

**EUREKA COUNTY BOARD OF COMMISSIONERS**  
**February 20, 2019**

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 20, 2019. Present were Chairman J.J. Goicoechea; Vice Chairman Michael Sharkozy (via interactive video); Commissioner Rich McKay; District Attorney, Ted Beutel; and Commissioner Clerk, Jackie Berg. 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**

The first item under the Commissioner section (Electrical System Franchise Agreement) and the first item under the Yucca Mountain section (update) were removed from the agenda. Both items will be placed on a future agenda. Commissioner McKay motioned to approve the agenda as amended; Commissioner Sharkozy seconded the motion; motion carried 3-0.

**PUBLIC COMMENT**

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

**APPROVAL OF MINUTES**

February 6, 2019: Commissioner Sharkozy motioned to approve minutes of the February 6, 2019, meeting; Commissioner McKay seconded the motion; motion carried 3-0.

**COUNTY COMPTROLLER**

Payment of Expenditures: Expenditures were presented for approval by Comptroller, Maureen Garner. Commissioner McKay motioned to approve expenditures in the amount of \$268,975.32 for accounts payable and \$311,979.22 for payroll and retiree related expenses, for a grand total of \$580,954.54. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

Fund Balance Report: The Board reviewed the Fund Balance Report provided by the Comptroller's office.

**COMMISSIONERS**

Interlocal Contract: District Attorney, Ted Beutel, explained that the City of Henderson has agreed to assist Eureka County regarding a personnel matter that cannot be discussed in an open meeting. The agreement will be made pursuant to NRS 277.180, concerning Interlocal Agreements for amounts less than \$25,000.00. The agreement was negotiated by the Deputy City Attorney of Henderson and outside counsel engaged by the County. Mr. Beutel has reviewed the draft contract and the final contract should be available for signature later in the day.

Commissioner Sharkozy motioned to approve an Interlocal Contract, pursuant to NRS 277.180, between Eureka County and the City of Henderson; Commissioner McKay seconded the motion; motion carried 3-0.

Settlement Agreement: Mr. Beutel explained that a Settlement Agreement, a Quitclaim Deed, and a letter to the State Engineer have been prepared concerning disputed claims on five springs that impact the County's municipal water system. All of the documents are very close to being finalized. In exchange for \$10,000.00 per spring, James and Vera Baumann have agreed to release claim to the springs. With hearings underway for adjudication of Diamond Valley, Mr. Beutel advised the Board that the settlement is very timely. Mr. Beutel also asked that the Comptroller's office prepare a voucher for the settlement amount.

Commissioner McKay motioned to approve a Settlement Agreement and Release of All Claims between Eureka County and James E. and Vera L. Baumann to settle and release all claims of James E. and Vera L. Baumann to Bullwhacker Spring, Richmond Spring, Lani Spring, Middle Spring, and Fred Spring for a total of \$50,000.00, including authorization for the Chairman to sign the documents outside of the meeting, and that the sum of \$50,000.00 be added to the day's approved expenditures to be issued upon full execution of the Settlement Agreement. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

Sagebrush Ecosystem Program: Chairman Goicoechea reported that the next meeting of the Sagebrush Ecosystem Council is March 19<sup>th</sup> in Carson City and will include a workshop and hearing on the proposed regulations, which would require compensatory mitigation utilizing the Conservation Credit System in the Nevada Greater Sage-grouse Conservation Plan.

Plain Talk Newsletter: Abby Johnson, Editor of *Plain Talk*, sent an email apologizing that she was unable to attend the meeting due to weather. She included several possible topics for a spring edition of the newsletter: a short bio on Commissioner McKay, a profile of different elected and appointed officials and their functions in local government, the Free Dump Days in May, and a calendar of spring and summer events. There was a request to include information about the Television District and another request to publicize availability of lots at the Eureka Canyon Subdivision. Commissioner McKay suggested that the "buy local" program that Cooperative Extension is working on with the Eureka Business Network would be a good addition.

## **YUCCA MOUNTAIN**

Subcontract: The contract with Abby Johnson, Nuclear Waste Advisor, authorizes her to subcontract with Board approval, and she requested to continue subcontracting with Richard Moore, PE. Ron Damele explained the importance of utilizing Mr. Moore's expertise to follow transportation developments related to the Yucca Mountain Project, particularly now that the Great Basin National Monument has virtually eliminated the proposed Caliente rail corridor and has elevated the second preferred route, the Carlin rail corridor, which passes through northern Eureka County.

Commissioner McKay motioned to authorize Nuclear Waste Advisor, Abigail Johnson, to subcontract with Richard Moore, PE, to provide Yucca Mountain related transportation advisor services in 2019, for a not to exceed amount of \$14,000.00 for time and materials. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

## **AMBULANCE & EMS**

Report on Activities: EMS Director, Kenny Sanders, reported that there were a total of nine ambulance runs County-wide for the month of January. He expects February's runs to exceed that number as it has been a busy month so far. The new ambulance should be ready by the end of March.

## **IT / NETWORK**

Fiber Project: IT Supervisor, Michael Mears, presented a quote from NNE Construction to install, terminate, and test a new fiber connection to the NDOT yard in Eureka. He explained that the County has been examining ways to improve connectivity to the Ambulance Bay, Sheriff's Office, and Eureka Fire Station, which are currently connected by aerial fiber that is in less than ideal condition. The School District is planning to bore under Main Street to connect the Vandal Athletic Center to the NDOT fiber building. This provides the County with an opportunity to piggyback on the School's project and install fiber for a third of the cost of doing it independently. Sufficient funds are budgeted in the Capital Projects Fund in the current fiscal year to support this project.

