

EUREKA COUNTY BOARD OF COMMISSIONERS

April 6, 2018

STATE OF NEVADA)
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COUNTY OF EUREKA)

CALL TO ORDER

The Board of Eureka County Commissioners met pursuant to law on April 6, 2018. Present were Chairman J.J. Goicoechea; Vice Chairman Michael Sharkozy; Commissioner Fred Etchegaray; District Attorney, Ted Beutel (until needed at District Court); and Commissioner Clerk, Jackie Berg. The meeting was called to order at 9:30 a.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

Chairman Goicoechea clarified that the Barrick agenda item was discussion only and required no action, as indicated on the agenda. Commissioner Sharkozy motioned to approve the agenda with that change; Commissioner Etchegaray seconded the motion; motion carried 3-0.

PUBLIC COMMENT

Chairman Goicoechea called for public comments.

Clerk & Treasurer, Beverly Conley, reminded everyone of the tax delinquent property auction on April 17th. Registration is at 10:30 a.m. and the auction will begin at 1:00 p.m. A total of 18 properties are scheduled for sale.

APPROVAL OF MINUTES

March 27, 2018: Commissioner Clerk, Jackie Berg, asked for clarification on a motion recorded in the minutes. The Board confirmed that the intended action was to allocate marijuana revenues to the Capital Projects Fund, and the motion reflected this intent correctly.

Commissioner Sharkozy motioned to approve minutes of the March 27, 2018, meeting as clarified; Commissioner Etchegaray seconded the motion; motion carried 3-0.

COUNTY COMPTROLLER

Payment of Expenditures: Expenditures were presented for approval by Comptroller, Maureen Garner. Commissioner Etchegaray motioned to approve expenditures in the amount of \$302,134.91 for accounts payable, \$237,310.76 for payroll, \$11,663.93 for a pass-through tax allocation to the School District, \$375,848.19 for a pass-through to the State Controller, \$448.81 for a pass-through to the Department of Taxation, \$280.00 for a pass-through to the Division of Minerals, and \$19,044.32 in Yucca Mountain expenditures, for a grand total of \$946,730.92. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

Fund Balances Report: The Board reviewed the report showing current fund balances.

FISCAL YEAR 2018-2019 BUDGET

Sign Tentative Budget Top Sheets: Assistant Comptroller, Kim Todd, reviewed the completed tentative budgets for the following Eureka County entities, which make up the entire budget: *Eureka County (overall), Eureka Town, Crescent Valley Town, Devil's Gate GID, Diamond Valley Weed District, Diamond Valley Rodent District, and Eureka County Television District.*

Ms. Todd stated she was happy to report that the overall tentative budget for FY18-19 has a \$919,738.00 deficit. The previous year's tentative budget had a \$5.3 million deficit, so this was a notable improvement.

Commissioner Sharkozy motioned to sign the top sheets in order to file the FY18-19 Tentative Budget with the Nevada Department of Taxation; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Schedule Public Hearing: Commissioner Etchegaray motioned to schedule a public hearing at 11:00 a.m. on May 21st to adopt the FY18-19 Tentative Budget and set the FY18-19 tax rates. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

COMMISSIONERS

Consider Appeal: Chairman Goicoechea requested that the following agenda item be tabled to the next meeting: *Discuss, approve, or deny whether to appeal the FINDINGS OF FACT, CONCLUSIONS OF LAW; ORDER PARTIALLY GRANTING SUPPLEMENTAL PETITION FOR JUDICIAL REVIEW; ORDER FOR ISSUANCE OF MITIGATION RIGHTS PERMIT; ORDER PARTIALLY DENYING SUPPLEMENTAL PETITION FOR JUDICIAL REVIEW in CV-1409-204 before the Seventh Judicial District Court in the matter of SADLER RANCH, LLC, Petitioner, vs. JASON KING, P.E., Nevada State Engineer, et al, Respondent.*

Commissioner Sharkozy motioned to table the above agenda item until the April 20th meeting; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Request Court Review: Commissioner Etchegaray motioned to approve requesting court review of the ORDER DENYING EUREKA COUNTY'S MOTION TO DISMISS issued by the Office of the State Engineer in the matter of the applications of Kobeh Valley Ranch, LLC, in the Kobeh and Diamond Valley Hydrographic Basins. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

Tax Delinquent Parcel: The Board received a letter from Nickie Reeves, dated March 28th, concerning APN 002-033-32. This property is scheduled to be sold in the tax delinquent property auction on April 17th. Ms. Reeves included copies of checks from 2014 and 2015 and wrote that she has made all payments on time for this parcel.

