

MINUTES OF THE CHURCHILL COUNTY BOARD OF COUNTY COMMISSIONERS

155 No. Taylor Street, Suite 145
Fallon, Nevada
01 November 2007

CALL TO ORDER

The regular meeting of the Churchill County Board of Commissioners was called to order at 8:15 a.m. on the above date by Chairperson Washburn.

PRESENT: Gwen Washburn, Chairperson
Lynn Pearce, Commissioner
Norman Frey, Commissioner
Brad Goetsch, County Manager
Rusty Jardine, Deputy District Attorney
Alan Kalt, Comptroller
Kelly G. Helton, Clerk of the Board

ABSENT:

Pledge of Allegiance

It was verified that the agenda for this meeting was posted in accordance with NRS 241.

ACTION ITEMS

AGENDA

Commissioner Frey made a motion to approve the Agenda as submitted.

Commissioner Pearce seconded the motion, which carried by unanimous vote.

MINUTES

Commissioner Pearce made a motion to approve the Minutes of the regular Commissioners' meeting of October 17, 2007 and the Minutes of the closed sessions of September 19 and October 1, 2007. Commissioner Frey seconded the motion, which carried by unanimous vote.

PUBLIC COMMENTS

Chairperson Washburn inquired if there were any public comments on issues that were not listed on the agenda. There were none.

APPOINTMENTS

THE BOARD MAY REQUIRE THE PROVISION OF AN OATH OR AFFIRMATION BY ANY PERSON PROVIDING ORAL TESTIMONY AT A PUBLIC HEARING.

Consideration and possible action re: Presentation concerning Lahontan Valley Environmental Alliance's accomplishments and future goals, Erica Behimer, LVEA.

Erica Behimer reported that their mission is to protect and preserve agriculture and natural resources here in the Lahontan Valley and Churchill County. They have been working with CWSD on several projects. LVEA donated money for the Carson Water Shed Maps. They have been working with Mega Splash, which is a program where they go out to elementary schools and teach students about water and the water shed issues. They just recently completed the Snap Shot of the Carson River on the 19th and LVEA hosted the Churchill County site for the water shed and it was to gain a snap shot of water quality for Churchill County whereby they sent samples of water to UNR for water measurements and temperatures etc. Those results are not yet back. It was a snap shot all along the river from Alpine County to Churchill County. They worked with Joanne Hanks of the Lahontan Conservation District to host the Carson River

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Work Day where they took about 175 kids out to George Frey's ranch for water activities and education about water, its value, and how it affects us in Churchill County. They have a few working groups that are still active but some have gone away as the conservation plans or projects have been finished (i.e. the Sage Grouse working group) but they still have an active agricultural preservation working group chaired by Mario Peraldo. One of the major accomplishments of that group was the agricultural summary document and what it did was to outline the working group's ways of protecting agriculture in the valley. One of the major working groups that is still active is the Sand Mountain Blue Butterfly working group. They have completed the conservation plan and are working with the Sand Mountain trail system, which was a Question 1 project. The trail system is currently in progress and LVEA will assist the County with tracking that project and writing reports or conducting meetings to collect information to meet the requirements of the grant. That group helped the U.S. Fish and Wildlife conduct a 90-day study on the Sand Mountain Blue Butterfly and found them to be in healthy populations. Part of the consideration for that was that there is a conservation plan to restrict and close part of that mountain to protect the habitat of that butterfly so that the users and butterflies can co-exist. LVEA currently has about 4 potential applications for the Nevada State Lands Question 1 program, which are mainly located on the Carson River and some will work with the County but some are private citizens who want to be involved. This year they had a successful grant application from Mosquito and Weed Abatement in the sum of approximately \$140,000 from the Question 1 program and the other applications will go in for Round 7. LVEA has been working with TCID for the Newlands Project Mobile Museum and this item has been a constant item on their agenda. Hopefully, they will soon complete that and one of the ways in which they hope to do that is to open up to our community a contest for a sign to be placed on the side of that mobile museum. They are hoping to get some local artists or school groups to participate in that contest to get the museum painted because it was quite costly to have it completed by the sign companies when they found out how big that museum was. The museum has traveled to Fernley 4 times this past year and they seem to request it almost every big event they have. It also went to Yerington and several locations here in Churchill County this season. They held the National Ag Day Celebration in March, which raised \$1,500 for a scholarship for any student that is going into an ag-related field to help them with ag training. Governor Gibbons presented the ag volunteer award to Maureen Weishaupt as she does so much with 4-H, FFA and all sorts of events. She does a lot with ag groups here in town. They will present another such award this coming year. This year they will be combining the Farm Festival with National Ag Day in March. They have requested that the Newlands Water Protection Association hold their Ag Expo with that same National Ag Day to bring more attendance and money for these groups. LVEA works with Country Fair, Cantaloupe Festival, FFA, 4-H, U.S. Fish and Wildlife, CEDA, and Newlands Water Protection Association to help support their efforts in our valley. They will be assisting TCID with the Mid-Pacific Water User's Conference that will be held in Reno this January or February. They will be putting together some baskets of different things relative to our area for some of their awards and raffle prizes. They will also attend the conference to keep informed and try to get our community educated about our water, agriculture, and natural resources in this valley so that there is an appreciation and our community will protect those resources.

Chairperson Washburn said she covered everything very well and commended her for everything that she has done. She does a good job and has had a lot of tough projects. However, at their last meeting they formed another new working group. She asked her to discuss that new

group. Ms. Behimer replied that the Carson River Working Group has been established and they will be sending out invitations to all of the people along the river and to anyone in the community who is interested in helping with Question 1 and different ideas of how to help and protect that resource in our valley and to get ideas for Question 1 money. There is money in that pot specifically set aside for that river and they hope this working group will help to find projects and people to do those projects so that this particular pot of money can be used in our community to protect that river.

Commissioner Frey also thanked her for what she does because it does make a difference and helps us to maintain the quality of life that we have in this community. On the Carson River Snap Shot, she was the snap shot as she and her husband were out there taking the pictures and water samples. He stopped by to see how things were going but they weren't exactly overrun by a crowd. That information to look at the river at a point in time each year to see if there are any detectable changes will be a valuable tool to have. He also enjoyed the Carson River Work Day.

Commissioner Pearce thanked Ms. Behimer and LVEA for all that they do for this community and echoed the comments of both other commissioners.

Consideration and possible action re: Request for extension of time on Parcel Maps for Michael A. & Claudia C. Casey (Trento Lane, TCID #06-117, 06-118, 06-119, 06-120 & 06-121).

Chairperson Washburn said that we would consider the two items together.

Planning Director Lockwood reported that attached to the Agenda Reports were the requests for extension and the NOFAs outlining the conditions of recordation. An extension of time will not create any adverse impacts to any adjoining property owners. Staff recommends approval. There has been a downturn in the real estate market and the owners have found some good sand on the site, resulting in their request to extend these maps for one year.

Commissioner Frey made a motion to approve the request and grant a one-year extension on the Michael A. & Claudia C. Casey parcel maps (Trento Lane, TCID # 06-117 & 06-118, 06-119, 06-120 & 06-121). Commissioner Pearce seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Parcel Maps, Schindler Road Cluster, Maps 1 & 2 (TCID#07-045 & 46, Schindler Road).

