

**EUREKA COUNTY BOARD OF COMMISSIONERS**

**January 20, 2015**

STATE OF NEVADA        )  
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COUNTY OF EUREKA     )

**CALL TO ORDER**

The Board of Eureka County Commissioners met pursuant to law on January 20, 2015. Present were Chairman J.J. Goicoechea; Commissioner Michael Sharkozy; Commissioner Fred Etchegaray; District Attorney, Ted Beutel; and Executive Assistant, Jackie Berg. The meeting was called to order at 1:00 p.m. and began with the Pledge of Allegiance. The interactive video conferencing system was connected and utilized between Crescent Valley and Eureka for the entire meeting.

**APPROVAL OF AGENDA**

The item regarding the deferred compensation contract under the Commissioners' section was removed from the agenda, as this item was approved at an earlier meeting. With that change, Commissioner Sharkozy motioned to approve the agenda; Commissioner Etchegaray seconded the motion; motion carried 3-0.

**PUBLIC COMMENT**

Chairman Goicoechea opened the floor for public comments; there were none.

**APPROVAL OF MINUTES**

January 5<sup>th</sup> Minutes: Commissioner Sharkozy motioned to approve the minutes of the January 5, 2015, Commission meeting; Commissioner Etchegaray seconded the motion; motion carried 3-0.

**FINANCE**

Payment of Expenditures: Chairman Goicoechea asked for a motion to approve Yucca Mountain accounts payable presented at the January 5<sup>th</sup> meeting. These were reviewed at the meeting, but no motion was made. Commissioner Sharkozy motioned to approve January 5<sup>th</sup> Yucca Mountain expenditures in the amount of \$4,594.00; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Current expenditures were presented for approval by Deputy Recorder & Auditor, Tina Hubbard. Commissioner Sharkozy motioned to approve expenditures in the amount of \$793,685.79 for accounts payable, \$284,120.05 for payroll, \$181,118.02 for a pass-through tax allocation to the School District, and \$884.00 for a pass-through fee to Nevada Division of Minerals, for a grand total of \$1,259,807.86; Commissioner Etchegaray seconded the motion; motion carried 3-0. There were no current Yucca Mountain expenditures.

Auditor's Report: The Board reviewed the current fund balances on the Auditor's Report.

**BUILDING CONTROL SERVICES**

Courthouse HVAC Project: Tom Hulbert, President of Building Control Services, Inc., was in attendance to give a presentation on the design work and plans completed to date for the Courthouse HVAC (heating, ventilation, and air conditioning) Project. Public Works Director, Ron Damele, provided a brief background. In March 2014, a request for qualifications was advertised for the control and mechanical portions of the HVAC system. One statement of qualifications was received from Building Control Services (BCS) and an agreement was entered into for design services, the first phase of this project. For this phase, BCS reviewed plans from the time of the Courthouse remodel in 1996, conducted a field review of the system,

and completed preliminary design plans in conjunction with CR Engineering. These plans were submitted to Ainsworth Engineering for peer review, resulting in some minor adjustments. Cost of this design work was \$23,805.00.

Base Bid & Alternate: Mr. Hulbert described problems with the current system. Much of the equipment and components have met or exceeded their life expectancy; current piping is insufficient and mostly not insulated; and there are design flaws that cause problematic zoning and control issues. BCS prepared a base bid for replacement of two rooftop air conditioning units, replacement of 90% of the hot water piping throughout the building, new reheat coils, insulation, addition of one new hot water pump and repair of existing pumps, a new direct digital energy management system, testing of the overall system, and consultation, for a total base bid of \$685,987.00. An alternate bid was provided incorporating replacement of the remaining seven rooftop air conditioning units (for a total of nine), for an additional \$138,765.00.

New air conditioning units would provide a more efficient and economic system while getting rid of the older CFC (chlorofluorocarbon) units, which will eventually be regulated out of service (in an estimated five to 10 years).

