

EUREKA COUNTY BOARD OF COMMISSIONERS
January 3, 2011

STATE OF NEVADA)
 :SS
COUNTY OF EUREKA)

CALL TO ORDER

The Board of Eureka County Commissioners met pursuant to law on January 3, 2011. Present were Chairman Leonard Fiorenzi, Vice Chair Jim Ithurralde, Member Mike Page, District Attorney Theodore Beutel, and Clerk & Treasurer Jackie Berg. The meeting was called to order at 9:30 a.m. and began with the Pledge of Allegiance. The interactive video conference system was connected and utilized between Crescent Valley and Eureka for the entire meeting.

APPROVAL OF AGENDA

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

PUBLIC COMMENT

Chairman Fiorenzi called for public comments; there were none.

SWEARING IN CEREMONY

Elected and Appointed Officials: Clerk & Treasurer, Jackie Berg, provided documentation (certificates of election and oaths of office) to the elected/reelected and appointed/reappointed officials with terms beginning in January 2011. After some brief instruction, Ms. Berg directed the officials to raise their right hands and repeat the following oath: *“I [state your name], do solemnly swear, or affirm, that I will support, protect and defend the Constitution and Government of the United States and the Constitution and Government of the State of Nevada against all enemies whether domestic or foreign, and that I will bear true faith, allegiance and loyalty to the same, any ordinance, resolution or law of any state notwithstanding, and that I will well and faithfully perform all the duties of [state your office], on which I am about to enter, so help me God, under the pains and penalties of perjury.”*

Ms. Berg had been sworn into office by District Judge Dan Papez the previous week.

COMMISSION APPOINTMENTS

Appointment of Commission Chair: Chairman Ithurralde stated that the Board had undertaken some large commitments during the previous year and motioned that Chairman Fiorenzi continue as Chairman for calendar year 2011 in order to continue with these commitments; Commissioner Page seconded the motion; motion carried 3-0.

Appointment of Commission Vice Chair: Chairman Ithurralde motioned to appoint Commissioner Page as Vice Chairman for calendar year 2011; Chairman Fiorenzi seconded the motion; motion carried 3-0.

APPOINTMENT OF COUNTY DIRECTORS / DEPARTMENT HEADS

Directors / Department Heads Who Directly Report to the Commissioners: Commissioner Ithurralde motioned to reappoint the following Directors and Department Heads for calendar year 2011, or until further order of the Board: Public Works Director, Ron Damele; Natural Resources Manager, Jake Tibbitts; Cultural, Tourism & Economic Development Director, Wally Cuchine; Eureka Senior Center Director, Millie Oram; Fannie Komp Senior Center Director, Adell Panning; EMS Coordinator, Mike Sullivan; Budget Director/Auditor, Mike Rebaleati; and Human Resources Analyst, Jerry Larson. Commissioner Page seconded the motion; motion carried 3-0.

COUNTY BOARD APPOINTMENTS

Appointments and reappointments were made to the following boards with vacancies or expiring terms:

Board of Equalization: Commissioner Ithurralde motioned to reappoint Ken Olsen to Board of Equalization for a four-year term; Commissioner Page seconded the motion; motion carried 3-0.

Crescent Valley Town Advisory Board: The Crescent Valley Town Advisory Board forwarded a letter regarding an individual interested in serving on the CVTAB and recommended that Vicki Etchinek be appointed to their vacant seat. In the meantime, the Board of Commissioners received a letter of interest from Bryan Mason. Chairman Fiorenzi asked the Clerk if the CVTAB had the opportunity to review this letter of interest. Clerk, Jackie Berg, stated she forwarded Mr. Mason's letter, but the CVTAB had not yet had the opportunity to review it in a meeting. Commissioner Ithurralde motioned to table the appointment to the CVTAB until that board has had an opportunity to review both candidates; Commissioner Page seconded the motion; motion carried 3-0.

Debt Management Board: Commissioner Ithurralde motioned to reappoint John Brown, Sandie Halpin, and Commissioner Page to the Debt Management Board for two-year terms; Commissioner Page seconded the motion; motion carried 3-0.

Diamond Valley Rodent District Board: Commissioner Ithurralde motioned to reappoint Robert Burnham to the Rodent District Board for a three-year term; Commissioner Page seconded the motion; motion carried 3-0.

