

EUREKA COUNTY BOARD OF COMMISSIONERS

May 6, 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 May 6, 2015. Present were Chairman J.J. Goicoechea; Vice Chairman Michael Sharkozy; Commissioner Fred Etchegaray; District Attorney, Ted Beutel; 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

Commissioner Sharkozy motioned to approve the May 6th agenda; Commissioner Etchegaray seconded the motion; motion carried 3-0.

PUBLIC COMMENT

Chairman Goicoechea opened the floor for public comments. Mark Moyle, Marty Plaskett, and Lloyd Morrison, representing the Diamond Natural Resources Protection & Conservation Association, began by stating their appreciation for what the County has done on water issues. They voiced concerns over the recent filing of a Petition for Curtailment in Diamond Valley. This was filed in the Seventh Judicial District Court on April 27th by Sadler Ranch, LLC (Petitioner), against the Nevada State Engineer (Respondent). They urged the Board to speak with counsel and do what they could to fight this, as this is a huge issue that will address every water right in Diamond Valley.

APPROVAL OF MINUTES

March 20, 2015: Commissioner Sharkozy motioned to approve minutes of the March 20, 2015 Commission meeting; Commissioner Etchegaray seconded the motion; motion carried 3-0.

April 1, 2015: Commissioner Sharkozy motioned to approve minutes of the April 1, 2015, budget meeting; Commissioner Etchegaray seconded the motion; motion carried 3-0.

FINANCE

Payment of Expenditures: Expenditures were presented for approval by Acting Recorder & Auditor, Tina Hubbard. Commissioner Etchegaray motioned to approve expenditures in the amount of \$320,087.23 for accounts payable, \$392,044.92 for payroll, \$4,216.66 for a pass-through tax allocation to the School District, \$7,999.60 for pass-through payments to the State of Nevada, and \$5,509.95 for Yucca Mountain, for a grand total of \$729,858.36. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

Auditor's Report: The Board reviewed ending fund balances as presented on the Auditor's Report.

Credit Card Audit: During budget discussions it was suggested that an audit be conducted on all credit cards paid by Eureka County. There was a brief discussion on how much detail the Board desired. Commissioner Etchegaray motioned to direct the Recorder/Auditor's office to conduct an audit of all credit cards held by the County with a breakdown of expenditures by department for each card; Commissioner Sharkozy seconded the motion; motion carried 3-0.

COMMISSIONERS

Update Reports: Commissioner Sharkozy attended the Economic Development Program Board meeting on April 24th via interactive video from Crescent Valley; attended a Crescent Valley Volunteer Fire Department meeting on April 28th; and participated in the Crescent Valley Firewise Community Day on May 2nd.

Commissioner Etchegaray attended the workshop for the Diamond Valley Groundwater Management Plan on April 23rd; attended a Recreation Board meeting on April 27th; traveled to Carson City on April 28th to meet with the State Engineer and Senator Pete Goicoechea on legislative and water issues; while there met with BLM State Director, John Ruhs; and attended the Diamond Natural Resources Protection & Conservation Association meeting the evening of May 5th.

Chairman Goicoechea traveled to Salt Lake City on April 22nd for a Western States meeting dealing with the Greater Sage-Grouse; participated in a NACO Board meeting via interactive video on April 24th; attended the SLAG Working Group meeting on April 27th; traveled to Carson City on April 28th to the Nevada State Legislature; met with BLM State Director, John Ruhs, on April 28th; and met with BLM Director, Neil Kornze, Deputy Director Steven Ellis, and State Director, John Ruhs, and others in Elko on May 5th regarding sage grouse issues.

Job Description Update: Minor revisions were made to the Deputy Recorder Auditor/Human Resources Representative II job description. The main change noted that this position may act as Recorder/Auditor during an extended absence of the elected official, upon approval of the Commissioners. Commissioner Sharkozy motioned to approve the revised job description for Deputy Recorder Auditor/Human Resources Representative II; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Medicaid Payments: An email from Nevada Association of Counties notified counties that legislation adopted in 2013 allowed utilization of Indigent Accident Funds to offset payments to the State for the Medicaid Match Program. Certain criteria must be met and the Board of the Fund for Hospital Care to Indigent Persons will consider requests at an upcoming meeting to be scheduled in late May. Commissioner Etchegaray motioned to table this agenda item to allow research on whether the County qualifies or would benefit from making a request to utilize IAF funds for Medicaid obligation; Commissioner Sharkozy seconded the motion; motion carried 3-0.