Possible Boiler Replacement: The base bid and alternate consider utilizing the existing diesel boiler. The current HVAC is a single phase system, running at either 100% or zero. Replacement of the single diesel boiler with two electric boilers would provide a modulated two phase system, increasing efficiency and economy and providing a backup if one unit fails. BCS provided a design fee proposal of \$20,010.00 should the County opt to proceed with a design and cost estimate for boiler replacement. This would include working with Mt. Wheeler Power to determine service upgrade needs as well.

Current Options: Mr. Damele noted that approximately \$300,000.00 was budgeted for this project. With a base bid of more than double that amount, this project will have to be readdressed through the budget process. Options for the Board's consideration are: doing nothing, moving forward with upgrade of the control and mechanical components as bid, or obtaining further information regarding possible boiler replacement.

Boiler Design Proposal: Commissioner Etchegaray motioned to accept the proposal from Building Control Services to complete engineering design work for replacement of the diesel boiler with two electrical boilers, including coordination with Mt. Wheeler Power, for a fee of \$20,010.00; Commissioner Sharkozy seconded the motion; motion carried 3-0. Mr. Hulbert anticipates completion of this design work by the end of March.

For the record, Mr. Damele reminded everyone that monies were transferred from the Assessor's Technology Fund into the Capital Improvement Fund for work related to the Courthouse HVAC Project.

## **COMMISSIONERS**

Update Reports: All Commissioners attended the quarterly meeting in Crescent Valley on January 15<sup>th</sup>. Chairman Goicoechea attended the Natural Resources Advisory Commission meeting on January 14<sup>th</sup> and attended the Nevada Association of Counties meeting on January 16<sup>th</sup>. Chairman Goicoechea provided a brief update on the Sagebrush Ecosystem Council meeting which he chaired on January 8<sup>th</sup>. The Council worked on final details and completed the Conservation Credit System and Habitat Quantification Tool. Next they will run some mock projects to troubleshoot mitigation ratios and will authorize pilot projects on private property to test the Conservation Credit System. Work continues on the Strategic Action Plan.

SLAG Working Group: Chairman Goicoechea serves as liaison to the SLAG Working Group. The SLAG was formed to provide a more intensive and interactive review of documents being produced by the US Environmental Protection Agency (EPA) and Nevada Division of Environmental Protection (NDEP) in relation to historical milling and smelting activities in the Townsite of Eureka and related cleanup efforts. In the interest of timely submissions, it was

requested that Chairman Goicoechea be authorized to provide preliminary approval of the SLAG's input, comments, and requests for clarification related to these documents.

Commissioner Sharkozy motioned to authorize Chairman Goicoechea, as liaison to the SLAG Working Group, to approve comments and submissions to EPA and NDEP, to be later ratified by the full Board, on documents associated with the EE/CA (engineering evaluation and cost analysis) and CRP (community relations plan) for the Town of Eureka; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Upcoming Nevada Legislative Session: Chairman Goicoechea gave a brief update on proposed legislation before the State of Nevada. NACO's bill on home rule, supported by Senator Pete Goicoechea, should be heard early in the proceedings. Regarding the State Engineer's bills (one to clean up general language and one addressing Active Management Areas), a meeting is being facilitated between the State Engineer, Senator Goicoechea, and members of the Diamond Natural Resources Protection & Conservation Association to go over language in these bills before they are heard formally. Other proposals of concern deal with consolidating school districts; appointing, rather than electing, school district trustees; and possible imposition of a two percent gross receipts fee on businesses. The first series of meetings, presently underway, are primarily concerning the State budget.

## **AMBULANCE & EMS**

Activity Report: EMS Coordinator, Mike Sullivan, reported on emergency services since his last update on December 19<sup>th</sup>. Eureka had 10 calls for service and Crescent Valley had three calls for service. These numbers include six calls for Eureka and two calls for Crescent Valley in 2015. Calendar year 2014 culminated with a total of 193 calls (141 for Eureka and 52 for Crescent Valley).

Continuing education training was held on January 5<sup>th</sup> for both Eureka and Crescent Valley. This training was conducted by EMS Medical Director, Robert Stefanko, MD, in Crescent Valley and broadcast via interactive video to Eureka. Training is scheduled in Eureka on February 2<sup>nd</sup> and Crescent Valley on February 12<sup>th</sup>.

