

MINUTES OF THE CHURCHILL COUNTY BOARD OF COUNTY COMMISSIONERS

155 No. Taylor Street, Suite 145
Fallon, Nevada
18 June 2008

CALL TO ORDER

The regular meeting of the Churchill County Board of Commissioners was called to order at 1:15 p.m. on the above date by Chairperson Washburn.

PRESENT: Gwen Washburn, Chairperson
Lynn Pearce, Commissioner
Norm Frey, Commissioner
Rusty Jardine, Civil Deputy District Attorney
Brad Goetsch, County Manager
Alan Kalt, Comptroller
Pamela D. Moore, Commission Secretary
ABSENT: Kelly G. Helton, Clerk of the Board

Pledge of Allegiance

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

ACTION ITEMS

AGENDA

Chairperson Washburn reported that the 2:20 appointment by UNR and the New Business Item #D have been withdrawn from the Agenda. New Business Item #D should be placed on the Agenda for July 3, 2008.

Commissioner Pearce made a motion to approve the Agenda as revised.

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

MINUTES

Commissioner Frey made a motion to approve the Minutes of the regular meeting of May 21, 2008, the Budget/Tax Rate Hearing of May 19, 2008 and the closed session of May 21, 2008 as submitted. Commissioner Pearce 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: Acceptance of renewal proposal for NPAIP

Insurance and approval of invoice for payment from Fiscal Year 2008-2009 funds, Wayne Carlson.

Fred Rogne of E. H. Hursh Insurance said it is time once again for renewal but not much has changed for the renewal this year. They conducted an onsite appraisal of the buildings in November, 2007, which resulted in about a \$6.5 million increase on the building coverage's to keep up with inflation and building costs. That happens once every 5 years. The increase in premium is \$8,137.34 for a total package cost of \$472,440.34.

18 June 2008

Wayne Carlson said that the City of Wells earthquake that occurred in February happened at a bad time because they had to go to London to negotiate the renewals in April. Telling them that we had a \$2 million fresh earthquake loss was not welcome. They were pretty good to us because they said we had experienced a good relationship for the last several years and that was what we had purchased the coverage for so they held the line on the pricing, which was very helpful since it was the renewal of a 3 year deal. The coverage scope would remain the same with: \$300 million on property, \$100 million on earthquake, \$100 million on flood, \$10 million on Flood Zone A, and the liability limits remain the same at \$10 million for general liability, auto, E&O, and employment practices. All of those things remained in tact. The services continue with some good learning provided by the e-learning courses on the web site for any staff to take. One of those is Public Officials Liability so if the Commissioners wanted to refresh their knowledge that is available. He introduced Rick Hudson, with Loss Control, and Josh Wilson, Wellness Coordinator, who were in the audience.

Rick Hudson said Churchill County participates in POOL/PACT's Loss Control Excellence Program. This program involves every department within the County and takes a look at risk management and safety issues and requires re-certification every 3 years. The County volunteers for this program because it is not required. This program provides an evaluation for the County in regards to safety and risk management, which sometimes is pretty easy but other times it takes quite a bit of work because things have been left dangling and need to be polished a little bit. He recognized Human Resources Director Stark for the work he provides. Without Geof he could not do what he does because Geof takes the point on this program, contacts each department and follows on the material that needs to be provided or amended. The Safety Committee was involved quite a bit this past year for getting this through. On behalf of POOL/PACT, he presented a check of \$3,000 to the Chair for Churchill County.

Chairperson Washburn said we need to recognize our staff for this award because it is because of them that this was awarded. Comptroller Kalt echoed Chairperson Washburn's comments. He stated that Geoff and the Safety Committee take an active role and take it very seriously. Not only it is important on the re-certification but it is also important on our loss control efforts, the amount of claims that we have and the lack of lost time with accident claims. He congratulated Geof and the Safety Committee because this is the fruit of their hard work.

Commissioner Pearce made a motion to approve the renewal proposal from the Nevada Public Agency Insurance Pool and approve invoice for payment for fiscal year 2008-2009 funds. Commissioner Frey seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Approval of Fiscal Year 2008-2009 Pay Tables, Geof Stark, Human Resources Director.

Human Resources Director Stark reported that each fiscal year, as a result of the new fiscal year budget, new pay tables are created to show any pay changes from the previous fiscal year. These tables typically represent changes created by negotiated and/or general increases to County employees. The tables also represent changes that may come about through other actions, such as increases or decreases in PERS contributions. The pay tables are for general, non-represented employees, and they represent a 2.5% general increase. Employees covered by the Sheriff's Association and Operating Engineers Local No. 3 will receive their negotiated increases. The pay tables also include implementation of the final phase of the salary study. Originally planned to be spread over five years, the salary study was completed in three years.

As an informational item, the minimum wage in Nevada increases to \$6.85 per hour on July 1, 2008. This change is reflected in the pay tables and primarily affects Office Interns. However, the minimum wage will probably increase to \$7.55 per hour in July 2009 and \$8.25 per hour in July 2010. This may have some impacts on other positions in the future.

The increases result in an overall increase of 2.5-3.0% in the total payroll from the previous fiscal year. This increase was approved in the FY 08-09 budget. The \$84,000 figure covers the implementation of phase three of the salary study and includes wages and benefits. Sufficient monies have been set aside in the FY 08-09 budget to pay for the pay increases reflected in these pay tables.

Chairperson Washburn congratulated Human Resources Director Stark for completing the wage survey early. Commissioner Frey said it was a job well done.

Commissioner Frey made a motion to approve the pay tables for Fiscal Year 2008-2009. Commissioner Pearce seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Resolution 20-08, a resolution to augment and amend the Budget for Fiscal Year 2007-2008, Alan Kalt, Comptroller.

A RESOLUTION TO AUGMENT AND AMEND THE 2007-2008 BUDGET OF THE COUNTY OF CHURCHILL, NEVADA, AND OTHER MATTERS PROPERLY RELATED THERETO.

Comptroller Kalt reported that Resolution 20-08 seeks to augment and amend the 2007-2008 budget of the County of Churchill. The augmentation is to implement changes in the budget due to greater than anticipated opening fund balances, revenues and transfers. The augmentation is needed to be in compliance with the Local Government Budget Act contained in NRS 354. This matter is a housekeeping item for the budget. The details of the individual fund activities and augmentations was provided.

Commissioner Frey made a motion to approve Resolution 20-08 augmenting the fiscal year 2007-2008 budget in accordance with the provisions of the Local Government Budget Act in NRS Chapter 354. Furthermore, directing the Comptroller's Office to forward the necessary documentation to the Department of Taxation to be in compliance with the applicable Nevada Revised Statutes. Commissioner Pearce seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Professional Services Agreement between Churchill County Assessor's Office and Gnomon, Inc. for GIS Consulting Services for Fiscal Year 2008-2009, Norma Green, Assessor.

Assessor Norma Green reported that the Assessor's Office has been contracting with Gnomon, Inc. on a time and materials basis for GIS Consulting Services for the past several years. Gnomon provides updated book pages in AutoCAD in a timely manner. These updates include parcel splits in the necessary format to have the data in the County's GIS system. This contract is consistent with prior years. In addition, Gnomon provides general technical support on an as-needed basis. This contracted service is being performed rather than hiring additional County personnel to perform these duties to be in compliance with statutory requirements of the Assessor's Database. This has been approved in the FY 2008-2009 budget.

Comptroller Kalt said that the work done by the Assessor's Office staff keeps our assessed value current and accurate. Having this public/private partnership with Gnomon to get the plat maps on the rolls and done in a timely basis, the Assessor's Office is able to keep the

assessed value where it is supposed to be and in compliance with the law. That has been borne out by the score that they got from the Department of Taxation during an internal audit but it also helps in these difficult economic times when they are picking up on these new splits and are able to keep the assessed value current. He owes a debt of gratitude for these departments that receive general fund tax revenues because without their hard work, we would have had to make deeper cuts.

Commissioner Frey said this goes on to the other forms of government that are the beneficiary of those taxes also, including the City, School District and Mosquito Abatement, which also benefit from the Assessor's office services.

