

EUREKA COUNTY BOARD OF COMMISSIONERS

December 20, 2017

STATE OF NEVADA)
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COUNTY OF EUREKA)

CALL TO ORDER

The Board of Eureka County Commissioners met pursuant to law on December 20, 2017. Present were Chairman J.J. Goicoechea; Vice Chairman Michael Sharkozy; Commissioner Fred Etchegaray; 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

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

PUBLIC COMMENT

Chairman Goicoechea called for public comments; there were none.

APPROVAL OF MINUTES

December 7, 2017: Commissioner Sharkozy moved to approve minutes of the December 7, 2017, meeting; Commissioner Etchegaray seconded the motion; motion carried 3-0.

COUNTY COMPTROLLER

Payment of Expenditures: Expenditures were presented for approval by Comptroller, Maureen Garner. Commissioner Etchegaray motioned to approve expenditures in the amount of \$335,056.55 for accounts payable, \$230,946.28 for payroll, and \$93.09 in Yucca Mountain expenditures, for a grand total of \$566,095.92. Commissioner Sharkozy seconded the motion. Motion carried 3-0. Chairman Goicoechea noted that expenditures included a pass through refund to Barrick Gold from the N1 Grazing Board.

Fund Balances Report: The Board reviewed the report of current fund balances.

Casual Worker: A Hiring Freeze Waiver Justification was submitted for a Casual Worker. The Comptroller’s office has assumed Human Resources duties, and in January will start the budget process, as well as training and conversion to Tyler Technologies. This position was anticipated and 500 casual hours were included in the current year’s budget.

Commissioner Etchegaray motioned to authorize the Comptroller’s office to hire a Casual Worker as provided for in the Fiscal Year 2017-2018 budget; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Establish Budget Account for County Clerk: Assistant Comptroller, Kim Todd, explained that, in response to passage of questions on the 2016 ballot, the Commissioners took action to reorganize two elected offices. Beginning in January 2019, the office of County Clerk will be combined with the County Recorder. The office of Treasurer will be combined with Public Administrator and Public Guardian. Currently the General Fund contains a combined budget account for Clerk & Treasurer. In order to facilitate this transition, the Comptroller’s office requested authority to separate Clerk into an independent account, effective with Fiscal Year 2018-2019. (Treasurer will remain with the existing account). Ms. Todd visited with Teri Gage of Eide Bailly and no resolution is required, since Clerk already exists as part of the General Fund.

Ms. Todd further explained that this reorganization will require revised job descriptions for positions in the two affected offices. Employees may be required to apply for the new positions, but there will be no break in service, so benefits and longevity will not be affected.

Commissioner Etchegaray motioned to direct the Comptroller's office to create a separate budget account for the office of County Clerk, effective July 1, 2018; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Direction on Departmental Budgets: After the first of the year, County departments will begin presenting their Fiscal Year 2018-2019 budget requests. In addition to written budgets, Ms. Todd asked what the Commissioners expected to receive from each department.

Chairman Goicoechea would like to see revenue projections as early as possible, but Ms. Todd advised that numbers typically aren't available before the end of February. Chairman Goicoechea said departments with static or smaller budgets could begin presenting at the second meeting in January. He preferred that larger budgets, or those with significant changes, be deferred until revenue projections are received.

COMMISSIONERS

Update Reports: Chairman Goicoechea attended the Western Caucus Foundation Annual Winter Policy Meeting in Las Vegas December 8th-9th, where he and Natural Resources Manager, Jake Tibbitts, both gave presentations. He chaired the Sagebrush Ecosystem Council meeting on December 15th.

Senate Bill 42 & Justices of the Peace: Recent legislation requires Boards of County Commissioners to set minimum compensation for the upcoming term of Justices of the Peace, within their jurisdiction, in the December preceding the year in which the Justice of the Peace will be elected. The office of the Eureka County Justice of the Peace will appear on the 2018 ballot.