Mr. Sullivan reported that Michael Boharsik, EMT-2, and Cathy Wolf, EMT-2, have both completed training and field work to become fully qualified EMS Instructors. Lastly, Mr. Sullivan reported that a ~300 foot tower was erected near the JD Ranch that lacked a clearance light. He contacted Barrick Gold and within a week or so they had remedied the issue. The tower is now illuminated 24 hours a day.

As an EMT, Chairman Goicoechea noted that many volunteers rely on their cell phones to receive emergency text messages rather than carrying their radios at all times and he has noticed a delay in some of the messages. Mr. Sullivan and Sheriff Keith Logan responded that they have been working together, and will continue to work, on this issue. The delays have to do with software issues related to how the call is generated. Calls must be logged as EMS for immediate notifications to be sent by the system.

Nevada Project Heartbeat: Mr. Sullivan explained he has been involved with Nevada Project Heartbeat since 2006, serving on their Board of Directors. Working in conjunction with Nevada Project Heartbeat, AEDs (automated external defibrillators) were provided and other improvements made, leading to Eureka County being named the first Heart Safe County in the State of Nevada. Mr. Sullivan asked that the Board affirm this assignment and name Michael Boharsik as proxy. Commissioner Sharkozy motioned to appoint Mike Sullivan as Eureka County representative and Michael Boharsik as proxy on the Nevada Project Heartbeat Board of Directors; Commissioner Etchegaray seconded the motion; motion carried 3-0.

## **PUBLIC WORKS**

Water & Sewer Application: Public Works Director, Ron Damele, reported that application was received from Michael Rebaleati for new ¾-inch commercial water and commercial one

sewer connections at 140 South Main Street in Eureka. Both systems have the capacity to serve these new connections and Public Works recommended approval. Commissioner Etchegaray motioned to approve the ¾-inch commercial water and commercial one sewer connections for Michael Rebaleati at 140 South Main Street (APN 001-124-01) in Eureka; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Public Works Projects & Activities: Mr. Damele reported on recent projects and activities.

Fixed Asset Report: Staff has been working to update the fixed asset report to correctly describe the County's buildings and rolling stock and to make sure the inventory matches what is listed with the insurance company. SLAG Working Group: An agenda will be posted shortly for the second meeting of the SLAG Working Group scheduled for January 27<sup>th</sup>. Mr. Damele has been coordinating with representatives of the US Environmental Protection Agency and Nevada Division of Environmental Protection in preparation for this meeting. MOU with Barrick: A Memorandum of Understanding with Barrick Gold for road maintenance in the JD Ranch area has been prepared and will be presented at the next meeting for approval. In this agreement, Barrick will fund a full-time employee for two years and Eureka County will provide the equipment, equipment maintenance, and fuel.

## **EIDE BAILLY, LLP**

Fiscal Year 2013-2014 Audit & Comprehensive Annual Financial Report: Former County Auditor, Mike Rebaleati, and Auditor, Teri Gage, CPA, were in attendance to report on the County's Fiscal Year 2013-2014 Audit. Ms. Gage explained she is a partner with Eide Bailly, LLP, the firm which recently acquired Kafoury, Armstrong & Co. in a merger effective December 15, 2014.

Independent Auditor's Report: Ms. Gage noted that the Independent Auditor's Report for Eureka County resulted in the favorable result of what is termed a clean unmodified opinion, meaning all financial statements were fairly presented in all material aspects.

Net Position: The County is responsible for approximately \$130 million in assets, with ~\$50 million in cash investments and the remainder in capital assets. Investments decreased \$7.7 million from the previous fiscal year, mainly due to the reduction in net proceeds of minerals tax revenues by about \$10 million. Consolidated tax also decreased by \$1.3 million for the fiscal year. It is apparent from the financial statements and the hiring freeze that the County is making a concerted effort to cut expenses to counteract these deficits. There was a net increase of \$3.7 million in capital assets (a \$9.8 million addition due to completion of some large capital improvement projects, offset by a decrease of \$5.7 million for overall depreciation).

