

EUREKA COUNTY BOARD OF COMMISSIONERS

October 6, 2011

STATE OF NEVADA)
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COUNTY OF EUREKA)

CALL TO ORDER

The Board of Eureka County Commissioners met pursuant to law on October 6, 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

Chairman Fiorenzi noted a minor change to the agenda; the Assessor’s agenda item will be moved to immediately preceding the lunch recess. With that change, Commissioner Ithurralde motioned to approve the agenda; Commissioner Page seconded the motion; motion carried 3-0.

PUBLIC COMMENT

Chairman Fiorenzi opened the floor to public comments. Scott Raine restated his interest in commercial property in or near the Eureka Canyon Subdivision. He was concerned that the amount presently allocated for commercial interests might not be large enough and he presented a couple of maps showing alternative renderings of commercial layouts. Mr. Raine felt some of the property designated for commercial might be cost prohibitive and less desirable because of the amount of dirt work and leveling that would be required. With this in mind, he encouraged the County to continue pursuing acquisition of the adjacent BLM property as an additional commercial site.

Jean Fierro, Red Lodge Paralegal Services, stated she was a member and officer of the Eureka Business Network, and read the following letter into the record:



Eureka Business Network
P.O. Box 21, Eureka, NV 89316

September 21, 2011

Leonard Fiorenzi
Eureka County Commission Chairman
P.O. Box 677
Eureka, Nevada 89316

Dear Chairman Fiorenzi,

On Wednesday, September 21, 2011, at a regular meeting of the Eureka Business Network (EBN), members of the EBN expressed their desires and voted to have the letter of support for the Mount Hope Mine, which was originally sent to the BLM field Office and copied to you as the Eureka County Commission Chairman, read at a Eureka County Commission meeting so that it could be recorded into public record.

The remainder of this letter represents the greater part of the letter that was sent by mail to Doug Furtado and dated June 15, 2011.

The EBN is a local networking group that meets monthly to discuss Eureka County economic issues and business related topics. It was established in 2010 with the creation of by-laws, policies and procedures, and a mission and vision statement.

Our vision is of a growing community and our Vision Statement reads as follows – *“Eureka Business Network (EBN) develops partnerships amongst local businesses and economic stakeholders to help guide business growth and development for the future of our communities and its residents. We realize increased population and local new mining and tourism developments are on the horizon. Because of this, we help to educate our communities and local government entities on how best to support local businesses, maintain and enhance commercial development, work closely with new incoming businesses and manage growth as it unfolds. We believe this is the best way to achieve a stable and diverse economic base and maintain our unique character, history, culture and customs for now and the future.”*

EBN membership is comprised of businesses in Eureka County and our members seek and support economic development and economic diversification. Specifically, EBN endorses General Moly’s effort to get the Mt. Hope Molybdenum Mine permitted and put into production. Whereas the town of Eureka’s population growth is stagnant and businesses need growth to be successful, we support this project.

In addition, during the past five years of the Mt. Hope Mine permitting process, General Moly has proved itself a good neighbor by contributing generously to the community in several ways and by participating in various business and community development projects.

The town of Eureka needs an infusion of new residents, new businesses, new housing development and new jobs. Please accept this letter of support for General Moly and the Mt. Hope Mine from EBN as testimony from the EBN members who voted in support of this letter for the Mount Hope Mine project.

Sincerely,



Earl Overholser
Eureka Business Network Chairman

cc: Bob Pennington, General Moly
Pat Rogers, General Moly

Zach Spencer, External Communications Manager for General Moly, invited the Commissioners, County staff, and the general public to Eureka Moly’s 4th annual Community Appreciation Dinner from 5:00 to 7:00 that evening at the Eureka Opera House.

Bob Pennington, Vice President of General Moly, provided a brief status report on the 3M Plan discussed over the last several meetings. The plan has been a collaborative effort between the mine and the County, and has involved input from the public during at least three County Commission meetings. The result has been a plan that provides a comprehensive network of monitoring, allows for input from interested stakeholders, has the capability to identify adverse impacts before they occur, secures financial assurance in the form of a trust account, among other benefits. Mr. Pennington announced that Eureka Moly is satisfied that they have a plan ready for submittal to the State Engineer, and plans on doing so on Friday, October 7th. Further review will likely be called for as the State Engineer assesses the plan towards final approval.

Chairman Fiorenzi commented that a recent news article quoted Mr. Pennington saying Eureka County had spent \$2.7 million protesting the water applications for the Mt. Hope project.

The Chairman clarified that of that \$2.7 million, \$630,000 was spent on review of water in the EIS process, \$350,000 on legal fees related to the EIS, and \$730,000 on staff time related to the EIS. Roughly \$1 million has been spent funding the Diamond Valley Flow System study conducted by the US Geological Survey, which was started in 2005 before the Mt. Hope project was proposed.

Mr. Pennington replied that it was a misstatement by the press, but he would take responsibility for not clarifying that the \$2.7 million he cited was a comprehensive effort by the County and included EIS studies, water protests, and staff time. He stated he would go on the record to publicly correct the published statement. There were no further public comments.