Planning Director Lockwood reported that there are two parcel maps and one conservation easement. This was previously owned by the Mills family but now is owned by Mark Hyde. Staff has talked with the property owner extensively and finally yesterday we received a conservation easement deed that we feel is acceptable and she thinks the property owner is happy with it. It states that the water will remain on the ag reservation in perpetuity, unless circumstances change. Both parcel maps can allow for access off Schindler Road so no road construction is required at this time. Staff hopes that many more people in agriculture will do this with their property rather than dividing their property up into non-water righted, dust blown areas. Ten building lots will be created when the cluster development is completed. There will be a paved road providing access off Schindler Road. The Planning Commission voted unanimously recommending approval of the maps. This will keep an ag reservation in perpetuity and restrict the transfer of water rights in perpetuity provided that there is no significant growth.

Commissioner Pearce made a motion to approve the parcel maps for the Schindler Road Cluster, Maps 1 & 2 (TCID#07-045 & 07-046, Schindler Road), subject to all provisions of Churchill County Code; recordation of a conservation easement deed with Map #1; and further recommendations of

the County Building Department regarding septic systems. Commissioner Frey seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Request for an extension of time on the El Rancho Estates Planned Unit Development Tentative Map (TCID #05-160, Moody Lane).

Planning Director Lockwood reported that the El Rancho Estates PUD tentative map was approved with conditions on November 3, 2005. Per N.R.S. 278.360, the first final map must be presented within 2 years of tentative map approval. The subject development will be connecting to the second phase of the County water and sewer system, which has only recently started construction. The Shalev's (previous developer) have left the project but Donald and Simmie Dee Travis, the property owners, have been working with other prospective developers to see this project through. Staff recommends the request for extension be granted.

Commissioner Frey made a motion to approve the request for extension of the El Rancho Estates Planned Unit Development Tentative Map (TCID#05-160, Moody Lane) for one year. Commissioner Pearce seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Resolution 28-07 to repeal Resolution 33-03 and set new charges for Geographic Information Systems (GIS) data.

TITLE:

A RESOLUTION AUTHORIZING THE CREATION OF A SCHEDULE OF FEES FOR INFORMATION FROM THE CHURCHILL COUNTY GEOGRAPHIC INFORMATION SYSTEM.

Planning Director Lockwood reported that in December of 2003 the County Commissioners approved Resolution 33-03 on charges for Geographic Information Systems (GIS) data. When these fees were set, it was believed there was an opportunity to recover a significant portion of the expense incurred in developing GIS data for the County. Once the fees were set, interest in Churchill County's GIS data dropped significantly. Their department has only been able to distribute the data at the set fees a few times in the last four years. Our County's GIS data is of value only when used by those individuals and companies interested in Churchill County. Some uses can support economic development, increasing the tax base of the County; while difficult to measure, this is probably the most valuable use of the County's GIS data. By charging a minimal fee of \$20.00 to cover media, duplication and shipping, all Churchill County GIS data becomes more readily available to those interested in using County GIS data. The GIS data could also be made available by download from the County web site at no cost. The fee excludes copies of the Assessor's Databases, and separate fees apply to digital orthophotography (aerial photos) as outlined in the attached fee schedule. In the years since Resolution 33-03 was passed, other means of getting funds for GIS projects have been implemented. These include the impact fees charged as part of the land division process. This method of raising funds for GIS projects has been much more successful than trying to charge for copies of the GIS data.

Commissioner Frey reported that Enel said that the access to information in this community is phenomenal so this will help with that and will help wise developers that want to come here. Chairperson Washburn said this is a learning process.

Commissioner Pearce made a motion to repeal Resolution 33-03, to set new data charges for GIS data as outlined in Resolution 28-07, and authorizing the Churchill County Planning Department to modify the GIS data charges as needed but not to

exceed 2% per year. Commissioner Frey seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Approval of new Master Plan for Churchill County Cemetery, Jorge Guerrero, Parks and Recreation Director.

Parks and Recreation Director Guerrero said that they posted an Agenda for this meeting so that the Cemetery Board could be here for this presentation. The Agenda was presented for the record. He also had Frank Woodliff, Claude Parsley, as well as the 3 board members, Bob Kent, Vicky Tripp and Greg Williamson here. He reported that this item was approved in the 2005-2006 Budget. With the acquisition of new property adjacent to the current cemetery, it was felt that a master plan would be needed to create some direction for development. This plan has designs, layouts, prioritizes needs, and gives time lines for projects to be completed. With this project complete, staff will be able to use the master plan as a tool to secure outside funding.

Commissioner Frey said it was done very well and they appreciated the work that Frank Woodliff put into this. Any plan has to change with the times and this helps us proceed into the future. Chairperson Washburn agreed and said knowing what we have gone through with the Cemetery Board over the last 10-15 years, it is nice to know we have now developed a plan and will help to negate the negative comments that some have made over the years. She also thanked Frank Woodliff for his work. Commissioner Pearce also thanked Mr. Woodliff and the board and this will be our guide to help us in the future for the cemetery.

Chairperson Washburn asked if any of the board had comments. Claude Parsley said he thinks this is excellent and will help staff as they do things at the cemetery and save them from redoing projects and will also save money. Commissioner Frey commented that the picture on the front is nice and shows how good our cemetery looks.

Commissioner Frey made a motion to approve the Churchill County Cemetery Master Plan developed by Frank Woodliff, Architect, in conjunction with the Churchill County Cemetery Board and Staff.

Commissioner Pearce seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Annual Community Development Block Grant (CDBG) participation statement (2008-2009) and update on application process to be completed by Churchill County, Shannon Ernst, Social Services Director.

Social Services Director Ernst reported that all eligible units of local government who wish to participate in the U. S. Department of Housing and Urban Development Community Development Block Grant program are required to abide by the terms and conditions set forth in the Annual Participation Statement (2008-2009). Churchill County has participated, completed these assurances in past years, and has been successful with funding. Churchill County's past performance is up to date at this time and all current projects funded for FY08 are on track to be completed by June 30, 2008. All timeline applications and requirements are now located on the main web page with a CDBG site. These items are updated as needed and allow potential community applicant's to not only access the community application but to see the requirements, timelines, and additional documentation that is needed throughout the year.

She showed a Power Point Presentation with regard to this matter. We currently have 13 open grants with CDBG but that is because CDBG has experienced staff problems so they have not come out to conduct the audits required to close the grants; however, Churchill County has drawn down all of the funding available and completed all paperwork necessary for these grants. Churchill County has received \$1.4 million from CDBG for grants since 1982, which

demonstrates how much this community has benefited from these funds and programs. Changes discussed at the forum held at the NACO Conference included representing areas. There are always communities that come together to represent on the Governor's Advisory Committee. They have changed it so that larger communities will work with a smaller community. Previously, Churchill County represented Pershing and Humboldt County but this year we will work with Storey County. Storey County will represent Churchill County at the Advisory Committee. That provides a great learning opportunity for Storey County in the grant process to see what grants come forward, how they are ranked and the proper way to apply. That will be a good change for us. This year we can only submit 1 application with unlimited sponsorships, much like the Rural Nevada Continuum of Care which benefits more than just your own community but are administered by us. That means that we need to look at how we make recommendations to be sure that we are hitting the number one priority in our community since we can only submit one application. Primary objectives help to develop a viable community by providing decent affordable housing, suitable living environments and expanding economic opportunities. We have done that in the past with our housing needs assessment, which provides us with the base information to use to benefit low to moderate income families. We have helped people with rehabilitation for low income families. We are working with the Small Business Development Centers to expand economic opportunities in the rural areas. We were able to pave behind the grandstands at the Churchill County Fairgrounds to bring them into ADA compliance. We have done some home owner rehabilitation for three years and were able to help over 40 homes in our community. They assisted with the New Frontier Treatment Center expansion to provide additional substance abuse treatment for our community members and they will be using the plan we developed 2 years ago with their planning to rebuild the new center following the fire at that facility. They need the affordable housing assessments and future planning and assisted with HUD funding with that Rural Nevada Continuum of Care grant, which has brought over \$4 million into the rural areas to address our homeless needs. She submitted a timeline that will be available on our website so that they can plan ahead and will know what the priorities will be. The District Attorney's office helped us this year to pass the resolution and certifications to make sure that we are in compliance. We have ranking and rate applications ready for this program. She recommended that we move forward with participation in this program.