Overall Net Position: The overall net position for Eureka County for Fiscal Year 2013-2014 is \$130,145,435.00 (~\$130.1 million), down from \$134,845,344.00 (~\$134.8 million) for Fiscal Year 2012-2013.

PERS Obligation & OPEB: There was a lengthy discussion on liabilities related to PERS (Public Employees Retirement System) and OPEB (other post-employment benefits). This fiscal year audit showed an increase in PERS liability of \$1.1 million. Effective June 30, 2015, the unfunded PERS obligation must be included on the County's financial statement and this will be a substantial figure. The State of Nevada is working with PERS (NACO is also involved), so that accurate figures can be provided to the individual counties and their auditors prior to this deadline.

Ms. Gage noted that Eureka County is more prepared for these liabilities than most counties, due to completion of actuarial reports in recent years and initial funding of a Future Reserve Fund, although more financial planning and preparations will certainly be necessary.

Single Audit Threshold: Another change effective July 1, 2015, is related to single audits. Currently a single audit must be conducted when federal funds in excess of \$500,000.00 are received in one fiscal year. After July 1<sup>st</sup>, that threshold will increase to \$750,000.00.

Notes Receivable: Ms. Gage pointed out that under assets, Eureka County has \$5.7 million in notes receivable directly related to notes issued to Nevada Rural Housing Authority for projects at the Eureka Canyon Subdivision. No principal payments have been received against these notes. Footnotes were included in the audit report to document that negotiations are ongoing and no allowances have been recorded at this time.

Required Notifications: Ms. Gage stated that the auditors are required to notify the County of statutory violations. She prefaced this by stating that every entity she audits has violations and has over-expended their budget in some fashion. Eureka County had three funds that were over-expended and they were all enterprise funds (Eureka Town Water & Sewer; Crescent Valley Water; and Devil's Gate GID). In each of the instances, the over expenditure was not related to cash over-expenditures, but was directly related to not budgeting enough depreciation into the funds.

The purpose of budgeting depreciation is to ensure that adequate funds are set aside to replace assets as necessary. Not all types of funds require depreciation, but enterprise funds do since they are intended to be self-supporting. This is a common mistake made when dealing with enterprise funds. There are two ways to correct this violation. First, the corresponding budget can be augmented; or second, the shortfall can be left on the books with an explanation submitted to Nevada Department of Taxation.

General Fund: The ending balance in the General Fund for Fiscal Year 2013-2014 was \$15.5 million – down \$5 million from the previous fiscal year, mostly attributable to the reduction in net proceeds revenues. To a lesser degree, the General Fund balance was also affected by a decrease in sales tax and transfers out to other funds.

Audit Findings: There were a total of four audit findings. Again, Ms. Gage commented that there are very few audits conducted that don't have audit findings. The first finding was related to the subdivision and converting financial recordings of construction in progress to capital assets. Software programming improvements will be instituted to alleviate this in the future. The remaining three findings were related to journal entries, recordation of revenues in the wrong fiscal year, and cashing and disbursing of a grant check without going through the appropriate department. All are easily remedied with improved internal controls.

Thank You to the County and Staff: Ms. Gage thanked all of the County staff for their assistance with this audit. A lot of hard work, time, and effort go into preparing the audit, and Ms. Gage felt the staff was extremely helpful and knowledgeable, stating, *"They made our job very easy and you guys are awesome to work with."* Ms. Gage thanked Mike Rebaleati for his help and for returning to help present the final audit. Lastly, she thanked the County for the many years they have been able to serve as auditors, previously as Kafoury, Armstrong & Co. and now as Eide Bailly.

Acceptance of Fiscal Year 2013-2014 Audit & Comprehensive Annual Financial Report: Commissioner Etchegaray motioned to accept the Fiscal Year 2013-2014 Final Audit and Comprehensive Annual Financial Report as presented; Commissioner Sharkozy seconded the motion; motion carried 3-0.

