

EUREKA COUNTY BOARD OF COMMISSIONERS
February 7, 2011

STATE OF NEVADA)
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COUNTY OF EUREKA)

CALL TO ORDER

The Board of Eureka County Commissioners met pursuant to law on February 7, 2011. Present were Chairman Leonard Fiorenzi, Vice Chair Mike Page, Member Jim Ithurrealde, 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 Ithurrealde 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.

FINANCE

Payment of Expenditures: Expenditures were presented for approval by Mike Rebaleati, County Recorder & Auditor. Commissioner Ithurrealde motioned to approve expenditures in the amount of \$692,056.01 for accounts payable and \$331,173.34 for payroll for a grand total of \$1,023,229.35; Commissioner Page seconded the motion; motion carried 3-0. Commissioner Page motioned to approve Yucca Mountain expenditures in the amount of \$10,027.83; Commissioner Ithurrealde seconded the motion; motion carried 3-0.

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

COMMISSIONERS

Update Reports: Commissioner Page attended the Nevada Water Resources Association annual conference in Reno the previous week and the special housing meeting at the Opera House on January 26th. Commissioner Ithurrealde attended the NACO Public Land & Natural Resources meeting via teleconference on January 24th; the BLM Resource Management Plan meeting at the Opera House on January 25th; and participated in the public meeting regarding the Eureka Canyon Subdivision on January 26th. Chairman Fiorenzi attended the budget meeting on January 21st, a meeting of the housing core group on January 25th, and the public meeting concerning housing on January 26th.

Propose Resolution for Long-Time Employees: Commissioner Ithurrealde motioned to propose resolutions for long-time employees Gladys Goicoechea and Russell Rowley; Commissioner Page seconded the motion; motion carried 3-0.

Clarification on Salary Classification: For auditing purposes, Mr. Rebaleati requested that the Board clarify that the salary for the new Cultural, Tourism, & Economic Development Director (as well as all salaried employees) is classified as employer paid for the purposes of PERS (Public Employees Retirement System). Commissioner Ithurrealde motioned that the salary for the new Cultural, Tourism, & Economic Development Director be classified as employer paid for the purposes of retirement benefits; Commissioner Page seconded the motion; motion carried 3-0.

Mt. Hope Project EIS and NEPA Updates: There were no updates, but Chairman Fiorenzi suggested that a public meeting might be beneficial following public release of the Mt. Hope Project Environmental Impact Statement.

2011 LEGISLATIVE ISSUES

Assembly Bill 45: Commissioner Ithurrealde motioned to send a letter to the Committee on Government Affairs opposing AB45; Commissioner Page seconded the motion; motion carried 3-0. AB45 proposes a reduction in working hours for District Attorneys in lower populated counties, and the Board opposed inclusion of Eureka County in this legislation. Commissioner Ithurrealde motioned to send a copy of the letter to Esmeralda County, original sponsor of the bill; Commissioner Page seconded the motion; motion carried 3-0.

Bill Draft Request 40-648: The Board discussed the pros and cons of BDR 40-648 which would make substances that are precursors to methamphetamine available by prescription only. The Board agreed there is an abuse problem, but had concerns that this would cause a hardship for the general public who wanted to purchase cold medicine for legitimate use. Commissioner Page motioned to table any action related to this legislation until it could be looked into a little further; Commissioner Ithurrealde seconded the motion; motion carried 2-1. Chairman Fiorenzi voted against the motion, feeling the issue should be addressed.

Eureka County's BDR – Senate Bill 68: Jake Tibbitts informed the Board that Eureka County's bill (SB68) was scheduled to be heard by the Committee on Government Affairs on February 14th and recommended that a representative for the County attend.

Other 2011 Legislation: Assessor Michael Mears informed the Board of a proposed cut in the Governor's budget that would do away with the senior rebate program. It is unclear whether the program will be completely dissolved or whether counties will have the option of continuing it independently. In Fiscal Year 2011, nine seniors in Eureka County qualified for this rebate on their property taxes. The rebate averaged \$154.00 per qualified senior, for a total tax reduction in the County of \$1,384.00.

EMS Coordinator, Mike Sullivan, stated there were two BDRs, 624 and 642, that will affect emergency medical services by reallocating some of the administrative and licensing responsibilities to the counties.

