

EUREKA COUNTY BOARD OF COMMISSIONERS

December 7, 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 December 7, 2015. Present were Vice Chairman Michael Sharkozy; Commissioner Fred Etchegaray; District Attorney, Ted Beutel; and Commissioner Clerk, Jackie Berg. Chairman J.J. Goicoechea was absent for medical reasons. 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 Etchegaray motioned to approve the agenda; Commissioner Sharkozy seconded the motion; motion carried 2-0.

PUBLIC COMMENT

Vice Chairman Sharkozy opened the floor for public comments. Sheriff Keith Logan acknowledged the great loss experienced in Eureka County, particularly for the Crescent Valley community, with the untimely passing of Michael Harter and his stepdaughter, Haley Page, due to an accident over the Thanksgiving holiday. Michael Harter worked as a Deputy Sheriff for Eureka County for the past four years and served his country as a Marine before that. He was an active member of the Crescent Valley community and served Eureka County as a volunteer fireman and a member of Search & Rescue. His wife, Shelly, survived the accident and faces a long recovery.

Chuck Henry, Crescent Valley resident, requested that flags in Eureka County be flown at half-staff in honor of Michael Harter. It was noted that flags were flown at half-staff the previous week in remembrance of Michael. They are currently at half-staff in recognition of Pearl Harbor Day.

APPROVAL OF MINUTES

November 20, 2015: Commissioner Etchegaray motioned to approve minutes of the November 20, 2015, Commission meeting; Commissioner Sharkozy seconded the motion; motion carried 2-0.

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 \$236,823.13 for accounts payable, \$404,084.11 for payroll, \$16,597.58 for a pass-through tax allocation to the School District, \$9,230.35 for pass-through fees and taxes to the State of Nevada, \$2,911.00 for other pass-through payments, and \$3,759.74 for Yucca Mountain expenses, for a grand total of \$673,405.91. Commissioner Sharkozy seconded the motion. Motion carried 2-0.

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

COMMISSIONERS

Update Reports: Commissioner Sharkozy attended the Crescent Valley Volunteer Fire Department meeting on December 1st. Commissioner Etchegaray attended the Diamond Natural Resources Protection & Conservation Association meeting on November 30th.

Radon Action Month Proclamation: A request was received from University of Nevada Cooperative Extension, Nevada Radon Education Program, for the County to recognize January as Radon Action Month. Commissioner Etchegaray motioned to adopt a proclamation declaring January 2016 as National Radon Action Month in Eureka County; Commissioner Sharkozy seconded the motion; motion carried 2-0.

Independent Contractor to Serve as Budget Director: This item was placed on the agenda for the Board to decide whether they wanted to hire an independent contractor to serve as Budget Director for a set period of time. The contract amount will be negotiated once a party is selected. Commissioner Etchegaray motioned to approve selecting an independent contractor to serve as Budget Director from December 2015 through May 2016; Commissioner Sharkozy seconded the motion; motion carried 2-0.

ROAD DEPARTMENT

Report on Activities: Road Superintendent, Raymond Hodson, reported on Road Department projects and activities. Several days were spent on snow removal at both ends of the County. Road work in southern Eureka County included: Sadler Road, JD Ranch Road, and Fish Creek Road. Work on the Roberts Creek Bypass Road Project, to relocate a portion of the Roberts Creek Road, has begun. This project will take most of the winter and construction will be done as weather allows.

Road work in northern Eureka County included: Dry Hills Road, Rose Ranch Road, Spa Road, and Dann Road. The screening plant has been set up at the Cottonwood Pit and crews will start processing material. Tires were replaced on a grader in Crescent Valley using Eureka maintenance staff. Typically this work would be done by an outside company, but this was done as a cost savings measure.