## **EUREKA COUNTY SHERIFF**

Updated Fee Schedule: Sheriff Keith Logan informed that notice was received related to a change in various fees (a reduction) for submission of fingerprints to the FBI, which affects the fees posted by the Eureka County Sheriff's Office. Commissioner Sharkozy motioned to accept the updated schedule of fees for the Eureka County Sheriff's Office, effective February 1, 2015, due to changes provided by the Nevada Department of Public Safety; Commissioner Etchegaray seconded the motion; motion carried 3-0.

## **CLERK & TREASURER**

Treasurer's Report: The Treasurer's Report for December was submitted by Clerk & Treasurer, Beverly Conley. Ending balance for the month was \$52,609,441.72.

## **COUNTY FACILITIES & ECONOMIC DEVELOPMENT**

Update Report: Cultural, Tourism, & Economic Development Director, Andrea Rossman, reported on activities for the Opera House, Sentinel Museum, and Economic Development. Upcoming events at the Opera House include classical to rock music performed by Brad Richter and Victor Uzor on March 6<sup>th</sup>, and cowgirl music performed by Trinity Seeley on June 12<sup>th</sup>. Another murder mystery dinner is being planned and is tentatively scheduled for Valentine's Day. The new casual employee is being trained on shared duties at the Opera House and the Sentinel Museum. Ms. Rossman has begun reviewing budgets with staff in preparation for the upcoming budget cycle. The next meeting of the Economic Development Program Board is January 26<sup>th</sup>.

Economic Development Department Assistant, Cindy Beutel, stated she is working on a grant application (for \$5,114.33) through the Nevada Arts Council and hopes to approach the Recreation Board for matching funds. The grant will help fund activities for Arts in the Park scheduled in Eureka on September 18<sup>th</sup>, 19<sup>th</sup>, and 20<sup>th</sup>. This event will include hot air balloons, music by local bands/musicians, painting classes, and vendor booths.

Ms. Beutel is working on an update of the local phone book and hopes to work with Michael Mears to publish it on the County website as well.

## **HEALTH INSURANCE COMMITTEE**

Flu Shot Clinic: Health Insurance Committee Chair, Kim Todd, reported that the flu and pneumonia shot clinic was held by Northern Nevada Medical Group (Saint Mary's/Prominence) on November 5<sup>th</sup> in Eureka. It was well attended with 58 people receiving a flu shot and three people receiving a pneumonia shot. Total cost to Eureka County was \$558.00. Flu shots were provided at no charge to Prominence (formerly Saint Mary's) members. Pneumonia shots were provided at no charge to qualifying members.

Insurance Updates: The County's broker recently informed the Health Insurance Committee of several mandatory changes affecting Eureka County as a result of the Affordable Care Act. Most have already been implemented through the health insurance, but effective January 1<sup>st</sup>, employees must be notified 60 days in advance of any plan changes, premium changes, provider changes, etc. Due to this, the Health Insurance Committee will need to submit their recommendations to the Commissioners for approval by the April 20<sup>th</sup> meeting (for a May 1<sup>st</sup> deadline for notification of changes effective July 1<sup>st</sup>).

With this in mind, Ms. Todd was in attendance to provide an opportunity for the Board to give further direction to the Committee before they work on formulating recommendations. Ms. Todd briefly reviewed efforts that afforded premium savings for the current fiscal year. All plan deductibles were increased. Another significant change was allowing two employees who are married to enroll on one plan. Ms. Todd was happy to report that all eligible couples participated and this saved the County an estimated \$25,000.00 in premiums (with a savings to the members as well).

For the upcoming fiscal year, the Committee would like to consider a one-time 18-month renewal, which would serve to move the plans to a January through December term, which is consistent with the industry. Plans currently run with the fiscal year (July through June), but this can cause deductibles to restart in January if the County changes plans.

Direction to Committee: The Board discussed what direction they would like to give the Committee. They agreed to leave the deductible amounts alone if possible since they have increased over the past few years; concurred with the recommendation of moving plans to the calendar year; and agreed a premium increase of up to 10% would be acceptable.

Commissioner Sharkozy motioned to direct the Health Insurance Committee to look into an 18-month renewal through December 2016 for insurance plans, to leave deductibles static, and to consider other options only if the premium renewal rates exceed 10%; Commissioner Etchegaray seconded the motion; motion carried 3-0.