ROAD DEPARTMENT

Update Report: Road Superintendent, Raymond Hodson, reported on Road Department activities over the past month. Snow removal slowed, allowing the crew to finish up Keg Street in Diamond Valley. A new road was built at the landfill. Blading was done on Sharrow Circle, Collingwood Lane, and 1st Street. Interviews were conducted and the Road Department vacancy was filled; Jamie Halpin was selected and will begin work on February 14th. In northern Eureka County, crews finished up on the Rose Ranch Road, bladed the Barth Road, bladed 10th Street, spent a few days hauling white goods and tires to Eureka, and installed street signs in Crescent Valley (per request of the Firewise Program). Currently, preparations are underway for the Fire Creek/10th Street road project,

PUBLIC WORKS

Close Out Community Development Block Grant (CDBG): Commissioner Ithurrealde motioned to submit a letter regarding the Eureka Medical Clinic X-ray machine upgrade in order to close out the CDBG grant; Commissioner Page seconded the motion; motion carried 3-0.

Contract with All Weather, Inc.: Commissioner Ithurrealde motioned to approve signing a contract with All Weather, Inc. for AWOS maintenance at the Eureka Airport for \$4,000.00 annually; Commissioner Page seconded the motion; motion carried 3-0.

MedLite Transport Unit: Commissioner Ithurralde motioned to accept a quote from Emergency Equipment for a MedLite Transport Insert not to exceed \$3,790.00; Commissioner Page seconded the motion; motion carried 3-0.

2011 Polaris Ranger 6X6: The Board reviewed quotes for a 2011 Polaris Ranger 6X6 with option of a hard cab or a canvas cab. Commissioner Ithurralde motioned to accept the quote from Wright Motor Company for a 2011 Polaris 6X6 with a hard cab not to exceed \$19,927.85; Commissioner Page seconded the motion; motion carried 3-0.

Emergency Lighting for Polaris Ranger: Commissioner Ithurralde motioned to accept the proposal from Sierra Electronics to supply and install emergency lighting for the 2011 Polaris Ranger 6X6 not to exceed \$1,467.02; Commissioner Page seconded the motion; motion carried 3-0.

BLM Property Within Eureka Townsite: The Board reviewed a letter from the BLM regarding property within the historic townsite of Eureka that the County is interested in obtaining. Mr. Damele relayed that this property will require comprehensive archaeological and architectural studies at considerable expense with no guarantee that the historical boundary will be altered. Mr. Damele is looking into other lands that may be available for sale that are more suitable for townsite expansion. Commissioner Ithurralde motioned to direct staff to continue looking into options; Commissioner Page seconded the motion; motion carried 3-0.

AMBULANCE & EMS

Out-of-State Training: EMS Coordinator, Mike Sullivan, requested authorization for Lisa Hoehne to attend out-of-state ambulance bill training. Commissioner Ithurralde motioned to authorize out-of-state travel for Ms. Hoehne to attend ambulance bill training in Gladstone, Oregon, March 8th-9th; Commissioner Page seconded the motion; motion carried 3-0.

SENIOR CENTERS

Update Report: Millie Orem, Site Director, reported on activities for the Eureka Senior Center. Site Director, Adell Panning, provided a written report for the Fannie Komp Senior Center. Meal counts in Eureka were 908 for December and 924 for January; meal counts in Crescent Valley were 791 for December and 769 for January. December deposits totaled \$13,501.75; January deposits totaled \$7,205.00. Ms. Orem reported that additional vents are being installed underneath the Eureka Senior Center to provide better ventilation to help mitigate the moisture problem. In December, the food bank assisted 31 Eureka families and 25 Crescent Valley families; in January the food bank assisted 30 families in Eureka and 29 in Crescent Valley.

Authorize Senior Center Director to Sign Grant Documentation: Ms. Orem explained that grant applications and notification of grant awards often have short time limits for submission to the Division for Aging Services. When paperwork arrives right after a Commission meeting, it is difficult to get Board signatures by the deadline. Commissioner Ithurralde motioned that a letter be sent to the Nevada Aging & Disability Services Division authorizing Millie Orem to act as Eureka County representative in signing grant paperwork, with the requirement that approval must still be obtained from the Board of Commissioners at the first available meeting; Commissioner Page seconded the motion; motion carried 3-0.