EUREKA COUNTY SHERIFF

Purchase of Fleet Vehicles: Sheriff Ken Jones requested authorization to purchase two vehicles as approved in the budget for Fiscal Year 2011-2012. Commissioner Page motioned to authorize the purchase of one 2012 Chevy Impala sedan and one 2012 Silverado crew cab pickup under State contracts #7662 and 7664 for a total price not to exceed \$70,000.00 (which includes installation of radios, lighting, and decals); Commissioner Ithurralde seconded the motion; motion carried 3-0. Chairman Fiorenzi noted that the Sheriff provided quotes for the vehicles (\$25,106.25 for the pickup and \$21,541.25 for the sedan) and requested that in the future the Board also be provided quotes for installation of the equipment.

FINANCE

Payment of Expenditures: Expenditures were presented for approval by Recorder & Auditor, Mike Rebaleati. Chairman Fiorenzi noted that any action or vote by him would not include approval of payments to the Deputy Public Guardian, since they are related. Commissioner Ithurralde motioned to approve expenditures in the amount of \$5,415,345.45 for accounts payable (which includes a pass through to the School District for \$163,703.20, a pass through to the State for \$698,133.58, a transfer to Nevada Rural Housing Authority for \$623,700.00), and \$377,571.93 for payroll, for a grand total of \$5,792,917.38; Commissioner Page seconded the motion; motion carried 3-0. Mr. Rebaleati noted that additional expenditures will be considered during the Fair Board agenda item, and the agenda declares that expenditures may be presented throughout the day for approval. Commissioner Page motioned to approve Yucca Mountain expenditures in the amount of \$5,342.74; Commissioner Ithurralde seconded the motion; motion carried 3-0.

Auditor's Report: Mr. Rebaleati presented the Auditor's Report for review.

Update on Retiree Insurance: Mr. Rebaleati explained that there will be an open enrollment period for County retirees on PEBP (Public Employee's Benefits Program) to transfer to the County's insurance. The enrollment period is January and February 2012. During that time retirees can make application to enroll in the County insurance effective April 1, 2012. Most retirees will be eligible for the insurance subsidy. Mr. Rebaleati will review this in more detail during budget meetings after the first of the year.

Interlocal Agreement – Division of Mental Health & Developmental Services: Several contracts have been forthcoming from the Nevada Department of Health & Human Services for public services where costs have been passed down to the County as a result of State budget cuts during the 2011 Legislature. The County sent two letters to the State regarding these agreements, offering to pay the costs for services but questioning the need for the contracts. After this latest agreement was placed on the agenda, a response letter was received from the State confirming that as long as the County pays their portion of the fees for services, the contracts are not mandatory. Commissioner Ithurralde motioned that the County will pay the County's portion of costs related to services provided by the Division of Mental Health &

Developmental Services without signing the associated agreement; Commissioner Page seconded the motion; motion carried 3-0.

Close of Escrow for Purchase of 50 South Main Street, Eureka: Mr. Rebaleati reported that escrow has closed on the property located at 50 South Main Street in Eureka, commonly referred to as the Klindt property, and ownership has now transferred to Eureka County. The previous owners have until December 31st to remove furniture and other personal items.

Write-Off of Uncollectable Ambulance Service Accounts: Mr. Rebaleati explained that delinquent ambulance accounts were submitted to a collection agency and reviewed by the District Attorney and have been deemed uncollectable. Commissioner Page motioned to approve the write-off of certain uncollectable ambulance service accounts in the amount of \$9,405.10; Commissioner Ithurralde seconded the motion; motion carried 3-0.

EUREKA COUNTY FAIR BOARD

Review of Fair Board Budget for Fiscal Year 2011-2012: Fair Board Vice Chair, Cindy Gallagher, and members, Brandi Anderson and Kay Holloway-McCuin, were in attendance to review the budget for the recent County Fair. The Fair Board (Agricultural District #15) is allocated a portion of the ad valorem tax rate and also collects revenues in the form of fees for the County Fair. Tax revenues were estimated at just under \$49,000.00 for the fiscal year (\$18,985.93 collected to date) and fees collected for the 2011 Fair totaled \$53,707.00.

Mr. Rebaleati reviewed the services and supplies budget for the current fiscal year. \$125,000.00 was allocated with \$134,218.00 expended to date. Other areas of the budget still have available funds, so the Fair Board should be able to conduct meetings and other business through the end of the fiscal year.

Chairman Fiorenzi commented that each year since he has been Commissioner, the Fair Board has gone over budget on the Fair. The budget has never been cut and all requests have been granted, so he doesn't understand why it is so difficult to stay within budget. The Fair Board members explained that they thought the expendable budget included revenues received for the Fair. They now realize they are limited to the amount allocated in the budget. Ms. Anderson added that budget requests were submitted during the budget meetings, but the actual amounts did not get updated from the previous year.

Proposed Budget Augmentation: Mr. Rebaleati will submit a request for a budget augmentation at the November 6th meeting to supplement services and supplies and, if approved, costs for attending the upcoming conference.

2011 IAFE Annual Convention & Trade Show: Ms. Gallagher presented a cost estimate for four Fair Board members and the Fair Board Secretary to attend the 2011 IAFE Annual Convention & Trade Show in Las Vegas November 28th through December 1st. Ms. Anderson stated she would decline attending since they were over budget. Commissioner Page motioned to authorize up to four Fair Board members to attend the upcoming 2011 IAFE Annual Convention & Trade Show in Las Vegas, not to exceed \$4,000.00; Commissioner Ithurralde seconded the motion; motion carried 3-0.