## **EUREKA COUNTY PLANNING COMMISSION**

Resignation from Planning Commission: A letter was received from longtime Planning Commission member, Ronald Rankin, informing the Board that he regretfully must resign from the Planning Commission. Commissioner Etchegaray motioned to accept the resignation of Ronald Rankin from the Eureka County Planning Commission; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Appointment to Planning Commission: Planning Commission Chair, Russell Conley, and Department Assistant, Anne Kniefel, were in attendance to discuss vacancies on the Planning Commission. Eureka County Code, Title 8, Chapter 10 outlines appointments to the Planning Commission and states, “*Alternates will be considered first when appointing successors to regular members.*” Based on this Mr. Conley recommended filling the vacancy created by the resignation of Mr. Rankin with Robin Hicks, the longest serving alternate member. Commissioner Etchegaray motioned to advance Robin Hicks from an alternate to a regular member on the Eureka County Planning Commission; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Procedures for Filling Vacancies: County Code states that “when practicable” members to the Planning Commission shall follow Commission districts. The Planning Commission is a seven member board with two alternates. Mr. Conley explained that with the appointment of Ms. Hicks, Commissioner Districts 1 and 2 are well represented, but there is only one member (including alternates) representing Commissioner District 3. Mr. Conley and Ms. Kniefel requested direction on whether they should advertise for the now vacant alternate seat in all districts or whether they should try to obtain an alternate from District 3.

After a brief discussion, the Commissioners felt the vacancy should initially be advertised in District 3. Commissioner Etchegaray motioned to direct the Planning Commission to advertise to fill the vacant alternate seat with a representative from Commissioner District 3; Commissioner Sharkozy seconded the motion; motion carried 3-0.

## **US GEOLOGICAL SURVEY**

Update on Hydrologic Monitoring Program: USGS representatives, Marsha Gipson, Northern Nevada Field Office Chief, and Steven Berris, Nevada Data Chief, were in attendance to provide an update on the hydrologic monitoring program being conducted cooperatively between the USGS and Eureka County. This program collects, analyzes, documents, and disseminates stream flow, groundwater, and water quality information in the Mount Hope and Roberts Mountain vicinity.

History of Data Collection: Ms. Gipson stated that the USGS collects scientific, non-regulatory, impartial, credible data which is publicly available. Procedures are nationally consistent, adhere to strict protocols, and receive regular technical reviews. The USGS first began stream gaging in 1889 in New Mexico. In Eureka County, data has been collected since 1902 (Humboldt River at Palisade).

Current Data Collection in Eureka County: There are 15 real-time data collection sites, 13 water quality sites, and 21 seepage run sites. Water samples are collected on a regular basis - twice a year at most sites (spring and fall). In addition to these, monitoring is conducted on multiple groundwater sites.

Purpose of Gages: The gages provide near real-time data for resource planning and management (for agriculture, industry, and municipal needs), provide information on water quality, provide information on water operations and diversions, identify trends, offer hazard

warning and forecasting, provide planning for recreational activities, and give accurate streamflow statistics.

From Gage to Page: The instrumentation collects data at the site, transmits to a satellite, transmits from the satellite to a receiver on land, retransmits to a satellite, and in turn transmits to the USGS database, where the information is publicly available within 15 minutes of original transmission. Data is transmitted on an hourly basis. The USGS website provides a wealth of information and graphs related to this data collection.

Funding & Agreements: Mr. Berris discussed the Joint Funding Agreements between USGS and Eureka County. The USGS provides federal matching funds to enable working with Eureka County to provide this vital level of monitoring. A portion of the USGS's match is retained at the Reston, Virginia, headquarters for training, technical oversight, etc. and isn't outlined in the agreements with Eureka County, but with this retention the program is a true 50/50 cost share.

The current two-year agreement runs through September 2015 and is paid on a quarterly basis. USGS has worked to keep program costs flat without an increase for five years. The Board discussed the possibility of a longer agreement term to lock in costs even further. Mr. Berris promised to look into it and felt positive about the possibility.

The discussion concluded with comments on the importance of the baseline data these studies have provided. With many pressures related to water in this area, the data has been used for current management decisions and will be utilized long into the future.