Diamond Valley Weed District Board: Commissioner Ithurralde motioned to reappoint Gary Betschart to the Weed District Board for a three-year term; Commissioner Page seconded the motion; motion carried 3-0. One vacancy remains on the Weed District Board and Natural Resources will advertise for that position.

Economic Development Program Board: Commissioner Ithurralde motioned to reappoint the following members to the Economic Development Board: Lee Raine/one-year term; Maribeth Robinson/one-year term; Margie Villaneuva/two-year term; Lisa Wolf/one-year term; and Carri Wright/two-year term. Commissioner Page seconded the motion; motion carried 3-0.

Eureka Townsite Annexation Advisory Committee: Commissioner Ithurralde motioned to reappoint Robert Dyer, Elmer Porter, and Robert Stephenson, Jr., to the Eureka Townsite Annexation Advisory Committee for four-year terms; Commissioner Page seconded the motion; motion carried 3-0.

Fair Board: Commissioner Ithurralde motioned to reappoint Carrie Dubray to the Fair Board for a four-year term; Commissioner Page seconded the motion; motion carried 3-0. Three vacancies remain on the Eureka County Fair Board.

Health Insurance Committee: Commissioner Page motioned to reappoint Cindy Garcia, Randy Stucki, Maureen Torres, and Toni Wright to the Health Insurance Committee for two-year terms; Commissioner Ithurralde seconded the motion; motion carried 3-0.

Investment Committee: Commissioner Page motioned to reappoint Jackie Berg, Treasurer; Commissioner Ithurralde; and Ted Beutel, District Attorney, to the Investment Committee. Chairman Fiorenzi seconded the motion; motion carried 3-0.

Local Emergency Planning Committee: Appointments to this committee are made annually. Commissioner Ithurralde requested that Bill Hicks be replaced with Clyde Oram, since Bill Hicks is retiring from Nevada Department of Transportation. Additionally, it was noted that Adell Panning is resigning from the committee. With a motion by Commissioner Page, a second by Commissioner Ithurralde, and unanimous vote, the following appointments were made to the Local Emergency Planning Committee for calendar year 2011: Mike Rebaleati, Martin Milano, Ben Zunino, Mike Sullivan, Danny Brown, Phil Schmitz, Sheriff Ken Jones, Bryan Mason, Sam Hicks, Ron Damele, Pete Goicoechea, Clyde Oram, Commissioner Fiorenzi; Michael Mears (alternate), Ken Fujii (alternate), Cathy Wolf (alternate), Earl Overholser (alternate), Vernon Bice (alternate), Mike

Sansinena (alternate), Duane Gibson (alternate), Bill Tilton (alternate), Chris Torres (alternate), Ron Nunley (alternate), Ty Hansen (alternate), and Vicki Drenon (alternate).

Natural Resources Advisory Commission: Commissioner Ithurralde motioned to reappoint Carrie Dubray (representing recreation) and to appoint John Porterfield (representing mining) to the Natural Resource Advisory Commission for four-year terms; Commissioner Page seconded the motion; motion carried 3-0.

Planning Commission: Commissioner Page motioned to reappoint Ellen Rand and Hollon Moll to the Planning Commission for four-year terms; Commissioner Ithurralde seconded the motion; motion carried 3-0.

Regional Transportation Commission: Commissioner Page motioned to reappoint Commissioner Ithurralde to the Regional Transportation Commission for a two-year term; Chairman Fiorenzi seconded the motion; motion carried 3-0.

Safety Committee: Chairman Fiorenzi recommended that the Safety Committee be dissolved. Commissioner Ithurralde motioned to dissolve the Safety Committee; Commissioner Page seconded the motion; motion carried 3-0.

Mike Rebaleati questioned the reason for dissolution of the Safety Committee, noting that quarterly meetings by a Safety Committee are required in the Personnel Policy Manual. Commissioner Ithurralde motioned to reinstate the Safety Committee based on Mr. Rebaleati's recommendation, and to reappoint all existing members to a one-year term, which are: Mike Rebaleati, Cindy Garcia, Mike Sullivan, Ken Jones, Jerry Larson, Adell Panning, Wally Cuchine, Lisa Hoehne (alternate), Vicki Drenon (alternate), Cathy Wolf (alternate), Bill Tilton (alternate), Millie Oram (alternate), and Patty Peek (alternate). Commissioner Page seconded the motion; motion carried 2-1, with Chairman Fiorenzi voting against reinstatement.