PUBLIC WORKS

Public Works Projects: Public Works Director, Ron Damele reported on projects and activities. MCCLUSKEY RANCH FIRE ENGINE: The fire engine stationed at the McCluskey Ranch is currently in the shop in Eureka having a new pump and motor installed. DUNPHY TENDER: The Dunphy tender has been transported to Eureka to have some maintenance work done over the winter. PINE VALLEY FIRE STATION: A contractor has been engaged to replace the roof on the Pine Valley Fire Station and, weather permitting, this will take place in January. OPERA HOUSE BOILERS: The technician completed maintenance on the commercial boilers at the Opera House in preparation for winter. SCBA REPLACEMENT PROGRAM: Public Works registered 57 SCBA (self-contained breathing apparatus) units with Honeywell under their SCBA Replacement Program. Eligible units can be exchanged at no cost. CAPRON STREET IMPROVEMENTS: Public Works is working with the School District on sidewalk and storm drain improvements on Capron Street in Eureka. Once the School District completes installation, the County will accept them for future maintenance.

Water Rate Study: Mr. Damele explained that a recent Order of the State Engineer (Nevada Division of Water Resources) requires that all proofs be displayed by May 31, 2016. This necessitates a review of all water rights held by the County, including status of PODs (points of diversion), status of POUs (places of use), etc. This will correlate with the water rate study currently underway by Public Works. Mr. Damele requested that one or more professionals be hired to assist Public Works and the District Attorney's office with this task.

Commissioner Etchegaray motioned to authorize the Public Works Director and the District Attorney to hire one or more independent contractors to evaluate the status of all water rights held by Eureka County and its entities; Commissioner Sharkozy seconded the motion; motion carried 2-0.

CLERK & TREASURER

Authorization to Hire Replacement Deputy Clerk/Treasurer: Clerk & Treasurer, Beverly Conley, submitted a Hiring Freeze Waiver Justification form along with supporting materials showing the need for a replacement Deputy Clerk/Treasurer. The position was vacated in September and duties have been absorbed by existing personnel, including a casual employee. Ms. Conley explained that one full-time staff member is contemplating retirement in 2017 and the casual wishes to work on an emergency basis only. Hiring a replacement now would allow for training through the entire 2016 election cycle. Ms. Conley asked for the ability to begin advertising externally after the job is posted internally for one day.

Commissioner Etchegaray motioned to authorize hiring of a replacement Deputy Clerk/Treasurer and to begin advertising as requested; Commissioner Sharkozy seconded the motion; motion carried 2-0.

MEDICAL CLINICS ADVISORY COMMITTEE

NVHC Quarterly Performance Audit: The Medical Clinics Advisory Committee met on October 27th to conduct the quarterly performance audit of Nevada Health Centers, Inc., for the period covering July, August, and September. Garney Damele, Chair of the MCAC, provided a letter outlining results of the audit. She indicated that the penalty amount had been reconciled with Nevada Health Centers. The breakdown of the \$6,600.00 penalty is as follows: \$4,800 for lack of a physician for eight days at the Eureka Clinic (8 x \$600.00/day); and \$1,800.00 for lack of a second provider for six days at the Eureka Clinic (6 x \$300.00/day).

Commissioner Etchegaray motioned to accept the Committee's recommendation to assess a nonperformance penalty of \$6,600.00 to Nevada Health Centers for the first quarter of Fiscal Year 2015-2016; Commissioner Sharkozy seconded the motion; motion carried 2-0.

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 November, Eureka served 883 meals and Crescent Valley served 443 meals. A total of \$14,494.37 was deposited for the month.

Appointments to Senior Centers Advisory Board: Two letters of interest were received for vacancies on the Senior Centers Advisory Board. The letters were reviewed by the Advisory Board and the members were in favor of the appointments. Commissioner Etchegaray motioned to appoint Nona Kellerman as a senior member representing northern Eureka County and to appoint Karen Bowser as a non-senior member representing northern Eureka County; Commissioner Sharkozy seconded the motion; motion carried 2-0. These are both mid-term appointments to three-year terms expiring December 31, 2016.

EUREKA COUNTY SHERIFF

Authorization to Hire Deputy Sheriffs: Sheriff Keith Logan requested authorization to fill two vacant Deputy Sheriff positions – one for patrol and one for detentions. The Sheriff provided Hiring Freeze Waiver Justification forms and other supporting documentation outlining the need for these two positions and expressing that his department is reaching the point of being critically understaffed.

