

**BOARD OF EUREKA COUNTY COMMISSIONERS  
BUDGET MEETING  
January 28, 2008**

STATE OF NEVADA     )  
                                  : ss  
COUNTY OF EUREKA    )

**CALL TO ORDER**

The Board of Eureka County Commissioners met pursuant to law on January 28, 2008. Present were Chairman Jim Ithurrealde, Vice-Chairman Kenneth Benson, and Clerk & Treasurer Jackie Berg. Commissioner Donna Bailey and District Attorney Ted Beutel were absent. Chairman Ithurrealde called the meeting to order at 9:39 a.m. The interactive video conference system was connected and utilized between Crescent Valley and Eureka for the entire meeting.

**APPROVAL OF AGENDA**

Commissioner Benson noted that Steve Walker of Walker and Associates could not attend due to weather, but would be available for a teleconference. Commissioner Benson motioned to approve the agenda. Chairman Ithurrealde seconded the motion; motion carried 2-0.

**PUBLIC COMMENT AND OPEN DISCUSSION**

The floor was opened for public comment. Chairman Ithurrealde advised that public comment would be accepted throughout the day, but comments would be limited to three minutes per person. Chairman Ithurrealde stated that due to the downturn in the nationwide economy and the consideration of the Hardrock Mining and Reclamation Act of 2007 currently before Congress, his approach to the budget requests would be conservative, and he hoped his fellow Commissioners would agree with him.

Another call for public comment was extended; there were no comments.

**EMPLOYEE REQUEST REGARDING RETIREMENT**

Steve Auch presented a request for Eureka County to purchase three years of service credit to enable him to retire with 30 years of service. The request was prompted by the recent change in statute that somewhat forces early retirement (longer term employees will lose an accrued retiree insurance subsidy if they don't retire before the 2008 deadline). The consensus of the Board was to decline this request, as they prefer to provide incentive for employees to remain with Eureka County. Mr. Auch advised the Commissioners that when he retires he will have a balance of over 900 hours in accumulated sick leave and requested compensation for that time. Recorder & Auditor Mike Rebaleati pointed out that there is no accumulated value to those hours, as they are a benefit. Commissioner Benson motioned to instruct staff to explore compensation of sick leave upon retirement or termination, and the possibility of an employee sick leave pool, and that amendments to the personnel policy may be considered if changes are recommended. Chairman Ithurrealde seconded the motion; motion carried 2-0.

**NEVADA DIVISION OF FORESTRY (NDF)**

Battalion Chief, Joe Anelli, requested funding from NDF monies reimbursed to Eureka County to rehire a seasonal employee for Eureka County. Commissioner Benson motioned to authorize NDF to rehire a former seasonal employee with the source of funding for this position, in the amount of \$10,000.00, designated from the cost reimbursables paid to Eureka County, and to authorize the Budget Officer to send a letter to NDF stating funding is available for the position. Chairman Ithurrealde seconded the motion; motion carried 2-0.

### **CONTRACT FOR WATER RIGHTS RESEARCH & ASSESSMENT**

Steve Walker, of Walker & Associates, provided an update on contract activities via teleconference. The majority of the initial contract work has been completed, with the exception of research related to the Bobcat Ranch. Mr. Walker stated that the previous contract amount is almost depleted as he has assisted on projects not expressly listed in the original contract, such as the Mt. Hope water model, and legislative issues related to SB275. Mr. Walker requested an extension to the contract with additional funding to cover remaining research, and professional services relating to preparations for pre-hearing and potential hearings on the protests filed on the Kobeh Valley Ranch, LLC, water rights applications. Commissioner Benson motioned to extend the contract with Walker & Associates to June 30, 2009, along with additional funding in the amount of \$20,000.00. Chairman Ithurralde seconded the motion; motion carried 2-0.

### **EQUIPMENT PURCHASE FOR COMMISSIONERS' MEETING ROOM**

Chairman Ithurralde commented on the need for a projector in the Commissioners' meeting room, so availability of projectors from other County departments is not a concern. Several options were discussed to allow for ease of use by presenters and better viewing by the Crescent Valley audience. The Board decided to have Kyle Moore, Computer/Network Analyst, research the available options.