CNRWA FY 2015-2016 Membership Assessment: A letter was received from Central Nevada Regional Water Authority notifying Eureka County that the membership assessment for the upcoming fiscal year will be \$7,500.00, no increase over previous years. Commissioner Etchegaray motioned to accept the Fiscal Year 2015-2016 assessment of \$7,500.00 for continued membership in the Central Nevada Regional Water Authority, to be paid in the upcoming fiscal year; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Southwest Gas Corporation: A letter was received from Southwest Gas Corporation requesting a Franchise Agreement renewal for distribution of natural gas in Eureka County. District Attorney, Ted Beutel, explained that Southwest Gas has an agreement with the County, which began around 1964-1965, to emplace gas lines in rights-of-way and other areas under the County's control. State law allows the agreements to run for 25 years, at which time there is a publication requirement before renewal.

Mr. Beutel reviewed the proposed renewal sent by Southwest Gas and noted one significant difference. In the old agreement, Southwest Gas was responsible for the cost if pipelines must be moved; the new agreement places this responsibility on the County. He recommended that the Board treat the letter as an application for renewal and proceed with the required publication.

Commissioner Etchegaray motioned to accept the letter from Southwest Gas Corporation as application for a renewed agreement, to proceed with advertising, and directed the District

Attorney to provide notification to the company. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

Nevada State High School Rodeo Association: An email that originated from the National High School Rodeo Association was forwarded to the local High School Rodeo Club by the Nevada State High School Rodeo Association. The email outlined the 2016 and 2017 schedules and indicated that State High School finals must take place 28 days prior (Junior High must take place 21 days prior) to the first performance at the national competition.

This would make competitors at Eureka's traditional Memorial Day Weekend High School Rodeo ineligible for the national finals. Mike Mentaberry and Sally Goicoechea were in attendance, representing the local High School Rodeo Club, to ask for the Commissioners' guidance in addressing this dilemma.

Chairman Goicoechea spoke of the long-standing tradition and what a benefit it has been for Eureka to hold their rodeo on Memorial Day Weekend. In fact, the Commission sent a letter two years earlier to the Nevada State High School Rodeo Association endorsing this tradition.

The Board understood that as things change and the new national and State schedules are implemented, it will be impossible for Eureka to continue holding the rodeo on the historical dates. They agreed that some flexibility was beneficial for the community and local competitors. They agreed to continue to support the local club and to stand behind the State Directors as they make decisions on future schedules. Commissioner Etchegaray motioned to support the Eureka High School Rodeo Club and the State Directors in accommodating upcoming rodeo schedules and to send a letter to the Nevada State High School Rodeo Association explaining the Board's position; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Sagebrush Ecosystem Program & Nevada Greater Sage-Grouse Conservation Plan: Chairman Goicoechea stated a large group of people, including Elko officials, ranchers, law enforcement, and other interests, met with BLM Director, Neil Kornze, Deputy Director, Steven Ellis, and State Director, John Ruhs, in Elko on May 5th. The Nevada & Northeastern California Greater Sage-Grouse Administrative Draft EIS has been released. Eureka County, as a cooperating agency, put a lot of work into the original draft, submitting approximately 125 pages of comments, and will now begin review of the ADEIS.

At the May 5th meeting, Director Kornze stated the Final EIS will be out in a couple of weeks for public review. This will trigger the 60-day Governor's consistency review. The Sagebrush Ecosystem Council meets in a couple of weeks and their teams are working hard on this as well.

Legislative Updates: **SB456** revises provisions concerning control and preservation of certain accessory roads and is scheduled for hearing with the Senate Finance Committee on May 7th. **SB157** is the State and local government coordination bill; Chairman Goicoechea will testify on May 8th before the Assembly Government Affairs Committee. **SB65**, the State Engineer's housekeeping bill died, but everyone continues watching **SB81**, the State Engineer's bill related to active management areas. **SB485**, related to filing of vested water proofs, has hit a roadblock and is not moving forward at the moment.

Assessor Michael Mears reported that **SB482**, the elected officials' salary bill, passed out of Senate unanimously, passed out of Assembly on Government Affairs, and should be voted on the floor of the Assembly shortly; it now includes an 'opt out' clause.