Senior Center Board: Commissioner Page motioned to reappoint Roberta Dinwiddie, Susan Fye, Chet Hull, and Debbie Mason to the Senior Center Board for three-year terms; Commissioner Ithurralde seconded the motion; motion carried 3-0. One vacancy remains on the Senior Center Board for a non-senior member.

Wage & Salary Committee: Commissioner Ithurralde motioned to retain the following members on the Wage & Salary Committee: Ron Damele, Joyce Jeppesen, Kathy Kinkade, Sandy Mariluch, Michael Mears, Diane Podborny, Toni Wright, and Ree Taylor (alternate); Commissioner Page seconded the motion; motion carried 3-0.

NON-COUNTY APPOINTMENTS

Boulder Valley Monitoring Plan: Commissioner Ithurralde motioned to retain Commissioner Fiorenzi and Commissioner Page as County representatives for the Boulder Valley Monitoring Plan; Commissioner Page seconded the motion; motion carried 3-0.

Central Nevada Regional Water Authority: Commissioner Page motioned to retain Commissioner Ithurralde, Jim Gallagher, Marty Plaskett, Commissioner Fiorenzi (alternate), and Jake Tibbitts (alternate) as County representatives on the Central Nevada Regional Water Authority; Chairman Fiorenzi seconded the motion; motion carried 3-0.

Humboldt River Basin Water Authority: Commissioner Ithurralde motioned to reinstate the following representatives to the Humboldt River Basin Water Authority: Commissioner Fiorenzi, Carl Slagowski, Rita Stitzel, Tom Tomera (alternate), and Donna Bailey (alternate); Commissioner Page seconded the motion; motion carried 3-0.

Legislative Representatives: Chairman Fiorenzi motioned to reappoint Commissioner Ithurralde and Mike Rebaleati as legislative representatives for Eureka County; Commissioner Page seconded the motion; motion carried 3-0.

Nevada Association of County Officials: Chairman Fiorenzi motioned to reappoint Commissioner Ithurralde and Commissioner Page (alternate) as representatives to the Nevada Association of Counties; Commissioner Page seconded the motion; motion carried 3-0.

Nevada Pool/Pact: An initial motion appointed Jerry Larson to Pool/Pact, due to the Clerk being misinformed that Mike Rebaleati was no longer the representative. After clarification from Mr. Rebaleati (who is current Chairman of the Nevada Pool/Pact Board), Commissioner Ithurrealde motioned to appoint Mike Rebaleati as Eureka County representative to Pool/Pact, with Jerry Larson and Ted Beutel serving as alternates; Commissioner Page seconded the motion; motion carried 3-0.

Nevada Works: Commissioner Ithurrealde motioned to reappoint Commissioner Page as representative and Jerry Larson as alternate to the Nevada Works Board; Commissioner Page seconded the motion; motion carried 3-0.

State Land Use Planning Advisory Commission: Commissioner Page motioned to affirm Jake Tibbitts as Eureka County representative to the State Land Use Planning Advisory Commission (appointments are made by the Governor); Commissioner Ithurrealde seconded the motion; motion carried 3-0.

FINANCE

Payment of Expenditures: Expenditures were presented for approval by Recorder/Auditor, Mike Rebaleati. Commissioner Ithurrealde motioned to approve County expenditures in the amount of \$301,888.63; Commissioner Page seconded the motion; motion carried 3-0. Commissioner Page motioned to approve Yucca Mountain expenditures in the amount of \$22,944.72; Commissioner Ithurrealde seconded the motion; motion carried 3-0.

Auditor's Report: Mr. Rebaleati presented the Auditor's Report for the Board's review. There were no questions.

Fiscal Year 2011 Budget Augmentations: Mr. Rebaleati explained that budget transfers out of the general fund to various other funds were originally contemplated at \$2.9 million, but that full amount will not be needed. Mr. Rebaleati described the fund balance transfers as planned, which will be published in the newspaper and itemized in a Budget Augment Resolution to be approved at a future meeting. Commissioner Ithurrealde motioned to authorize the Recorder/Auditor to proceed with the Fiscal Year 2011 budget augmentations as recommended; Commissioner Page seconded the motion; motion carried 3-0.