Commissioner McKay motioned to approve the quote from NNE Construction to install, terminate and test 96F Single Mode Fiber connecting the Eureka Fire Station, Ambulance Bay, and Sheriff's Office into the NDOT fiber building, for an amount not to exceed \$60,000.00 to be paid from the Capital Projects Fund. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

IT Update: IT Manager, Misty Rowley, provided an update on IT projects and activities. In addition to the fiber project, she is currently working on a wireless project for the County under a Nevada State contract that provides a 44% discount. The video conferencing equipment in the

Commission Chambers is beyond end-of-life, and Ms. Rowley and Mr. Mears are working with Quest on an upgraded system that will allow connectivity outside of the County. Ms. Rowley has been installing new servers, working on server issues, setting up new workstations and printers, obtaining equipment and product quotes, replacing equipment and components that failed due to a power outage, dealing with daily technology issues, and working on the budget.

## **PUBLIC WORKS**

Public Works Update: Public Works Director, Ron Damele, reported on Public Works projects and activities.

Utilities & Facilities: All utilities are in good working order. Visitor counts at the Sentinel Museum were 120 in November, 95 in December, and 85 in January. Attendance at Opera House meetings and events were 710 in November, 705 in December, and 428 in January. The Swimming Pool has been busy with 163 swimmers in November, 175 in December, and 186 in January. Silver State Elevator Company is currently at the Opera House installing the newly manufactured hydraulic jack cylinder and the elevator should be operational by the end of the week. The annual overhead door inspections and maintenance were completed by Thompson Overhead Doors. L.N. Curtis is currently in the County completing SCBA and compressor certifications. Public Works staff attended an auction in Salt Lake City and successfully purchased a 2003 Freightliner truck, which will be used by the utility and building maintenance crews.

Surplus Property: Mr. Damele requested that the Board declare a vehicle surplus property because it has exceeded its life span. Commissioner Sharkozy motioned to declare a 2003 Ford F350, Vehicle Identification Number 1FTWW31P17EA73185, County property number 5707, as surplus property and to authorize disposal pursuant to Eureka County Code, Title 3 (Internal Control Policy), Chapter 20, Section .130, Commissioner McKay seconded the motion. Motion carried 3-0.

Municipal Solid Waste Contractor: Mr. Damele asked for direction related to negotiating a contract for collection of municipal solid waste, which will also serve as a County-wide franchise agreement. A Request for Qualifications was advertised in the *Eureka Sentinel* five times and mailed to 13 disposal companies. Three companies requested packets and two were returned to Public Works by Hoss Disposal and Olcese Waste Services.

The Board concurred that Mr. Damele is the logical person to review the Statements of Qualifications, rank the two companies, begin negotiations with the top-ranked company, and bring a recommendation back for the Board's consideration.

Commercial Lawn Mowers: Mr. Damele stated it is time to replace the commercial lawn mowers used in Crescent Valley and Eureka. Replacements can be purchased under a Sourcewell contract at a considerable discount.

Commissioner McKay motioned to approve purchasing two John Deere Z970R ZTrack Lawn Mowers for an amount not to exceed \$32,649.70, utilizing Sourcewell Grounds Maintenance Contract #062117-DAC, to be paid for from the Capital Projects Fund. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

Snowplow: Mr. Damele requested authorization to purchase a snowplow, which will be stationed in Eureka but will be used County-wide. A discount of \$93,000.00 is available by purchasing this under a Sourcewell contract. Mr. Damele noted there is a 36 week delivery timeframe.

Commissioner Sharkozy motioned to approve purchasing one new and complete Peterbilt Snowplow for an amount not to exceed \$226,827.00, utilizing NJPA/Sourcewell Contract #081-716-PMC, to be paid for from the Capital Projects Fund. Commissioner McKay seconded the motion. Motion carried 3-0.

## **TREASURER**

Treasurer's Report: The Treasurer's Report for January was presented by Public Guardian, Pernecia Johnson, showing an ending General Fund balance of \$27,960,200.47. Treasurer, Beverly Conley, sent an email explaining that a realized loss of \$31,835.55 on this month's report was due to a Treasury security that matured in January and was sold at par. The security earned over \$112,000.00 in interest, so the County realized a net gain of over \$80,000.00 on this investment.

**SHERIFF**

LiveScan Service Agreement: Sheriff Jesse Watts presented a Service Agreement for the LiveScan fingerprinting machine in Eureka to replace the agreement that expired in December.

Commissioner Sharkozy motioned to approve the Service Agreement with Idemia for LiveScan machine maintenance, not to exceed \$2,500.00; Commissioner McKay seconded the motion; motion carried 3-0.

Resolution to Merge Accounts: Sheriff Watts drafted a resolution to merge the Sheriff and Jail accounts for budgeting purposes. Assistant Comptroller, Kim Todd, consulted the external auditor who felt it would be easier to track actual costs if the accounts remained separate. Sheriff Watts assured the Board he would be able to track costs and the Board requested that Jail costs be tracked. Ms. Todd added that the resolution is subject to approval by the Department of Taxation.

