

**EUREKA COUNTY BOARD OF COMMISSIONERS**

**June 20, 2011**

STATE OF NEVADA )  
                                  :SS  
COUNTY OF EUREKA )

**CALL TO ORDER**

The Board of Eureka County Commissioners met pursuant to law on June 20, 2011. Present were Chairman Leonard Fiorenzi, Vice Chair Mike Page, Member Jim Ithurralde, District Attorney Theodore Beutel, and Clerk & Treasurer Jackie Berg. The meeting was called to order at 9:30 a.m. and began with the Pledge of Allegiance. The interactive video conference system was connected and utilized between Crescent Valley and Eureka for the entire meeting.

**APPROVAL OF AGENDA**

Commissioner Page motioned to approve the agenda; Commissioner Ithurralde seconded the motion; motion carried 3-0.

**PUBLIC COMMENT**

The Chairman called for public comments; there were none.

**COMMISSIONERS**

Update Reports: Commissioner Page stated he had met with the District Attorney and had checked on progress of the arsenic treatment plant in Crescent Valley. Commissioner Ithurralde attended the Central Nevada Regional Water Authority meeting in Austin on June 10<sup>th</sup>; met with the District Attorney regarding documents for the Eureka Canyon Subdivision; and toured the subdivision site with Public Works on June 17<sup>th</sup>. Chairman Fiorenzi stated he had spent quite a bit of time with the District Attorney and Public Works regarding the subdivision.

Use of Space at D&T Center (Eureka Clinic): Use of space at the clinic building in Eureka was brought up at the previous meeting when Dr. Steven Hooper requested authorization for a replacement dentist to continue using the facility. As a result District Attorney, Ted Beutel, recommended that the County formalize their agreements with the third-party users of the facility (Nevada Health Centers utilizes the majority of the building and has a formal contract with the County).

Resolution Authorizing Use of D&T Center: Commissioner Ithurralde motioned to adopt the Resolution authorizing exclusive use of the Eureka Clinic for health related services by Nevada Health Centers, Inc.; Rehab & Industrial Services, LLP, doing business as Rehab Services of Nevada; and Eureka Family Dentistry, LLC, on terms and conditions to be negotiated periodically between the parties, and until further action of the Board; Commissioner Page seconded the motion; motion carried 3-0.

Eureka, Nevada

June 20, 2011

**RESOLUTION  
OF THE BOARD OF EUREKA COUNTY COMMISSIONERS AUTHORIZING THE  
DISPLACEMENT OF COMPETITION TO PROMOTE THE GENERAL WELFARE AND PROVIDE  
ADEQUATE ECONOMICAL AND EFFICIENT SERVICES AT THE EUREKA CLINIC**

WHEREAS, NRS 244.187 allows a board of county commissioners authority to provide adequate, economical and efficient services to the inhabitants of the county and to promote the general welfare of those inhabitants by displacing or limiting competition in concessions on property owned by the county; and

WHEREAS, according to NRS 244.188 outside the boundaries of an incorporated city and general improvement district the commissioners may provide the services described in NRS 244.187 on an exclusive basis or grant an exclusive franchise to any person to provide those services; and

WHEREAS, the building known as the Clinic in Eureka, Nevada, is owned by Eureka County and is outside the boundaries of any incorporated city or general improvement district; and

WHEREAS, the Clinic is utilized by Nevada Health Centers, Inc., a domestic non-profit corporation to provide medical services and is subsidized by the Board of Eureka County Commissioners by contract in the amount not to exceed \$778,500.00; and

WHEREAS, the Clinic is also utilized by Rehab & Industrial Services, LLP, doing business as Rehab Services of Nevada, a domestic limited liability partnership and is subsidized by the Board of Eureka County Commissioners by contract in the amount not to exceed \$44,697.00; and

WHEREAS, the Clinic is also utilized by Eureka Family Dentistry, LLC, a domestic limited liability partnership that receives no subsidy from the Board of Eureka County Commissioners; and

