

EUREKA COUNTY BOARD OF COMMISSIONERS

November 6, 2015

STATE OF NEVADA)
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COUNTY OF EUREKA)

CALL TO ORDER

The Board of Eureka County Commissioners met pursuant to law on November 6, 2015. Present were Chairman J.J. Goicoechea; Vice Chairman Michael Sharkozy; Commissioner Fred Etchegaray; and Commissioner Clerk, Jackie Berg. District Attorney, Ted Beutel, joined the meeting in progress, but was required in District Court for most of the morning. 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

Two items were removed from the agenda – a cost proposal related to the Eureka County Landfill and a recommendation from the Medical Clinics Advisory Committee. Commissioner Sharkozy motioned to approve the November 6th agenda as amended; Commissioner Etchegaray seconded the motion; motion carried 3-0.

PUBLIC COMMENT

Chairman Goicoechea opened the floor for public comments. As former Swimming Pool Supervisor, Cindy Adams spoke against the proposal to consider closing the Eureka Swimming Pool for a portion of the year. She noted multiple reasons for keeping the pool open year-round, including: the number of students who utilize the pool; plans in the School District’s curriculum to use the pool for physical education classes; talk of restarting a swim team; use of the pool by the elderly or infirm for therapy and health reasons; and the quality of life it adds for the residents. She felt volunteers could be trained and used to help lower labor costs associated with the pool.

Ms. Adams noted that recent meetings have included talk of possible layoffs, while at the same time the Board is considering hiring a comptroller. Ms. Adams asked why the Board would consider hiring a comptroller when these duties are the responsibility of the elected Recorder/Auditor. She commented on the dollars spent on litigation over the last several years and feared the sage grouse issue would cause more money to be spent. She concluded by stating her main concern was that the pool remain open.

APPROVAL OF MINUTES

October 13, 2015: Commissioner Sharkozy motioned to approve the minutes of the October 13, 2015, budget meeting; Commissioner Etchegaray seconded the motion; motion carried 3-0.

October 20, 2015: Chairman Goicoechea provided some clarifications related to his activities as reported at the October 20th meeting. Commissioner Sharkozy motioned to approve the October 20, 2015, minutes as corrected; Commissioner Etchegaray seconded the motion; motion carried 3-0.

FINANCE & RECORDER/AUDITOR

Payment of Expenditures: Expenditures were presented for approval by Recorder & Auditor, Sara Simmons. Commissioner Etchegaray motioned to approve expenditures in the amount of \$316,900.87 for accounts payable, \$398,978.96 for payroll, \$12,412.35 for a pass-through tax allocation to the School District, \$73,128.70 for pass-through payments to the State

of Nevada, \$241.00 for a pass-through payment to Washoe County Sheriff, and \$14,420.27 for Yucca Mountain expenses, for a grand total of \$816,082.15. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

Auditor's Report: The Board reviewed current fund balances on the Auditor's Report. Chairman Goicoechea commented that the fund balances reflect the work of the department heads to curtail spending. He thanked them for their efforts and asked them to continue working to reduce spending wherever possible.

COMMISSIONERS

Update Reports: All Commissioners participated in a joint meeting (including members of the Natural Resources Advisory Commission and Eureka County Planning Commission) with Naval Air Station Fallon held in Eureka on the evening of October 20th, and attended the US Environmental Protection Agency meeting regarding the Engineering Evaluation & Cost Analysis for the Town of Eureka on November 2nd in Eureka.

Commissioner Sharkozy attended the Conservation District dinner in Eureka on October 22nd; participated in the Crescent Valley Volunteer Fire Department meeting on October 27th; and attended a Newmont Mining meeting in Elko on November 5th.

Commissioner Etchegaray chaired the Advisory Committee meeting in Eureka on October 29th related to Nevada Rural Housing Authority properties in Eureka that Eureka County provided funding towards.

Chairman Goicoechea met with representatives of Barrick Gold on October 22nd; attended the Conservation District dinner the evening of October 22nd; attended the NACO Board meeting in Carson City on October 23rd; attended a joint meeting between NACO and State Land Use Planning Advisory Council in Carson City the afternoon of October 23rd; and gave a presentation at the Nevada Weed Management Association Conference in Reno on October 28th.