Fair Board Expenditures: The members explained some motel charges were mistakenly billed to the Fair Board for vendors that should have covered the cost of rooms themselves, including charges for some rooms that should have been cancelled. Mr. Rebaleati felt that due to the confusion, it was best for the County to cover the rentals and follow up with the vendors to request reimbursement.

Ms. Gallagher requested reimbursement for cell phone charges, explaining that she used her phone to make calls setting up the branding event and received incoming calls with questions and entry information. She spoke with Mr. Rebaleati and they agreed that \$200.00, approximately half of the total bill, would be an equitable reimbursement amount. The Board concurred that this was a reasonable request and should be paid.

COMMISSIONERS

Update Reports: The Commissioners attended the NACO Conference in Fallon September 20th-22nd; Commissioner Ithurralde participated as a moderator on the opening panel for one of the sessions. Commissioner Ithurralde attended a committee meeting regarding the new School District gymnasium on September 27th; attended an Open House on October 4th; attended the Firewise Community meeting on October 5th; and met with the District Attorney regarding County issues. Chairman Fiorenzi and Ron Damele attended a meeting with the Division of Manufactured Housing in Las Vegas on October 4th.

Open Meeting Law Workshop: With recent legislative changes to the Open Meeting Law, Clerk & Treasurer, Jackie Berg, contacted the Attorney General's office requesting a presentation for the boards and committees in Eureka County. Senior Deputy Attorney General, George Taylor, asked that the Commissioners send an invitation or formal request. Commissioner Page motioned to send a letter inviting Senior Deputy Attorney General, George Taylor, to conduct an Open Meeting Law Workshop in Eureka County, and that the various boards and committees, including the Crescent Valley Town Advisory Board, be invited to attend; Commissioner Ithurralde seconded the motion; motion carried 3-0.

Letter to BLM Regarding Mt. Hope Project NEPA Process: Natural Resources Manager, Jake Tibbitts, recommended sending a letter to the BLM outlining issues related to the Mt. Hope Project NEPA process, including responses to County comments on the Administrative Draft EIS and level of County participation as a cooperating agency. A three day 'all parties' meeting was held in December 2010 at the Battle Mountain BLM office to review comments on the Administrative Draft EIS in detail. Following that meeting, a spreadsheet was released by Enviroscientists, the EIS contractor, documenting the action to be taken on each comment. The second Administrative Draft EIS was received this past spring and a substantial number of the original comments had to be resubmitted because the promised changes had not been made. In fact, 67% of Mr. Tibbitts original comments on the first draft, identified on the spreadsheet to receive action, had to be repeated on the second draft.

Another issue is related to release of EIS documents addressed in the Memorandum of Understanding between the BLM and Eureka County. The County has not received all of the documents and technical studies as outlined in the MOU.

Commissioner Ithurralde motioned to approve sending the letter to the BLM outlining outstanding issues in the Mt. Hope Project NEPA process; Commissioner Page seconded the motion; motion carried 3-0.

NEVADA HEALTH CENTERS, INC.

Request to Continue Rental Subsidy: Tom Chase, CEO of Nevada Health Centers, sent a letter to the Commissioners requesting continuation of the \$500.00 monthly rental subsidy for the Physician's Assistant, which was provided for one year ending on September 30, 2011. Commissioner Ithurralde motioned to renew the \$500.00 rental subsidy for one year, through September 30, 2012; Commissioner Page seconded the motion; motion carried 3-0.

HEALTH INSURANCE COMMITTEE

Flu & Pneumonia Shots: Health Insurance Committee Chairwoman, Kim Todd, and Vice Chair, Garney Damele, explained that St. Mary's Health is willing to come to Eureka again this year to provide flu and pneumonia shots to County employees. The shots will be provided for the insurance coverage amount, with no out-of-pocket cost to employees. If a minimum of 20 shots are administered, St. Mary's will not charge the County for travel expenses. In 2010, 45 shots were given in Eureka. St. Mary's will be in Eureka on October 31st from 11:00 a.m. to 12:00 noon at the Eureka Opera House.

Kathy Kinkade, Insurance Committee member from Crescent Valley, stated that the local clinic is sponsoring a walk-in flu shot day on October 11th, and most of the Crescent Valley employees plan on getting shots at that time. The Insurance Committee feels that, due to this, there is no need for St. Mary's Health to travel to Crescent Valley this year.

Commissioner Ithurralde motioned to have St. Mary's Health come to Eureka on October 31st to provide flu and pneumonia shots for County employees; Commissioner Page seconded the motion; motion carried 3-0.

Brokerage Firms: The Committee recently surveyed different counties and entities regarding insurance coverage and brokerage firms. Based on the response, they recommended that the County solicit requests for qualifications (RFQs) from the following brokerage firms: Benefit Intelligence Services, McMullan Insurance, L/P Insurance, Employee Benefit Design, and Clark & Associates. They would like to set a deadline of October 21st for return of the RFQs followed by an Insurance Committee meeting on October 25th. Additionally, they requested that a Commissioner be appointed to review the RFQs with the Committee. Commissioner Page requested to be appointed since he has a background in the insurance industry.

Ms. Todd explained that the Committee feels it is in the best interest of the County to discontinue using the League of Cities because they are essentially double-paying them and the brokerage firm for the same service. Eureka County is the only county in Nevada remaining with the League of Cities.

Commissioner Ithurralde motioned to approve the recommendation from the Health Insurance Committee to solicit requests for qualifications from the five brokerage firms selected, and that Commissioner Page be appointed to review the RFQs with the Committee; Commissioner Page seconded the motion; motion carried 3-0.