NATURAL RESOURCES MULTIPLE USE PROTECTION FUND

Resolution Establishing Fund: Chairman Goicoechea clarified that by this resolution, the Board is establishing a special fund in addition to the Water Planning Fund, rather than replacing it as was originally discussed. This fund will help address serious concerns over defense of multiple uses on public lands. Commissioner Etchegaray motioned to ratify and sign

the resolution establishing the Natural Resources Multiple Use Protection Fund as adopted with amendments on April 20th; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Eureka, Nevada

April 20, 2015

RESOLUTION
OF THE BOARD OF EUREKA COUNTY COMMISSIONERS TO ESTABLISH THE
NATURAL RESOURCES MULTIPLE USE PROTECTION FUND PURSUANT TO NRS 354.612

WHEREAS, the Board of Eureka County Commissioners are aware of the sustained and continuous pressures placed upon the natural resources within rural Nevada; and

WHEREAS, the vitality of the rural economy of Eureka County depends upon the continued, sustainable, and responsible use of the natural resources within the County to keep that economy and custom and culture alive; and

WHEREAS, there are countless pressures on the use of natural resources, pressures which emanate from state and federal regulation involving, but not limited to, wildlife and domestic animals, recreation and sporting, water, forage and grazing, mining, other land use, and road use and these pressures inevitably lead to conflict between traditional and sustainable uses of the lands within the County, and the numerous desires by state and federal agencies to change the manner, and in some instances restrict or eliminate the manner, with which these resources are accessed and utilized; and

WHEREAS, Eureka County requires a funding mechanism to support, protect, and defend the use of the County's natural resources by the people and the enterprises they are engaged in, in order to effectively work against claims that resource utilization will be irrationally restricted or eliminated altogether; and

WHEREAS, the Commissioners intend to create a fund, established and replenished from time to time with resources made available from within the County's existing tax rate; and

WHEREAS, the Commissioners intend to use the fund for the purpose of protecting a continued, sustainable, and responsible use of the natural resources within the County;

NOW THEREFORE BE IT RESOLVED: The Board of Eureka County Commissioners hereby creates a fund to be known as the NATURAL RESOURCES MULTIPLE USE PROTECTION FUND; and

This fund shall receive a portion of the County's existing tax rate, and may accept grants from the County's general fund from time to time; and

This fund shall only be utilized upon direction from the Board of Eureka County Commissioners for the reasons stated in this Resolution and, when possible, in consideration of input from the Eureka County Natural Resources Advisory Commission; and

Pursuant to NRS 354.612(3) upon adoption the Clerk is directed to provide an executed copy of this Resolution to the Department of Taxation.

Adopted this 6th day of May, 2015.

Board of Eureka County Commissioners:

/s/ JJ Goicoechea

JJ Goicoechea, Chairman

/s/ Mike Sharkozy

Mike Sharkozy, Vice Chair

/s/ Fred Etchegaray

Fred Etchegaray, Member

Attest: /s/ Beverly Conley

Clerk of the Board

SENIOR CENTERS

Update Report: Senior Center Director, Millie Oram, reported on activities at the Eureka Senior Center and Fannie Komp Senior Center. In April, Eureka served 849 meals and Crescent Valley served 629 meals. A total of \$9,041.89 was deposited for the month. The Eureka Senior Center will close for a couple of days around May 22nd to address a problem with the floor. Homebound seniors will receive a frozen meal during that time.

Organizational Structure: Since it is necessary for Ms. Oram to travel to the Fannie Komp Senior Center in Crescent Valley, she proposed assigning a Site Supervisor at the Eureka Senior Center with a 5% increase in wages due to added responsibilities. Ms. Oram also requested a 5% increase in her salary to compensate for the extra workload and added responsibility of managing the Fannie Komp Senior Center. The Board felt the requests were reasonable and asked Ms. Oram to work with the appropriate people to update the job descriptions accordingly.

Commissioner Sharkozy motioned to accept the proposal from Senior Center Site Director, Millie Oram, to assign a Site Supervisor at the Eureka Senior Center and to adjust the salaries of this position and the Director position to reflect the added responsibilities, with the amended job descriptions to be presented for approval at a future meeting. Commissioner Etchegaray seconded the motion. Motion carried 3-0.

ASSESSOR / BUDGET DIRECTOR

Request to Reinstate Position: Assessor, Michael Mears, reminded the Board that in anticipation of one of his staff members being elected as Recorder/Auditor in the 2014 election, it was proposed that an existing employee be shared between the Recorder/Auditor's and the Assessor's offices. At that time, Mr. Mears added the caveat that if it didn't work out, he would return to ask that his full-time position be reinstated.

