, Inc. (AUECC). The applicant requests an amendment to Special Use Permit (SUP) Number 217-020 to modify the language associated with Conditions of Approval C, D, S, T and BB which relate to chemical and substance inventory, outdoor loading/unloading, water/fog deluge systems, bulk product loading/unloading, filling stations, training requirements, outdoor chemical storage, security footage storage and release reporting requirements. The subject property is located at 1400 Waltham Way, APN 004-091-81, McCarran, Storey County, Nevada.
- (2) The Amended Special Use Permit 2017-020-A1-2020 conforms to the 2016 Storey County Master Plan for the McCarran planning area in which the subject property is located.
- (3) Granting of the Amended Special Use Permit 2017-020-A1-2020 modifying Conditions of Approval C, D, S, T and BB, will not under the circumstances of the particular case adversely affect to a material degree the health or safety of persons/property in the neighborhood of the subject property and will not be materially detrimental to the public welfare or materially injurious to property improvements in the neighborhood or area of the subject property.
- (5) The Amended Special Use Permit 2017-020-A1-2020 modifying Conditions of Approval C, D, S, T and BB will not impose substantial adverse impacts or safety hazards on the abutting properties or the surrounding area, and it will comply with all federal, state and county regulations.
- (6) The conditions under the Amended Special Use Permit 2017-020-A1-2020 modifying Conditions of Approval C, D, S, T and BB do not conflict with the minimum requirements in the Storey County Zoning Ordinance.

**Vote:** Motion carried by unanimous vote (**summary:** Yes=7).

Commissioner Thompson left the meeting due to another obligation.

7. **Discussion/Possible Action:** Special Use Permit 2020-026 is a request to allow for construction of a 110-foot high public service communication facility associated with the existing Storey County sewer treatment plant. The project includes a tower, equipment shelters and other associated equipment. The tower will be located on the property associated with the Storey County Wastewater Treatment Plant at 1001 Six Mile Canyon Road, Virginia City, Storey County, Nevada and being a portion of Assessor's Parcel Number (APN) 001-311-04.

**Senior Planner Canfield:** Summarized the request for a tower to house public service equipment that is associated with the Virginia City Wastewater treatment plant. The plant is on Storey County property that was acquired from the Bureau of Land Management (BLM) and as such the land must be used for public service or recreation land uses. The tower will be approximately 110 feet tall and will allow for wireless communications at the sewer treatment plant along with providing some other public services at that area of town which has limited coverage. The project is going through the Comstock Historic District review and staff is recommending approval. During the noticing period there have been no public comments received. James Deane IT Director is here to answer questions if needed.

**James Deane, IT Director:** Said that this tower is for all internal Storey County usage and to support of the existing water treatment plant microwave shop and water tower. It will also be a relay point for our “in town” building to building microwave communications. In the future we will probably use it for the new approved Motorola 911 radio system replacement.

**Chairman Hindle:** Asked for public comment, there was none.

**Motion:** In accordance with the recommendation by staff, the Findings of Fact under Section 3.A of this report, and other findings deemed appropriate by the Planning Commission, and in compliance with the conditions of approval, I Adrienne Baugh, recommend approval of Special Use Permit 2020-026 to allow for construction of a 110-foot high public service communication facility associated with the existing Storey County sewer treatment plant. The project includes a tower, equipment shelters and other associated equipment. The tower will be located on the property associated with the Storey County Wastewater Treatment Plant at 1001 Six Mile Canyon Road, Virginia City, Storey County, Nevada and being a portion of Assessor’s Parcel Number (APN) 001-311-04., **Action:** Approve, **Moved by** Commissioner Baugh, **Seconded by** Commissioner Staples,

Senior Planner Canfield read the findings into the record:

- (1) This approval is for Special Use Permit 2020-026 to allow for construction of a 110-foot high public service communication facility associated with the existing Storey County sewer treatment plant. The project includes a tower, equipment shelters and other associated equipment. The tower will be located on the property associated with the Storey County Wastewater Treatment Plant at 1001 Six Mile Canyon Road, Virginia City, Storey County, Nevada and being a portion of Assessor’s Parcel Number (APN) 001-311-04.
- (2) The Special Use Permit conforms to the 2016 Storey County Master Plan for the Public Facilities designated area in which the subject property is located. A discussion supporting this finding for the Special Use Permit is provided in Section 2.D of this staff report and the contents thereof are cited in an approval of this Special Use Permit. The Special Use Permit complies with the general purpose, goals, objectives, and standards of the county master plan, the zoning ordinance and any other plan, program, map or ordinance adopted, or under consideration pursuant to the official notice by the county.
- (3) The proposal location, size, height, operations, and other significant features will be compatible with and will not cause substantial negative impact on adjacent land uses, or will perform a function or provide a service that is essential to the surrounding land uses, community, and neighborhood.
- (4) The Special Use Permit will result in no substantial or undue adverse effect on adjacent property, the character of the neighborhood, traffic conditions, parking, public improvements, public sites or right-of-way, or other matters affecting the public health, safety, and general welfare, either as they now exist or as they may in the future be developed as a result of the implementation of the provisions and policies of the county master plan, this title, and any other plans, program, map or ordinance adopted or under consideration pursuant to an official notice, by the county, or other governmental agency having jurisdiction to guide growth and development.
- (5) The proposed use in the proposed area will be adequately served by and will impose no undue burden on any of the improvements, facilities, utilities, or services provided by the county or other governmental agency having jurisdiction in the county.
- (6) The Special Use Permit, with the recommended conditions of approval, complies with the requirements of Chapters 17.03.150 – Special Use Permit, 17.12 – General Provisions, and 17.32 - Forestry Zone.
- (7) The proposed project is an accessory use to the existing Storey County sewage treatment plant, and therefore is consistent with the land acquisition requirements of Patent 27-2014-0006.

**Vote:** Motion carried by unanimous vote (**summary:** Yes=6).

**8. Discussion/For Possible Action:** Bill 118/Ord 20-307 Text amendments to Storey County Code Title 17 Zoning Districts CR Commercial-Residential; C Commercial; R1 Single-Family; R2 Multi-Family Residential; E Estate; F Forestry; A Agriculture; I1 Light Industrial and I2 Heavy Industrial; NR Natural Resources and SPR Special Planning Review zones. Additions,

modifications, elimination and clarifications including the listed land uses, minimum floor area, setbacks, minimum parcel area, distance between buildings and home enterprises are proposed.

**Senior Planner Canfield:** This is the last phase of the Title 17 update. We have had thirteen planning commission meetings to discuss these changes. We have adopted the three other pieces of this Title (General Provisions, Administrative Provisions and Definitions). Staff is updating the zoning district sections to make them more consistent and align with each other. Updates include the changes to General Provisions and Definitions. The amendments will address the setbacks for the R1, R2, CR and the E zones as well as the I1 and I2. The update is also adjusting allowable uses in the Forestry (F), Agriculture (A), and Natural Resources (NR) zones. We have also added language to make consistent the minimum home size of 800 square feet for a one bedroom, 1000 square feet for a two bedroom and 1200 square feet for a three bedroom, where a single family dwelling is allowed. This language is currently in the Estate and R1 zoning. CR zoning already allows a home under 800 square feet with a special use permit. Commissioner Pellet raised the issue of minimum home size and that it warranted more discussion. Any changes that are proposed will not affect the 10 acres and 1 acre homeowner's associations because they already have a minimum home size set at 1200 square feet. Staff is recommending to keep the 800 square foot minimum in all zones, but understands that there are some other opinions on this. Staff did receive a letter this afternoon from Mr. Herrington objecting to Tiny Homes concept being allowed in the Estate zoning. This was forwarded to the commissioners.

**Commissioner Prater:** Said that he agrees with Mr. Herrington and doesn't think Tiny Homes are appropriate here.

**Commissioner Pellett:** Asked staff if the 800 square feet is chosen for a reason and where does the 800 square feet come from. Proposes a size that would still allow for proper ingress and egress and all meets all requirements of the building code, and one that works for the resident.

**Chairman Hindle:** Really talking not about Tiny Homes, but small construction.

**Commissioner Staples:** Asked if current existing structures are "grandfathered" in if setbacks change and ownership changes. (brought up in reference to a letter from resident Clay Mitchell).

**Senior Planner Canfield:** Setbacks are proposed to be less restrictive so that would not be an issue, however if something was legally established and the zoning changed it would be "grandfathered" in or legally non-conforming. Ownership changes won't affect the zoning.

Discussion between Commissioners Pellett, Staples, Chairman Hindle and staff regarding an inquiry from Clay Mitchell and whether or not the setback change and wording which included a property he owns will be affected negatively.

**Clay Mitchell, Gold Hill property owner:** Said he has an industrial building in I2 zoning that encroaches in to the 50' setback that is proposed to be added in 17.35.050 because it abuts on another I2 parcel that has an existing residential use. Said he doesn't believe that it is a permitted use but is a "grandfathered" use. Concern is that the proposed setback language would somehow invalidate future industrial uses because it is within that setback.

**Senior Planner Canfield:** The language now states that the setback in the I2 zone is 50 feet. We are not proposing to change Clay's situation at all. The proposed new language states "the required distance between the building and the property line is ~~20~~ 0 feet. The principal building must be setback at least 50 feet from an abutting CR, E, R1, R2, and SPR zone and existing residential uses. Building setbacks must also conform to section 17.34.060 and building and fire codes."

Canfield said that we can remove the wording "and existing residential uses".

