

EUREKA COUNTY BOARD OF COMMISSIONERS
November 20, 2009

STATE OF NEVADA)
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COUNTY OF EUREKA)

CALL TO ORDER

The Board of Eureka County Commissioners met pursuant to law on November 20, 2009. Present were Chairman Jim Ithurralde, Vice Chair Leonard Fiorenzi, Member Mike Page, District Attorney Theodore Beutel, and Clerk & Treasurer Jackie Berg. The meeting was called to order at 9:32 a.m. and began with the Pledge of Allegiance. The interactive video conference system was connected and utilized between Crescent Valley and Eureka during the entire meeting.

APPROVAL OF AGENDA

Chairman Ithurralde noted several changes to the agenda: item #2 under Public Works was removed; the US Geological Survey scheduled at 1:55 p.m. was moved to 10:00 a.m.; and Nevada Association of Counties cannot attend and will reschedule at a future date. Commissioner Fiorenzi motioned to approve the agenda as amended; Commissioner Page seconded the motion; motion carried 3-0.

PUBLIC COMMENT

Chairman Ithurralde opened the floor to public comment. Zach Spencer, External Communications for General Moly, announced an open house luncheon beginning at noon on December 9th and invited the Commissioners, County employees, and general public; the open house will include an update on the Mount Hope Project and a presentation on the latest hydrology report.

APPROVAL OF MINUTES

Chairman Ithurralde noted that the vote for automatic doors at the Eureka Medical Clinic was a 2-1 vote. With that correction, Commissioner Page motioned to approve the minutes of the November 6, 2009, Commissioner meeting; Commissioner Fiorenzi seconded the motion; motion carried 3-0.

FINANCE

Payment of Expenditures: Expenditures were presented for approval by County Recorder & Auditor, Mike Rebaleati. Commissioner Fiorenzi noted that any vote or motion on his part would exclude payments to the Deputy Public Guardian since they are related. Commissioner Page motioned to approve County expenditures in the amount of \$1,185,563.96 (\$232,057.27 for payroll, \$953,506.69 for expenditures); Commissioner Fiorenzi seconded the motion; motion carried 3-0. Commissioner Page motioned to approve Yucca Mountain expenditures in the amount of \$9,375.15; Commissioner Fiorenzi seconded the motion; motion carried 3-0.

Auditor's Report: The Board reviewed the Auditor's Report, commenting that expenditures were higher due to payments on some of the large construction projects which are coming to an end. Mr. Rebaleati noted that although most departments are following the internal control policy of obtaining purchase orders prior to certain purchases, occasionally this is not adhered to. Mr. Rebaleati will speak to the individual departments and report to the Board at one of the upcoming budget meetings.

CORRESPONDENCE

Correspondence was received from: District Attorney, Ted Beutel (3); Clerk & Treasurer, Jackie Berg (2); Natural Resources Manager, Jake Tibbitts; Eureka County Planning Commission; Eureka County Economic Development Program; Eureka's Holiday Bazaar notice; Crescent Valley Town Advisory Board (2); Allison, MacKenzie, et al (2); Diane Curran, Esq.; Mount Wheeler Power; Humboldt River Basin Water Authority; Nye County Board of Commissioners; Nevada Assoc. of Counties; Nevada Aging and Disability Services Division (2); Nevada Local Government Employee-Management Relations Board; Nevada Dept. of Taxation (2); Nevada Tax Commission; Nevada Dept. of Motor Vehicles; Nevada Division of Environmental Protection; Nevada Division of Water Resources; Nevada Division of Forestry; USDA Rural Development-Nevada Office; Nevada Renewable Energy and Energy Efficiency Authority; NDOT Centerline; National Assoc. of Counties (2); US Census 2010; US Congresswoman Dina Titus; and US Dept. of the Interior-BLM (3).

Chairman Ithurralde noted that correspondence from Mount Wheeler Power stated that electricity for the holiday lights on Main Street would be provided at no cost to the County.