EUREKA COUNTY FAIR BOARD

Resignation of Carri Wright: Commissioner Ithurralde motioned to accept Carri Wright's letter of resignation from the Eureka County Fair Board; Commissioner Page seconded the motion; motion carried 3-0.

Appointment to Fair Board: A letter of interest in serving on the Fair Board was received from Patricia Gonzales. Commissioner Ithurralde motioned to appoint Ms. Gonzales to the Eureka County Fair Board; Commissioner Page seconded the motion; motion carried 3-0.

RECESS FOR DEVIL'S GATE GID MEETING

The Board recessed from 10:30 to 10:47 a.m. for the Devil's Gate GID meeting.

NEVADA RURAL HOUSING AUTHORITY

Presentation Given at Opera House on January 26th: Dave Craig, Director of Real Estate for NRHA, reported that the NRHA representatives were very impressed with the presentation to the public on January 26th. The Board agreed, thanking staff for doing such a great job.

Determine Next Step in Development of Housing: Based on the mostly positive response at the housing meeting, Chairman Fiorenzi felt the next step was to draft a contract with NRHA concentrating on the multifamily units and the first 16 single family lots, keeping in mind the cost parameters presented to the public. Mr. Craig stated NRHA can work closely with the core housing group to put together a draft development plan. District Attorney, Ted Beutel, suggested that a plan be established, identifying NRHA responsibilities and County responsibilities and then work on cost allocation. Mr. Craig added that a development agreement should include performance milestones and a contingency plan. Commissioner Ithurralde motioned to proceed with NRHA working with the core housing group to draft a contract for development of housing in the Eureka Canyon Subdivision Project as discussed; Commissioner Page seconded the motion; motion carried 3-0.

Update on Townhome Units: Mr. Craig reported that NRHA is in the progress of obtaining permits for moving the units from Idaho to Nevada. Contracts are being prepared with Summit Engineering and the architect.

Update on \$1 Home: Commissioner Ithurralde asked about progress on the '\$1 home'. Mr. Craig stated that on February 4th, the NRHA Board approved spending up to \$42,000.00 to rehabilitate the home and they have gone out to bid for a contractor to do the work.

\$1.7 Million Recoverable Grant: Mr. Craig provided the Board with a breakdown of how the \$1.7 million recoverable grant was allocated: \$1.5 million was used to purchase the townhome units, \$144,533.33 was reserved for future interest payments, and the remainder was disbursed in fees to Downey Capital, JL White & Associates, and NRHA.

EUREKA COUNTY PLANNING COMMISSION

Eureka Canyon Subdivision Tentative Map: The tentative subdivision map for the Eureka Canyon Subdivision was submitted to the Planning Commission at their February 1st meeting by NRHA and Summit Engineering. Planning Commission Chairwoman, Ellen Rand, explained that the Planning Commission approved the tentative map with the stipulations noted by Lumos & Associates. Following a brief discussion, Commissioner Ithurralde motioned to conditionally approve the tentative subdivision map of the Eureka Canyon Subdivision with the stipulations set forth by Lumos & Associates; Commissioner Page seconded the motion; motion carried 3-0.

NATURAL RESOURCES

Report on Activities and Natural Resource Issues: Natural Resource Manager, Jake Tibbitts, reported that he attended the Eureka Firewise meeting on January 21st; the BLM Resource Management Plan meeting at the Opera House on January 25th; the housing meeting at the Opera House on January 26th; a meeting with representatives from Ruby Hill Mine on January 27th; the Nevada Wildlife Commission sub-committee meeting on feral horses on January 31st; and the Eureka County Wildlife Advisory Committee meeting on the evening of January 31st (where Jim Evans was elected as Chairman); and participated in a Mt. Hope conference call on February 4th. Mr. Tibbitts, along with Dale Bugenig, met with staff at the State Engineer's office in Carson City on February 1st regarding water resource planning; attended a Groundwater Workshop hosted by the Nevada Water Resources Association on the afternoon of February 1st; and attended the Nevada Water Resources Association annual conference on February 2nd-3rd, which was attended by a broad representation of water experts.

Chairman Fiorenzi commented on a Bill Draft Request that asks counties to plan future population growth based on water available at a sustainable rate. Mr. Tibbitts described the different ways sustainable rate may be defined. Chairman Fiorenzi voiced his concern that if the agencies and the State don't adhere to what each county identifies as sustainable rate and acceptable growth, it would simply be a costly exercise for the counties to develop such a plan.

