

EUREKA COUNTY BOARD OF COMMISSIONERS

August 6, 2014

STATE OF NEVADA)
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COUNTY OF EUREKA)

CALL TO ORDER

The Board of Eureka County Commissioners met pursuant to law on August 6, 2014. Present were Chairman J.J. Goicoechea; Vice Chairman Jim Ithurrealde; Commissioner Michael Sharkozy; District Attorney Ted Beutel; and Executive Assistant, 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 Ithurrealde motioned to approve the August 6th agenda as posted; Commissioner Sharkozy seconded the motion; motion carried 3-0.

PUBLIC COMMENT

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

APPROVAL OF MINUTES

July 7, 2014, Commission Meeting: Commissioner Ithurrealde motioned to approve the minutes of the July 7, 2014, Commission meeting; Commissioner Sharkozy seconded the motion; motion carried 3-0.

July 21, 2014, Commission Meeting: Commissioner Sharkozy motioned to approve the minutes of the July 21, 2014, Commission meeting; Commissioner Ithurrealde seconded the motion; motion carried 3-0.

FINANCE

Payment of Expenditures: Expenditures were presented for approval by Recorder & Auditor, Mike Rebaleati. Commissioner Ithurrealde motioned to approve expenditures in the amount of \$35,333.94 for Fiscal Year 2013-2014 accounts payable, \$1,085,566.31 for Fiscal Year 2014-2015 accounts payable, \$461,175.71 for payroll, and \$54,176.32 for a pass-through tax allocation to the School District, for a grand total of \$1,636,252.28; Commissioner Sharkozy seconded the motion; motion carried 3-0. Commissioner Sharkozy motioned to approve Yucca Mountain expenditures in the amount of \$4,672.45; Commissioner Ithurrealde seconded the motion; motion carried 3-0. Yucca Mountain expenditures are covered by a US Department of Energy grant paid to the affected units of local government for the Yucca Mountain Project.

Auditor's Report: The Board reviewed current fund balances presented on the Auditor's Report. Mr. Rebaleati pointed out that, as planned, monies were transferred into the Eureka Water Sewer Fund for continued funding of the Robins Street Project. The contribution towards this project from the Eureka County School District, in the amount of \$604,000.00, was posted as well.

Fiscal Year 2013-2014 Audit: Mr. Rebaleati explained that the annual audit for Fiscal Year 2013-2014 will commence in September. He noted that some of the large projects budgeted for Fiscal Year 2012-2013 actually carried over into Fiscal Year 2013-2014. For a truer perspective on the ratio of revenues versus expenditures, both fiscal years should be considered together. With budget reductions, the County's bottom line hasn't suffered a severe

hit; although notices of credits owed to mining companies for prior years' net proceeds payments are still being received.

COMMISSIONERS

Update Reports: Commissioner Sharkozy traveled to Carson City on July 22nd for the Boulder Valley & Maggie Creek Monitoring Plans meeting; attended the Crescent Valley Firewise Committee meeting on July 23rd; participated in the Arts in the Park event in Eureka on July 26th; attended the 31st Annual Crescent Valley Emergency Fund Barbecue on August 2nd; and traveled to Eureka for the National Night Out event sponsored by the Sheriff's Office on August 5th.

Commissioner Ithurralde attended the Medical Clinics Advisory Committee meeting on July 30th; and participated in a teleconference with members of MCAC and Nevada Health Centers on August 5th.

Chairman Goicoechea participated in a meeting on July 30th with State Engineer, Jason King, and Division of Water Resources' staff members to discuss progress on the Diamond Valley Groundwater Management Plan (this was also attended by Steve Walker, Walker & Associates; Consulting Hydrogeologist, Dale Bugenig; and Natural Resources Manager, Jake Tibbitts); attended one of the State Engineer's "listening sessions" held later that evening in Ely; attended the Legislative Committee on Public Lands meeting in Ely on August 1st where he provided an update on progress of the Sagebrush Ecosystem Council; and has participated in numerous emails and phone calls on current issues, primarily with the BLM.