The Commissioners recognized the need for additional staff. Commissioner Etchegaray motioned to authorize the Sheriff to hire two Deputy Sheriffs, one for patrol and one for detentions, and stipulated that priority be given to placing a patrol deputy in the Crescent Valley area, if at all possible. Commissioner Sharkozy seconded the motion. Motion carried 2-0.

Annual Leave Limits: Accumulation of annual leave is limited to 240 hours per calendar year. Anything exceeding this cannot be transferred to the next year. Sheriff Logan explained that since his department has been understaffed, there are several employees who have been struggling to use their excess hours. He requested a waiver that would allow these employees to accumulate up to 280 hours with an additional four months (from December 31st to April 30th) to utilize the extra time.

Commissioner Etchegaray sympathized with the situation, but noted there are other departments operating at minimal staffing levels and facing similar circumstances. Based on this, Commissioner Etchegaray motioned to deny the request for a waiver of the annual leave limit. Commissioner Sharkozy stated he could not second the motion. The motion died for lack of a second. An alternate motion was not forthcoming. Sheriff Logan stated he understood the Board's perspective and thanked them for their consideration.

EUREKA ACTIVITIES

Grant Opportunity & Proposed Message Board: Eureka Activities Coordinator, Cindy Beutel, provided the Board with a cost estimate and photo of a message board style electric sign to be installed in front of the railroad car on Main Street in Eureka. She is currently working on an application to Nevada Commission on Tourism for a grant in the amount of \$12,500.00. She hopes to supply matching funds through donations from the Recreation Board and the Economic Development Program.

The Board asked Ms. Beutel to return on December 21st to obtain formal authorization to move forward with the grant application (which is due in January). This will allow time for her to approach the Recreation Board and Economic Development Program Board to see if they are willing to donate the necessary matching funds.

NATURAL RESOURCES

Report on Meetings & Activities: Natural Resources Manager, Jake Tibbitts, reported on recent meetings and activities. He has been working with the BLM to encourage progress on the Memorandum of Understanding outlining coordination with Eureka County and the BLM has forwarded a draft to their legal counsel. Mr. Tibbitts met with Clark Burton of Barrick Gold on December 4th regarding the recent acquisition of Ruby Hill Mine by Waterton Global Resource Management.

Upcoming Meetings: Upcoming meetings include the Natural Resources Advisory Commission meeting on December 9th; the Sagebrush Ecosystem Council meeting in Reno on December 10th; the Central Nevada Regional Water Authority meeting in Fallon on December 11th; the Nevada State Conservation Commission meeting in Carson City on December 15th; the Nevada Pinyon-Juniper Partnership Executive Committee meeting via conference call on December 16th; a meeting with USDA Natural Resource Conservation Service in Elko on December 17th; and the Nevada Association of Counties Board of Directors meeting in Carson City on December 18th.

BLM Fish Creek Herd Management Area: There has still been no movement regarding the County's appeal related to the Fish Creek Herd Management Area, which is before the US Department of Interior IBLA (Interior Board of Land Appeals). Attorney, Mark Pollot, did inquire as to status, but as of this morning has not yet received a response.

Sage Grouse Issues: The judge's decision has not yet been issued following the hearing in US District Court in Reno on November 17th to consider 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*).

Governor Brian Sandoval met with Secretary of the Interior, Sally Jewell, recently in Las Vegas to discuss some of the outstanding issues. On December 4th, he issued a press release regarding Greater Sage-Grouse negotiations. Many outstanding issues remain. It's unfortunate that the proper process was not followed – the federal agencies signed the ROD and now they are trying to reconcile these issues.

Secretary Jewell committed to moving forward with the State of Nevada on a pilot project applying the Conservation Credit System. Governor Sandoval recommended an industrial park in White Pine County utilizing BLM lands identified for disposal.

Mr. Tibbitts recommended that the Board authorize a letter to the Governor, followed by a press release. Commissioner Etchegaray motioned to authorize the Natural Resources Manager to work with the District Attorney and the Chairman to respond to the Governor's press release, thanking him for getting involved and highlighting issues affecting Eureka County, followed by a press release notifying the public of the letter. Commissioner Sharkozy seconded the motion. Motion carried 2-0.