COMMISSIONERS

Update Reports: Commissioner Page and Chairman Fiorenzi reported they have been on vacation through the holidays. Commissioner Ithurrealde stated he conducted three staff performance evaluations.

ROAD DEPARTMENT

Update Report: Road Superintendent, Raymond Hodson, reported on Road Department activities over the past month. Snow removal has kept the crews busy, but the following maintenance was also done: brush beating in Diamond Valley, gravel hauling to Keg Street, replacing/repairing stop signs in Diamond Valley and Eureka; working on the Grass Valley road; and several shop projects.

PUBLIC WORKS

Report on Public Works Projects: Public Works Director, Ron Damele, reported on various projects. The Main Street Water & Sewer Project is on hold until next spring. The Devil's Gate Water Transmission Main & Water Tank Project is also wrapped up for the winter and will continue next spring. The Crescent Valley Municipal Well Replacement Project is on hold until the right-of-way is granted by the BLM. The Road Shop Project has been started and is progressing as expected.

Proposal to Update 2007 Water & Sewer Master Plan: This was first discussed in November and the Board directed Mr. Damele to look into utilizing consultant, Dale Bugenig, on this project to help minimize costs. Mr. Bugenig can help with well designs and items of that nature. Project costs were evaluated and can be decreased by removing the water model from the plan and incorporating it later. The water model can be included as part of a future project and added to the plan at a later date. Based on this, Lumos & Associates provided an amended cost estimate for the plan. Commissioner Page motioned to approve the proposal from Lumos & Associates to update the 2007 Water & Sewer Master Plan, not to exceed \$20,000.00; Commissioner Ithurralde seconded the motion; motion carried 3-0.

Proposal for Engineer Services Related to 2011 Street Maintenance Project: Mr. Damele explained that the Street Maintenance Project will include micro paving, patching, mitigation of several drainage issues, partial reconstruction of County Road 101, etc. An estimate was requested from Lumos & Associates for engineering services related to this project. Approval now will allow for design work to begin in anticipation of this work. Commissioner Ithurralde motioned to approve the proposal from Lumos & Associates for survey, design, construction management, testing and inspection services for the 2011 Street Maintenance Project in the amount of \$220,150.00; Commissioner Page seconded the motion; motion carried 3-0.

All-Terrain Emergency Transport Vehicle: An all-terrain vehicle was approved in the budget for utilization by Ambulance & EMS. Mr. Damele requested authorization to proceed with this purchase and provided information on a Polaris 6x6 ATV unit, with a medical slide-in unit and enclosed transport trailer. If authorized to proceed, vehicle specifications will be determined and brought before the Board for final approval. Commissioner Ithurralde motioned to authorize Public Works to proceed with purchasing an all-terrain vehicle emergency transport unit, medical slide-in unit, basic emergency equipment, and an enclosed transport trailer for an estimated cost of \$30,000.00; Commissioner Page seconded the motion; motion carried 3-0.

NEVADA RURAL HOUSING AUTHORITY

Update on Eureka Canyon Subdivision: David Craig, Director of Real Estate for Nevada Rural Housing Authority, introduced Mike Hynick, Construction Manager with NRHA. Mr. Craig noted that Jack White was currently in Boise negotiating the final details on the purchase of the 50 townhome units. The tentative subdivision map for the Eureka Canyon Subdivision is scheduled for review at the next Planning Commission meeting on January 5th. Several comments will be addressed, but they are all minor in nature. The Core Team for this project will meet on January 6th and will go over the development cost schedule and to begin work on a draft presentation for the public informational meeting tentatively set for January 26th.