Proposal of Fictitious Firm Name Ordinance: At the request of Clerk & Treasurer, Beverly Conley, the Board discussed a possible ordinance to regulate Fictitious Business Names within Eureka County. Following notification with a six month response period, this would allow removal of inactive names from the registry, and would require mandatory renewal every five years with an associated fee of \$20.00. Commissioner Ithurralde asked if notifications would be sent for the five year renewals. Although it isn't a requirement in the draft ordinance, Ms. Conley responded that in keeping with Clerks throughout the State, a 60-day reminder will be sent.

Commissioner Ithurralde motioned to propose an ordinance to regulate Fictitious Business Names within Eureka County by adding a chapter to Eureka County Code, Title 4, Licenses, Permits & Taxes, and to schedule a public hearing at 1:00 p.m. on September 5th; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Application 83021 to State Engineer: Eureka County filed Application 83021 with the Nevada State Engineer to change the point of diversion and place of use of a portion of existing Permit 60139. The Division of Water Resources notified Eureka and Lander Counties of their option to hold a public hearing, in order to recommend a course of action to the State Engineer, when an application proposes to use water in a county other than where it is diverted or currently used. Since this application was simply a matter of housekeeping, Commissioner Ithurralde motioned to deny setting a public hearing pursuant to NRS 533.363 in relation to Eureka County Application 83021 filed with the State Engineer; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Consider Stipend for Rural Fire Chiefs: During budget discussions a stipend was suggested for the rural Fire Chiefs due to a possible increase in responsibilities related to acquisition of all-risk duties from Nevada Division of Forestry effective January 1, 2014. Rural departments include: Beowawe, Dunphy, Pine Valley, and Diamond Valley. The Eureka Fire Chief and Crescent Valley Fire Chief already receive a monthly stipend. This item was placed on the agenda for a final determination by the Board.

The Commissioners voiced appreciation for the vital job done by the Fire Chiefs and other volunteers within the County, but were hesitant to implement a stipend at this time. This decision was based on the severe decline in revenues that Eureka County is facing. This fiscal

uncertainty drove many decisions in the budget for Fiscal Year 2014-2015, including spending reductions in every department, reduction or elimination of all non-vital contracts and services, an across-the-board hiring freeze, and elimination of a cost of living adjustment for employees. It is also the Commissioners' expectation that many of the additional duties related to all-risk services will be absorbed by Public Works.

Commissioner Ithurralde motioned to continue as in recent years and deny implementing a stipend for rural Fire Chiefs at this time, but to reconsider this during the Fiscal Year 2015-2016 budget cycle; Commissioner Sharkozy seconded the motion; motion carried 3-0.

SENIOR CENTERS

Update Report: Senior Center Site Director, Millie Oram, reported on activities at the Eureka Senior Center. Site Director, Adell Panning, provided a written report on the Fannie Komp Senior Center. In July, Eureka served 1,196 meals and Crescent Valley served 802 meals. A total of \$13,407.90 was deposited for the month. The walk-in refrigerator at the Fannie Komp Senior Center failed on July 28th resulting in a loss of over \$1,000.00 in meat. Snyder Mechanical of Elko was able to repair the unit the next day, and found the problem was due to a plugged air filter.

ROAD DEPARTMENT

Report on Activities: Road Department Superintendent, Raymond Hodson, reported on Road Department projects and activities. Crews continue maintaining roads throughout the County with blading, mowing, and repairing and placing culverts and cattle guards. Barrick Gold has provided a larger water truck for the JD Ranch Road. Staff responded with equipment to a lightning fire July 6th at Simpson Creek Ranch near Eureka. The next couple of days were spent cleaning up after the fire, as well as cleaning up after some flooding (that occurred the same day as the fire) over County Road 101, at the Eureka Canyon Subdivision, and several other areas. Several Crescent Valley streets were bladed and Klondex Mines followed that with an application of magnesium chloride on Tenth Street which they utilize to access the Fire Creek Project. Fish Creek Road experienced flooding on August 5th, but the worst areas were in White Pine and Nye Counties. Those areas were marked with safety cones and the neighboring counties were notified.