## **RECESS FOR LUNCH**

The Board recessed for lunch at 12:01 p.m. The Eureka County Liquor Board and Devil's Gate GID Board of Directors' meetings were held prior to reconvening the Commission meeting at 1:28 p.m.

## **NATURAL RESOURCES**

Report on Activities: Natural Resources Manager, Jake Tibbitts, reported on recent activities. Mr. Tibbitts met with the Nevada Pinyon-Juniper Partnership on January 6<sup>th</sup> to continue working on the wood utilization grant application; attended the Diamond Natural Resources Protection & Conservation Association meeting the evening of January 6<sup>th</sup>; attended the Eureka Conservation District meeting on January 8<sup>th</sup>; attended the Grazing Management for Fine Fuels & Annual Grass Ranges Conference in Carson City on January 13<sup>th</sup> & 14<sup>th</sup> hosted by the Nevada Society for Range Management; participated in the Natural Resources Advisory Commission meeting on the evening of January 14<sup>th</sup>; and attended a Nevada Division of Water Resources hearing in Elko on January 15<sup>th</sup> related to the proposed order for the Humboldt River Basin Hydrographic Region (4).

Meeting Highlights: Nevada Division of Water Resources (NDWR) Hearings: Mr. Tibbitts and Consulting Hydrogeologist, Dale Bugenig, reported on hearings held by the State Engineer on the proposed order for the Humboldt River Basin Hydrographic Region (4) that will require installation of totalizing meters. Mr. Tibbitts attended the Elko hearing and Mr. Bugenig attended the hearing in Lovelock.

Installation of meters and reporting requirements were discussed at the hearings. The State Engineer's office plans to conduct spot checking with non-compliance notification given before fines are assessed. Requirements of the order will apply to all waters in the basin, with some exceptions (those under five acre feet per year).

Verbal comment was provided on behalf of Eureka County, as discussed in a prior Commission meeting and put forth in Mr. Bugenig's memo related to the proposed order. In general, Eureka County supports metering, because you cannot manage something you're not measuring. But there are concerns over management and enforcement issues, accuracy and installation issues related to the meters, and costs to the users (not just for meters and

installation but administrative and oversight costs that will be passed on). As noted in Mr. Bugenig's memo and pointed out by Mr. Tibbitts at the hearing, measuring pumping does not reveal consumptive use.

Another important point that was made is the potential for this to actually increase pumping in the basin as water users strive to meet their duty. The State Engineer responded to this by agreeing that current water law has a 'use it or lose it' emphasis, but noted that his proposed legislation offers more latitude towards conservation if you are in an active management area. Mr. Bugenig noted that there was also talk of converting the current four acre feet for agricultural use to three acre feet.

NDWR is partnering with USGS to do a capture model, a comprehensive groundwater flow model. This will identify how much of a person's water right is coming from the Humboldt River. This model may take five to 10 years to complete. NDWR did complete an in-house capture analysis (Glover's analytical solution) based on a 180-day irrigation season, that determined drawdown from the river drops at 2,500 feet from the river. Based on this, NDWR doesn't anticipate groundwater curtailment in 2015.

Upcoming Meetings: Upcoming meetings include a meeting on January 21<sup>st</sup> with Barrick Gold regarding some past water studies and interplay between Diamond Valley and Garden Valley (following the meeting, Mr. Bugenig will tour northern Diamond Valley with Barrick); the BLM situational assessment meeting in the Commissioners' Chambers on January 21<sup>st</sup>; a Nevada State Conservation Commission meeting in Carson City on January 22<sup>nd</sup>-23<sup>rd</sup>; the Nevada Water Resources Association Annual Conference in Reno on January 28<sup>th</sup>; and the County Advisory Board to Manage Wildlife meeting on January 30<sup>th</sup>.