PUBLIC HEARING – COMMUNITY DEVELOPMENT BLOCK GRANT

Notice was given that Eureka County would hold a meeting on October 6, 2011, to invite public comments on community development, housing needs of low and moderate income persons, and possible funding through the CDBG Program. All grants must meet one or more national objectives: (a) benefit low and moderate income families; (b) eliminate slum or blight areas; and (c) address an urgent need. *NONDISCRIMINATION: Eureka County does not discriminate on the basis of handicapped status in the admission of or access to, treatment, or employment, in its federally assisted programs or activities. Ronald Damele, Director of Public Works, has been designated to coordinate compliance with the development of Housing & Urban Development regulations implementing Section 504 found at 24 Code of Federal Regulations Part B.*

Public Comment on CDBG Projects: Kim Todd, Public Works Department Assistant, explained that this was the first of two public hearings required by the CDBG Program to obtain public comments related to possible projects eligible for the program. Chairman Fiorenzi called for comments from either the public or his fellow Commissioners related to possible CDBG projects. There were no comments.

Summary of Past Performance: Ms. Todd explained that the program now requires an audit of past grants issued from the CDBG Program. Ms. Todd submitted a review of prior grants issued to Eureka County from 1983 through 2010, totaling \$1,050,431.29. All grants are closed and funds were found to have been expended in compliance with the program. Commissioner Ithurralde motioned to accept the Summary of Past Performance for Eureka County in relation to the Community Development Block Grant Program; Commissioner Page seconded the motion; motion carried 3-0.

ROAD DEPARTMENT

Update Report: Road Superintendent, Raymond Hodson, reported on Road Department projects and activities. Simply for review, he provided the Board with a copy of the County's

snow removal policy that has been in place since 2008. All snow plows and equipment have received preventive maintenance and are ready for the upcoming winter season. Mr. Hodson attended the National Weather Service meeting in Elko the previous week. While there, he inspected the Cashman equipment scheduled for delivery to Eureka County. Road work and maintenance included: roadside weed cutting, Monitor Valley Road, JD Ranch Road, Tonkin Road, Grass Valley Road, Palisade, and Barth. Crews also worked with Wells Rural Electric for a few days on Mary's Mt. on the power line that runs along the road and was exposed in several places.

COUNTY ENGINEER

2011 Street Maintenance Project, Phases 1 and 2: Tom Young, Lumos & Associates, reported that culvert placement for Phase 1 of the 2011 Street Maintenance Project continues on schedule. The remaining sites in the town of Eureka will be prepared early the following week and the remaining reinforced box culverts will be set later in the week. Backfill and finishing work will be completed in two weeks. The contractor will then move out to the Eureka Canyon Subdivision to set the culvert on Whistler Street. Mr. Young reported that Sierra Nevada Construction completed paving Eureka town streets for Phase 2 of the 2011 Street Maintenance Project and will continue with cleanup. Curb and gutter work will be completed shortly in Eureka and Diamond Valley, and shoulder work will be finished on County Road 101.

Eureka Airport 18/36 Runway Reconstruction Project: Mr. Young reported that the Airport Runway Reconstruction Project is on hold until the following spring. The FAA grant was approved, the bid was awarded, and contracts will be signed upon receipt from the contractor. Mr. Young is coordinating with Sheriff Ken Jones regarding airport closure in the spring, in order to avoid interfering with car show and drag racing activities.

Eureka Springs Project: Notice to proceed on the Existing Springs Water Collection System, Phase 1: Rehabilitation Project was issued on October 4th. The contractor, Mesquite General Contracting, has begun excavation. Main Spring was excavated 20 ft. beyond the area completed in the 1960s, resulting in a slight increase in water. Excavation was begun on Lani Spring, but is currently on hold due to weather. Work is scheduled to resume on October 10th.

Ball Field Restroom Project: Lumos & Associates completed a schematic design for the new restroom for the lower ballpark in Eureka. The restroom will be a low maintenance, 500 sq. ft., masonry building with a metal roof. This building will be funded from the Recreation Board budget. Commissioner Ithurralde motioned to accept the schematic design for the Ball Field Restroom Project; Commissioner Page seconded the motion; motion carried 2-1. Chairman Fiorenzi voted against the design stating the building cost of approximately \$250.00 per sq. ft. was too expensive.

NEVADA RURAL HOUSING AUTHORITY / EUREKA CANYON SUBDIVISION

Public Comment on Eureka Canyon Subdivision Project: Chairman Fiorenzi invited public comments related to the Eureka Canyon Subdivision Project. Bob Stephenson, Sr., stated he has been interested in the project from the beginning, but felt the County wouldn't be in the position of completing a subdivision if Eureka Moly had lived up to their promises. He understands that the economy played a part in the failure, but the County should have required the mine to be bonded before compromising the land. Mr. Stephenson recognizes the need for housing, but feels the project would be more appropriate for a private contractor. He has visited the NRHA website and the entity appears to thrive on subsidized projects. Mr. Stephenson agrees that the County is committed to the apartment units, but should think long and hard before spending another dime and obligating themselves to the single family development.

John Brown stated he has a lot of the same feelings as Mr. Stephenson. The County should not be involved in housing and should not be in competition with private enterprises and

businesses. He is also concerned that the subdivision will bring low income people into the community.