In addition to previous legal notices, Clerk & Treasurer, Beverly Conley, sent a letter to Ms. Reeves on March 13th with detailed billing and payment history, showing this parcel has been delinquent since FY14-15.

After examining the records, the Board agreed to send a letter to Ms. Reeves affirming the delinquent status and notifying her that the balance of \$252.29, which includes interest and fees accrued to date, must be paid in full by April 12th or the parcel will be sold at public auction. Commissioner Etchegaray motioned to send the letter to Nickolette Reeves concerning APN 002-033-32; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Sagebrush Ecosystem Program and Nevada Greater Sage-Grouse Conservation Plan: The Chairman was unable to attend the April 5th meeting of the Sagebrush Ecosystem Council, so Natural Resources Manager, Jake Tibbitts, will report on this later in the meeting.

BARRICK GOLD

Barrick Nevada Update: Rebecca Darling, Director of Corporate Social Responsibility for Barrick Gold, provided a presentation on Barrick's Nevada activities.

Production: Barrick is informing stakeholders that gold production in Nevada is predicted to drop over the next few years. About 2.3 million ounces were produced in 2017, but this is expected to decline each subsequent year until reaching a projected production rate of approximately 1.7 million in 2021. Barrick is aware of this and is planning for it.

Goldrush: One of the things that will bring production up beginning in 2022 is Goldrush. A feasibility study was completed in late 2017 with positive economic results. Based on proven reserves, an average of 500,000 ounces a year will be produced for 16-18 years.

Construction has started on the HCCUEP Declines (Horse Canyon/Cortez Unified Exploration Project Twin Exploration Declines) and exploration is advancing. This year the focus will be on permitting, engineering, and submitting the Mine Plan of Operations, which should happen any day now.

Deep South: The twin declines for the Cortez Deep South Project should be completed in 2018. Extensive water monitoring is in place, which gives Barrick confidence in their water management plan. The Mine Plan of Operations has been submitted and the Record of Decision is expected in the second quarter of 2019.

Robertson Project: The Robertson Project was acquired in late 2017. Test drilling was done and the data is now being collated and reviewed. Metallurgical test work will be done to determine if the ore is feasible for processing at Cortez Mill #2.

State Route 306 Construction: Most of the construction planned on SR 306 is in Lander County, with some in Eureka County. The bid has been awarded, but not announced. Tentative construction schedule is May 21st to September 30th, Monday-Friday, 7:00 a.m. to 6:00 p.m.

Sage-Grouse Bank Enabling Agreement: The Sage-Grouse Bank Enabling Agreement (BEA) is a voluntary agreement between Barrick and the Department of the Interior to mitigate for the loss of sage grouse habitat. The BEA requires a "net conservation gain". Barrick must earn credits through habitat projects on public and private lands to more than offset any negative impacts to sage grouse habitat from land disturbances created by the Deep South Project.

An agreement has been reached with the State Fish & Wildlife Service and BLM on conservation actions, and implementation has begun on private lands. NEPA analysis must be completed before conservation activities can be done on public lands.

The Lodge at Pine Valley: Barrick is reopening the Lodge at Pine Valley, commonly called the JD Lodge. This is a seasonal opening to support exploration drilling crews from April 10th to December 20th. Although the facility can house 300 people, about 50 are expected. An Emergency Response Plan is currently under review. Sheriff Keith Logan and Interim Ambulance Coordinator, Ken Sanders, will tour the facility on April 10th.

Lone Tree USA: Lone Tree USA will manage the Lodge. Josh Rigby, Lodge Manager, explained the Lodge is a lot like a hotel and provides 24-hour service. Lone Tree USA currently staffs 14 people on rotating shifts of four weeks on and two weeks off. Personnel are required to stay on site during their entire shift, unless they live within 30 miles of the Lodge. Parties interested in employment opportunities (there are currently four vacant positions) can contact the Lodge, Barrick, or apply online at *lonetreeusa.com*.