Commissioner Frey asked to clarify that Storey County will be the lead now since we are grouped with them and she replied that that is correct. This pot of money has about \$2 million in it and Storey County will be able to sit on the committee, which is a great opportunity for them and previously they have been left out. She will start meeting with Storey County to learn about their community's needs.

Commissioner Pearce made a motion that Churchill County submit the annual public participation statement and abide by the terms and conditions set forth in the following documents and assurances as indicated by the signature of the Chair of the Board of Churchill County Commissioners and open the application process to the community for possible funding in FY09.

Commissioner Frey seconded the motion, which carried by unanimous vote.

Consideration and possible action re: CDBG Committee update with annual project priorities and committee updates, Shannon Ernst, Social Services Director.

Social Services Director Ernst showed another Power Point presentation and reported that all eligible units of local government who wish to participate in the U. S. Department of Housing and

Urban Development Community Development Block Grant program are required to dedicate priorities within the community to look at future CDBG projects. Over the past year, Social Services has found that it would be beneficial to the community to form a committee consisting of different departments to ensure that proper fairness and eligibility is open to not only Churchill County Departments but to community members. The volunteer members are Alan Kalt, Comptroller; Eleanor Lockwood, Planning Director; Jorge Guerrero, Parks & Recreation Director; De Vere Karlson, Chief Juvenile Probation Officer; Brad Goetsch, County Manager, and Shannon Ernst, Social Services Director. Committee recommendations were provided with the Agenda Report. She asked Planning Director Lockwood and Parks and Recreation Director Guerrero to help with this project.

Planning Director Lockwood said she likes to dream big and she thinks we need to continue to dream big. Although we need to focus on the one priority, we need to think strategically how we are going to improve our industrial base and how do we attract new industrial and commercial activities into our community, while supporting those that are here. We have lots of land but we need infrastructure. So, the first project is for the provision of very basic water and sewer services for an industrial park most likely in the Trento Lane area. We should include in the discussions not just the provision of water and sewer as every community does that but include the discussions that we have had on developing a rail park and try to get FAA grants for our bigger dream of a huge industrial park with air, rail and industrial access. She suggested that we work with the CEDA office for that. Further, if you want to meet 2 of the CDBG objectives, it is improving living conditions, especially for low to moderate income and expanding economic opportunities. The second project would be to look at the feasibility and costs included in expanding our water and sewer services westward down the Reno Highway. Within approximately 2 miles, we could provide services to 2 or 3 mobile home parks, all of which have some substandard condition of water and sewer service. One of the mobile home parks has septic issues and has spent upward of \$150,000 for a new engineered septic system and is still experiencing problems. The vision of this second project is to bring in primarily low to moderate income communities and provide them with high quality water and sewer service and, at the same time, if we expand our water and sewer system down the Reno Highway where there is primarily commercial zoning within 500 feet of either side, we also have the opportunity to attract new businesses and expand existing businesses. She has had several discussions with people in the community who have asked when will the County get water and sewer out there as it is an ideal place to put in a restaurant or facilities that need more than just an engineered septic system. That would also create jobs for our community.

Social Services Director Ernst said she always likes to include things that benefit low to moderate income families and communities here. Not only from CDBG but we need to watch for funds to assist those populations by either granting funds to them to access for water and sewer facilities or to look at a revolving loan process. She is finding different funding out there for that and that is why she wanted it to be included so that it is on the radar. We could look at obtaining grant funding and disbursing it to the community to hook up as they change usage or as their population changes, those funds get returned to the County to be utilized by a different community.

Parks and Recreation Director Guerrero said he also likes to dream big so he wants to move forward with our Soda Lake project. The next step is to create a plan for some direction in that regard. We have several groups that have interest out there and they would like to see something start to happen and they have also conducted some fundraising events to put some money behind their efforts. He would like to put together a plan for that property. There will be some economic benefit because if we create some attraction out there, of course, we would have some visitors to the

park, which would bring in gas sales, sales tax, camping fees etc. Their department is close to completing the shared-use path along Sheckler Road, which will create more foot traffic and may contribute to some ADA issues as far as access to the Fairgrounds parking lot. Right across from Frazzini is where they are looking to expand their ADA parking and providing access for the Churchill County Fairgrounds. This will benefit citizens with disabilities and allow them to enjoy the facilities and attend community events. We have been helped by CDBG before to help with the ADA parking inside the facility but the entire parking lot is gravel, which creates problems.

Social Services Director Ernst said the last one on the list is for affordable housing. This is a major priority for CDBG. She would like to look for developers to provide affordable housing opportunities in our community. They are providing first-time home buyer's workshops to provide opportunities for home ownership. They are looking at elimination of inadequate housing and blight areas. They are now asking for input from the Board to prioritize and that is why she provided 2 options for motions if they need more time and would like public comments. This will help us, not only now but in the next few years with projects that will be very valuable to our community.

Chairperson Washburn said that last year we had had a committee that met and set the priorities and she suggested that that happen again rather than us doing that today as we haven't had time to review these materials. She thinks some time spent with the committee to have an in-depth discussion would be beneficial. Ms. Ernst said the committee she mentioned earlier did come up with this list and presented it in the order they have prioritized the projects. It was their recommendation to move forward in this order. We can table this to get input from the community but this list is the committee's recommendation.

County Manager Goetsch said there may be some confusion as the Commissioners didn't have the list but they did find it as it was only provided at the start of the meeting. Ms. Ernst said that she apologized for the error on the list because the infrastructure was not listed as number 1 but that is, in fact, what the committee intended; with the second being the Hwy. 50 water and sewer planning, third would be water and sewer to low and moderate income communities; then community parks and recreation master plan for the Soda Lake park first, followed by the ADA parking for the fairgrounds; and last would be affordable housing. That item was last as we currently have other programs and activities provided by funding other than CDBG.

Commissioner Frey said we haven't gone out for public comment at this point and it has been all internal staff participation. He thinks we should get public participation and come back within 2 weeks as long as we would not miss a deadline. The more community buy-in we have, the better it will be. He likes the priorities and likes the industrial project as it will provide jobs for our community and will help our parks and will bring more use of our sewer and water projects, which keeps them moving forward. He thinks if we took them to the public and had some buy-in that will help with the CDBG review.

Chairperson Washburn agreed and thinks it could also be reviewed by the City Council, CEDA board and others to make it a community project. Ms. Ernst replied that she did leave time in the timeline for that purpose. The main thing is that we will be opening applications for the community and that had to be completed today. Comptroller Kalt asked her to remind them exactly how much money is available and how many communities try for this money. She replied that there is \$2 million and all communities except Clark County and Carson City participate in this grant funding process. Sparks and Reno have exceeded their funding level and can't participate this year but Washoe County is still included. That is why she wanted to really look at our priorities so that we can access those dollars in a strategic plan. Commissioner Frey asked if we have included the City in our planning. Ms. Ernst said that Larry White heads that up for the City and they do their

own and they were successful in receiving a grant. Commissioner Frey said it would be great if we could work together to improve our chances. Ms. Ernst replied that they have submitted letters in support of our grant applications and have commented on our multi-use facility. We always offer those opportunities to the City so that we can demonstrate those partnerships.

