

EUREKA COUNTY BOARD OF COMMISSIONERS
December 20, 2018

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, 2018. Present were Chairman J.J. Goicoechea; Vice Chairman Michael Sharkozy; Commissioner Fred Etchegaray; District Attorney, Ted Buetel; 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

December 24th: Chairman Goicoechea opened the floor for public comments. The Chairman noted that an email was circulated from the Comptroller's office regarding President Trump's Executive Order granting federal employees a day off on December 24th. There was some question whether the Executive Order triggered NRS 236.015, which provides other public employees a day off when the President declares a legal holiday. Chairman Goicoechea contacted the Governor's office. The office confirmed that the Executive Order pertained to federal employees only and there was no designation of a legal holiday; therefore, it did not apply to employees of the State or its counties.

Thanks from Commissioner Etchegaray: Commissioner Etchegaray thanked the electorate of Eureka County for giving him the privilege of serving as Commissioner for the last four years. He thanked each employee and elected official for working with the Board during a financial turndown and for the help he received throughout his term in office. He concluded by saying, "May God continue to bless Eureka County, the best little county in the world."

Recognition of Sheriff Logan and Sergeant Sanders: Sheriff Elect, Jesse Watts, was unable to attend the retirement dinner for Sheriff Keith Logan and Sergeant Kenny Sanders, so he took the opportunity to present plaques in recognition and appreciation of their service to the County and the Sheriff's Office. Mr. Watts read the plaques and presented one to Mr. Sanders, who began in 1985 and will leave the Sheriff's Office on January 7th to serve as full-time EMS Director. Sheriff Logan, who was not in attendance, worked at the Sheriff's Office since March 2010 and will retire effective January 7th.

APPROVAL OF MINUTES

December 4, 2018: Commissioner Sharkozy motioned to approve minutes of the December 4, 2018, Commission 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 \$162,401.73 for accounts payable, \$600,133.58 for payroll related expenses, \$22,845.81 for a pass-through to the School District, \$9,60.00 for a pass-through to the Nevada Division of

Minerals, \$7,109.67 for a pass-through to the State Controller, and \$79.95 for Yucca Mountain expenses, for a grand total of \$802,430.74. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

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

COMMISSIONERS

ODMAP Agreement: The Attorney General's office is working with the Nevada Division of Public & Behavioral Health to implement ODMAP (Overdose Detection Mapping Application Program). Patty Cafferata, Esq., Special Assistant Attorney General, facilitated an ODMAP meeting in Eureka on December 14th. Agencies who wish to participate will sign an agreement allowing the Division to enter one year of confidential data into ODMAP and then proceed with real-time overdose surveillance.

The meeting was attended by Sheriff Elect Watts who explained that this is a free program and the County can receive \$7,000.00 to be used to prepare and plan for when overdoses occur, as well as to purchase naloxone (medication to reverse overdose effects).

Chairman Goicoechea noted that he was fine with the data requested per the agreement: overdose location, type of overdose (fatal, non-fatal), and naloxone administration, but preferred that the optional case number not be entered into ODMAP for Eureka County incidents.

Commissioner Sharkozy motioned to approve signing the five-year Confidentiality & Data Sharing Agreement with the Nevada Department of Health & Human Services, Division of Public & Behavioral Health, to allow overdose incident data to be entered into ODMAP. Commissioner Etchegaray seconded the motion. Motion carried 3-0.

Walker & Associates Contract: The County currently contracts with Walker & Associates for lobbyist and consulting services. The contract contains a clause that allows for extension of the services as long as funds are appropriated in the budget.

Commissioner Etchegaray motioned to renew the lobbyist/consultant contract with Walker & Associates under the existing terms for Calendar Year 2019; Commissioner Sharkozy seconded the motion; motion carried 3-0.

Radon Proclamation: The University of Nevada Cooperative Extension requested that Eureka County adopt a proclamation to help educate about radon, a naturally occurring radioactive gas, that is a primary cause of lung cancer. During "National Radon Action Month" Cooperative Extension provides free testing kits and encourages residents to test their homes for radon.

Commissioner Sharkozy motioned to adopt a proclamation declaring January 2019 as "National Radon Action Month" in Eureka County; Commissioner Etchegaray seconded the motion; motion carried 3-0.