**Gary Mack, Highlands resident:** Thanked the commission for letting him speak and apologized that this is late in the review process. Commented on the minimum home sizes in the 40 acres. Stated that there are roughly 593 lots in the E40 zone. Approximately 23 of those are "coded" now as single family residence which means 570 are vacant lots. There is no POA in the 40s to assist with road maintenance and the county doesn't provide any kind of infrastructure, maintenance, or snow removal during the winter months. The 40s are a very unique area. Per existing county requirements nobody can build a house on a property in the 40s or anywhere else in the county unless they have a producing well or are connected to a municipal water system and have a State septic system, etc. Then and only then can they talk to the county about a building permit. What that means for people in the 40s is that you have to build an access road to your property which can be a complex and costly thing, then level out the land for a well and septic and bring power in to run the well. All of those steps are not easy and are extensive due to rough terrain including finding a contractor willing to do the work that is needed, all the grading, etc. A land owner that is dedicated to living off grid in a self sufficient way and have the resources, before they build a house, and invest a 100k dollars before they even break ground for a house, should be able to build smaller than the required 800 square feet minimum home requirement. Mack said that in his research he did not find that the minimum 800 square feet is rooted in the IRC (International

Residential Code). It does state that there must be “living space”, bathroom, kitchen, etc. and there are certain sizes for the rooms and the setbacks that go into those rooms, but there is no minimum requirement for a house. In 2015 the IRC implemented Appendix Q in draft form and believes that addresses homes that are less than 400 square feet. Clearly the IRC doesn’t contemplate 800 square feet as the minimum house. Many people that own property in the 40s own it as an investment and don’t plan on living here and want to flip it at some point. Said that is going to be difficult based on what he just talked about. There are people that would like to build a small home and live in the 40s off grid full time. Unfortunately, the cost of all the things outlined can be prohibitive. In addition, many people don’t feel the need to build a house that is larger than they need or desire and unnecessarily impacts the rugged and unique environment out in the 40s. Said that he respectfully asks that the commission give serious consideration to lowering the minimum house size in the E40 zone. Clearly house sizes need to meet the IRC. Nobody is arguing for a house that does not meet the IRC code. Said he is in a “social group” of about 23 people and has reached out to them and gotten some positive responses, no negative responses except maybe from John Herrington (reference to letter regarding home size submitted). Comment on Tiny Homes; these are mobile, they’re on a trailer bed, two or three hundred square feet and nobody out here (40s) wants that. Said that he is suggesting 500 or 600 square feet as a minimum.

**John Herrington, 40 acre property owner:** Said he agrees with Gary (Mack) that we are in a rugged area but said nobody goes out and buys 40 acres in Nevada without knowing that there’s going to be substantial expense. Mentioned a couple of his neighbors who have invested six to seven hundred thousand dollars to build their homes, and to have a neighbor come in that’s going to put a small house that doesn’t meet the Storey County Master Plan as it is, we need to consider that substantially.

**Commissioner Prater:** Said he has lived in the Highlands for 40 years and does not want to see tiny houses popping up around here. Said he thinks that on a 40 acre property, anything less than 2000 square feet is inappropriate. Bring a travel trailer in if it is just to visit the property. It (maintaining the minimum home size) protects our property values.

**Clay Mitchell, Virginia City resident:** Said he appreciates the work that has been done to make the zoning districts align with each other, cleans things up and makes things easier to understand. Mitchell said he would also advocate for reducing the minimum house size to allow for flexibility and freedom for use of your property. Said he is not advocating for one particular zone because he agrees that consistency is preferable throughout the county zoning ordinance. If there is a need to have a stricter standard in a particular zone, he would not be necessarily opposed to that. There are many homes in Virginia City and other parts of the county smaller than 800 square feet. The proposed change is to carry that 800 square feet minimum in all zones. Does not think it is good policy to be more restrictive than the county needs to be and if there is a need, there are HOAs that can assign further restrictions. Mitchell said he thinks the right solution for the county as a whole is more broad, more open, and more freedom as opposed to less. Not advocating for Tiny Homes that are not up to code, but homes that meet all the building codes.

**Gary Mack, 40s resident:** Said his perspective is that the property owner should be able to do fundamentally what they want as long as they’re not interfering with other people and causing havoc to neighbors etc. Said he understands the concern about having a \$500k house sitting next to a \$150k house, but sadly or realistically that’s life the way things are. Asked the commissioners how they are grounding that minimum. It is not in the IRC. The 800 square feet seems arbitrary. Said he is not advocating for three or four hundred square foot homes.

**Senior Planner Canfield:** Said that Jana Seddon, the assessor couldn’t be with us tonight. She has concerns from the aspect of having a house too small because of the potential of it being picked up and easily moved or pieces left behind and property being left. She didn’t necessarily have an opinion on 800 square feet or what size it should be, but just had concerns with a small home being easily moved and real property disappearing overnight.

**County Manager Osborne:** Said the assessor has expressed concern and we are not talking on her behalf necessarily. She has said that when you get under that 800 square feet, you start getting into the DOT standards for measurements. Unlike a mobile home that can be moved, but it is quite an operation to do that, a “tiny house” that is approximately 10 feet wide by however many feet long, etc. can be hooked up and trailered away. If the property owner does not pay their taxes the county is obligated by law to hold the property and go through the necessary procedures to auction the property, and if the house is missing in a case like this a county cannot deal with property properly because the home has been removed and it becomes complicated. Processes like this can take years and years to try to straighten these types of things, out so that the county can auction the properties.

**Chairman Hindle:** Clarified that what we are discussing are homes less than 800 square feet on a permanent foundation, constructed to building codes, meaning a permanent home, not something that can be hauled away easily. Commissioner Pellett concurred and stated that her assumption would be that the county is not collecting many more taxes on an 800 square foot home as opposed to a 600 square foot home.

**Senior Planner Canfield:** Clarified that the revision is written to make every zoning district that allows for single family dwellings consistent with the existing minimum home size of 800 square feet for 1 bedroom, 1000 square feet for 2 bedrooms and 1200 square feet for 3 bedrooms. This is the existing code language in the R1 and Estate zones. Said she added that language to the other zoning districts that allow for a single family residence. The new discussion is whether or not to change the minimum home size in any residential zone. There is existing language in the CR zone that allows for a less than 800 square feet dwelling with a special use permit and that is not changing.

**Commissioner Hindle** asked the commission if it would like to make a motion to approve the bill as it is or amend the bill.

Discussion continued regarding the pros and cons of adjusting the minimum home size in single family residential zones and how to potentially amend the code to include building requirements for small homes and how that would work with areas that are governed by an HOA. Discussion also included the idea of simply using building code to dictate minimum home size which could allow for a very small home. Discussion on “arbitrary” minimum home size continued.

**County Manager Osborne:** Commented that whatever the commission decides to do, they should establish some limit to protect to people that are not protected by HOA requirement such as people in the R1 zone in Virginia City or the E1 zone in Mark Twain or the Highland 40 acre area. They invest in a 1500 square foot home or a manufactured/modular home for example and expect their neighbors to have a somewhat similar situation and expect them to be able to invest in their property. Having no limitation whatsoever opens it up to quite virtually anything being built next door and may create a very interesting situation.

**Commissioner Collins:** Commented that for probably about 35 years when he first wanted to build a house, the Building Department told him that he couldn’t build anything less than 800 square feet. The minimum has been around for a very long time.

**The commission** decided to continue this item to the next planning commission for further discussion.

No additional Public Comment

**Motion:** Continue this item to the next planning commission meeting, **Action:** Approve, **Moved by** Commissioner Prater, **Seconded by** Commissioner Collins, **Vote:** Motion carried by unanimous vote (**summary:** Yes=6)

**9. Discussion/Possible Action:** Determination of next planning commission meeting.

**Motion:** Next planning commission meeting to be held on August 20, 2020 at 6:00 P.M. at the Storey County Courthouse, Virginia City, Nevada, Via Zoom, **Action:** Approve, **Moved by** Commissioner Staples, **Seconded by** Commissioner Prater, **Vote:** Motion carried by unanimous vote (**summary:** Yes=6).

No Public Comment

**10. Discussion/Possible Action:** Approval of claims – None

**11. Correspondence (No Action)** – Letter of correspondence received prior to the meeting will be added to the record in the Meeting Minutes. Distributed to the planning commissioners via email prior to the meeting and posted as correspondence on the website. See attached correspondence.

**12. Public Comment (No Action)** – None

**13. Staff (No Action)** – None

**14. Board Comments (No Action)** – Commissioner Prater asked that Kathy be included on her own screen.

**15. Adjournment (No Action)** - The meeting was adjourned at 9:09 p.m.

Respectfully Submitted, By Lyndi Renaud

Blockchain's Written Statement to Storey County Planning Commission

August 6, 2020

**I. Introduction**

Chairman Hindle and Members of the Planning Commission. I'm Matt Digesti, Vice President of Government Affairs for Blockchains, LLC. I'm here to speak in opposition to the Special Use Permit requested by Stericycle. Although I have provided you a detailed Opposition, I take this opportunity to highlight three important points: First, why Blockchains is here. Second, why Stericycle is here. And third, why the Special Use Permit should be denied.

**II. First, why is Blockchains here?**

Blockchains is here because we care about Storey County. When founder Jeffrey Berns decided to build a high-tech community, he carefully considered many sites in the U.S. He chose Storey County to develop a world-class, cutting-edge business and technology park integrated with a master-planned residential community. This development builds upon the evolution already taking place at TRIC with the likes of Tesla, Google and Switch already investing billions into the County.

- Mr. Berns acquired 60,000 acres in McCarran and Painted Rock.
- He made the largest monetary land investment in Storey County history.
- He has created 100+ high paying jobs in Storey County, and
- He has long-term plans to create thousands of high paying jobs with future investments in the billions of dollars.

Yet, these transformational plans could be destroyed by a single company – Stericycle.