Upcoming Meetings: Upcoming meetings include the Tri-County Natural Resource meeting in Austin on February 9th with Nye and Lander Counties; a Mt. Hope conference call on February 15th; a Crescent Valley Firewise meeting on February 16th; and a Ruby Hill Mine Community Advisory Committee meeting on March 16th.

Letter to BLM Regarding Battle Mountain Revised Resource Management Plan: Scoping on the Battle Mountain Resource Management Plan (RMP) and associated Environmental Impact Statement ends on February 11th and Mr. Tibbitts is working on a comment letter stating that Eureka County has identified and laid out their policies in the Natural Resource & Land Use Element of the Master Plan and these should be adhered to in the RMP. Commissioner Ithurralde motioned to submit the letter to the BLM regarding the Battle Mountain Revised Resource Management Plan and authorized the Chairman to sign the letter outside of the meeting; Commissioner Page seconded the motion; motion carried 3-0.

Eureka County Representative to Conservation District: Commissioner Ithurralde motioned to ratify Jake Tibbitts as the Eureka County representative to the Conservation District; Commissioner Page seconded the motion; motion carried 3-0.

NEPA COMMITTEE

Status Update on Mt. Hope Project Environmental Impact Statement: Mr. Tibbitts reported that the BLM has received the analysis from Eureka Moly on the partial backfill alternative and the reduced project alternative and is conducting their preliminary review. All cooperating agencies will have a chance to review all baseline and background analyses before the next administrative draft is released. Mr. Tibbitts reminded the BLM that the MOU with Eureka County allows the County 15 working days for review of those documents.

The BLM also received another revised plan of operations from General Moly. Eureka County was carbon copied on a letter from Nevada Division of Environmental Protection, Bureau of Mining Reclamation & Regulation, with several pages of comments they would like addressed in the plan of operations.

Mr. Tibbitts received the 2M Plan (for water resources management and mitigation) on February 4th. The BLM directed Eureka Moly to include the monitoring portion of the 3M Plan (water resources monitoring, management, and mitigation) into their plan of operations, so the 2M Plan is what remains. Mr. Tibbitts plans to have a response letter prepared for the next Commission meeting. Chairman Fiorenzi commented that he still had an issue with what was described as 'mitigation' during the three-day meeting with the BLM; because of the length of time involved in addressing the impacts, it wasn't true mitigation. Mr. Tibbitts said there are provisions for categorical exclusions under NEPA where some things can be expedited, but this doesn't alleviate every issue either.

Mr. Tibbitts provided the Board with an estimated timeline which ultimately places the Administrative Draft EIS in the County's hands in late March and in the public's hands in late spring or early summer.

Letter to BLM Regarding Air Quality Analysis: An analysis of hazardous air pollutants, analysis of employee transport bus emissions, and analysis of forced evaporation of the tailings ponds were received from Eureka Moly. Air quality expert, Kirk Winges, reviewed the reports and did find issues related to the forced evaporation of the tailings ponds and a letter was drafted outlining these concerns. Commissioner Ithurralde motioned to submit the letter to the BLM regarding the air quality analysis in the Mt. Hope Project EIS; Commissioner Page seconded the motion; motion carried 3-0.

CORRESPONDENCE

Correspondence was received from: Michel, Mark, & Martin Etcheverry; Patricia Gonzales; Don & Valaire Hull; District Attorney, Ted Beutel (3); Public Works Director, Ron Damele; Human Resources Analyst, Jerry Larson; Eureka County Planning Commission; Eureka County Television District; Eureka County Economic Development Program (2); First-Aid/CPR Class flyer; Fannie Komp Senior Center, Adell Panning; Crescent Valley Town Advisory Board (3); Lumos & Associates (2); Allie Bear Real Estate; Lander County Commissioners; Nevada Arts News; Nevada Assoc. of Counties, Wes Henderson; Nevada Division of Forestry, Pete Anderson; Nevada Rural Housing Authority (2); Nevada Div. of Environmental Protection; Nevada Pool/Pact (2); NDOT Centerline newsletter; Nevada Economy in Brief newsletter; Nevada Economic Report newsletter; Western Counties Alliance; and US Dept. of the Interior-BLM (2).