US GEOLOGICAL SURVEY

Long-Term Water Resources Monitoring Proposal: US Geological Survey (USGS) representatives Mary Tumbusch, Hydrologist with the Nevada Water Science Center, and Dave Berger, were in attendance to present a proposal for a long-term water resources monitoring program in Eureka County. Ms. Tumbusch narrated a power point presentation describing the project, including proposed monitoring sites, types of data that will be collected, and technology that will be utilized. The study will provide significant information regarding both the impacts related to the Mount Hope Project, as well as long-term data that will become part of a nationwide database (NWIS – National Water Inventory System) and be useful to Eureka County for many years to come in relation to all water issues. Ms. Tumbusch added that snotel sites, currently being considered by Eureka County, would be beneficial to this study. Ms. Tumbusch noted that the Fish & Wildlife Service may be interested in cooperating on a portion of the study conducted in areas that are inhabited by the Lahontan Cutthroat Trout. Preliminary estimates for costs of the study were provided, as follows: quarterly water level monitoring-\$1,400.00; quarterly site visits-\$4,250.00 each; annual operation and maintenance of continuous gauging station-\$21,600.00; and installation (construction and instruments)-\$11,750.00. Ms. Tumbusch and Mr. Berger reiterated that these are ballpark figures.

Commissioner Fiorenzi commented that he is in favor of the study for a variety of reasons: USGS data is accepted by the State Engineer, as well as nationally; it will provide factual data needed to make decisions to protect and best utilize the County's water resources both in the near-term and long-term; and the data will be accessible by the public. Chairman Ithurralde and Commissioner Page agreed. Commissioner Fiorenzi motioned to accept the proposal from the USGS, and to move forward with finalizing the proposal and projected costs; Commissioner Page seconded the motion; motion carried 3-0. Ms. Tumbusch will meet further with Jake Tibbitts to fine-tune the proposal and related costs. Mr. Berger stated co-op funds are available from the USGS and this study may be eligible to have 45-50% of the baseline portion of the project funded. A Joint Funding Agreement will be prepared outlining the shared costs and will be presented at a future meeting.

PUBLIC WORKS

Letter of Promulgation for Emergency Operations Plan: Kim Todd, Department Assistant, explained that the State of Nevada recently contracted a professional to review all county Emergency Operations Plans. Based on this, it was recommended that Eureka County designate that the Emergency Manager also serves as the NIMS Coordinator (National Incident Management System). NIMS is an online system for reporting emergency incidents. The letter of promulgation facilitates this update. Commissioner Fiorenzi motioned to approve

the updated letter of promulgation for Eureka County's Emergency Operations Plan; Commissioner Page seconded the motion; motion carried 3-0.

Eureka Justice Facility Remodel and Expansion Project: Ms. Todd relayed that the project is progressing satisfactorily. Cabinetry and cases will be installed the first week in December, at which time Southern Folger will install the controls and locks. The asphalt is complete, framing and electrical work is nearly complete, and roofing is expected to begin in about two weeks.

COUNTY ENGINEER

Town of Eureka Fire Station Project: Tom Young, Lumos & Associates, reported that a final walk-through had been conducted. The project is complete pending installation of a gate at the trash enclosure and receipt of documentation that all subcontractors have been paid.

Change Order #37-FA: Several items were completed utilizing the force account for this project, and this final change order is for accounting purposes to reduce the overall contract by \$74,105.06 which will balance the force account. Commissioner Fiorenzi motioned to approve Change Order #37-FA for the Eureka Fire Station Project in order to balance the project force account; Commissioner Page seconded the motion; motion carried 3-0.

JD Bridge Project: Mr. Young reported that a walk-through was conducted for the JD Bridge Project, the project is complete, and the notice of completion was published that week.

2010 ARRA Street Maintenance Project: The County was awarded a grant through the American Recovery & Reinvestment Act, for approximately \$384,000.00 to complete a road maintenance project at 11th Street in Diamond Valley. Several items are required of the County before the project begins, including proof of road ownership. Exact date that the road was dedicated to the County could not be found, but several items substantiating 11th Street as a County road were located. These, along with a letter of prescriptive right to the Nevada Department of Transportation (NDOT), will satisfy the requirement for right-of-way certification. Commissioner Fiorenzi motioned to approve the letter of prescriptive right to NDOT for the purpose of right-of-way certification on 11th Street in Diamond Valley; Commissioner Page seconded the motion; motion carried 3-0.