**III. Second, why is Stericycle here?**

I don't need to rehash what was filed in our written statement. Frankly, we would be here all night. Stericycle is here for one reason – it cannot get approved to operate anywhere else. So why would Storey County, with such a positive and historical track record of supporting innovate land development, welcome a business that could threaten the future of that development? Our hope is that Storey County will deny the special use permit application.

**IV. Lastly, why should the special use permit be denied?**

The special use permit should be denied for three reasons.

First, the project causes a substantial detriment to the public good. Utah has determined that Stericycle is dangerous to the public. North Las Vegas concluded the same thing. The wild horse population is also at risk – polluted water sources, altered migration patterns, and increased vehicle-horse accidents harm the public good. Put bluntly, Stericycle significantly increases the risk to the public, the environment, and the wild horse population.

Second, the project is not consistent with the Master Plan. In McCarran, we have Tesla, Switch, Google, and several other Fortune 500 companies. Stericycle is asking you to approve a medical waste incinerator in the middle of these high-tech businesses. This is incompatible and inconsistent. The problem is compounded with the residential component of Blockchains' future development plans. No one wants to live or work next to a polluting medical waste incinerator with a significant history of accidents causing substantial harm to the public.

Lastly, Stericycle made a lot out of the fact that there is new leadership. A new CEO, a board creating unique sub committees. That new leadership was in place when Stericycle told this Commission about the reasons it abandoned North Las Vegas. It left out the fact the staff in North Las Vegas recommended denial. It was not an oversight. It was a choice, by Stericycle's new and improved leadership, to leave out critical information to this Commission. They are requesting your approval on the one hand, while not being transparent on the other.

## **V. Conclusion**

Thank you for your time. I ask that you carefully consider our paperwork and vote to recommend DENIAL of Stericycle's special use permit application. I have prepared a written statement of my comments and ask the Clerk to attach my statement to the Minutes of this Meeting.

July 31, 2020

Storey County Planning Commission  
Attn: Chairman Hindle  
Storey County Courthouse, District Courtroom  
26 South B St.  
Virginia City, NV 89440

**RE: Response in Writing to Commission Request from July 16, 2020  
Storey County Planning Commission Meeting**

Dear Chairman Hindle and Planning Commission Members:

We appreciate the opportunity to provide the following information in response to the request by the Storey County Planning Commission that Stericycle address additional questions related to our request for Special Use Permit (SUP) 2020-021 for the development of a medical waste incinerator at 1655 Milan Drive, in McCarran, NV. The SUP application was initially considered during the Storey County Planning Commission (“Commission”) meeting on July 16, 2020.

This letter supplements the Stericycle team’s prepared presentation at the Commission meeting and responses to additional written public comments submitted to the Commission regarding the facility.

#### **ABOUT STERICYCLE**

Stericycle is a publicly traded corporation (NASDAQ: SRCL) based in Bannockburn, Illinois. Stericycle was formed in 1989 following the passage of the Medical Waste Tracking Act, which led to the creation of the medical waste industry.

In response to the growing crisis of needles washing up on the shores of the Atlantic Ocean, Congress established regulations to protect the public and ensure the safe handling and disposal of dangerous and toxic medical waste. Stericycle has since become the established industry leader in this essential industry.

At Stericycle our core purpose is to protect people, promote public health, and safeguard the environment. Our company has been at the forefront of creating innovative solutions to

address medical waste disposal challenges across the globe. Today, Stericycle employs over 17,000 team members worldwide in our two core service lines: regulated medical waste management and secure information destruction. We service over 1,000,000 customers in 18 countries and reported revenues of approximately \$3.3 billion for 2019.

Our services include compliant collection, transportation and treatment of medical waste, collection and disposal of pharmaceutical waste, consulting and training programs to help educate our customers on the proper handling of these regulated waste streams and secure information destruction.

All of our team members adhere to a singular mission: “We Protect What Matters.” Our core business is to protect the environment and public health, and we take our corporate social responsibility very seriously. We are in the business of protecting the Earth and providing safe and effective sustainability solutions for the global health and medical industry.

A few facts about Stericycle that quantify our commitment and contributions:

- More than 900,000 tons of medical waste treated annually
- Approximately 750,000 tons of paper recycled annually
- 42,000 tons of unused pharmaceuticals safely disposed annually
- 23,000 tons of plastic from reusable sharps and medical waste transport containers annually diverted from landfills
- Of 5 billion tons of waste treated globally, 37% is recycled and 12% supports energy recovery; the energy recovery is enough to power 4,900 homes for one year
- Steam energy is used in some of our processing operations to wash customer collection containers
- Many of our facilities have high efficiency gas burners for boilers and washing equipment, high efficiency HVAC systems, and high efficiency lighting and/or motion-sensing LED lighting systems
- 12-15% of our vehicle fleet is replaced annually with more eco-friendly models with 19% lower CO<sub>2</sub> emissions
- Compact mobile collection trucks replaced 100 standard box trucks in 2019, resulting in a 40% fuel reduction and avoidance of 3.5 million pounds of CO<sub>2</sub> emissions

Over the past two years our company has been on journey of transformation and technological improvement, which has included significant changes in leadership. The company today is stronger and more committed than ever to our mission and our responsibility to be a good corporate citizen. The leadership changes below reflect the positive direction of the company.

- Cindy Miller has been named Chief Executive Officer, after serving 30 years with United Parcel Service (UPS)
- Seven new experienced executives have been added to the leadership team
- Several new directors have been added to the Board of Directors with technical expertise
- In 2019, we brought in a new Senior Vice President of Environmental, Health and Safety, who has centralized oversight of EHS matters, implemented an environmental management system, restructured our EHS organization, and driven significant compliance and safety improvements

More recently, Stericycle has been called to action during the COVID-19 pandemic, partnering with leading healthcare providers, pharmacy chains and university labs to provide medical waste services to temporary hospital facilities and hundreds of testing centers.

All of us at Stericycle are proud of our mission and keenly aware of the important role we play in the protection of the environment and the advancement of public health. We are committed to be a model Storey County citizen and neighbor, and we are ready to answer all questions about the facility and our plans for this development.

### **RESPONSE TO PUBLIC QUESTIONS**

As requested by the Commission, we have prepared the following response to the questions raised in the two letters you've received. Additionally, we have addressed topics relating to media coverage of the two Stericycle facilities mentioned during the meeting as well as questions regarding the anticipated day-to-day operations of the proposed facility and planned adherence to regulatory and legal requirements.

***Response: Situation with Salt Lake Facility and North Las Vegas Application***

Over a period of more than 30 years Stericycle operated a disposal facility in North Salt Lake City. As with all our facilities, we committed to maintain a track record of compliance with all local, state and federal requirements and regulations regarding environmental and workplace protections.

In 2003 the area surrounding the facility was rezoned from industrial to residential use, and residential housing development occurred on the borders of our property. This rezoning removed the natural buffer between the neighborhood residents and our operations, and new neighbors expressed concerns about the safety of the facility and potential emissions from the operations.

We provided full disclosure of our safety and environmental compliance and reassured the community of the safety of our operations. The facility is listed by the State of Utah as only a minor source of emissions in the area. Results from two separate Davis County (UT) Department of Health studies have demonstrated that emissions from the facility present no health risk to the surrounding community.

In May 2013 Stericycle received a Notice of Violation (NOV) from the Utah Department of Air Quality (UDAQ), the first citation for an emissions violation experienced in the facility's 24-year history of operation. Stericycle settled the issue with UDAQ in 2014 with no admission of fault. We agreed to implement a number of improvements, including new air pollution control (APC) equipment. At the same time, we installed a new back-up generator to reduce bypass events associated with power outages.

The facility's overall emissions have been reduced to levels even lower than those required for newly constructed Hospital, Medical, Infectious Waste Incinerator (HMIWI) facilities, which have significantly tightened regulatory limits than existing facilities.

However, the NOV and the alleged non-compliance was covered by the local news media and created some local controversy. Throughout the evolution of this dispute Stericycle was fully transparent and cooperative with local and state officials and worked closely with community leaders to address their concerns.

Today, the North Salt Lake City facility remains fully operational, contrary to the statement made in the letter submitted to the Commission.

In light of the local rezoning around our Utah facility to residential, Stericycle made the decision to relocate to an area with zoning regulations that allowed a concentration of similar industrial operations. We initiated a process to develop a new location in the Apex Industrial Park in North Las Vegas, NV, and applied for and received a special use permit from Clark County for the site.

This site was not fully developed and lacked immediate access to critical infrastructure needs, including water, natural gas and electric. As the process continued, timelines for the necessary infrastructure development remained uncertain and Stericycle determined that a location with better infrastructure was needed for our operations. For that reason, the North Las Vegas site was not developed, and the permit application was withdrawn.

***Response: How is waste transported to the incinerator?***

Medical waste transportation is federally regulated by the Pipeline Hazardous Materials Safety Administration (PHMSA) within the U.S. Department of Transportation (DOT). Waste must be packaged by the generator (i.e., the hospital, doctor's office or other customer) in either single use or re-usable containers conforming to requirements under 49 CFR 173.134, which specify inner and outer packaging requirements to ensure that containers are leakproof in transit. These containers are tracked throughout handling and transit to ensure that wastes are properly received and documented. Materials will be delivered to the facility via specially permitted truck or tractor trailer vehicles. All transport operations are conducted in accordance with USDOT Federal Motor Carrier Safety Administration requirements (FMCSA) (49 CFR 300-399).

***Response: What type of, and how much, traffic will the facility create?***

There will be trucks and trailers as well as employees' personal vehicles. At full capacity, several years in the future, we estimate that there will be 10-15 trailers and 30-50 employee vehicles traveling to and from the site each day, as stated in our application.