PUBLIC WORKS

Robins Street Improvements & Utility Upgrades Project: Public Works Director, Ron Damele, reported that the Robins Street Project has experienced a slight delay due to summer thunderstorms. The contractor will work through the weekend so they can begin paving with cement treated base the following week. After paving, they will collar the valves and manholes, install guardrails, install signage, and complete pavement striping. The project is still on schedule to be completed by the end of August.

Public Works Projects & Activities: COURTHOUSE HVAC PROJECT: Design work continues on the Courthouse HVAC Project. The contractor and Public Works will look into feasibility of an electric boiler which would be more efficient but would require an electrical upgrade to the Courthouse. CRESCENT VALLEY TOWN PARK: Staff is working to repair the controllers for the sprinkler system at the Crescent Valley Town Park. EPA CLEANUP: Cleanup of the medical provider housing on Well Street in Eureka has been successfully completed by the US Environmental Protection Agency and final reports were submitted to the County.

Airport Runway Lighting Replacement Project: Mr. Damele requested that this item be tabled since the grant documents have just been received and require review by staff and the District Attorney. Commissioner Ithurralde motioned to table bid award for the Airport Runway

Lighting Replacement Project until the August 19th meeting; Commissioner Sharkozy seconded the motion; motion carried 3-0.

EUREKA COUNTY SHERIFF

Out-of-State Travel: Commissioner Sharkozy motioned to authorize out-of-state travel for three Sheriff's Office staff members to attend the RIMS Users Conference in South Lake Tahoe, scheduled October 13th-17th; Commissioner Ithurralde seconded the motion; motion carried 3-0. Undersheriff Keith Logan stated the conference will be attended by himself, Sergeant Sandy Eastwood, and Sergeant Jaime Osburn. Undersheriff Logan and Sergeant Eastwood are RIMS System Administrators.

MEDICAL CLINICS ADVISORY COMMITTEE

Quarterly Performance Audit – Nevada Health Centers: Committee Chair, Garney Damele, reported that the Medical Clinics Advisory Committee met on July 30th to conduct the quarterly performance audit on Nevada Health Centers for the period covering April, May, and June. The Eureka Clinic lacked a second provider for nine days in June. With a penalty of \$300.00 per occurrence, this totals \$2,700.00. No other shortfalls were found at the Eureka Clinic or the Crescent Valley Clinic for the quarter.

MCAC representatives and Commissioner Ithurralde participated in a teleconference with NVHC on August 5th to reconcile the performance audit and discuss other issues. NVHC concurred with the penalty. Commissioner Ithurralde motioned to accept the recommendation of the Medical Clinics Advisory Committee to assess a penalty of \$2,700.00 to Nevada Health Centers for the 4th quarter of Fiscal Year 2013-2014; Commissioner Sharkozy seconded the motion; motion carried 3-0. Direction will be provided to the Recorder/Auditor's office to deduct this amount from the next regular payment to NVHC.

CDL Physicals: The contract with NVHC requires provision of physical examinations for commercial vehicle drivers. Currently only Dr. Wells is certified to conduct these physicals, and he has been practicing in Crescent Valley. The Eureka Clinic has been referring these patients to Crescent Valley or Elko. Concerns over this were relayed to NVHC and they assured the Committee that these services will be provided where needed. Another provider is scheduled to take the certification test before month end.

Provider Candidates: NVHC continues to recruit replacement providers for Eureka County. They have a mid-level provider from their Las Vegas clinic who may be interested in relocating and they are also reviewing a physician candidate.

Medical Services Survey: The Committee discussed possibility of distributing a survey to determine community desires and goals regarding medical care and asked for direction from the Commissioners. Chairman Goicoechea preferred keeping the lines of communication open between the Commissioners and the community. He felt a survey might give the false impression that the County intended to offer additional services that simply weren't possible at this time. He also didn't want to burden the Committee with another task. His fellow Commissioners concurred. Everyone agreed that providing health care is a challenge, especially in rural communities. The contract with NVHC is demanding, but a high price is paid for those clinical services; so the continued goal will be to secure the full benefit of the contract that is currently in place.