RECESS FOR DEVIL'S GATE GID MEETING

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

YUCCA MOUNTAIN

Update Report: Abby Johnson, Nuclear Waste Advisor, provided a short update on Yucca Mountain. Industry publications have reported that the Department of Energy (DOE) will abandon the project this December, but that has been met with opposition by some members of Congress who feel the licensing process should continue. Funding for the AULGs (affected units of local government) for Federal Fiscal Year 2010 has been approved by Congress, but distribution of the funds is still under negotiation and should be resolved within the coming week. Various parties, including Ms. Johnson, contributed towards a letter to Secretary Stephen Chu, DOE, from Nye County Commissioner, Joni Eastley. The purpose of the letter was to notify the DOE that the AULGs, associated with Yucca Mountain, collectively have a substantial amount of expertise regarding local government's role in a nuclear storage facility site, and ought to be involved in an advisory role in similar projects in the future.

Certification of Expenditure of Funds: Ms. Johnson explained that annual certification to the DOE regarding expenditure of oversight funds for Yucca Mountain, provided through the Nuclear Waste Policy Act, is no longer mandatory, but Eureka County feels it is good policy to provide this accounting. Commissioner Fiorenzi motioned to approve the certification of expenditure of funds under Public Law 111-8 of 2009; Commissioner Page seconded the motion; motion carried 3-0.

Contract with Licensing Attorney, Diane Curran: Ms. Johnson provided a contract for a one-year extension with Diane Curran of Harmon & Curran, for representation of Eureka County in relation to the Yucca Mountain licensing process. This contract is paid for with Yucca Mountain funding. Commissioner Fiorenzi motioned to approve the contract with Diane Curran as presented; Commissioner Page seconded the motion; motion carried 3-0.

NEPA COMMITTEE

Update Report: Jake Tibbitts, Natural Resources Manager, and Abby Johnson, EIS Coordinator, reported on the NEPA Committee meeting of November 19th, which was attended by Pat Rogers, Director of Environmental & Permitting for General Moly. At the meeting, Mr. Rogers provided an overview of the revised versions of EIS (environmental impact statement) documents received by the County on November 12th. Mr. Tibbitts stated that documents received over the last two weeks included the water model, the hydrology model, the air quality impact analysis, the pit lake geochemistry report, the pit lake screening level ecological list assessment, water pollution control permit application, and final design reports (for the south tailings storage facility, storm water control for waste rock disposal, low grade ore stockpile facilities, process area, and engineering design). All reports have been forwarded to the appropriate County-hired professionals for review and comment. The Mount Hope environmental scientists believe they are still on schedule to deliver the Administrative Draft Environmental Impact Statement to the Bureau of Land Management (BLM) in mid-January.

Dave Davis, BLM, will be invited to the next NEPA Committee meeting scheduled for December 9th. Mr. Davis will temporarily replace Angelica Rose, Planning Coordinator for the Mount Hope Project EIS, while Ms. Rose is away on extended medical leave.

BLM Response to Comments on Mount Hope Project Visual Resource Simulations: Mr. Tibbitts reported that a response was finally received from the BLM regarding the County's comments on the Mount Hope Project visual resource simulations. Some issues had been noted in the BLM's response, so a reply letter was prepared. The reply letter was reviewed and is supported by the NEPA Committee. Chairman Ithurralde motioned that Commissioner Fiorenzi sign the response letter to the BLM; Commissioner Page seconded the motion; motion carried 3-0.

LEGISLATIVE UPDATE

Update on Legislative Issues: Assemblyman, Pete Goicoechea, provided an update on issues of interest to Eureka County. Legislatively, the biggest issue in the state right now is the budget. Revenue shortfalls are being felt by the state and most Nevada counties, with the mining counties somewhat insulated. Federal stimulus money has temporarily provided funding for programs and jobs, but may have exacerbated the problem by delaying budget cuts planned for 2009 which would have been a step towards healing Nevada's economy. The 2011 Nevada Legislature will be facing a \$2.4 billion deficit under current revenue levels. Nevada cannot recover fast enough. Forty states, including Nevada, have exhausted their unemployment trust accounts. Nevada borrowed \$16 million in October (interest free federal loans) just to balance the unemployment account. Nationwide, \$98 billion has been borrowed to fund the faltering unemployment accounts.

Another issue is a special session, which the Governor may call sooner than previously anticipated, partly due to pressure coming from the education sector. Nevada is one of the few remaining states with laws in place disallowing the use of student test scores when evaluating teacher performance in relation to salary compensation. This makes Nevada ineligible for approximately half a billion in federal dollars in the federal Race to the Top program, and Nevada educators would like to find a way to access this money.

