

**TONOPAH TOWN BOARD
MEETING MINUTES
JANUARY 8, 2014**

Tonopah Town Board Chairman Horace Carlyle called the meeting to order January 8, 2014 at 7:01 p.m. Also present was Duane Downing, Ron Kipp and Janet Hatch. Chairman Carlyle led in the Pledge of Allegiance. A total of 9 other people were also present.

1. **Public Comment.**

No action taken by the Board.

2. **Review and approval of minutes, in context, from the regular meeting held on December 20, 2013.**

Ron Kipp motioned to approve the minutes, in context, from the regular meeting held on December 20, 2013 as presented. Janet Hatch seconded. No further discussion. Motion carried 3-0.

3. **Department Budget Reports.**

The board reviewed and had no questions at this time.

4. **Discussion, deliberation and possible action to authorize the purchase of the following property for the purpose to develop as new Town/TPU Office APN 008-135-08 known as the Appliance Store 13 South Main Street or 315 Erie Main.**

Chairman Carlyle presented the need for a different location with more space and easier access. He stated the current location is a hazard in the winter for parking and turning around. Also quite a bit of money has been invested in the Belvada and wants something beneficial done with it. Ron Kipp said he didn't have enough information and asked about square footage. Mr. Eason stated the building was about 5,000 square feet. Janet Hatch asked the staff if that would adequately meet their needs in the future. Mr. Eason stated it would and that it is also a great location, within walking distance of other businesses and had adequate parking. Mr. Eason stated that a roof assessment would be needed as well as an HVAC system and to make it a commercial building a sprinkler system as well as needing to bring it up to ADA compliance. Mr. Michael Lach stated that he has a sprinkler system he would donate if it would work for the building. Discussion ensued regarding the cost of a new (or used trailer).

Ron Kipp motioned for an appraisal of the building. Janet Hatch seconded. Motion carried 3-0.

The Town Board recessed to the Library Board of Trustees at 7:19 p.m. and reconvened as the Town Board at 7:24 p.m.

5. **Deliberation, discussion and possible action for TPU/Tonopah to contract with Shaw Engineering for an initial scope of work to review the historic PER developed by Walter Engineering/2-2000; Ecologic Engineering/2-2003; Shaw Engineering/2006-07 sewer replacement project in order to make recommendations for the development of a comprehensive TPU/Tonopah Plan for the future repairs and replacement of sewer and water lines within the service area of TPU/Tonopah.**

Chairman Carlyle proposed to have Shaw Engineering develop a plan for water and sewer line repair or replacement. Discussion ensued. Chairman Carlyle proposed budgeting for due diligence so Shaw Engineering can come back and make a recommendation of what is needed. Ron Kipp motioned to approve funds up to \$20,000.00 for a Water Engineering Study to check for repairs or replacement of water and sewer lines. Duane Downing seconded. Motion carried 4-0.

6. **Deliberation, discussion, and possible action regarding Tonopah Town Board/Directors of Tonopah TPU request North Tonopah Development grant Tonopah TPU a 20 foot wide easement to install a gravity sewer main line across their property at a cost of 80K for the required easement to install the gravity sewer line. See Shaw Engineering's Facility Plan Sierra Vista Lift Station Improvements, dated 5-2013; and letter from North Tonopah Development, dated 10/18/2013. Note that Mr. Michael Lach/North Tonopah Development, LLC will be present to give a brief presentation and answer questions from the Tonopah Board.**

Agenda Item #6 Began discussion on Agenda Item 6 at 7:24:59 p.m.

Town Board/Employees present:

Horace Carlyle, Chairman
Duane Downing, Vice-Chairman
Ron Kipp, Clerk
Janet Hatch, Member
James Eason, Town Manager
Joe Westerlund, Utility Maintenance Supervisor
Chris Mulkerns, Administrative Supervisor
Arlene Neiderman, Deputy Town Clerk

Others Present:

Michael Lach, North Tonopah Development
Tom Smith, P.E., North Tonopah Development
Cindy Kaminski, member of public
Ted Savageau, member of public
Tom Seley, member of public

Clerk of the Board, Ron Kipp read Agenda Item 6 for the record as follows:

Deliberation, discussion, and possible action regarding Tonopah Town Board/Directors of Tonopah TPU request North Tonopah Development grant Tonopah TPU a 200 foot wide easement to install a gravity sewer main line across their property at a cost of \$80,000 for the required easement to install the gravity sewer line. See Shaw Engineering Facility Plan Sierra Vista Lift Station Improvements, dated May, 2013; and letter from North Tonopah Development, dated 10/18/2013. Note that Mr. Michael Lach/North Tonopah Development, LLC will be present to give a brief presentation and answer questions from the Tonopah Board.

Carlyle: Mr. Lach do you want to make any comments?

Lach: Um, I can give you, I mean brief presentation, I'm not sure exactly what you

Carlyle: Well I mean you know, the hot talk anything you think we should know.

Lach: Um

Carlyle: Um you know you've given us your...

Lach: I guess the idea of putting a gravity sewer line in, ah discussed for I don't know, a year, year and a half. The possibility of doing it because there is a lift station. I would guess that the reason it wasn't done; I don't know how old the lift station is but can somebody give me an answer?

Carlyle: 82 - 81 - 82.

Lach: Kay so I would guess the reason it wasn't done in 1982 was because an easement couldn't be granted because finding the individuals that could sign off on the easement or dealing with that easement would have been next to impossible because there were sixteen heirs agreeing on something. And you know, currently we are in discussion or talking about it before...sewers unlike water has to go the way gravity tells it to go and you can change that route to a point and then at some point you can't and right now we have a blank slate, we have a pretty easy route to go. Um I don't know if that will be the case in a year, I don't know if that will be the case in a year and a half, two years. I wish I had a crystal ball but I don't. Um things tend to change a lot out here according to a lot of a lot of different economic indicators. And so we, you know, I wish I had the ability to say what's going to happen next. I just know that you know our plan is to continue trying to develop things and right now there's not something in the way to make this happen. You know it's- it's- it's much easier to do now than to try and route something the way it wouldn't make sense later like once it's there I can work around it cause I know it's there. Then I know you can't do this, you can't put this here you can't do that. So and- and- and- you can ask any questions I don't know what else to . . .