Dentist at Eureka Clinic: Lastly, Ms. Damele informed the Board that Kim Todd, Chair of the Health Insurance Committee, relayed that Dr. Dan Norris, DDS, is applying to become a preferred provider with Guardian, the County's group dental carrier. The Board was pleased to hear this as they have been receiving calls on this issue.

JUVENILE PROBATION

Out-of-State Travel for Conference: Juvenile Probation Officer, Steve Zimmerman, and Senior Department Assistant, Joyce Jeppesen, requested authorization for out-of-state travel to attend a conference in St. George, Utah. Expenses for the trip will be fully reimbursed by a State grant. The grant will also cover travel and conference expenses for three individuals from White Pine County. Since grant funds will be deposited directly into Eureka County's accounts, expenses for the White Pine representatives will be submitted through Eureka County. Commissioner Ithurralde motioned to approve out-of-state travel for Juvenile Probation staff to attend the Utah Fall Substance Abuse Conference in St. George on September 24th-26th; Commissioner Sharkozy seconded the motion; motion carried 3-0.

NATURAL RESOURCES

Report on Activities: Natural Resources Manager, Jake Tibbitts, reported on recent activities. Mr. Tibbitts visited Kobeh Valley and Stevens Basin on July 23rd with Consulting Hydrogeologist, Dale Bugenig, to scout well sites for Diamond Valley water management prospects; attended the Crescent Valley Firewise Committee meeting the evening of July 23rd via interactive video from Eureka; spent part of July 25th in the field inspecting this year's first round of pinyon-juniper removal; traveled to Ely on July 30th for a meeting with Jason King, State Engineer; attended the State Engineer's 'listening session' in Ely the evening of July 30th to talk about various water issues; and provided testimony (on drought issues, including misuse of the US Drought Monitor in making grazing decisions and in assessing rangeland conditions) at the Legislative Committee on Public Lands meeting in Ely on August 1st.

Pinyon-Juniper Wildlife Enhancement Project: The pinyon-juniper cutters, Quicksilver Contracting, started in mid-June and cut 449 acres in June and 520 acres in July, for a total of 969 acres in a six week period. Mr. Tibbitts pointed out that most of the costs related to this thinning project will be reimbursed with grant monies.

Meetings with State Engineer: The meeting on June 30th in Ely with the State Engineer and some of his staff was also attended by Steve Walker of Walker & Associates, Dale Bugenig, and Chairman Goicoechea. Mr. Walker is contracted by the Eureka County Conservation District to complete scoping for the Diamond Valley Groundwater Management Plan and this meeting was a synopsis of the information, hurdles, and solutions considered to date.

Mr. King's 'listening session' later that evening, also in Ely, focused on upcoming legislation and Eureka County and Diamond Valley water issues. This was the third of several sessions across the State, and a final session will be held in Carson City. Proposed legislation includes some general housekeeping, clarification of the State Engineer's duties and powers when an area is designated as a critical management area, changes to interbasin transfers and related water inventories, addressing and updating laws related to the adjudication process, and a proposal to make a State-wide call for proofs of vested claims with an imposed deadline. The bill drafts have been submitted to the Governor's Office for administrative review.

Upcoming Meetings: Upcoming meetings include: a meeting of the County Advisory Board to Manage Wildlife on August 7th; a conference call on the Ruby Hill Reclamation Biochar Project on August 12th; a meeting between the biochar partners, Great Basin Regional Development Authority, and their Executive Director, Don Vetter, on August 12th; a Eureka Conservation District meeting on August 13th; a Natural Resources Advisory Commission meeting the evening of August 13th; and the Humboldt River Basin Water Authority meeting in Winnemucca on August 15th.

US Forest Service Proposed Groundwater Resource Management: The comment period has been extended for the Forest Service's proposed directive on best management practices for water quality on forest lands. Comment is now due in early September.

Willow Creek Fire Wildfire Management & Livestock Closure: At the last meeting, approval was given to send a letter to the Battle Mountain District BLM requesting the District Manager to rescind his decision on the Willow Creek Fire Wildfire Management & Livestock Closure and to reopen the comment period. Mr. Tibbitts received an email response from District Manager, Doug Furtado. The BLM has agreed to coordinate a meeting in the near future with Eureka County and the affected permittees.