### **HOME HEALTH SERVICES OF NEVADA**

Commissioner Benson motioned to approve the Lease Agreement between Eureka County and Home Health Services of Nevada, and to authorize the Chairman to sign the agreement. The lease provides office space for a Home Health Nurse at the Eureka Senior Center for \$75.00 per month. Chairman Ithurralde seconded the motion; motion carried 2-0.

### **NEVADA DIVISION OF WATER RESOURCES**

Special Assessments for Fiscal Year 2008-2009: Commissioner Benson motioned to approve the special assessments provided by the State Engineer's office for payment of necessary expenses for the supervision of waters for FY08-09 for the following basins: Diamond Valley Groundwater Basin; Boulder Flat Groundwater Basin; Crescent Valley Groundwater Basin; Lower Reese River Valley Groundwater Basin; Humboldt River Groundwater Basin; and Maggie Creek Groundwater Basin. Chairman Ithurralde seconded the motion; motion carried 2-0.

Special Assessments for Whirlwind Valley Basin for Fiscal Year 2008-2009: Commissioner Benson motioned to concur with the State Engineer's determination that a special assessment is not needed for FY08-09 for the supervision of Whirlwind Valley Basin. Chairman Ithurralde seconded the motion; motion carried 2-0.

Pro-rated Expenses for the Administration of Humboldt River: Commissioner Benson motioned to approve the pro-rated portion assessed to Eureka County by the State Engineer's office for the administration and conservation of the Humboldt River. Chairman Ithurralde seconded the motion; motion carried 2-0.

### **REVIEW OF REVENUES FOR FISCAL YEAR 2007-2008**

Mike Rebaleati, Budget Officer, provided an overview of revenues received for FY07-08, and compared it to past revenues as provided in the Annual Comprehensive Financial Report for FY06-07. Mr. Rebaleati noted that tax revenues from nine of the top ten taxpayers in Eureka County are related to mining or agricultural ventures owned by a mine.

### **REVIEW OF REVENUE ESTIMATES FOR FISCAL YEAR 2008-2009**

Mr. Rebaleati stated he will base revenue estimates for FY08-09 on the revenues received in FY06-07, citing the receipt of sales tax, and consolidated tax to date in FY07-08.

Mr. Rebaleati stated he should receive tentative revenue projections from the Nevada Department of Taxation in mid-February, with the final projection due in March. Mr. Rebaleati provided an overview of the various funds and their current projections.

### **REVIEW OF TENTATIVE EXPENDITURES FOR FISCAL YEAR 2008-2009**

Mr. Rebaleati reviewed the Comprehensive Annual Financial Report for FY06-07 to provide a breakdown of the expenditures of the different departments within the County, as well as providing current year expenditures by department.

### **RECESS FOR LUNCH**

The Board recessed for lunch between 12:07 p.m. and 1:31 p.m.

### **PERSONNEL ISSUES FOR THE FISCAL YEAR 2008-2009 BUDGET**

Mr. Rebaleati provided a review of employees and total hours allocated to each department. Mr. Rebaleati suggested that the Commissioners review the allocations and discuss these with the department heads to ensure adequate funding. Mr. Rebaleati advised that if benefits remain the same as FY07-08, there was no need for adjustments in the salaries and benefits area, with the exception of the cost of living adjustment and the new insurance rates. Mr. Rebaleati commented that it would be fiscally irresponsible for the County to switch to the Public Employees Benefit Program at this time, considering the budget shortfall the State is experiencing. Mr. Rebaleati advised there will be some requests for additional positions that will come forth during the budget process, and advised that each department head keep in mind the possibility that they might have to run at status quo if there is a downturn in mining activity.

### **FIVE-YEAR CAPITAL IMPROVEMENT PLAN**

*(These items were discussed at various times throughout the day)*

The Commissioners reviewed the Five-Year Capital Improvement Plan as presented by Mr. Rebaleati. Ron Damele, Public Works Director, requested funding for improvements to the Airport for Fiscal Years 2009-2013, with the largest portion of those improvements being funded by grants. Mr. Rebaleati and Mr. Damele briefly discussed renovations to the handicap ramp in the District Courtroom. Mr. Damele stated he was still researching the ADA requirements and that project should be deferred to FY08-09. Construction of bathrooms at the lower ballpark will be included in the Five-Year Capital Improvement Plan. The Devil's Gate Fire Station will be deferred to FY09-10 because of the uncertainty of development in the 3rd Street area.