Carlyle: Well I'll have some questions in a minute. Have the members of the board had had the opportunity to read the feasibility study that was prepared by Shaw Engineering?

Board Members: responded with "grunts". (Sounded like Kipp and Hatch)

Carlyle: Do you have any questions on what- what- their recommendations and their figures are?

Kipp: No.

Carlyle: Okay. We have a letter of recommendation from the Utility Maintenance Supervisor was given to me tonight and he's recommending that we may postpone gravity sewer feed line, um this is different than what was presented to us at the budget hearings last in this February and March. That's why the Tonopah Town Board went out for a feasibility study and paid ten or twenty thousand at least ten thousand dollars for it. I feel it's a change from uh individual recommendations that have been presented at meetings I've been present at where the Utility Supervisor recommended the gravity sewer feed line as a priority uh, I respect his letter uh and he's correct but I have uh an issue uh when James was uh out hunting and there was an issue on ah feasibility and reliability of this lift station um there was issues with possible failure of a pump station at that time Joe had was looking or had located an individual or a contractor to look at this and that was over six months ago and since Joe is here maybe he could tell us what what is the, did you ah put service, put new pumps in to recondition train what is the uh estimated cost?

Westerlund: There is no estimated cost from the guy cause he's from Dayton he's an operator with twenty-five years experience on lift stations and I have to work around his schedule and,

Carlyle: Yeah I understand

Westerlund: And when I was calling it wasn't going to be feasible over Christmas break, so he still hasn't come up but he's talking about those lift stations and he said he could come down and pull that thing in a day and swap that pump out, whatever you need to do and he

Carlyle: Oh okay

Westerlund: and he said uh most likely it's a rag or something stuck in one pump the other one (in audible papers rustling)

Carlyle: If we had to replace pumps I've heard figures quoted any anywhere from 80 to 100 plus thousand dollars.

Westerlund: The figure I've seen in the feasibility study was 80 thousand. When I brought the uh Smith and Loveless guy in we had problems with the upper lift station. I

brought him down to the lower one and he said it was about 40 thousand dollars. Now I don't know if that's just parts or parts and labor, I'd have to call him on that but uh it seems to me that uh if he can get the parts we have a value of 40 thousand or so, let me see what my letter was. I just don't want to jump head first into this right away. We should, just like the water job, if we can extend the life on that pump a couple of years by pulling that one, pull the rag out or whatever it is that's in that pump and it's still good, make some type of plan where we can set aside money for this project instead of just kicking, taking it all out of our budget right off the bat. That's a lot of money.

Carlyle: Right

Eason: I would like to clarify here.

Carlyle: Go ahead.

Eason: Uh, last year during our budget time we had discussed possible projects and this was listed as one of them because of the age and life of the lift station. Under the original sewer project we went in and rewired...

Carlyle: Yeah.

Eason: ...under Shaw Engineering's contract. In order for us to be put on the list for not AB198 but state revolving loan fund safe water clean water, excuse me, we needed to have a study and that's what this study achieved that was done by Shaw Engineering and Steve Franklin did or I think that was Steve's last name but anyway it was Steve that did it. It wasn't Paul Winkleman but Steve and he came up with the three options and that was the report that you guys have before you and we needed to have that report for the State. That's why we asked for that report we are on that list, we are still on that priority list and the question is if the State has funding do we want to take additional grant money with loan or one of these three options or do you want to fund it directly from the money we have in the account for the sewer project (inaudible) sewer project so I just wanted for that clarification.

Carlyle: Alright. Okay now with Mr. Lach just told us, and this goes back the issue goes back in to the 80's based on- on- on a solution is put in to place to serve 64 units off of Sierra Vista. The feasibility study since we're all, we've all reviewed the numbers and no one disagrees with the presentation by the engineer if we put in the gravity sewer feed line we save over the period of the life of the project a substantial amount of money, approximately 500 thousand dollars depending on the right-of-way cost. We also have the potential, we paid off we agreed to pay off the sewer bond issue last fall say maybe last July \$24,000. Okay here, here we have uh- uh an outright savings by the feasibility study of theoretically \$576,000. We also have a possibility to recover our cost of 500 of the \$480,000 depending on the easement cost by hook-up fees which are the scheduled (inaudible)...is attached. So we have the operating, we save money if you take the \$576,000 and divide that 30 or 40 whatever you want, I'm sure that will come close to \$24,000 we save when we've made a decision to pay off in cash a bonding issue. Then we have the option potentially of connect

fees based on ERU's we have then the potential of service fees we have the potential of the sale of additional ERU's and then the minor benefit is we- we have the potential to get development on 1200 acres. Now, one of the questions I have for Mr. Lach and I don't expect you to give me all your confidential information what do- what do you think you're paying on an average monthly fee for service fees because right now just for your- your housing development.

Lach: To TPU?

Carlyle: Yes.

Lach: Ahhh, my guess, you mean when my water line freezes and breaks?

Carlyle: No, no, I want your average- your average cost.

Lach: I will answer that, I do want to...my business partner

Carlyle: Right

Lach: in the project Tom Smith is here with me so I just wanted everyone to know that. Tom's a Civil Engineer so he can answer regarding that that sort of thing. Um I would say our average, I mean Chris, I mean I'm thinking \$1000 a month, in the neighborhood of \$1000

Carlyle: Okay, so theoretically right now with just a nominal development of property the service fees are 10 to 12,000 dollars per year.

Lach: I would say that's probably...