Draft Water Resources Master Plan: Mr. Tibbitts and Consulting Hydrogeologist, Dale Bugenig, presented the Draft Water Resources Master Plan for Eureka County, which is the product of several years of work by Mr. Bugenig. The draft will be presented to the Natural Resources Advisory Commission and the Planning Commission for review and comment. Once revisions are incorporated into the draft, the Planning Commission will have a formal public hearing to adopt the plan, followed by a formal public hearing by the Commissioners to adopt the plan.

Mr. Bugenig explained that he attempted to write a stand-alone plan that was more than just a Water Resources Master Plan. It serves as a primer in terms of water rights providing a broad range of information. It covers every basin within Eureka County, identifies FEMA flood zones, provides alternatives for water resource management, etc.

Mr. Tibbitts commented that this is an extensive plan that will serve the County well for many years in relation to planning and water issues.

EUREKA COUNTY JUSTICE COURT

Minimum Accounting Standards Audit: Justice Court Manager, Cindy Garcia, noted completion of the Minimum Accounting Standards Audit for Eureka Justice Court. The MAS Audit addresses Agreed-Upon Procedures for the court and is periodically required by Administrative Office of the Courts. The audit was favorable, with only one finding in relation to reporting of \$10,000.00 in receipts. At the time the monies were received, Ms. Garcia contacted the State and was informed that no further reporting was necessary, but the audit determined that IRS Form 8300 should have been filed. This has now been rectified with filing of the proper documents. An audit of Beowawe Justice Court will be scheduled at a future date.

BUREAU OF LAND MANAGEMENT

Update on BLM Activities: John Sherve, Field Manager for the Mount Lewis Field Office, provided an update for the Board on BLM activities in Eureka County.

Programmatic Roadside Fuels Break EA: The Environmental Assessment for the roadside fuels project is close to being issued and will be released for public comment in January. Public meetings will be scheduled in Eureka, Battle Mountain, and Tonopah.

Ongoing fuels projects include mechanical thinning of pinyon-juniper in the Sulphur Springs Range. A total of 600 acres will be thinned. The Eureka Wildland Urban Interface

project will involve 30 acres of hand thinning and chipping between New York Canyon and Goodwin Canyon. That should be completed late winter or early spring.

3 Bars Ecosystem & Landscape Restoration Project: The Environmental Impact Statement for the 3 Bars Project has been in the works for quite some time. This is a 200,000 acre landscape project which is in sage grouse habitat. The EIS involves a broad analysis of different methods for multiple projects that could take place in this area. Review of the EIS is currently at the national level. Once that review is complete, steps will be taken to finalize the EIS.

Grazing: The BLM Nevada State Office has a permit renewal team focusing on allotments throughout the State. The two allotments in the Battle Mountain District that are considered State priorities are the Argenta Allotment and the Battle Mountain Complex. Priorities for the local office (Mount Lewis Field Office) are the southern Reese River area and southern Lander County.

Wild Horse & Burro: Mr. Sherve stated that most wild horse issues are out of their control at the district level, especially related to gathers. Currently, no gathers are planned until 2019, although that can change. Recent flights to conduct census surveys showed that the Roberts Mountain HMA (Herd Management Area) and the Fish Creek HMA are over AML (appropriate management levels) by 200% to 300%, and Rocky Hills HMA is slightly below AML. The BLM is working on fertility controls, but those must be implemented through the State office.

Mining: The EIS for the McEwen Gold Bar Mine Project is currently being written. The notice in the Federal Register was issued in early September. The Draft EIS should be issued around February or March. Jake Tibbitts asked about the Memorandum of Understanding naming Eureka County as a cooperating agency on the Gold Bar Mine Project. Mr. Sherve promised to look into it and to get an MOU finalized as soon as possible.

An Amendment to the Plan of Operations was issued on the Mount Hope Project as General Moly scales back activity in order to address their financing problems. American Vanadium's Gibellini Project hasn't had much movement as they work on some additional baseline documents related to analysis of their heap leach closure. The BLM is working on an Environmental Assessment for the Fire Creek Project, an exploration project mostly in Lander County near Crescent Valley. Mr. Sherve touched on a couple other exploration projects (Prospect Mountain Project in New York Canyon and Deep South Project in the Cortez Hills area) that are in the very early stages, but may develop into something in the future.