Sagebrush Ecosystem Program: Chairman Goicoechea noted that there are multiple deadlines coming up related to the various sage grouse documents, but to avoid redundancy discussion will take place during the Natural Resources portion of the meeting.

AMBULANCE & EMS

Report on Activities: EMS Director, Kenny Sanders, reported on recent activities. There were a total of 25 ambulance runs County-wide for the month of November, which included one assist to White Pine County. Mr. Sanders added that the State approved Melynda Sharkozy's EMT application and she has been issued a radio to begin volunteering as a much-needed EMT on the Crescent Valley service.

New Ambulance: Earlier this year, one of the ambulances had a major engine malfunction and has been deemed not worth repairing. Mr. Sanders worked with Public Works to locate a contract for purchase of a new ambulance that meets the needs of Eureka County. Pursuant to

NRS 332.195, governmental entities may joinder onto bids/contracts of other governmental entities. A quote and copy of the bid documents were provided to the Board.

Commissioner Etchegaray motioned to approve purchasing one new 2019 Ford F-350 Wheeled Coach Ambulance for a not to exceed amount of \$185,000.00, by joinder onto a bid/contract awarded to Rocky Mountain Ambulance Sales & Service, Inc., by Milford, Utah. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

Surplus Ambulance: Commissioner Sharkozy motioned to declare the non-operational ambulance (2008 Ford F-350 Super Duty Ambulance, VIN 1FDWF37R28EC99564) surplus property pursuant to Eureka County Code, Title 3, Chapter 20, Section .130. 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.

Utilities & Facilities: All utility systems continue to operate without any issues. Silver State Elevator Company will be in Eureka on January 15th to begin installation of the newly fabricated parts for the elevator at the Opera House.

Road Maintenance MOU: Public Works is in the process of reviewing a draft Memorandum of Understanding with Barrick Cortez for assistance with road maintenance. The draft looks good, but Mr. Damele and Raymond Hodson, Assistant Public Works Director, are considering adding some additional roads in the Crescent Valley area.

JD Ranch Road: The JD Ranch Road project is going well with four trucks hauling material from the screening plant at the Isaacs Gravel Pit. There has been no need to contract outside equipment as originally planned. Crews will continue on 10-hour days through the beginning of January to complete the project.

Heavy Duty Vehicle Lift: Senior Mechanic, Jeb Rowley, explained that a heavy duty vehicle lift is essential to the Road Shop because of the heavier equipment that is being repaired. It saves the County money and is also more convenient to complete these repairs in-house. Chairman Goicoechea recognized that the County has excellent mechanics and it benefits the County to take advantage of this talent.

Commissioner Etchegaray motioned to approve purchasing a Mohawk Lifts 4-column vehicle lift (68,000 lb. capacity) for heavy equipment repairs for a not to exceed price of \$58,753.68 (under Nevada State Contract No. 8544), utilizing capital outlay funds from the Road Department budget. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

CLERK & TREASURER

Treasurer's Report: The Treasurer's Report for November was presented by Public Guardian, Pernecia Johnson, with an ending General Fund balance of \$26,852,433.26.

Deputy Treasurer/Public Guardian: A Hiring Freeze Waiver Justification form was submitted by Clerk & Treasurer, Beverly Conley, explaining that a full-time position will be needed in March to allow adequate training in anticipation of the prospective retirement of the elected official and one staff member.

Chairman Goicoechea spoke with Ms. Conley about the upcoming staff changes due to the reorganization of two constitutional offices in January (Clerk Treasurer will become Treasurer, Public Administrator, and Public Guardian; and Recorder will become Clerk Recorder). He agreed that with staff moving to different offices and impending retirements, a full-time replacement should be trained to avoid a loss of institutional knowledge.

Commissioner Etchegaray motioned to waive the hiring freeze and authorize hiring a full-time Deputy Treasurer/Public Guardian; Commissioner Sharkozy seconded the motion; motion carried 3-0.

IT / NETWORK

Out-of-State Travel: Commissioner Etchegaray motioned to approve out-of-state travel for IT Manager, Misty Rowley, to attend the CompTIA CCF/AMM Conference in Chicago, Illinois, March 10-20, 2019; Commissioner Sharkozy seconded the motion; motion carried 3-0.