The 2011 Nevada Legislature will face several serious problems. Not only difficulties with trying to balance the budget, but with term limits, at least half of the Assembly will be

made up of new legislators. Other issues briefly discussed included over-appropriated water basins and declining water levels, utilities, public employee furloughs, and future of the public employees' retirement system.

Citizen Request for Bus Transportation in Eureka: Chairman Ithurralde referenced a letter submitted by several citizens requesting that the Commissioners look into bus transportation in Eureka. Assemblyman Goicoechea stated he had received the same request. He advised the Commissioners that this was under their jurisdiction and recommended that they contact Chuck Raker from NEAT (Northeastern Nevada Area Transit). NEAT received a substantial amount of stimulus money, not for operation, but for new vehicles. They might be open to the prospect of cooperating with Eureka and Lander Counties (and possibly White Pine) to establish a route that would include Eureka.

NEVADA ASSOCIATION OF COUNTIES

Jeff Fontaine, Executive Director, and Bonnie Weber, immediate past President of NACO, were unable to attend and will reschedule at a future date.

RECESS FOR LUNCH

The Board recessed for lunch from 12:03 to 1:00 p.m.

BID OPENING – SNOWPLOW & SANDER TRUCK

Receive and Open Bids: Three bids were received and opened for a new and complete 6X4 snowplow and sander truck as follows: (1) Kenworth Sales of Reno in the amount of \$211,028.25; (2) Silver State International in the amount of \$208,000.00 for model 5500; and (3) Silver State International in the amount of \$201,000.00 for model 7600. Commissioner Fiorenzi motioned to accept the bids as presented for submission to the Public Works Director for review and possible award at the December 7th meeting; Commissioner Page seconded the motion; motion carried 3-0.

COUNTY FACILITIES & ECONOMIC DEVELOPMENT

Update Report: Wally Cuchine, Cultural, Tourism, & Economic Development Director, reported that a new art exhibit was being displayed in the Courthouse gallery hall. A cultural program was hosted on November 13th at the Opera House, attended by ten of the artists who currently have worked in that exhibit. The community Christmas Bazaar/Craft Fair was beginning that afternoon at the Opera House and will continue on Saturday, November 21st. On the evening of November 19th, Mr. Cuchine toured a group of bus tour operators around Eureka, including the Opera House and Sentinel Museum. The group is traveling to promote the Commission on Tourism and is considering Eureka for a bus tour.

Holiday hams have been ordered and will be available for pickup the first week in December. Certificates will go out in employees' paychecks, and certificates for the volunteers will be mailed.

SWIMMING POOL / PARKS / RECREATION

Update Report: Cindy Adams, Parks, Recreation & Facilities Director, gave an update on activities over the past month. The pool had a total of 207 swimmers for regular swim, lap swim, exercise, rehabilitation, and one birthday party. Training included an eight-hour American Red Cross lifeguard review course, including first-aid and CPR for the professional on November 8th. The lifeguards are now certified for three years and CPR certified for one year. The pool was closed from November 9th-14th for repairs in the pump room.

Grounds and buildings were winterized, leaves were mowed, fertilizer was spread, lawn equipment was stored for the winter, snow removal equipment is ready to go, ice melt buckets have been distributed, picnic tables and other items have been stored, and the marquis at the

fairgrounds is changed weekly. The Bath Lumber building was cleaned and the yard was groomed; Ms. Adams believed it was left in better condition than when it was first rented.

Lastly, the Christmas decorations have all been put up on Main Street, and the sidewalks are being maintained, including snow and ice removal around County buildings.