Refundable Grant: *(Note: Jack White joined a portion of this discussion by telephone).* Mr. Craig stated that the NRHA Board was prepared to hold a special meeting to approve any financing option the Commissioners might select. He provided a spreadsheet that overviewed the financing methods discussed to date and outlined three approaches to the recoverable grant method that was tentatively approved at the December 20th meeting. Scenario #1 contemplates an 18 month grant at a 5% interest rate, with an option to extend the grant term by six months (to 24 months) and to forgive the interest for this additional period. Scenario #2 considers a 24 month grant term at 5% interest for the first five months, with a step-down interest rate for the remaining term. Scenario #3 increases the grant amount by \$45,861 to cover the additional interest incurred by extending the grant term to 24 months, allowing for a 5% interest rate for the entire 24 months.

Mr. Beutel asked why NRHA was so concerned about the additional interest if the grant term was extended by six months. Even if the County opts out and rejects the townhomes, NRHA is acquiring an asset valued at \$3 million with a total estimated investment in the \$2 million range.

Mr. Craig replied that NRHA's primary goal was to stay within the contemplated grant amount of \$1.7 million. An additional concern, should the County decide not to move forward with

the project, was the need to ensure that NRHA had adequate time to find an alternate buyer for the townhome units in order to finance repayment of the grant from the County.

After several alternatives were discussed regarding all aspects of the grant, Commissioner Ithurralde motioned to approve a \$1.7 million recoverable grant to Nevada Rural Housing Authority with the following terms: 21 month duration, 5% interest rate payable quarterly, County has three months to commit to or reject the project, NRHA has 18 months to dispose of the property if needed, there will be no pre-payment penalty, upon receipt of the executed promissory note and wiring instructions the money will be wired to NRHA; and additionally, that a special meeting be set for 9:00 a.m. on January 7th to review the final documents. Commissioner Page seconded the motion; motion carried 3-0.

Resolution – Refundable Grant to NRHA: *(Note: This item was addressed later in the day).* The resolution was originally drafted for a 24 month grant period, but the Board and NRHA agreed to a 21 month duration. With that change, Commissioner Ithurralde motioned to adopt the resolution authorizing a refundable grant of \$1.7 million to NRHA and authorizing the Chairman to sign the amended resolution outside of the meeting; Commissioner Page seconded the motion; motion carried 3-0.

Eureka, Nevada

January 3, 2011

RESOLUTION

OF THE EUREKA COUNTY COMMISSIONERS AUTHORIZING A REFUNDABLE GRANT OF \$1,700,000 TO THE NEVADA RURAL HOUSING AUTHORITY UPON CERTAIN CONDITIONS

WHEREAS, December 20, 2010, the Board of Eureka County Commissioners (Board) was presented with options by the Nevada Rural Housing Authority (NRHA) to secure the availability of 50 townhome units at a discounted cost; and

WHEREAS, the Board approved a refundable grant to NRHA to secure the townhome units on the express understanding the refundable grant will be repaid with interest, and the grant will be repaid even if the townhome units are not placed in the proposed but not yet finalized Eureka County subdivision; and

WHEREAS, the Board is planning a public hearing January 26, 2011, to discuss the proposed Eureka Canyon subdivision, the need for the project and the funding mechanisms available for the project; and

WHEREAS, to secure the availability of the townhomes at a discounted cost, money must be available to NRHA on or before January 15, 2011;

NOW THEREFORE BE IT RESOLVED THAT:

FIRST, the money from this refundable grant may only be used by NRHA to secure the 50 townhome units now located at the Guerdon factory in Boise, Idaho, that were personally inspected by representatives of Eureka County, and

SECOND, no money of this refundable grant will be made available unless and until the Board receives a promissory note obligating the NRHA to repay the grant with interest at an annual rate of not greater than five percent (5%); and

THIRD, no money of this refundable grant will be made available unless and until the Board receives written confirmation by NRHA that the refundable grant with interest will be repaid in full, regardless of all other facts and circumstances, on or before September 30, 2013; and

FOURTH, the Board publicly declares this Resolution is not contingent upon placement of the 50 townhome units at the site commonly referred to as the Eureka Canyon subdivision and NRHA assumes the risk the subdivision project may not proceed, the townhome units will have to be located elsewhere by NRHA, and the promissory note must still be repaid on or before September 30, 2013.

ADOPTED this 3rd day of January, 2011.

