

EUREKA COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING – August 1, 2008

STATE OF NEVADA)
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COUNTY OF EUREKA)

CALL TO ORDER

The Board of Eureka County Commissioners met pursuant to law for a special meeting on August 1, 2008. Present were Chairman Jim Ithurralde; Vice Chair Donna Bailey; Member Leonard Fiorenzi; District Attorney Theodore Beutel; and Clerk & Treasurer Jackie Berg. The interactive video conference system was connected and utilized between Crescent Valley and Eureka for the entire meeting.

This meeting was jointly scheduled with the Eureka County Planning Commission and the Eureka Townsite Annexation Advisory Committee. Representatives of Eureka Moly, LLC, were invited to attend and actively participate in this joint meeting.

Chairman Ithurralde called the meeting to order at 10:00 a.m.

APPROVAL OF AGENDA

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

CALL TO ORDER BY PLANNING COMMISSION AND ANNEXATION COMMITTEE

The Eureka County Planning Commission and the Eureka Townsite Annexation Advisory Committee meetings were called to order respectively by Chairwoman Ellen Rand and Vice Chairman Robert Stephenson.

PUBLIC COMMENT

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

LEASE AGREEMENT

Chairman Ithurralde invited discussion related to various aspects of the Lease Agreement approved on July 25, 2008, between Eureka County and Eureka Moly, LLC. Commissioner Fiorenzi stated that the Overall Comprehensive Development Plan was a requirement of the Lease Agreement and he reiterated that the agreement dealt with temporary construction worker housing, and not the subdivision contemplated for the future. Part of the reason this August 1st meeting was scheduled was to clarify that issue and to discuss delegation of related responsibilities.

BACKGROUND ON LEASE AGREEMENT

Chairman Ithurralde asked Community Development Coordinator, Jim Evans, to provide a review of the Lease Agreement, including revisions made as a result of input received at the July 21st and July 25th special meetings.

Jim Evans highlighted the following events that led the County to consider entering into a lease with Eureka Moly: Eureka Moly proposed a man camp at the Romano Ranch in northern Diamond Valley for temporary construction worker housing; this raised concerns about providing law enforcement and emergency services; it also raised concerns over infrastructure costs should the man camp turn into permanent housing; Eureka Moly was receptive when the County asked them to consider an alternative site; the Eureka Townsite Annexation Advisory

Committee was commissioned to develop a conceptual plan for development of the annexed property; this plan was reviewed by the public and accepted by the Board of Commissioners; the County granted Eureka Moly a letter of entry to investigate the site for potential development; this all led to the proposed lease agreement between Eureka County and Eureka Moly for temporary construction worker housing at the County owned annexed property.

Jim Evans then read and reviewed the points of the lease in detail. (The executed Lease Agreement is attached hereto and made a part of this record).

SUBDIVISION APPLICATION

Jim Evans continued that Eureka Moly used the conceptual plan generated by the Annexation Committee to develop their own plan for building permanent housing on the site once the temporary construction worker housing is removed. Eureka Moly has submitted a subdivision application to the Planning Commission. This application is under review, but will not be approved until the parties enter into a development agreement separate and apart from any lease of the property.

PROPERTY APPRAISALS & RESOLUTION

NRS 244.2815 provides that a Board of County Commissioners may sell, lease, or otherwise dispose of real property for the purposes of redevelopment or economic development: (a) without first offering the real property to the public; and (b) for less than fair market value of the real property. Before this can be done, the Commissioners must obtain an appraisal and adopt a resolution documenting this.

Two independent appraisals were obtained on the subject property and accepted by the Board of Commissioners at their July 7, 2008, meeting. The *RESOLUTION FOR THE LEASE OF COUNTY REAL PROPERTY TO SUPPORT NEW COMMERCIAL ENTERPRISE PURSUANT TO NRS 244.2815* was adopted on July 25, 2008. (Resolution is attached hereto and made a part of this record).

CONSTRUCTION PLANNED IN ACCORDANCE WITH LEASE

Chairman Ithurralde invited Tim Arnold, General Manager for Eureka Moly, to comment on activities planned in accordance with the Lease Agreement. Mr. Arnold stated that first will be an environmental review of the property, followed by staking, flagging, surveying, and firewood harvesting. Then will come the major earthwork, which will include culverts, rip rap, fencing, relocation of the stray animal pound (a new pound will be constructed before the old one is torn down), construction of basins and ditches, rough grading, fine grading, installation of dry utilities, installation of wet utilities, blading in dirt roads, and they are anticipating that all of this will be completed before the weather turns bad (approximately November 1st). Next spring they anticipate completing the curbs and gutters. They will also complete the roads: scarify, sub-grade, re-compact, put down base material, followed by paving.