Carlyle: Okay, multiply that by 30 years \$300,000

Lach: Mmm Hmm

Carlyle: That's the tip of the ice berg.

Hatch: Hmmm

Lach: That's without any development.

Carlyle: So um the prob- the problem is we- we- we- we there was a- there was a- a Anaconda was unable to get an easement based on whatever reason 35, 32 years oh back in the early 80's. We have a developer here that's how, I mean just as a ball park figure uhh based on, I know that your land was uh probably at least three quarters of a million dollars, just as a ball park figure and I'm not trying to get confidential what do you think you've put into that so far?

Lach: Well it's

Carlyle: How many?

Lach: I don't, I don't know- I don't know.

Carlyle: I know, what would you guess?

Lach: My guess would be that there is, let me tell what my, our intentions are.

Carlyle: Okay.

Lach: Okay. To spend anywhere from 5-10 in the next

Smith: Five years

Lach: Five years would probably be very legitimate numbers but it's probably closer to ten. Is what...

Carlyle: Okay.

Lach: And that of course, that being said I wish I had a crystal ball I mentioned earlier but I don't. So we...

Carlyle: I know

Lach: We are doing work, we are avidly doing studies um in looking at what kind of commercial activity, looking at what types of businesses so that we as business people don't go into it blind thinking that we have looked at everything but through something we're missing. And you know our intention is to you know continue developing things. We developed what we did because the need was there and obviously the need was there because we've been full since the day we opened and we still have people saying you know do you have more rooms. So I mean it was, that that was a timing issue. Trust me it's- it's- it's not the sexiest thing to have built.

Carlyle: I understand.

Lach: It wasn't- wasn't any of that, it was a necessary thing...

Carlyle: Okay

Lach: to have built

Carlyle: But basically what I'm trying to establish for the board just for the nominal development on service fees, we will- we just, if- if you did nothing else or just maintained that site at its current level would they, the prospect- the- the probably- the revenue divided by over 30 years would be about \$300,000.

Lach: Yeah and I would say it's safe to say we will do ah up to \$3,000 in TPU fees in the next, I mean a month or- or ya know 36 a year or a million dollars in the course of 30 years if you want to look...

Carlyle: But anyway because what happens when we what happens and and- and- and Joe's right James is right everybody is right because there is I'm not Solomon because there is a negative and a positive but the- in order to make you have to more you don't get something for free. My position on any- any- any project whether its Midway Gold or your project is cause we've had multiple discussions oh since starting in June you've spent a lot of time talking to us, Mr. Smith has talked to us on teleconference and I brought this to the Board because ah I really wanted the Board (pause) to be in a position where all, based on the open meeting law we have a restrictions it's very difficult to communicate the main thing is you've spent time, your public engineer Mr. Smith has spent time, we've had a dialog back and forth and um I- I- I've always, I've taken the position as an- as an individual Board member or as an individual. I did the same thing with Midway Gold um Midway Gold was making a propositions to us based on a- a- if you do this or you're nice to us we will give you something. Okay, we'll give you \$400,000 needless to say that- that didn't- didn't hold water and my position as I tell Mr. Brunk and I will tell anybody, my position as an individual board member you can't be hustled unless you're hustling play your own game and my position is how can we earn - hear the word how do we earn the benefit for the Town? We had a discussion at the last budget meeting about utility rates, sewage one of the problems we have with sewage is revenue. If- if we- I have a thing on the agenda in a minute that has to do with the studying the infrastructure of this town and the money it is going to take to a maintain or just do the minimum maintenance and replacement pay as you go. The only way we can, we have a choice we can take a small risk in my opinion and go for- go for practice our thing good business and take a risk and earn for the town and create more wealth more revenue we don't have to impose higher utility cost on the rate payers and maintain infrastructure in this town. Now one of the problems I've had as a bystander working with James as a Board member um is- is try to simplify this because it becomes too complicated for an old man. So what I did is I- I tried to get some information and I just want to give you an idea what I'm- I'm and the Board as an individual Board member trying to do due diligence so that we can simplify this because first off none of this like Ron just proposed we have to do, we need to do have an assess- have an assessment of the building. I've- I've- I would like the Town Board to buy for public office. The same thing goes to the utility easement. Before we have anything we have to have a basis or an- an agreement to acquire the easement by mutual cooperation between the Town and Northern Tonopah Development and anyway so I just put together a couple and then I'll- I'll get off my soap box but anyway just so the Board hears this so the Board has I- I- I get to sit there and- and make changes days sometimes over a period of months and you know and- and- and talk with him, talk with Joe. Anyways just putting this together, briefly one of the first things we have to do is an

agreement on a proposed gravity sewer line alignment between TPU and Northern Tonopah Development. Okay that means that right now we've been, I've been talking about this for six months and I've never been on the ground I've- I've never walked the ground and because there is discussion between back and forth about changing a route modifications whatever that's the first thing we did when we had an issue was on the sidewalk um- um construction is going to be done in the Spring. There was issues on this and that eventually James and the Public Works Director got out and walked the sidewalks eyeballed it and came up with- with- with solutions or recommendations which were then incorporated into the engineering plans and then revised and checked by James. Anyway so the first thing is we've never looked as a Town or Staff at what the- what is the proposed route because James may have- we have a feasibility study that says one thing, you may want something else. Okay number two, the requested easement by TPU/Tonopah would be 220 feet from the gravity would be 20 feet starting at the gravity sewer lift station to the receiving water waste water running line down to the lower Sierra Vista. And this is where you know with things that that the Board needs to be aware of. TPU would contract and pay for an appraisal of the agreed easement that you know if there was a Town- if you know the staff- we in Tonopah and North Tonopah Development reach an agreement on a con- an easement the cost of the easement would be- I- this- you can turn pink at this, the cost of the easement I would suggest would be capped at \$80,000 could be lower if the appraised value comes in below \$80,000 because it's a public utility it's like I've been told I've learned by- by- by James is we cannot pay for an easement in excess of the appraised value. It is a public utility. I may be wrong but that's my understanding. One of the biggest stoppages when we were negotiating had to do with connect fees and that's why Mr. Bridgeman has attached a recommendation based on I think a very fair concept of connect fees based on ERU's usage based on available ERU's, capacity on that constructed pipeline if we put it in, the sewer line. Now I'm throwing that at you because this is what we- this is what we've had heartburn because everybody wants to victimize the other...I'm sorry I mean- I mean I'm not very politic. I'm not very polished but I believe if we act in good- as good neighbors cause only as a good neighbor acting in good faith because I- I mean that you know because it's a give and take because you may want to extend x number of feet okay we may say we don't need it okay but we're also looking at approximate based on your figures 1.3 acres of land. So you know then within this ballpark figure I'm just trying throwing this out to you.