Eide Bailly Letter: A letter was received from Eide Bailly, LLP, providing additional information related to the annual audit for Fiscal Year 2014-2015. The letter described responsibilities and planned scope and timing of the audit. This letter was supplementary to the engagement letter dated July 22, 2015. Commissioner Sharkozy motioned to accept the supplementary letter from Eide Bailly, LLP, related to the Fiscal Year 2014-2015 audit; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Budget Transactions: Teri Gage, CPA, of Eide Bailly, LLP, visited with the Board during the October 6th meeting regarding accounting standards, including which budget transactions require a resolution. As a follow-up to this conversation, the Board wanted to provide clear direction to staff regarding which transactions should include a resolution of the Board. Commissioner Sharkozy motioned that budget augmentations will be memorialized by resolution, while budget transfers will simply be reported to the Board by the Budget Director; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Comptroller Job Description: A draft job description for the proposed comptroller position was presented for the Board's consideration. It was clarified that this position is proposed and a final decision won't be made until the public hearing scheduled on December 7th to consider the draft ordinance outlining comptroller duties. If approved, this will be an at-will position answering directly to the Board of County Commissioners. If a comptroller is hired, FTE (full-time equivalent) positions in the Recorder's office will be reduced.

Commissioner Sharkozy motioned to accept the job description for the proposed comptroller position as presented; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Employee Survey: A survey of all benefited employees was conducted by contract Human Resources (Pooling Resources, Inc.). This was a confidential survey and will be

followed-up with confidential one-on-one employee interviews, also conducted by contract HR. Results will be used as a tool by the Commissioners in making some very important decisions over the next several months. One of the main purposes of the survey is to forecast employee retirement dates. In addition to retirement estimates, the survey asked employee's opinions concerning possible reduced benefits, reduced or frozen wages, layoffs, etc.

The Board reviewed the survey results and noted that the survey is public record and available upon request from the Commissioners' office.

Continued Review of Layoff Policy: A memo was sent to all department heads with a redline version of the layoff policy showing changes proposed to-date and asking for additional input. Two written recommendations were received from department heads concerning layoffs. One requested 30 days' notice and the other asked that pay and benefits continue for 30 days. No other suggestions were forthcoming at this time.

Commissioner Etchegaray motioned to propose amending the layoff policy (Section 9.A.730 Layoff Notice) to include that each affected employee, upon written notice of immediate layoff, will receive 30 days' pay and benefits from date of issuance of notice; Commissioner Sharkozy seconded the motion; motion carried 3-0.

A letter was received from the District Attorney containing comments from contract HR. The Board will address these recommendations at the next regular meeting when the District Attorney is available to provide clarification. Commissioner Etchegaray motioned to table consideration of recommendations from contract HR and to continue review of the layoff policy at the next regular meeting; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Propose Resolution and Set Public Hearing: The Board reiterated that all changes are only proposed at this point and won't be adopted until a resolution is circulated to all employees, followed by a public hearing. Commissioner Etchegaray motioned to table proposal of a resolution outlining changes to the layoff policy (Eureka County Personnel Policy, Section 9.A.500-700) and to table scheduling a public hearing to consider those changes; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Holiday Appreciation Gifts: In 2014, the cost to give \$20.00 gift cards to employees and volunteers was nearly \$10,000.00. In light of the hard economic times the County is currently facing, the Board agreed that it would not be appropriate to give holiday gifts this year. Commissioner Sharkozy initially suggested giving to just volunteers, but ultimately agreed with the other Board members. Several employees at the meeting commented that they understood the decision to forego appreciation gifts. Commissioner Etchegaray motioned to deny providing holiday appreciation gifts for employees and volunteers for 2015; Chairman Goicoechea seconded the motion; motion carried 3-0.

Sagebrush Ecosystem Program & Nevada Greater Sage-Grouse Conservation Plan: The next meeting of the Sagebrush Ecosystem Council is December 10th & 11th at the Nevada Department of Agriculture in Sparks. The SEC will review updated maps from US Geological Survey of seasonal sage grouse habitat and, based upon recent trials, will make adjustments to the Conservation Credit System.

The hearing in US District Court, Nevada, to consider the petition for injunction filed against the Record of Decision related to Greater Sage-Grouse Land Use Plan Amendments has been rescheduled for November 17th in Reno. Eureka County is a co-plaintiff and the presence of all Commissioners has been requested.

SENIOR CENTERS

Update Report: Senior Centers Program Director, Millie Oram, reported on activities at the Eureka Senior Center and Fannie Komp Senior Center. For the month of October, Eureka served 899 meals and Crescent Valley served 501 meals. A total of \$5,258.25 was deposited

for the month. Each center held a dinner during October. Eureka had a candlelight dinner and Crescent Valley had a Halloween theme for their dinner.