With an unforeseen absence in the Recorder/Auditor's office, as well as additional duties taken on by Mr. Mears, the arrangement is not working and he requested that the Assessor DMV Technician/Department Assistant position be reinstated. Basically, both departments are currently reduced by one full-time position in each office.

The Commissioners understood the difficulties faced by both offices due to the shortfall in manpower, but were hesitant to reinstate a full-time position since the current absence is likely temporary. They felt the shared position could still work once the situation is resolved. Chairman Goicoechea suggested the immediate problem might be addressed in a couple of ways: restructuring the shared position so the Assessor's needs are better met, reducing some of the added tasks that have been placed on Mr. Mears, and supplementing with casual hours.

Commissioner Etchegaray motioned to deny reinstating the Assessor DMV Technician/Department Assistant position; Commissioner Sharkozy seconded the motion; motion carried 3-0. Chairman Goicoechea directed Assessor Mears to revisit the structure of the shared position and present a proposal at a future meeting.

Casual Hours: Commissioner Etchegaray motioned to allocate additional casual hours to the Recorder/Auditor's office in the current fiscal year, utilizing funds available from the Fiscal Year 2014-2015 budget; Commissioner Sharkozy seconded the motion; motion carried 3-0. Commissioner Sharkozy motioned to allocate additional casual hours to the Recorder/Auditor's office for Fiscal Year 2015-2016 and to budget accordingly; Commissioner Etchegaray seconded the motion; motion carried 3-0.

KLONDEX MINES LTD.

General Overview: Brent Kristof, Chief Operating Officer, gave a PowerPoint presentation summarizing Klondex Mine's underground mining operations in Nevada. Klondex employs about 200 people in Nevada primarily at the Midas Mine (~110 employees) and Fire Creek Project

(~60 employees), but also has offices in Winnemucca, Elko, and Reno. They offer competitive wages and benefits. Klondex considers truly caring for its employees and communities as one of its foundational principles.

The Fire Creek Project is located in Lander County, but is very close to Crescent Valley. Both operations are narrow vein low production mines. The two underground operations have a total footprint of 47,000 acres, of which 750 acres are disturbed. The Midas Mine is fully permitted. The Fire Creek Project is in the Environmental Assessment process and permitting is on track. Klondex has been recognized by the Nevada Mining Association for exemplary safety performance. Over the next year, Klondex has committed \$33 million to exploration, development, and maintenance of its resources and infrastructure to ensure a sustainable legacy.

ROAD DEPARTMENT

Report on Activities: Road Superintendent, Raymond Hodson, reported on Road Department projects and activities. Mr. Hodson began by complimenting Klondex Mines on the assistance they've given towards maintenance and improvements on 10th Street in Crescent Valley.

The newly hired operator, funded under the agreement with Barrick Gold, has begun working on the JD Ranch Road. The new casual employee for the parks started the previous week. Crews have been working on roads throughout the County, hitting multiple roads in the Diamond Valley and Crescent Valley areas. Other work includes sweeping town streets, mowing, weed spraying on shoulders, and watering and preparing the Crescent Valley arena for gymkhana events.

PUBLIC WORKS

Water/Sewer Application: An application for commercial 2-inch water and commercial class 3 sewer was submitted by Scott Raine, on behalf of Raines LLC, for 901 North Main Street in Eureka (APN 001-221-08). Public Works Director, Ron Damele, said the system has the capacity for this service, but he recommended a six month expiration subject to renewal application. Commissioner Etchegaray motioned to approve commercial 2-inch water and commercial class 3 sewer service for Raines LLC at 901 North Main Street in Eureka, with a deadline of December 31, 2015; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Connection to Storm Drain System at Eureka Canyon Subdivision: Mr. Damele explained that the County has been working with Mr. Raine related to his request to connect to existing storm drain infrastructure on Whistler Street in the Eureka Canyon Subdivision. This will serve the commercial building he plans to construct at that site. A review was conducted by Summit Engineering Corporation and a letter, dated April 30th, was received from Colin B. Hayes, PE, of Summit Engineering, outlining concerns and recommendations.

Mr. Damele recommended conditionally approving Mr. Raine's request to connect APN 001-221-08 into the County's infrastructure, provided all conditions are met. Additionally, he recommended that the conditions be memorialized in a resolution and that this approval can be revoked at any time for cause. The property owners (Raines LLC), their heirs, successors, and/or assigns will be responsible for all conditions and restrictions related to this connection.