Federal Law Enforcement: Assemblyman Ira Hansen has reached out to rural Sheriffs in the State with concerns about federal law enforcement on public lands. Undersheriff Logan is planning to attend a meeting with Assemblyman Hansen and rural Sheriffs on August 12th in Battle Mountain. He will provide a report of that meeting to the Board on August 19th.

Nevada Sagebrush Landscape Conservation & Economic Development Act: The second discussion draft of the Nevada Sagebrush Landscape Conservation & Economic Development Act proposed by Senators Harry Reid and Dean Heller has been released, with comments requested by August 15th. There are some positive changes in the second draft, but the bill still contains a concerning wilderness component, which is directly in opposition to Eureka County's Master Plan and Eureka County Code.

Mr. Tibbitts prepared a comment letter for the Board's consideration and provided a detailed review of the letter. The letter brings out the following points in relation to the proposed legislation: The original intent of the Wilderness Act of 1964 was to safeguard lands truly untrammelled by man. Lands shown on the land disposal table include areas that are potential sage grouse habitat that may not be available upon or after passage of the legislation. Many of the lands earmarked for disposal are less productive and less desirable areas. The letter requests that lands identified for possible conveyance incorporate lands referenced in all Resource Management Plans, both current and past. It asks that the respective counties select these lands rather than the Secretary of the Interior. Included with the letter is a map of lands Eureka County has identified for future growth, infrastructure needs, and/or economic development.

The letter states that Eureka County appreciates language that may stave off an Endangered Species Act listing now, but there is still no assurance that a listing will not occur in the future. It acknowledges the economic opportunities created by the bill, but stresses the importance of sustaining agricultural industries. It cites a recent article written by four respected rangeland scientists who note that the most important habitat for sage grouse is the late brood rearing habitat, and upwards of 90% of this type of habitat is on private lands; therefore agricultural uses of those lands must be sustained, as that in turn will sustain the sage grouse. The letter suggests improved language regarding valid existing rights; these rights are not properly recognized by federal agencies, forcing the rights to be upheld in lengthy and expensive court actions, and the proposed legislation does nothing to assure this will change. There is a request that habitat maps developed through the Nevada Sagebrush Ecosystem Council serve as the adopted maps. The bill includes language that wild horses be managed at AML (appropriate management levels), but this is already required and not being fulfilled. The letter recommends that the proposed Conservation Credit System be utilized rather than imposing additional impact fees. The Senators' proposed legislation provides for creation of an interagency sage grouse team composed of federal agencies; the letter requests mandatory coordination and consistency with local land use plans, policies, and controls, and requests that Nevada local governments be given a seat and a voice on the team. The letter also asks the Senators to reference the County's original comment letter sent in April, in response to the first discussion draft, as many of the comments still apply.

Chairman Goicoechea thanked Senator Heller for his continued work on this bill and for addressing many of the concerns put forth. As Chair of the Sagebrush Ecosystem Council, he noted that the Council has voted time and time again for no special land designations. They

support the Conservation Credit System as an alternative. He noted that should a sage grouse listing occur, the County is very concerned about the future of Nevada industries – mining, energy development, and agriculture are going to suffer. The Chairman invited comments from Samuel Crampton, Regional Representative for Senator Dean Heller, who was in attendance.

Mr. Crampton thanked the Commission and Mr. Tibbitts for working with the Senator and stated he understood the County is limited by County Code and other policy related to wilderness areas. He asked that the County provide specific information regarding sage grouse habitat, noting that boundaries can be adjusted to better reflect where the birds actually are. Mr. Crampton said they are open to strengthening language in the bill to support agriculture and ranching. The importance of these industries as a renewable resource with long-term sustainability is recognized. He pointed out that the 15,000 acre land designation per county is a minimum, and there are already discussions about allowing the counties to have input in selecting these lands. Guarantees related to non-listing of the sage grouse under the Endangered Species Act and proper management of wild horses are simply unattainable with this legislation. He understands and will relay that the County, as well as the Sagebrush Ecosystem Council, would like to see full support of the proposed Conservation Credit System. He thanked the County again and assured the Board that Senator Heller and his staff are working hard to find ways to address these outstanding concerns.