WHEREAS, the Board of Eureka County Commissioners intends to continue the use of the County owned Clinic building for medical, physical therapy and dentistry services; and

WHEREAS, this Resolution clarifies the statutory basis for the decision of the Board of Eureka County Commissioners;

NOW THEREFORE BE IT RESOLVED the Board of Eureka County Commissioners grants to Nevada Health Centers, Inc., and Rehab & Industrial Services, LLP, doing business as Rehab Services of Nevada, and Eureka Family Dentistry, LLC, the exclusive privilege to utilize the County owned Clinic building in Eureka, Nevada, on the terms and conditions to be negotiated from time to time between the parties, and until further action of this Board.

ADOPTED: June 20, 2011

/s/ Leonard Fiorenzi  
Leonard J. Fiorenzi, Chairman  
Board of Eureka County Commissioners

/s/ Mike Page  
Mike Page, Vice Chairman  
Board of Eureka County Commissioners

/s/ J.P. Ithurrealde  
J.P. Ithurrealde, Member  
Board of Eureka County Commissioners

ATTEST: /s/ Jackie Berg  
County Clerk

Contract with Nevada Health Centers, Inc.: There was brief discussion regarding telemedicine. This option is currently not being pursued for the Crescent Valley area because the citizens are very happy with J.B. Allen, Physician's Assistant, who is currently providing services on a regular basis. Commissioner Ithurrealde motioned to sign the contract with Nevada Health Centers, Inc., for Fiscal Year 2011-2012; Commissioner Page seconded the motion; motion carried 3-0.

Updates on Mt. Hope Project: Bob Pennington of General Moly had contacted Chairman Fiorenzi to request that a Commissioner be appointed to meet with the mine about

socioeconomic impacts. Chairman Fiorenzi suggested Commissioner Ithurralde, who agreed to meet with the mine regarding these issues.

**EUREKA FAMILY DENTISTRY**

Agreement for Use of D&T Center: Steven Hooper, DDS, provided a copy of his insurance binder and stated he was in the process of adding the County as an additional insured. Commissioner Page motioned to sign the agreement with Eureka Family Dentistry for continued use of space at the D&T Center for provision of dental services; Commissioner Ithurralde seconded the motion; motion carried 3-0.

**FINANCE**

Payment of Expenditures: Expenditures were presented for approval by Recorder & Auditor, Mike Rebaleati. Commissioner Ithurralde motioned to approve County expenditures in the amount of \$674,238.77 and payroll in the amount of \$281,116.64, for a grand total of \$955,355.41; Commissioner Page seconded the motion; motion carried 3-0. Commissioner Page motioned to approve Yucca Mountain expenditures in the amount of \$9,689.43; Commissioner Ithurralde seconded the motion; motion carried 3-0.

Auditor’s Report: The Board reviewed the Auditor’s Report without comment.

**BUDGET AUGMENTATIONS & TRANSFERS FOR FISCAL YEAR 2010-2011**

FY 2010-2011 Budget Transfers: Mr. Rebaleati reviewed the budget transfers for Fiscal Year 2010-2011. Commissioner Ithurralde motioned to authorize the transfers as recommended by the Budget Officer; Commissioner Page seconded the motion; motion carried 3-0.

Budget Augmentation Resolution: Commissioner Ithurralde motioned to adopt the Budget Augmentation Resolution for Fiscal Year 2010-2011; Commissioner Page seconded the motion; motion carried 3-0.