While this is a regional facility, our operations are relatively small in comparison to other much larger businesses in the industrial park and will have a minimal impact on existing traffic. In terms of safety, Stericycle provides a full defensive driving course to its drivers, including training regarding avoidance of potential wildlife.

In contrast, it has been reported that the Tesla-Giga factory alone has more than 12,000 employees traveling to and from the facility on a daily basis. Other tenants of the park have projected significant job creation, which will result in significant incremental growth in traffic in the area. Our proposed facility will represent only a fraction of the total traffic projected for the region.

***Response: What are the specifics of the incinerator’s emissions and air quality impacts, including drift of the plume?***

As discussed above, Stericycle is regulated by the EPA HMIWI regulations and is required to evaluate air modeling and impact to the environment. Stericycle will be submitting a location-specific air quality modeling analysis (or air dispersion analysis) to the Nevada Division of Environmental Protection (NDEP) Bureau of Air Pollution Control (BAPC) as part of the permitting process. The NDEP BAPC will not issue a permit if the modeling analysis determines that there may be any negative air quality impact.

As further explanation, the following table provides the emissions limits for HMIWIs constructed after 2008 as compared to another incineration facility currently operated by Stericycle. This table reflects that the performance of our facility is better than, and falls well below, the emission limits.

<b>Pollutant, units</b>	<b>Large HMIWI Units New - 2009</b>	<b>Comparable Facility Emissions - 2 Unit Average</b>	<b>% Lower than Limits for New HMIWIs</b>
Particulate, grains/dscf	<b>0.0080</b>	<b>0.00043</b>	<b>-95%</b>
Nitrogen Oxides, ppmv	<b>140</b>	<b>115.25</b>	<b>-18%</b>
Carbon Monoxide, ppmv	<b>11</b>	<b>0.537</b>	<b>-95%</b>
Sulfur Dioxide, ppmv	<b>8.1</b>	<b>0.904</b>	<b>-89%</b>
Hydrogen Chloride, ppmv	<b>5.1</b>	<b>1.99</b>	<b>-61%</b>

Cadmium, milligrams/dscm	<b>0.00013</b>	<b>0.00008</b>	<b>-38%</b>
Lead, milligrams/dscm	<b>0.00069</b>	<b>0.00017</b>	<b>-75%</b>
Mercury, milligrams/dscm	<b>0.0013</b>	<b>0.00042</b>	<b>-68%</b>
Total Dioxins/Furans, nanograms/dscm	<b>9.3</b>	<b>0.0659</b>	<b>-99%</b>
TEQ Dioxins/Furans, nanograms/dscm	<b>0.035</b>	<b>0.00351</b>	<b>-90%</b>

Additionally, past studies of our facility in North Salt Lake, UT, conducted by the Davis County (UT) Health Department identified no impacts upon the health of area residents or the environment. These studies are attached for your review. The proposed HMIWI facility in McCarran must adhere to even more stringent air emission limits than those of the North Salt Lake City facility.

Based upon the HMIWI regulatory limits and the anticipated minimal impact from the facility upon regional air quality, the proposed Stericycle facility will not have a significant negative impact on human health or the environment.

***Response: Where and how will ash be stored?***

Non-hazardous ash generated by operations will be stored in appropriate containers in specific, designated areas under cover of the building until shipped to an approved solid waste facility for final disposal at a local appropriately permitted landfill. This is standard operating procedure for ash created as part of the incineration process.

***Response: Is there a risk to groundwater?***

As it relates to storm water and ground water, Stericycle’s medical waste incinerators meet US EPA [No Exposure Certification](#) conditions, which means that there are no industrial operations exposed to storm water, including snow, rain, snowmelt or runoff. All operations will be under roof and no operations will be conducted outside of the building. Stericycle operates incineration facilities with No Exposure Certifications adjacent to other water ways or protected wetlands which are monitored and has had no measurable impact on those environments.

The pond addressed at the meeting, and in the written public comments, is upstream of the facility, thereby further ensuring that our facility will have no impact. Based upon the initial

proposed location of the facility and structure, the Milan pond will be located in excess of a quarter mile away.

***Response: How frequently will unfiltered toxic pollutants be released into the air through a bypass stack? Will generators be required to prevent release of toxins in event of electrical failure?***

The stack bypass safety relief valve or “bypass stack,” as it is often referred to, is a safety valve attached to the secondary chamber of the incinerator. It is designed to open to relieve pressure in the chamber in the event of a power outage or other equipment malfunction. It is engineered as a fail-safe to protect employees and the facility against more significant issues. If a bypass stack opening occurs, there is an automatic shutdown of the system operations, including any ability to feed waste into the system. Bypass events are automatically documented in our continuous emission monitoring system; such events occur very rarely. For example, at the North Salt Lake City facility, there have only been four bypass events since 2014. These events were short in duration (minutes) with no measurable impact to the environment or human health. Additionally, these events were reported to the appropriate State of Utah agency and no action has been taken by the regulator in response. The McCarran facility will be required to track and report these occurrences to the NDEP BAPC.

The facility will be designed with significant system redundancies to minimize the risk of occurrence of a potential bypass event. Although not required by regulation, the facility will have a backup generator installed and an electrical transfer system that will allow for a seamless transition of the facility’s process systems from Nevada’s electrical grid to the generator during any power outage. Stericycle has installed back-up generators at all incineration facilities and, since installation, this implementation has resulted in a decrease in emergency bypass events.

***Response: Does Nevada or Storey County require reporting of unplanned discharge incidents?***

Yes. As a condition of approval of the SUP, Stericycle is required to obtain a Title V air permit. This permit will require Stericycle to report any unplanned discharge incidents. As noted above, NDEP BAPC is the regulatory authority responsible for issuing and enforcing the air quality permit for the proposed facility. Stericycle is required to notify Storey County of any violation of our permit, the corrective action to be taken and date for such action to be completed. In

addition, Stericycle must also comply with the reporting conditions set forth in Section 4 of the Staffing Report, including:

“Copies of the annual reports of environmental quality necessary to comply with the requirements of the permit issued by the Bureau of Air Pollution Control, Nevada Division of Environmental Protection (NDEP) shall be submitted to Storey County Planning Department. In the event that there is an air discharge in excess of the standards approved by NDEP under the construction or operating permit, the permit holder shall provide Storey County Planning Department a copy of any notice of the event or plan to remediate the event submitted to NDEP. If the Permit Holder is required by the Bureau of Air Pollution Control, Nevada Division of Environmental Protection to prepare a report on the event, the permit holder shall submit a copy of the report to the Storey County Planning Development”.

***Response: What mitigations are planned to minimize impacts to public health, road safety, wild horses and other wildlife?***

Stericycle has robust environmental, health and safety (EHS) programs. Management of medical waste is a heavily regulated industry, in accordance with federal, state and local requirements. Stericycle ensures safety and compliance through the following EHS management:

- More than 30 EHS regulatory programs will be implemented at the facility, including:
  - OSHA required programs for employee safety and safe working conditions
  - DOT Hazmat operations and safety/defensive driving
  - EPA HMIWI Certified Operator training
  - FDA specific training when applicable for reusable sharps containers
  - Drug Enforcement Administration (DEA) specific training for any DEA material handling or witness controlled burns;
- Corporate internal inspection/auditing programs;
- Regular mandatory testing, monitoring and reporting to NDEP BAPC;
- Semiannual reporting of all operating parameters and annual compliance certification reported to NDEP BAPC;
- Dedicated EHS professionals for safety and permitting compliance.

We are sensitive to the importance of protecting the local wildlife habitat, including the wild horses present on the property. We acquired more than 15 acres in excess of what we needed to ensure the wildlife, including the horses, will have ample area so their conditions would not be disrupted. We plan to be flexible with the fencing around the structures in order to allow for open space. The storm water retention area could be located away from Milan Pond in order to protect the water supply of the horses. Finally, because our air emissions are scrubbed and mitigated to well below acceptable levels, all wildlife will have the benefit of clean fresh air.

***Response: How will you control nuisances such as noise, smoke, odor and gas so as not to adversely affect properties in the vicinity?***

Stericycle operates incinerators across the country and these types of nuisances are not typically associated with our operations.

- Smoke, odor and gas: All operations are conducted internally. Odor is controlled by ensuring wastes are processed as they arrive. Air is moved through air pollution control equipment, eliminating the presence of smoke or gas in or emission from the facility.
- Noise: There are no planned operations that involve excessive noise. Noise will be limited to the normal operation of trucks and forklifts, which have necessary safety back-up alarms, and which have similar or lower noise profiles than those of other tenants in the industrial park. As an added precaution against the dissemination of excessive noise, Stericycle has purchased a considerable amount of land as a buffer for this operation.
- Per NAC 445B.22087 – Odors, the facility will not discharge or cause to be discharged, from any stationary source, any material or regulated air pollutant which is or tends to be offensive to the senses, injurious or detrimental to health and safety, or which in any way interferes with or prevents the comfortable enjoyment of life or property.

**CONCLUSION AND CLOSING**

As Stericycle presented during the Commission meeting and has outlined in the detailed explanations above, the McCarran facility will be heavily regulated and will operate in compliance with all applicable regulations and ordinances.

Per the Special Use Permit Staffing Report, page 7, the proposed facility is an appropriate operation within the site zoning classification, as the “property is located within the IS Overlay

(Special Industrial Zone) area within the TRI Center...this project does not require or utilize any of the incentives provided for the IS Overlay and is consistent, as conditioned, with the I2 Heavy Industrial as identified in Chapter 17.37 of the 1999 Storey County Zoning Code.” The transportation impact and emissions from, and the size of, our facility will be less than those of many of the existing residents in the industrial park today.