Barrick's Future in Nevada: In 2018 Barrick is already planning for the next century through talent development, digital transformation, innovation, and partnerships in order to build the safest and most effective mines of the future. These efforts are being implemented in Nevada first. Barrick also continues to expand existing ore bodies and search for new ones.

Social Investment: Barrick enjoys being part of the community and makes social investments in the County. In 2017 they contributed \$18,000.00, which supported many organizations and events throughout the County (new scale for 4-H Club, school field trips in Crescent Valley, etc.). So far in 2018 they have donated to Grad Nite, supported the Silver State Sportsman banquet, and sponsored another school field trip for Crescent Valley students.

CLERK & TREASURER

Election Protocol: Clerk & Treasurer, Beverly Conley, reported that her office will implement election protocol for the 2018 Election, due to candidacy of a member of the Clerk's staff and a member of the Sheriff's staff in contested offices. In a letter to the Board, Ms. Conley outlined the additional precautions that will be adhered to during this election season.

Amanda Pearce, candidate for Clerk Recorder, will not be involved in any part of the election process, and will not have access to any election materials, ballots, or equipment, including the postal box or the office safe. Remaining staff will use every precaution to safeguard and secure all election equipment and materials.

Sergeant Kenny Sanders is a candidate for Sheriff. Sheriff Keith Logan has agreed that Mr. Sanders and his spouse (also a Sheriff's employee) will not be assigned to any election location and will not assist with transporting ballots.

ROAD DEPARTMENT

Report on Activities: Jayme Halpin, Road Equipment Operator III, reported on Road Department activities. In Eureka, crews began March by plowing and removing snow. Due to the moisture, the area was inspected to counteract any flooding issues and to check for plugged culverts. Reinforcement of the Roberts Creek Road is complete in preparation for McEwen Mining activities. Blading was done on various roads in Diamond Valley.

The north end crew also began the month plowing snow. They bladed the Dann Road, Spa Road, roads around Crescent Valley, and will now branch out to outlying areas.

Both northern and southern crews attended the Dozer Boss training course at the Opera House on March 20th & 21st.

PUBLIC WORKS

Public Works Update: Public Works Director, Ron Damele, reported on Public Works projects and activities. All utility systems are in good working order.

Radio Reprogram: County-wide radio reprogramming will be done within the next 30-45 days, due to the BLM adding three new tactical channels to their radio system. This affects all radios, including law enforcement and EMS. Western States Enterprise will assist with the programming, but much of it can be done in-house.

EPA in Eureka: The US Environmental Protection Agency will begin moving equipment into Eureka on May 7th and cleanup work will resume on May 14th. This should be the final year of lead and arsenic cleanup.

Wildfire Protection Plan: Mr. Damele met with Nevada Division of Forestry regarding their Wildfire Protection Plan. There will be future discussions to work through a few discrepancies and Mr. Damele may enlist assistance from the Chairman.

Hoss Disposal: Hoss Disposal sent written acknowledgement that they agreed to the one-year contract extension in two six-month increments.

Facilities: Mr. Damele reported that Doug Figgs & The Cowboy Way would perform at the Eureka Opera House the evening of April 6th.

Lumos & Associates Proposal: Lumos & Associates submitted a proposal to provide professional services related to the FAA entitlement grant, which will be used to purchase a snowplow for the Eureka Airport. Commissioner Etchegaray motioned to approve the proposal from Lumos & Associates, not to exceed \$15,000.00, for professional assistance with the FAA entitlement grant for the Eureka Airport (05U). Commissioner Sharkozy seconded the motion. Motion carried 3-0.

Water Rights Deeds: The County's water right permits and certificates are currently titled under multiple names with the Nevada Division of Water Resources, including: Eureka County, County of Eureka, Town of Eureka, Unincorporated Town of Eureka, Town of Crescent Valley, and Devil's Gate General Improvement District. Documents were prepared to correct title and reflect that all waters are owned by Eureka County.