Commissioner Fiorenzi commented that the subject property was not yet divided into lots, but was two parcels of land. He believed that in order to put temporary housing there, the mine would have to acquire a mobile home park or RV park permit from the State of Nevada. (*Later in the meeting, Commissioner Fiorenzi read some of the State requirements for a mobile home park and provided a copy of the document to Mr. Arnold.*)

Mr. Arnold agreed that they were in the process of researching the need for a permit and researching the degree of density that would be allowed for temporary housing. Right now, in addition to temporary trailers, they plan to have some units that are duplexes, four-plexes, six-plexes, etc.

Robert Stephenson, Vice Chair of the Annexation Committee, asked if these multi-family units would be temporary. Mr. Arnold and Manfred Daut, Engineering Manager, replied that

they planned to place these units where they would be located according to the tentative subdivision map (for permanent housing), so if that is approved, those units will already be in place for permanent housing.

Based on questions from the audience, several items were clarified: The whole area will be under construction (dirt work); there will be a perimeter security fence (chain link); and no single area is designated for temporary housing because, if needed, they may utilize all areas identified for housing on the tentative subdivision map (which has the same footprint as the conceptual design). Building codes will be followed for the temporary housing. Mr. Arnold stressed that safety is always the first issue with the mine, even for work that takes place apart from the mine site.

COMPREHENSIVE OVERALL DEVELOPMENT PLAN

The Lease Agreement stipulates that Eureka Moly must submit a Comprehensive Overall Development Plan to the County. The Board agreed that Eureka Moly could draft a document and bring it to the Commissioners for review and approval. Commissioner Fiorenzi motioned that Eureka County work with Eureka Moly to develop the Overall Comprehensive Development Plan to be approved and signed during a future meeting. Commissioner Bailey seconded the motion. Motion carried 3-0.

LEVEL OF COUNTY PARTICIPATION

Commissioner Fiorenzi commented that he wanted to delegate County responsibilities associated with the Lease so the work didn't all fall on one department. Public Works will be very involved in the process, and the District Attorney's office will be involved in the paperwork, legal documents, etc. It was probably premature to make other delegations now, but he hoped to involve more departments as the project progressed.

Mr. Arnold suggested that a primary person be named so that Eureka Moly had single point of contact at the County. The Board agreed and after some discussion, Commissioner Fiorenzi motioned to appoint Jim Evans as the single point of contact for communications with Eureka Moly in relation to the Overall Comprehensive Development Plan. Commissioner Bailey seconded the motion. Motion carried 3-0.

REQUEST FOR WRITTEN COMMUNICATION

Commissioner Fiorenzi stated that any agreements made between the County and Eureka Moly should be written and approved by the Board of Commissioners and mine representatives. For clarification, Commissioner Fiorenzi offered that he wasn't talking about minor field decisions, but substantial agreements or decisions such as a design change, something the mine promised to do, or something the County promised to do.

DESIGNATE COMMISSIONER TO SIGN MOUNT HOPE EIS COMMENTS

Because of the short timeframe for review of the Mount Hope Environmental Impact Statement documents and submission of comments to the Bureau of Land Management, the Board needed to authorize one of the members to sign the EIS comments outside of a regularly scheduled meeting. Commissioner Bailey motioned to authorize Commissioner Fiorenzi to sign EIS comments outside of the meeting. Chairman Ithurrealde seconded the motion. Motion carried 2-0. Commissioner Fiorenzi abstained from the vote.

PUBLIC COMMENT

Chairman Ithurrealde called for public comment. Robert Stephenson asked if the Eureka Townsite Annexation Advisory Committee should be dissolved since they had fulfilled their main

purpose related to development of the annexed property. Chairman Ithurrealde preferred to leave the committee in place, noting that related items might still arise. The other Board members agreed.

Lisa Wolf had several questions for Mr. Arnold. Chairman Ithurrealde asked that, in the interest of time, if they were interview questions for the newspaper, he preferred that Ms. Wolf contact Mr. Arnold outside of the meeting. There were no further public comments.

ADJOURNMENT

Commissioner Fiorenzi motioned to adjourn the meeting at 11:35 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