

TONOPAH TOWN BOARD

MEETING MINUTES

MAY 23, 2012

Tonopah Town Board Chairman Jon Zane called the meeting to order at 7:00 pm. Also present were Horace Carlyle and Duane Downing. Javier Gonzalez was absent. There were thirteen other people in attendance.

7:30 P.M. Public Hearing: Notice of intention to authorize an interfund loan from the Town of Tonopah General Government Fund to the Town of Tonopah Capital Projects Fund.

Susan Dudley explained that the Town put notice in the paper to notify the public that at a future meeting on June 13, 2012 the Board intends to adopt the resolution where the Town will loan itself money from the General Fund to the Capital Projects fund. This money fund will then move from the Capital Projects Fund to the Convention Center Construction Account and will be used to pay the contractor until that money is exhausted. She noted that \$95,000 was set aside in the FY 11/12 budget to pay the first date. There is also \$76,000 set aside for the FY 12/13 budget year. This brings the Town up to the amount it committed to take from USDA for \$1,196,000. Once the Town goes through that money, it will close on the revenue bond as prepared by the bond council and pay itself back. She explained that there are requirements per State Status and US Treasury Statutes. She noted that the resolution has been approved by all necessary parties.

Susan Dudley explained that this public hearing needs to state that the Town Board intends to issue a revenue bond to the United States of America in the amount of \$1,453,000. Until the Board can do this, the Town has to pay the contractor. The Board has felt that it is appropriate for the Town to loan itself money from the General Fund, it will not have an adverse impact on the General Fund, the Town will loan money to Capital Projects, which is a legitimate process under NRS 354.598155, and that the Town intends to pay the loan back within twelve months from the proceeds of the bond the Town will sell to USDA, the Town can prepay it in whole or part at any time, and no interest will be charged.

Duane Downing wanted to know what would happen if the bids came back too high and the project had to be scrapped. Susan Dudley explained that per the Letter of Conditions from USDA, the Town had to do the loan before going to bid. She noted that this cannot happen because the Town cannot pay itself back by June 30th of the same budget year. The Town has to start the process now so USDA can see that it is happening. By the time the Board passes the resolution on June 13, 2012, there will be enough time to get the wire transfer done with Nye County in the first week of July, before the Town gives the contractor the notice to proceed. She explained that at the next meeting, the Board will look at awarding the bid and if that does not happen, the transfer will not go through. She explained that USDA has relaxed their rules some to allow the Town to complete this process and the it has complied. She explained that the bids

will be opened on June 6, 2012 at 7:00 pm. The bids have to be opened and read aloud at a Board meeting. Once the bids are opened, there are several things that need to happen.

Susan Dudley noted that there is a mandatory pre-bid meeting tomorrow May 24, 2012. James Eason explained that the process for the bids will be different from the surplus bid awarded. Susan Dudley explained that once the bids are opened, there are certain things USDA requires the Town to check for before awarding the bid. Immediately following the award of the bid, the Board will adopt the resolution to loan the money. She noted that on June 13, 2012, the Board will also be selecting the interim financier for the Water Project. The reason USDA requires this process is to make sure that the revenue bond is just for what is needed. Once USDA has closed on the revenue bond, the loan will be paid back into Capital Projects and then distributed from Capital Projects back to the General Fund and \$174,000 back to debt. There will be two years of debt already in the bank before closing on the revenue bond. James Eason clarified that this will happen in a fiscal year not a calendar year.

Esteleen Westby wanted to know how the Town is sure that the rules have been relaxed in a proper manner. Susan Dudley explained that when the Board applied for the loan and grant, USDA issued a Letter of Conditions. Within that Letter of Conditions they stated that the Board had to secure and obtain the interim financing prior to awarding the bid. She reiterated that the Town has to pay the loan back within the same budget year, which ends June 30, 2012. The Town will not be through the money by June 30, 2012. USDA understood that the Town can start the process in this budget year and complete it July 1, 2012. USDA gave a letter of authorization to proceed to bid.

The Board closed the public hearing at 7:47.

The Board moved to item 9.

1. Review and approval of minutes from regular meeting held on May 09, 2012.

Horace Carlyle made a motion to approve the minutes, in context, from regular meeting held on May 09, 2012. Duane Downing seconded. Motion passed 3-0-1 (Javier Gonzalez was absent).