Oil & Gas Lease Sale: No parcels have been nominated for lease in Eureka County for the next annual oil and gas lease sale. There are some parcels nominated in neighboring Nye County and Lander County.

Memorandum of Understanding: Mr. Sherve noted that the broader MOU (referenced by Mr. Tibbitts earlier in the meeting) has been reviewed by the District Office, the State Office, and is currently under review by their solicitor. He hasn't heard anything back yet, but does expect some comments from counsel, so it is still a work in progress.

CORRESPONDENCE

Correspondence was received from: Vickie Etchinek & Angie Black; Karen Bowser; Nona Kellerman; District Attorney, Ted Beutel (3); Sheriff Keith Logan (2); Assessor, Michael Mears; Clerk & Treasurer, Beverly Conley; EMS Coordinator, Michael Sullivan; Commissioner Clerk, Jackie Berg (3); Deputy Recorder/Auditor, Tina Hubbard; Eureka County Planning Commission; Economic Development Program (2); Eureka Activities; Medical Clinics Advisory Committee; Eureka County Television District; Flyer for fundraising sale; Eureka Owl Club (3); Crescent Valley Town Advisory Board; Nevada Association of Counties (3); Central Nevada Regional Water Authority; University of Nevada Cooperative Extension; Eide Bailly, LLP; Nevada POOL/PACT Human Resources (2); Consumer Direct Personal Care; Nevada Dept. of Business & Industry; Nevada Dept. of Taxation;

Nevada Deferred Compensation Program; Nevada Div. of Environmental Protection; Nevada Connections newsletter; Western Counties Alliance; and US Dept. of the Navy (2).

RECESS FOR LUNCH

The Board recessed at 11:15 a.m. until the public hearing scheduled at 1:00 p.m.

PUBLIC HEARING TO AMEND EUREKA COUNTY CODE

Comptroller Ordinance: Notice was given that the Board of County Commissioners would hold a hearing on December 7th at 1:00 p.m. to invite public comments and take action on a proposed ordinance amending the 2014 Eureka County Code by adding a new title, Title 17, Eureka County Comptroller, to provide for establishment of that position. The proposed ordinance has been available in the County Clerk's office for public examination.

Revised Comptroller Job Description: A change was made to the previously accepted Comptroller job description adding the phrase, "...monitors and processes accounts payable, and monitors accounts receivable;..." Commissioner Etchegaray motioned to approve the revised Comptroller job description; Commissioner Sharkozy seconded the motion; motion carried 2-0.

Public Hearing: Vice Chairman Sharkozy opened the public hearing to accept comments on the proposed Comptroller Ordinance. No comments were forthcoming. Commissioner Etchegaray motioned to adopt the 2015 Eureka County Comptroller Ordinance to amend Eureka County Code by adding Title 17; Commissioner Sharkozy seconded the motion; motion carried 2-0.

PUBLIC COMMENT

Vice Chairman Sharkozy opened the floor for public comments. Assessor Michael Mears is President of the Nevada Assessors' Association and serves as an affiliate member to Nevada Association of County Officials (NACO). NACO recently had two teleconferences to discuss SJR 13, which passed during the 2015 Legislative Session. SJR 13 proposes to amend the Nevada Constitution to limit the total amount of certain property taxes that may be levied on real property. As a change to the Constitution, it must pass the Legislature twice and then go to a vote of the people. If this ultimately passes, it will require some companion legislation and substantial amendments to current law dictating how property is valued.

NACO proposed hiring a consultant to complete a study of this proposed legislation and the impacts. All counties will be asked to contribute, although it is expected that the larger counties will contribute significantly since they will be greatly affected. A committee will be formed to work with the consultant. Mr. Mears will keep the Board informed as this moves forward.

ADJOURNMENT

Commissioner Etchegaray motioned to adjourn the meeting; Commissioner Sharkozy seconded the motion; the meeting was adjourned at 1:15 p.m.

Approved by vote of the Board this 21st day of December, 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 December 7, 2015, meeting of the Board of Eureka County Commissioners.

/s/ Jackie Berg
Jackie Berg, Commissioner Clerk

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