As requested, the Clerk read the following correspondence into the record:

January 24, 2011

Dear Commissioners,

The Etcheverry Family Limited Partnership and Diamond Cattle Company, LLC, wish to express their sincere gratitude to Eureka County for its tireless efforts helping to defend our water rights and way of life. We know this effort has been very costly and time consuming. Nevertheless, we believe it was a very wise decision to help defend the water rights for Diamond Valley alfalfa growers, and the local ranchers.

As a landowner in Eureka County for over sixty years we are very thankful the Commissioners made the decision to take a righteous stand against water intensive mining activities that could very well destroy our way of life. We are reasonable business people and have nothing personal against Eureka Moly or mining in general. But, we are deeply concerned that the plan of operations we have seen will directly result in irreparable damage to our aquifer, ground water resources, springs, riparian habitat and the surrounding Roberts Mountain watershed. We rely on these natural resources to support our range livestock operation.

Our father Mr. Michel Etcheverry has worked his entire life to hold and to maintain the ranch in a sustainable and prosperous condition for cattle and sheep grazing. His plan was to pass it on to his children who are operating the ranch today. Their plans are to continue to improve the ranch and pass it on to their children. The Etcheverrys want this ranch and the way of life it represents to be preserved for multiple future generations.

On the contrary, the mine is a short timer. Relatively speaking they are a splash in the pan. They are only interested in what they can take from the land. When the molybdenum resources they harvest and export to the steel making mills of China, India, South Korea and Brazil are depleted beyond further economic recovery they will fold up shop and leave Eureka County just as quickly as they arrived. We will all be left with a mountain top destroyed and the high probability of significant water resources permanently damaged.

Is this the future we all want for Eureka County? We think not, and we will do everything in our power to assist the County in the defense of our livelihood and sustainable natural resources.

When folks drive through Eureka County they see Roberts Mountain as one of the prettiest ranges in the County if not the state of Nevada. That's the way we see it and we just want it to stay that way.

One last thing. We hope the County will remain steadfast in its defense of its citizens, the alfalfa growers in Diamond Valley, and our natural resources. This fight is not about politics or mere money. It is about a way of life well worth preserving. Our future is in your hands.

Sincerely,

/s/ Michel, Mark, & Martin Etcheverry

February 7, 2011

TO: The Board of Eureka County Commissioners
FROM: Jerry Larson, Eureka County Human Resources Analyst II
SUBJECT: Letter of Resignation

On January 25, 2011 an email was sent to each of you letting you know that I felt that Human Resources was not supported by this Commission. As expected, only Commissioner Mike Page made any attempt to discuss my issues. This is typical of the lack of communication and support that I have received from you. Based on this lack of a response I must now submit my letter of resignation to this Board. My last day of work for Eureka County will be February 22, 2011.

/s/ Jerry Larson

APPROVAL OF MINUTES

January 7, 2011: Commissioner Ithurralde motioned to approve the minutes of the January 7, 2011, special meeting; Commissioner Page seconded the motion; motion carried 3-0.

January 14, 2011: Commissioner Page motioned to approve the minutes of the January 14, 2011, quarterly meeting; Commissioner Ithurralde seconded the motion; motion carried 3-0.

January 20, 2011: Commissioner Page motioned to approve the minutes of the January 20, 2011, Commission meeting; Commissioner Ithurralde seconded the motion; motion carried 3-0.

RECESS FOR LUNCH

The Board recessed for lunch from 11:51 a.m. to 1:00 p.m.

NEVADA STATE PUBLIC DEFENDER'S OFFICE

District Attorney, Ted Beutel, explained there is a proposal before the three counties that comprise the 7th Judicial District (White Pine, Lincoln, and Eureka) for public/indigent defense services from a group of private attorneys rather than continuing to utilize the State Public Defender. The State requires a decision from the three counties by March 1st, so this item will be addressed at the February 22nd meeting.

PUBLIC COMMENT

Chairman Fiorenzi opened the floor to public comments; there were none.

ADJOURNMENT

Commissioner Ithurralde motioned to adjourn the meeting at 1:11 p.m.; Commissioner Page seconded the motion; motion carried 3-0.

Approved this 22nd day of February, 2011.

/s/ Leonard Fiorenzi

Leonard Fiorenzi, Chairman

Attest: /s/ Jackie Berg

Jackie Berg, Clerk