Commissioner Frey made a motion to table this item for a two week public comment period and, at the end of the period, results will be presented at the regularly scheduled County Commissioners' meeting of November 21 whereby a final Priority list will be developed based on the community comments. Commissioner Pearce seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Update on NACO activities, Jeffrey Fontaine, Executive Director of NACO.

Jeffrey Fontaine thanked the Board for the opportunity to appear here today. He commented that as he drove into the valley today, it looked just like the picture on our Performance Report and it looked beautiful. He started in this position 10 months ago and has learned a lot about county governments and has gained an even greater respect for what these boards and staff do. He thanked the Board for support of the association. This county in particular has been terrific. Commissioner Frey is past-president and is still very active, as is County Manager Goetsch, Comptroller Kalt and Social Services Director Ernst and they are great to work with. NACO has a lot to do and he is still learning. They need to really improve the kinds of research and analysis they do on public policy issues that are important to all of us and they'll continue to help to make sure that the legislature and public at large understand the important role that counties have in our quality of life. They will be working on some communication issues as well. There are 3 staff member positions at NACO: himself, Vickie Streeter, their Executive Assistant and a Government Affairs Coordinator, which position is vacant and they are trying to fill that position. They try to do the research and analysis on legislative issues at the federal and state levels, administrative actions by those agencies, represent the counties on specific county issues if there are any and to help the counties with issues as a whole. They sit on a variety of advisory boards and committees to represent the interests of counties.

They are currently tracking some issues and what he sees as the likely issues for the 2009 Legislative Session. Before he gets into that issue, he said that his agency in Nevada is affiliated with the National Association of Counties (NACo) and they do a lot for us as well and all Nevada counties are members and we have 2 members on the national board. There are 3 programs through NACo that that either NACO participates in or individual counties do. Those programs include a government purchasing alliance with a nonprofit instrumentality that helps counties, states, school districts and local governments reduce costs by pooling their purchasing power. Churchill County has experienced some savings; not overwhelming savings but every little bit helps. Another program is the Nationwide Retirement Program. NACO has a signed agreement with Nationwide and NACo helps to market that product for deferred compensation for employees and he can put us in touch with the contact for that program. The third program is the Discount Prescription Drug Program, which basically is at no cost to the county or individuals who use the card and is provided by a partnership through Care Mark for under-insured or uninsured people. These people can go to participating pharmacies and receive a 20% discount from the list price.

The federal bills they are currently tracking are: full funding for PILT and the Secure Rural Schools. They have received a lot of support from both Senator Reid and Congressman Heller. They have written letters and visited Washington D.C., which Commissioner Frey participated in one of the meetings there. They are hopeful that this will be the year that congress will approve full funding of PILT. The Mining Reform bill has passed out of the House Natural Resources Committee and is set to go the floor of the House sometime in the next few days and if it passes it will then go on to the Senate. That bill will have some serious negative impacts to the State of Nevada in particular because we are talking about an 8% gross royalty tax on new mines and 4% on existing mines. What that will do to net proceeds they think will be a real problem. There are additional constraints on new mines and what they have to do for permitting so NACO is working with the Nevada Mining Association and will stay on top of that one. The Farm bill has potential for bringing additional revenue and programs to the state. They commented pretty extensively on that bill, particularly in the area of rural development asking for some robust programs and resources for rural development and the conservation title of that bill. HR811 is called the Voter Confidence and Increased Accountability Bill of 2007. That bill is still floating around congress and would impose some additional or new requirements on the way that counties conduct elections. They have been working with County Clerks on this bill to express our concerns about another unfunded mandate and getting involved in a local election process. Congressman Heller in particular, as a former Secretary of State, has been very supportive of our position on that bill. Another bill they are very concerned about, in part, is HR2421, which is the Reauthorization of the Clean Water Act. There is a provision in that bill that Congressman Overstar wants to include for one change or deletion of a word, which will have huge impacts. Today the bill applies to navigable waters and Congressman Overstar wants to remove the word "navigable", which means we would have clean water requirements and having the U.S. Army Corps of Engineers get involved in permitting waters in the United States. Imagine what that might mean. They think it is a real problem so they are trying to rally support to get that dealt with. Other federal bills that they are following include the various disaster relief bills, the various appropriation bills, the State Children's Health Insurance Program, and the various bills dealing with the RS2477 issues. Lastly, there no lands bills except for the one in Mineral County that is under development. At the NACO Conference, they had a panel discussion with the BLM State Director and Kevin Kirk of Senator Ensign's office and there is a lot of discussion by counties of the lands bills and concerns about losing control of our resources and assets. So, they think that NACO should have a role in dealing with that issue. There are other administrative actions at the federal level that they work on or comment on. Yesterday they wrote a letter to the EPA expressing our concern about lowering the 8 hour ozone standard, which in Nevada would mean that we would probably have counties that would be in non-compliance or non-attainment if the current standard is reduced from its current level of .08 parts per million to something less. They don't know how to deal with that, especially since the emissions for ozone are the precursors aren't in that particular county and come from places like southern California and perhaps as far away as China.

At the state level, he will not get into the details of what happened at the 2007 Legislative Session as he knows that the Board has been briefed about that. There are several interim legislative committees that they will be following, including the Public Lands committee, which is a standing committee that they will be watching. There is an interim legislative committee on transportation, which was a big issue last session and will be an even bigger issue next session. All counties have needs and actually maintain more miles of road than the state does and they are

concerned about the state doing more of what they did the last session, which was to take money away from Washoe and Clark County to pay for state road needs. We need to watch that very closely.

The CTX issue was brought up and the only comment he would make about that is that there is going to be a Legislative Counsel Bureau staff report due next fall. It is supposed to be an objective report without any particular recommendations but, basically, a review of where we are today and how we got there. The only comment he would add to the discussion he sat through from this meeting today is that the issue wasn't necessarily precipitated by just Clark County. Washoe County and the Reno and Sparks area has had a hand in that as well. There is no doubt that rural counties will be included in that analysis. Comptroller Kalt asked if NACO plans to hold any workshops or to bring Hobbs Ong in to host some working groups before that December deadline to submit comments. Mr. Fontaine said he wasn't aware of the December deadline but if there is, he wants to see that. They want to be involved and they have Hobbs Ong as a contractor to help with those issues. He told Mr. Kalt that if he has ideas because he is the expert, he wants to discuss those ideas.

There are also wild fire and drought issues. This summer they were very involved with working with our congressional delegation, the Department of Agriculture, and federal and state agencies to the extent that they could streamline the processes involved in the pre-suppression activities, fire fighting and rehabilitation efforts. For several counties like Elko and Humboldt in particular, the wild fires have been devastating and the future doesn't look real good in terms of being able to get out of that cycle of fires, cheat grass coming back and burning again. It is an area that he thinks NACO has an appropriate role in supporting the efforts of all of those agencies but it will take a lot of work to solve this problem. Upcoming issues include county revenues, tax structure, and what will happen as far as the push and pull of limited resources at the state level. The Governor is already looking at 5% cuts across the board. NACO wrote a letter to the Governor yesterday asking him to consider the concerns of the counties in those cuts specifically related to the cuts in health and human services. Those cuts will directly affect the counties in terms of the funding that goes to the counties and the services that the state provides. We have asked the Governor to it down and listen to the counties before he makes any cuts. They will be meeting next Wednesday where several county commissioners will be in attendance to talk about some of those issues. The issue of tax abatements that was passed by the legislature without input from counties is an area that we really need to voice our concerns. What the legislature did with respect to tax abatements both for sales tax and property tax on building lead-standard green buildings is a great policy but they extracted themselves from the impact and laid it all on the counties. It is a real problem when you have a state legislature that develops policies that we can support for economic development, energy, conservation and green buildings but it is all on the backs of county and city governments. In terms of other tax issues, he knows that Churchill County was involved in a bill that NACO supported for a regional juvenile justice center in conjunction with Lyon County that the Governor vetoed. Where counties have specific needs that can be justified on a case-by-case basis, they should be supported. He doesn't know what will happen with regard to the issues with CTX or whether there will be some sort of discussion finally about a comprehensive tax policy. Two months ago he would have said there is no chance that we will have a discussion about tax policy in this state but with what is going on with sales tax and comments by Majority Leader Raggio and others, there may be some opportunities there. The other big issue is to keep hammering away at the home rule issue. We got close but not close enough. We need to get a fair and objective analysis

of what home rule means in terms of efficiency and how we govern our citizens. We have some supporters but we need to keep working on that issue. The point he wants to stress is that they will be working hard to support and advocate for the counties of the state. It is not always easy with differing interests but there are enough common goals to carry the message. He will need our help. He can go to the Governor and his folks but when the time comes to speak to the committees, he will need commissioners will him as they know the impacts to their particular community.