Mr. Rebaleati discussed upgrade of radio repeaters and progress on the contract with the Eureka County Television District. Mr. Damele stated the Gap Analysis Study conducted on the County's communication systems will be presented at the February 6, 2008, meeting. Mr. Damele stated a conceptual cost estimate was completed to upgrade the Crescent Valley Town Park Little League Field, and confirmed that Cortez Gold Mine had expressed an interest in assisting with the project; more information will be available following the next Crescent Valley Town Advisory Board meeting.

The Devil's Gate GID system build-out has been budgeted over a five-year period. Mr. Damele advised that the Request for Qualifications for the Preliminary Engineering Report on the arsenic treatment for Crescent Valley and Devil's Gate GID is almost complete; this report will provide a course of action for mitigating the arsenic in both areas. The water infrastructure in Crescent Valley is in good shape, has adequate storage, and back-up generators; the sewer project in Crescent Valley will depend on growth.

Mr. Damele provided a cost estimate for a flood abatement program and culvert replacements. The Commissioners concurred to defer a flood abatement project to FY10-11,

and to incorporate the culvert replacements into the yearly Street Maintenance Project, with a plan of replacing two culverts each year.

Eureka Water/Sewer Project: Mr. Damele recommended deferring the Main Street Water and Sewer Project to late FY08-09, and to continue the project into FY09-10. The Springs Water Line Project will combine two elements: the refurbishment of the springs, and the construction of the new spring line. This project will be phased over two fiscal years with priority placed on the refurbishment. Mr. Damele discussed several more capital improvements: upgrading the booster station to a duplex station; a back-up generator for the Diamond Valley well to provide pump storage; upgrading the water tank telemetry controls; and installing a million gallon water tank. He anticipates the sewer pipe may need to be upgraded from a 10-inch line to a 12-inch line if the subdivision at the Fairgrounds is developed, and suggested replacement of the sewer line when the Ruby Hill Sidewalk Project is constructed this year.

Road Equipment Replacement: Rotational equipment purchases are scheduled for all five years in the Five-Year Capital Improvement Plan; the purchase of a compactor for the landfill is scheduled for FY09-10.

Paving and Road Maintenance: Mr. Damele recommended moving the JD Ranch Bridge Project to FY08-09. General road maintenance and paving of Dibble Lane are budgeted for FY08-09; Crescent Valley road improvements are scheduled for FY09-10; and overall road maintenance is scheduled each year in the Five-Year Capital Improvement Plan.

Computer/Network Equipment Replacement: The IBM computer that services the AS-400 system will require upgrading in FY09-10.

Assisted Living Facility: This item was removed from the Capital Improvement Plan.

Current Building Repair/Remodeling: This item is budgeted for annually to allow for routine maintenance and upkeep, including emergency repairs, for County buildings.

Eureka & Crescent Valley Fairgrounds: Mr. Damele stated he would provide more information relating to these projects after he has met with the Fair Board and 4-H Program Assistant.

EMS/Sheriff: Sheriff Ken Jones requested a change in the priority of projects in the Sheriff's budget, with priority going to the Dispatch Center Remodel, and possibility of remodeling the booking area, in conjunction with the construction of the covered sallyport. Sheriff Jones, Mr. Rebaleati, and Mr. Damele will discuss the feasibility of the request and return with a recommendation. The Sheriff's Department is budgeted for two replacement vehicles in FY08-09 and one replacement vehicle in each subsequent year of the Five-Year Capital Improvement Plan. Ambulances are scheduled for replacement in FY08-09 and FY10-11.

Nevada Division of Forestry (NDF): Battalion Chief, Joe Anelli, requested authorization to purchase pagers, radios, and a tool package with the remaining \$38,000.00 available in cost reimbursables from NDF. Commissioner Benson motioned to concur with the proposal to purchase the requested items and fire fighting equipment, in the amount of \$37,952.00, to be funded from the balance of the NDF cost reimbursables to Eureka County. Chairman Ithurralde seconded the motion; motion carried 2-0.