NATURAL RESOURCES

Report on Activities: Natural Resources Manager, Jake Tibbitts, reported on recent activities. The BLM has released the Administrative Draft Programmatic EIS for Fuel Breaks in the Great Basin and a Cooperating Agency conference call is scheduled later in the day.

Sage Grouse Issues: Forest Service: Mr. Tibbitts prepared comments on the USDA Forest Service's Greater Sage-grouse Proposed Land Management Plan Amendments (LMPA) and Draft Environmental Impact Statement (DEIS) for the Intermountain and Rocky Mountain Regions. Mr. Tibbitts stated the comments are consistent with those Eureka County has submitted in the past. He worked closely with NACO staff and its contractor, Jeremy Drew of Resource Concepts Inc., on developing the comments. The letter notes this collaboration and adopts NACO's comments by reference. With a deadline of January 3rd, Mr. Tibbitts asked for the ability to refine the letter and have the Chairman sign it outside of the meeting.

Commissioner Sharkozy motioned to approve sending comments on the US Forest Service's Greater Sage-grouse Proposed Land Management Plan Amendments and Draft EIS and authorized the Chairman to sign the letter outside of the meeting. Commissioner Etchegaray seconded the motion. Motion carried 3-0.

BLM: On December 6th, the BLM released the Nevada and Northeastern California Greater Sage-Grouse Proposed Resource Management Plan Amendment and Final EIS. The comment periods are exhausted and it is now in a formal protest period until January 9th.

Mr. Tibbitts traveled to Carson City on December 13th to meet with NACO's Public Lands & Natural Resources Committee to discuss the BLM's final document and outstanding issues. On December 14th, Mr. Tibbitts and the NACO team met with the Governor's staff to go over the outstanding issues and to request that they be addressed in the Governor's Consistency Review. Governor Sandoval intends to complete the review before the new Governor assumes office in January.

Mr. Tibbitts feels there are three main issues in the BLM's final document that need to be addressed: (1) the unclear mitigation process; (2) lands previously identified for disposal that fall within mapped sage grouse habitat, but are not actually inhabited by sage grouse; and (3) lack of adequate socioeconomic analysis. Other than these, Mr. Tibbitts noted that the BLM incorporated most of the County's requests (using many comments verbatim) in the Final EIS, and this resulted in a more flexible plan.

Mr. Tibbitts added that the BLM was very good to work with throughout this process and he attributed that to Matt Magaletti, Nevada/California Sage Grouse Lead, Nevada State Office. Mr. Magaletti was accessible throughout the process and was also frank about the direction the State was receiving from the national office.

Although the document is greatly improved, Chairman Goicoechea favored proceeding with a protest, if for no other reason, to maintain the County's standing in this process. He and Mr. Tibbitts will consult Laura Granier, Esq., the attorney retained for sage grouse issues. If additional funding is needed for legal counsel, an item will be added to the next agenda.

Commissioner Etchegaray motioned to authorize the Natural Resources Manager to work with the Chairman and outside legal counsel to develop and submit a protest on the BLM's Nevada and Northeastern California Greater Sage-Grouse Proposed Resource Management Plan Amendment and Final EIS. Commissioner Sharkozy seconded the motion. Motion carried 3-0. The Chairman stated he would notify the BLM as a courtesy.

State Plan: To enhance use of the 2014 Nevada Greater Sage-Grouse Conservation Plan (as amended), the Sagebrush Ecosystem Council has been working on drafting regulations for mitigation requirements on both State and federal lands. The proposed regulations will be considered during the upcoming 2019 Legislative Session. In the interim, Governor Sandoval issued Executive Order 2018-32 (Order Establishing Use of the Nevada Greater Sage-Grouse Conservation Plan and Credit System).

The Sagebrush Ecosystem Program held a workshop in Carson City on December 11th and has one scheduled in Winnemucca December 20th to solicit comments on the proposed regulations. Comments will be accepted until December 28th and Mr. Tibbitts recommended that the County provide written comment, which can be ratified at the next meeting.

Commissioner Etchegaray motioned to authorize the Natural Resources Manager to prepare and submit comments on the mitigation regulations being drafted by the Sagebrush Ecosystem Council. Commissioner Sharkozy seconded the motion. Motion carried 3-0.