<b>BUDGET AUGMENTATION RESOLUTION</b>				
<b>RESOLUTION FOR AUGMENTATION OF THE 2010-2011 BUDGET OF EUREKA COUNTY</b>				
WHEREAS, the revenues of the EUREKA COUNTY ROAD FUND, AGRICULTURAL DISTRICT #15 FUND, and EUREKA COUNTY GAME BOARD FUND were budgeted to be \$1,543,681.00, \$98,956.00, and \$3,095.00 respectively on July 1, 2010; and				
WHEREAS, said Eureka County Road Fund sources are as follows:				
<u>Source of Revenue</u>	<u>Original Budget</u>	<u>Available YTD</u>	<u>Excess Revenues</u>	<u>Augment Amount</u>
Beginning Fund Balance	\$3,396,038	\$4,637,569		
<i>Totals</i>	\$3,396,038	\$4,637,569	\$1,241,531	\$1,000,000
WHEREAS, said Agricultural District #15 Fund sources are as follows:				
<u>Source of Revenue</u>	<u>Original Budget</u>	<u>Available YTD</u>	<u>Excess Revenues</u>	<u>Augment Amount</u>
Net Proceeds of Mines	\$0	\$30,000		
<i>Totals</i>	\$0	\$30,000	\$30,000	
WHEREAS, said Eureka County Game Board Fund sources are as follows:				
<u>Source of Revenue</u>	<u>Original Budget</u>	<u>Available YTD</u>	<u>Excess Revenues</u>	<u>Augment Amount</u>
Grant from Gen'l Fund	\$0	\$2,000		
<i>Totals</i>	\$0	\$2,000	\$2,000	
WHEREAS, there is a need to apply these excess proceeds in the Eureka County Road Fund for services and supplies, the Agricultural District #15 Fund for fair activities, and Eureka County Game Board funds for travel expenses; and				
NOW THEREFORE, IT IS HEREBY RESOLVED, that Eureka County shall augment the Eureka County Road Fund 2010-2011 budget by appropriating \$1,000,000 for use in the Eureka County Road Fund; Agricultural District #15 Fund				

2010-2011 budget by appropriating \$30,000 for use in the Agricultural District #15 Fund, and \$2,000 for use in the Eureka County Game Board Fund;

THEREBY increasing appropriations from \$2,063,500 to \$3,063,500 in the Eureka County Road Fund, \$110,600 to \$140,600 in the Agricultural District #15 Fund, and \$3,000 to \$5,000 in the Eureka County Game Board Fund; and

IT IS FURTHER RESOLVED, that the Budget Director shall forward the necessary documents to the Department of Taxation, State of Nevada.

PASSED, ADOPTED, and APPROVED the 20<sup>th</sup> day of June, 2011.

AYES: Chairman Fiorenzi  
Commissioner Ithurralde  
Commissioner Page

NAYS: None

By: /s/ Leonard Fiorenzi  
Leonard Fiorenzi, Chairman of the Board

ATTEST: /s/ Jackie Berg  
Jackie Berg, Clerk

Amended Final Budgets: Mr. Rebaleati explained that GASB 54 will require changes in the way certain funds are handled. In an effort to be proactive, Mr. Rebaleati is applying the changes to the Fiscal Year 2010-2011 budget. Adjustments consist of incorporating the loss control internal service fund and the unemployment reserve fund as line items in the general fund, and combining the Devil's Gate water fund and improvement fund into one service fund. Mr. Rebaleati requested approval to file amended budgets with the Department of Taxation to reflect these changes. Commissioner Ithurralde motioned to approve amended final budgets for Eureka County and Devil's Gate GID to reflect the changes described by the Auditor; Commissioner Page seconded the motion; motion carried 3-0.

Designation of Fund Balance Commitments: Mr. Rebaleati explained that another change included in GASB 54 is in accounting terminology. Funds previously identified as restricted or unrestricted will now be defined as committed or uncommitted with much clearer definitions. GASB 54 recommends that someone be assigned the authority to designate fund balances as committed or uncommitted. Commissioner Ithurralde motioned to authorize the County Auditor to designate fund balances as committed or uncommitted, in accordance with GASB 54, with final approval of the County Commissioners; Commissioner Page seconded the motion; motion carried 3-0.