Commissioner Sharkozy motioned to adopt a resolution merging General Fund accounts 034 (Sheriff) and 036 (Jail); Commissioner McKay seconded the motion; motion carried 3-0.

Eureka, Nevada

February 20<sup>th</sup>, 2019

**RESOLUTION TO MERGE SHERIFF AND JAIL GENERAL FUND ACCOUNTS  
PRIOR TO FISCAL YEAR 2019-2020**

WHEREAS, the Board of Eureka County Commissioners will merge the Sheriff (Fund 034) and Jail (Fund 036) General Fund Accounts.

WHEREAS, the funding for the Sheriff and Jail will be merged and only named Sheriff (Fund 034).

WHEREAS, the Jail (Fund 036) fund will no longer be in use and no funds available to be spent from this account.

NOW THEREFORE, IT IS HEREBY RESOLVED, that the Board of Eureka County Commissioners are merging the funds known as Sheriff (Fund 034) and Jail (Fund 036), and the Jail (Fund 036) will no longer be in use beginning with Fiscal Year 2019-2020.

Board of Eureka County Commissioners  
County of Eureka, State of Nevada

By /s/ J.J. Goicoechea, DVM  
J.J. Goicoechea, Chairman

By /s/ Michael Sharkozy  
Michael Sharkozy, Member

By /s/ Rich McKay  
Rich McKay, Member

ATTEST: /s/ Jackie Berg  
Jackie Berg, Commissioner Clerk

Updates: Sheriff Watts received a request to speak before the Legislature on February 22<sup>nd</sup> regarding two Assembly Bills – AB47 and AB85, which both deal with matters concerning persons with mental health issues.

The Sheriff thanked the Board for waiving the Opera House facility fees and thanked the community for the great outpouring of support at the fundraiser on February 13<sup>th</sup> for a Sheriff’s Office employee dealing with a serious health issue. He said there was a phenomenal turnout and considerable funds were raised.

## **NATURAL RESOURCES**

**Report on Activities:** Natural Resources Manager, Jake Tibbitts, reported on recent activities and upcoming meetings.

**FRTC Modernization:** Mr. Tibbitts reported that comments on the Fallon Range Training Complex Draft EIS were submitted by the February 14<sup>th</sup> deadline.

**Proposed Legislation:** He provided a spreadsheet of natural resources related legislation that he is tracking, along with position statements consistent with the County's plans and policies. He is providing input to the Lobbyist and will potentially testify before the Legislature, so he asked the Board to review the spreadsheet and to share any input or concerns.

On February 21<sup>st</sup>, Mr. Tibbitts will attend a hearing at the Legislature on SB96, regarding federal match grants providing funds to organizations for projects on public lands. He will request that the bill be amended to include Conservation Districts as entities that may receive funding.

Most of the water related legislation is slated to be heard the first week in March. Pending water legislation was the primary topic discussed at the Humboldt River Basin Water Authority meeting that Mr. Tibbitts attended on February 8<sup>th</sup>. The HBRWA took action to oppose AB30 and expressed concerns over AB51 and AB62.

**Upcoming Meetings:** Mr. Tibbitts will be spending a lot of time in Carson City to attend the Diamond Valley Adjudication hearing on February 21<sup>st</sup>, 22<sup>nd</sup>, and much of the following week, and to attend the Legislature as they address the natural resources related bills.

**BLM Oil & Gas Lease Sales:** The County recently provided comment to the Battle Mountain District BLM regarding an Environmental Assessment on an upcoming Competitive Oil & Gas Lease Sale. Concurrently, the Elko District and Ely District are also planning Competitive Oil & Gas Lease Sales, but have proceeded with Determinations of NEPA Adequacy, with no requirement of a public comment period. Mr. Tibbitts prepared letters to the Elko District and Ely District requesting coordination with Eureka County and stating that the County received no notice of the upcoming sales. The letters also point out that the County has received no responses on past comments submitted on Oil & Gas Lease Sale EAs or requests for involvement.

Commissioner McKay motioned to send letters to the Ely District and Elko District BLM outlining the County's concerns related to the March 2019 Competitive Oil & Gas Lease Sale Determinations of NEPA Adequacy. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

**Out-of-State Travel:** Commissioner McKay motioned to approve out-of-state travel for the Natural Resources Manager to attend the Council for Agricultural Research, Extension, & Teaching (CARET) meeting in Washington, DC, March 4<sup>th</sup>-7<sup>th</sup>. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

Mr. Tibbitts is an appointed Nevada CARET delegate, appointed by the Dean of University of Nevada, Reno College of Agriculture, Biotechnology, & Natural Resources (CABNR). Full expenses for the trip will be paid for by CABNR. Mr. Tibbitts explained that these annual meetings are to promote continued federal baseline funding for land grant colleges and to address other issues that have specific impacts to the universities.

**Diamond Valley Groundwater Monitoring:** Consulting Hydrogeologist, Dale Bugenig, gave a detailed update and slide presentation showing results of the groundwater monitoring in Diamond Valley, which began eight years ago. He tracks a total of 12 wells, comprised of two monitoring networks, one operated by Eureka County and one maintained by Diamond Natural Resources Protection & Conservation Association. DNRPCA installed data loggers with a grant from Eureka County, but shares the cost of the semi-annual data acquisition and processing. Eleven of the wells have active data loggers, but one is monitored manually due to a logger failure.