Commissioner Pearce made a motion to approve the Professional Services Agreement with the Churchill County Assessor's Office and Gnomon Inc. for GIS Consulting Services in an amount not to exceed \$20,000 for Fiscal Year 2008-2009. Commissioner Frey seconded the motion, which carried by unanimous vote.

Consideration and possible action re: First Amendment to the Agreement between Churchill County and Armstrong Teasdale, LLP, Rex Massey.

Rex Massey reported that the original letter agreement dated 2/18/2008 between Armstrong Teasdale, LLP and Churchill County expires on June 30, 2008 unless extended. Armstrong Teasdale provides Churchill County with legal representation related to the Nuclear Regulatory Commission licensing proceedings for the Yucca Mountain Project. Armstrong Teasdale LLP represents Churchill County, Lander County, Mineral County and Esmeralda County. DOE will submit a license application for the construction of the Yucca Mountain facility in early June 2008. Parties and interested governmental participants are required to submit contentions/arguments in favor of or against specific elements of the Yucca Mountain Project by November of 2008. The Armstrong Teasdale, LLP scope of services outlines the various tasks to be completed in order to represent Churchill County in this matter. The Yucca Mountain Oversight funds provided through the Department of Energy will be used to fund the work. The total amount of work to be completed under the agreement will be approximately \$75,000.

Commissioner Frey made a motion to approve the first amendment to the Agreement between Churchill County and Armstrong Teasdale, LLP and authorize the Chair to sign the agreement. Commissioner Pearce seconded the motion, which carried by unanimous vote.

Mr. Massey provided a handout entitled NRC Licensing Process and Schedule. The license application was submitted by DOE and will be gone over tomorrow. He will be part of that broadcast. NRC will take 90 days and in September, 2009, they will complete their acceptance review and decide if they will adopt the Yucca Mountain EIS. If all of that goes according to schedule, they will dock the application in September, 2009. That means it is essentially ready for the hearing process. They will publish a notice that will give a 30 day notice in September, 2009, begin their safety review and then we will have 30 days to file all of our contentions. You will see that between today and October that we will be really busy coming up with contentions that we want to file in this matter. Usually, the contentions are issues or things that we determine to be worthy of bringing to their attention. In December, 2008 we expect the first pre-hearing conference and in early spring 2009 these hearings will begin where the parties will have their contentions heard. A 3 judge panel will rule on those contentions. We have a lot of work to do in the next 4 or 5 months. We have had some good

conversations and all counties are actively participating. We have had a good relationship with the NRC people to date.

Consideration and possible action re: Approval of the FY 2008-2009 Transportation System Projects document for Churchill County, Nevada Department of Transportation.

Susan Martinovich, Director of the Department of Transportation, said it is always nice to visit each County. She wanted to give the opportunity for the board to see the faces of their staff that each county deals with. She introduced: Tracy Larkin Thomason, the Assistant Engineer in the Maintenance Division; Kent Cooper, Asst. Director of Planning; Sandi Stanio, Program Development; Bill Storey, Bike/Pedestrian Coordinator in the Intermodel Planning Department; Reka Aczel, Rotating Engineer; and Katie Ezel and Steve Sprague, Interns.

The Department of Transportation (DOT) is here to accumulate information from workshops held throughout the year and to inform the board of what has been accomplished and what the future plans are. The DOT is also seeking approval of the Transportation System Projects. They have a very good relationship with staff here and those partnerships will be ever more important as both entities experience limited resources in the next couple of years. The department is working on a lot of efforts with efficiency, accountability and customer service. They have identified 15 performance measures within all areas of the department that will make a difference in all of those areas. The performance measures were mandated as part of Legislative Bill AB595 that was passed in the 2007 Legislative Session, although the department had been working on those areas before.

Roads in Nevada are still ranked number 1 for smoothness and bridges are also ranked number 1 in the nation. Director Martinovich is excited because Nevada's fatalities are down about 44 less people this year from the previous year and the previous year we were down from the one previous to that so that is a 2 year trend. Much of that is due to the state wide strategic highway safety plan that identified some actions, enforcement and education about the issue of being safe while driving. The department hopes that the trend continues. The department is moving forward with their landscape and aesthetics program and getting that finalized. There are other modes of transportation that the state looks at. The transit program has grown from \$1 million to \$10 million annually and they hope to reach \$20 million or higher in federal transit assistance. Some of the challenges in the rural transit areas specifically are the match dollars to the federal monies but the department is continually looking for ways to help provide that match or ways to lower that match. The areas that need it the most are the areas that do not have the match. The department recognizes that and are always trying to be aggressive in addressing that issue. They are working on their traveler information services. The 5-1-1 program is up and running and they are continually upgrading that system so that people can be aware of construction or problems.

The department is pursuing some items. The biggest challenge, which the county is seeing as well, is the lack of funding. NDOT is a highway funded agency but revenues from the gas taxes are dropping. Those revenues are not meeting projections but are even below the level from last year. They are seeing a downturn in mileage that people are traveling but they are not reducing their travels enough to reduce congestion on the roads. People are also getting fuel efficient cars but those vehicles still take up space on the highways. In the next 3 years, the department is focusing on trying to maintain the system, to keep it safe, utilizing their state money on matching the federal money to spend all federal monies received, and relying on maintenance and district forces to pick up the slack for the lack of preservation projects that they

will be able to put out. Director Martinovich said she knows that those departments can rise to the occasion and be at the forefront to hold the roads together in the lean years coming up.

The department is pursuing legislation to allow them to have public/private partnerships in the form of tolling for a demonstration project on I-5 and US 95 in Las Vegas. The department appreciates the concerns that people have expressed with toll lanes but they want the opportunity to explore and study that project as a tool to bring in new money. That would bring in new money on a project that they would do anyway, which frees up the money the department had for other projects. Part of that bill is not only to allow tolling for the demonstration project but is also to allow automated enforcement so that it is all electronic. Another one of the bills that might be proposed is to expand automated enforcement in work zones for work zone safety and possibly for intersections. The large contributor towards fatalities are intersection crashes and running of red lights so they will be pursuing some mechanisms to provide more tools to law enforcement agencies through automated enforcement for red light running. They are also looking at a primary seat belt law. These were all actions identified in the strategic highway safety plan to try to bring down fatalities.

The department is working with their limited resources to partner for a safe and reliable system. They have completed a couple of projects, including the bridge widening on Sheckler Road. The department had postponed the \$4.7 million project on US 95 from Pasture Road to Sheckler Road but because they are working to obligate all federal monies, they have again brought that project forward to be completed. US 50, US 93 and I-80 are the state's primary routes so the department will be moving forward with projects on those highways. The department has a few projects that will be finished this summer with the state forces that are doing the slope flattening and flush seals. Upcoming work will include the project mentioned for US 95 and a large project on I-80 near Nightingale interchange. That project had been scheduled out another year but because of the economy in other state's, the department has received some really good bids so they ended up with additional federal monies that had been allocated elsewhere but because the bids were lower, the department will now be able to start that project for about \$13.9 million. There are other miscellaneous projects on US 50 and 95 which include grinding, paving, chip seals, and microsealing projects. The department is working with this community on an agreement for an enhancement project that the City of Fallon has downtown. The City of Fallon will be designing and administering that project.

The department is hosting a roundtable discussion on July 18th in Carson City in the morning. If there are any issues that the County wants to bring to that meeting she asked that those issues be provided to Tracy in advance. The department is looking forward to that participation. Director Martinovich said she knows that in the past there have been some other issues regarding guard rails and Tracy is looking into that. Again, the department's focus is to replace signing, stripping and guard rails. Those are priority projects that will be done now in lieu of some of the paving projects. Again, she expressed her appreciation for the partnership and relationship had between the two agencies.