Internal Control Policy: Per a request from Mr. Rebaleati, Commissioner Ithurralde motioned to authorize the County Auditor to work with Kafoury, Armstrong, & Company to update the Internal Control Policy to reflect the GASB 54 requirements and to draft a resolution to document these changes; Commissioner Page seconded the motion; motion carried 3-0.

## **HUMAN RESOURCES**

Appointment of Committee to Review Applicants: Approximately seven applications and resumes were received for the Human Resources Analyst position. Commissioner Ithurralde motioned to appoint Michael Mears, Randy Stucki, Sandy Mariluch, and Mike Rebaleati to an in-house committee to review the applications and bring forward the top two applicants for review and approval by the Board of Commissioners; Commissioner Page seconded the motion; motion carried 3-0.

## **PUBLIC WORKS**

Eureka Canyon Subdivision – US Hwy. 50 Approaches Project: Public Works Director, Ron Damele, introduced Randy Hesterlee, Assistant District Engineer for Nevada Department of Transportation out of Ely. Mr. Damele reported that plans for the Highway 50 Approaches Project are complete and currently being advertised for bids. A pre-bid meeting is scheduled for June 22<sup>nd</sup> and bid opening and award are tentatively scheduled for July 6<sup>th</sup>.

Engineering Services for US Hwy. 50 Approaches Construction: Mr. Damele presented proposals for inspection and testing services and staking services during construction of the Highway 50 approaches. Commissioner Ithurralde motioned to approve proposals from Summit Engineering for inspection and testing not to exceed \$24,535.00 and construction staking not to exceed \$14,175.00; Commissioner Page seconded the motion; motion carried 3-0.

## **EUREKA COUNTY SHERIFF**

Capital Outlay Request for Search & Rescue: Sheriff Ken Jones had included a UTV (4x4 utility vehicles) for Search & Rescue in his budget requests for Fiscal Year 2011-2012. He was before the Board to request confirmation that this item had been included in the final budget. The Board verified that \$15,000.00 had been included in the budget to purchase a 4x4 utility vehicle for Search & Rescue.

## **EUREKA COUNTY FAIRGROUNDS**

Use of Equipment for Rodeo: Cindy Gallagher appeared before the Board on behalf of Wayne Overson, who had scheduled a rodeo at the Eureka Fairgrounds on July 2<sup>nd</sup> and 3<sup>rd</sup>. The facilities application was completed along with proof of proper insurance. Mr. Overson requested use of a water truck and tractor with disc/drag, as well as a County operator during this event. Commissioner Page motioned to approve use of the County water truck and tractor, including a County employee/volunteer during the rodeo on July 2<sup>nd</sup> and 3<sup>rd</sup>; Commissioner Ithurralde seconded the motion; motion carried 3-0.

## **COUNTY ASSESSOR**

Interlocal Agreement with Department of Motor Vehicles: County Assessor, Michael Mears, explained that it was time to renew the Interlocal Agreement between the Department of Motor Vehicles and Eureka County for vehicle licensing and titling services conducted at the Assessor's office. The amendment will extend the contract for two years. Commissioner Ithurralde motioned to approve signing the amendment to extend the Interlocal Agreement with the Department of Motor Vehicles to June 30, 2013; Commissioner Page seconded the motion; motion carried 3-0.

## **EUREKA LITTLE LEAGUE**

Portable Backstop: Michael Mears presented a request from the Eureka Little League for the County to purchase and donate a portable backstop. Commissioner Ithurralde motioned to purchase a portable backstop for the Eureka Little League, not to exceed \$4,500.00, utilizing funds from the parks and grounds budget; Commissioner Page seconded the motion; motion carried 3-0.