We believe we will be an excellent fit in the industrial park, as our proposed facility will be a best in class HMIWI -- possibly the most advanced facility in the nation. We are committed to operating with the latest technology innovations for air quality control, workplace and community safety, and energy conservation. We fully intend for our McCarron facility to serve as a showcase site for our global operations.

Moreover, we are excited about the prospect of becoming part of the Storey County community and establishing our home in the region. We recognize the negative impact of the economic downturn from the pandemic on the local community, and we are pleased to have the opportunity to contribute to the local economy through the development and construction of the facility as well as through operation of the facility. We are determined to use local contractors and hire local community members and to put down roots here in Storey County.

Again, we appreciate this opportunity to answer your questions and address the matters presented in the public comments you received. We are committed to full transparency around our plans, and you can be assured that our Stericycle team will continue to meet and work with public officials and members of the local community throughout this process.

We are available to address any additional questions you may have and look forward to the meeting of the Commission on August 6, 2020. In the interim, should you have any further questions, please reach out to Cassie Bittorf, Project Manager, Facilities, at 905-330-6194.

Sincerely,



Richard Moore

Executive Vice President of North American Operations



# Stericycle Inc.

Application for Special Use Permit

Presentation to Storey County Planning Commission  
August 6, 2020

We protect what matters.



# Agenda

- ✓ Introduction
- ✓ Overview of Proposed Facility
- ✓ State of the Art Technology
- ✓ Community Awareness and Support

# Introduction to the Stericycle Team



**Dominic Culotta**  
Executive Vice President &  
Chief Engineer



**Rich Moore**  
Executive Vice President  
North American Operations



**Dale Rich**  
Vice President  
Incinerator Operations



**Selin Hoboy**  
Vice President Government  
Affairs and Compliance



**Kristen Marshall**  
Director Global Plant  
Engineering



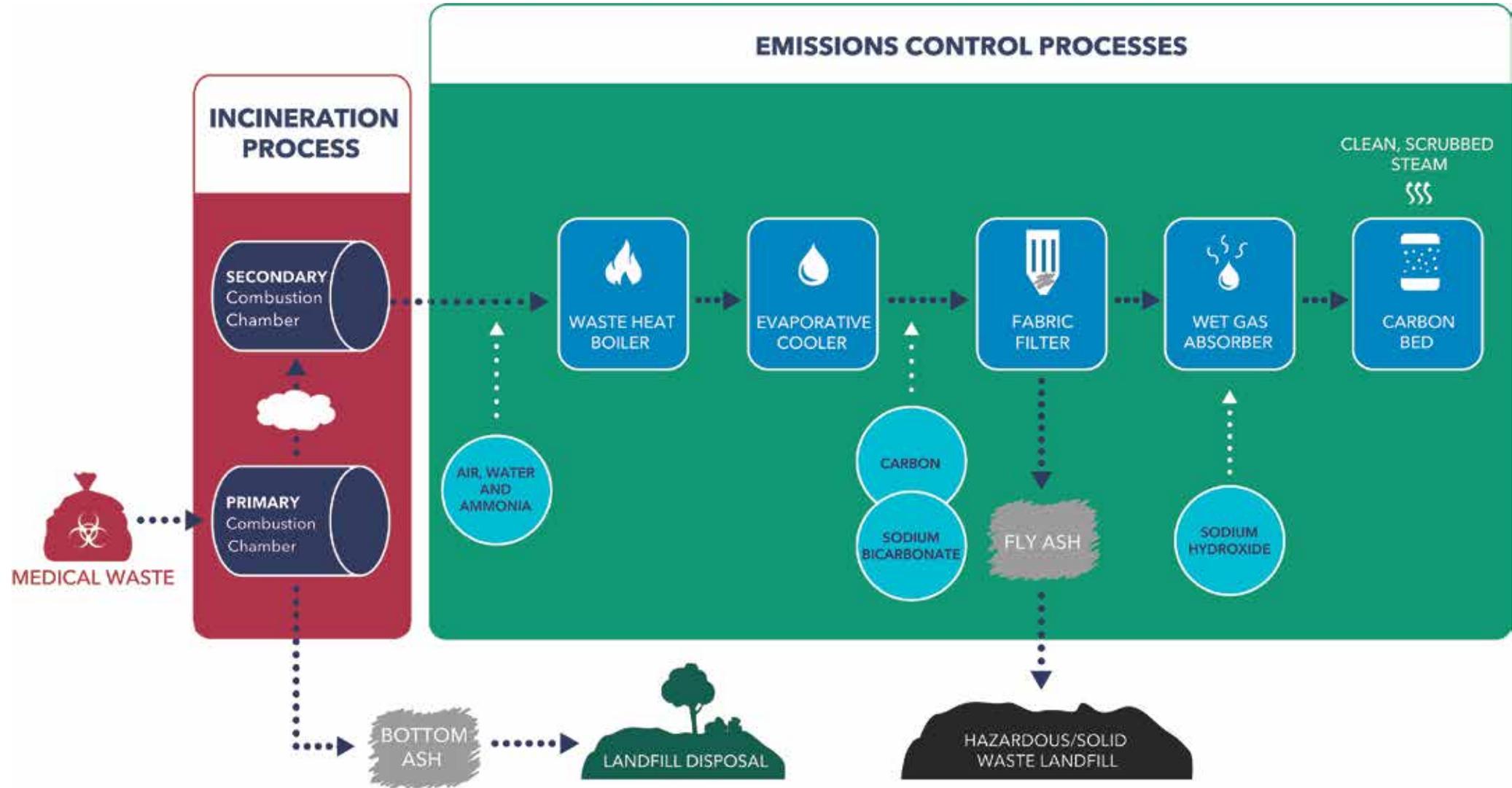
**Will Adler**  
Representing Stericycle  
from SSGR

# Overview of Proposed Facility



- Overview :
  - 20 acres on Milan Drive
  - 50,000+ SF building
  - 3.5 Tons/ Hour Proposed Capacity
  - 10-15 trailers received per day
  - 30 personal team member vehicles
  - All Operations conducted indoors
- Local Economic Impact
- Medical and Specialty Waste Incineration Facility
- Commitment to Safety

# Stericycle Incinerator State of the Art Technology



# Stericycle Community Awareness and Support

## Local Support

- **Understanding of Local Wildlife Support**
  - Meetings and Site Visit held with American Wild Horse Campaign
  - Discussions held with Nevada Department of Agriculture
- Local Customer Base
- Serves Federal, State and Local Governments and all branches of the military

## COVID-19

- Partners with leading healthcare providers, pharmacy chains, and university laboratories to provide medical waste services to hundreds of global testing centers

## Controlled Substances

- Partners with National Safety Council to combat opioid epidemic

## Strong Relationships

- EPA, DOT, CDC, OSHA, DEA State Regulatory Agencies

Thank you

# SIERRA SPRINGS

OPPORTUNITY FUND



Sierra Springs Opportunity Fund, Inc.  
204 West Spear Street, #3867, Carson City, NV 89703  
Phone: 775 848 5310 Fax: 800 750 5740

August 6, 2020

## Letter to The Planning Commissioners - Storey County, Nevada

We would like to address the proposal reported in the recent article published in the Nevada Independent (July 29, 2020) concerning the request by Stericycle Inc. to build a medical waste incinerator in the county. The main thrust of the article was:

*STOREY COUNTY, Nev. — A medical waste disposal company with a record of environmental compliance issues is facing pushback over a proposal to build an incinerator at the Tahoe Reno Industrial Center outside of Reno.*

*The industrial center's largest landowner, Blockchains LLC, and horse advocates told a Storey County Planning Commission earlier this month that Stericycle's proposal to build a regional medical waste incinerator raised environmental concerns at the sprawling industrial park.*

Over the past ten years, and certainly in the last two with the Sierra Springs Opportunity Fund, we have been trying diligently to both bring responsible business to Storey County and now the Opportunity zones (Storey, Reno and Silver Springs). Our efforts have resulted in environmental leadership, in almost every manner and regard. We are now working with wood and carbon recyclers, rubber recyclers, innovative, organic building materials and even new technologies around full thermal destruction of medical waste, very different than conventional, dirty, incinerators. I wish I had more time to discuss this with you, as it came up so fast.

We, as residents of Storey County, business operators in Storey County and northern Nevada, strongly oppose this application, on the grounds that incineration is a highly polluting activity with a history of mishaps, problems, and violations across the US which are too many to list here (addendum available). In addition, there is ample evidence in the public domain as demonstrated by multiple environmental and commercial fines proving that over the past two decades **Stericycle has demonstrated a pattern of activity that has exacerbated the fundamental issue with incinerators.**

At one point in time, the US had thousands of incinerators distributed across the country, and through the impact of the Clean Air Act, the vast preponderance of these incinerators have closed because of emission problems, soil and air contamination, and risk profile to the local communities. **This proposed facility would be no different with respect to pollution, contamination, and risk profile.**

**Stericycle was asked to leave Salt Lake City in 2013. "Medical waste company Stericycle is leaving Utah; Hallelujah". They then spent more than five years looking for an alternate facility only to be rejected by everyone. Why do you think that was the case?**

Stericycle then petitioned to open an incinerator in Tooele, Utah – a site made famous for storing and destroying chemical and nerve agent weapons, and the citizens of Tooele did not want them. A place that had stored and destroyed chemical weapons did not want them. "Stericycle has submitted an application or Notice of Intent (NOI) to the Division of Air Quality (DAQ) for an Approval Order (AO) for

a proposed hospital, medical, and infectious waste incinerator (HMIWI) source at 9250 Rowley Road, Tooele, Utah". It was subsequently rejected. **Why do you think that is the case?**

**They then petitioned the city of North Las Vegas, and the citizens of North Las Vegas (the state) did not want them. "Stericycle abandons plans for North Las Vegas site following pushback over health and environmental risks". Why do you think that is the case?**

Prior to that Stericycle was forced to close its incinerator in Arizona. "Stericycle, the largest medical waste treatment company in the US, has closed its medical waste incinerator on the Gila River Indian Reservation, in Arizona, in the wake of protests over health threats. **Why do you think that was the case?**

Stericycle did not even try to obtain a permit in California, even though most of the waste they would process at the proposed facility comes from California. They knew they would be unable to permit one. **Why do you think that was the case?**

Incinerators pollute. California did not want the Stericycle incinerator. North Las Vegas did not want the Stericycle incinerator. Salt Lake City did not want the Stericycle incinerator. Tooele did not want the Stericycle incinerator. Arizona did not want the Stericycle incinerator. Yet we are supposed to believe that it is acceptable for our county. **Are our citizens expendable?**

This is not about horses, or creating an eyesore in a pristine environment, but about the people that live and work in the county and the greater northern Nevada area. Air pollution is not static and localized; it drifts. Are the lives in this area worth less than those of anyone else in Salt Lake City, North Las Vegas, California, or Arizona?