Mr. Bugenig displayed individual hydrographs for each well on the monitoring system, which spans from southern to northern Diamond Valley. Beginning in 2011, data shows a consistent trend of about four years of steady decline in water levels, followed by two years of good precipitation (2015, 2016) that caused the rate of decline to slow significantly. This was around the time producers were becoming very aware of the water situation, so conservation efforts also had an impact. The trend of water level decline returned in 2017 and 2018, correlating with times that the area received very little

moisture. But the declines weren't as severe as in earlier years, and Mr. Bugenig ascribes much of this to conservation efforts.

Overall, data shows that wells in the north and south are declining at a lower rate than those in the central part of the valley. Mr. Bugenig suspects that the aquifer may be experiencing recharge in the northeast coming through the Diamond Mountains from Newark Valley.

Mr. Bugenig gave an example of how quickly water levels respond to pumping. Before November 2018, the Sadler Ranch started pumping a large irrigation well (reportedly 3,000 gpm), with a fairly immediate effect on wells in the area. The Bailey well, the furthest northwest, suffered an additional four feet decline in water level through December. Differences in rates of decline can be attributed to multiple variables – depth of the well, individual recovery rates, proximity to other wells, amount of pumpage, and water management.

Mr. Bugenig noted that this monitoring network, which continually tracks water levels as opposed to a single point in time measurement, will prove extremely helpful in implementing the recently approved Groundwater Management Plan for Diamond Valley.

## **FISCAL YEAR 2019-2020 BUDGET**

**Preliminary Revenue Projections:** Assistant Comptroller, Kim Todd, received preliminary revenue projections from the Nevada Department of Taxation. Before hearing details, Chairman Goicoechea relayed that the day before MSN had reported that Eureka County has the fastest shrinking economy in the State of Nevada. He cautioned staff that all tentative budgets are subject to revision prior to submission of the final budget by June 1<sup>st</sup>.

The State's preliminary projections showed Eureka County's assessed value for secured and unsecured property to be \$742 million and assessed value for net proceeds of minerals to be \$470 million for a combined assessed valuation of \$1.2 billion, down from the previous year's combined value of \$1.4 billion. If Newmont further appeals the value of the TS Power Plant and their petition is upheld by the State, the secured/unsecured assessed valuation could drop by roughly \$58 million.

The State projected motor vehicle fuel tax for Eureka County to be \$825,000.00, a slight increase over projections for the previous fiscal year. Early projections for consolidated tax were \$6 million, roughly the same as the previous fiscal year.

Ms. Todd noted that these numbers are based on the County's tax rate and include portions of the rate that will be allocated to the School District and the State. She reminded the Board that these are preliminary numbers and will change. Eureka County budgets revenue numbers conservatively based on the County's and State's projections, but the Department of Taxation will sometimes dictate that a higher revenue number be budgeted.

**Note on Departmental Budgets:** *The County's external auditors found a trend of the County's capital assets increasing because departments were purchasing items with capital outlay funds and not funds budgeted in the operating budgets. Capital outlay should only be used to purchase items costing \$3,000.00 and above. This accounts for some of the increases in operating budgets, as departments move funds out of the capital outlay budgets.*

**Agricultural Extension:** *(Note: This item was considered earlier in the meeting to accommodate a scheduling conflict with Mr. McCuin.)* After speaking with the UNCE Director, Extension Educator, Gary McCuin, presented a spend-down plan for the Agricultural Extension Fund. A reserve balance of \$400,000.00 will remain in the account based on direction from the Commissioners. Of the \$500,000.00 budgeted in the current fiscal year for capital outlay, \$300,000.00 can be released back to the fund, which will allow \$200,000.00 to be budgeted in the upcoming fiscal year for capital outlay. The remaining \$107,000.00 will be used as agreed upon by the Director and the County. At an earlier meeting, Mr. McCuin requested \$100,000.00 for services and supplies for the upcoming fiscal year, reducing the operating budget by \$37,250.00 from the previous year.

Commissioner Sharkozy motioned to accept the tentative budget for Agricultural Extension for Fiscal Year 2019-2020 and to sign the Spend-Down Plan reflecting the agreed upon budgeting plan. Commissioner McKay seconded the motion. Motion carried 3-0.

**Crescent Valley Town Board:** The Crescent Valley Town Board requested increases to insurance and machine maintenance, for an operating budget net increase of \$750.00. Commissioner

Sharkozy motioned to approve the tentative budget for the Crescent Valley Town Board (an account in the Crescent Valley Town Fund); Commissioner McKay seconded the motion; motion carried 3-0.

CVTAB Chair, Nona Kellerman, was in attendance via interactive video and inquired about the Town Board's capital outlay requests, which included covering dugouts at the park, installing an awning on the concession stand, and future paving and/or repair of existing roads.

Chairman Goicoechea responded that Public Works has a multi-year plan to address roads, with engineering and planning budgeted in the upcoming fiscal year. Mr. Damele felt the dugouts could be covered and the awning installed without increasing capital outlay. If funds allow, there may be a chance to do the awning in the current fiscal year.