Commissioner Etchegaray motioned to approve the Affidavit of Identity and Water Rights Quitclaim Deeds to correct title to reflect that Eureka County is the correct and proper owner of all water right permits, certificates, and applications identified in the documents. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

Residential Water Service: Commissioner Etchegaray motioned to approve a 3/4-inch residential water service for C. Dennis & Claudia Jantz at 588 El Cajon, APN 007-393-18, in District 2 of Devil's Gate GID. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

MOU with School District: Mr. Damele explained that the County and the School District both utilize each other's fiber infrastructure and neither would have their current network capabilities without this mutual arrangement. A Memorandum of Understanding was drafted to memorialize this shared usage and to ensure a future cooperative relationship. The School District Board of Trustees will consider the MOU at their April 10th meeting.

Commissioner Sharkozy motioned to sign a Memorandum of Understanding with Eureka County School District for shared utilization of fiber optic infrastructure; Commissioner Etchegaray seconded the motion; motion carried 3-0.

NEVADAWORKS

History: John Thurman, CEO, was in attendance to provide an overview of Nevadaworks. He began with a history of legislation related to America's workforce, including the current Workforce Innovation & Opportunity Act, signed in July 2014.

Nevadaworks: Nevadaworks serves individuals and companies throughout Northern Nevada and currently has 13 contracts with seven different organizations. It oversees workforce development by providing assistance in multiple pre-employment and post-employment activities and training. Nevadaworks is currently ramping up a One-Stop Career Center in Northern Nevada with an estimated completion date of June 2018.

Funding: Nevadaworks is funded entirely by the US Department of Labor. It receives approximately \$7 million annually, but expects a 10% reduction in the next budget. The funding is received for three different categories: adult, youth, and dislocated worker. 85% of the funding is used for employment services and 15% is used for administration.

One-Stop System: The One-Stop System Center for the 13 counties of Northern Nevada is located in Reno, with six affiliate sites. Mr. Thurman explained the roles Nevadaworks and its partners play in the One-Stop System. While Nevadaworks receives funding for adult, youth, and dislocated workers, the partners receive funding for adult education, rehabilitation, and employment/training services (with priority to veterans). The One-Stop System links people with agencies, services, training, businesses, etc., in an integrated workforce development system.

EUREKA BUSINESS NETWORK

Main Street Beautification Project: Cindy Beutel, representing Eureka Business Network, requested a grant of up to \$5,000.00 for volunteers to hang flowering plant baskets from the streetlights in downtown Eureka. She provided an estimate of \$4,000.00 to purchase 10 streetlight pole brackets (double-sided plant hangers), 20 hanging baskets, flowering plants, a ladder, a wagon, watering containers, and miscellaneous plant care items.

The additional \$1,000.00 will be used to pay the Diamond Mountain FFA students fundraising money in exchange for caring for the plants (if they agree). The FFA is already cooperating on the project and has agreed to grow the plants and assemble the baskets.

Commissioner Etchegaray motioned to grant Eureka Business Network up to \$5,000.00 (from Miscellaneous Grants in the Commissioners' budget) to hang flowering plants in downtown Eureka, with the stipulation that all work (including installation of brackets) be done by volunteers and not County staff. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

NATURAL RESOURCES

Report on Activities: Natural Resources Manager, Jake Tibbitts, reported on recent activities. The Groundwater Management Plan group met on March 29th and should soon be ready to begin gathering signatures on a petition to present to the State Engineer. They are also working with the State Engineer on a water rights validation process. Their next meeting is on May 24th and that may be the last full group meeting. Mr. Tibbitts has facilitated the process to this point, but he made it clear that obtaining signatures will be the responsibility of the water rights holders.

Mr. Tibbitts attended the Pinyon-Juniper Partnership meeting on April 4th. They are working with a company to compost material and will pay to have the chips and biochar remaining in Eureka County hauled to Carson City to be composted. The compost will be returned to the County and used for test plots. Leftover compost may be sold for private use.