Chairperson Washburn said that Road Supervisor Lingenfelter wanted her outline some issues for consideration so that they would be noted in the minutes. The department talks about pooling efforts so Road Supervisor Lingenfelter said that the plan includes two LRE projects that total about \$5.2 million, including Airport and Wildes Roads, which are maintained by Churchill County that don't have any identified dates. Road Supervisor Lingenfelter asked if we can complete these two road projects as joint projects where NDOT would supply the materials and the Churchill County Road Dept. would do the paving. Those roads have been on the list as long

as they can remember and they are in need of work. County Manager Goetsch said part of the thought with that is that we have had such great success over the past few years. Road Supervisor Lingenfelter asked to convey that things are going great and to thank Tracy for the good work and cooperation. We have experienced great success over the past few years by letting our own Road Department bid against some of the contractors locally on different jobs. We have found that we could complete the jobs for sometimes as much as ½ or less as much doing it in-house as the contractors have been able to do it for. If there is a way to do that on some of these jobs where NDOT provided the funding but the County did the work for substantially less, that would save the state money and give us a chance to get our projects completed. Director Martinovich said that is definitely something that could be considered and would be a good opportunity for a partnership. She said she doesn't know what the ownership of Airport Road is and they have to be careful about how much state funding is used for roads that the state does not own. The department does have some responsibility for roads to local airports and such so Tracy will look at that and she is very good at being creative.

Chairperson Washburn said there were several other items on the list, including a signalization system and updating of lights and gates at the railroad crossing at California Street in Hazen. Director Martinovich said the department would like to have a project submittal form for projects such as that. As per the bill that passed the legislature, NDOT has to do a benefit cost analysis on all projects. There are projects that fit under capacity, some that fit under pavement preservation but they have made the commitment to maintain some money for some of the more local projects that really don't fall anywhere. Chairperson Washburn said Churchill County is considering a proposed mining operation to produce sand and gravel behind that crossing and is working with the railroad now for that project. Churchill County would like NDOT to be part of those discussions so that we can all work together. The mine may pay for a good portion of that project. Director Martinovich said the department would definitely want to be part of that discussion.

Chairperson Washburn said another project, which the County has listed every year when the department comes out, is the improvements at the major intersection on US 95, Sheckler Road and Wildes Road. The County had presented at its last board meeting a feasibility study conducted in connection with a proposed multi-use facility, which identified the fairgrounds as the best place to locate that facility but the location would hinge on the safety of that intersection. She said we are very fortunate that we haven't had fatalities at that intersection for some time but it is a very bad intersection and the County would like to have that listed as a top priority project. As the department mentioned, there is a missing guard rail at Sheckler and Allen Road. Director Martinovich said that Tracy's group is looking into that and will get that expedited. Chairperson Washburn said there are cattle guards on Highway 50 at Bango and Bench Roads that are narrow and rough and need to be replaced. On the projects listed on Highway 95, the County would ask for turn lanes at the high speed intersections at Wade Lane, Tarzyn Road, Rice Road, which are on the north side, and then also south of town at St. Clair Road, Lone Tree Road, and Pasture Road. Director Martinovich said she doesn't know where the stages are with those projects but the department could look at that. If the department needs to acquire right of ways, that could be something they would pursue at this time. It could be later if they could get into partnerships with some of those but if there is available right of way, it definitely could be considered for incorporation in those projects. Chairperson Washburn said those are some bad intersections for us along Highway 95. Road Supervisor Lingenfelter also indicated that the County has had requests for a bike lane along Highway 95 North. Director Martinovich said that is the type of

project that the department would want to go through the project submittal because they do not have the funding for it but it could get in the pipe and start through that process. Chairperson Washburn expressed her appreciation for the mowers being out early this year and not spreading weed seeds and providing visibility through the intersections.

Commissioner Frey said every time he travels out of state he comes back and appreciates Nevada roads.

Comptroller Kalt commented, much as he does every year, that CART runs such a great program. As alluded to today, one of the challenges is to find matching funds at the local level. The department gets federal funds (5310, 5311 and 5316 Job Access). Churchill County is finding that as the price of fuel goes up that our ridership is going up as well. He emphasized how important that is in a rural community. The challenge that Churchill County has and why we have been able to keep CART up and running is because we have had cash available for the cash flow and timing issue. However, just like the state, Churchill County is now having issues with our own cash flow and we are losing some of that luxury. Part of the problem stems at the federal level when they have continuing resolutions and they don't pass those federal funds quick enough. Even when that does happen, there is still some timing issue for Churchill County to receive its reimbursement. He expressed his appreciation for the hard work of NDOT but asked that the department continue to seek monies to match those grants. He asked the department to continue to do whatever it can to help with the rural transportation on this intermodal because it is becoming more and more heavily used.

Kent Cooper extended his appreciation to Ernie McGuire and CART because the department holds that CART system up as the best system in the state. The CART folks run a tremendous service for the residents and it is easily the best and most consistent system in the state. The department has been lobbying the federal government for relaxation of those match requirements, whether it be because we are such a federally land owned state or just because of the issues in the rural areas all across America in regard to elderly and handicap transportation, which are huge, that an 80/20 match will make more sense and make systems such as CART operate better. The department will continue that fight in the halls of congress. Director Martinovich said another area they will try to streamline as much as they have control over is to make sure that the department is timely with payment of the bills. The continuing resolutions are also a challenge for them but they will make sure to expedite where they can. Mr. Cooper said if the County had any issues in that regard to feel free to call him because he can expedite those.

Commissioner Pearce made a motion to approve the FY 2008-2009

Transportation System Projects document for Churchill County.

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

Consideration and possible action re: UNR Cooperative Extension and Extended Studies Review, Marc Johnson, Provost UNR.

This matter was withdrawn.

Consideration and possible action re: Update on Activities Occurring Within the Carson River Watershed.

Edwin James of the Carson Water Subconservancy District (CWSD) provided an update on Carson River Regional Activities. They have been working on the Regional Flood Plane Plan for quite some time. Flooding is a huge issue, as seen in the Midwest this year and the canal breaks, so planning is really important. This need was identified years ago but they finally have a plan in place. In 2004, a conference to discuss flood issues was held. The biggest issue at that conference was to ensure that the natural function of the river was protected. People did not

want to see the river become a channel and that is so easy to have happen. As you start to encroach upon the river and start flooding, the only way to move water more quickly is to channelize your system. The same problem has been experienced on the Truckee River. So, kind of by default, you create these channel systems. Our regional community strongly opposed that and they wanted to see the river function naturally, which means to allow it to access its flood planes. As you have more construction and building going on, encroachment on those flood planes occurs. That has been a real concern. Their plan looks at how to protect those flood planes and to ensure that the flood planes will be there for future flooding. It is also the cheapest way to go. They are looking at spending in excess of \$1 billion to get the Truckee River back to what we have today. If you look at what is happening on the Mississippi River, they keep talking about all of the levees they put in and how they no longer can access their flood planes and these floods get worse and worse. The plan has gone through a lot of iterations and several public hearings, including one in Churchill County several months ago. One of the things identified is that we have areas that are “not in FEMA’s flood planes” but are located under canals and such. Based on the comments they received here, they will be looking at that so their future planning process will look at ways to deal with these areas that are not in FEMA’s flood planes but are below canals. Those areas are up and down the entire watershed, so that is something to look into in an effort to protect those areas. The process they have gone through with this draft report is that every planning commission has reviewed it and it will be approved by their board and then will go to each of the counties for approval. The plan includes suggested actions of how to protect our flood planes and deal with issues and identifies that. The work begins once this plan is approved.