Commissioner Etchegaray motioned to conditionally approve Raines LLC to connect APN 001-221-08 at 901 North Main Street, Eureka, into storm drain infrastructure located on Whistler Street in the Eureka Canyon Subdivision, subject to conditions identified in a letter from Summit Engineering (dated April 30, 2015) and subject to conditions outlined in a letter from Public Works Director, Ron Damele (dated May 1, 2015). Commissioner Sharkozy seconded the motion. Motion carried 3-0.

Direction to Create Resolution: Commissioner Etchegaray motioned to direct staff to create a resolution outlining the conditions and restrictions attached to authorization given Raines LLC to connect to County storm drain infrastructure located at 901 North Main Street in Eureka; Commissioner Sharkozy seconded the motion; motion carried 3-0. The resolution will be presented for adoption at a future meeting.

Stage Two Drought Contingency Plan: Mr. Damele explained that public water systems are required to have a Water Conservation Plan and the joint plan for the municipal water systems in Eureka County was updated in September 2014. The plan outlines four stages of conservation, beginning with awareness up to implementation of restrictions.

Mr. Damele recommended implementing Stage Two water conservation, which recognizes the area is in severe drought and asks people to be cognizant of water usage, especially related to watering yards and lawns. Notices will be sent out in water bills, letters will be sent to the largest water users, and the County will monitor usage including self-monitoring of County water consumption. The Nevada Bureau of Safe Drinking Water and the Nevada Division of Water Resources must also be notified.

Commissioner Etchegaray motioned to implement a Stage Two Drought Contingency Plan for Eureka Town Water System, Crescent Valley Town Water System, and Devil's Gate General Improvement Districts #1 & #2, due to severe drought and pursuant to the Eureka County Joint Water Conservation Plan adopted on September 19, 2014. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

Equipment Installation on Tower at Diamond Valley Fire Station: A request was received from Linford Miller to install an RTK GPS receiver antenna and equipment on the County owned tower at the Diamond Valley Fire Station. This equipment will allow local farmers to more accurately utilize farm equipment. Mr. Miller will purchase and own the equipment, but can issue or sell licenses for use. Mr. Damele verified that this will not interfere or conflict with any of the County's wireless or radio infrastructure. There will be no interference with the private wireless internet supplier that utilizes the County tower. Mr. Damele offered the following restrictions: that the equipment be installed by County contractors with installation paid for by Mr. Linford, and that a nominal fee be charged for tower space.

Commissioner Etchegaray motioned to authorize installation of equipment owned by Linford Miller on the tower at the Diamond Valley Fire Station, with installation done by County contractors and paid for by Mr. Miller, that there is a \$100.00 per month space rental fee, and that a Memorandum of Understanding be drawn up between Mr. Miller and Eureka County. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

SLAG Working Group: Mr. Damele serves as Chairman of the SLAG Working Group and he, along with Vice Chair Christine Smith, provided an update on their April 27th meeting. The meeting focused on continued review of the EE/CA (Engineering Evaluation & Cost Analysis), particularly the four operable units (areas of varying levels of contamination), which are residential properties, slag piles, undeveloped parcels, and the ditch that runs through Eureka. Removal alternatives were reviewed, but will be covered in more detail at the next meeting which will be scheduled in several weeks.

Update on Public Works Projects: Mr. Damele reported on other Public Works activities. Exterior Lights: All time clocks for exterior lights are being replaced with photo cells, which will reduce labor and electricity costs. Fire Chiefs Meeting: A Fire Chiefs meeting is scheduled for 3:00 p.m. on May 6th at the Annex/Administration Building. Red Card Training: Red Card training for wildland firefighting is scheduled on May 7th for the Dunphy volunteers. BLM Annual Operating Plan: The updated AOP from BLM will be presented for review at the next meeting. Record of Survey: The record of survey on the Biale property is expected this week. CPR Training: All Public Works employees are receiving CPR and first-aid training.

MEDICAL CLINICS ADVISORY COMMITTEE

NVHC Quarterly Performance Audit: The Medical Clinics Advisory Committee met on May 4th to conduct the quarterly performance audit of Nevada Health Centers, Inc., for the period covering January, February, and March. Garney Damele, Chair of the MCAC, presented results of the audit. A penalty of \$6,600.00 was recommended based on lack of a second provider at the Eureka Medical Clinic for a total of 18 days at \$300.00 per day, and lack of a physician for two days at \$600.00 per day. NVHC representatives (Walter Davis, CEO; Karl Sundberg, COO, and Julie Clyde, Director of Provider Relations) were in attendance at the meeting and concurred with the penalty amount.