Lach: Horace, the difference in the routes might be .1 acre

Carlyle: Okay

Lach: Maybe because there is really- once you hit Radar Road its- there is only one route. You don't turn you don't twist you go straight.

Carlyle: Okay

Lach: So that's not its...you either come this way and go that way or come this way and go that way.

Carlyle: Okay if we reach a- the Board and the development corporation can reach an understanding what we would need is we would have to do um we- we would have to do well it has to do the sur...we would have to do a survey which would be along the conceptual alignment approved by the property owner and it would be a 200 foot wide survey centered along- along the center of the alignment.

Lach: 20 foot wide

Carlyle: I know its 20 foot the way these- the

Lach: Oh, okay I see

Carlyle: The easement would be 20 feet but the survey would encompass down in other words 100 feet and 100 feet on each side. Okay once the survey is completed TPU would do a preliminary engineering design of the conceptual alignment based upon the actual survey assuming that there was agreement you know because I am not looking to litigate anything. And then the thing after we do that we would have to review the preliminary design with the property owner and make necessary adjustments so that we have a mutual thing. As I told James today, we have to have some commonality or structure because I don't propose to go out and spend Town money over something we don't agree on or where it- its going to be changed willy-nilly because in order to do a survey and all the stuff we're talking about we may be spending \$10,000, \$15,000. Okay.

Lach: To answer the question of that Horace, if there was a- let's just take for example right now we are saying its 1.3 acres. The sewer line has to by code follow certain grades

Carlyle: Yes

Lach: and certain specifications,

Carlyle: Right

Lach: It would follow that certain grade and specification if there is a shorter route and we chose to add I don't know .1 of an acre to the route because we would rather have it go this way

Carlyle: Yeah

Lach: Then the valuation of the easement can be deducted by .1 of an acre because it was done by Eric Swartz, I mean that stuff is really not- that's a non- issue, I really believe so, because when you hit Radar Road there is one way so you are talking about the point from the sewer plant down to Radar Road how you cross that wash and whether you do it at a 22 and a 22 and whether you come down and do a 45 and again Tom being a civil engineer who has walked it and anybody who wants to walk it is more than welcome to. It's 2,500 to 2,700 feet you get a nice ½ mile in if you walk all the way back you get a full mile. That-

figuring out where to put it I don't think it's going- again it's just figuring out how to get to Radar Road. Once you cross Radar it's going to be straight.

Carlyle: I had a brother who was a mathematical genius and he said- he used to tell me Horace if you just make it simple you'll be o.k. You complicate it. When we have set here for 6 months where we have had this discussion back and forth all I'm trying to do is show it should be relatively simple because I think there is benefit to the Town

Lach: And what I'm telling you is the direction that the sewer line goes is I believe relatively simple,

Carlyle: Right.

Lach: I don't think that there is anything complicated about figuring out where

Smith: I think just to second that

Carlyle: Go ahead,

Smith: Fortunately the land all is sloping in the direction you want to go which isn't often the

Carlyle: Right.

Smith: the gravity sewer line may at times run very deep in order to keep the gravity sewer working and this line is pretty simple in its direction.

Carlyle: Right, well

Smith: One of the, if I may,

Carlyle: Go ahead. I appreciate

Smith: From an engineering perspective and some comments from a development perspective but I have put in a lot of lift stations for the federal government, national parks, and FYNs(?) and I think that your difference in prices have a lot to do with scope. If you put in a very simple lift station and it will be very cheap and then you just scale up from there. With your reliability and your systems are you going to put a grinder ahead of the lift pumps that's to stop the rags from clogging up the lift pumps and that's another \$30,000 piece of machinery and then you could hook it up to a SCADA system so you get an alarm somewhere so an alarm goes off, not just a red light flashing and that is another scope issue. So you have to be very careful when you ask people for pricing to make sure you are comparing apples to apples. The other is and I really appreciate what Joe said, \$40,000 is a lot easier to stomach than \$300,000 – \$400,000 of a big project but Horace's point to bring in the life cycle cost, from an engineering perspective that's what we always do when we are

looking at big projects. It usually- you don't- the reason why you wouldn't go with cheapest life cycle costs would be if it's not possible because of limitations of funding, but if you- if you can afford it then you generally want to look at the universe of all the life cycle costs in your options and you would take the cheapest one of all those options. And that is something you guys have to decide, that's not an engineering that's a political decision at that point in the budgetary situation. Again I kinda mentioned it before and I think you guys know this from TPU's standpoint gravity is so much more reliable than the lift stations. You will be out there in the winter at some point at this lift station and I know you want to create it so that doesn't happen but any pumps are gonna be a second tier choice to a gravity system. The other is in- Horace you touched on this, from a developer's perspective it is hard to quantify the kind of the chicken and egg scenario that if the sewer is there and available to hook up to and it's very clear what the cost to hook up to the line might be from a developer, that is the ideal situation because you can put that into your numbers and say okay that's what it is going to cost to do that development. We know that the facilities are there, it's not kind of a gray area out there that it may happen in the future sometime or it may not. So for kick starting development which is usually- is a cost for a community this is a big step forward because it does help us talk to different people for funding when we talk to any bank or any financial institution, the utilities are a major issue and they always will be and so if this is in, it does help all of that land to just reach that threshold where development is possible, I mean, talk about the cost to just be able to say yes it can happen because that risk is out of the way. Um, so a lot of plusses in doing it and we certainly would be interested in, Mike and I are partners here so I am not putting words into your mouth and step on me if you want to

Lach: Not with this foot,

Smith: We certainly would be interested in participating however we could to make this a viable project. We just need to do a you know

Carlyle: Right

Smith: James we have talked and you guys have very strict limitations of what you can do and we understand that so we kinda have to step back and say okay what is the best way to do this going forward?