Stuart Boyd agreed that the County should not be in the housing business. He felt it was fiscally irresponsible for the County to begin this development when the housing market is currently in a recession. Mr. Boyd questioned the debt forgiveness if NRHA can't sell the lots, saying the County might as well take "our money to the Red Lion and throw it on hard 8s." He felt the County was sending mixed messages by appealing the water rights ruling in opposition to the mine, and then spending millions to help provide housing which is essentially helping the mine. If the subdivision is 'such a good deal' he questioned why banks aren't jumping at the opportunity.

Pete Edera agreed with the previous statements and felt the County should not put any more money into the subdivision, but should offer it to private enterprise.

Christine Smith didn't understand how the County could consider spending taxpayers' money in excess of \$11 million without safeguarding that the money would be paid back to the County. As a business owner, she could never imagine doing something like that. Ms. Smith stated that this project began rather simply, but has mushroomed into a very complicated deal that most of the public no longer understands. She asked the Board if the temporary construction worker housing for the Mt. Hope Project was still one of the objectives. The Board assured her that it remains part of the overall plan, although a final design proposal has not been received from Eureka Moly. Ms. Smith asked if covenants, conditions, and restrictions will be required for the subdivision. The Board responded that they are being drafted with a deadline of November 21st. Ms. Smith added that it doesn't make any business sense to advance money before agreements are in place and reiterated that it was wrong to obligate taxpayers' money with no guarantee that it will be paid back.

Tony Rowley commented that the housing project was supposed to generate local jobs, but he still hears of people looking for work. He asked the Board to encourage the hiring of local people which would keep some of the funds in the community.

Chairman Fiorenzi addressed the public comments by asking how many had read the documents for the single family portion of the subdivision.

Mr. Stephenson replied that he's read what's been available, but documents need to be available a couple of weeks before the meeting to give the public a real chance to read and understand them.

Consider Grant to NRHA for Single Family Development: Chairman Fiorenzi explained that a grant of up to \$11,155,396.00 to NRHA is contemplated for the single family development. The \$11 million covers complete buildout of the project comprised of 122 lots. The project is divided into phases and stages and approval will be required before proceeding to each phase. The County can discontinue the project at any stage should the demand for housing slow or cease. The first phase, consisting of 20 single family lots, has already been approved. The Chairman explained that it was always understood that the County would not recover all of its investment, and this was presented in detail during the two public hearings which were very well attended. A portion of the unrecoverable funds are for infrastructure – utilities, roads, etc. – and would have been a necessary investment regardless if the subdivision was completed by the mine or a private developer.

The Chairman continued that the concept that this is being 'done for the mine' is not accurate. The feasibility study recognized a substantial need for housing and recommended the project whether or not the Mt. Hope Project came to fruition. The County is growing and the Commissioners recognized that fact before deciding to proceed. Barrick has announced an expansion at Ruby Hill and a new project at Horse Canyon; the Gibellini Vanadium Mine is moving forward; so there is going to be growth with or without the Mt. Hope Project. Chairman Fiorenzi then asked for comments or questions from his fellow Board members.

Commissioner Ithurralde stated that he is totally in favor of the project, but cannot approve the single family grant until he sees the CC&Rs, adding that NRHA should conform to development standards just like anybody else. Commissioner Page agreed that all documents should be in place before any money is advanced.

Chairman Fiorenzi stated that everyone had agreed to the wording in the single family documents at the last meeting as well as the November 21st deadline for the CC&Rs; he now felt they were 'waffling'. Commissioner Ithurralde stated he rethought his viewpoint after receiving an email from NRHA's legal counsel, Elizabeth Fielding. He discussed this with the District Attorney and decided prior to the day's meeting that he had concerns over statements in Ms. Fielding's email and the hesitancy to produce CC&Rs.

Tom Stone, Real Estate Manager for NRHA, confirmed that the CC&Rs would not be ready until the November 21st meeting. Commissioner Page motioned to table approval of the single family grant until the November 21st meeting; Commissioner Ithurralde seconded the motion; motion carried 3-0.

Remaining NRHA Agenda Items (#3 through #8): Chairman Fiorenzi stated it didn't make any sense to continue with the remaining items related to the single family documents. Commissioner Page motioned to table agenda items #3 through #8 until the November 21st meeting; Commissioner Ithurralde seconded the motion; motion carried 3-0.

Newsletter Regarding Multifamily and Single Family Contracts with NRHA: The Board agreed that a newsletter would be a good method of informing the public about the details of the multifamily and single family contracts. Commissioner Ithurralde motioned to approve publishing a newsletter for the public explaining the multifamily contract and the proposed single family contract, to direct Abby Johnson to draft this edition of the *Plain Talk* newsletter, and to forward it to each of the Commissioners for review prior to distribution; Commissioner Page seconded the motion; motion carried 3-0.

Final Comment on Eureka Canyon Subdivision: Chairman Fiorenzi made a final comment on the Eureka Canyon Subdivision. The project has proceeded exactly as outlined during the public hearings and he invited the public to obtain copies of the power point presentation given during the second public hearing that outlines the project succession and funding.