Commissioner Etchegaray motioned to accept the recommendation of the Medical Clinics Advisory Committee on the quarterly performance audit to assess a \$6,600.00 non-performance penalty to Nevada Health Centers for the third quarter of Fiscal Year 2014-2015; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Rehab Services of Nevada Quarterly Review: The Committee reviewed the quarterly report from Rehab Services of Nevada for physical therapy services in Eureka and found services and fees to be in compliance with the contract.

NVHC Contract: Ms. Damele presented a redline version of the proposed NVHC contract for Fiscal Year 2015-2016. No monetary changes were proposed and the minor language changes were simply to provide clarification. The draft contract was given to NVHC. They have not yet returned any proposed changes, but indicated they would like to amend the indemnification portion. Ms. Damele explained to them that any changes would have to be reviewed by the District Attorney and approved by the Board of County Commissioners.

Commissioner Etchegaray motioned to table the Fiscal Year 2015-2016 Nevada Health Centers, Inc., contract; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Public Comment: Christine Smith asked about the possibility of Nevada Health Centers providing a community health fair. It was explained that NVHC had been approached in the past, but there were issues related to conducting lab work on persons who weren't patients of record. They may be approached again sometime in the future, but the Board indicated that the top priorities for now are working through contract and performance issues.

PLANNING COMMISSION

Letter of Resignation: Commissioner Sharkozy motioned to accept Carri Wright Perkin's letter of resignation from the Planning Commission, effective April 1, 2015; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Appointment: The Planning Commission recommended appointing Craig Benson to the vacant seat, as he is the longest standing alternate member. Commissioner Etchegaray motioned to appoint Craig Benson to the Planning Commission representing Commission District 1, for the balance of a four-year term ending December 31, 2018; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Advertisement for Alternate: County Code states that the Planning Commission, when practicable, should equally represent Commission Districts. Alternates are to be appointed at large. Department Assistant, Anne Kniefel, noted that when a lack of representation exists, advertisement for members can be targeted to a certain District. Since fair representation currently exists, the Planning Commission would like to advertise County-wide for the vacant alternate seat. The Commissioners concurred.

CRESCENT VALLEY ACTIVITIES PROGRAM

Activities Coordinator Vacancy: The Social Activities Coordinator position recently became vacant and the Board discussed whether or not to fill this position in light of the attrition policy. Chairman Goicoechea noted that until two years ago, this was strictly a volunteer

program with no paid position. If monies budgeted for wages are reallocated to activities, it will provide more funding for events and could increase the number and types of events for the community. He favored returning to a voluntary program where individuals or groups present funding requests for activities of their choosing.

Barbara Dugan, Crescent Valley resident, agreed that a paid coordinator wasn't needed and felt the program would be more effective if residents and groups planned events that were important to them.

Nona Kellerman asked about donations from non-County groups or entities. These are typically deposited into the County's General Fund to offset the Activities Program budget. Chairman Goicoechea encouraged the community to team with nonprofit groups, such as the Volunteer Fire Department or Historical Society, to facilitate events so that donations are a pass-through specifically allocated to the intended event.

Commissioner Etchegaray motioned to deny filling the Social Activities Coordinator position for the Crescent Valley Activities Program and returning to a voluntary program; Chairman Goicoechea seconded the motion; motion carried 2-1. Commissioner Sharkozy voted against the motion, stating he favored filling the vacant position.

'Welcome to Crescent Valley' Sign: The 'Welcome to Crescent Valley' sign includes a letter board to post current events. This was previously done by the Activities Coordinator. Ms. Dugan noted that some recent activities weren't posted and she believed this affected turnout at those events. The Board asked Ms. Kellerman, Crescent Valley Town Advisory Board Secretary, to house the letters at the Crescent Valley Town Center as a more central location for public access.

NATURAL RESOURCES

Report on Activities: Natural Resources Manager, Jake Tibbitts, reported on recent activities. Mr. Tibbitts attended the Irrigation Water Use Efficiency Workshop at the Opera House on April 21st; attended the Eureka Firewise Committee meeting on April 22nd; participated in the Groundwater Management Plan Workshop on April 23rd; gave a presentation on biochar at the Economic Development Program Board meeting on April 24th; traveled to Carson City April 27th-29th for legislative issues and to complete paperwork with the US Forest Service for the Woody Biomass Utilization Grant; assisted with the Eureka Firewise Community Day on May 1st and the Crescent Valley Firewise Community Day on May 2nd; and attended the Diamond Natural Resources Protection & Conservation Association meeting on May 5th.