Mr. Anelli proposed delaying purchase of the Dunphy water tender originally scheduled in the current fiscal year, to FY08-09, and to instead use this fiscal year's funding to purchase a rescue unit for the Eureka Town Volunteer Fire Department, along with two sets of extrication tool packages that would outfit Eureka Town and Diamond Valley Fire Departments. Concern was expressed by Commissioner Benson relating to the bid obtained for the rescue truck, as it was piggybacked off an out-of-state bid. Commissioner Benson asked Mr. Anelli to consult with the District Attorney regarding legality of the bid and to bring it forward again at the next meeting. Commissioner Benson motioned to entertain approval of the bid process for the rescue unit and two sets of extrication tool packages, at the February 6, 2008, Commissioners' meeting; and to approve these purchases in the current fiscal year in exchange for delaying the Dunphy water tender purchase to FY08-09. Chairman Ithurralde seconded the motion; motion carried 2-0.

Mr. Anelli provided a quote to retank the Diamond Valley tender in FY07-08, and suggested moving the Beowawe tender to FY08-09. Commissioner Benson motioned to concur with the advice from NDF to retank the Diamond Valley water tender, with the stipulation that the unit is back in service by June 1, 2008, and to retank the Beowawe tender in the fall of 2008. Chairman Ithurrealde seconded the motion; motion carried 2-0.

Capital outlay requests for FY08-09 include \$80,000.00 for a heavy engine that would replace a 5260 unit, following a three-year rotation program, and \$250,000.00 for the Dunphy water tender. Commissioner Benson stated that the Commissioners would not make a determination on the requests at present, but preferred to wait until after the meeting at the Newmont Power Plant on February 13, 2008. Mr. Anelli stated his requests for FY08-09 include refurbishing two engines from Pine Valley and Crescent Valley; and painting and decaling the engines received from the Bureau of Land Management.

### **HYDROLOGY WATER MODELER**

Deputy District Attorney, Dorothy Rowley, presented the contract between Eureka County and Eco:Logic, the engineering firm selected to review the Mt. Hope Project water model. Commissioner Benson motioned to approve the contract with Eco:Logic, the firm of Mr. Dale Bugenig, for review of the Mt. Hope Project water model, not to exceed \$60,000.00. Eco:Logic with subcontract with Lahontan Geosciences, the firm of Ms. Carol Oberholtzer. Chairman Ithurrealde seconded the motion; motion carried 2-0.

### **EUREKA TOWN FIRE STATION**

Chief Dan Brown, J.J. Goicoechea, and Jason Sestanovich presented the status of the Eureka Town Fire Station Project. All individuals present were comfortable with the changes suggested by the Fire Department and Public Works. Mr. Damele stated the plans would be ready to go to bid by the end of February, with a 12-month construction period. Mr. Damele stated the State Fire Marshall's office was concerned that current fire flow requirements cannot be met at the firehouse, and have requested that the Eureka Fire Chief acknowledge the issue and confirm that he can provide required fire protection. Commissioner Benson motioned to proceed with the bid process for the Eureka Town Fire Station in the February/March timeframe, with the anticipation of a 12-month construction period to commence in June 2008, and progress into 2009. Chairman Ithurrealde seconded the motion; motion carried 2-0.

### **SET DATES AND TIMES FOR SUBSEQUENT BUDGET MEETINGS**

Subsequent Budget meetings were scheduled for Tuesday, February 26<sup>th</sup> and Monday, March 10<sup>th</sup>, 2008; both meetings will begin at 9:30 a.m.

### **PUBLIC COMMENT AND OPEN DISCUSSION**

The Chairman called for public comment and there was none.

### **ADJOURNMENT**

At 3:31 p.m., Commissioner Benson motioned to adjourn. Chairman Ithurrealde seconded the motion; motion carried 2-0.

Approved this 6<sup>th</sup> day of March, 2008.

/s/ J.P. Ithurrealde

J.P. Ithurrealde, Chairman

Attest: /s/ Jackie Berg

Jackie Berg, Clerk