2. Public Comment

Ariel Martinez, from Connect Nevada explained that there is a serious effort to find ways to bring new business to Town. He feels that Connect Nevada is in line with what the Town is doing. It is part of the Governor's Task Force on broadband connectivity. The goal of the task force is to facilitate the expansion of broadband throughout the State. They do an assessment of the broadband connectivity in each county. He explained that they are hoping to gain support and participation from the Town.

No action taken by the Board.

3. Discussion and possible approval to use and make modifications, including placing signage, to the Union Plaza Parking Lot for the business Lorenzo's as specified in the drawings

James Eason explained that Antoinette O'Donnell is located in the old portion of the pawn shop building. She asked about making adjustments to the area. He noted that he does not see any problem with this. Jon Zane wanted to know if there were any ADA issues. James Eason explained that the back door is where the ADA entrance will be. The step area will be built up. A portion of the parking curb will be cut out so the doors are completely open. During business hours the 10' x 14' area in front of the doors will be closed to parking but open to parking after. Jon Zane noted that she wanted the stage removed after Butler Days. He noted that this may not happen.

Horace Carlyle wanted to know if there was a possibility of incurring additional liability by the usage. James Eason explains that there should be no additional liability because the use has always been there. He explained that when the Town purchased the parking lot, the building has always been subdivided into three sections. Jon Zane noted that the Board should put in the stipulations that if the Town does something to the parking lot, there are no entitlements. James Eason suggested making this subject to any future modifications or changes.

Duane Downing wanted to know about the dumpsters. James Eason explained that those belonged to the surrounding businesses. Horace Carlyle wanted to know if the dumpsters had lids. Duane Downing noted that the lids on the dumpsters would be up to Hoss Disposal. James Eason explained that the sign overhangs on the Town's right-of-way.

Horace Carlyle made a motion to approve the use and modification, including placing signage to the Union Plaza Parking Lot, for the business of Lorenzo's as specified in the drawings conditional upon agreement with our Town Manager and if the Town has the opportunity to develop this parking lot this approval would have to come back for reexamination and readjustment. Duane Downing seconded. Motion passed 3-0-1 (Javier Gonzalez was absent). James Eason explained that the Board's motion approved this drawing provided. Horace Carlyle explained that the Board granted the approval with the Town Manger's approval. James Eason explained that for any future modifications he will recommend she come back before the Board.

4. Discussion and possible decision to waive any fees associated with using Town property for Jim Butler Days and provide the waivers on a first-come, first-serve basis

Duane Downing noted that this is an offshoot of what was discussed at the previous meeting.

Horace Carlyle made a motion to waive any fees associated with using Town property for Jim Butler Days and provide the waivers on a first-come, first-serve basis conditional upon the fact that any participant using Town property is responsible for any equipment or incident that arises from their participation. Duane Downing seconded. Motion passed 3-0-1 (Javier Gonzalez was absent).

The Tonopah Town Board recessed to the Tonopah Library Board of Trustees at 7:15 pm.
The Tonopah Town Board returned at 7:20 pm.

5. Discussion and possible decision to accept the Letter of Acceptance of Friendship to our Sister City of Nana Kenieba, Mali.

Duane Downing noted that this is the letter Doug Farinholt presented at the previous meeting.

Horace Carlyle wanted to know what the Town's participation level would be in this relationship. Bakary Coulibaly explained that this is more symbolic. Vincent Scoccia explained that the Sister Organization is international and this is basically stating that they are concerned with the humanitarian strives and goals. Horace Carlyle requested that the representatives come back before the Board if the situation changes. Bakary Coulibaly explained that Mali gets a lot of help from other places so they are asking Tonopah's participation to be more symbolic.

Duane Downing made a motion to accept the Letter of Acceptance of Friendship to our Sister City Nana Kenieba in Mali as a symbolic gesture of friendship. Horace Carlyle seconded. Motion passed 3-0-1 (Javier Gonzalez was absent).

6. Open and read sealed bids received to scrap surplus inventory and possibly award bid.

Jon Zane noted that the Town received one bid for this. The bid is from Speedway Auto Wreckers from Fernley, NV. They placed a bid for the surplus scrap, including scrap metal and vehicles. The offer is \$45.00 per ton. Their agent will be assembling and loading trucks with all vehicles and scrap received. They estimate five semi-truck loads. The estimated completion date is within 30 days of approval. Jon Zane noted that the business is under the name of Blackjack Auto Wreckers, Inc.