Upcoming Meetings: Upcoming meetings include: Eureka Conservation District on April 10th; Eureka Firewise Committee on April 10th; Natural Resources Advisory Commission on April 11th; Fallon Range Training Complex Modernization in Fallon on April 17th (the Administrative Draft EIS will be issued to Cooperating Agencies for the 30-day review); BLM coordination meeting in Elko on April 18th; Groundwater Management Plan Advisory Board on April 19th; and the Central Nevada Regional Water Authority in Eureka on April 27th.

Sage Grouse Issues: Mr. Tibbitts attended the Sagebrush Ecosystem Council (SEC) meeting in Carson City on April 5th and relayed that it was a very long and difficult meeting. BLM State Director, John Ruhs, spoke to the group about the accelerated timeframe on the Supplemental EIS being prepared by the BLM on the sage grouse conservation Land Use Plan Amendments. Mr. Ruhs explained that the timeframe is being dictated from the Secretary of the Interior's office and the BLM has no flexibility.

The SEC has been meeting and working on changes to the Nevada Greater Sage-Grouse Conservation Plan to make it mesh better with the federal sage grouse plans. But Mr. Ruhs informed the Council that, due to the shortened timeframe, the BLM was taking the Plan as amended at the end of the April 5th SEC meeting and would use it 'as is' to determine consistency and work towards alignment when drafting the SEIS. This was upsetting to the Council members who didn't have time to address many, some very important, changes in the State Plan.

The Administrative Draft SEIS will be issued on April 10th to Cooperating Agencies, who will be allotted five calendar days to review and comment. Mr. Tibbitts wanted the record to reflect that there won't be sufficient time to get the County's comments on an agenda for Board approval, so he will work with the Chairman to prepare comments consistent with previous County reviews.

In partnership with the eight counties who have Cooperating Agency status in the SEIS, NACO has engaged Resource Concepts Inc. for technical assistance. Jeremy Drew, Resource Project Manager with RCI, also attended the SEC meeting. With assistance from Mr. Tibbitts, Mr. Drew is going to prepare a memo to the Council offering input and advice on these current sage grouse issues.

JUVENILE PROBATION

Grad Nite Celebration: Juvenile Probation requested a contribution for the 2018 Grad Nite event. This annual event provides a substance-free celebration with entertainment, prizes, and refreshments for students. It has proven to be a successful and safe alternative to alcohol and drug related parties. Commissioner Etchegaray motioned to donate \$500.00 (from Miscellaneous Grants in the Commissioners' budget) to the 2018 Grad Nite celebration scheduled for June 8th; Commissioner Sharkozy seconded the motion; motion carried 3-0.

EUREKA COUNTY SHERIFF

Annual Walk-Through of Justice Facility & Detention Center: Sheriff Logan was in attendance and confirmed he was available upon adjournment of the meeting to accompany the Board on the annual walk-through and inspection of the Justice Facility and Detention Center. *Note: The inspection was conducted by the Commissioners immediately following adjournment and no issues were noted.*

CORRESPONDENCE

Correspondence was received from: Nickie Reeves; Cindy Beutel; 7th Judicial District Court; Clerk/Treasurer, Beverly Conley (2); Public Works, Ron Damele; Natural Resources, Jake Tibbitts;

Natural Resources Advisory Commission; Juvenile Probation, Steve Zimmerman; Eureka County High School; Eureka Owl Club (4); Nevada Assoc. of Counties (2); Kelly C. Brown, PLLC; Lumos & Assoc.; Allison MacKenzie Ltd.; Nevada Div. of Water Resources (3); Nevada Dept. of Taxation (2); Nevada Div. of Environmental Protection (3); Nevada Dept. of Transportation; and Crook County, Oregon.

PUBLIC COMMENT

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

ADJOURNMENT

Commissioner Sharkozy motioned to adjourn the meeting at 10:51 a.m.; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Approved by vote of the Board this 20th day of April, 2018.

/s/ J.J. Goicoechea

J.J. Goicoechea, Chairman

I, Jackie Berg, Commissioner Clerk, attest that these are a true, correct, and duly approved minutes of the April 6th, 2018, meeting of the Board of Eureka County Commissioners.

/s/ Jackie Berg

Jackie Berg, Commissioner Clerk

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 Commissioner Clerk.

/s/ Beverly Conley

Beverly Conley, Clerk & Treasurer