AMERICAN VANADIUM CORP. – GIBELLINI VANADIUM MINE

Update on Gibellini Vanadium Project in Eureka County: Bill Radvak, President/CEO; Mike Doyle, Executive Vice President of Operations; and Lonny Hafen, Chief Geologist, provided an update on the Gibellini Vanadium Project. Vanadium is the lightest, strongest, most anti-corrosive metal available. It is primarily used as a strengthening agent in steel, allowing a 30% reduction in steel content because of its extreme strength and quality. Other uses include high speed tools, surgical steels, aerospace and defense equipment, catalytic convertors, mass storage batteries, and as a component of sulfuric acid. The US Department of Defense is very interested in obtaining vanadium from sources in the United States.

The Gibellini Vanadium Project is located in Little Smoky Valley at the bottom of the Fish Creek Mountains. The Plan of Operations for the NEPA review will be submitted to the BLM by the end of October. The open pit mine will be a crush, stack, and heap leach operation and has a projected seven year mine life. The feasibility study was recently completed and the technical report will be done in approximately one week. The vanadium reserve is about 20 million tons containing 120 million pounds of vanadium tetroxide which equates to 80 million pounds of recoverable vanadium trioxide, with the final product being vanadium pentoxide. Projected operating cost is \$45 million annually, with a production cost of approximately \$4.10 per pound. Current selling price is \$7.68 per pound. They are working with Mt. Wheeler on electrical upgrades to the project. Water usage will be 420 gpm, about 667 acre ft. per year. The mine

will employ 61 regular and 30 contract employees. Starting date for production is dependent on the NEPA process, but no delays are anticipated.

The Commissioners thanked Mr. Radvak, Mr. Doyle, and Mr. Hafen for the presentation, stating they appreciated being informed.

COUNTY ASSESSOR

Refund of Agricultural Deferred Taxes: County Assessor, Michael Mears, explained that in September of 2010, Hollon Moll was working on conveyance of some property and requested an estimate on the deferred agricultural taxes so that there would be no delays in filing the parcel map. At that time, Mr. Moll paid the \$878.67, but the parceling never took place and Mr. Moll recently requested a refund. Mr. Mears requested that the Commissioners authorize the County Treasurer to issue this refund. Commissioner Ithurralde motioned to direct the County Treasurer to issue a refund for agricultural deferred taxes paid by Hollon Moll in the amount of \$878.67; Commissioner Page seconded the motion; motion carried 3-0.

RECESS FOR LUNCH

The Board recessed for lunch from 12:09 to 1:00 p.m.

REGIONAL HAZARD MITIGATION PLAN

Update on Regional Hazard Mitigation Plan: Rusty Peacock, White Pine Office of Emergency Management, provided an update on the Regional Hazard Mitigation Plan for White Pine and Eureka Counties. Mr. Peacock is the Project Manager for the grant award for this project. Approximately three years ago, White Pine County applied to the State Office of Emergency Management for a grant to write a Hazard Mitigation Plan. The grant was approved, but the State responded with a proposal to create a cooperative plan with Eureka County. The grant required a match from each county of \$6,700.00 and on September 7, 2010, Eureka County approved a match of up to \$7,000.00 from the emergency management fund.

Review Project Proposals: Mr. Peacock solicited proposals for the project from several agencies/companies and two proposals were received. The Board reviewed the proposals from Goettel & Associates, Inc., of Davis, California, and URS Corporation of Oakland, California. Mr. Peacock felt either company would do a good job and asked if Eureka County had a preference. The Board agreed they would be fine with whichever contractor Mr. Peacock and White Pine County selected. Commissioner Ithurralde motioned to proceed with the Regional Hazard Mitigation Plan and to authorize the Project Manager to obtain a contract with the selected company; Commissioner Page seconded the motion; motion carried 3-0.

NATURAL RESOURCES

Report on Activities: Natural Resources Manager, Jake Tibbitts, traveled to Fallon on September 21st for the NACO Public Lands and Natural Resources meeting; participated in the Public Lands User Panel at the NACO Conference in Fallon on September 22nd; participated in a Mt. Hope conference call on September 27th; conducted some wildfire risk evaluations in Pioneer Pass on September 28th as part of the Firewise Community followed by the monthly meeting; met with several County departments, emergency services, and Commissioner Ithurralde regarding placing reflective addresses at residences throughout the County; and toured Kobeh Valley and Roberts Mountain with Commissioner Page and Mr. Bugenig on October 5th.

Mr. Tibbitts reported that some of the solar panels at the US Geological Survey monitoring points have been stolen. If this continues the County may have to look at a more secure way of installing the panels. Chairman Fiorenzi directed Mr. Tibbitts to report it to the Sheriff so that they can periodically watch the sites.

Upcoming Meetings: Upcoming meetings include a meeting with the BLM on October 11th; a Mt. Hope conference call on October 11th; a Weed District Board meeting on October 12th; the Great Basin Water Forum in Ely on October 14th sponsored by the Central Nevada Regional Water Authority; and the week of October 17th will be the trip to Washington, DC, regarding legislative issues. Mr. Tibbitts informed the Board that he was setting up a meeting with Dr. Bob Harrington, Director of the Inyo County Water Department, at the Bristlecone Convention Center in Ely on October 13th.

Update on Western Watersheds Suit: Mr. Tibbitts provided an update on the Western Watersheds lawsuit. The Nevada portion was severed and may not even have to go to court. The Idaho Judge ruled that the BLM has to rewrite sections of their Resource Management Plans to address grazing, oil, and gas and the impacts of those uses on sage grouse. A couple of weeks before the ruling, the BLM published the Sage Grouse Initiative, which included rewriting of the Resource Management Plans.