Commissioner Frey thanked Mr. Fontaine for the good job, especially when he came on at the last minute before the session. He did a good job representing Nevada's counties. We have some challenges at NACO and one of them is to get engagement of Clark County. Due to various political circumstances and management circumstances, we don't have anyone choosing to participate with NACO at this point in time. Anytime that he has an opportunity to encourage people from Clark County to participate, he would appreciate it. We lost the staff members that were active participants and who understood rural issues and were taking those to their counties. With regard to the public lands bills, as he understands it, Mineral County is not in support of their own public lands bill, which is a big concern if this community considers one. They seem to morph into something that is for purposes other than the community's purposes. The Southern Nevada Public Land Management Act worked out fine and they had community participation but he is not seeing that happen in some of the more recent ones. The other day he read something about perhaps AB461, which allowed a tax increase in Nye County for Sheriff's Deputies so the Governor signed off on that tax increase for their public safety need but failed to do so for our juvenile justice system so that is distressing. Our main problem with tax abatements concerns the geothermal tax abatements as it takes away a very large revenue source for us and it puts us at odds with these companies. We like to see our geothermal resources developed and it takes our resources away. The removal of the word "navigable" out of the Clean Water Act is a big hazard that will be very detrimental to the Great Basin, which doesn't function very well and, in general, our waters don't leave our state. Perhaps the word "interstate" waters might be good. One thing that Mr. Fontaine did not mention is the 2010 NACo Conference to be held in Reno. We will need ideas for getting people out to Churchill County and perhaps NAS Fallon so they can see our community. All of us in northern Nevada will be called upon to participate at the conference, which will be held at the Convention Center, with the Grand Sierra and the Atlantis as the host hotels. He asked Ms. Ernst if we are still getting participation in RX program. She replied that participation has gone up and they are seeing about a 30% discount because of the increased cost of prescriptions. Longs Drugs signed up to participate as a provider in that program when they took over at Rite Aid.

Letters Received:

Consideration and possible action re: The Department of Taxation sends its notice of study and solicitation of input from local governments for the Consolidated Tax Distribution (CTX).

Comptroller Kalt reported that attached to the Agenda Report was the revised quarterly report that is prepared in accordance with the Nevada Administrative Code (NAC). This report has been revised by the Committee on Local Government Finance. The report must be submitted to the Department of Taxation within 45 days of completion of the prior quarter. A signed copy has been forwarded to the department in a timely basis. A copy was provided for the Board's review. He said he finds it interesting that we are ready to begin civil war at a time when revenues are down. He is very concerned and the letter shows that they do not want to get

involved in the political in-fighting. He fears they will move away from the 2nd tier distribution and go back to the first. The 2nd tier as it relates to Churchill County is how that revenue is split between the County, City, Mosquito and Weed Abatement and the CWSD. As the statutes currently exist, there is some language that says that if, in fact, the entities of a local governing body feel there is a better way to appropriate and apportion this money, they can get together and form a cooperate agreement signed off by the governing boards of all those various governing bodies and submit it to the department of Taxation and they will work out those details. What we have happening in Clark County is that some local governments there do not feel that they are getting their proportionate share and the one-plus formula is not working. This letter seeks to raise the issue and are asking for input from local governments on what they think is fair. The deadline for comments is by December 31. He has talked to Gary Cordes at the City of Fallon and he feels the same as Comptroller Kalt that if there was an issue between the City and the County that we could get together to work out those differences and we do not see the significant division that some of these other local governments experience. However, they are nervous that if it permeates up that they will open it up and start taking money back to the urban areas. It makes sense to form a working group within the community to develop a response if it is deemed necessary.

Commissioner Pearce said this is another example of where Clark County has a problem and to solve it they use the big paintbrush and hit the whole state with it instead of getting together to solve it at a local level. Comptroller Kalt said it appears that way to him. Any time a formula is tweaked, you have unattended consequences. Clearly, if those local governing bodies could get together and work out their problems, they wouldn't have to take it statewide.

Chairperson Washburn said that makes sense and when she looks at how we work in this community but then she sees how other community's work, it makes her very glad that she is here. We work together very well and it is better to work things out locally than to take it statewide. She recommended that Comptroller Kalt be appointed for this job and Commissioner Pearce agreed.

Commissioner Frey said we need to keep an eye on this war between Las Vegas and Clark County. It may be their own undoing but the trick is to keep it from undoing the rural counties in this state because sometimes what might work for their urban areas will not work in the rural areas. Most of the time they forget we have smaller communities that are struggling as well. He also agreed with Comptroller Kalt being assigned this task.

Commissioner Frey made a motion to appoint Alan Kalt to review the proposed changes to the CTX distribution scheme and to draft a response using any county staff that he deems necessary on behalf of Churchill County as outlined in the Notice. Commissioner Pearce seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Letter received regarding property located on Sherman Street in Churchill County, Nevada.

Planning Director Lockwood reported that the letter received is regarding property located on Sherman Street. Two of the properties mentioned are located at 430 Sherman Street, APN: 007-711-05, and 740 Sherman Street, APN: 007-711-08, which are located in Churchill County. A case was opened on October 15, 2007 for 430 Sherman Street for violations that exist on this property and a letter and Notice of Violation were sent to the property owners on October 18, 2007. There has been an open case for 740 Sherman Street since February 28, 2007 and numerous letters, violation notices, citations and fees have been sent to the property owner. The

Planning Director and the Code Enforcement Officer met with Mr. Gallardo, owner of 740 Sherman Street earlier this month to finalize a plan of action to correct the violations on the property. The plan of corrective action that Mr. Gallardo has agreed to includes:

- One car will be removed every two weeks starting October 15, 2007 until there are only 5 cars remaining on the property that will remain registered, insured and operable.
- All bicycles and bicycle parts will be moved and stored inside of one of the buildings on the property by November 1, 2007.
- The roof on the carport will be removed and replaced by January 1, 2008.
- All landscape limbs, leaves, branches and other miscellaneous junk will be removed from the property by February 1, 2008.

County Manager Goetsch said this was a letter from the City that asked for some help in dealing with the property that is within the City but is one of the properties that the City selectively excluded when it annexed property when a home owner didn't elect to be annexed but receives the same services but aren't officially part of the City. There are a number of little islands within Fallon that are left and create a problem because the owners feel they don't have to comply with the City or County Codes. Whenever there is a problem, the City asks the County to handle those problems. This specific property is one that has a lot of bicycles, cars and junk on it and the County has been very active in working with that owner to ask him to take care of the issues and problems and to comply with the laws of the City and County. We have reached an agreement with that owner as outlined above for him to gradually clean that property up to an acceptable level over time. This letter lets this Board know that and to ensure that the City receives a communication that informs them of what is happening as well.