## **NATURAL RESOURCES**

Report on Activities: Natural Resources Manager, Jake Tibbitts, reported that he participated in the Mt. Hope conference call on June 7<sup>th</sup>; spent the remainder of June 7<sup>th</sup> with General Moly representatives, Pat Rogers, Elise Hooper, and Bob Pennington to work on the 3M Plan; attended the Natural Resources Advisory Commission meeting on June 8<sup>th</sup>; attended the Forest Service RAC meeting on June 9<sup>th</sup>; attended the Wildlife Advisory Board meeting on

June 9<sup>th</sup>; traveled to Austin for the Central Nevada Regional Water Authority meeting on June 10<sup>th</sup>; toured the Mineral Hill Allotment with Leroy Sestanovich on June 13<sup>th</sup>; and met with the BLM in Battle Mountain on June 14<sup>th</sup> regarding the Resource Management Plan.

Upcoming Meetings: Upcoming meetings include a Mt. Hope conference call on June 21<sup>st</sup>; more discussions with General Moly regarding the 3M Plan on June 22<sup>nd</sup>; and a NACO Public Lands & Natural Resources meeting on June 27<sup>th</sup>.

Draft Guidance on Identifying Waters Protected by the Clean Water Act: The US Environmental Protection Agency and the US Army Corps of Engineers have proposed legislation setting guidelines for identifying waters protected by the Clean Water Act. Mr. Tibbitts prepared comments on behalf of the County and the deadline for submission is July 1<sup>st</sup>. Commissioner Ithurralde motioned to approve sending comments on the Draft Guidance on Identifying Waters Protected by the Clean Water Act; Commissioner Page seconded the motion; motion carried 3-0.

### **CLERK & TREASURER**

Treasurer's Report: The Treasurer's Report for May was submitted by Clerk & Treasurer, Jackie Berg. Ms. Berg stated that market values for investments are now being included on the report. This won't affect the ending balance, since cash values will continue to be used for calculating the ending balance. Ending balance for May was \$55,859,268.36.

### **APPROVAL OF MINUTES**

April 27, 2011, Budget Meeting: Commissioner Ithurralde motioned to approve the minutes of the April 27<sup>th</sup> budget meeting; Commissioner Page seconded the motion; motion carried 3-0.

May 6, 2011, Commissioner Meeting: Commissioner Page motioned to approve the minutes of the May 6<sup>th</sup> meeting; Commissioner Ithurralde seconded the motion; motion carried 3-0.

### **CORRESPONDENCE**

Correspondence was received from: Connie Hicks; District Attorney, Ted Beutel; Clerk & Treasurer, Jackie Berg; Public Works, Ron Damele; Eureka County Economic Development Program; Eureka County Recreation Board; Eureka County Fair Board; Diamond Valley Rodent Control District; Cooperative Extension, Gary McCuin; Crescent Valley Town Advisory Board (2); Eureka County High School, National History Day Students; Eureka County High School, Scholarship Drive; Allison, MacKenzie, et al; Newmont Mining Corporation; Washoe County Manager; Nevada Rural Housing Authority; Nevada Pool/Pact (3); Summit Engineering Corp. (2); Sierra Nevada Construction; Nevada Dept. of Transportation (2); Nevada Dept. of Health & Human Services; Nevada Dept. of Taxation; Nevada Gaming Control Board; Legislative Counsel Bureau; Nevada Connections newsletter; Nevada Tax Topics newsletter; Nevada Economic Report; National Assoc. of Counties; and ISO, Public Protection Classification Dept.

### **RECESS FOR LUNCH**

The Board recessed for lunch until 1:00 p.m.

### **NEVADA PUBLIC AGENCY INSURANCE POOL**

Renewal Proposal for Fiscal Year 2011-2012: Wayne Carlson, Executive Director of Nevada Public Agency Insurance Pool, introduced Rick Hudson and Josh Wilson from the Insurance Pool's loss control team. Mr. Carlson gave a brief history of the Insurance Pool and an overview of services provided including policy development, Human Resource consulting, on-site and online training, property appraisals, risk management grants, respirator fit testing,

law enforcement consultation, defensive driver training, information and training regarding Open Meeting Law and ethics law, etc.