Carlyle: Well, I have a suggestion to the Board you know as an individual Board member based on what was- I was trying to describe, basically we don't want to have a complicated situation if we don't approach it- just like Ron did just a moment ago when I was proposing to buy a building what we have to do is if we the Board wants to move forward and I think it's official if we do, I think it would be beneficial if the Board approved up to \$20,000 to do our due diligence working with you and you know if there is an impasse it can't be done, uh I think it can be, I think it is very beneficial to the Town, to the utility and for the future of this our community because everyone sits there and says why isn't there any growth here there hasn't been any growth here in my opinion other than Solar Reserve and a few token things maybe at the airport okay I think this- I think this is our opportunity to have a win-win uh but

nothing is free okay just like Ron pointed out we are going to spend money on an appraisal for a town office. Well we have to if we are going to do this correctly and make it as simple as possible we as a Board have to be willing to spend some due diligence money just as we are doing on the Town office- proposed Town office purchase and I don't know my guess would be we would probably have to spend less than \$20,000 to reach the point where we could have documentation and all the information we need to- to- then we can make a decision whether we wanted to go forward and do the easement or whatever we wanted to do but until we do the due diligence and spend a few dollars we can talk to each other all day.

Lach: Another thing I want to mention to you Horace is in the event that this didn't get done we're probably gonna spend well I'm guessing \$200,000 running water down to this project.

Carlyle: Mmhmm.

Lach: Now that's gonna create more ERU's on the water side.

Carlyle: Right.

Lach: We're either going to come down and sit down with Joe and figure out what's the best way to loop this, what's the best way to come down Radar Road swing back up the back side of those apartments and create one big loop that comes down this way goes under the road and comes back out. Um but there's going to be- there's going to be a big expense on that

Carlyle: Yes.

Lach: And then I guess that other question I have is you talk about, I haven't seen the report or what you are saying somebody gave you and you are basing hook-up fees on

Carlyle: I thought you had it

Lach: No I haven't seen anything, I apologize if I was supposed to look at it. Um so I don't know what that was being based on.

Carlyle: I'll give you my copy. It's from the [inaudible] engineers on the second or third pages. It gives all how it's figured and stuff.

Lach: It's based on pipe capacity so it looks like the cost per ERU is about \$400. It's just underneath it.

Carlyle: I haven't memorized it but the point is it's a very reasonable cost and is what's great is you- it supports- it helps us, it helps you because you can pass those costs on based on development.

Lach: And I guess what I would say would you

Smith: Any system that is fair and this seems like a reasonably fair system and I don't think we would have any problem it quantifies it and it takes away a huge amount of risk which is great. You say its gonna cost \$400 in ERU's or whatever the development is and we get together and say how many ERUs' this is and there's the number.

Lach: And I understand that the cost is on top of your standard hook-up fee

Carlyle: Yes.

Lach: That it's an additional cost.

Carlyle: No this ERU would be the hook-up fee

Eason: No it would not

Carlyle: It would not?

Lach: No it's an additional

Carlyle: Okay

Lach: What is it \$800?

Carlyle: Oh you're talking the ERU's okay

Lach: To buy the additional ones, and I guess what I'm saying is to tell you that we really do want to develop depending upon what the numbers end up being, we wouldn't be against using that money to buy the ERUs right back from the utility is what I'm saying

Carlyle: I understand

Lach: Even pre-knowing what we are going to do

Unknown: You mean the money for the easement?

Lach: Yeah, just to say that look I don't know what is gonna happen cuz I don't

Carlyle: I understand

Lach: I wish I did but I don't and uh I didn't think I'd be sitting with my leg up um at 46 either so

Smith: I think the point is we are not trying to comment on this thing

Carlyle: I know were trying to do common beneficial business for each

Smith: Exactly

Lach: Yeah in other words if its putting funds back into your coffer I don't know when I'm going to use it I don't know when at what point that will be used but it will be there and the objective is if I'm not the developer if I don't own whatever gets developed then I turn it over to someone else

Carlyle: Okay

Lach: But there they use it and then they start paying.

Carlyle: Anyway, um I don't know as an individual Board member um I think its um beneficial to at least due diligence on this project I don't know what the pleasure of the Board is I would like to see if the Board would approve up to \$20,000 to due diligence to see if we can arrive at a- where we can consider buying an easement and going forward with the project because until we determine there's a viable easement that can be acquired there is no project and if

Lach: If I could add one other thing and I think I've given it- did I give the topo to Shaw? I think I sent it to him- didn't he use it for the- I believe that your survey costs can be done in some of these I paid a lot of money to have a helicopter an airplane fly over to do an aerial topography of the entire property

Carlyle: I feel- I feel con- I'm not saying we are going to spend \$20,000

Lach: No but I'm just saying I don't know if you

Carlyle: What I'm saying is in order to do anything as a lay person I'm not competent. I have to have- we use Shaw Engineering, we have in the past have a great deal of confidence in him, the point is we need to work on a- on a good faith effort meaning the Town has to- if they don't want to invest or do due diligence then there is no reason to talk.