This item was tabled at the December 7th meeting until salary comparisons could be obtained from other rural Nevada counties. The comparisons showed a broad range of salaries that didn't necessarily correlate with the respective populations. The Board felt no change was warranted in Eureka County.

Commissioner Sharkozy motioned to set the annual compensation for Eureka County's Justice of the Peace at \$53,480.44, excluding longevity, for the term of office following the 2018 election; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Litigation Authority: A prehearing conference is set for January 24, 2018, before the Nevada State Engineer regarding numerous protested water applications of Kobeh Valley Ranch LLC. District Attorney, Ted Beutel, explained that decisions related to this case may need to be made in a timely manner. Commissioner Etchegaray motioned to delegate litigation authority, by virtue of NRS 244.165, to Chairman Goicoechea for purposes of the prehearing conference; Commissioner Sharkozy seconded the motion; motion carried 2-0, with the Chairman abstaining.

Assistance for Counseling: Pursuant to Eureka County Code, Title 11, Chapter 30, Eureka County must provide financial assistance, up to \$1,000.00, for counseling of crime victims if an affidavit meeting the criteria is submitted. An affidavit was received by the District Attorney's office. The request was forwarded to the Commissioners, with the name of the victim withheld.

Commissioner Etchegaray motioned to approve the application of an individual for financial assistance for counseling as provided for in Eureka County Code; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Sagebrush Ecosystem Program and Nevada Greater Sage-Grouse Conservation Plan: The Sagebrush Ecosystem Council met on December 15th and worked on changes to the Conservation Credit System. They will continue this effort when they meet again in February.

AMBULANCE & EMS

Report on Activities: EMS Coordinator, Mike Sullivan, reported on activities since his last report on November 20th. Eureka had six calls for service (123 year-to-date) and Crescent Valley had one call for service (73 year-to-date). Continuing education training will be held in Eureka on January 8th and in Crescent Valley on January 11th.

Staffing levels remain fairly stable, but critically low, especially in Crescent Valley. On November 21st, the response level for the Crescent Valley Ambulance Service was changed to a combined ILS/BLS (Intermediate Life Support/Basic Life Support). This will improve availability of the ambulances, as it allows a Basic EMT to facilitate transport rather than an Advanced EMT.

Mr. Sullivan met with representatives of the University of Utah AirMed on December 1st to discuss recent calls and respective capabilities. AirMed offered to conduct classes on pre and postnatal care and pediatric emergencies.

All EMS electronic medical equipment was serviced by William Bee Ririe's biomedical contractor on December 7th. On December 11th, Jerome Hicks, APRN, provided refresher training on vaccine administration. Mr. Sullivan delivered replacement Epi-pens to the School District per their request. The Point of Distribution exercise to provide free flu shots to the community was conducted on December 12th at the Eureka Elementary School (27 vaccines administered) and the Eureka County High School (12 vaccines administered). Mr. Sullivan recognized all who participated in the event and thanked co-sponsor, William Bee Ririe Hospital.

Stipend Policy Update: Mr. Sullivan explained that minor updates were made to the portion of the EMS Department Operations Policy & Procedure Manual that addresses EMT stipends. References to Recorder/Auditor were changed to Comptroller, and other language was clarified. Commissioner Sharkozy motioned to approve the updated 08-01 Reimbursement of EMS Volunteers (Stipend) policy; Commissioner Etchegaray seconded the motion; motion carried 3-0.

PUBLIC WORKS

Public Works Update: Public Works Director, Ron Damele, reported on Public Works projects and activities. All utility systems are in good working order.

FAA Meeting: Public Works staff met with the Federal Aviation Administration in Reno the previous week to discuss the upcoming grant cycle. The next grant will fund a snow plow for the Eureka Airport, with a small match from the County.

Provider Housing: Work is completed on the medical provider's residence. A lot of time and money was spent getting the house into shape for the new practitioner who is moving in after the first of the year.