ROAD DEPARTMENT

Report on Activities: Road Superintendent, Raymond Hodson, reported on Road Department projects and activities. Gravel was hauled and a cap was put on the road behind the Eureka Fairgrounds. The NDOT approach on US Highway 50 and Eagle Street (aka Collingwood Lane) was rebuilt. Other work in southern Eureka County included blading on JD Ranch Road, 3 Bars Road, Fish Creek Road, and Mustang Road. Culvert work was done on Mustang Road. Snow plows embarked on their maiden voyage for the year following the recent snowstorm.

In northern Eureka County blading and maintenance was done on Grass Valley Road, Maggie Creek Road, Barth Road, and Palisade Road. There was some minimal snow removal up north. As an update for the local residents, the lights at the postal CBUs (cluster box units) in Crescent Valley are out due to a short in one of the boxes, but it will be fixed directly.

PUBLIC WORKS

Contract with All Weather Inc.: Public Works Director, Ron Damele, reported that the contract for maintenance of the AWOS (Automated Weather Observing System) at the Eureka Airport expires on February 28, 2016, and is up for renewal. All Weather Inc. proposed two options for the three-year contract. One option is for two annual inspections at a total cost of \$11,700.00, and the alternate option is for three annual inspections at a total cost of \$17,550.00.

Commissioner Etchegaray motioned to approve a three-year contract with All Weather Inc. for AWOS maintenance in the amount of \$11,700.00 (\$3,800.00 for year one, \$3,900.00 for year two, and \$4,000.00 for year three) and authorized Public Works Director, Ron Damele, to sign the agreement; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Preliminary Water Rate Studies: Mr. Damele and Administrative Assistant, Kim Todd, provided a breakdown of current rates for the three municipal water systems – Eureka Town, Devil’s Gate GID, and Crescent Valley Town – including rates charged for construction/industrial water.

<u>CURRENT WATER RATES (residential only)</u>	
Eureka Town (5,000 gallon base rate)	\$23.49/month
Devil’s Gate (10,000 gallon base rate)	\$35.25/month
Crescent Valley Town (16,000 gallon base rate)	\$39.24/month
All water systems – each additional 1,000 gallons	\$2.10/per 1,000

<u>CURRENT COMMERCIAL RATES (all systems)</u>	
Construction/Industrial Load	\$10.00/base load
Each additional 1,000 gallons	\$2.10/per 1,000

Annual cost of operating the three water systems is \$586,712.00, and all three systems are operating at a loss. The last rate increase occurred in 2006, when a tiered rate was adopted with incremental increases beginning in 2006 and ending in 2010. Public Works recently conducted a water rate study and, based on this research, developed four scenarios of possible new rate structures.

Mr. Damele explained that the proposed rates are preliminary only. The proposed rates anticipate the water systems becoming self-supporting (for annual operating and maintenance costs), and intend to promote water conservation. All scenarios, except Scenario #4, included a capital improvement component.

Each of the water systems currently has independent rates, and Mr. Damele recommended moving to a County-wide water system with a uniform rate structure. Additionally,

he recommended not encumbering the water users with an additional fee to cover capital improvements. The Board agreed with his recommendations.

The Board felt Scenario #4 was the closest to what they were trying to achieve. This would implement a monthly rate of \$33.00 for ¾-inch residential service for the first 10,000 gallons, with a \$3.00 charge for each additional 1,000 gallons. Proposed commercial rate was \$15.00 per base load, plus \$3.00 for each additional 1,000 gallons.

The Commissioners provided consensus to move forward with drafting an ordinance outlining the proposed water rates. Once a draft ordinance is available for review, the Board will propose the changes and set a public hearing date to consider adopting the ordinance outlining and implementing the new rates.

Preliminary Sewer Rate Study: The Town of Eureka is the only area in the County serviced by a sewer system. Mr. Damele and Ms. Todd provided current rates, as well as proposed rates resulting from the preliminary sewer rate study recently conducted. The current residential sewer rate in the Town of Eureka is \$9.72 per month. The proposed rate (with no additional fee to cover capital improvements) is \$10.50 per month.

Like the water systems, the sewer system is operating at a loss, with an annual operating cost of \$56,388.00. There have been no sewer rate changes since those adopted in 2006 that implemented incremental increases through 2010.

The rate for accepting septic tank contents is \$24.25 per load (the equivalent of pumping one tank) and only one load can be accepted per month due to potency of the contents. Mr. Damele recommended that the fee and one load per month limit remain the same.

The Commissioners provided consensus to move forward with drafting an ordinance outlining the proposed sewer rates. Once a draft ordinance is available for review, the Board will propose the changes and will schedule a public hearing to consider adopting the ordinance outlining and implementing the new rates.