Horace Carlyle wanted to know if the bid amount was reasonable. James Eason requested that if the Board awards the bid it be conditional on staff review of all documentation. He feels that the scrap price fluctuates. Jon Zane explained that the bid amount is not unreasonable considering the company will be bearing all of the expenses to prepare and haul the scrap. James Eason explained that all of the records for the vehicles are current. He noted that the Town is looking at up to four locations, including the Mining Park and Rye Patch. Rocky Pastorino explained that they went with \$45.00 per ton because they will not have the weight on the vehicles they had last year. James Eason explained that the inventory is a mix of different metals. Jon Zane noted that he would like to see certified weight tickets for the loads.

Horace Carlyle made a motion to approve the one bid submitted for the scrap surplus inventory conditional upon staff reviewing qualifications and records and receipt of certified scale weight justifying payment and the bidder being awarded the bid is Speedway Auto Wreckers out of Fernley, NV. Duane Downing seconded. Rocky Pastorino wanted to know how soon they could get in and who they would be working with. James Eason noted that they would be dealing with him and once staff approves everything by the end of next week the Town will notify the company. Motion passed 3-0-1 (Javier Gonzalez was absent).

The Board moved to the public hearing at 7:34 pm.

7. Discussion and possible decision to award bid for vacuum trailer for TPU per staff recommendation.

Joe Westerlund explained that TPU received two bids for the vacuum trailer. One was from a company called Ring-O-Matic. The other is from Vermeer. TPU asked for a 500 gallon tank. Ring-O-Matic only bid an 800 gallon tank. Vermeer bid two 500 gallon tanks. One has a hydraulic dump and the other does not have a hydraulic dump. He does not feel TPU needs the hydraulic dump. The main concern is the grit chamber at the waste water facility. He noted that the debris in the grit chamber will not cause any problems with a 6" dump. He recommended the Vermeer trailer. The company is out of Las Vegas, NV and put together a bid that hit everything TPU was looking for. It is a 500 gallon tank and the total cost is \$25,975.25. The price for the 800 gallon tank is \$26,931.00. He explained that TPU requested a Honda engine. The Vermeer trailer has a 24 horsepower Honda gas engine and the Ring-O-Matic trailer has a 31 horsepower Briggs and Stratton engine. Both companies are willing to deliver the trailer and do the training.

Duane Downing wanted information on the other trailer from Vermeer. Joe Westerlund explained that the trailer with the hydraulic dump is \$28,950.20. Duane Downing reiterated that this has the hydraulic dump and James Eason pointed out that it also has the end dump.

Jon Zane explained that with the 6" valve, everything just flows out and all that is needed is to rinse it out. Joe Westerlund explained that there is a 6" dump but a 4" hose is used to suck. Nothing can get in that is too large to get out. James Eason explained that this machine will help reduce costs on brushes. Joe Westerlund explained that the brushes are \$1,285.00 for a set and require half a day to change. The brushes wear out in about six months and they are supposed to last for five years. He noted that TPU is currently using a contractor to clean out the grit chamber. This will allow it to be cleaned weekly if necessary. He noted that there is no special vehicle or license requirements.

Horace Carlyle made a motion to award the bid for the vacuum trailer for Vermeer Sales Southwest, Inc. in the amount of \$25,975.25. Duane Downing seconded. Motion passed 3-0-1 (Javier Gonzalez was absent).

8. Discussion and possible decision to award bid for valve exerciser for TPU per staff recommendation.

Joe Westerlund explained that TPU will be doing a valve exercise program. Cities are supposed to have these programs in place. This takes human error out of exercising valves. Depending on the size, one valve is \$600 - \$1,200. He confirmed that this will also work on hydrants. He explained that normally a city will have a 30% failure rate on valves if they are not exercised. There is a computer program in the machine. It will start exercising the valve but will only go to so much psi. If the valve does not release at a certain torque, it will try it three times at that torque. If the valve does not release, the machine will go back and reset the torque up. It will not go up over 200 psi unless it is instructed to do so. Every day, all of the information for the valves

will be downloaded into the computer. The machine will keep exercising it until the valve is completely shut. The hope is to get full recovery on all valves.