Solid Waste Collection: The Statement of Qualifications has been prepared for a solid waste collection contractor. Advertisement will begin January 2nd for approximately 30 days.

Hazard Mitigation Plan: Public Works will work with the Nevada Division of Emergency Management contractor on updating the Hazard Mitigation Plan; this will be at no cost to the County.

CLERK & TREASURER

Treasurer's Report: The Treasurer's Report for October was presented by Clerk & Treasurer, Beverly Conley. The ending General Fund balance for the month was \$20,320,744.09, an increase of over \$100,000.00 from the previous month.

IT / NETWORK

Email Archiving: IT Manager, Misty Rowley, requested authorization to purchase archiving software. This is a necessary tool for certain departments, and as an added benefit will free up storage space. Commissioner Etchegaray motioned to authorize purchase of email archiving

software at an annual cost not to exceed \$6,000.00 and a one-time setup fee not to exceed \$5,000.00. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

FAIR BOARD

Laptop Computer: In 2017, the Fair Board contracted for administrative support for the annual County Fair, with the contractor providing her own computer. The Fair Board feels the electronic files should be retained on County equipment. They are again advertising for an administrative contractor and it was recommended that a laptop be purchased.

Commissioner Sharkozy motioned to authorize the Fair Board to purchase a laptop and necessary software, not to exceed \$1,500.00; Commissioner Etchegaray seconded the motion; motion carried 3-0.

THE WALL THAT HEALS

Waive Facility Fees: Darrell Devore, Crescent Valley citizen, explained that he has been offered the opportunity to display *The Wall That Heals* in Crescent Valley (this is a traveling replica of the Vietnam Veterans Memorial in Washington, DC). Mr. Devore is working out the details and timeline, but asked that the Commissioners waive the facility fee. He hopes to display it at the Crescent Valley Arena & Rodeo Grounds, but would move it to the Community Center if there is inclement weather.

Commissioner Etchegaray motioned to waive facility fees related to display of *The Wall That Heals* in Crescent Valley at a future date; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Funding the Display: It will cost almost \$9,000.00 for transportation and setup to display *The Wall That Heals* in Crescent Valley. Mr. Devore has reached out to local mines and hopes to raise other donations to finance the display. In the event that enough funds aren't received, he may return to the Board with a request for monies from the North End Activities Fund.

The Board asked that Mr. Devore keep them informed and suggested he return when he has information on a specific date and a specific dollar amount, if needed.

EIDE BAILLY, LLP

Annual Audit: Teri Gage, Partner with Eide Bailly LLP, was in attendance to go over the Fiscal Year 2016-2017 Audit and Financial Statements.

Independent Auditor's Report: The Independent Auditor's Report relates that the auditors have reviewed collective information representing the County's financial activities for the year. It explains management's responsibilities, auditor's responsibilities, and provides a conclusive opinion. Ms. Gage explained that Eureka County received a 'clean' opinion, which is desirable and basically means that financial activities of the County were conducted in accordance with generally accepted accounting principles.

Net Position (Governmental Activities): The Statement of Net Position (assets minus liabilities) shows the County's value in net assets is \$118 million. Ms. Gage reported significant changes from the previous audit year. Cash and investments increased by approximately \$6.4 million, due in part to a net proceeds of minerals payment that was higher than anticipated. Sales tax increased \$803,000.00 over the previous year.

Major capital asset changes included acquisition of the Nevada Rural Housing property (townhomes and land at the Eureka Canyon Subdivision), which was reclassified from a note into an asset valued at \$2.9 million. The Street Maintenance Project increased infrastructure value by \$591,000.00. Technology and network increased by \$281,000.00, plus another \$195,000.00 for the phone upgrade.