**Television District:** President of the Television District, Bill Leppala, and contractor, Dale Lotspeich with Eagle Communications, were in attendance to present the District's tentative budget. The proposed overall budget of \$443,200.00 included \$9,000.00 in wages and benefits and \$260,000.00 in capital outlay. The gentlemen presented a list of budget justifications, as follows:

1. Replace all transmitter equipment related to FCC repack for channels purchased by T-Mobile – seven on Prospect Peak and one on Argenta Ridge (primary network channels)
2. Failure to move to fiber will require District to maintain northern microwave as Elko exits in July
3. Transmitter equipment has reached end-of-life; District plans to move to IP based equipment
4. Antennas and combiners for old frequencies cannot be tuned to new channel frequencies
5. Cabling and connectors need to be replaced due to age and weathering
6. After a large investment over the next two years, the system will be maintained with phased replacements

In relation to Item #1, Chairman Goicoechea referenced a second letter from T-Mobile notifying the District that no interference was detected and there was no need to move channels at this time. Mr. Lotspeich responded that T-Mobile sent an email after the 120-day notification period notifying the District to cease operations.

Mr. Lotspeich explained that when Elko moves to fiber in July, the District can expect to pay up to \$30,000.00 to \$35,000.00 annually to maintain the microwave system, adding that his estimate was "on the high side." With the possibility of using the School District's existing fiber connection to Tank Hill and installing transmitters on Prospect Peak, the District plans to make these two sites IP based, which would eliminate the need for the microwave system on Mary's Mountain. Argenta Ridge would be converted at a later date. Mr. Lotspeich added that conversion to an IP based system could give the Television District the ability to provide a broadband option for citizens in the future.

Proposed contract services were \$117,900.00 and Commissioner McKay asked if these costs were related to the capital outlay request of \$260,000.00. Mr. Lotspeich explained that contract services was strictly for existing contracts, and labor for the capital improvements was included in capital outlay.

Commissioner McKay wondered how many residents are accessing the television channels versus having Dish or DirecTV. Commissioner Sharkozy offered that an advisory question could be placed on the next ballot to ask taxpayers what they think about the Television District.

Commissioner McKay asked if the District had researched details of a broadband initiative to help fund rural communities. In anticipation of potential funding opportunities, Chairman Goicoechea felt the District should delay fiber and the IP based option. He informed that the US Department of Agriculture is working on an initiative on the national level that may be a source of future funding.

After discussing each mountaintop site with Mr. Lotspeich, the Board felt the budget could be reduced by a minimum of \$100,000.00. The Chairman observed that the District was requesting nearly \$450,000.00 with a fund balance of \$680,000.00 and a tax rate that only earns \$55,000.00 a year.

Kim Todd indicated that additional monies need to be added to wages and benefits because the Television District Board voted last year to increase the per-meeting stipend for Board members and it wasn't accounted for in the budget.

The Chairman directed the District to make the requested changes and return to the next meeting with a revised tentative budget proposal.

**Fair Board (Ag District #15):** Fair Board Chair, Lynn Conley, presented the Fair Board budget with no requested changes from the previous year. Commissioner Sharkozy motioned to accept the

tentative budget for Ag District #15 (Fair Board) for the upcoming year; Commissioner McKay seconded the motion; motion carried 3-0. Commissioner McKay commented that he thought the 2018 County Fair was awesome and a great event.

**Recreation Board:** Ms. Todd received an email from the Recreation Board requesting no changes to the budgets for the Recreation Fund or the Tourism Fund. Ms. Todd reduced services and supplies by \$2,500.00 in the Recreation Fund because the Board hasn't spent monies from that line item for several years. That was the only change in either budget.

Commissioner Sharkozy motioned to accept the Recreation Fund and Tourism Fund tentative budgets for the next fiscal year. Commissioner McKay seconded the motion. Motion carried 3-0.

**Natural Resources:** Mr. Tibbitts proposed two changes in the Natural Resources budget. Contract services were reduced by \$5,000.00 and office supplies were increased by \$3,000.00 because both office computers are dated and he anticipates needing to replace them. This equaled a net decrease of \$2,000.00 to the Natural Resources operating budget.

This budget includes line items for the Firewise Communities Program and Mr. Tibbitts explained that the Program is funded by federal payments to counties to replace lost revenue from tax-exempt forest lands.

**Natural Resources Advisory Committee:** No changes were proposed for the NRAC operating budget and wages were reduced by \$500.00.

**Game Board:** Mr. Tibbitts explained that this fund supports the County Advisory Board to Manage Wildlife and does not utilize County revenues, but is funded by the State. There were no proposed changes to the operating budget, but there was an increase of \$300.00 to wages and benefits. The State provides enough funding for every local member to receive a stipend to attend the State meetings, but this is rarely expended.

**Diamond Valley Weed Control District:** No changes were proposed for the Diamond Valley Weed Control Fund. Mr. Tibbitts explained that this budget contains some federal funding as the BLM provides cost-share funds for weed control on public lands.

**Diamond Valley Rodent Control District:** Two years ago the District Board requested an increase in the budget anticipating some projects. The members have been more active the past couple of years, but have run into some issues about accessing private lands. No changes were requested in the Diamond Valley Rodent Fund budget.

**Water Mitigation Fund:** At the last budget meeting the Commissioners discussed budgeting capital outlay to drill a test well in Kobeh Valley (monies budgeted for the well in the current fiscal year were released back into the fund). They also discussed budgeting money to address issues related to the Diamond Valley Adjudication.

This fund was originally created for the mitigation funding from Barrick. Although those funds have all been expended, Mr. Tibbitts felt the Board should honor the intent of the fund, which was not to address legal issues or drill wells, unless for scientific purposes. The US Geological Survey and the Consulting Hydrogeologist contract are appropriately budgeted in this fund.