Proposal for Reduced Operation of Swimming Pool: During the October 13th budget meeting, the Board asked Mr. Damele to prepare a proposal for reduced annual operation of the Swimming Pool as a costs savings measure.

Swimming Pool Supervisor, Clint Tognotti, provided information on pool usage to-date for 2015. January, February, March, April, and May each had between 200 to 250 swimmers. Numbers jumped to 682 in June, 922 in July, 568 in August, and then dropped to 186 in September and 135 in October.

Mr. Damele reported on expenses and revenues. In Fiscal Year 2013-2014, \$4,091.00 was collected in fees, while operating costs totaled \$373,160.90. In Fiscal Year 2014-2015, \$4,253.00 was collected in fees, while operating costs totaled \$320,732.65. Closing the pool November through April would save an estimated \$75,842.06. Certain costs continue whether the pool is opened or closed. Building and water temperature must be kept at a minimum and a certain level of maintenance must continue. Casual hours would be eliminated during the closure and the supervisor would be temporarily assigned to another department.

Pool operation for this fiscal year is written into the current budget. The proposal will be addressed during budget talks for the next fiscal year. All factors will be considered, including usage by the school. Cindy Adams commented that it might be worthwhile to research the benefits of installing a solar wall on the south side of the facility to save energy costs.

EUREKA ACTIVITIES

Update on Proposed Veterans Memorial Park: Earlier in the year, the Biale Family Trust offered to donate property on Main Street in Eureka for purposes of building a Veterans Memorial Park. The Board declined to accept the property, as it is not feasible at this time for the County to finance the memorial. The Board will reconsider if full funding can be secured.

Eureka Activities Coordinator, Cindy Beutel, requested direction from the Board regarding the proposed memorial park and the funding search. Ms. Beutel has been researching grants and found one through Nevada Commission on Tourism that might provide significant funding. Other grants may prove promising, but most require that the County own the property.

Cindy Adams, who first brought this idea to the Board's attention, joined the conversation. She informed the Board that the Biale family is still in favor of the project and understands that it may take several years to obtain adequate funding. The dilemma is that there are more funding opportunities if the County owns the property.

Several scenarios were explored during this discussion, with either the County taking ownership or the Trust retaining ownership through various stages of development, but all were risky or problematic. The Board felt the only reasonable option was to ensure all funding was available before any development begins.

If the soil tests high in lead or arsenic, this could further complicate ownership and development issues. The County's ownership of this particular property was not considered in the draft EE/CA (Engineering Evaluation & Cost Analysis) completed by the US Environmental Protection Agency as a long-term plan and cost estimate for cleanup in the Townsite of Eureka.

Ms. Beutel recently went before the Recreation Board and they granted \$5,000.00 for completion of a conceptual drawing of the park. Ms. Adams added that an appraiser has agreed to appraise the property at no cost. Additionally, there are some leads on acquiring a Sherman tank and a jet fighter aircraft to display in the park. Ms. Adams will meet with the Trust once the drawings are complete and will continue pursuing this project.

The Board agreed that the search for funding could continue, but without Eureka County as the land owner. They asked the ladies to work with Clerk & Treasurer, Beverly Conley, to set up a fund to serve as a clearinghouse for accumulation of outside funding for this project. Should adequate funding be acquired, the County's involvement can be reconsidered.

Christmas Tree Lighting Ceremony: Ms. Beutel informed the Board that the Christmas Tree Lighting Ceremony is planned for December 5th. She is trying to locate a horse drawn wagon, since the Clydesdales and sleigh cannot make it this year.

CLERK & TREASURER

Treasurer's Report: The Treasurer's Report for September was submitted by Clerk & Treasurer, Beverly Conley. Ending General Fund balance was \$13,465,754.06. Overall ending balance, including encumbered funds was \$56,380,860.80.

EUREKA COUNTY TELEVISION DISTRICT

Report on Budget Transfer: Television District President, David Pastorino, reported that the Television District voted to purchase a 40 ft. extension to expand tower space on Prospect Peak. The tower will be extended from 60 feet to 100 feet. The current tower is crowded and the 40 feet extension will be dedicated to Television District and Eureka County installations. Cost of the extension is \$13,744.00 with an additional \$1,800.00 for freight. Mr. Pastorino explained the Television District is taking advantage of the low steel prices by making this purchase now. This can be accomplished with internal budget transfers in the current fiscal year and installation will be budgeted in the next fiscal year.