Legislative Issues: Mr. Tibbitts stated there are a couple of legislative issues that Eureka County should keep an eye on. The US Fish & Wildlife Service will be looking at four Great Basin butterflies for possible listing as endangered species. The Obama Administration recently proposed to Congress large increases to commercial users of public land, including increasing grazing permits and the structure of how mines are taxed. A recent court decision directed the BLM to conduct NEPA studies on trailing of cattle across public lands, and this will likely impact grazing permittees.

Barrick Ruby Hill Expansion: Chairman Fiorenzi asked if a supplemental EIS will be required for the Ruby Hill expansion. Mr. Tibbitts thought the current EIS required a supplemental EIS for an expansion. Ruby Hill has submitted an amendment to their current Plan of Operations and it is now up to the BLM to decide what level of NEPA is required. Their water model has been redone and Mr. Tibbitts has requested a copy from Barrick.

SENIOR CENTERS

Update Report: Senior Center Site Director, Millie Oram, reported on recent activities at the Eureka Senior Center and the Fannie Komp Senior Center. For the month of September, Eureka served 962 meals and Crescent Valley served 885 meals. A total of \$7,936.36 was deposited for the month. Site Director, Adell Panning, submitted a written report. The Crescent Valley seniors traveled to Carlin recently for the Chili Cook-Off. The entire staff from the Fannie Komp Senior Center will be attending driver training in Carlin on October 7th.

Fiscal Monitoring Report on Nutrition Grants: Nevada Aging & Disability Services Division conducted an audit in July on Nutrition Grants #07-000-04-24-10, #07-000-07-13-10, and #07-00057-NX-10 and forwarded a Fiscal Monitoring Report. Findings of the report showed that all expenditures were in compliance with grant requirements.

Notification of Grant Awards: Commissioner Ithurralde motioned to ratify the Notification of Grant Award and Confidentiality Addendum for Congregate Meals Grant #07-000-07-13-12 in the amount of \$17,043.00 with a County match of \$1,733.00, and the Notification of Grant Award and Confidentiality Addendum for Home Delivered Meals Grant #07-000-04-24-12 in the amount of \$22,659.00 with a County match of \$3,255.00; Commissioner Page seconded the motion; motion carried 3-0.

Grantee's Agreement Between NDOT & Eureka County: Ms. Oram explained that application for a new van was made through Nevada Department of Transportation under the ARRA (American Recovery & Reinvestment Act). NDOT contacted Ms. Oram regarding a van granted to another entity that had been returned. It met the specifications requested by Eureka County, so an agreement was drafted to transfer this van to Eureka County for use at the Fannie Komp Senior Center. Commissioner Page motioned to ratify the Grantee's Agreement between Nevada Department of Transportation and Eureka County for transfer of a 2010

Startrans Candidate Ford E350 Cutaway van acquired with federal funding provided through the American Recovery & Reinvestment Act of 2009; Commissioner Ithurralde seconded the motion; motion carried 3-0.

PUBLIC WORKS

Ganthner Melby Design Proposal – Fairgrounds/4H Building: Public Works Director, Ron Damele, stated that a 40'x70' multipurpose building at the Eureka Fairgrounds was proposed during the budget discussions. A proposal was requested from Ganthner Melby, LLC, for architectural design of the building. Commissioner Ithurralde motioned to move forward with the proposal from Ganthner Melby, LLC, for architectural design of the Fairgrounds/4H Building at the Eureka Fairgrounds; Commissioner Page seconded the motion; motion carried 3-0.

Reyman Bros. Construction Proposal – Remodel PA's Residence: A proposal was obtained from Reyman Bros. Construction for remodel of the interior of the Physician's Assistant residence located at 381 Well Street in Eureka. The proposal amount was \$87,471.19 and work would be performed under the National Joint Powers Alliance, Gordian Group Contract #NV02-032911-RBC. Commissioner Page toured the residence and commented that he didn't feel it was fiscally responsible to put \$87,000.00 into an older home when it could go towards the investment of a new home. Chairman Fiorenzi suggested that a new furnace be installed and enough repairs be made to make it livable. Commissioner Ithurralde motioned to instruct the Public Works Director to install a new furnace and do minimal repairs to make the house livable for the Physician's Assistant; Commissioner Page seconded the motion; motion carried 3-0.

Easements to Nevada Bell d/b/a AT&T Nevada: Mr. Damele explained that the County has already granted AT&T an easement for installation of new phone lines at the Eureka Canyon Subdivision. The three easements presented for Board approval will expand existing rights-of-way from 10 ft. to 20 ft. Commissioner Ithurralde motioned to approve granting three easements to Nevada Bell Telephone Company d/b/a AT&T Nevada across County property located at T19N, R53E, Section 14, and T19N, R53E, Section 11, and T19N, R53E, Section 13, within the Eureka Townsite for installation of telephone communication facilities and appurtenances; Commissioner Page seconded the motion; motion carried 3-0. District Attorney, Ted Beutel, pointed out that AT&T was given authority to offer the easements to Mt. Wheeler Power as well in case they require electricity or upgrades to their facilities.