Mr. Damele agreed that although the Kobeh Valley well is a test well, the anticipation is that it will be developed into a production well and should be budgeted in the Water Fund. This project will probably require an Environmental Assessment, and it would be fitting for that to be supported by the Water Mitigation Fund.

The Board agreed to budget the same dollar amount as originally budgeted the previous year in the Water Mitigation Fund, with monies earmarked for the specified purposes.

**Natural Resources Multiple Use Fund:** The tentative budget for this fund was accepted at the February 11<sup>th</sup> meeting. With water being an important natural resource, the Board felt legal issues surrounding water and issues arising from the Diamond Valley Adjudication could be financed from this fund, which might allow reductions in legal fees elsewhere. It was suggested that this fund could also supplement environmental studies related to the Kobeh Valley well, if needed.

**Motion on Natural Resource Related Funds:** Commissioner Sharkozy motioned to accept tentative budgets for Natural Resources, NRAC, Game Board, Diamond Valley Weed District, Diamond Valley Rodent District, and changes discussed for the Water Mitigation Fund. Commissioner McKay seconded the motion. Motion carried 3-0.

## **RECESS FOR LUNCH**

The Board recessed for lunch from 12:22 to 1:30 p.m.

## **FISCAL YEAR 2019-2020 BUDGET (continued)**

**Sheriff:** Sheriff Jesse Watts stated that one change in his proposed budget was addition of funding for Search & Rescue, required by statute but not previously budgeted. He proposed increases to several categories, explaining many of the items are to support increased staff, increased training, increased workload, anticipated investigations, and other changes. Certain increases and decreases were based on review of actual expenditures over the past five years. There was some movement within the budget itself – items were moved to different categories and some line items were combined. Overall, the proposed changes resulted in a net increase to the Sheriff's tentative operating budget of \$51,900.00.

The Sheriff requested an overall increase of \$25,000.00 in capital outlay, mostly in data processing to support potential replacement of seven computers.

**Jail:** Sheriff Watts proposed a Jail budget with a net decrease of \$1,000.00, representing a reduction to the miscellaneous line item.

**LEPC:** The Local Emergency Planning Committee proposed no changes to the operating budget. A net increase of \$15,000.00 was proposed for capital outlay to budget for an anticipated \$30,000.00-plus equipment grant.

**Motion on Sheriff Related Budgets:** Commissioner Sharkozy motioned to accept the tentative budgets for Sheriff, Jail, and LEPC for Fiscal Year 2019-2020; Commissioner McKay seconded the motion; motion carried 3-0.

**Buildings & Grounds:** Ron Damele presented the proposed budgets under Public Works. Each building is budgeted separately in Buildings & Grounds, so actual costs can be tracked. Proposed increases to the repairs/maintenance line items were for the following: vehicle repairs, possible replacement of the industrial cook range at the Fannie Komp Senior Center, construction of a food storage enclosure at the Eureka Senior Center, potential replacement of the low temperature cook and hold oven at the Opera House.

Other primary changes were for heating fuel/propane and electricity and were based on actual usage. Mr. Damele pointed out he has no control over the thermostats or the lights in the various buildings. The proposed changes resulted in a net increase of \$70,000.00 to the Buildings & Grounds operating budget.

Later in the meeting, Mr. Damele stated that Public Works has had no success in locating a used dump truck and lift gate and may need to purchase a new one. Since this vehicle will be used for Buildings & Grounds, he would like to add \$75,000.00 in capital outlay to this budget.

**Airport:** Contract services were increased based on actual cost of contracts for the Fixed Base Operator and the AWOS (automated weather observation system). The only other change was to surveying/engineering for a self-funded runway maintenance program. Total net increase requested for the operating budget was \$10,500.00.

Mr. Damele explained that capital outlay for the Airport includes \$238,888.00 for a snowplow that will be delivered in the next fiscal year, which will be reimbursed by an FAA grant. An additional \$450,000.00 was requested for the runway maintenance project.

**Planning Commission:** A net increase of \$200.00 was requested in services and supplies for the Planning Commission tentative budget. The Planning Commission has been less active in recent years, so wages and benefits were reduced by \$6,000.00.

**Emergency Management:** Increases requested for Emergency Management (Eureka County Fire District) were in fire/EMS equipment and fuel, for a net increase to the tentative operating budget of \$10,500.00. In the event of a bad fire year, this budget needs to support contracting additional equipment.

**Public Works:** In Public Works there was an increase to contract services to complete cleanup requirements in the Town of Eureka (related to historic smelting activity). In order to facilitate departure of the EPA from the community, the County has agreed to fence the slag pile owned by the County,

at a cost of about \$200,000.00. The County will also be involved in management of the repository and an Institutional Control Plan for soils management, requiring purchase of an XRF Scanner (an x-ray fluorescent spectrometer) for testing soils, at a cost of about \$75,000.00,.

The only other increase was for trash hauling to cover the non-franchise portion of the contract with Hoss Disposal. These requests resulted in a net increase of \$83,000.00 to the operating budget for Public Works

**Eureka County Cemeteries:** The Cemeteries budget was increased the previous year to do some weed spraying and to get assistance from the honor crew from the NDF Conservation Camp. Mr. Damele would like to leave it at that same amount for another year.

