

**EUREKA COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING - July 25, 2008**

STATE OF NEVADA)
 : ss
COUNTY OF EUREKA)

CALL TO ORDER

The Board of Eureka County Commissioners met pursuant to law for a special meeting on July 25, 2008. Present were Chairman Jim Ithurrealde; Vice Chairwoman Donna Bailey; Member Leonard Fiorenzi; District Attorney Theodore Beutel; and Deputy Clerk & Treasurer Sara Simmons. Chairman Ithurrealde called the meeting to order at 10:00 a.m. The interactive video conference system was connected and utilized between Crescent Valley and Eureka for the entire meeting.

APPROVAL OF AGENDA

Commissioner Bailey motioned to approve the agenda; Commissioner Fiorenzi seconded the motion; motion carried 3-0.

PUBLIC COMMENT

The Chairman called for public comment. Tammy Redfield stated that Chuck Henry, Crescent Valley Town Advisory Board member, had informed her that Chairman Ithurrealde had demanded term limits for the Crescent Valley Activities Committee. Chairman Ithurrealde said he made no such statement. Ms. Redfield asked if Chairman Ithurrealde had requested operating guidelines from that committee. Chairman Ithurrealde replied that he had not, but guidelines are a good idea. Ms. Redfield then asked for a written statement from the Chairman documenting that he did not make these statements. Chairman Ithurrealde replied, "I am not going to micro-manage at that level, and you guys are going to have to get along up there." Ms. Redfield responded that the Activities Committee wanted community 'teamwork' and had expressed that very strongly at the Town Board meeting the previous night.

The Chairman made a final call for public comments. There were no further comments.

RECESS FOR DEVIL'S GATE GID MEETING

The Board recessed for the Devil's Gate GID meeting from 10:05 to 10:21 a.m.

NEVADA HEALTH CENTERS, INC.

Addendum to Fiscal Year 2009 Contract: To avoid further delays, the Fiscal Year 2009 contract with Nevada Health Centers was approved on July 21st, contingent that it include an addendum defining guidelines for the telemedicine option. The addendum requires that staff be in place or identified before any funds are expended on the telemedicine option, and that all telemedicine related expenditures must be approved in advance by the Commissioners. Commissioner Fiorenzi motioned to approve the addendum to the Nevada Health Centers contract, requesting that NHC sign it first and that the Chairman be authorized to sign it outside of the meeting. Commissioner Bailey seconded the motion. Motion carried 3-0.

MOUNT HOPE PROJECT ENVIRONMENTAL IMPACT STATEMENT (EIS)

County Participation in Review of the Mount Hope Project EIS: Eureka County, as a cooperating agency on the Mount Hope Project EIS, has the opportunity the review EIS documents and submit comments to the Bureau of Land Management. Due to the short timeframe allowed for review and comment, Commissioner Fiorenzi placed this item on the

agenda to direct Department Heads to participate in review of these documents and to report, in a timely manner, on aspects and impacts relative to their departments. He reminded the Department Heads that these are confidential documents and are not to be distributed to the public. Commissioner Fiorenzi stated he was making these directives in the form of a motion. Commissioner Bailey seconded the motion. Motion carried 3-0.

Authority to Submit Letter to BLM: Relating to the same short timeframe, the Board agreed that a need may arise to request more time for review of certain portions of the overall EIS. Time may not allow for this to be accomplished at regularly scheduled meetings, so Commissioner Fiorenzi motioned that authority be granted to write a letter to the BLM requesting additional time for review and comments on specific portions of the Mount Hope EIS, and that a member of the Board be authorized to sign that letter outside of the meeting. Chairman Ithurralde amended the motion to appoint Commissioner Fiorenzi as the authorized signer. Commissioner Bailey seconded the motion as amended. Motion carried 3-0.

Tim Arnold, General Manager for Eureka Moly, asked for clarification that extensions of time would be based on the need for expert analysis of certain aspects, and not because somebody is on vacation or some other insignificant delay. Mr. Arnold further stated it is Eureka Moly's intention that the final statement is accurate and correct, but they also desired to work through this process as quickly as possible.

PUBLIC HEARING REGARDING LEASE WITH EUREKA MOLY, LLC

Notice was given that the Board of Eureka County Commissioners would hold a public hearing to invite additional comment, consider public comments heard on July 21, 2008, to take action on a resolution related to County annexed property (APN 001-221-02 and APN 001-221-05), and to take action on a lease between Eureka County and Eureka Moly, LLC.

The Chairman asked if there was any public comment regarding these issues. Tim Arnold, General Manager of Eureka Moly, LLC, wanted to provide some updates. At the July 21st meeting, a concern was raised over bonding. Eureka Moly worked with County staff during the past week and a construction bond was agreed to that is satisfactory to both parties. Mr. Arnold gave an overall picture of what the construction would involve: it will begin with an environmental review, permitting, flagging, surveying, and wood harvesting. Much of the wood will be cut into firewood and donated to people in the community, such as the homebound, elderly, single moms, etc., and they are open to suggestions as well.