Joe Westerlund explained that there are two bids. TPU requested a trailer mounted unit. One bid was for a hitch mounted unit and everything was hand maneuvered. There is no computer system. The other bid was for a trailer mount. The hitch mount was \$15,550. The trailer mount with a computer system and a 15 horsepower, gas powered engine is for \$27,180.46.

Horace Carlyle wanted to know if this stays within the Capital Project budget. Chris Mulkerns explained that this piece of equipment will come out of Water Capital Projects with the balance going to the dump truck from State Purchasing. Joe Westerlund noted that this does give enough money to get everything TPU needs

Jon Zane wanted to know why staff went with a trailer mount. James Eason explained that ergonomics were a big factor.

Duane Downing made a motion to accept and award the bid to E H Waks Company out of Las Vegas for the valve exerciser for TPU per staff recommendation in the amount of \$27,180.46. Horace Carlyle seconded. Motion passed 3-0-1 (Javier Gonzalez was absent).

The Board moved to item 13.

9. Review, discussion, and possible decision and approval – advertising for bid construction of Tonopah Water Wells 9 and 10.

Susan Dudley explained that the total water project is \$7.1 million. Of that, \$5,188 000 is for the construction dollars. The Town anticipated going to bid for one project and having a general contractor that did the pipeline and the well rehabs and having a subcontractor who drilled the wells. The well drilling is a specialty. The engineer advised that Town that, based on the bidding atmosphere, it would be to the Town's advantage economically to separate out the bids, have the wells drilled in one bid and have the general contractor, who would lay the pipe and rehab the wells in a separate bid. Both USDA and the State Revolving Loan Fund have approved this. The pipe cannot be laid until the well is drilled. Once the wells are drilled, the Town has to prove that the water is up to safe drinking water standards. By doing it this way, the Town is about two months ahead of schedule and is out of the bird season at the other end. The Town has to be through with this project by March 1, 2013. If the Town is not, it has to hire a biologist. If nesting birds are found, the project has to stop and wait for the birds to leave. She explained that the bids will be opened on June 26, 2012 and the Board will award the bid on June 27, 2012. The contractor can be on the ground in July and the wells will be drilled by the end of July.

Horace Carlyle wanted to know what date the advertisement will be placed. Susan Dudley explained that she is still waiting to hear from the State Revolving Loan Fund. The hope is to have it in the papers by May 31, 2012. She noted that the bids have to be opened and read aloud at a Board meeting.

Duane Downing made a motion to approve the advertising for bid construction of Tonopah Water Wells 9 and 10 as of May 29, 2012 subject to USDA approval. Horace Carlyle seconded. Motion passed 3-0-1 (Javier Gonzalez was absent).

10. Review, discussion and possible decision and approval – advertising for bid construction of Tonopah Pipeline and Well Rehabilitation Project.

Susan Dudley explained that this is the second and larger part of the Water Project. The plans are still being reviewed by everyone. This will be put out to bid starting June 27, 2012. It will go to the plan holder houses on June 29, 2012. The bids will be opened July 31, 2012 and the bid will be awarded August 8, 2012. She explained that the engineer is working on the final draft of the plans. She explained that the advertisements need to start June 27, 2012.

Duane Downing made a motion to approve the advertising for bid construction of Tonopah Pipeline and Well Rehabilitation Project with advertising to begin on June 27, 2012. Horace Carlyle seconded. Motion passed 3-0-1 (Javier Gonzalez was absent).

11. Review, discussion and possible decision and approval – advertising for bid construction of Tonopah Reclaimed Water Treatment and Distribution Facility.

Susan Dudley explained that this is a separate project. By having both projects together the Town can take advantage of having some entities already here. The Town feels this may be to its advantage to bid together. It will be first advertised on June 27, 2012. The bids will be opened at 2:30 pm at an agenda meeting on July 31, 2012. The bids will be awarded on August 8, 2012.

Duane Downing made a motion to approve the advertising for bid construction of Tonopah Reclaimed Water Treatment and Distribution Facility with advertising to begin on June 27, 2012. Horace Carlyle seconded. Motion passed 3-0-1 (Javier Gonzalez was absent).

12. Tonopah Development Corporation Report

The Board moved to item 8.

No action taken by the Board.

13. Public Comment

No action taken by the Board.