COMMUNITY DEVELOPMENT COORDINATOR

Climate Station (Snotel) Site Planning and Budgeting: Jim Evans, Community Development Coordinator, explained that a snotel site at Vacarro Springs, under consideration by the County, would assist Public Works by forecasting spring fed municipal water supplies, and would be utilized by the USGS as a modeling tool for the Diamond Valley Flow System Study. Mr. Evans provided the Board with documentation including a scope of work, goals statement, and site project schedule. A grant assistance request for this project was submitted to the Nevada Division of Environmental Protection (NDEP), which Mr. Evans followed up with a discussion with NDEP regarding funds available. Mr. Evans has also been in contact with the USGS Natural Resource Conservation Service (NRCS) regarding their snow survey program and they are very interested in this site. NRCS has incentive funds available in their 2010 Federal Fiscal Year budget for new climate stations and may be able to provide half of the up-front costs for construction, components, instrumentation, and installation (estimated at \$20,000.00-\$24,000.00). The hydrological monitoring alone could cost \$60,000.00 and that would be provided as part of this snow survey program incentive, so it is an opportune time for Eureka County to move forward with this project. NRCS is very interested in an additional site being constructed on Roberts Mountain. This site could tie into studies related to the Mount Hope Project EIS and the related long-term study contemplated with USGS, and might be eligible for a Joint Funding Agreement which includes USGS and Barrick mitigation funds.

Resolution Supporting Vacarro Spring Snotel Site Installation: The Board reviewed the draft resolution supporting the Vacarro Spring snotel site and decided to table adoption of a resolution until the site is budgeted, which will be considered during the Fiscal Year 2010 budget meetings.

Right-of-Way Application to BLM for Vacarro Spring Snotel Site: Mr. Evans asked if the resolution needed to be in place in order for him to work on the right-of-way for the project. Commissioner Fiorenzi noted that the Public Works Director is authorized to sign right-of-way applications and asked Mr. Evans to work with Ron Damele regarding this. The Board further directed Mr. Evans to obtain more defined cost estimates, and to pursue information regarding installation of a snotel site on Roberts Mountain.

NATURAL RESOURCES *(As time allowed, a portion of this report was heard during the morning session).*

Report on Activities: Jake Tibbitts, Natural Resources Manager, attended the N6 Grazing Board meeting with Jim Baumann, NRAC Chairman, on November 16th; participated in the Mount Hope conference call on November 18th; attended the NRAC meeting on November 18th; toured prospective areas for the long-term water resources study with Mary Tumbusch and Abby Johnson on November 19th; attended the NEPA Committee meeting on November 19th; and spoke with Lisa Hoffman, External Communications Director for Newmont, about possibility of a meeting and tour of Newmont facilities.

Land Use Element – Master Plan Update: The draft land use element of the Master Plan was presented by Mr. Rathbun at the NRAC meeting. NRAC and Mr. Tibbitts were hoping the land use element would become more succinct, but it has actually become longer; the content has good and relative points, but there are some concerns with the language. To allow a proper review, Mr. Tibbitts recommends that the Board leave the existing land use section of the Master Plan in place, and then address an update separately and in more detail. A substantial water resources element will also be added at a later date. The Board conveyed disappointment, because they felt water and land use issues were the main reasons for

updating the plan. Mt. Tibbitts reminded the Board that former Natural Resources Manager, Jon Hutchings, had approached a previous Board regarding addition or expansion of these elements, and the water element alone was estimated to cost \$100,000.00.

Update on Appeal of Forest Service Combined Travel Management Project: Mr. Tibbitts participated in a conference call between Nye County, Lander County, and Alan Schroeder, Idaho attorney (retained by other parties opposing the Western Watersheds Project lawsuit against the BLM) regarding appeal of the *Austin and Tonopah Ranger Districts Combined Travel Management Project for Eureka, Lander, and Nye Counties*. Mr. Schroeder prepared a memo outlining recommendations to the County regarding RS2477 roads, and requested a letter of engagement. Mr. Tibbitts relayed that the County would prefer to pay for work directly related to the memo rather than enter into a full engagement. Mr. Schroeder produced an invoice in the amount of \$2,723.25. A portion of the work benefits the other counties involved and Mr. Tibbitts requested direction regarding payment, and whether reimbursement should be sought from Nye and Lander, noting that funds were available in the NRAC budget. The Board directed Mr. Tibbitts to pay the full amount, inform the other counties, and suggest that future meetings or conference calls could be hosted and paid by the other participants.