**Eureka Activities:** Mr. Damele explained that the Eureka Activities budget contains funds for activities, but there hasn't been much interest. The Nevada Commission on Tourism grant is also budgeted in this account. Mr. Damele suggested that a line item for the \$4,800.00 NCOT grant be created in the Public Works budget, and the \$25,000.00 budgeted for activities could be moved to miscellaneous grants in the Commissioners' budget.

Everyone agreed that this account could remain unfunded and activities can be supported with grants from the Commission budget and grants from the Recreation Board. Chairman Goicoechea offered that miscellaneous grants has sufficient funds and the \$25,000.00 could be returned to the General Fund.

**Swimming Pool:** The only change requested to the Swimming Pool tentative operating budget was an increase of \$2,500.00 to services and supplies. This line item pays for safety equipment, uniforms, American Red Cross instruction manuals and certifications.

**Museum:** No changes were requested to the tentative operating budget for the Museum.

**Public Parks:** Mr. Damele explained that services and supplies has been supporting remodels and upgrades at the Fairgrounds, and he would like to leave it status quo. This budget supports sprinkler system remodels, fence repairs, weed spraying, fertilizing, and painting. Small increases for Fairgrounds repair and parks & grounds repair were requested, for a net increase of \$8,000.00 to the tentative operating budget for Public Parks.

**Opera House:** Mr. Damele proposed increases in convention supplies, cultural programs, machine maintenance, and marketing. The current budget has been reduced in previous years and currently does not support basic operation. Reductions were made to office supplies and telephone/fax. A net increase of \$13,000.00 was requested for the Opera House tentative budget.

**Eureka Canyon Subdivision:** The subdivision requires maintenance such as weed spraying and snow plowing, and Mr. Damele would like to do some marketing related to the lots. He proposed a \$5,000.00 increase in services and supplies. Due to the sale of the townhomes this past year, this budget no longer requires the remaining line items for maintenance, utilities, etc. The tentative operating budget for the Eureka Canyon Subdivision had a net decrease of \$48,500.00.

**Road Fund:** Assistant Public Works Director, Raymond Hodson, assisted with preparation of budgets in the Road Fund – Road Department and Regional Transportation Commission. Insurance costs were increased in the proposed **Road Department** budget based on actual costs. An additional \$25,000.00 was requested for tires, as well as a small increase to contract services, for a net increase to the operating budget of \$33,500.00.

Capital outlay requests for the Road Department for the upcoming year include a grader, a 7,000 gallon water trailer, and a tractor.

Mr. Damele explained that \$100,000.00 was budgeted in services and supplies as contingency in the **Regional Transportation Commission** budget. There may be some unexpected road issues in the upcoming fiscal year after this winter's weather. A total net increase of \$95,000.00 was proposed for the tentative RTC operating budget.

\$400,000.00 was requested in capital outlay to fund engineering for one large County-wide paving maintenance, water, sewer, and storm drain project to be completed in Fiscal Year 2020-2021.

**Town of Eureka:** Mr. Damele explained that **Eureka Town Fire** supports the Volunteer Fire Department, which is active in Eureka. His only request for this operating budget was an increase in protective clothing, for a net increase of \$6,000.00 to the tentative Eureka Town Fire operating budget.

No changes were requested for the **Streets & Grounds** budget for the upcoming fiscal year.

A flat budget was proposed for **Street Lighting**. This budget for street light replacement and electricity costs. Lights on Main Street are metered, but a flat rate is billed for other lights in town.

**Crescent Valley Town:** For the **Fire Department** tentative budget, Mr. Damele moved \$5,000.00 from capital outlay to services and supplies and decreased insurance by \$4,000.00 for a net increase to the Fire Department operating budget of \$1,000.00, or a net decrease of \$4,000.00 including capital outlay. This Fire Department is active and this budget supplies protective clothing and equipment.

No changes were proposed for the **Street Maintenance** tentative budget. Mr. Damele noted that this account pays for street signs, patching, etc. There is an aggressive weed spraying program in Crescent Valley, and this is supplemented by the Public Works and Road Department budgets.

For the **Public Park** budget Mr. Damele moved \$3,000.00 out of capital outlay and increased services and supplies and repairs/maintenance, for a net increase to the operating budget of \$10,000.00, or a net increase of \$5,500.00 including capital outlay. Mr. Damele explained that the Crescent Valley Park's largest expense is water, but through efforts of staff the sprinkler system has been overhauled and is significantly more efficient. This reduced the budget by about \$15,000.00 in past years.

**Eureka Water & Sewer:** Mr. Damele explained that two changes were proposed for the **Eureka Water Department** budget. \$100,000.00 was moved from capital outlay to services and supplies in the event of a catastrophic failure, such as a well breakdown. Electricity costs were underestimated the previous year, so \$5,000.00 was added. This resulted in a net increase of \$105,000.00 for the tentative Eureka Water Department operating budget, or a net increase of \$5,000.00 including capital outlay.

The only change proposed for the **Eureka Sewer Department** was to move \$5,000.00 from capital outlay into services and supplies in case something such as video inspection of a sewer line is needed. There is no monetary change to the overall budget, but this moves \$5,000.00 more into the operating budget.

**Crescent Valley Water:** \$100,000.00 was moved from capital outlay to services and supplies for replacement of media in the arsenic treatment plant and in case of a well failure. There was a minimal increase to insurance, for a net increase of \$100,500.00 to the operating budget, or a net increase of \$500.00 including capital outlay.