Commissioner Ithurralde motioned to approve the response letter to Senators Reid and Heller in response to the second discussion draft of the Nevada Sagebrush Landscape Conservation & Economic Development Act, and authorized the Chairman to sign the letter outside of the meeting once the discussed changes are incorporated; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Letter to Eureka Conservation District: Mr. Tibbitts recalled the budget process where nearly all discretionary grants were removed from the Fiscal Year 2014-2015 budget. One exception was the grant to Eureka Conservation District, with the contingency that funds were to be used to complete ongoing conservation and water projects endorsed by Eureka County. He felt it would be a good idea for the County to memorialize the expected use of these funds in a letter to the Conservation District. Commissioner Ithurralde motioned to send a letter to the Eureka Conservation District outlining intended use of monies granted by Eureka County for Fiscal Year 2014-2015 and authorized the Chairman to sign the letter outside of the meeting; Commissioner Sharkozy seconded the motion; motion carried 3-0.

NATURAL RESOURCES ADVISORY COMMISSION

Accept Resignation: A letter of resignation from the NRAC was received from Raymond Hodson. Mr. Hodson commented that the Natural Resources Advisory Commission is a very eye-opening board to sit on and he wished there was more public interest. Mr. Tibbitts thanked Mr. Hodson for his time and attendance on the Commission. Commissioner Ithurralde motioned to accept the letter of resignation from the Natural Resources Advisory Commission submitted by Raymond Hodson; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Advertise for Vacancy: Commissioner Ithurralde motioned to authorize advertising for the vacancy on the Natural Resources Advisory Commission representing wildlife interests; Commissioner Sharkozy seconded the motion; motion carried 3-0.

HYDRAULIC FRACTURING PRESENTATION

Hydraulic Fracturing in Nevada: A detailed presentation on hydraulic fracturing in the State of Nevada was given by Richard Perry, Administrator of Nevada Division of Minerals. Mr. Perry was accompanied by Colleen Cripps, Administrator for Nevada Division of Environmental Protection, and Alan Tinney, Bureau Chief for Bureau of Water Pollution Control through NDEP.

Agencies: Four agencies can be involved in permitting an oil well in Nevada: Bureau of Land Management if it's on federal land, which may include the NEPA (National Environmental Policy Act) process; Nevada Division of Environmental Protection for various air, land, and water permits; Nevada Division of Minerals for the drilling permit; and Nevada Division of Water Resources for acquiring a water permit.

Oil Production: The first oil discovered in Nevada was in Diamond Valley in 1954. Current activity includes the Blackburn oil field in Pine Valley, several wells in Railroad Valley, and the Noble Energy project in Elko County with two wells drilled to date. Production throughout the State peaked in 1990 with four million barrels a year (compare this to states like North Dakota or Texas that produce over one million barrels per day). Nevada's production has steadily declined since 1990, with 335,672 barrels produced in 2013.

Statutes & Regulations: Nevada has had oil and gas regulations since 1979 (NRS Chapter 522), which primarily protect fresh water and conserve the resource. These statutes were addressed during the 2013 Nevada Legislative Session, specifically related to hydraulic fracturing, and will go into effect January 1, 2015. New regulations include an AOR (area of review) consisting of a one mile radius when hydraulic fracturing will be used and addresses land ownership, other wells, groundwater levels, surface water, and geology. It includes test sampling of up to four other wells within the mile radius. Drilling of a test well is not required if one does not already exist in the AOR.

When hydraulic fracturing will be used on a well the following are required: intermediate casing for two layers of protection; pressure testing of production casing to 3,000 psi for thirty minutes; and production casing cemented to 500 feet above the uppermost zone of hydrocarbons. Oil wells are usually one to two miles deep and typically take anywhere from two weeks to two months to drill.