Planning Director Lockwood said she was informed this morning by our Code Enforcement Officer that the second property, which is actually on Stillwater and Sherman, will possibly be purchased by a new owner who promises to replace the old mobile homes with new manufactured homes and to clean up the property. There is a good and bad aspect of a new owner coming in. One of the requirements that the Building Department has placed on that property is if there is a failure of the septic system, there is no option but for them to connect to the City's sewer system. Perhaps in the near future that property will be annexed into the City.

Commissioner Pearce wanted to show in the record that the City only annexes property when the owners request to be annexed but do not arbitrarily go out to annex property. We have islands that under the City's charter shouldn't have City water or sewer and should be on their own because the City doesn't provide services outside of the City limits and if they are an island they don't receive the services and he can think of several properties like that. Ms. Lockwood said there are several properties like that and it will be a difficult issue if the septic tanks fail because they will have no option but to connect to a municipal system. She is not sure where we will take the conversation from that point. The property owner will not be able to develop the property if the septic tank fails and he'll be responsible for discussing with the City the requirements for annexation and provision of water and sewer services. Chairperson Washburn said that would be a good item to put on the agenda for the next joint meeting between the City and County as we know it will happen. If we can work it out ahead of time that would be better. Commissioner Frey asked if it would be an opportunity, if this is a true island, if it is threatened with City development, or if it is a peninsula, if there is any way if they apply for a license or permit that we could push those properties through a Special Use Permit process whereby we can say that if they experience septic failure and can't resolve the issue, then they must voluntarily connect to the City system. Deputy District Attorney Jardine said that would require changes to

the ordinances and we would have to develop that process with notice given. Ms. Lockwood said we have Nevada Administrative Codes and Nevada Revised Statutes behind us because State Health and/or NDEP will step in. For example, we have had a similar situation with some of the businesses along the Reno Highway who have had septic failure and because there is a sewer and/or a water line within 400 feet, they have no choice but to connect. In this case, we have no services in that area so she thinks it would be good to include this item for discussion on the joint agenda with the City of Fallon. We need to determine what would be the best way to handle these situations as they occur in the future. Commissioner Frey said we have had issues over on Stains, which is on the south side of the City of Fallon. It is still in the County and is not a true island but would be one of those areas that presents a problem for the City and County.

Commissioner Pearce made a motion to direct the County Manager to send a letter to Mayor Tedford and the complainant explaining actions taken by the County. Commissioner Frey seconded the motion, which carried by unanimous vote.

Old Business: None.

New Business:

Consideration and possible action re: County Cash Match for Churchill Area Regional Transportation (CART) funding for the Fiscal Year ending September 30, 2007.

Comptroller Kalt reported that CART is funded by State and Federal grant dollars. The grants include an 80/20 grant and a 50/50 match grant. The County and CART are able to use in-kind matching contributions for a portion of the grant, however, hard dollars are needed to support the grant program. The County provides monthly advances to CART and collects the reimbursement as a sub-recipient from the State and Federal government. Included in these advances are the cash match dollars necessary to obtain the grants. The county conducted an independent audit and met with staff to go over the results of that audit. Their program is held out as a model statewide.

Commissioner Frey said the CART board has suffered in some aspects. He'd like to see an analysis to determine if this program is cost effective for the amount of money we put into it. It is a good program and is held out as a model but if it isn't cost effective, is there a way to bring private industry into supporting it.

Commissioner Frey made a motion to approve the County's cash match of \$50,914.48 in support of the CART program for the Federal Fiscal Year Ending September 30, 2007. This match has been previously paid by the County in their monthly support of the CART program. Commissioner Pearce seconded the motion, which carried by unanimous vote.

CONSENT ITEMS (Action items generally not requiring discussion or explanation)

All matters listed under the Consent Agenda are considered routine and may be acted upon by the Board of County Commissioners with one action and without an extensive hearing.

Any member of the Board or any citizen may request that an item be taken from the Consent Agenda, discussed and acted upon separately during this meeting.

1. INFORMATIONAL ITEMS –

- A. Department of Taxation Quarterly Report regarding the County's Economic Condition for the quarter ending September 30, 2007.
- B. Notice from Nevada Division of Environmental Protection (NDEP) regarding its Notice of Findings and Order No. 2008-6, Class I Air Quality Operating Permit AP2992-1473 (FIN A0511) for Bango Oil, LLC.

- C. Notice from Nevada Division of Environmental Protection (NDEP) regarding the Groundwater Monitoring and Remediation Report 2nd Quarter 2007 at the Time Oil Store #6-108, 1325 So. Taylor Street, Fallon, NV.
 - D. NDEP provides its Notice of Final Decision concerning the Reclamation Permit No. 0160 for Celite Corporation's Nightingale Mine Project.
 - E. Letter from Nevada Division of Environmental Protection (NDEP) regarding the Groundwater Monitoring and Remediation Report – Third Quarter 2007 at the Newlands Agricultural Research and Extension Center, Fallon, Nevada.
 - F. Notice of Workshop to Solicit Comments on Proposed Revisions to Nevada Administrative Code (NAC) 445B.001-.3791 Air Controls: Air Pollution.
2. **REVIEW** – None.
3. **COMMITTEE AND DEPARTMENTAL REPORTS** –
- A. Justice's Court First Quarter Report of FY 2007-2008.
 - B. Churchill County Social Service's Report for September, 2007.
 - C. Churchill County Recorder's Report for September, 2007.
 - D. Mining Claim Filing Fees Report for First Quarter of FY 2007-2008.

Commissioner Pearce made a motion to approve the consent items as submitted.

Commissioner Frey seconded the motion, which carried by unanimous vote.

CONSIDER FUTURE AGENDA ITEMS –

COMMISSIONER REPORTS:

CHAIRPERSON WASHBURN: Chairperson Washburn reported that she attended the workshop on the water right dedication issues, which was productive and illustrates the questions and issues we have to face concerning that problem. Ms. Behimer sufficiently covered the LVEA activities. She has spent a lot of time dealing with the resignation of Juliette Taylor and her assistant at CEDA. There are a lot of opinions and rumors flying but they don't really know the issues at this point. The CEDA board called a meeting for this coming Tuesday to discuss advertising that position and what to do in the interim before a new hire is made, as well as to look at all of the issues as a result of the recent and quick resignation of the Executive Director and her staff.

COMMISSIONER PEARCE: Commissioner Pearce said he attended the hospital board meeting where the new ambulatory surgical center will open within the next couple of weeks. We have a new surgeon coming in and it looks promising. He is the doctor who will fly in to work. Kurt Henning thinks there is potential that he may reconsider the flying time and move here as he really enjoys our community. They continue to move along and continue to implement new ways to study the levels of satisfaction of patient service. We are seeing improvements in virtually all categories. The quality of care and personal service is the only way to compete with larger hospitals by providing good patient care that brings them back for services we do offer. There will be an impact to the bottom line when that surgery center opens, even though the hospital is the majority share holder in that business. Chairperson Washburn asked, with the opening of that center, won't it keep more people in town and sort of off-set the impacts. Commissioner Pearce said they talked about that and didn't want what happened in Elko to happen here, so they worked closely with the surgeons involved. They also talked about how it will be an opportunity to keep people in our community. He thinks they took the correct approach by working with the surgeons versus what happened in Elko. It is better to lose a little than to lose a lot. There will be some off-sets and we will keep more patients in the local area, as

well as new surgeons coming into the area who will have an opportunity to participate and buy into the surgery center.