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

ATTEST: /s/ Jackie Berg
Eureka County Clerk

HUMAN RESOURCES

Update Report: Human Resources Analyst, Jerry Larson, reported that final interviews are being conducted for the Department Assistant position to the Crescent Valley Town Advisory Board. Interviews are also being conducted for the open Deputy Sheriff positions. Mr. Larson is working with the Sheriff's Office to set up a required checklist to be completed before hiring. Recruiting is in effect for the Deputy District Attorney position, the Assessor I position, and openings in the Clerk/Treasurer office.

Recommendation for Cultural, Tourism & Economic Development Director: Mr. Larson stated that the recommendation of the Selection Committee was brought forward at the December 20th meeting, but due to some concerns, he placed it back on the agenda to receive further direction from the Board. Chairman Fiorenzi stated he had already voiced his concerns, namely that he felt the policy manual supported conducting an internal posting first and if a qualified individual is found, they are given first opportunity to accept the position. He wasn't sure the policy manual was being followed. He added that a more qualified person could probably be found to fill any position currently held in the County if advertised broadly enough, but didn't feel that was sufficient reason to omit the internal posting period.

Mr. Larson felt the manual supported considering both in-house and external candidates simultaneously, and asked how the Board wanted him to proceed.

Commissioner Page asked if a candidate had been selected. Mr. Larson replied, "The committee has selected a person with the contingency that they would be Board approved." Commissioner Page motioned that the Board should move forward with the selected candidate; Commissioner Ithurralde seconded the motion. Before vote on the motion, Mr. Beutel interjected that the Board had the option of accepting the recommendation of the committee with the requirement that the Board meet the candidate before final selection is made. Chairman Fiorenzi called for the vote and the motion carried 2-1, with Chairman Fiorenzi voting against the motion.

Set Salary/Benefits for Cultural, Tourism & Economic Development Director: Commissioner Ithurralde motioned to set the salary at \$50,000.00 annually, and to discuss the benefits package with the candidate. Commissioner Page stated he would second the motion if the \$50,000.00 was a base salary subject to change after the Board meets with the candidate. Commissioner Ithurralde stated he wanted to keep the original motion of setting the salary at \$50,000.00; Chairman Fiorenzi seconded the motion; motion failed 1-2 with Commissioner Page and Chairman Fiorenzi voting against the motion.

Commissioner Page motioned to tentatively set the salary at \$50,000.00 subject to change after Board interview of the candidate; Commissioner Ithurralde seconded the motion; motion carried 2-1 with Chairman Fiorenzi voting against the motion.

SENIOR CENTERS

Update Report: Site Directors, Millie Oram and Adell Panning, reported on their respective centers. The meal counts and financial report were not available and will be reported at the first meeting in February. Eureka Senior Center had their night dinner on December 22nd and had a

good turnout. The Fannie Komp Senior Center hosted several parties in December (Crescent Valley Volunteer Fire Department, Beowawe Volunteer Fire Department, Search & Rescue, and two for the seniors).

UNIVERSITY OF NEVADA COOPERATIVE EXTENSION

Extension Educator, Gary McCuin, provided the Board with an Open Range Law fact sheet, Hope on the Range posters and information, and an article by Emily Damele which was part of a traveling display for the Beef Quality Assurance Program through the university.

Out-of-State Travel: Commissioner Ithurralde motioned to approve out-of-state travel for Gary McCuin to attend the Society for Range Management annual meeting in Billings, Montana, February 5-11, 2011; Commissioner Page seconded the motion; motion carried 3-0.

NATURAL RESOURCES

Report on Activities and Legislative Issues: Natural Resources Manager, Jake Tibbitts, reported on the 'lame duck' session of Congress. The public lands omnibus bill, that had 110 land and water bills, did not pass. The estate tax relief was extended. The recent election will result in a large shift in the different committees, especially in the House of Representatives. Mr. Tibbitts reviewed two secretarial orders that have been issued by Secretary Ken Salazar, Department of the Interior, which will prove restrictive on conservation and public lands issues.

Upcoming Meetings: Mr. Tibbitts will attend the following upcoming meetings: a fire meeting with the BLM on January 4th which will include planning coordination with the Crescent Valley Firewise projects; a Forest Service Resource Advisory Council meeting in Tonopah on January 11th (Mr. Tibbitts was recently appointed to the Council); a Natural Resources Advisory Commission meeting on January 12th; a NEPA Committee meeting on January 13th; a Humboldt River Basin Water Authority meeting in Winnemucca on January 14th; and a Crescent Valley Firewise Community meeting on January 19th.