Western Watersheds Project Lawsuit Against BLM: Mr. Tibbitts read a statement received November 12th from Caroline Lobdell from the Western Resource Legal Center: *"In sum our motion to intervene and accompanying briefs were filed last month. Western Watersheds Project's response was due yesterday, November 11th. They responded by objecting, so we owe a reply brief by November 30th. Following completion of briefing, our pending motion will be taken under judicial advisement or set for oral argument. Meanwhile, the court denied full intervention of Simplot and Ellison Ranching Company, and limited them intervention at the remedial phase, which is what we expected, given the judge's past decisions in intervention cases. Western Resource Legal Center and local counsel anticipated this ruling, as strategically focused on distinguishing our interests with those of Simplot and Ellison Ranching Co. We remain hopeful, but will not be too surprised if the judge grants us limited intervention allowing us to file a amicus brief at the liability phase and intervention status at the remedial phase. Also some Nevada counties, collectively Elko, White Pine, Lander, Humboldt, and Churchill, south amicus status and were granted amicus status only at the remedial phase. The state of Nevada has a similar pending motion to appear as amicus. Finally the parties continue to brief the court on the issue of severing the case, bringing the Nevada portion to Nevada. As expected the BLM's motion to dismiss and sever is ongoing. Briefing regarding this issue is expected to be completed in the near future, but we do not have any clear direction from the court regarding this issue."*

Mr. Tibbitts stated that Public Lands Council has reduced their cost estimate related to this case from \$10,000.00 to \$6,000.00 and has asked the four represented parties, which includes Eureka County, to remit \$1,500.00 up front. This voucher will be submitted for approval at the next Commissioner meeting.

Solar Energy Development Programmatic EIS: Mr. Tibbitts presented a Memorandum of Understanding (MOU) which would establish Eureka County as a cooperating agency on the Solar Energy Development Programmatic EIS. Changes from both parties (the BLM and Eureka County) have been incorporated into the final document. One point the BLM was not willing to amend was that contracted professionals cannot speak on behalf of the County during deliberations, although they can be present. The agreement also contains the typical confidentiality requirements imposed on cooperating agencies, pursuant to federal regulations. Commissioner Fiorenzi motioned to approve the MOU between the BLM and Eureka County for the Solar Energy Development Programmatic EIS; Commissioner Page seconded the motion; motion carried 3-0.

Upcoming Meetings: Upcoming meetings include the RS2477 workshop on November 24th at the Cooperative Extension office; a Fire Wise Community meeting in Crescent Valley on November 24th which will be attended by Kathy Porter, Department Assistant; a Eureka County Wildlife Advisory Board meeting on November 30th; a Natural Resource Advisory Commission

meeting on December 2nd to go over the land use element of the Master Plan; and a National Wild Horse and Burro Advisory Committee meeting in Reno on December 7th.

COUNTY CLERK & TREASURER

Treasurer's Report: The October 2009 Treasurer's Report was presented by Clerk & Treasurer, Jackie Berg. Ending balance for October was \$54,952,723.82. The auditors from Kafoury & Armstrong visited and helped resolve the manner in which the returned check account is reported. Regarding investments, a recent inquiry into US Treasury Bonds for varying timeframes garnered quotes of 0.01%, 0.02%, 0.03%, and 0.04% interest rates. Ms. Berg commented on the Local Government Investment Pool (LGIP) account managed by the State Treasurer's office, and the Commissioners' concerns regarding the state's consideration of borrowing these funds. She has spoken to Mike Rebaleati about reducing that account, but because the account is fairly liquid and provides quick access to funds should the County encounter an emergency, a balance will still be maintained.

COUNTY ASSESSOR

Update Report: County Assessor, Michael Mears, reported that the Nevada Board of Equalization has requested a hearing on December 3rd in Las Vegas where the 17 County Assessors are to present their individual practices, procedures, and valuation methodologies. As President of the Assessors' Association, Mr. Mears has submitted a response requesting that the Board of Equalization hold this hearing at a more appropriate time, since December is an extremely busy month with several statutory deadlines related to the tax rolls; and additionally that the meeting be moved to Reno or Carson City, which is a more centralized location for the majority of Assessors.

Report on Meeting with Newmont Mining: County Assessor, Michael Mears, reported on the November 12th meeting with Newmont Mining regarding valuation and tax issues related to the TS Power Plant. The meeting was attended by Mary Korpi and Sharon Byram from Newmont, Russ Hoffman from Barrick, Chairman Ithurralde, and Mr. Mears. Newmont representatives assured Eureka County that they are not considering taking depreciation of the plant against net proceeds payable to Eureka County, because power from the plant is not being utilized at any Eureka mining operations (due to a prior agreement with Wells Rural Electric). They *are* proposing to depreciate that asset against net proceeds payments to Lander and Humboldt Counties, where they are utilizing the power. Newmont is currently calculating their electrical expense at 3.5 cents, but without the savings provided by the power plant, electrical cost would be calculated at nine cents, resulting in a \$3.5 million deduction against net proceeds in Eureka County alone.