Another item that has become quite interesting is the Western Regional Water Commission that was created by the Nevada Legislature in 2007. The original creation was that some people were upset with the Truckee Meadows area so they created this legislative oversight. What concerned a lot of people was the title of it: “Western Regional Water Commission”. They also have the Northern Nevada Water Planning Commission. Supposedly that was to stay in the Truckee Meadows but the titles indicate that they could go beyond that area. Mr. James has been sitting in on most of the meetings they have had just to get an idea of what they are up to and to make sure they don’t try to expand it into other areas. The real concern is that most of the legislators are from southern Nevada and they all know the Southern Nevada Water Authority and that was the model they wanted to bring up here. Even though they do not know the issues up here, when they say they have a problem with water, they will say that they have a way to take care of it by bringing the Southern Nevada Water Authority model up here. However, that model doesn’t work here. It is important that we keep an eye on that. The other concern is that they created this oversight legislative committee but this group got together so quickly and got their joint powers agreement taken care of that this oversight committee has nothing to do. That is the scariest thing to have a legislative committee that has nothing to do. CWSD is watching that closely to make sure that they do not try to incorporate what we are doing on the Carson. CWSD is taking note of some of the things that they are doing because if you hear that the legislators have concerns, we better make sure we are doing this on the Carson River. If we don’t, they will turn around and tell us to do so. Some of this is a comprehensive regional water plan so they will be working on that in the next year to look at our resources on the whole watershed to make sure that the planning process is there. It also includes facility coordination to make sure that the entities are not duplicating efforts for cost effectiveness. It also includes conjunctive use plans to maximize resources and developing a regional water

conservation plan. CWSD would rather be proactive versus reactive so that when the 2009 Legislative Session comes around they can tell them that they are already doing these things on a regional basis and do not need the legislature to hold their hands.

CWSD has some educational programs, including the Carson River Coalition, which has an educational working group with a school program up and down the whole watershed; workshops; River Wrangler project to teach kids the importance of the river; Children's Museum in Carson City with a Watershed Awareness section at the museum. CWSD has applied for a grant and hopes to get funding to create the entire lower part of the museum as a watershed awareness model. It is an exciting prospect and would provide hands-on experience.

The Governor appointed the CWSD as the lead agency on the 2008 planning regarding the Clean Water Act of 2008. That deals with point and non-point discharges of the river. While we have no point discharges, which would be wastewater treatment plants, we do have quite a bit of non-point issues. That deals with water quality and CWSD has worked with NDEP quite a bit. The biggest thing is that it provides \$40,000 every 4 years to conduct studies. This year they are looking at everyone's wastewater systems to determine what they want to do in the future with their wastewater, look at the water quality, and then if there is a disconnect or other things, to provide information to everyone in the future. They have hired Steve Walker with Walker & Associates to complete a report. That gives an opportunity for every wastewater discharger to enhance their use of the water. That will be a critical element in the future.

CWSD is doing a lot of regional water inter-ties and pipe upsizing with Douglas, Carson, and Lyon Counties. When he first proposed these ideas a few years ago, it was a foreign idea to tie systems together. Most people thought it was a way to take over systems. What it really does is enhance reliability, redundancies, water quality and keeps costs down. They are starting to come through and they have several programs in place now. It only took 11 years for Douglas County and the City of Minden to get together with a plan. They are finally working cooperatively and it will save their community quite a bit of funding in the future. CWSD has a Regional Conservation Plan. They have identified some pilot projects to be pursued in the next year. When we talk about conservation, you have to make the public understand why we are conserving water. Too often in this area, people think we are conserving water so that we can build more houses. That is not the case. If you look at everyone's conservation plans out there, it is not to promote growth. However, in Las Vegas it is and that is why they buy lawns out so that every drop of water they save there they can build another house. That is not our intent. People are realizing that we live in a desert and droughts are coming around so you better have a conservation plan as a reserve for droughts in our dry years. That program is to get that awareness out to the public. That is why these pilot programs are so important so that the public will understand that.

The first water right was established in 1849 and the day after that the first legal challenge to that water right came around. Legal challenges to water rights on the Carson River are not new. It took 56 years for the Alpine Decree to go through so controversy and conflicts on the Carson River are not unique. CWSD is trying to enhance communications to resolve issues and identify issues. They created this water purveyor group that meets quarterly to discuss issues and share information. They have a hydrological working group that brings the scientists and engineers together to determine what is happening on the river and to identify issues. They do a lot of work with USGS and they fund a lot of their projects. There are some nitrate studies that CWSD is currently funding in Douglas County with plumes. Most of those plumes are due to septic systems, not agriculture. They have a large density of septic systems. Drought supply is

something that Mr. James has been working on and developing a plan. As we start dealing with growth in our communities but every drop of water is allocated, if they start switching now and taking agriculture surface water rights to M&I uses in the future, which we see happening, how do we know that the water will be there and how do we know we will have water resources when the river goes dry? That is part of the planning process. Too often you will have a developer bring surface water to a community but what does that mean during a drought? That is why the drought planning and conservation planning is so important so that during those drought years you have a reserve bank of water. Mr. James said he gets asked why Churchill County has so many litigations going on. He spends a lot of time trying to educate people about the issues of how it feels to be at the bottom of the system. When you are down at the bottom of the system, if there is an error upstream where someone gets more water than they are legally entitled to, who suffers? If you have people dependant on that water, it is not the people who have that water but those down below. There is a real understanding that there is a concern there, especially with what is going on with the Truckee River. He also said that when you are upstream, these people believe they have valid water rights too so when they get challenged, they get concerned. CWSD is trying to bridge that issue with programs and projects to alleviate concerns and keep water flowing downstream for those users. They do not take sides, they just try to provide information to alleviate concerns. There are legitimate concerns so they try to determine ways to address those. Right now, the only way to protect yourself is by protesting it but if we can be proactive, maybe we won't have to challenge those water rights.

Commissioner Frey commented on the issue of water right challenges that he appreciates the work CWSD is doing to educate people. It is our supply of water and when things change upstream, just like with the flood, when things change along the stream, things change all the way down the stream. He thinks we have made our statement loud and clear that groundwater does affect surface water and surface water affects ground water. They are interrelated. He thinks there is enough scientific evidence behind that. He asked if there are any funds that TCID could access for replacement of the Lewis Spill because that is a flood control structure and has a flood control purpose to it. He asked if he knows of any or thinks of any to please share that information. Between the issues we had with Truckee Canal, that depleted all of our emergency funds at TCID and now we have another major structure to put back together. Ed James said they have identified in their report a lot of funding alternatives, especially when we have this regional plan in place, which makes us eligible for additional federal funds. After what has transpired in the Midwest this week, those funds may go that way. CWSD will try to identify funds that the CWSD can provide. This will give them a starting point and some seed money that they may be able to tie into it. It is important as they move forward with this process that the regional plan gets approved and then they need to pursue those. It is important that they get feedback from everyone because those do provide flood protections so they need to look at those and what is the best way to meet those needs.

Carson Water Subconservancy District's Final Budget for FY 2008-2009, Ed James, Carson Water Subconservancy District.

The Carson Water Subconservancy District (CWSD) provided Churchill County with a copy of their final budget for fiscal year 2008-2009. Their budget used to have 3 major funds but now only has 2 major funds. They have the general fund and acquisition/construction fund. The acquisition/construction fund is used for construction of projects or the purchase of water rights. It is a restricted fund so you cannot do studies or anything else with that fund. The funding sources come from the general fund. It was originally created in the early 1990s. There

was some controversy as to the tax rate and who was paying what so they took a penny from the funding from the 3 cents and put it into an account, which was used for Mud Lake. They currently have over \$1.2 million in that account. Each year people submit regional construction project requests. They also get some interest on that fund that goes into an entity leases fund for the Lost Lake or Mud Lake water lease. Most of it comes from the general fund. The general fund comes mostly from the ad valorem taxes but they also have several grants. The budget breaks it down into expenditures, consisting of administrative expenses covering from staff time to legal, accounting, office rental, supplies. About 34% of their expenditures go into that account and some of those are matched for in-kind services. They do a lot of joint projects with USGS and county agencies. They provide seed monies much of time so that their money goes beyond what they give out. Sometimes their seed money is matched 4 or 5 times to 1 so they can do a lot more projects. Over 52% of their money goes to those accounts. This year they transferred 14% from the general fund to the acquisition/construction fund.

Comptroller Kalt asked about the construction/acquisition budgeted amount of \$1.4 million, what the projects are under that fund. Mr. James said \$180,000 is earmarked for the inter-tie between Carson City and Douglas County, they have \$400,000 earmarked for an upsizing pipeline in Douglas County to provide water to Indian Hills/GID/Douglas County/Carson City, and \$900,000 for acquisition of water rights/construction. Comptroller Kalt asked if he anticipates that all of those projects will be fulfilled during the fiscal year. Mr. James replied that the \$900,000 probably will not be used. It is set up that if someone was to come through, for example if Churchill County were to come to them with the potential to buy a water right because they did not have the funds but asked that CWSD purchase the water right and hold it for the County. That is how those funds would be used. They do not have any projects earmarked at this point in that regard.