Certification of SRS Funds: Mr. Tibbitts explained that for the past several years, Eureka County has received annual payments through the Secure Rural Schools and Community Self-Determination Act. This legislation has provided tax payments to counties to replace lost revenues from forest lands. There are limited ways in which the funding can be spent and Eureka County opted for Title III funds which have been used primarily for the Firewise Communities Program. The certification of expenditures must be submitted by February 1<sup>st</sup>. A total of \$32,519.26 was expended in 2014. Mr. Tibbitts noted that annual expenditures are typically less, but in 2014, Recourse Concepts, Inc., was contracted to conduct a Wildfire Risk Assessment.

Commissioner Sharkozy motioned to approve the certification of expenditures of Secure Rural Schools and Community Self-Determination Act Title III funds for calendar year 2014; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Fish Creek HMA Wild Horse Gather: The BLM proposes gathering up to 550 horses on the Fish Creek Herd Management Area and will remove up to 200 horses. In addition, each mare gathered but not removed will receive PZP (porcine zona pellucida), a contraceptive vaccine. This gather should take place within the next few months.

The EA (environmental assessment), under which this horse gather will be conducted, has some positive aspects. It was developed as part of a ten-year plan addressing multiple gathers and outlining management options. Due to this, there won't be the need for a new EA each time an action is planned.

Mr. Tibbitts outlined comments he is preparing on the EA: even with proposed management options, AML (appropriate management level) for the horses cannot be achieved; the efficacy of the fertility treatment is questionable; royalties for PZP are paid to the Humane Society (an organization opposed to the livestock industry) on each purchase since they hold a patent on the vaccine; no socioeconomic analysis was done; reductions in forage for livestock and wildlife were not addressed; there should be coordination with the County related to road closures, snow removal, and law enforcement during gathers; there are multiple outstanding water issues; and migration of elk into the area should be addressed.

Mr. Tibbitts spoke to some of the water issues. The Fish Creek HMA only exists due to the artificial augmentation of water. Without pumping and hauling of groundwater, the horses would not survive. Yet the Wild Horse & Burro Act calls for a thriving natural ecological balance. The main permittee in the area has suffered AUM (animal unit monthly) reductions, yet is expected to continue hauling water to these horses. The issue is further compounded because much of the water is being hauled from Diamond Valley. These occurrences raise water rights issues as well. On a positive note, the EA does acknowledge that wild horses are not wildlife; it says they are a wild animal with federal protection and cites that they would be managed by the State of Nevada if they were wildlife.

Another issue is migration of elk into the area, introducing even more competition for livestock forage. The BLM's wildlife needs for this area do not consider elk, because they do not originate there. Mr. Tibbitts contends that the reason elk are moving into that area is because of wild horses and the perennial water sources being provided that do not occur naturally.

Commissioner Etchegaray motioned to authorize the Natural Resources Manager to complete written comments to the BLM on the Fish Creek HMA wild horse gather and fertility control treatment and authorized the Chairman to sign the response outside of the meeting; Commissioner Sharkozy seconded the motion; motion carried 3-0.

### **CORRESPONDENCE**

Correspondence was received from: Ronald Rankin; District Attorney, Ted Beutel; Executive Assistant, Jackie Berg; Eureka County Economic Development Program Board; Elko County Board of Commissioners; Eide Bailly, LLP; Building Control Services (2); Nevada Div. of Minerals; Nevada Div. of Water Resources (2); Nevada Rural Housing Authority; and US Geological Survey.

### **PUBLIC COMMENT**

Chairman Goicoechea called for public comments; there were none.

### **ADJOURNMENT**

The meeting was adjourned at 2:28 p.m.

*Approved by vote of the Board this 20<sup>th</sup> day of February, 2015.*

/s/ J.J. Goicoechea

J.J. Goicoechea, Chairman

*I, Jackie Berg, Executive Assistant to the Board of Eureka County Commissioners, attest that these are a true, correct, and duly approved minutes of the January 20, 2015, meeting of the Board of Eureka County Commissioners.*

/s/ Jackie Berg

Jackie Berg, Executive Assistant

*I, Beverly Conley, Clerk & Treasurer of Eureka County, acknowledge and accept the attached minutes as approved by the Board of Eureka County Commissioners and attested to by the Executive Assistant of the Board.*

/s/ Beverly Conley

Beverly Conley, Clerk & Treasurer