Another factor affecting net position was decrease of the post-employment benefit liability. Following an actuarial evaluation, it decreased from \$10.3 million in FY15-16 to \$6.9 million in

FY16-17. The pension liability of \$11 million has been booked for about three years now, following an actuarial report by PERS (Public Employees Retirement System). Ms. Gage explained that the State's actuarial report is now being debated and the numbers may change. If the change is material, financial statements will be updated, but it won't affect the budgeting process.

Net Position (Proprietary Funds): Ms. Gage reviewed net position of the business-type activities. This represents the water and sewer funds for the Town of Eureka, Town of Crescent Valley, and Devil's Gate GID. There was a net loss of \$924,000.00 in these funds, mostly due to depreciation of about \$1 million, most of which is not being budgeted. She stated that although there is a \$3.6 million cash balance in these funds, there have been continuous years of losses, so the Board may want to consider a rate increase.

Compliance with NRS: The County conformed to all statutory and legal constraints, with one minor exception. Health and Sanitation (a function under the General Fund) exceeded budget authority by \$1,393.00. Ms. Gage noted that she is required to report all exceptions, no matter how small. She added that, with the size of Eureka County's budget, she felt it was "phenomenal" that there was only one exception and it was relatively insignificant.

General Fund: Ms. Gage pointed out growth in the General Fund, as reflected in the Income Statement. The County's overall tax rate went from \$0.8458 to \$0.9458 (\$0.5577 to \$0.5775 for General Fund allocation), accounting for a slight increase in ad valorem revenues. About \$2 million in net proceeds of minerals was received, an improvement over the previous year's payment of \$1.2 million. About \$1.1 million was received in CTAX (consolidated tax, which is primarily made up of sales tax).

The General Fund ending balance on June 30, 2017, was \$19.2 million (a substantial improvement over the anticipated and budgeted ending fund balance of \$13.6 million). For governmental entities, the auditors recommend that the ending fund balance be at least 8.3%, or one month of expenditures, and Eureka County was at 191% at the end of the fiscal year. This reflects the County's hard work in the fiscal arena over the past several years.

Schedule of Findings: Findings and weaknesses must be reported, but Ms. Gage stated that this year reflected the least reportable findings for a number of years. Most were year-end entries that were recorded incorrectly or missed. No issues were noted with the day-to-day transactions. Findings included compensated absences recorded incorrectly, year-end utility revenue not yet recorded, year-end ambulance revenue not yet recorded, grant revenue not recorded, and one transfer recorded incorrectly. Ms. Gage stated, for an entity the size of Eureka County, these were simply housekeeping items. She commented that it was rare to have so few findings, with none having any real significance.

Thanks to Staff: Ms. Gage commended and thanked the staff of Eureka County for all their hard work and assistance – particularly the offices of Comptroller and Treasurer – noting that it takes a lot of manpower to assist with the audit and prepare the lengthy report. The Commissioners added their appreciation.

Audit Letter: The Independent Auditor's Report and Auditor's Comments, both in letter form, were attached to the Financial Statements. These address responsibilities, accounting policies, internal control, liability estimates, difficulties during the audit (there were none), corrected or uncorrected misstatements, and the County's response to findings, etc.

Nevada Local Governments: Ms. Gage supplied the Board with an additional report prepared by the State for the Committee on Local Government Finance earlier this year. It contains ten years of data (revenues, expenditures, and ending fund balances) for counties, cities, and school districts in the State of Nevada. It showed Eureka County's ending fund balance is higher than it was ten years ago.

Cyber Security: Cyber security is a hot topic and Ms. Gage is aware of issues experienced by other counties, as well as an attempted breach at Eide Bailly one month earlier. Nevada

POOL/PACT offers a cyber evaluation and she felt the County should consider it if they have not already done so.

Assessor, Michael Mears, who serves as IT/Network Supervisor, responded that Eureka County has had the security evaluation conducted by POOL/PACT this past year. Consequently, Eureka's IT Department is working with Quest on building a security policy to guide the County and its employees on more secure practices when utilizing technology.