NEPA COMMITTEE

Letter to BLM: Mr. Tibbitts explained that the NEPA Committee had recommended sending a letter to the BLM regarding lack of analysis of a reasonable reduced project alternative and air quality in the Mt. Hope Project EIS. In the meantime, Doug Furtado of the BLM, left a message over the holidays that the BLM has decided to complete this analysis and has invited Mr. Tibbitts to discuss it over the phone. Mr. Tibbitts plans to have the NEPA Committee form a sub-committee to participate in this phone conference. The Board concurred with Mr. Tibbitts recommended approach. Mr. Tibbitts will provide an update on this at the next Commissioners' meeting.

CORRESPONDENCE

Correspondence was received from: District Attorney, Ted Beutel; Clerk & Treasurer, Jackie Berg (2); Department Head/Manager reappointment letters; Bryan Mason, Lee Raine (2); Lisa Wolf; Vicki Drenon; Eureka County Planning Commission; Lumos & Associates (2); MolyBits newsletter; Veterans of Foreign Wars; McMullen McPhee; Washoe County E-Update; Governor-Elect, Brian Sandoval; Rural Nevada Development Corp.; Nevada Dept. of Taxation (2); Nevada Tax Topics newsletter; Economy in Brief newsletter; Western Counties Alliance News; USDA Forest Service; and US Army Corps of Engineers (2).

APPROVAL OF MINUTES

December 3, 2010: With one minor correction, Commissioner Ithurralde motioned to approve the minutes of the December 3, 2010, meeting; Commissioner Page seconded the motion; motion carried 3-0.

RECESS UNTIL 2:00 P.M. PUBLIC HEARING

The Board recessed at 11:05 p.m. until the 2:00 p.m. Public Hearing.

PUBLIC HEARING – REGARDING LEASE OF DIAGNOSTIC & TREATMENT CENTER

Notice was given that a public hearing would be held on January 3, 2011, regarding the Diagnostic & Treatment Center to discuss with the public the appraisal report, fair market value of the property, the demand for veterinary clinic services in Eureka County, and to consider and take action regarding whether to lease the property to Eureka Veterinary Clinic, LLC, and all matters properly relating thereto.

Chairman Fiorenzi and District Attorney, Ted Beutel, reviewed the process required before considering the proposed lease of the property located at 180 South Main Street in Eureka. Pursuant to NRS 244.2815, the County has the option of leasing real property to support retention of an existing commercial enterprise, and Eureka County has an obvious need for veterinary services. Several steps are required to assure this process is transparent to the public: (a) value of the property must be determined through appraisal; (b) the Board must find that the proposed use is in the best interest of the public; (c) once best use and value are determined, the property can be leased without offering it to the public and can be offered for less than fair market value; (d) a public hearing must be conducted to consider public input regarding this process; and (e) a resolution must be adopted memorializing these actions.

Chairman Fiorenzi asked if there were any public comments regarding this process and the proposal to lease the property to Eureka Veterinary Clinic, LLC (proprietor, Darla Baumann, DVM). There were no comments.

Commissioner Ithurralde motioned to adopt a resolution acknowledging that pursuant to NRS 244.28815 it is in the best interest of the public to lease the real property located at 180 South Main Street in Eureka to Eureka Veterinary Clinic, LLC, without offering it to the public, and offering it for less than fair market value, in order to allow continuation of veterinary services in Eureka, and that the lease be for a period of 24 months. Commissioner Page seconded the motion; motion carried 3-0.