Lach: Okay I was just mentioning that I have a survey that I believe that they are the ones that would do the survey. I think they pretty much have it, you know I sent the files to them so they could use it for when they were doing whatever they were doing so basically for the report that you have.

Carlyle: I'm sure that they have it what I'm saying is I believe the staff and you and Mr. Smith, we have been talking for months okay this is the first time I am exposing the Board to my- my- um what. I wanted them to be involved have knowledge um because as an individual I mean nothing- I mean nothing I am a community volunteer our power and our good will is based on consensus on a quorum and I am happy regardless of what the Board

decision is I am just advocating whether we do an appraisal on the Town purchasing a town office we have to do- we have to do some due diligence to determine whether we can- we have- where we can go forward with a project I think it's a very viable project; I think it's a win-win. I think over a period of time yeah there's negatives involved. Anyway I'll be quiet, it's up to the Board to decide what they want to do.

Hatch: It sounds reasonable to go forward.

Carlyle: Well I'd like to do the due diligence

Hatch: Yeah that's what I mean, to do the due diligence and move forward on this.

Kipp: I'd like to hear from staff.

Eason: Joe provided his report.

Kipp: His letter?

Eason: Horace and I have a difference of opinion on this which has led to this item being brought up. I think there is two parts to this whole thing. I asked Joe to give his input and assessment of the different meetings that we've had reviewing the reports and how we need to proceed based on the existing funds we have in our budget and this goes back to, as I outlined before, last year when we had our budget hearings, the recommendation to pay off the sewer debt early which Horace has outlined as saving us \$24,000, I thought it was actually \$26,000

Mulkerns: \$34,000

Eason: \$34,000-

Mulkerns: Plus half a million of interest

Eason: a year. We asked Shaw to do this study for us. Paul was busy who did our sewer project before, Steve Bridgeman, who is his partner, did the sewer side for us and Mike who absolutely provided the map for the topo going down for the gravity line, because there were three options: the first option was to just basically replace the wet wells, rehab, and everything that Tom said- cannot agree more with. Lift stations are a nightmare and we all know that, Joe knows that. When Cindy was on the Board and we approved the sewer project to move forward and that project started in about 2000 and 2001, Cindy? When we were put out of compliance and actually it was a little bit before that- 1999 period. This was the topic of discussion then, and as Mike outlined, yes it was very tough, Mike how many owners did you have to go through 74, 75 to get everything straight back in Italy?

Lach: There were 16

Eason: 16, okay

Smith: None of them spoke English

Eason: None of them spoke English, Mike spent months on that

Lach: A year and a half

Eason: To get that straightened out

Lach: Year and a half

Eason: Why did they not go that route in the first place, I can't answer it, I was in second grade actually I was in first grade when they were working on that but I do know that there was a proposed sewer station at the end of Anaconda and if you go all the way down to the end of the road you'll see the ribs and systems put in place, the property that Michael and Tom have they were forced by NDEP to connect to the Tonopah Public Utilities sewer system

Lach: And in the documents it states that like you said they were forced to do it so they were allowed to put that main line coming out of Sierra Vista down all the way to the sewer system but they weren't allowed to put arteries across the property by- because NDEP didn't have the power to waive a wand and say we can use all your property. They let em put a main line down and that was basically because, if you guys really care, because the Lamburtuccis were out of compliance with what they were doing with their sewer and their septic and so they basically said if you don't want us to do this we are going to shut down your trailer park that you have and so that's when Maria, I think is the one

Eason: Tootsie

Lach: Yeah who made the decision but that's the reason that they didn't, I'm sure that's the reason they didn't you know come across the other one

Eason: And the first property that was built were what they refer to as the motels which are those little apartments

Hatch: MmmHmm

Eason: that are there and they had to connect it back to the main line so that system has been upgraded. Part of that sewer grant that we just paid off it does have SCADA it does have all the electrical that has been done, they do require grape juice monthly on it, the pumps are 30 – 35 years old. Our volume right now is the highest volume we've had since Anaconda was under construction that was in 1982, 81-82 time period. So as Horace outlined, we have not had growth since that period, it's been dead since that period and Cindy can attest to that, the new houses have been limited, the system has been working. So

when we sat down as a group to come up with a recommendation I support what Joe has put on paper. I provided this proposal to Mike so he could review it and he came back with some information for us and the real question is what is going to give you the biggest bang for your dollar? What's the best return on investment. We are on the priority list for the State if you guys want to take out a loan to fund this project and eliminate the wet wells and save the \$40,000 we can move forward but we are still going to have to pay the \$40,000 regardless

Westerlund: Wet well

Eason: Wet well, I'm sorry I keep saying wells, I'm adding the other one that's up on Pensteman Court because we do have another sewer lift station on Pensteman Court which we will never be able to get rid of. So if we want to put in a gravity line then by all means we need to sit down, take advantage of this opportunity to acquire an easement.

Hatch: MmmHmm

Eason: I disagree and this is where Horace and I have a difference - if Tom or Mike were developing this project in another area and there was no sewer line that went through there they would pay 100% of that sewer line to get from point A to point B okay and whatever that dollar amount is for this right-of-way and then turn right around and pay us back in ERUs or buy ERUs - all we are doing is taking our money from our right pocket and putting it in our left pocket. It's really what's happening but if you want to eliminate that sewer lift station and put in that gravity line then we need to sit down with these folks, figure out a route that is conducive for everybody because our initial proposal was a little higher and it came down Radar Road and across their property okay so we would own that, it's not a public utility easement, that right-of-way would be ours - that land would be removed from taxes that Michael Lach would pay to Esmeralda County

Hatch: Hmmm

Eason: and Tom because we would have it fee simple we'd own it out right.

Hatch: MmmHmm

Eason: Now if we wait 'til they develop this property and they establish PUE's which is open to water, sewer, electrical, gas if we had gas, everybody else- we would not be paying you for that. Am I correct on that statement Tom?