BLM Competitive Oil & Gas Lease Sale EA: The BLM extended the comment deadline to December 21st on the Environmental Assessment for a Competitive Oil & Gas Lease Sale planned for March 2019. Mr. Tibbitts prepared comments consistent with those provided on other Oil & Gas Lease Sale EAs, with one addition. The comment letter asks that the EA disclose that Eureka County will require road maintenance agreements with project proponents when there is increased travel and road wear above customary use.

Commissioner Etchegaray motioned to approve the comment letter to the Battle Mountain District BLM on the March 2019 Competitive Oil & Gas Lease Sale EA; Commissioner Sharkozy seconded the motion; motion carried 3-0.

FRTC Modernization Draft EIS: The Navy hosted a public meeting in Eureka on December 11th to invite comment on the Fallon Range Training Complex Modernization Draft EIS. Mr. Tibbitts, Commissioner Etchegaray, and a few others attended. This was one of several meetings held throughout the State. Consultant, Abby Johnson, attended the Reno meeting and is assisting Mr. Tibbitts with review of the Draft EIS.

Mr. Tibbitts explained that the Navy has received multiple requests to extend the January 15th comment deadline, and he also drafted a letter on behalf of the County requesting a 30-day extension.

Commissioner Sharkozy motioned to approve sending a letter to the Naval Facilities Engineering Command Southwest requesting a 30-day extension of the comment period for the Fallon Range Training Complex Modernization Draft EIS. Commissioner Etchegaray seconded the motion. Motion carried 3-0.

EIDE BAILLY, LLP

Fiscal Year 2017-2018 Audit: Teri Gage, Partner with Eide Bailly, LLP, was in attendance to report on results of the Fiscal Year 2017-2018 audit.

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 – Eureka County received an 'unmodified' opinion, which is desirable and means the financial activities of the County were conducted in accordance with generally accepted accounting principles. The Report notes a change in accounting principle affecting other post-employment benefits (due to adoption of GASB Statement No. 75). It notes correction of an error in the previous fiscal year affecting net pension liability amounts (due to improper implementation of GASB Statement No. 82). Lastly, the Report talks about other required elements of the audit.

Statement of Net Position: The Statement of Net Position (assets minus liabilities) shows the County's value in net assets is \$118 million. Revenues from investments increased by about \$4.5 million compared to the previous fiscal year. Major capital assets increased by about \$3.3

million. Consolidated tax revenue increased by about \$215,000.00. Net proceeds of minerals was up by approximately \$190,000.00. Property tax revenue decreased by about \$560,000.00, mainly due to large equipment moving out of the County.

The County's net pension liability is \$11.5 million, a decrease of about \$218,000.00. This is an estimate from the Public Employees Retirement System (PERS) based on an actuarial report. The proprietary funds (water, sewer) had a loss of approximately \$1.2 million. This is primarily due to depreciation; actual cash loss was closer to \$240,000.00.

Compliance with NRS & NAC: The audit must record any exceptions in compliance with statutory requirements. There were three over-expenditures. The Town of Eureka Fund had a small over-expenditure of \$2,500.00. The State Accident Indigent Fund had an over-expenditure of \$43,000.00. This is a pass-through fund to the State and was simply under-budgeted. It was previously categorized as an agency fund, not subject to this type of violation.

The last over-expenditure was due to a clerical error. The Eureka Water/Sewer Fund exceeded budget by \$32,000.00. This was because \$75,000.00 in depreciation in the Tentative Budget didn't carry over to the Final Budget due to a technical glitch.

Ms. Gage noted that the only exception not due to other circumstances was the over-expenditure of \$2,500.00, and she felt this was minimal when dealing with a budget the size of Eureka County's.

Schedule of Revenues, Expenditures, & Changes in Fund Balance: At the end of the fiscal year, the General Fund had a balance of \$24.3 million, an increase of \$5 million over the previous fiscal year. This was due to several factors. A greater portion of the overall tax rate was allocated to the General Fund. Expenditures were \$3.1 million less than what was originally budgeted. And as stated earlier, consolidated tax and net proceeds of minerals were higher than the previous fiscal year.

Ms. Gage stated that the auditors don't like to see the General Fund, the main operating fund of the County, drop below 8.3% (a month's worth of expenditures) and Eureka County's ending fund balance for the fiscal year was at 241%.