Eureka, Nevada

January 3, 2011

RESOLUTION

FOR THE LEASE OF COUNTY REAL PROPERTY TO SUPPORT RETENTION OF AN EXISTING COMMERCIAL ENTERPRISE PURSUANT TO NRS 244.2815

WHEREAS, Eureka Veterinary Clinic, LLC, is a Nevada limited liability company operating the only small animal veterinary services clinic in Eureka County, Nevada; and

WHEREAS, the veterinary clinic is located in a County owned building at 180 South main Street in the town of Eureka, commonly known as the old Eureka County Diagnostic & Treatment Center; and

WHEREAS, the building is currently leased to J.J. Goicoechea, DVM, who will in the near future no longer be using the clinic for veterinary visits; and

WHEREAS, at a meeting of the board of Eureka County Commissioners September 20, 2010, the Board agreed to allow J.J. Goicoechea to continue to lease the building to allow for continuation of the commercial enterprise of veterinary clinic services in Eureka County; and

WHEREAS, NRS 244.2815 as amended provides that before the Board may lease real property to Eureka Veterinary Clinic, LLC, for the purpose of economic development, which is defined to include the support, retention or expansion of existing commercial enterprises or faculties, the Board must obtain at least one appraisal and adopt a resolution finding that it is in the best interest of the public to lease the real property without offering the real property to the public and for less than the fair market value of the real property; and

WHEREAS, on September 20, 2010 the Board also directed the Director of Public Works to obtain an appraisal of the property from a duly certified appraiser; and

WHEREAS, the Ruby Mountain Appraisal report was accepted by the Board during their meeting November 22, 2010; and

WHEREAS, the Board held a public hearing on January 3, 2011 at 2:00 p.m. in the Commissioners' Chambers located in the Eureka County Courthouse at 10 S. Main Street in Eureka, to discuss with the public the appraisal report, the fair market value of the property, the demand for veterinary clinic services in Eureka County, and to consider whether to lease the property to Eureka Veterinary Clinic, LLC;

NOW THEREFORE BE IT RESOLVED THAT:

1. Eureka Veterinary Clinic, LLC is an existing commercial enterprise in Eureka County in need of a place for operation, and providing a place to continue operation of an existing commercial enterprise falls within the definition of an economic development pursuant to NRS 244.2815(3);
1. Continued placement of Eureka Veterinary Clinic, LLC in Eureka County will ensure continued access to the only small animal veterinary services clinic in Eureka County;
1. If the property is offered to the public, there is no assurance a small animal veterinary services clinic will remain in Eureka County;
1. Eureka Veterinary Clinic, LLC, has disclosed the persons with interest in this limited liability company to allow the Board of Eureka County Commissioners to disclose conflicts of interest, if any;
1. For the reasons described in this Resolution, the Board finds that it is in the best interest of the public to lease the real property to Eureka Veterinary Clinic, LLC without offering the real property to the public and for less than the fair market value of the real property pursuant to NRS 244.2815;
1. In order to allow the veterinary clinic to remain in operation, but to also require this business to consider an alternative site for its operation in the long term, the lease shall only be for one period of twenty-four months, with no extension of the lease contemplated without consideration by the Board of the requirements of NRS 244.2815.

ADOPTED this 3rd day of January, 2011.

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

ATTEST: /s/ Jackie Berg
Eureka County Clerk

Proposed Lease: Chairman Fiorenzi invited Darla Baumann forward to review terms of the lease on the subject property. Ms. Baumann and the Board discussed and agreed to the following terms: lease shall be for a term of two years; monthly lease amount will be \$100.00; utilities will be paid by the lessee; real property taxes will be paid by the lessee; a walk-through will be conducted to determine condition of the building; basic maintenance of building and grounds will be completed by the lessee; use of the property will be limited to veterinary services; there will be no subletting of the property; the lease will contain a 'hold harmless' clause; lease may be terminated by the County upon default of any provision of the lease; lease may be terminated by lessee with 30-days written notice; and the County will be authorized to enter the premises in the event of an emergency.

Liability and property insurance were also discussed. The Board will check with Mr. Rebaleati to ensure that the County has sufficient coverage under the existing policy, and the lessee will also be required to carry liability insurance. If no further discussions are needed, the lease will be drafted by the District Attorney and presented for approval at the January 20th meeting.

PUBLIC COMMENT

Chairman Fiorenzi called for public comments; there were none. The Board took a few moments to review dates and times of upcoming meetings.

ADJOURNMENT

At 2:40 p.m., Commissioner Ithurrealde motioned to adjourn the meeting; Commissioner Page seconded the motion; motion carried 3-0.

Approved this 20th day of January, 2011.

/s/ Leonard Fiorenzi

Leonard Fiorenzi, Chairman

Attest: /s/ Jackie Berg

Jackie Berg, Clerk