Legacy Construction & Development, Inc. – Force Account Change Order: Mr. Damele recommended a change order to the Street Maintenance Project to complete work at both ball fields in Eureka. The School District and the Recreation Board are participating in the cost, so the net cost for Eureka County is \$31,405.00. Commissioner Ithurralde motioned to approve the Force Account Change Order for Legacy Construction & Development to complete infield work at the Little League Field and the Lower Baseball Field in Eureka at a cost to Eureka County of \$31,405.00; Commissioner Page seconded the motion; motion carried 2-1. Chairman Fiorenzi voted against the motion based on a recommendation from the District Attorney that this be bid as a separate project.

Grant Surplus Water Equipment to the Town of Montello in Elko County: The Devil's Gate GID District 2 water tank, pump skid, pressure tanks, and other equipment were declared surplus property several meetings earlier, at which time the Board directed Mr. Damele to advertise to grant the equipment to a small water system. The Town of Montello has expressed interest and Elko County responded with a letter requesting this donation. Commissioner Ithurralde motioned to approve granting the surplus equipment from the Devil's Gate District 2 water system to the Town of Montello in Elko County; Commissioner Page seconded the motion; motion carried 3-0.

Update on Public Works Projects: CRESCENT VALLEY ARSENIC TREATMENT PLANT: The previous week, Hydro Resources installed a pitless adapter and a pump for the Crescent Valley Arsenic Treatment Plant. There are approximately four more weeks of electrical work. The backup generator from Devil's Gate will be transported to the plant. COURTHOUSE BACKUP GENERATOR: The generator, equipment, and wiring are all in place. An electrical outage needs to be schedule to complete the installation and is planned for the upcoming Saturday. AMBULANCE BAY ENERGY UPGRADES: Work on this project will begin in about a week. There should be no impact on operation of emergency services, and there is the option to relocate the ambulance to the Eureka Fire Station across the street, if necessary.

Meeting with Nevada Manufactured Housing: Mr. Damele and Chairman Fiorenzi traveled to Las Vegas on October 4th to meet with Nevada Manufactured Housing regarding the issue with the townhome units for the Eureka Canyon Subdivision. Representatives for Guerdon Enterprises and Nevada Rural Housing Authority were also in attendance. The firewall between the units does not meet State code and it was ultimately decided that the best fix for this problem was to install sprinkler systems in the units. This will delay delivery of the townhomes, but is a circumstance beyond Eureka County's control.

School District Request to Adjust Landfill Fees: The School District requested an adjustment for disposing of construction debris related to demolition of the old High School in Eureka. To date, they have disposed of 972 yards of debris at \$6.00 per yard for a total cost of \$5,832.00. Mr. Damele agrees that an adjustment should be given, but would like to research what has been done in the past to make sure it is equitable. Commissioner Ithurralde motioned to table the School District's request until Public Works can research the matter; Commissioner Page seconded the motion; motion carried 3-0.

Request from Complete Wireless Consulting for Utility Easement: Mr. Damele researched the area where Complete Wireless Consulting, Inc., is requesting a utility easement on behalf of Verizon Wireless. In 2001, the County filed a Deed of Correction for that road, which is used by TS Power Plant. The specific area requested for the easement is owned by Newmont Mining Corporation and not Eureka County. The company has been notified and they are currently requesting an easement from Newmont. No action is required by the County.

APPROVAL OF MINUTES

August 5, 2011: Commissioner Page moved to approve minutes for the August 5, 2011, Commissioner meeting; Commissioner Ithurralde seconded the motion; motion carried 3-0.

CORRESPONDENCE

Correspondence was received from: Connie Hicks; District Attorney, Ted Beutel (2); Clerk & Treasurer, Jackie Berg; Public Works Director, Ron Damele (2); Eureka County Recreation Board; Crescent Valley Town Advisory Board; Community Development Block Grant; Eureka County School District; Eureka Moly; Eureka Moly Bits newsletter; Elko County Public Works; Schroeder Law Offices, PC (2); Goettel & Associates, Inc.; URS Corporation; Complete Wireless Consulting, Inc.; Nevada Health Centers, Inc., Tom Chase, CEO; Nevada Aging & Disability Services Division (2); Nevada Rural Housing Authority (2); Nevada Housing Division; Nevada Public Employees Retirement System; Nevada Commission on Ethics; Nevada Div. of Water Resources; Nevada Dept. of Health & Human Services (2); Nevada Div. of Environmental Protection (2); Nevada Dept. of Transportation; Nevada Special Masters (Legislative Committee for Congressional Redistricting); Nevada Gaming Control Board; Nevada Dept. of Taxation; Nevada Tax Commission (2); Nevada Dept. of Motor Vehicles; Nevada State Office of Energy (2); RLD Distributors; Ware & Associates for Rural Nevada Development Corp.; Nevada Economy in Brief; Nevada Economic Report; US Census Bureau (2); BLB Resources; US House of Representatives Natural Resources Committee; US Army Corp. of Engineers; US Fish & Wildlife Service; and NACo E-News.

PUBLIC COMMENT

The Chairman called for public comments; there were none. The Board discussed the upcoming quarterly meeting in Crescent Valley, scheduled for October 14th. Due to other obligations, the Board decided to reschedule the quarterly meeting to October 27th.

ADJOURNMENT

Commissioner Page motioned to adjourn the meeting at 2:23 p.m.; Commissioner Ithurralde seconded the motion; motion carried 3-0.

Approved this 21st day of November, 2011.

/s/ Leonard Fiorenzi
Leonard Fiorenzi, Chairman

Attest: /s/ Jackie Berg
Jackie Berg, Clerk