Meeting Updates: Irrigation Water Use Efficiency Workshop: This workshop was sponsored by the Conservation District. Mr. Tibbitts thanked Mt. Wheeler Power for providing lunch for the event. Around 45 people were in attendance. Dr. Howard Neibling, University of Idaho, provided an abundance of relevant information and indicated Diamond Valley could easily reduce irrigation by 20% (and even up to 30%) by utilizing soil moisture meters and other practices, with no reduction in yield. In addition to reducing water usage, costs savings related to reduced electricity would also be realized. Mt. Wheeler Power has energy conservation programs that may provide grants or rebates for eligible equipment. Groundwater Management Plan Workshop: The Groundwater Management Plan Workshop in Eureka on April 23rd was attended by around 25 people. The workshop was facilitated by Steve Lewis, Extension Educator with the University of Nevada Cooperative Extension.

Upcoming Meetings: Upcoming meetings include the County Advisory Board to Manage Wildlife meeting on May 7th; a Biochar Field Day in Reno on May 12th at the Desert Research Institute; Humboldt River Basin Hydrographic Region workshops (May 13th in Lovelock, May 13th in Winnemucca, and May 14th in Elko) hosted by Nevada Division of Water Resources; and the Humboldt River Basin Water Authority meeting in Winnemucca on May 15th.

Biochar Process: Mr. Tibbitts informed that Amaron Energy will return at the end of the month for a couple of weeks to process biochar. The pinyon-juniper contractors will return June 1st to continue woodcutting for the Wildlife Habitat Enhancement Project.

Weed Spraying: As soon as the intermittent rains are over, a contractor will begin noxious weed spraying throughout the Weed Control District.

BLM Fish Creek Herd Management Area: The Statement of Reasons for the Notice of Appeal, on the BLM Fish Creek Herd Management Area wild horse gather and fertility control treatment, was filed and the agency response is awaited.

Greater Sage-Grouse Land Use Plan Amendment Final EIS: The nearly 2,000 page Administrative Final EIS on the Greater Sage-Grouse Land Use Plan Amendment was received on April 30th, with comments due to the BLM by May 13th. Mr. Tibbitts prepared two letters in relation to this. The first letter, to John Ruhs, Acting State Director of Nevada BLM, references the 125 pages of comment provided on the Draft EIS, highlights other letters sent during the process, addresses the continued lack of meaningful coordination throughout the process, and asks for an extension of the comment period.

Commissioner Etchegaray motioned to send the letter to John Ruhs, Acting State Director of the BLM, regarding the Administrative Final EIS on the Greater Sage-Grouse Land Use Plan Amendment; Commissioner Sharkozy seconded the motion; motion carried 3-0.

The second letter, to Governor Brian Sandoval, notices the 40 pages of inconsistencies identified in the document and asks the Governor to not only address the inconsistencies with the State Plan, but to advocate and elevate issues of Eureka County and other counties. Commissioner Etchegaray motioned to send the letter to Governor Brian Sandoval requesting a consistency review of the Administrative Final EIS on the Greater Sage-Grouse Land Use Plan Amendment; Commissioner Sharkozy seconded the motion; motion carried 3-0.

BLM Grazing Decisions: Mr. Tibbitts noted that this is on the agenda simply to allow the County to be responsive, if needed, as grazing decisions are being issued. He restated that often the ranchers feel their only option is to consent to an agreement with drought triggers and other restrictions. The Drought Management EAs are being used to make decisions, although this last water year, which ended in October, showed precipitation was at 124% and it is apparent there is no vegetative drought.

Chairman Goicoechea provided an update on the Argenta Allotment. A stay was not requested of the Administrative Law Judge (US Department of Interior, Administrative Appeals). The permittees and affected parties in that litigation have agreed to go forward seeking summary judgement on the Drought Management EA for the Battle Mountain District, rather than seeking a stay to simply continue negotiations.

Mount Hope Project Plan of Operations Amendment: Mr. Tibbitts stated he struggled whether to bring this issue forward on the agenda. He explained that when the Final EA for the Plan of Operations Amendment came out, the County commented on outstanding issues as well as noting disappointment in the administrative process. No response was ever received. Then a recent press release announced that the Decision of Record and Finding of No Significant Impact had been signed.