**This matter deserves the same respect as the other cities or locations that have repeatedly rejected the Stericycle incinerator because they pollute, and they have a strong pattern of non-compliance. This has been a two-decade pattern of incidents across the US that attests to the negative impact of incinerators.**

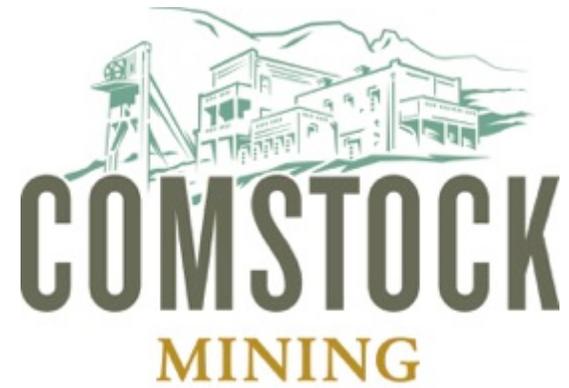
**This type of facility is not what Storey County needs. I recommend denial. There are much better alternatives and we only require clean, compliant, responsible businesses.**

Kind thanks for your attention,



Corrado DeGasperis  
777 American Flat Road  
Virginia City, NV 89440

CEO, Sierra Springs Opportunity Fund Inc.  
CEO, Comstock Mining Inc.



# SUP 2000-222-A-6 Annual Compliance Review

Storey County Planning Commission Meeting

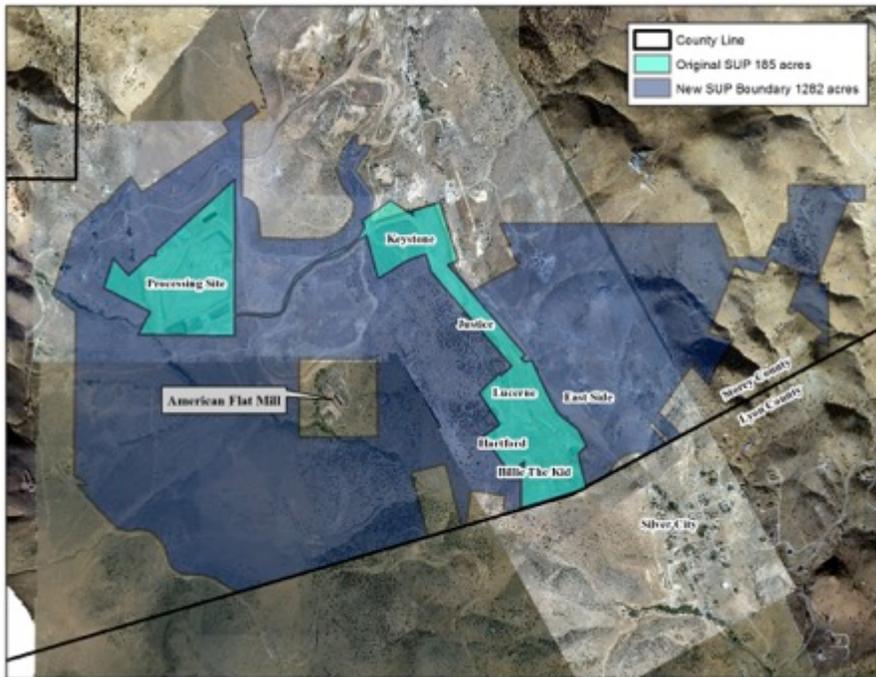
August 20, 2020



# Comstock Focused



## Required Regulatory and Environmental Permits Are Secured



- Special Use Permit - Mining & Exploration (Storey County)
- Special Use Permit - Exploration (Lyon County /NDEP)

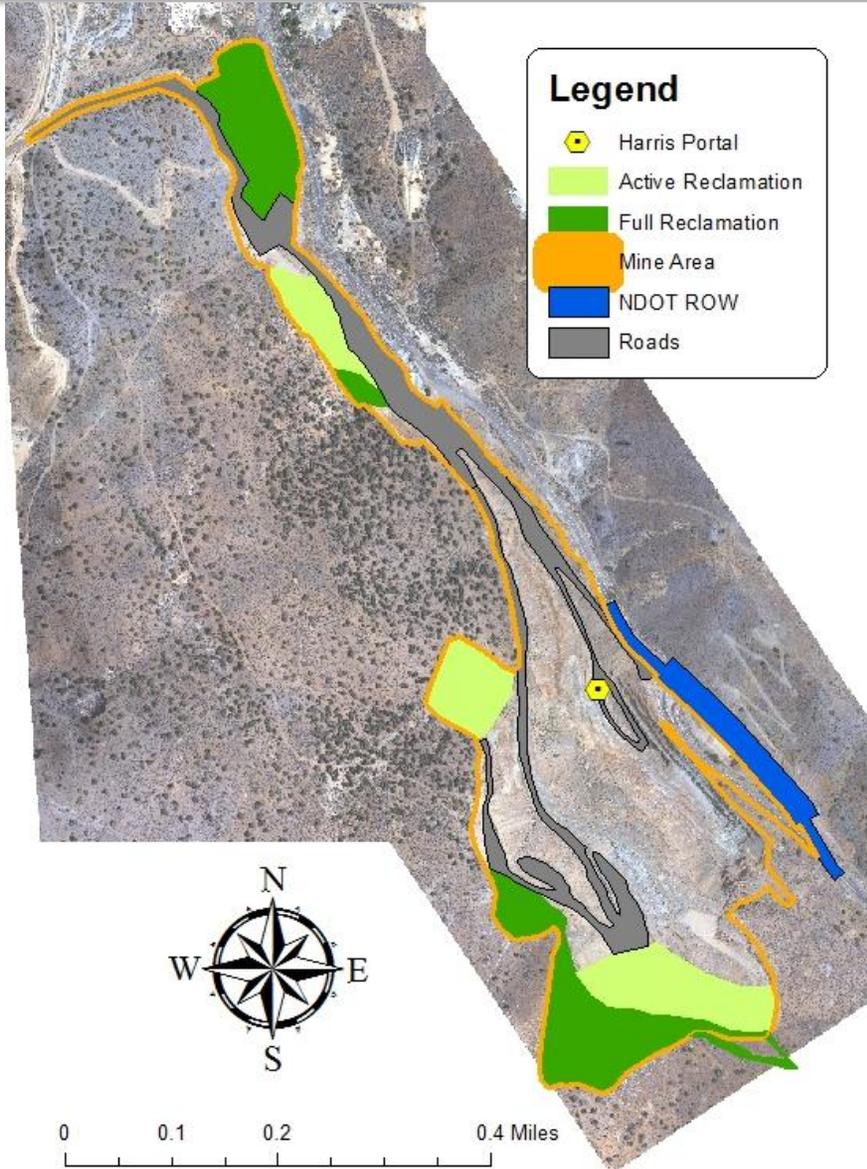
- Air Quality - Operating Permit To Construct (NDEP)
- Water Pollution Control Permit (Nevada Division of Environmental Protection (NDEP))
- Mercury Operating Permit - Air Quality (NDEP)
- Storm Water (Drainage) Permit (NDEP)
- Water Rights (Nevada Division of Water Resources)
- Artificial Pond Permit (Nevada Dept. of Wildlife)
- Mine Reclamation Permit (Financial Assurance)
- State Mine Inspector Notice (NV Business & Industry)

- Federal Mine Inspector Notice (MSHA)
- Right of Way - (BLM)



# Compliance Review Outline

- Site Overview and Disturbance Acreage
- Review of SUP Compliance
- Silver City Water Line Protection
- Reclamation
- Monitoring Report
- Tonogold Update
- Mercury Clean Up (MCU)
- Comstock Foundation for History and Culture



## No Changes

Phase	Permit Acres	Used Acres
Active Mining	120	42
Mine Definition	20	0
Exploration	20	0
Active Reclamation	0-50	18.9
Reclaimed	N/A	11.1



# Compliance Certification

Special Use Permit Condition	Compliance certification
I. General Provisions	Compliant
II. Operating Plan	Compliant
III. Boundaries and Uses	Compliant
IV. Environmental Controls	Compliant
V. Fire & Emergency	Compliant
VI. Transportation	Compliant
VII. General Uses	Compliant
VIII. Cultural Resources	Compliant