COMMISSIONER FREY: Commissioner Frey reported he has been busy with Bango Oil issues and TROA. There will be additional things coming before the Board within the next few days on both issues that they will be kept abreast of. He attended the Senior board meeting and CART board and issues there involved the budget. The Senior board will see some slight increases in employee compensation. He attended the Library Wine Tasting Fundraising event where attendance was down so they have some wine left over that could be purchased if anyone is interested. The Carson River Snapshot event was a good thing and LVEA does a good job. The Library board meeting included discussion on ways to increase attendance at the Library Wine Tasting and they inducted a new member. He went to the Navy League where they learned about a good program with the robots for bomb detection and destruction. They are also used in mine cave ins. What a valuable asset the Navy is to our community. The Carson River Day event at his dad's ranch was a lot of fun and the children always have such a good time learning about ducks and GPS. He understands that the 4-H is going to help the City of Fallon map fire hydrants. It is interesting how all of this stuff dove-tails together and provide such good services but also provide the kids excellent opportunities. The children are so well behaved when they are out there and they enjoy being outside and seeing how our river and our environment work.

COUNTY MANAGER GOETSCH: County Manager Goetsch said they have been meeting and talking with the Planning Commission and Enel to work toward their Special Use Permit. There is another meeting later today with Planning, himself, the Engineer and Enel to discuss issues they need to do to move forward and to make sure they are doing the right thing by the people who live out in that area. He had a long meeting yesterday in Carson City with NDEP and Bango Oil representatives. There were 4 representatives from the corporation offices and local office and all of the top folks at NDEP who met, whereby NDEP issued Order 2008-07 for what Bango must do to comply with their permits and to get back into operation. Bango folks claim they are losing \$18,000 per day while they are closed down by NDEP's previous order. They pledged to work and alleviate all orders from the plant. The pond has been dismantled and filled in. All water is in closed tanks. All processing of water has ceased and is being hauled to the Oregon plant for processing until they meet NDEP's requirements under Order 2008-07. They have been authorized to begin with reconstruction and testing to get their burners back on line and to submit a plan to NDEP that says what their schedule will be to bring the whole plant into operation and once it is in operation to begin testing for all emissions and to have those tests processed. By federal law, they have 60 days after they come back into operation and are tested to operate until those test results come back. That is the only kind of contention we may see and hear. There are preliminary test results available 1-3 days after testing and there will be an initial indication as to whether NDEP feels they are within compliance or whether they still have some issues. The actual lab testing and report compilation takes up to 60 days and they are allowed to operate during that time pursuant to federal law. We'll continue to work with NDEP and Bango to keep the County informed on how they are moving forward. There have been a couple of citizen complaints even in the 5 days that the plant has been down. We checked and they were down. We have had maybe 3 complaints of odors, 2 of those by people who drove up to the fence or drove onto the site who could smell it. That will never end and is much like when you are filling your vehicle's gas tank and smell the gas fumes. Our goal is for none of those odors to extend beyond the borders of their property.

USDA and AB198 funding options are before us and staff is working on those. Staff is also working on the potential to either move some water and sewer operations out Highway 50 and for the potential in Phase II to move water and sewer operations along Rice Road or Moody Lane to the east to include Carson and Old River water systems. We are in discussion with both of those boards to see what their desires and intents are and if they want to participate to meet this year's funding. The County will need to move forward within next month or two with our proposals to the state and to USDA to either include those water systems or not as we move forward with Phase II and the northern portion of our water system.

CWSD and AWP are hosting a meeting in Las Vegas to talk about old and new information on climate change and what it means for Nevada. More and more the scientists at UNR and USGS and other prominent scientists are acknowledging that global warming is going to have a significant impact on the western United States and the desert southwest and Nevada. Also, they are saying that we will see changes and decreases in the flow of the Truckee, Carson, Colorado and Humboldt Rivers. There are some challenges and issues facing the state in the future. He was thinking about that as Mr. Fontaine presented to us about economic recovery and development. He believes that growth in Nevada and residential growth in Nevada is not a mechanism that should be looked at for economic development as we don't have the water resources to support that.

City and county managers met yesterday in Carson City to discuss water and economic issues. It was a good turnout and they made a couple of requests. There were some interesting things revealed. We are all very interested and along with NNDA will ask the Reno Tahoe Airport manager and other airport managers, including Silver Springs, to address those groups and to tell us what their future capabilities, potential and plans are to understand if the region really has future passenger and cargo capabilities that are needed and what airports could do to preserve lands somewhere in the region to be sure we can go there. Those discussions will be taking place in the next few months. It was confirmed again that Storey County has proposals from developers for 20,500 homes. Storey County itself is opposing most of those proposals and they are being sued by a number of developers being represented by Mark Amodei. Storey County is represented by Mark Amodei and he is in court with them over development in their own county. They don't see themselves able to support more than a couple thousand homes and there are proposals in the homestead area directly north of Virginia City for a huge amount of homes. There is no water there and the area is outside what can be served by the Marlette System and the people have drilled wells as deep as 3000 feet and found no water. That is an interesting proposition to build 10-15,000 homes in an area that has no potential water service and there are now 3,500 homes proposed for the Painted Rock area by a Spanish Springs developer. Again, the most recent State Engineer decision says there is no water available in that section of the river or in that basin. There are continued challenges for us to look at and pay attention to.

Fernley had a map shown at that meeting that proposes 21,000 new homes on their planning map, some of which have been approved and some of which are only proposed, within the Fernley City limits. This is another interesting challenge within the region and area concerning transportation and water issues.

Staff is involved in discussions with Mathews Homes and Hobbs Ong to finalize development agreements. We are mainly still discussing answers to water questions, long term financing questions, and to the Board's position that residential and industrial progress

simultaneously rather than sequentially. He thinks we still have some understanding issues with them in those areas.

The Sand Mountain contract draft has been finalized and will be signed this week to finalize with the contractor for that good bid to move forward with work on the Sand Mountain trails and there will be money left over for educational kiosks and signage as well as, perhaps, to work with BLM to have some maintenance equipment that stays in place to do what needs to be done to keep recreation on track and tourists coming here.

We have broken the log jam on the conservation and agricultural easement issues between the Question 1 folks, the state and Navy, which is now broken free so we will see substantial movement on 3 or 4 land purchases by the Navy or partnerships between the Navy and the NGOs or the Navy and the County with 3 to 5 additional parcels or ranches mostly north of the base area and bringing those into conservation easements in the very near future.

We have been offered and are taking the initial steps forward on some underground water and surface water purchases with the U. S. Fish and Wildlife and some Bench residents on some minor amounts of water. We are getting some appraisals done and background work by Chris Mahannah on checking these water rights to bring a proposal to the Board as to whether we want to use money in our account to purchase some water rights.

Central Nevada Regional Water Authority (CNRWA) now occupies one of the offices in the Annex building for office space and to store equipment and files. Their headquarters are being relocated to move closer to Reno.

We are watching the Farm Bill, which had \$10 million designated by Senator Reid for Dixie Valley studies and development of the proposal to bring a pipeline of ground water from Dixie Valley to Churchill County and the region. We have begun discussion with others in the region on how we might move forward if that Farm Bill is supported and comes through. There was an additional potential \$100 million that Senator Reid and his office have discussed to help with that project in the future. We are watching that bill very closely and are being helped by NACO and other counties in supporting that bill.