Smith: If you

Eason: Because you would have a subdivision map and you would be opening up streets and roads

Smith: Right.

Eason: Give us easements

Smith: Are you saying that TPU would not be subject to purchase if you were to use the sewer that we installed?

Eason: No what I'm saying is that if you did a layout and you were going to subdivide your land and you put in all your streets and your utility easements, we would not be purchasing that land

Smith: And I think this is where it gets complicated because is this a sewer that the Town needs in order to remove a lift station and- or is it a sewer that we need in order to develop our property?

Eason: Right

Smith: and I think as Horace said well really it isn't an either-or it maybe is both. Can we find a way to work together to solve your problem and to help us to lower the risk of development so development is more likely to happen?

Eason: Right, and that's a great way to sum this up and do you want to invest your money and be a partner or do you want to save your money and put it in other infrastructure and address other needs within the community of Tonopah and Horace is right we have not had any development, we need development and then all sides are right. The question is for the Board to decide what do you want to do with the money that we have? If we were to move forward right now with this project and we used this offer that is in your packet of hypothetically \$80,000 plus the cost of construction we're looking at \$500,000 or \$498,000 but we know there's probably some errors in there because it's an estimate- it's an engineer's estimate

Carlyle: Well there's contingency fees in all probability would be- would be- in all probability like on our other construction projects there's contingency fees, there's all sorts of other fees built in there that bring it to \$500,000

Eason: Right

Carlyle: In all probability the project if we did it would be between \$400,000 and probably not over \$450,000 and probably less

Smith: I think that would be a safe statement

Eason: I disagree with that because if you look at our engineer's estimate and we add whether if we receive \$80,000 because right now that is an unknown

Carlyle: I added it in

Eason: You did add it?

Carlyle: I absolutely did and I get- but I didn't- when I did my estimate I didn't subtract some of the fluff that was in the engineering that uh design

Eason: That's the number we have to go with

Carlyle: I understand that, that's why I put it, that's the number I used

Eason: So let's stay with that number, let's stay with that 450 number, we do not have that 450 in the bank so we cannot pay for this project out right, right now, that is why we are on the list for State Revolving Loan Fund money

Carlyle: Excuse me, excuse me. I don't have the numbers in front of me but we were at the last budget hearing it was estimated that we had 1.2 million dollars in the fund and we agreed to take out \$600,000 to pay off the loan based on those numbers and then that wasn't even counting this fiscal year

Eason: And we have then purchased a brand new backhoe which we agreed upon. We have paid for a study, what else

Mulkerns: Well it's not that its . . it's not budgeted would be the proper way to say it – we would have to augment our budget if you wanted to do this right now,

Carlyle: Thank you

Eason: Okay, I misstated,

Mulkerns: It would take us down to about a \$200,000 ending balance.

Carlyle: Yes, I'm well aware of it, but at

Eason: I misstated that was my fault.

Carlyle: But the main thing is, the point is that I as an individual Board member I looked at the recommendations that we were given in February and March. We did a feasibility study. Our public engineer has made a recommendation to highest- best used to correct our problem is to go with a gravity sewer feed line. The only thing I brought to the attention of the Board is we have secondary or third benefits, we have collateral benefits that offset and this is something that we don't have when we paid off the sewer bond, we didn't have any way to pay to our revenue- to offset the payments of \$600,000. Here we have potential, we already have the payments coming in on service fees we have prospects of additional service fees, connection fees, ERUs um to me as an individual Board member my position is its more beneficial to take a chance, move forward and at least do the due diligence and see where we are because as a minimum the Town needs the easement.

Hatch: MmmHmm

Lach: If I could say one other thing Horace, um Jamie had mentioned that any other town what would happen or whatever- I would recommend to you call any other town and ask their utility company if you had a chance to gravity feed your sewer line and you had the opportunity to do it what would you do because I've worked in a lot of other towns and I have worked with a lot of utilities and I've never seen a utility company not take advantage of the opportunity of gravity feed. If you're going to look 30 years out - if you're going to look 5 years out then I wouldn't worry about it. You know if you don't plan on being around 30 years from now then it doesn't matter but if you're looking long range, there's- I mean when you have something that cost you \$500 a year to maintain its kinda negligible its virtually free and that's why everybody puts in gravity sewer.

Carlyle: Because based on the engineering studies even if we keep and rehab the existing lift station the average cost based on the professional PE by an engineer is the average cost is \$11,000 a year and is actually a little higher, then you have- you always have the prospect of failure, okay, you know the point- is okay say we pay \$11,000 for 30 years were paying \$330,000 just on operating costs. Now we can argue that the engineer's figures are wrong but I'm not an engineer, I'm a lay person,

Hatch: MmmHmm

Carlyle: I know how to go to the grocery store and maybe pay a dollar but I'm sitting here saying and I've made my argument, it's up to the Board I just think that if nothing else it would behoove us to do the due diligence and see- and see how where we stand. The Board, once we do the due diligence, if the Board doesn't want to do it then fine but right now we would be making a decision and I can only argue as an individual Board member, I argue money that's what I respect, when I buy a stock I look at the financial statement, I look at the prospects and the story. What is our story right now, no growth no future okay and then when we have to increase because we don't have revenues to service the infrastructure we have to do in Town we have 10's of millions of dollars of infrastructure - water and sewer we have to do in this stand over the next 30 to 40 years. Now with luck we won't have to do it we can pay as we go. How much have you stopped in water leaks in the last 6 months? A million gallons, two million gallons, well in excess of a million.

Eason: No it's more than that.

Carlyle: Okay now here right within our own Town water leaks two million- two million what does that cost?

Hatch: Mmmm

Carlyle: Anyway, I'm being a bore, the point is it's the pleasure of the Board, I recommend we move forward and we at least do due diligence up to \$20,000 and then have the Board review what we have and see what we want to do

Hatch: It makes sense to me

Eason: Can I add one point?