Mr. Hudson elaborated on some of the risk control services and stated that Eureka County was recognized through their Loss Control Excellence Program for the high level of safety and risk control that has been implemented. Mr. Wilson encouraged the County to utilize the Insurance Pool as a resource for other subjects in addition to those listed, especially those concerning wellness and safety.

Mr. Carlson explained the increase in insurance costs noting that catastrophic floods, earthquakes, and other disasters around the world have a worldwide impact on insurance costs. On a local level, Nevada is still feeling the impacts of the earthquake in Wells and the flood in Fernley. The Insurance Pool made some internal changes and changes in providers in order to keep premiums as level as possible. Commissioner Ithurralde motioned to accept the renewal proposal from Nevada Public Agency Insurance Pool for Fiscal Year 2011-2012 in the amount of \$202,737.40; Commissioner Page seconded the motion; motion carried 3-0.

### **NEVADA RURAL HOUSING AUTHORITY**

Joint Meeting: The Nevada Rural Housing Authority Board of Commissioners traveled to Eureka to hold a joint meeting with the Eureka County Board of Commissioners to discuss issues related to the Eureka Canyon Subdivision. NRHA Board members in attendance were Chairman Thomas Cook; Vice Chair Gwen Washburn; Roger Mancebo; and Willis Swan. Also in attendance for NRHA were Gary Longaker, Executive Director; Dave Craig, Real Estate Manager; and Jack White, JL White & Associates. Elizabeth Fielder and Dave Davis of Jones Vargas were present as legal counsel for NRHA.

Mr. Craig began by giving a brief presentation regarding the history, progress, and overall status of the project which was incepted more than a year earlier.

Agree on Steps Forward: Chairman Fiorenzi thanked the NRHA Board for their attendance and stated that the purpose of the meeting was to confer with the governing board of NRHA to discuss status of the Eureka Canyon Subdivision Project and to agree on steps forward. He stated that Eureka County's goal was to have contracts and documents in place for the multifamily portion of the project by June 30<sup>th</sup>, followed by contracts and documents for the single family portion by July 6<sup>th</sup>. Chairman Fiorenzi suggested that each board appoint one member as the point of contact with authority to continue working towards meeting these document deadlines. It was agreed that Roger Mancebo would represent NRHA and Chairman Fiorenzi would represent Eureka County.

Mr. Cook indicated that NRHA will schedule a meeting on June 28<sup>th</sup> to sign the final documents for the multifamily portion of the project. The Commissioners agreed to hold a special meeting on June 29<sup>th</sup> for Eureka County to sign the same documents.

Multifamily Real Property Agreement: The parties began a thorough review of the Real Property Agreement. A question arose about recording the document and the Commissioners felt the entire agreement should be recorded. Mr. Davis of Jones Vargas explained that complicated legal documents are a hindrance for title companies to review and can lead to unnecessary title exceptions, which is why a Memorandum of the document is often recorded. The Commissioners stated that they wanted full disclosure to the public. Mr. Davis responded that this is met by the requirement that full copies of legal documents signed by the Commissioners be housed with the County Clerk.

Additional items covered included: maps; 'as built' of constructed improvements and easements; clarification on dates; real property conveyance issues; title report and title policy; priority of deeds of trust; limitation on amounts of damages that can be awarded against the County and NRHA (to an outside party); and some minor language clarifications. Chairman

Fiorenzi emphasized that all attachments MUST be complete prior to the deadline for signing of the documents.

There was a lengthy discussion regarding the two-year review and re-approval inserted by the County. NRHA did not have a problem with periodic reviews, but was uncomfortable that this might lead to termination of the agreements prior to the agreed upon five-year timeframe for return of undeveloped real property. Chairman Fiorenzi explained the purpose of this was to ensure that there was always at least one current Board member who had been involved in approval of the documents, since the makeup of the Board is subject to elections every two years. The intent was to safeguard both parties as well as the project. Everyone conceded that the attorneys could look into more flexible language that allows for the two-year reviews while providing some level of assurance to NRHA without obligating the County financially beyond feasibility of the project.