Russ Hoffman reported that Barrick has been taking capitalization of their power plant in Storey County against their net proceeds liability for the past three years and were just challenged this year by the Department of Taxation. Barrick's standpoint is that the power plant would not have been constructed if it wasn't going to be utilized for extraction of the mineral and therefore is a mine asset.

Mr. Mears has not heard if the Department of Taxation has changed their stance since meeting with the mining companies. District Attorney, Ted Beutel, explained that outside counsel has not been retained on behalf of Eureka County, since no appeals have been filed with the State Board of Equalization.

EUREKA COUNTY PLANNING COMMISSION

Request for Extension of Time for Completion of Master Plan: Ellen Rand, Chairwoman of the Planning Commission, reported on progress of the Master Plan update. The Planning Commission felt they could not adequately review all elements of the plan by the December deadline and requested an extension of time. Ms. Rand reported that the Master Plan

contracted professionals, Floyd Rathbun and Jeannette Dahl, are on track but have agreed to work with an extension at no additional cost to the County. The Planning Commission also had a question whether individual portions could be forwarded to the Commissioners or whether they were restricted to producing the entire plan. District Attorney Beutel explained that the 'entire product' restriction applied to final delivery of the contracted work and did not restrict the Planning Commission from forwarding individual elements for review. After some discussion, Commissioner Fiorenzi motioned that the Master Plan deadline be extended to February 5, 2010; Commissioner Page seconded the motion; motion carried 3-0. Commissioner Fiorenzi amended his motion to include approval of an extension to February 5th, as long as there are no additional charges from the contractors; Commissioner Page seconded the amended motion; motion carried 3-0.

AMBULANCE & EMS

Update Report: Mike Sullivan, EMS Coordinator, reported on emergency services during the past month. Eureka had 17 calls for service (118 year-to-date) and Crescent Valley had 13 (65 year-to-date). Overall County runs (183 year-to-date) have increased compared to 145 at this time last year. Mr. Sullivan reviewed volunteer staffing levels in the County. Continuing education was conducted November 9th in Crescent Valley and November 12th in Eureka. The next classes are scheduled for December 7th in Eureka and December 10th in Crescent Valley, and will include training vaccine administration in accordance with Assembly Bill 349. This will allow intermediate Emergency Medical Technicians to administer vaccines and dispense medications in a declared emergency. Mr. Sullivan provided a detailed update on the H1N1 flu, encouraging at-risk persons to obtain the vaccine, which is available in Eureka County.

Ambulance Bill Write-Offs: Commissioner Fiorenzi motioned to approve ambulance bill write-off for patient #2006329 in the amount of \$65.00; Commissioner Page seconded; motion carried 3-0.

COMMISSIONERS

Update Reports: Commissioner Page attended the FEMA Conference in Lake Tahoe; completed one department head evaluation; attended the Human Resources focus meeting conducted by Jerry Larson in Crescent Valley, and plans to attend one in Eureka during December.

Commissioner Fiorenzi completed a department head evaluation on November 9th; attended meetings with the Fire Chiefs in Eureka and Crescent Valley on November 16th for the Public Works review of new equipment maintenance procedures; met with Eureka Moly representatives concerning the settlement letter on November 18th; and on November 19th attended the pre-budget Commissioner meeting and the NEPA Committee meeting.

Chairman Ithurrealde met with Nevada Health Centers' representatives on November 10th and again on November 13th; met with mining representatives along with the County Assessor on November 12th; and attended the most recent NACO meeting in Carson City, where he was appointed to the Standing Committee on Public Lands and Natural Resources.

Nevada Health Centers, Inc.: Chairman Ithurrealde distributed a copy of a proposal from Nevada Health Centers for additional provider coverage at the Eureka Medical Clinic, which will be outlined in more detail by Michelle Agnew, Chief Operations Officer, at the December 7th Commissioner meeting. Commissioner Fiorenzi was disturbed that Nevada Health Centers had assured the Board, during budget negotiations, that staffing levels were adequate and could accommodate a population increase of up to 400 residents, but were now asking for this funding increase. Further discussion by the Board included the fact that major changes have happened at the local clinic since this proposal was first introduced, and that Nevada Health Centers is obligated to supply a locums physician in place of the recently vacated position.