Report Preparation Findings: Any weaknesses in internal controls are reported in the audit with recommendations for improvement. There were some issues with reconciliation of grant revenues – everything was reported, but some monies weren't recorded in the correct area. There were instances where the wrong capital assets were deleted when property was declared surplus. Lastly, there was a small finding where compensated absences were miscalculated and overstated. Ms. Gage noted that this is the least amount of findings since she has been working with Eureka County, and all findings were immaterial to the overall financial statements.

Thanks to Staff: Ms. Gage concluded by stating that a lot of time and effort goes into preparing the financial statements and she thanked staff for all their help and hard work.

Accept Audit & Financial Statements: Commissioner Etchegaray motioned to accept the Fiscal Year 2017-2018 Audit and Financial Statements of Eureka County; Commissioner Sharkozy seconded the motion; motion carried 3-0.

TELEVISION DISTRICT AUDIT

Joint Meeting: This portion of meeting was a joint meeting with the Television District. Present for the Television District Board were President Bill Leppala and Tracy Moylan via interactive video from Crescent Valley. Jim Breitrack was present in Eureka.

TV District Fiscal Year 2017-2018 Audit: Teri Gage reported on results of the Fiscal Year 2017-2018 audit of the Television District. She explained that this was the first year that the Television District received a separate audit, and this was done at the request of the Nevada Department of Taxation.

Independent Auditor's Report: Ms. Gage reviewed the same required elements as in the County's Report, noting that the Television District also received a clean audit and the financial

activities were conducted in accordance with generally accepted accounting practices. Since it no longer has an employee, but utilizes an independent contractor, the Television District does not have any pension or other post-employment benefit liabilities.

Statement of Net Position: The Statement of Net Position shows the Television District's value in net assets is nearly \$1.1 million. Cash and investments increased by about \$80,000.00 over the previous fiscal year, with \$44,000.00 in funding from T-Mobile (to be used for a project that spans two fiscal years). Capital assets increased by about \$59,000.00.

Schedule of Revenues, Expenditures, & Changes in Fund Balance: The Television District General Fund (its only fund) ended the fiscal year with a balance of \$705,000.00. Revenues increased, primarily due to the T-Mobile grant. Expenses were approximately \$186,000.00. The primary capital projects were the T-Mobile project on Prospect Peak and the tower extension on Argenta Ridge.

Compliance with NRS & NAC: The Television District had no statute violations for the fiscal year.

Report Preparation Findings: Ms. Gage noted that the audit findings for the Television District were related to errors in reconciliation of grant funds and capital assets.

Conclusion: The financial statements end with a required audit letter and Ms. Gage stated she was happy to report that no difficulties were encountered in conducting the audit.

Accept Audit & Financial Statements: The Television District Board unanimously accepted the audit and financial statements. Commissioner Sharkozy motioned to accept the Fiscal Year 2017-2018 Audit and Financial Statements of Eureka County Television District; Commissioner Etchegaray seconded the motion; motion carried 3-0.

CORRESPONDENCE

Correspondence was received from: Sheriff's Office; Comptroller, Maureen Garner; Asst. Comptroller, Kim Todd; Natural Resources Advisory Commission (2); Recreation Board; Crescent Valley Town Advisory Board (2); Nevada Assoc. of Counties (4); William Bee Ririe Hospital; Northeastern Nevada Regional Development Authority (2); Tri-County Meeting; University of Nevada Cooperative Extension; Attorney General, Adam Laxalt; Allison MacKenzie Ltd.; Nevada Div. of Water Resources; Nevada Dept. of Health & Human Services; Consumer Direct Care Network; Rehab Services of Nevada; Join Inc.; National Assoc. of Counties; Harney County Commissioner, Mark Owens; Smith Currie & Hancock; USDA Rural Development; and US Dept. of the Interior, BLM.

PUBLIC COMMENT

Chairman Goicoechea called for public comments. Commissioner Etchegaray again thanked everyone for their support during his term as Commissioner. Chairman Goicoechea and Commissioner Sharkozy added words of appreciation, saying how much they enjoyed serving alongside Commissioner Etchegaray for the past four years.

ADJOURNMENT

Commissioner Sharkozy motioned to adjourn the meeting; Commissioner Etchegaray seconded the motion; the meeting was adjourned at 10:57 a.m.

Approved by vote of the Board this 7th day of January, 2019.

/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, 2018, 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