



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: July 27, 2021

DATE: Thursday, July 22, 2021

TO: Board of County Commissioners

FROM: Michael Large, Deputy District Attorney
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THROUGH: David Watts-Vial, Assistant District Attorney
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SUBJECT: Recommendation and possible action to approve an agreement with the State of Nevada and the cities and counties of Nevada related to the allocation of any monetary recovery from the defendants responsible for the damages incurred by Washoe County and the other governmental entities due to the opioid crisis. District Attorney. (All Commission Districts.) FOR POSSIBLE ACTION

SUMMARY

Staff recommends approval of an agreement with the State of Nevada and the cities and counties of Nevada related to the allocation of any monetary recovery from the defendants responsible for the damages incurred by Washoe County and the other governmental entities due to the opioid crisis.

This Board previously authorized the initiation of litigation against various defendants related to damages incurred due to the opioid crisis. Other municipalities and the State of Nevada have similarly initiated litigation. This agreement presents an allocation model for distribution of any monetary recovery from the opioid defendants between all governmental entities within the state of Nevada. If approved, this allocation agreement will consolidate the bargaining power of governmental entities involved in the ongoing opioid litigation.

Pursuant to WCC 65.240(5), the Board has sole authority to settle any claim or suit for damages in excess of \$24,999. The recoveries in other cases and bankruptcy actions will be dependent on the overall settlement amounts.

Washoe County Strategic Objective supported by this item: Stewardship of Our Community.

AGENDA ITEM # _____

PREVIOUS ACTION

March 26, 2019 the Board approved an agreement for legal services for outside counsel to represent the County against manufacturers, distributors and dispensers of opioid-based drugs.

July 24, 2020 a complaint was filed in the Second Judicial District Court of Nevada by Washoe County against numerous corporate opioid defendants.

June 8, 2021, the Board received an update on the litigation and bankruptcy cases involving the various opioid defendants and took action to direct counsel for Washoe County to cast its vote to approve a bankruptcy plan consistent with other members of the Multi-State Government Entities (“MSGÉ”) in the Purdue Pharma Bankruptcy Case No. 19-23649 filed in the United States Bankruptcy Court Southern District of New York.

BACKGROUND

After the Board hired outside counsel to represent Washoe County in opioid-related litigation matters a complaint was filed in the Second Judicial District Court. Counsel has also filed claims in bankruptcy actions across the country. Those cases are proceeding and several are being resolved in the bankruptcy courts. It is expected that other opioid defendants will engage in settlement discussions with the various states, counties and municipalities that have sued or filed claims in bankruptcy actions against those defendants.

This agreement presents an allocation model for distribution of any monetary recovery from the defendants between all governmental entities within the state of Nevada. If approved, this allocation agreement will consolidate the bargaining power of the Nevada governmental entities involved in the ongoing opioid litigation.

As shown in Exhibits D and E, Washoe County will receive the following allocation percentages based upon the calculations outlined in the agreement:

- 6.841995% of the Local Government Allocation (making up 38.77% of the total allocation)
- 14% of the Medicaid Match Allocation (17.37% of the total allocation)

Additionally, Washoe County will receive 8.426571% of the Litigating Counties Allocation as described in Paragraph 2 and Exhibit F (representing a fee adjustment of 25% of the allocation amounts to the Non-Litigating Counties).

FISCAL IMPACT

Unknown. The amounts received by Washoe County in other cases will be dependent on the total amount of any settlements or bankruptcy distributions.

RECOMMENDATION

It is recommended that the Board approve an agreement with the State of Nevada and the cities and other counties of Nevada related to the allocation of any monetary recovery from the defendants responsible for damages incurred by Washoe County and the other governmental entities due to the opioid crisis.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be:

Move to approve the agreement with the State of Nevada and the cities and other counties of Nevada related to the allocation of any monetary recovery from the defendants responsible for damages incurred by Washoe County and the other governmental entities due to the opioid crisis.