# Silver City Water Line Protection

- No Mining or Exploration Took Place in 2019 thru August 2020
- Proximity to the Silver City Water Line (SCWL)
- Per the SCWL Protection Plan Storey County will be Notified Prior to any Future Activities



# Reclamation

- In May 2019, NDEP approved reduction of our bond
  - Successful earthwork completed for Hartford, Keystone, and Justice
  - Successful establishment of native vegetation at Keystone and Hartford
  - Bond requirement reduced from \$7.1 to \$6.8 million
  - CMI exceeded the credited amount by going above and beyond standard requirement including, but not limited to aerial seeding



# Monitoring Report

- **Dust**

Monitoring will resume with future mining activities

- **Groundwater**

Regular monitoring as required by permits

- **Noise**

No noise issues were reported in the last 12 months

- **Seismic**

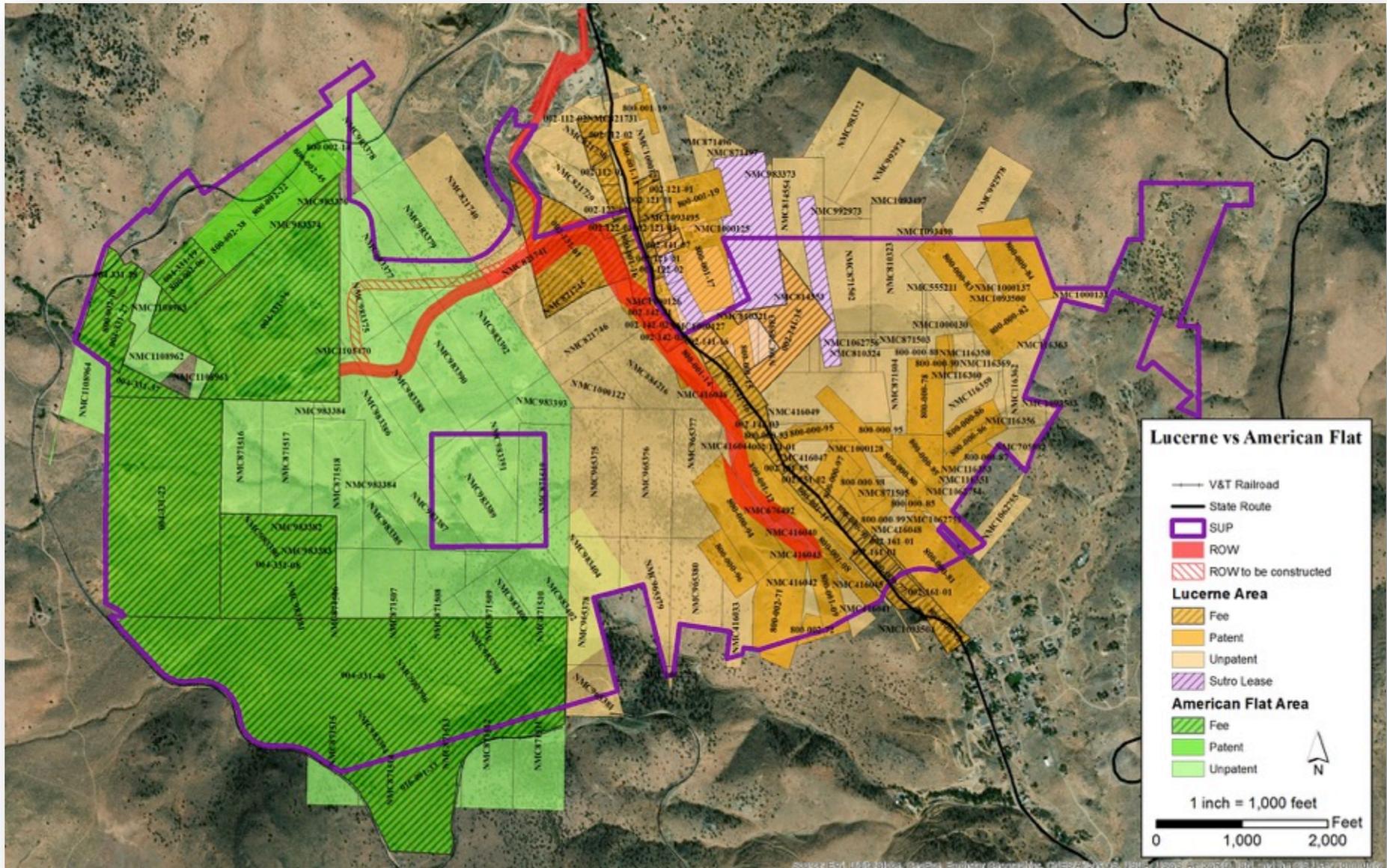
No Blasting Activities occurred in the last 12 months



# Tonogold Update

- Comstock Mining LLC Membership interest are in the process of being transferred to Tonogold Resources Inc., which will own the Lucerne Mine property.
- In January 2019, a new Agreement was signed that allowed Tonogold to acquire 100% of Comstock Mining LLC, and provided an option for them to lease the American Flat facility for processing. This replaces the original Option.
- Tonogold has been meeting the requirements, and the transaction is expected to close in August/September of 2020.
- Tonogold has received permits from Storey County to commence drilling on parcels outside this SUP, which will likely start in August or September of 2020
- Once the transaction closes, Comstock will notify the Planning Department, and add Comstock Processing LLC to the Special Use Permit, such that Comstock Mining LLC continues to be responsible for the Lucerne Mine, and Comstock Processing LLC will be responsible for the American Flat processing facility.

# Lucerne Parcels and American Flat





# Mercury Clean Up, LLC

- Mercury Clean-Up LLC, (MCU) is a full-time, global environmental company dedicated to the Recovery & Removal of Mercury from contaminated soils left behind by both past and present gold mining activities. MCU is committed to stopping the spread of elemental and Methylmercury.
- Comstock has invested \$3 Million in MCU and has committed an additional \$2 Million to date to support this important technology.
- MCU will be using Comstock's American Flat facility to test and fine-tune their mercury recovery technology in a two-year pilot test. The testing will be performed in full compliance with NDEP regulations and Comstock's approved Mercury Sampling and Analysis Plan (SAP).





# MCU Mercury Remediation System Investment in the Comstock



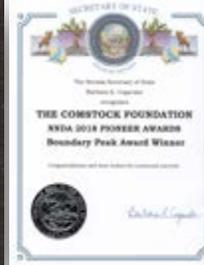


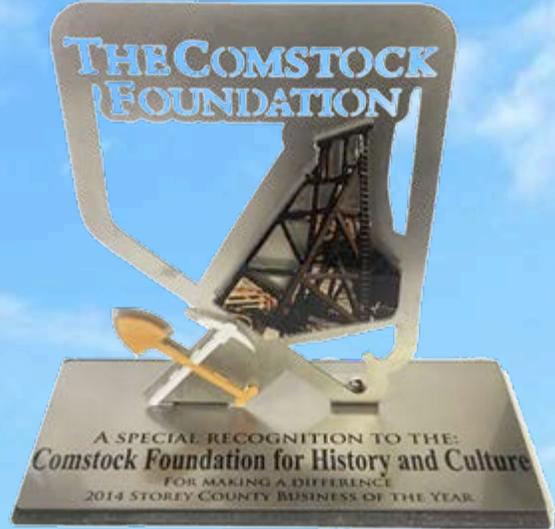
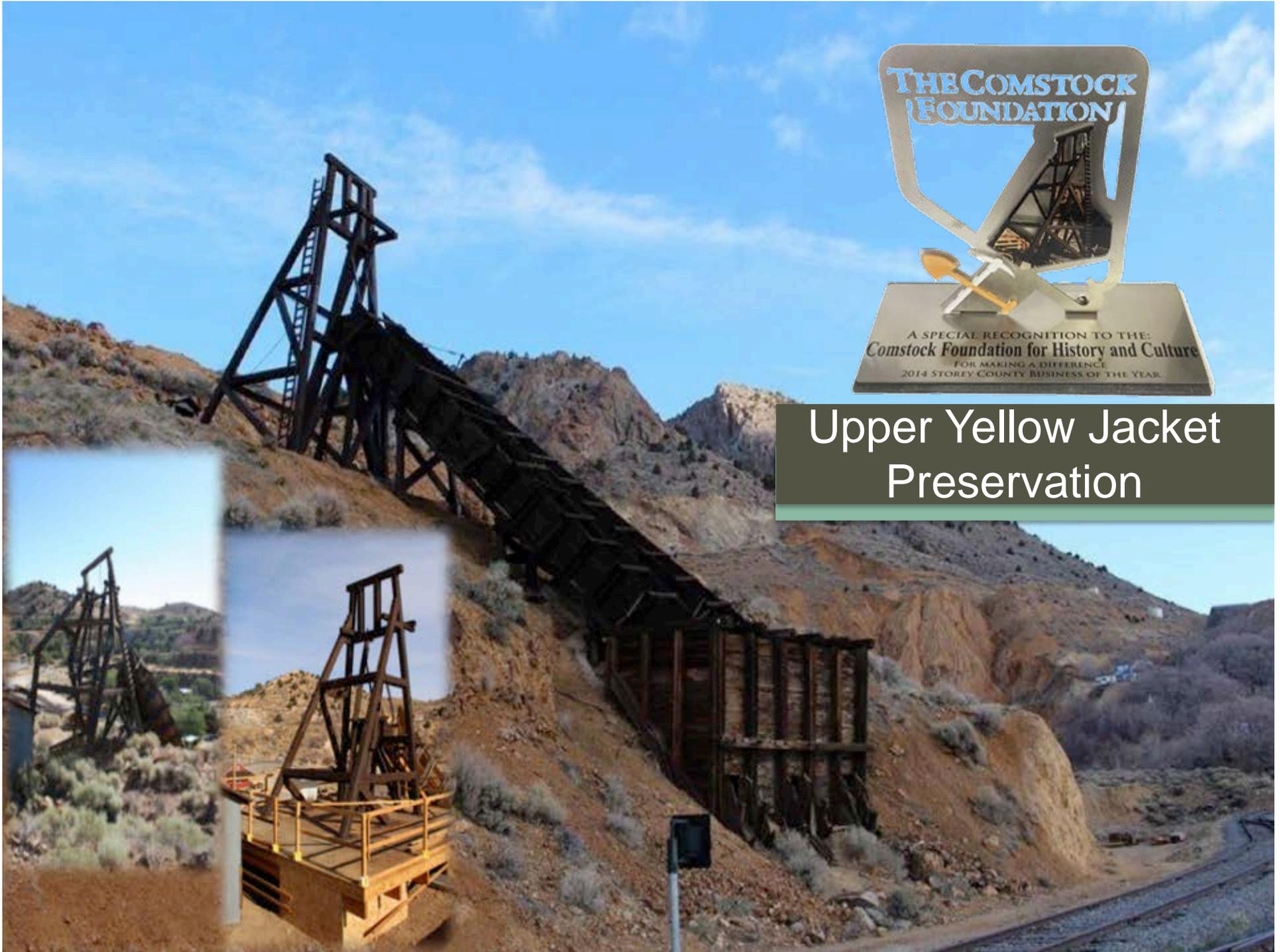
# The Comstock Character