Television District Board Members: District Attorney, Ted Beutel, stated that the issue of a member appointed mid-term to the Television District Board, who may be ineligible to serve in an elected capacity, has been raised at meetings of both the Commission and the Television District, but no action has yet been taken. Pursuant to NRS 318.080(6), the Board of Commissioners has authority to commence with due process to provide notice, investigate, and consider removal of such an individual, and Mr. Beutel requested direction from the Board whether they wished to pursue this. Commissioner Fiorenzi motioned that the District Attorney commence with the process, on behalf of the Commissioners, of removing any Television District Board members who prove ineligible to serve under applicable law; Commissioner Page seconded the motion; motion carried 3-0.

Humboldt River Basin Water Authority Annual Membership Assessment: Commissioner Fiorenzi commented that the County should be careful that they aren't paying membership fees to multiple entities that are in essence a duplication of efforts. The Board members were in agreement that the Humboldt group was worthwhile, and with that Commissioner Fiorenzi motioned to approve paying the annual membership assessment for Fiscal Year 2009-2010 to the Humboldt River Basin Water Authority in the amount of \$7,000.00; Commissioner Page seconded the motion; motion carried 3-0.

General Updates and/or Direction Related to the Mount Hope Project EIS: Mr. Beutel provided some background regarding the meeting with Eureka Moly/General Moly staff on November 18th, which he attended with Commissioner Fiorenzi. Back in August of 2008, before the water protest hearings occurred, the Diamond Valley irrigators, and legal counsel on behalf of Eureka County, independently submitted letters of compromise to Eureka Moly regarding the water issues. The County received a response completely rejecting the compromise, and in October 2008 all parties participated in the State Engineer's water protest hearings. In July 2009, Eureka County again made an offer in writing which covered four main points. In October 2009, Eureka Moly responded by requesting a meeting with the County to discuss their relationship and the settlement offer. Mr. Beutel responded with a letter stating the County would prefer an answer in writing. Despite that, Eureka Moly again made a request to meet face-to-face, leading to the November 18th meeting. As a result of that meeting, Mr. Beutel believes the mine now understands that a confidential written response is required in order for the Board to properly consider any settlement. It was also clarified that there is little incentive to have a settlement unless all parties involved in litigation can agree (Eureka Moly, Eureka County, and the group representing the Diamond Valley irrigators) because that would mean there would still be an appeal. Finally, any decisions of Eureka County are made by the Board of Commissioners as a whole; no individual Commissioner, department head, or contractor has authority to make decisions on behalf of the County.

PUBLIC COMMENT

The Chairman opened the floor for public comment. Christine Smith commented on the Board's decision to consider removal of a Television District appointee, feeling that a 'gentler' approach could be taken. The Board assured her that this subject had come up in previous meetings and it was now appropriate to take more affirmative action.

Connie Mise Mitchell stated she did not understand why Dr. Waite had been terminated. The Board clarified that this decision falls under the authority of Nevada Health Centers. Ms. Mitchell understood, but was further disturbed that Dr. Waite's patients had not been given any type of notice, felt she didn't get a complete or valid explanation when she called Tom Chase, CEO of Nevada Health Centers, and additionally felt Eureka County should reconsider their funding of a group that operates in a manner that is unprofessional and possibly not legal.

Sam Hicks, Eureka County Battalion Chief with Nevada Division of Forestry (NDF), notified the Board that the contract between Eureka County and NDF has been signed by all parties; he will forward a signed copy to the Clerk as soon as it is received, and he thanked the

Commissioners for their patience in this matter. The Board thanked Mr. Hicks for his hard work as well and instructed the Clerk to distribute signed copies to all Fire Chiefs as soon as it is received.

ADJOURNMENT

Commissioner Fiorenzi motioned to adjourn the meeting at 3:31 p.m.; Commissioner Page seconded the motion; motion carried 3-0.

Approved this 7th day of December 2009.

/s/ J.P. Ithurrealde

J.P. Ithurrealde, Chairman

Attest: /s/ Jackie Berg

Jackie Berg, Clerk