Commissioner Frey asked if those funds would be available for developing a water right that we have, for example our Dixie Valley water where we have \$5 million but a little more would help those engineering studies go a little further. Mr. James said it cannot be used for studies and it has to be construction or the actual purchase of a water right. The study part would come out of the general fund so Churchill County could submit for next year from the general fund. Comptroller Kalt asked if it is safe to say that he doesn't anticipate bleeding that fund balance from \$1.3 million down to \$65,000. Mr. James said that is correct. Comptroller Kalt asked the same question on the general fund bleeding it down from \$1 million down to \$100,000. He said he would assume they are using the same conservative principal and do not anticipate burning \$1 million extra. Mr. James said they are not allowed to have reserve accounts so in their general fund they have over \$950,000 in their preliminary planning account. If the County had any need for preliminary plans, it could submit those funding requests. That fund balance was increased from \$850,000 last year. Comptroller Kalt asked what the current year actual is estimated to be spent out of that account in the current year. Mr. James replied that if they don't use the preliminary planning funds, they would expect their total expenses would be \$1.4 million for next year and then another \$200,000 that will be transferred to the acquisition/construction fund.

Contract for Rail Planning and Engineering Services-Yucca Mountain Project, Rex Massey.

Rex Massey reported that Transystems, Inc. completed an initial evaluation of the potential impacts from Yucca Mountain shipments to the rail system in Churchill County. In this phase II evaluation, Transystems will look in depth at future development potential and what

impacts shipping high level waste through the area might have on potential growth and development of the region. The Yucca Mountain Oversight funds provided through the Department of Energy will be used to fund the work. The total amount of work to be completed under the agreement will not exceed \$70,000.

He reviewed the scope of services, which included the introduction that Churchill County would help write detailing the waste transportation scenarios and how many shipments might come through the area on rail. The next section, which we would like Transystems to develop, is a lot of information about the Hazen area in terms of what are the current operating conditions, what are the conditions of the lines, where are the sightings, and what are the requirements for rail access. The geographic scope really extends from the western boundary of Churchill County all the way about 10 miles north of Hazen. In addition to that, they want to include all of the known sites that are potentially rail developed areas like Trento Lane, Mathews Ranch grid, and the Western Nevada Rail Park. We want to talk about some residential development and what the population in Hazen might be and what its relationship to the rail line is. Another part of that is to include current zoning, topographical maps, flood zones and that kind of basic information so that we know what is a good picture of Hazen. The third part of that would be to look at the lands that are suitable for rail served development – what is out there that could be suitable and how much development could we anticipate for the Hazen area. Mr. Massey has asked them to put together some selection criteria, estimates on jobs, rail traffic, and any constraints that would be noted for rail use in the area. After all of that information is developed, they would come up with some basic conclusions and recommendations. Mr. Massey asked the board if there was anything on the scope of services that he missed or any suggestions to incorporate. Commissioner Frey asked about when he talks about Hazen area, does it include the entire Fallon, Mina and Hazen Spur. Mr. Massey said he would look from Trento Lane to Hazen and then from the western County boundary to Hazen and then 10 miles northeast of Hazen for this project and it encompasses all of that. Commissioner Frey said this will provide valuable information but it needs to be done contingent upon review and approval by the District Attorney.

Commissioner Frey made a motion authorizing the Churchill County Yucca Mountain Oversight Program to develop a final contract for services with Transystems for the Phase II rail analysis and further authorizing the Chair to sign said contract upon review and approval by the District Attorney. Total cost of the project not to exceed \$70,000. Commissioner Pearce seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Review and approval of the Churchill County Debt Management Policy, Alan Kalt, Comptroller.

Comptroller Kalt provided the Debt Management Policy and had a Power Point presentation. He provided the Debt Management Policy statement to the board for review and consideration: “The purpose of the Debt Management policy is to manage the issuance of the County’s debt obligations and to maintain the County’s ability to incur debt and other long-term obligations at a favorable interest rate for capital improvement, for facilities, for equipment that is beneficial to the County and necessary for our essential services”. Some of the individual key elements within the policy include: protection of our bond ratings. A local government has a finite capacity to issue debt at a given credit level with 4 areas of interest: economic base, debt burden, administrative management, and fiscal management. He also reviewed the current debt positions, debt trends (total debt, debt per capita, debt to taxable values), debt service

requirements and future capital projects. The County's current outstanding debt includes: Wild Goose \$2,142,617; Development Rights for the purchase of Wild Goose (note to Mary & Jerry ___) of \$76,409; Utility Enterprise Debt of \$1,197,218 for Series A; and \$1,271,854 for Series B; USDA of \$2,016,187 for wastewater; CC Communications for the lease of their customer service center of \$1,391,823. Our total debt to assessed value is 1.16% compared to the statutorily allowed 15%. The debt that we have paid off includes CC Communications Bank of America note of over \$3 million, with no new debt issued in FY2008 other than the long-term lease for the customer service center. With regard to general County collateral regarding debt includes: property tax supported \$76,409; revenue bonds \$6,628,377 (collateral is the user fees from water and wastewater operations, water right dedication fees and sale of water right EDUs); CC Communications Debt of \$1,391,823 is supported by operating revenues. Our water and wastewater debt is \$4,485,760. Our internal policy allows for 10% of our allowable debt to support the utilities. That 10% would be \$10,888,378 so we are well under what we have assessed ourselves internally. The debt is being paid by the users of the system. Future debt will be dependant on how quick we need to build out those systems and how fast building occurs. Clearly development needs to pay for itself – the developers and users of those new homes will pay for the outstanding debt associated with that. He provided a comparison to other entities of debt per capita. This year he included in Churchill County's debt, all of CC Communication's debt, water, wastewater, water and land purchase at Wild Goose, and our development rights debt associated with Mary and Jerry, which brings our debt per capita at \$310, which compares to Lyon County of \$410, Pershing County \$144, Elko at \$289, Humboldt County at \$36, Carson City at \$2,489 and Douglas County at \$639. He emphasized that when you look at the Carson, Douglas and Elko figures that includes infrastructure just like we have for water and wastewater. Carson City has a big dollar amount associated with the Carson Bypass. When you look at comparibilities, when the rating agencies do that, they will drill in to these numbers to determine what the debt is directly related to. If we take out our enterprise debts, both of CC Communications and our water and wastewater enterprise, it would be \$81.61 so clearly our number would be more reflective of Humboldt County and Pershing County. Commissioner Frey asked if you were comparing Churchill County with Carson City, would you also include the City of Fallon debt? Comptroller Kalt said that would be included but you would not include the schools. Comptroller Kalt said that would be interesting so he is going to run that figure. With regard to Lyon County, the City of Fernley went into huge debt to expand their infrastructure similar to what we have done recently. If you were to do that and all of the other cities within Lyon County, that number would escalate and probably be closer to the Carson City number than they currently enjoy. Some of the possible future projects include: County Water System Phase II (USDA), County Justice Center/Juvenile Detention Center, Economic Development of Industrial/Commercial, Professional Office Complex, a Multi-Use Facility, Library Expansion, Museum Expansion, Parks and Recreation expansion, relocation of the Road Yard, as well as road projects. Many years ago, Elko County went out and bonded to do a lot of their road projects up front and they were able to get them at favorable rates. Given what the costs are for road construction that ended up being a wise financial move for them. That may be something we might consider in the future if we get into ring roads and that type of thing within our Transportation Master Plan. The other things that are ongoing and which are very similar to what Carson Water Subconservancy District just talked about, we might want to use money to acquire land, TDRs, and water right acquisitions. We include that in the system just in case we want to move forward with some of those projects. The final summary is that we are in an

excellent debt position and all debt is related to infrastructure development. As we are moving forward, we are positioning ourselves quite well by improving our infrastructure. The longest maturity that we have is 40 years and we are into it almost one year. You finance those things over their estimated useful life so that the users who are using the system pay for it. If we were to amortize that note over a shorter period of time, then those people who sell those houses and flip it, if they were to pay for it, there is still the economic use of that water system. That principal is called the matching principal of trying to match the useful life with the assets to those people who are paying for the use of those assets. Churchill County is strong with our comparable group, we have significant debt capacity, and interest rates at relatively low but are moving upward. The long-term rate has been somewhat stable but that would almost lead us to if consider if we want future debt – it would not necessarily be a bad thing if it was for a responsible project. Upon adoption by the board, this policy will be presented to the Debt Management Commission in August and then be filed with the appropriate state agencies as required by statutes.