Additional proposed regulations will be adopted by the Commission on Mineral Resources. A public hearing on the proposed regulations is scheduled in Elko County on August 28th (10:00 a.m. to 12:00 noon) in the Elko County Commission Chambers.

Fracturing Process: The hydraulic fracturing process basically pumps water, sand or ceramic material, and chemicals down the pipes into the low permeability shales at up to 8,000 psi in order to form the cracks. The sand acts as a proppant to keep the induced fracture open. The cracks allow the oil in the dense shales to flow. The entire process is monitored very closely with pressure gauges and other sophisticated instrumentation.

The fracturing process uses about one acre foot of water. In comparison, a domestic well uses two acre feet of water annually, and an irrigation pivot uses 400-600 acre feet per season.

Any chemicals used are entered into a national chemical disclosure registry called FracFocus (<http://www.fracfocusdata.org/DisclosureSearch/>) funded by the Interstate Oil & Gas Compact Commission, of which the State of Nevada is a member.

Follow-up testing of the well is required 60 to 72 months after the hydraulic fracturing. Additional testing may be required if NDOM deems it necessary.

Current Activity: Since April 2013, seventeen oil well permits involving hydraulic fracturing have been approved by NDOM. Two have been drilled so far by Noble Energy in Elko County. One previously existing well in Pine Valley has been stimulated using hydraulic fracturing.

More Information: More information can be obtained at the Nevada Division of Minerals website (<http://minerals.nv.gov/>).

Comments: Chairman Goicoechea opened the floor for questions and comments. Dale Bugenig voiced consternation that NDOM didn't see the need for a monitoring well when an existing well doesn't exist. He felt the cost was trivial in comparison to the drilling and fracturing costs involved for the oil well and thought this would be a worthwhile requirement.

Mr. Perry responded that none of the states are requiring a monitoring well. The risks are relatively low and would occur during the hydraulic fracturing stage, at which time there is

always a presence from NDOM. Additionally, most companies will drill their water supply well within 300 feet of the oil well, so it would be rare not to have at least one well within the mile radius. If NDOM perceives a risk, they have the ability to require a monitoring well. Colleen Cripps added that a lot of the controversy with hydraulic fracturing has occurred with drilling for natural gas and not oil wells.

The Board thanked Mr. Perry, Ms. Cripps, and Mr. Tinney for the presentation and the information provided.

CORRESPONDENCE

Correspondence was received from: Connie Hicks (3); Raymond Hodson; Clerk & Treasurer, Beverly Conley (2); Natural Resources, Jake Tibbitts (2); Executive Assistant, Jackie Berg (2); Cultural, Tourism, & Economic Development Director, Andrea Rossman; Economic Development Program Board; Eureka County Planning Commission; Medical Clinics Advisory Committee; Farmers' Market flyer; National Night Out flyer; Eureka Business Network (2); MolyBits Messenger; Barrick Gold; Crescent Valley Town Advisory Board (2); Tri-County Meeting; Wells Rural Electric Company; Nevada Div. of Water Resources; Nevada Div. of Minerals; Nevada Cattlemen's Assoc.; Nevada Div. of Environmental Protection; Nevada Dept. of Taxation; Nevada Council for Prevention of Domestic Violence; US Dept. of the Interior-BLM; Western Counties Alliance (3); Small Business Environmental Roundtable; and US Environmental Protection Agency (4).

PUBLIC COMMENT

Chairman Goicoechea called for public comments; there were none.

ADJOURNMENT

Commissioner Ithurralde motioned to adjourn the meeting; Commissioner Sharkozy seconded the motion; the meeting was adjourned at 12:30 p.m.

Approved by vote of the Board this 19th day of August, 2014.

/s/ J.J. Goicoechea

J.J. Goicoechea, Chairman

I, Jackie Berg, Executive Assistant to the Board of Eureka County Commissioners, attest that these are a true, correct, and duly approved minutes of the August 6, 2014, meeting of the Board of Eureka County Commissioners.

/s/ Jackie Berg

Jackie Berg, Executive Assistant

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

/s/ Beverly Conley

Beverly Conley, Clerk & Treasurer