NATURAL RESOURCES

Report on Meetings & Activities: Natural Resources Manager, Jake Tibbitts, reported on recent activities. Mr. Tibbitts attended the joint meeting with Naval Air Station Fallon held in Eureka on the evening of October 20th; met with representatives of Barrick Gold on October 22nd; attended the Conservation District annual dinner on the evening of October 22nd; traveled to Carson City on October 23rd for the NACO Board meeting, which was followed by the joint

meeting between NACO and the State Land Use Planning Advisory Council; attended the Nevada Weed Management Association Conference in Sparks on October 28th; attended the State Conservation Commission meeting in Carson City on November 2nd; attended the Nevada Association of Conservation Districts annual meeting in Fallon on November 3rd & 4th; and attended the USDA Natural Resources Conservation Service Nevada State Technical Advisory Committee meeting in Ely on November 5th.

Upcoming Meetings: Upcoming meetings include the Nevada Network of Fire Adapted Communities Conference in Reno on November 9th; a Groundwater Management Plan workshop tentatively scheduled at the Opera House on November 16th; the hearing in US District Court in Reno on November 17th to consider the petition for injunction on the Greater Sage-Grouse decision (including a meeting with the attorneys on November 16th); and a meeting of the Legislative Committee on Public Lands in Carson City on November 18th.

Other Updates: The BLM had made a commitment to seed some forage and grass species on the mow strips in Diamond Valley. After broadcast seeding multiple times in the past, they have finally agreed to allow the permittee to drill seed and that will begin shortly.

John Sherve, Field Manager of the Mount Lewis Field Office (Battle Mountain District) will attend one of the upcoming Commission meetings to provide an update to the Board.

The meeting to review alternatives in McEwen Mining's Gold Bar Project EIS will be held on November 9th. Eureka County has been invited to participate. Mr. Tibbitts thanked McEwen Mining, especially Environmental Manager, Jim Smithson, for being proactive in ensuring Eureka County is involved in the process.

BLM/USFS Greater Sage-Grouse Land Use Plan Amendment: Mr. Tibbitts noted the main update related to the BLM/USFS Greater Sage-Grouse Land Use Plan Amendments is rescheduling of the hearing in US District Court, Nevada District, on November 17th in Reno. Eureka County is a co-plaintiff in the petition for injunction filed against the ROD (*Record of Decision and Approved Resource Management Plan Amendments for the Great Basin Region, Including the Greater Sage-Grouse Sub-Regions of Idaho and Southwestern Montana, Nevada and Northeastern California, Oregon, Utah*).

Statements are being made that if the plans are overturned it will force the US Fish & Wildlife Service to reconsider determination of sage grouse as a threatened or endangered species. But this is not the case. The plaintiffs are simply asking for certain provisions and that the State Plan be implemented as the BLM's preferred alternative.

CORRESPONDENCE

Correspondence was received from: Luke Yoder; David Pastorino; Doran Adams; District Attorney, Ted Beutel (3); Assessor, Michael Mears (2); Clerk & Treasurer, Beverly Conley (2); Public Works Director, Ron Damele (2); Road Superintendent, Raymond Hodson; Natural Resources Manager, Jake Tibbitts; Commissioner Clerk, Jackie Berg; Eureka County Planning Commission; Economic Development Program Board; Medical Clinics Advisory Committee (3); Eureka County Recreation Board; Eureka County Television District; Eureka Conservation District; Halloween Extravaganza flyer; Owl Club (2); Crescent Valley Town Advisory Board (2); Nevada Assoc. of Counties (3); Mount Wheeler Power; Esmeralda County Commission; Humboldt County; White Pine County Commission; Tri-County Meeting (2); Eide Bailly, LLP; All Weather, Inc.; Nevada Health Centers, Inc.; Nevada Cattlemen's Assoc.; Nevada Div. of Water Resources (4); Nevada Lieutenant Governor, Mark Hutchison; Nevada Dept. of Motor Vehicles; Nevada Dept. of Taxation (2); Nevada Div. of Environmental Protection (2); US District Court, District of Nevada; and Senator Dean Heller.

PUBLIC COMMENT

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

ADJOURNMENT

The meeting was adjourned at 12:15 p.m.

Approved by vote of the Board this 20th day of November, 2015.

/s/ J.J. Goicoechea
J.J. Goicoechea, Chairman

I, Jackie Berg, Commissioner Clerk, attest that these are a true, correct, and duly approved minutes of the November 6, 2015, meeting of the Board of Eureka County Commissioners.

/s/ Jackie Berg
Jackie Berg, Executive Assistant

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

/s/ Beverly Conley
Beverly Conley, Clerk & Treasurer