An extensive discussion occurred regarding the development fee. Mr. White still contended that the bulk of the fee was earned up front. Chairman Fiorenzi stated that a 'not to exceed' figure needed to be defined, realizing that the development fee is tied to construction costs which are somewhat of a moving target. A construction estimate and contingency percentage should still be identified in the documents. Anything above that would require approval by the Board of Commissioners. The development fee also needed further definition regarding when it is earned and when it is payable.

Judicial versus non-judicial remedies were debated at length during previous meetings and the documents reflected that the non-judicial option had been withdrawn. The documents specified Washoe County as the designated court, and Chairman Fiorenzi requested that this be changed to allow utilization of any court of neutral jurisdiction.

Multifamily Grant Agreement: Many issues discussed for the Grant Agreement were similar to those in the Real Property Agreement including document recording; the need to fill in all dates and amounts; and remedies. Also discussed were interest; retentions; security interest; title insurance; additional insurance carried by NRHA; reporting requirements; and permanent financing with the County as the lender of last resort with a 1% penalty.

The process for draw requests was reviewed. Ms. Fielder was concerned that the agreement did not protect NRHA in the instance that the County denies a pay request. Chairman Fiorenzi stated that the option to reject a pay request must remain in the documents, but would only be exercised if the request was not validated. Eureka County has never refused to pay a legitimate bill. Mike Rebaleati suggested that the agreement reference the NRS that applies to Commissioner approval or rejection of bills. Ms. Fielder suggested modifying the language to more closely reflect that in the Interim Agreement since everyone was already comfortable with that process.

Multifamily Deed of Trust: Ms. Fielding explained that changes to the Deed of Trust were simply made to reflect the changes previously made in the other documents for consistency.

Multifamily Promissory Note: There were no significant changes to the Promissory Note, but it was stated that it is for a term of 24 months with a six month right to extend.

Single Family Documents: Mr. White requested that a couple of issues on the single family portion of the project be discussed to provide clarification in going forward with finalizing those documents. NRHA would like to include a provision that allows them to come before the County to reduce the sales price in the instance that the market is not supporting the asking price of the lots and/or houses. If this price reduction is allowed, repayment of the loan would need to be modified since it is dependent upon sales revenues.

Ms. Fielder explained that tracking the recoverable and non-recoverable funds was going to be complicated and impractical. She proposed that the funds be restructured and represented as a single grant to be paid back through sales of single family lots. The total repayment amount would simply be what is recovered through sales and nothing more.

Chairman Fiorenzi felt the funds were trackable and the County could simply agree to a loss directly related to the reduction in sales price. Mr. Rebaleati stated he was comfortable with simplifying the way the funds are structured, but for auditing purposes everything will have to be tracked anyway. This led to a discussion on how the interest would be calculated. Mr. Davis suggested that accrued interest be calculated on the portion of principal at the time payment is made, which would avoid accruing interest on portions that are ultimately deemed non-recoverable.

Conclusion: All parties agreed to do a final review of the changes with their respective legal counsel and to turnaround the documents as quickly as possible so they are ready for final approval by NRHA on June 28<sup>th</sup> and final approval of the County Commissioners on June 29<sup>th</sup>.

**PUBLIC COMMENT**

Chairman Fiorenzi called for public comments; there were none.

**ADJOURNMENT**

Commissioner Page motioned to adjourn the meeting at 5:42 p.m.; Commissioner Ithurralde seconded the motion; motion carried 3-0.

Approved this 5<sup>th</sup> day of August, 2011.

/s/ Leonard Fiorenzi

Leonard Fiorenzi, Chairman

Attest: /s/ Jackie Berg

Jackie Berg, Clerk