## Comstock Foundation for History & Culture

- Long-range plans to address the preservation for historic structures
- Fully document or mitigate archeological or surface resources affected by any undertakings
- Supported by a dedicated 1% NSR royalty
- 2012-2016 Comstock Mining generated \$899,000 in royalties
- Contributions to the Foundation totaled \$935,000
- 2020 Completed a 3<sup>rd</sup> party audit of the NSR Royalty at the request of Storey County and Executed the SUP MOU February 18, 2020





Upper Yellow Jacket  
Preservation



# Silver Hill Shaft (2015)





2018 - Federal Sustainable Mineral Development Award  
2015, 2017 - Excellence in Mine Reclamation Award

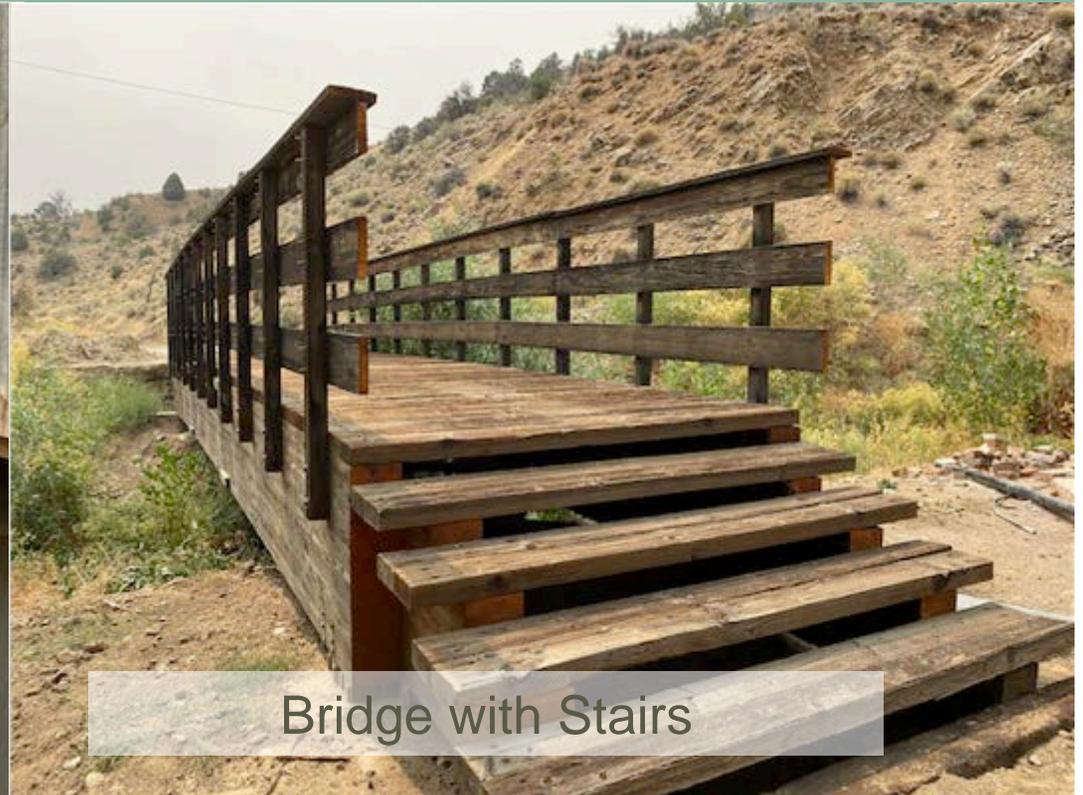




# Comstock Foundation Donovan Mill Exterior



Retaining wall & new foundations  
West side tank room



Bridge with Stairs

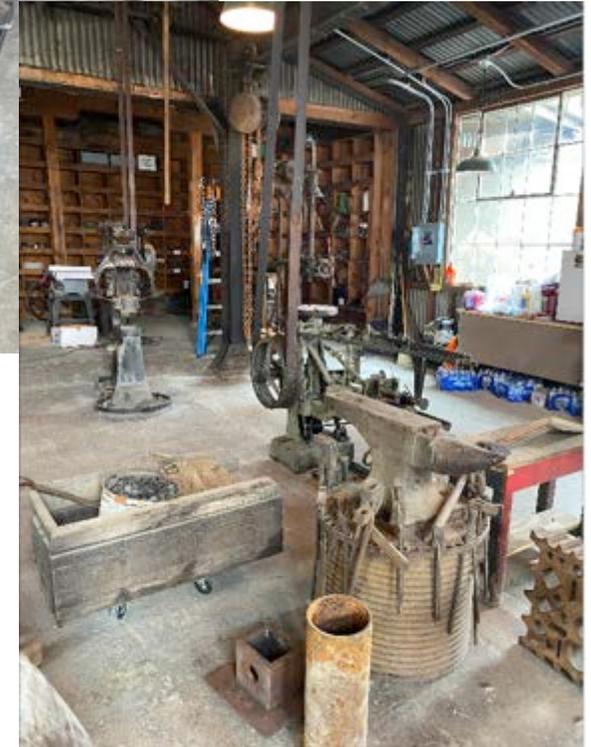


Rebricked retort unit





# Comstock Foundation Donovan Mill Interior - Blacksmith Shop



# Comstock Foundation Donovan Mill Interior – Stamp Mill





# Cultural Comstock Exhibit Internationally Renown Artist – Valery Lyman



# Breaking Ground

An immersive exhibit on the  
boom-bust history of America  
by Valery Lyman

The Donovan Mill

900 South Main Street, Silver City NV 89428

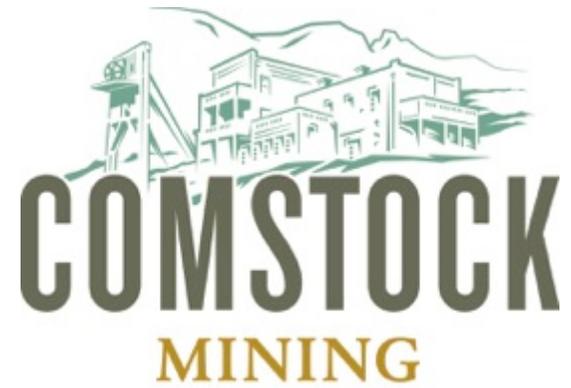
Exhibit Hours: 7:30-10:30pm Fri Sept 27th - Sun Sept 29th

Free Admission

[www.comstockfoundation.org](http://www.comstockfoundation.org) - [www.BreakingGroundExhibit.com](http://www.BreakingGroundExhibit.com)

NEVADA  
ARTS COUNCIL

NATIONAL  
ENDOWMENT OF ARTS



## SUP 2000-222-A-6 Annual Compliance Review

Storey County Planning Commission Meeting

August 20, 2020

August 6, 2020

To: Storey County Planning Commission

Re: August 6, 2020 Meeting Agenda Item 6 (17.32.080 Minimum Floor Area)

We are submitting this letter in support of 17.32.080 which sets forth the minimum floor area for single-family dwellings in the F Forestry Zone.

We are long-time Storey County residents and owners of 40-acre parcels in the Virginia Ranches. It has come to our attention that there may be an effort to introduce “tiny homes” into this zone. While “tiny homes” may be attractive in large inner city neighborhoods or communities without building codes, they pose a negative impact on neighboring property owners and only serve to degrade the building standards outlined in our Storey County Master Plan.

“Tiny homes” range from box-store sheds, metal shipping containers, homes built on trailers to modified school buses. Although it may seem that building a “tiny home” may reduce costs, the fact is that building this type of structure is often more expensive since it often requires non-traditional building methods.

Fire hazards are greatly increased in these types of homes, and they also present heightened hygiene and personal safety issues since many occupants attempt to avoid proper heating, well, and septic systems.

“Tiny homes” do not have the sustainability or the long-term resilience that will preserve the character and tax base of our community.

Consistency in protocol preserves the Storey County Master Plan and quality of life in the Highlands community. As residents and property owners in the 40-acre Virginia Ranches, we believe that lessening the current building standards in our zone will adversely affect other residents as well, especially those in the 10 and 1 acre parcels.

Respectfully submitted,

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John Herrington, Sr.

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John Herrington, Jr.