Mr. Tibbitts and Chairman Goicoechea commented that the County has always supported the Mount Hope Project, but wants to see it done right. Mr. Tibbitts relayed the major outstanding concerns on the Final EA for the Plan of Operations Amendment, as follows: retroactive application of NEPA; inadequate coordination throughout the process; fugitive dust and air quality; use and disturbance of County roads; and Diamond Valley water use.

The reason the Amendment was done is because an inspection revealed that significant additional land disturbance occurred in noncompliance with the Plan of Operations. The Amendment was meant to bring the project back into compliance. Much of the added disturbance analyzed in the EA had already occurred. Additionally, Mr. Tibbitts had received

assurances from the BLM and the proponent that the County would be involved in the process, but the promised meetings never took place.

The County maintains that the air quality analysis in the EA is inadequate. The bulk of additional land disturbance is on or adjacent to County roads. The EA outlines placement of power lines, realignment of water pipelines, widening of roads, and eventual reclaiming of roads. There was no coordination with the County and no County approval was sought for any of this.

The EIS indicates any water needed from Diamond Valley would solely be for dewatering during the mining phase of the project. The State Engineer has granted four temporary water applications to General Moly over the last few years. Wells were drilled in Diamond Valley for potable water and other uses inconsistent with the EIS. The EIS states, *“Fresh makeup water would be supplied from water wells located in the Kobeh Valley Well Field Area which would be located entirely within Kobeh Valley..... It is anticipated that specific well locations may change over the life of this Project, but would be within the Kobeh Valley Well Field Corridor..... Any change in the number of wells or the location of wells outside of the corridor shown on figure 2.1.7 would be considered by the BLM MLFO as a modification of the Plan, which would be subject to an appropriate level of environmental review under the NEPA.....Potable water would be supplied from the fresh/fire suppression water tank.”*

The County's input should have been adequately considered on all these issues. The Board, Mr. Tibbitts, and District Attorney Beutel discussed the possibility of requesting a State Director review from the BLM. Chairman Goicoechea voiced concerns over public perception, but it was reiterated that a request for review was not in opposition to the project or the proponent, but was mainly due to the grave concerns over the environmental and approval process.

Commissioner Etchegaray motioned to respond to the Final Decision for the Mount Hope Project Plan of Operations Amendment by submitting a letter to the BLM State Director requesting a formal review, that the letter outline the points covered during the meeting, that the letter specify that this is not an adversarial approach towards the proponent or the project, and that the Chairman sign the letter outside of the meeting. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

Comment was invited before final vote on this motion and Mike Iannacchione, General Manager for the Mount Hope Project offered the following remarks. He explained the need for widening the roads, spoke to the appropriate use of the wells under the State Engineer issued permits, and noted that General Moly has worked to include the County in the process. He noted the difficulty of being caught in the middle between the agency and the County in this process and of being obligated to the laws of the State and regulations of the BLM. Mr. Iannacchione asked that the County please *“keep the argument to the process and not use comments that are designed to delay.”* He concluded by offering assistance, if there is a way, in helping make the process work better for all parties.

CORRESPONDENCE

Correspondence was received from: Carri Wright Perkins; District Attorney, Ted Beutel (2); Assessor, Michael Mears (4); Clerk & Treasurer, Beverly Conley; Public Works, Ron Damele (3); Natural Resources, Jake Tibbitts; Eureka County Planning Commission (2); Economic Development Program Board; Medical Clinics Advisory Committee; Firewise Community Days flyer; Crescent Valley Town Advisory Board; Barrick Goldstrike; Nevada Assoc. of Counties (3); Churchill County Planning Dept.; Central Nevada Regional Water Authority; Nevada State High School Rodeo Association; McEwen Mining; Southwest Gas Corporation; Leonard Kreisler, MD; Nevada Div. of Water Resources (3); Nevada Div. of Environmental Protection (3); Nevada Deferred Compensation; Nevada Health Centers, Inc.; Nevada Connections newsletter; Western Energy Alliance; and US Dept. of the Interior-BLM (4).

PUBLIC COMMENT

Chairman Goicoechea called for public comments. Michael Mears gave a brief update on SB482, the elected official salary bill. It was placed on the Chief Clerk's desk, which typically means there is a holdup of some sort.

ADJOURNMENT

Commissioner Etchegaray motioned to adjourn the meeting; Commissioner Sharkozy seconded the motion; the meeting was adjourned at 2:15 p.m.

Approved by vote of the Board this 5th day of June, 2015.

/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 May 6, 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 Commissioner Clerk.

/s/ Beverly Conley
Beverly Conley, Clerk & Treasurer