**Yucca Mountain:** Mr. Damele explained that this fund has been operating on reserves from a direct payment grant from the US Department of Energy, last paid in 2005 to AULGs (affected units of local government). Interest in the Yucca Mountain Program is reviving, but it may take some time for funding to be reinstated. As discussed earlier in the meeting, the Carlin rail corridor will probably be studied as a transport route for spent nuclear waste. This fund supports consultant contracts, legal services, and other services that may be needed.

Mr. Damele proposed a tentative budget of \$180,000.00, which exceeds what will be remaining in the account at the end of the current fiscal year. He recommended moving \$150,000.00 from the General Fund into the Yucca Mountain account. The proposed tentative operating budget for Yucca Mountain had a net increase of \$60,000.00.

**Devil's Gate Water:** Mr. Damele proposed moving \$100,000.00 out of capital outlay into services and supplies in the event of a catastrophic well or water system failure. This resulted in a net increase of \$100,000.00 in the operating budget, but zero increase when considering operations and capital outlay combined.

**Landfill:** The proposed operating budget for the Landfill had a net increase of \$7,500.00 due to increases to insurance and surveying/engineering. Mr. Damele explained that this budget may need to support costs related to the new solid waste franchise agreement that is being negotiated. The State may require a volumetric study, but Mr. Damele plans to request a waiver since the County worked to extend the life of the Landfill by approximately 80 years.

**Motion on Public Works Related Budgets:** Commissioner McKay motioned to accept the tentative budgets for Public Works, Road Department, Regional Transportation Commission, Buildings & Grounds, Swimming Pool, Public Parks, Emergency Management/Fire District, Airport, Opera House, Museum, Eureka Water & Sewer, Crescent Valley Water, Devil's Gate Water, Yucca

Mountain, Landfill, Eureka Town, Crescent Valley Town, Eureka Activities (zero balance), Cemeteries, Eureka Canyon Subdivision, and Planning Commission. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

**District Court:** At the last budget meeting, the Board asked Clerk Recorder, Lisa Hoehne, to check with the District Judge to find out if public defender fees could be paid from the County Indigent Fund. There was a lengthy discussion as it was unclear whether the \$60,000.00 included in the District Court budget was intended for the public defender or whether it was money that the Judges access to assign indigent counsel.

The Board ultimately decided to budget the public defender's contract in the County Indigent Fund (Fund 175). Ms. Todd cautioned the Board that the fund would not support the contract beyond one year unless more than \$0.01 from the tax rate is allocated to the fund.

The other question related to the District Court budget was concerning Pioneer software fees. Ms. Hoehne found that the \$20,000.00 licensing fee is a one-time fee and \$6,000.00 has been paid as a deposit. The remaining \$14,000.00 will be budgeted in the Capital Projects Fund as part of the conversion. The \$22,000.00 annual maintenance fee will remain in the District Court budget.

**Data Processing (Technology Support):** Due to the demand and immense volume of work, staff advised the Board to consider making IT an independent department. The Commissioners asked IT Manager, Misty Rowley, to attend the meeting prepared to negotiate a salary if she was appointed department head. Policy and precedence support a 5% wage increase when someone is promoted. Based on current earnings of \$71,000.00 annually including overtime and earned comp time (an average based on the past two years), Ms. Rowley proposed a salary of \$75,000.00.

There was a lengthy discussion concerning salary, how the figure was calculated, and the consequences of being an at-will salaried employee versus an hourly employee. The Board agreed that the requested salary was fair for a talented IT person. The Board also asked for an estimate of the number of casual hours the department would need and Ms. Rowley recommended 800 hours.

Commissioner Sharkozy motioned to make IT an independent department, to appoint Misty Rowley as department head with an annual salary of \$75,000.00 including the benefit package afforded at-will salaried employees, with these changes effective July 1, 2019, along with the addition of 800 casual hours to the Data Processing (Technology Support) budget for Fiscal Year 2019-2020. Commissioner McKay seconded the motion. Motion carried 3-0.

## **CORRESPONDENCE**

Correspondence was received from: District Attorney, Ted Beutel (2); Sheriff Jesse Watts; Treasurer, Beverly Conley; Assistant Comptroller, Kim Todd (2); Natural Resources Advisory Commission; Crescent Valley Town Advisory Board (3); Television District; Kelly C. Brown, PLLC; Nevada Assoc. of Counties; Abby Johnson (2); Public Employees Retirement System; Schroeder Law Offices; Nevada Div. of Water Resources; and US Dept. of the Interior, Office of the Solicitor.

**Commissioner Updates:** Chairman Goicoechea and Jake Tibbitts received an email from Bob Ingersoll notifying them of his retirement from Barrick Gold at the end of the month. The Chairman stated that Mr. Ingersoll has been very good to work with over the years and was instrumental in reaching settlement agreements with the County concerning Barrick's protested water applications.

## **PUBLIC COMMENT**

Chairman Goicoechea called for public comments; there were none.

## **ADJOURNMENT**

Commissioner Sharkozy motioned to adjourn the meeting; Commissioner McKay seconded the motion; the meeting was adjourned at 3:16 p.m.

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

*I, Jackie Berg, Commissioner Clerk, attest that these are a true, correct, and duly approved minutes of the February 20, 2019, meeting of the Board of Eureka County Commissioners.*

/s/ Jackie Berg  
Jackie Berg, Commissioner Clerk

*I, Lisa Hoehne, Clerk Recorder 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/ Lisa Hoehne  
Lisa Hoehne, Clerk Recorder