Commissioner Pearce made a motion to approve the County Debt Management Plan and provide copies to the Department of Taxation and Debt Management Commission as required by statutes. Commissioner Frey seconded the motion, which carried by unanimous vote.

Liquor Board:

Commissioner Frey made a motion to recess the regular County Commission meeting to conduct the Liquor Board meeting. Commissioner Pearce seconded the motion, which carried by unanimous vote.

Commissioner Frey made a motion to adjourn the liquor board meeting and reconvene the regular meeting of the Churchill County Board of Commissioners. Commissioner Pearce seconded the motion, which carried by unanimous vote.

Letters Received: None.

Old Business:

Consideration and possible action re: Community Health Nurse Contract Payment.

Comptroller Kalt reported that he and County Manager Goetsch met with the State to iron out an agreement for payment as outlined in a report provided to the Board prior to the meeting. The County Health Nurse's office experienced staffing issues during the past year and did not have a full-time clerical support position for the entire fiscal year. They did maintain one Public Health Nurse. It specified in the contract that the County would pay one Public Health Nurse and the clerical support position. Previous to that in an older agreement, it specifically provided that two Public Health Nurses would be provided. As a result of yesterday's discussions and in the spirit of cooperation and compromise, the County agreed to go along with the State's credit of \$6,501.00 based on their calculation relative to the staffing shortage on the Administrative Assistant. Staff concurs with the recommendation that instead of paying \$101,000.00 to the State, the County would pay a total of \$95,271.00. Comptroller Kalt noted that the State is preparing to go into a special Legislative Session. The State has economic issues, the County has economic issues. The Public Health Nurse's office in Churchill County, based on hard work done by Social Services Director Ernst, shows that they have issues throughout the State in a lot of rural areas. He thinks this might be one of the areas in which the State may look at minimizing and reducing service levels or participation rates. The Public Health Nurse's office is supported by federal dollars, state dollars, county dollars and user fees. In order for that

program to be successful, they need to have revenue from all 4 of those resources. He thinks we need to maintain an effective partnership. For the State to pass down an unfunded mandate where the County would be required to pick all of it up would not be palatable and would not work. In the same light, if we were to drop 100% of our support to the State in this case would not work for them as well. Part of this is that we have had over a 50 year successful partnership, we want to move forward and we felt this was a reasonable resolution and they have resolved that staffing issue and the staff person is bilingual and is working out very well. It is staff's recommendation to authorize the payment of \$95,271.

Commissioner Pearce made a motion to approve the aggregate payment to the State of Nevada in the total amount of \$95,271.00 for providing Community Health Nurse services for FY 2008 in accordance with the agreement and related service efforts provided by the state, noting that the amount has been reduced from the total contract amount due to reduction in staffing during the fiscal year. Payment subject to final review and approval by the District Attorney's office. Commissioner Frey seconded the motion, which carried by unanimous vote.

New Business:

Consideration and possible action re: Proposed letter of support for legislative changes which would allow small producers to self-distribute wines.

County Manager Goetsch reported that a new viticulture industry will benefit Churchill County's tourism industry, stimulate economic growth and sustain Nevada's Agriculture industry. Innovation in agriculture and promotion of entrepreneurial efforts to grow local businesses are in line with both Churchill County's Master Plan and Northern Nevada Development Associations – Northern NVision Economic Plan. Charlie Frey approached County Manager Goetsch with his proposal for the legislature that has been revised over the years to find some middle ground between the distribution requirements in Nevada and those small agricultural producers, specifically grapes, being able to grow their businesses and distribute and do some test marketing. The case has evolved over time. Charlie Frey has done a lot of negotiating, working with the industry and some economic organizations to look at a way to encourage viticulture and the growth of vineyards throughout Nevada. He has conducted a lot of research to compare other states in the nation that have set limits on low levels of production and distribution that allows grape growers to test market their products and to do some small scale direct deliveries to customers and if they find success and choose to grow to be integrated back into the state's normal distribution and payment system. He has proposed a letter asking for this board's support before he begins to lobby the legislature to allow viticulture in the State of Nevada. His proposal has become a more mature proposal. The Chair had previously indicated that this might be an effort that should be extended to more products or crops but there is not really a champion for that wider lobbying yet unless we took that on ourselves and tried to expand this into other areas. He is looking for board guidance on whether the board is interested or is willing to take this draft and either have it amended or changed or wants more work done in this area.

Chairperson Washburn said she knows we supported this effort the last time and she thinks we need to do so again. The proposal does seem more mature. Her suggestion to expand it may be a bit premature at this time and perhaps we should just focus on the wineries at this time. She thinks in another 2 or 3 years we may be coming across other products that may need support such as this. It may be better for everybody involved if that is held off until the next

legislative session after this and get those one by one as they come so that we know what is being proposed each time. She is in full support of lending support to this effort for the wine industry.

Commissioner Frey said it is important for us to do this. If we could do it for other business but this is an exceptionally unique taxation system and, hopefully, we have come up with ways to deal with the tax questions and define the small winery so that we don't create another tax system. That was one of the things that the state and legislature had a hard time with last time because they wanted to avoid creating a new tax structure. Last time, it was his understanding that other small wineries in northern Nevada were not in support of the proposed changes so they need to get together collectively to make it work.

Commissioner Pearce said the issue will be how to craft this so that it does not upset Sierra Wine and Spirits, which is the largest wholesale liquor distributor in the United States and if they don't want something to happen, it is not going to happen. It has to be something minor enough to slide under the radar and he still believes that much like the opposition 20 some odd years ago to brew pubs in Nevada, if you can get your foot in the door, you can work the rest of the way in given some time. He thinks this has to work the same way by starting very small and then each legislative session chisel the door open a little bit farther. He is in full support of this.

Commissioner Frey said one thing that could be added to the letter that would make more of a difference to the State Legislature is that if you develop a lot of small wineries you can improve tourism. Improving tourism will benefit the existing wine and spirits industry. By doing that you will get that industry and the Legislature on board a lot easier than just talking about water. Commissioner Pearce agreed with that. Saving a million gallons of water to us is important but to a southern Nevada Legislator, they couldn't care less. Commissioner Frey said he would put that right in front in the letter. County Manager Goetsch said that is mentioned near the back of the letter but asked if we should bring that up and emphasize that in an earlier paragraph and then still close with that sentence to "help us create several small new vineyards and wineries in Churchill County and Nevada to increase tourism". Commissioner Frey said that will not hurt. One of the things that brought his great-grandfather back from Placerville after coming through in the 1850s was that the Gardnerville area more closely resembled the Rhine River area where he was from, which was a wine-growing region, so why couldn't we have a lot more wineries in the region, especially in the Sierra front and in Churchill County, and do a lot to market that tourism? Once we get tourists here fore the wine, there are a lot of other unique experiences that we can offer also.

Commissioner Frey made a motion that Churchill County support entrepreneurial efforts to establish viticulture in Rural Nevada and the legislative changes required to allow small producers to self distribute and further authorizing the chair to sign a letter stating such to the Nevada Legislature. Commissioner Pearce seconded the motion, which carried by unanimous vote.

Consideration and possible action re: County Extension of EDU Water Agreements and Term of Use Implementation Deadlines.