Mr. Arnold continued describing the construction that will take place: major earthwork including leveling, rough grade, fine grade, roads will be bladed, dry utilities, wet utilities, and fencing. If weather cooperates, they would like to install curbs and gutters, but that will most likely take place next spring, along with road construction. Mr. Arnold concluded by stating Eureka Moly was pleased to work with the County on the additional requirements to alleviate public concerns, and appreciated County staff and the Board of Commissioners for working through these items in a timely fashion.

Chairman Ithurralde invited Community Development Coordinator, Jim Evans, forward to review amendments incorporated in the draft resolution and draft lease agreement following the Public Hearing on July 21st. The first addition was to the draft resolution, which Mr. Evans read as follows: *"...however it is understood that by commencing with the lease agreement and building in accordance with the tentative map as currently proposed by Eureka Moly, LLC, and under review by the Planning Commission that Eureka Moly, LLC, will conduct significant civil construction, and that Eureka Moly and the County will follow the guiding principles with the grading plan. Utility locations and road layout will remain consistent with the tentative map."*

The next amendment was to the draft lease agreement, Section 200 E: “Ames Construction Company. The general contractor identified by Eureka Moly shall provide a bond for the work to be completed by Eureka Moly under this agreement.”

An agreement for a security deposit of \$100,000.00 was included in the first draft of the lease, but further definition was added to Section 1300 A, B, C, & D: “...the description of the plan commencement and completion of the work contemplated by this lease is described below. The work anticipated to be completed by January 1st of 2009, weather permitting includes: 1-Environmental review of the property; 2-Survey and flagging; 3-Firewood harvesting; 4-Major earthwork including culverts, rip rap, fencing, relocating the stray animal pound, and the construction of basins and ditches; 5-Rough grade; 6-Fine grade; 7-Installation of all dry utilities, including all underground conduits; 8-Installation of all wet utilities on and off the lease property, to include water mains from Hog Pen Canyon and Ridgetop Road, and sewer main from the lease property to the sewer ponds. ¶ Part C. When the work described in paragraph 1300 B is satisfactorily completed, the security deposit referenced in paragraph 200 F shall be returned to Eureka Moly. ¶ Part D. The work anticipated to be commenced in the spring of 2009, weather permitting, is 1-Curbs and gutters; 2-Verification of sub-grade and re-compaction of road beds; 3-Place road base material, and; 4-Pave the roads.”

Commissioner Fiorenzi wanted to highlight several points: the lease agreement was for temporary construction worker housing, not the subdivision; an overall comprehensive development plan was required as a part of the lease agreement; Eureka Moly will be required to address the impacts to adjacent property owners; the mine will be required to supply a project inspector; the work described to be completed by January 2009 will basically follow the footprint of the planned subdivision; and there may be several hurdles that the mine has to overcome with the State regarding temporary construction worker housing since this will probably require a mobile home or RV park permit. Lastly, Commissioner Fiorenzi felt it would be conscientious of the Board to begin working towards a selling price by considering the appraisals, market value, and overall benefits to the County, so that negotiations with the mine regarding a land purchase were not unduly delayed.

Chairman Ithurralde commended staff for working very hard with the mine over the past several months. He felt the general wishes of the public were being met by concentrating growth near the Town of Eureka. He agreed with Commissioner Fiorenzi that it was appropriate to begin addressing the next phase of development with the mine.

Approval of Resolution: Commissioner Bailey motioned to pass the Resolution supporting the lease of County property for a new commercial enterprise pursuant to NRS 244.2815. Commissioner Fiorenzi seconded the motion. Motion carried 3-0.

Approval of Lease Between Eureka County and Eureka Moly, LLC: Commissioner Fiorenzi stated that based on the previous discussions, he felt the County liability and public concerns were adequately covered, and therefore he motioned to approve the Lease Agreement between Eureka County and Eureka Moly, LLC. Commissioner Bailey seconded the motion. Motion carried 3-0.

Work Session Scheduled: The Board decided to hold a joint meeting between the Commissioners, Planning Commission, Eureka Townsite Annexation Advisory Committee, and representatives of Eureka Moly, LLC. The meeting was scheduled for August 1st and will serve as a public work session for input and questions relating to the Overall Comprehensive Development Plan.

BID OPENING – EUREKA TOWN FIRE STATION

As advertised, bids were received and opened at 11:00 a.m. for the Eureka Town Fire Station Project. A total of three bids were received, as follows: Bison Construction submitted a base bid of \$3,782,000.00, and \$29,500.00 for alternative A; Building Solutions submitted a

base bid of \$3,871,390, and \$25,000.00 for alternative A; and Reyman Brothers Construction submitted a base bid of \$3,751,500.00, and \$10,560.00 for alternative A. Public Works Director, Ron Damele, and Mr. Young will review the bids for completeness and a recommendation will be forthcoming at the August 6th meeting. Commissioner Fiorenzi motioned to accept the bids into the record; Commissioner Bailey seconded the motion; motion carried 3-0.

PUBLIC COMMENT

The Chairman called for public comment and there was none.

ADJOURNMENT

Commissioner Fiorenzi motioned to adjourn the meeting at 11:20 a.m. Commissioner Bailey seconded the motion. Motion carried 3-0.

Approved this 5th day of September, 2008.

/s/ J.P. Ithurrealde

J.P. Ithurrealde, Chairman

Attest: /s/ Jackie Berg

Jackie Berg, Clerk