Accept Audit & Financial Statements: Commissioner Etchegaray motioned to accept the Fiscal Year 2016-2017 Audit and Financial Statements for the fiscal year ending June 30, 2017; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Engagement Letter: An engagement letter was prepared outlining services related to audit of Eureka County's financial statements, funds, and governmental activities for the next three fiscal years. Commissioner Sharkozy motioned to accept the engagement letter from Eide Bailly LLP for completing the annual audits for fiscal years ending June 30th of 2018, 2019, and 2020; Commissioner Etchegaray seconded the motion; motion carried 3-0.

NATURAL RESOURCES

Report on Activities: Natural Resources Manager, Jake Tibbitts, reported on recent activities. Mr. Tibbitts attended the Western Caucus Foundation Annual Winter Policy Meeting in Las Vegas December 8th-9th; participated in a Waters of the US (WOTUS) webinar on December 12th; held the Groundwater Management Plan meeting on December 13th; had a conference call regarding sage grouse on December 13th; attended the NAC 555 regulation hearing on December 14th related to noxious weeds; attended the NACO Public Lands & Natural Resources Committee meeting on December 14th; and listened to the Sagebrush Ecosystem Council meeting on December 15th.

WOTUS: The December 12th webinar on WOTUS was hosted by the US Environmental Protection Agency and Army Corps of Engineers and was limited to governmental entities. It addressed the rulemaking process to reinstate previous regulations following a nationwide stay against the new regulations, which was issued by the US Court of Appeals for the Sixth Circuit. The agencies are also working on a new rule based on an Executive Order from President Trump directing them to develop a rule consistent with the opinion authored by Justice Scalia following a Supreme Court decision in 2006 on a case challenging certain federal jurisdiction over waters.

Noxious Weeds Hearing: The regulation hearing that Mr. Tibbitts attended on December 14th was related to Nevada Department of Agriculture's proposal to reclassify certain noxious weeds. The changes shouldn't affect Eureka County.

One topic of discussion was outbreak in the State of a problematic annual grass called ventenata. It is similar to medusahead and has been found very close to the northern Eureka County line. If not already in the County, it will be soon.

State Engineer Liaison: Mr. Tibbitts informed that Rick Felling, Deputy Administrator with the State Engineer's office, is retiring by year end. Mr. Felling has acted as liaison to Eureka County on the Groundwater Management Plan and other issues. Adam Sullivan of the State Engineer's office will be the future contact concerning the Groundwater Management Plan, 3M Plans, and other issues.

Upcoming Meetings: The BLM would like to have a roundtable discussion, possibly December 21st in Elko, to discuss the Cottonwood Fire rehabilitation and their interest in partnering with the Weed District on some work this spring. The next full group Groundwater Management Plan meeting is scheduled for January 22nd in the Commissioners' Chambers.

Sage Grouse Issues: Following similar action by the BLM, the Forest Service filed notice in the Federal Register that they intend to prepare an EIS on their Greater Sage-Grouse Conservation Plan. This begins the scoping process to determine whether there should be

changes to their Land Use Plan Amendments. The deadline for comments is January 5th and Mr. Tibbitts will present comments for approval at the January 5th meeting.

Eureka County recently joined as a Cooperating Agency with the BLM for Land Use Plan Amendments directed by Secretarial Order 3353 from the Department of the Interior. Matthew Magaletti, Nevada/California Sage Grouse Lead for the BLM, has been in contact with Mr. Tibbitts and suggested a Memorandum of Understanding through NACO for all interested counties. Because of the progress Eureka County has made in developing other MOUs, Mr. Tibbitts recommended that the County request an independent agreement.