USGS studies are underway and progressing very well with the Upper Carson Valley and the central Dayton Valley areas. USGS is involved in studies in Lahontan Valley on water level and quality studies and there will be more information in the near future on those studies. There were some recent Dayton Valley rulings released. The Tribe's protests on the Carson up in Douglas County were overruled and were not supported and there were no surprises in those rulings. Our focused protests in Dayton Valley have not yet been ruled on but there was a Motion to Suppress all of the USGS data included in our rebuttal and that the Tribe also used. We now have developers and lawyers making motions to suppress data, maps, and analysis done by an unbiased federal agency, which the State Engineer relies on for many of its decisions. That was an interesting development and, as we watch that, he thinks that the State Engineer may not rule on Churchill County protests in Douglas or Dayton Valley until the courts make a ruling on that motion to suppress of USGS data. We have a meeting coming up to discuss a past agreement between the City, County and TCID to participate together and support our analysis of TROA and our potential protests of TROA. As TROA moves down the road, we need to meet to be sure that the county gives us direction on how to participate and where we will stand on our protests and the action with regard to TROA. The TROA is a changing water storage and water management on the Truckee River that does not concur or coincide with existing agreements of the Orr Ditch Decree and the Truckee River agreement and which Fallon and Churchill County

were excluded from, even though our signature is on the agreement. There will be more action on that in the near future.

COMPTROLLER KALT: Comptroller Kalt said that the auditors are here and started their field work on October 22nd. Things are going well and we'll submit our financial report to the Governance Finance Officers Association for consideration of excellence in financial reporting. The goal is to have the audit report before the Board on December 1. The numbers look good. The second bullet point is that taxable sales are down statewide. In Churchill County our impact financially is that we are down 12.63% compared to last year. Last year was down 6.5% from the previous year. We are looking to tighten the belt and make minor changes so that we don't have to make catastrophic changes. We are moving forward with the Actuarial Study to determine our long term liability for OPEB and working to develop a trust fund and working with the committee on local government finance to establish the trust fund. They are working with PERS to invest our resources there at PERS. The reason we want to do that is that the interest rate difference between the short term investments that our Clerk/Treasurer does at the State POOL are different from what PERS can do. The difference between an 8% return and a 5% return is significant over a 40 year payout of these liabilities so it is real important that we get that higher return.

As he indicated earlier, his department completed an internal audit of CART and have talked with their staff about our recommendations and findings and will follow up. They are continuing to prepare reimbursement requests on Phase II wastewater with the U. S. Army Corps of Engineers. He has been active on the Committee of Local Government Finance. He has a feeling that they will be picking up a couple more counties that will be in financial trouble. White Pine County is coming out and Pershing General Hospital is stabilizing but not quite done. Storey County appears to have turned the corner and will be dismissed. They adopted some regulations as it relates to debt service that allows you to carry more than 1 year's worth of principal and interest payments in the debt service fund under certain criterias.

He participated with ADS systems managers for the I-Series (formerly the AS400) where several programming changes and enhancements are being proposed. The users group met about a month ago and worked through some issues and will have some enhancements in that regard. We are looking at the reality that we will need to replace the I-Series as we continue to put more and more information out there and scan more documents onto the system. We are experiencing some performance issues and our storage is breaking 87-91%. They are looking at ways to consolidate that storage but, ultimately, our I-Series has a 5 year life and we are in year 6.5 so it is likely that we will need to upgrade in the next year.

He attended the Associated Government Risk Insurance POOL and presented a session on Tuesday afternoon for that conference, which went very well. Mr. Fontaine talked about the purchase card for prescription drugs. All of the local governments in the State of Texas, including their insurance pools and health care consortiums got together and did the same deal using Care Mart. They were able to bring over 100,000 lives together and saved \$15 million in the first year. It was very interesting to watch that case study and the nuances associated with bringing together a large scale purchasing consortium.

This month's geothermal rents and royalty payment distribution will include those geothermal leases so that will be a big one time hit.

He is working with the Commission Secretary to finalize the departmental tours to fit into the 2 days selected on December 4 and 5. He and the County Manager have been asked by the Records Retention Committee to clarify the current year budget and the best way to budget for

future needs. On Nevada Day, with about 15 minutes left in the hunting season, his son finally filled his deer tag.

DISTRICT ATTORNEY JARDINE: Deputy District Attorney Jardine said that the term “ambulatory” should be important to all of us when asked how we are, to which we should reply, “I am ambulatory”. Certainly, it is an important consideration for pilots flying over the Sierras that they remain ambulatory. He thanked anyone who supported the recognition dinner held for the Boys and Girls Club.

He just completed the Amicus brief for Lyon County that involved a land use issue where land that had been dedicated to the County had encroachments placed upon it over a long period of time and a District Court ruled that there must be compensation made for those improvements made on the dedicated land. We joined in providing a point of view for the assistance as a friend of the court, which is what amicus really means.

County Manager Goetsch spoke of happenings in Storey County. He would think that one of the first pleadings we’ll find in that litigation would be a motion to disqualify counsel owing to the conflict of interest. He has not seen any motion to exclude any of the evidence that we provided in the Lyon County protests. It is an interesting dynamic and is one of exaltation of form over substance. He thinks the State Engineer wants to have the best available information upon which to make the best possible decision governing water resources. It is a difficult task when we attempt, in the realm of procedure, to disallow that view of the evidence to be provided and provides for the State Engineer and the hearing officer a difficult task in balancing those interests. We will see what develops there but we believe that the evidence we provided gives a good picture of what must be utilized when making the decision on the part of the State Engineer.

CLERK/TREASURER HELTON: Clerk/Treasurer Helton said that Judge William Teurman passed away this morning. He was a lovely man and will be missed.

Planning Director Lockwood said she had hoped to have a report for the Board concerning her attendance of the State Land Use Planning conference in Ely. Mert Mickelson was also there. There were a lot of very good sessions at the conference regarding weeds, fire, water and general planning issues. Steve Bradhurst made a presentation of the concept of trying to encourage communities to tie their land use planning activities to their immediately available water resources. She challenged him with a question as she has with our County Manager on how real we can make that become. Pam Wilcox from State Lands happened to be in the same meeting and she stated that there are already statutes that require communities to do this. In a second presentation, a Deputy State Engineer was doing an overall presentation on various rules and regulations that passed in the last legislative session. After that meeting, she met with him and Pam Wilcox and then brought up at the SLUPAC meeting the possibility for the State Engineer’s Office, Division of Water Resources, and State Lands to start talking about the rules and regulations as they pertain to appropriation of water resources and land use planning and master planning and to see how far apart or not so far apart we are. Further, to discuss if there are avenues that we can start to bring those two outlooks a little bit closer together. Pam Wilcox suggested that the SLUPAC have a special meeting for that discussion. A discussion had at the SLUPAC addressed street standards in Battle Mountain, because they have, after years and years of developers putting in substandard roads and wanting the county or the city to maintain those roads, successfully passed an ordinance that requires a division into large parcels to pave a road back to the nearest publicly maintained road. She had a discussion with the Clark County representative and she explained that we have the same problem here and the issue of trying to

get participation of developers for a plan to bring gravel roads up to a standard that they could perhaps be taken over by the County at some point in the future. He said that they do it quite often and they basically levy each property owner per lineal foot of costs to bring the road from dirt condition to a paved road. It is not just those people who could develop their land but actually those people who will have a paved road in front of their property who are levied per lineal foot across their property frontage.

CLAIMS AND PAYROLL TRANSMITTALS

The claims and payroll transmittals submitted for this meeting were reviewed and approved.

ADJOURNMENT

There being no further business to come before the Board, the meeting was Adjourned at 10:40 a.m.

APPROVED: _____
Gwen Washburn, Chair

ATTEST:

Kelly G. Helton, Clerk of the Board