County Manager Goetsch reported that due to the nation wide economic slow down and the significantly reduced rate of development and building in Churchill County and, in accordance with existing equivalent dwelling unit (EDU) water agreements, it is recommended that we extend existing developer agreements by five (5) years to a new final date of June 30, 2014. Depending on economic conditions, Churchill County may consider one additional

extension, though the original intent and agreements were based on an agreement between the developers/purchasers and the county/seller that EDU's were to be sold at a discounted rate and would have an expiration date in order to provide incentive for timely residential development and preclude speculation and EDU trading.

Civil Deputy District Attorney Jardine asked County Manager Goetsch if he intended to bring back to the board each individual agreement, which he felt would be appropriate. County Manager Goetsch said in the original agreement, we stated that the county could take an action like this so this is within those agreements but as we review the maps of each developer we need to reiterate this agreement that the EDUs have an expiration date and that it is a modification of the original agreement had with them. Civil Deputy District Attorney Jardine said in so far as the particular developer is concerned in connection with the particular agreement associated with the extension of the deadline for an EDU that we would then bring that back before the board for final approval or ratification. County Manager Goetsch said he would defer to Mr. Jardine's recommendation on that. He stated that we are only talking about 4 individuals but if bringing each one back is the proper legal way to handle that, then he would go along with that. Civil Deputy District Attorney Jardine stated he felt that would be appropriate.

Chairperson Washburn said we anticipated this could happen and this is a fair extension. Hopefully, things will turn around and building will commence by then. She thinks it is something we need to do and with Civil Deputy District Attorney Jardine's advice and recommendation on how to go about it is how we will handle that. She feels this is a fair extension for the developers and for the county. Commissioner Pearce agreed that it was fair in so much that we did not foresee such a drastic decline in the housing market. Commissioner Frey expressed his feeling that this is entirely warranted with our partners in some of these large projects and we need to keep them moving along and as whole as possible.

Commissioner Frey made a motion to grant to the County Manager authority to extend the term of use/implementation deadline of EDU's sold to developers by Churchill County to a new final date of June 30, 2014.

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

Consideration and possible action re: Support of Nevada Association of Counties for the Hobbs, Ong contract for assistance with Legislative Committee on Taxation, Public Revenue and Tax Policy.

Comptroller Kalt reported that NACO seeks continued financial support for the technical assistance with the Legislative Committee on Taxation, Public Revenue and Tax Policy on behalf of the counties. The county has been involved in various interim committee meetings and has worked well with Hobbs, Ong and Associates to make sure that Churchill County's concerns are heard. The work in the interim is very important as the groundwork is laid for the action that will be taken during the regular session.

Commissioner Frey said that he feels that Churchill County will get much more in return than the amount provided in support of this contract.

Commissioner Frey made a motion to approve \$1,500 in support to NACO to support the contract with Hobbs Ong and Associates to provide technical assistance with the Legislative Committee on Taxation, Public Revenue and Tax Policy on behalf of the Counties. Commissioner Pearce seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Performance Evaluation of County Manager.

This matter was withdrawn and will be heard on July 3, 2008.

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. Cooperating Agency Invitation – Carson Lake and Pasture Title Transfer Environmental Assessment.
- B. The City of Fallon provides its public notice of their Board of Adjustments hearing held on June 10, 2008.
- C. The Nevada Division of Environmental Protection (NDEP) provides notice of review of the former Lightening Lube’s first quarterly report 2008.
- D. The Nevada Division of Environmental Protection (NDEP) provides notice of review of the former Bootlegger Texaco Station’s first quarterly report 2008.
- E. The Nevada Division of Environmental Protection (NDEP) requests Release/Spill Information at the intersection of St. Clair Road and Strasdin Lane in Fallon, Nevada that occurred on April 27, 2008.
- F. The Nevada Technological Crime Advisory Board provides its meeting notice held on June 13, 2008.
- G. The Nevada Department of Transportation invites participation in a round table discussion concerning transportation issues.
- H. Annual Report Publication for Fiscal Year Ending June 30, 2008.

2. REVIEW –

- A. Notice from Churchill County Social Services of four (4) indigent medical applications submitted under Client #10761, #10674, #8546 and #3768. Eligibility will be determined within thirty days of receipt pursuant to Chapter 428 of Nevada Revised Statutes.

3. COMMITTEE AND DEPARTMENTAL REPORTS –

- A. Treasurer’s Office.
- B. Building Department.
- C. Recorder’s Fees Monthly Apportion.
- D. Planning Department.
- E. Sheriff’s Office.

Chairperson Washburn said in regard to Informational Item #A that she has been working on this issue. A meeting is scheduled on July 1st for the Carson Lake Pasture users at 6:30 p.m. in the TCID offices to discuss options. At the first meeting held by NDOW, they assured the users that there would be ongoing cattle grazing once the transfer happens but it would be greatly changed, which means it may not work for the 14 user families and cattle outfits with 2500-3000 head of cattle, which is down from the old days of 8000 head. That was a large hit to the economy of this community. If these 14 families with 3000 head have to cut their herds because there is no place for them to go, it will make another major hit to our economy, similar to what the dairy situation is at this point. She asked that Churchill County reserve comments until after this pasture user’s meeting so that the County knows what comments the users would like to have made. If that is something that the board will support, they would appreciate it. County Manager Goetsch confirmed that she was asking that the board participate but wait for the user’s

input before doing so. Commissioner Frey said that is a good idea. He keeps wondering what the total hits are that we've taken on all of the different grazing and allotments in Churchill County and regionally. It is no surprise that people like Gary Snow have to take animals clear to Utah for the summer. That costs in a big way to our users and pretty soon the ag sector in general starts having difficulties. Chairperson Washburn said the average cost to move a load of 40 head of cattle 100 miles to a pasture used to be about \$450 but it will now be \$1,000. A person who has a 250 head permit at Carson Lake, just the transportation costs would be so prohibitive that the cattle would have to be sold. There is no place to keep them other than the Carson Lake Pasture. This is as important a situation as the dairy situation and the users need the help.

Commissioner Frey commented on Item #E concerning the fuel spill at St. Clair and Strasdin Lane where an accident occurred involving Ruan Transport, which is a milk truck. It seems strange that they talk about drilling and different things that make it appear someone just puts out a letter which essentially is much like harassment of the milk truck driver and that irritates him. Yet, it is almost comical that people make a living putting out letters like this that are almost irrelevant. Chairperson Washburn agreed.

Commissioner Pearce made a motion to approve the Consent Agenda as submitted. Commissioner Frey seconded the motion, which carried by unanimous vote.

CONSIDER FUTURE AGENDA ITEMS – Moving the performance Evaluation of County Manager to July 3rd.

COMMISSIONER REPORTS:

CHAIRPERSON WASHBURN: Chairperson Washburn said that Road Supervisor Lingenfelter asked her to report how much has gone into TCID's work at the V Line Canal break. The total that the Road Department has provided for machinery and labor costs is \$3,853.27, which doesn't include the water pump that they had out there and she estimating another \$500 at this point. The labor costs consisted of 67.5 hours for a total of \$2,025.10 and equipment costs of \$1,828.17. Chairperson Washburn said she attended the Nevada Rural Housing meeting where they heard about Jack White's visits to all communities and his reception and findings in those communities. He will be back again as he is just beginning his study. They also reviewed the bond cap allocations for the first time home buyers. Things have slowed some but they are still looking at probably one more issue for this year. There are still a lot of people in line for those loans and it is a good time to buy. There was a presentation on the 523 self-help program when buyers build their own homes under the supervision of a developer and they are provided tax breaks. She and Councilman Swan are investigating the need in this area for those types of homes. They were supposed to meet this morning but that did not transpire so, hopefully, she can report about that at our next meeting. She met with Sheriff Ingram on the Vigilant Guard exercise and reviewed the County's Emergency Plan and decided the Fire Dept. was not aware that they were part of this plan. Fred Rogne was notified so they jumped in and it was less than 24 hours after that meeting that we had the canal break so our new procedure was tested right away. From what she understands, the plan worked very well out there. She has been busy with her granddaughter's wedding so she missed the CTWCD meeting but she understands that they put off the vote on TROA again because of her absence. Perhaps we will have a policy in place by the next meeting. She missed the Nevadaworks meeting where Tom Fitzgerald was evaluated and given his annual merit increase. CWSD meets here at 7:00 p.m. tonight. She has an Agenda for that meeting if anyone wants to see it and everyone is welcome to attend.