Commissioner Etchegaray motioned that Mr. Tibbitts respond to Mr. Magaletti and request a County-specific Memorandum of Understanding, utilizing previously agreed upon language, to be a Cooperating Agency with the BLM for the Land Use Plan Amendment within Nevada Regarding Greater Sage-Grouse Conservation. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

McEwen Mining's Gold Bar Mine Project: There have been two appeals and requests for stay filed with the Interior Board of Land Appeals against the BLM's decision approving McEwen Mining's Gold Bar Mine Project. One is from a wild horse organization (Wild Horse Education, Elyse Gardner Walsh, and Laura Leigh) and the other is from an environmental group (WildLands Defense).

Mr. Tibbitts prepared a letter supporting McEwen Mining and opposing the appeals. Commissioner Etchegaray motioned to submit the letter to the BLM supporting the Gold Bar Mine Project and opposing any action that would stay the BLM's November 7th decision approving the Project; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Resignation from CAB: Commissioner Etchegaray motioned to accept the resignation of Raymond Hodson from the Eureka County Advisory Board to Manage Wildlife; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Diamond Valley Groundwater Monitoring: Consulting Hydrogeologist, Dale Bugenig, gave a detailed PowerPoint presentation showing results of the groundwater monitoring in Diamond Valley. He tracks a total of 12 wells, comprised of two monitoring networks, one installed by Eureka County and one installed by Diamond Natural Resources Protection & Conservation Association. Monitoring and maintenance costs are shared by Eureka County and DNRPCA. Data is downloaded twice each year.

Mr. Bugenig showed individual hydrographs and gave detailed information for each well on the monitoring systems, which span from northern to southern Diamond Valley. The past two seasons showed a slowing rate of decline in water levels, with the improved recovery attributed to increased precipitation and the resulting decrease in pumping.

Water levels remain relatively stable throughout the valley, but with very little precipitation this past season, the trend is again beginning to shift to a faster rate of decline. Data continues to show water levels are lowest in the summertime and at peak levels in the spring. There were slight differences between some of the wells, but these can be attributed to different variables – such as depth of the well, individual recovery rates, proximity to another well, and amount of pumpage. The fact is, water levels are going to creep down until irrigation rates can be balanced with recharge.

Monitoring is critical and Mr. Bugenig voiced his appreciation for the ability to continue to monitor and track this valuable resource.

Monitoring System Maintenance: Mr. Bugenig noted that it may be time to start planning for battery replacement or installation of external batteries at the wells. He suggested budgeting for two batteries in the upcoming fiscal year. DNRPCA may be willing to share the cost. The Commissioners agreed that they will consider it in the Natural Resources budget.

CORRESPONDENCE

Correspondence was received from: Raymond Hodson; Trent Gordon; District Attorney, Ted Beutel; Natural Resources, Jake Tibbitts (2); EMS Coordinator, Mike Sullivan; Eureka Business Network; Crescent Valley Town Advisory Board; Nevada Assoc. of Counties (2); Eide Bailly LLP; Allison MacKenzie Ltd.; Nevada Div. of Water Resources (2); Nevada Dept. of Transportation; Nevada State Parks; Federal Aviation Administration; USDA Forest Service; Wild Horse Education, et al, appeal with Interior Board of Land Appeals; WildLands Defense; Matthew Magaletti, Nevada BLM Sage Grouse Lead; and US Bankruptcy Court (2).

PUBLIC COMMENT

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

ADJOURNMENT

Commissioner Sharkozy motioned to adjourn the meeting; Commissioner Etchegaray seconded the motion; the meeting was adjourned at 11:12 a.m.

Approved by vote of the Board this 5th day of January, 2018.

/s/ J.J. Goicoechea

J.J. Goicoechea, Chairman

I, Jackie Berg, Commissioner Clerk, attest that these are a true, correct, and duly approved minutes of the December 20th, 2017, meeting of the Board of Eureka County Commissioners.

/s/ Jackie Berg

Jackie Berg, Commissioner Clerk

I, Beverly Conley, Clerk & Treasurer 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/ Beverly Conley

Beverly Conley, Clerk & Treasurer