14. Town Board Member's/Department Manager's/Nye County Commissioner's Comments

James Eason explained that everyone is getting ready for Jim Butler Days. The winner of the pageant was Montana Strozzi. Yesterday May 22, 2012 was the USDA Showcase for the Water Project and the Belvada Project. There were also booths set up with Rural Nevada Development Corporation for small businesses looking for micro loans to help. There was a builder in town

looking for projects. USDA has a program out there for people looking to build houses. The percentage varies based on level of income and the less income available, the better the percentage. It ranges from 1% to 3%. The homes constructed will be energy efficient under the new State guidelines. The lots for the homes will be down in Sierra Vista. The Town will be receiving the information from Trish Rippie. She is the representative for RNDC. The terms of the loans vary between 30 to 33 years. He noted that USDA wants two homes to start with.

James Eason explained that there will be a quote for \$5,000.00 to reseed the parks. The Town will look at possibly seeding the baseball infield. For \$5,000.00 the Town will be seeding 2 ½ acres of grass. A triple blend will be used. It is used in athletic fields, parks, campuses, etc. He noted that this is a reseeding program that will take place over the next couple of years because the parks are so large. Priority parks are Jim Butler and Barsanti parks. The Town is working on the gopher program. The initial eradication has been completed. Duane Downing noted that Highland Park is huge and wanted to know if the Town had looked at reducing some of the grass there.

Horace Carlyle wanted to know about National 9. James Eason explained that he and Chris Mulkerns spoke with National 9 last week and the check for \$5,600 has been sent. The September through April room tax is coming. National 9 has been notified that if it has not been received soon, the Town will take forward action.

James Eason noted that he has been working with the Treasurer's office regarding the interest and by the end of the month, the Town should start seeing the deposits coming in.

Jon Zane noted that someone had contacted him about the dirt on some of the roads. He noted that he referred them to the Nye County Road Department as the Town does not own the roads.

Jon Zane wanted to know if the Town had received any feedback regarding the streetlight. James Eason explained that he has spoken with NDOT. He was directed to apply for a community grant. He explained that the Town received notification that this program has been suspended due to lack of funding. Horace Carlyle noted that NV Energy used to have public grants for certain things. He suggested checking into that.

15. Closure of Meeting, Pursuant to NRS 288.220 for purposes of conferring with Town's Management Representative regarding labor negotiation issues, and other personnel issues.

This item was tabled.

16. Closed meeting, pursuant to NRS 288.220 for purposes of conferring with Town's Management Representative regarding labor negotiation issues, and other personnel issues

This item was tabled.

17. Discussion deliberation, and possible decision on labor negotiations, issues and other personnel matters presented in the closed meeting

This item was tabled.

18. Closure of meeting pursuant to NRS 241.015(2)(b)(2) for purposes of conferring with legal counsel regarding potential or current litigation

This item was tabled.

19. Closed meeting, pursuant to NRS 241.015(2)(b)(2) for purposes of conferring with legal counsel regarding potential or current litigation

This item was tabled.

20. Discussion, deliberation and possible decision on conference with legal counsel regarding potential or current litigation presented in the closed meeting

This item was tabled.

21. Correspondence

Gold Rush Expeditions Letter – 04/16/2012

Nye County Budget Workshop Handouts – 05/01/2012

Round Mountain Town Board Meeting Minutes – 05/08/2012

Round Mountain Town Board Special Meeting Agenda – 05/17/2012

Nye County Water District Board Teleconference Agenda – 05/17/2012

Nye County Board of Commissioners Meeting Agenda – 05/21/2012

Round Mountain Town Board Meeting Agenda – 05/22/2012

Beatty Town Advisory Board Meeting Agenda – 05/23/2012

Nye County Local Emergency Planning Committee Meeting Agenda – 05/24/2012

Nye County Water District Board Meeting Agenda – 05/29/2012

22. Approval of Vouchers for Payment

The vouchers were reviewed and all were signed by Board members. Duane Downing made a motion to approve the vouchers as presented for payment. Horace Carlyle seconded. Motion passed 3-0-1 (Javier Gonzalez was absent).

23. Adjourn

Meeting was adjourned at 8:56 pm.

Minutes transcribed by:

Mariah Rivero

Approved:

Jon Zane, Chairman

Horace Carlyle, Vice Chairman

Javier Gonzalez, Clerk

Duane Downing, Member