COMMISSIONER PEARCE: Commissioner Pearce said the Museum Association had its meeting where they filled the vacancies and elected officers. They had an ice cream social afterwards. He attended the Fire Board meeting on June 10th but they had no quorum. However, Comptroller Kalt and he spoke with members of the department about the possibility of a tax override on this year's general election ballot in support of the Fire Department. They cleared up some issues for them that perhaps prevented better support even within the department from that proposal last time around. Hopefully, we will have a final decision from them soon on whether they wish to proceed. He thinks they will but that remains to be seen. He participated in the Vigilant Guard exercises on Friday as the Public Information Officer. It was a good exercise with some great scenarios and then, of course, we had a real tragedy right in the middle of it. The footage from the Predator was amazing where flying from 17-18,000 feet could provide the quality of pictures that we got from the Lewis Spill break. The detail was impressive. He believes that Steve Endacott and Mert Mickelson will come back with a report on the operation. We did get all of the Predator video downloaded onto a thumb drive so Steve will make that available later on. They looked at the City's infrastructure on Rattlesnake Hill to Lahontan and down the river almost to the Frey ranch before the plane crash occurred east of town. Normally, for our purposes, it would have been a bit lower if they could have received approval from the FAA but they had to maintain a certain height above terrain. The quality of pictures was remarkable and in the infrared mode, during the Lewis Spill that night, even with bright flood lights, it was tough to see for a short distance what the water was doing or where it was going. If we had had a Predator based in Northern Nevada that we could have put in the air, with the infrared we could have known what the water was doing and where it was flowing. He can see that technology will work its way over to the private/public sector for this kind of issue. We were able to get a little bit of video before they had to go east looking for the pilots and aircraft in that accident. The Vigilant Guard exercise went exceptionally well.

COMMISSIONER FREY: Commissioner Frey said that having the Predator work with our community was wonderful. He suggested that a letter be sent to the Navy thanking them for that. He attended the Nevada Division of Water Resources well credit hearing here in the Chambers. There were very few public comments from other than the people from Churchill County. He attended the Truckee Canal hearings in front of Judge Lloyd George. The people in Fernley want to reduce the flows to 150 cubic feet per second down from the current 350 cubic feet per second authorized by the Bureau of Reclamation. The danger in that is if they are lowered by the courts, then next year or later this fall when the flows come up in the Truckee River, we would not be able to take advantage of that, we would create another artificial drought next year and suffer further damages. If we keep 350 cubic feet per second available and we have a normal water year on the Carson, then we could have 100% water year in the Carson Division. They met yesterday and he understands that final arguments were made. Greg Addington for the U. S. Attorney representing the BOR was adamant that he didn't believe that the judge had authority to reduce flows and that is BOR's function and the BOR had the qualified engineers to make such a determination. It was good to have him make those statements because TCID took a pounding when the judge found that at one point TCID exceeded 350 cubic feet per second and they were operating off of the Bureau of Reclamation's standard of a mean average daily flow and they were within those parameters. The judge was appalled that they didn't operate it more tightly than that – which is virtually impossible to do so. He attended the Senior Board meeting where they discussed the remodel for CART administrative offices upstairs. They have the money to do so and will do that. He participated in the Boys and Girls Club benefit dinner in association

with the Octane Fest with Jeremy McGrath and Jack Beckman. They spoke primarily to the young people of the community but gave a really good talk about achieving goals and things like that. On the 16th he attended the meeting here in the Chambers regarding the Lewis Spill. They are hoping to have it repaired this week and to get water back in it but it may be a bit later than anticipated. We have some chance for major damages in the community on top of the milk prices and everything else we have had to deal with. It has been quite a year in the agricultural sector. He congratulated Churchill County staff for stepping up, keeping an eye on it, and doing what we can do to help without interfering with the contractors that need to be there but still reduce the costs. He hosted the Western Nevada Development District dinner at his house. They didn't have enough people to do business but they did have some good conversation. One interesting comment he heard from Dean Haymore, who is the Planner for Storey County, that they have put 8 million square feet under roof in the Tahoe Regional Industrial Complex in the last year. That square footage exceeded his expectations but they are moving forward at a fast pace. That could be good for the region but he hopes they have their water resources nailed down.

COUNTY MANAGER GOETSCH: County Manager Goetsch said they had the CNRWA meeting the other day. They have made great progress on the websites and connections so that we will be able to track water, fund well driller logs, drill down on any well and then share water levels and any changes in wells region-wide and statewide through the CNRWA and the state engineer's website. That potential to have a true understanding of water statewide is getting closer. He had visitors in his office today from the University of California, which is actually a consortium from Berkley and UCSD and a few others, who got a federal grant to follow up on the Leukemia cases and studies. They are contacting folks and looking at data to assess where the CDC left off to determine if they can identify anything further genetically or environmentally that had to do with that. It would be good if we could learn more information but bad in that it may get the press focused here again. They will send us paperwork and notify the board, the Mayor and the Tribe as they progress over the next year or two with their studies. He did not get a single example of Dillon's rule impact so they had to give NACO a negative response. It surprised him that he did not get one example but he is too new to make that determination. Staff is moving forward with letters going back and forth with the Navy with an agreement for 75/25. The base has already begun some conversations and he has met with Ed and a couple of ranchers on potential TDR agreements. We are making some progress there and he will report back. There were about 1800 extra military in the area with the Vigilant Guard exercise and with a CAG in town and with a Top Gun class being held. It was probably one of the most crowded times and it, hopefully, contributed to the Octane Fest. The Sheriff and CC Communications have contacted us recently with a proposal for 3 vehicles from the Sheriff's Department and CC Communications to be turned over in inventory for County departments if they are in better shape than some of the vehicles we are using now. There is construction at the plant materials center across from the Fairgrounds and near the fish pond where they are using steel for the structures. That is a good thing as he was beginning to wonder if that would ever happen. He'll be in Carson City tomorrow for the State Board for Financing Water Projects meeting.

COMPTROLLER KALT: Comptroller Kalt said that since the Fire Board meeting he met with Mayor Tedford and today met with Councilman Erickson. They are 100% in support of the property tax question and they are willing to serve on the committee to help sell it publicly at the local civic clubs and candidate nights. Regarding the Multi-Use Facility, last Wednesday he submitted some financial data for them and he has a concern with that project. He does not want

to rain on their parade but there are 2 clear obstacles to overcome to build a large facility as they are considering. One is the capital construction costs in getting that one-time money. That is a large hurdle but it could be achieved by a major grant such as the Reynolds Grant or any other private foundation grant. That obstacle could be overcome, albeit is a large one. They have pared it down from 100,000 to 50,000 square feet. The second obstacle is the O&M costs. The way they spun this facility is that they would use the Parks and Recreation, Library, Senior Center and City budget to fund this project. Clearly, the County does not spend a lot of money with the Parks and Rec, Library or Senior Center budgets. They think there will be a lot of efficiencies and economies of scale and reduction in force at these other spots but he does not see that happening. It will be interesting to see. They have a CPA on staff who is an expert at these facilities, with start up and running some proforma financial statements. Comptroller Kalt provided the data to him and he is looking forward to the financial model he puts together to convince Comptroller Kalt that this is something that we can do within the existing financial structure, especially with the handicap of property tax caps and those type of things.

CIVIL DEPUTY DISTRICT ATTORNEY JARDINE: Civil Deputy District Attorney Jardine said he has been active in a myriad of different court actions dealing with the challenges to term limits. He'll be out teaching POST tomorrow in Carson City.

CLERK/TREASURER HELTON: Clerk/Treasurer Helton was not present.

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 3:58 p.m.

APPROVED: _____
Gwen Washburn, Chair

ATTEST:

Kelly G. Helton, Clerk of the Board