Hatch: Yeah

Eason: Mike and Tom you guys are doing your expansion right now and you are going to connect into this sewer system, who is paying for that?

Smith: We are

Eason: You are okay, and it's gonna jump up possibly another \$2,000 - could go to three

Lach: What do you mean \$2,000?

Eason: Our total bill that we receive revenue from the sewer would be

Lach: No I'm not saying on that property

Eason: Let's just say another \$500 okay so your monthly bill is now \$1,500

Carlyle: \$50,000 a year

Eason: So my question is- is who is paying for that extension?

Smith: We are

Eason: You are

Smith: And we are trying to do it- this is part of what we're trying to do hand in glove is say we sent to Joe kind of plans of what we could do and said listen if you guys are eventually going to do something this 300' that we need now, let's build it such that it's something that you could tie into in the future

Eason: Absolutely, meet to our requirements

Smith: To save money

Eason: Absolutely, and I think we are all on board on that but you're paying for those costs

Smith: Because we need it

Eason: Because you need it

Lach: But we don't need an 8", we are doing that because

Eason: Our standard and the way our job was designed, that 8" when Paul Winkelman did with Shaw our other project its an 8" – 8" is an industry standard whether you are going up to- going back to your point- go ask other utilities, yes that is an industry standard 8" you don't need it

Lach: No not for- not for what we're putting in right now

Eason: Not for what you're putting in right now

Lach: And we don't intend on really hooking into that with anything else, I mean its close enough that we could, the only reason I brought it to Joe

Eason: But for us to- no, no- but for us to own it at the end of the day for us to take responsibility into perpetuity we would require it to be 8"

Smith: Right, and that was our

Eason: And we would require it to meet certain conditional requirements, testing requirements, etc. and at the end of the day if it meets our requirements and we have our easement so we can maintain it into perpetuity, you walk away, your taxes are now less, because you don't own that property, and in the middle of the night when that breaks,

Lach: Okay

Eason: No- no- no- but it goes through all of these different steps

Smith: But we have no intention of turning this 300' over to TPU

Lach: We're only, we're doing this

Smith: We're doing this to see if it makes sense in the future you may want to have it

Eason: But in the future here's the thing, in the future when we tie to that 300' that you all have put in and we didn't inspect any

Smith: Exactly that's exactly

Eason: So that 300' would be- would have to be reinstalled.

Lach: You are missing the point of this 300' Jamie, we are paying the extra money so that someday if you guys choose to do this- 300' is already installed okay its gonna cost us because we are going to dig a trench anyway as developers and the people that spend the money doing this out of your own pocket you sit there and you analyze how much is it going to cost for me to do this extra thing

Eason: Right

Lach: And because of the fact that Horace is having this discussion and because of the fact that we said you know what, why don't we see if we can go to Joe and say we don't have to go with a manhole, we don't have to put a manhole in, we are saying if we're going to do it lets do it right, let's do it the way a utility would build it so that if- but we don't- I'm not looking to save taxes. My taxes okay my taxes on 1 acre over the course of this whole thing if we extrapolate over 30 years is nothing, okay its zero. I'm not looking to save taxes I'm not looking to turn a gravity line over to you guys because I don't want the maintenance of it, I know what the maintenance of a gravity line is virtually zero, I mean it's almost, I'm not going to say it's impossible but on a straight line where this is going if I were to- I mean the whole idea is we're not- it's up to the Board to choose what they want to do with this. I'm here because I was asked to be here to discuss this. If the Board doesn't want to do it - is that going to stop me from developing things?

Eason: No absolutely not

Lach: No we're going to do- would it help in the development of things if the line was there? Of course it would help especially if it's not going to be me doing the development because someone else is going to look at it and go oh because the water and sewer is there and would I probably bring the water there sooner if the sewer was there and pay the \$200,000 we talked about because it would make more sense, I probably would, but the only reason we're doing- the only reason we are proposing to Joe to do the 300' the right way is cuz it would be really goofy for me to have a line here and then you guys put a line right next to it

Hatch: MmmHmm

Lach: It just doesn't make any sense to me

Eason: Mike, I agree with you

Lach: And when things don't make sense, I don't do it

Eason: But, hear me out

Lach: But let's say I did 1,500' of that up to Radar Road

Eason: Right

Lach: Let's say I went all the way up to Radar Road and they say oh you guys now because you still see an opportunity put this gravity line here- want to put your gravity line in and hook up to this and then not give me any money for all the money I spent to put that line in, no I'm not looking for that and why would I? I'm fine with that line, it's not a subdivision I'm not building a subdivision there it's a commercial- you have frontage on the road and this line goes behind it- I don't need to- it doesn't affect anything, this person can own this, this person can own this, I can own this for the next 30 years. Just like yours I can cover \$500 a year of maintenance on this line for the next 30 years. I can pay the person who may have to go look at a manhole someday somewhere and any developer- which I know a lot of them, would be fine with that- it would be fine with a straight line that was put in, you know in

Smith: And again I- it really comes from the perspective you are looking at, but one thing I really want to emphasize, development in Tonopah is very, very hard. Anything you can do to make it easier is a real benefit for

Eason: So let's call it what it is and at the end of the day if you want TPU to own the 300' you have to meet our requirements

Smith: Yes

Eason: Is that correct?

Smith: Yes

Eason: That's what I'm getting at that if it's going to tie into our bigger project that Horace would like to do it has to meet our requirements - end of story. It's immaterial and your right, if it stays commercial we'll never own that pipe and it is immaterial to you because there is no maintenance costs, but if we take ownership of that pipe it has to meet certain requirements that are under our ordinance. That's all that I am saying and it is up to this Board to decide

Carlyle: Well

Eason: If you want to invest and put in that gravity line and with doing that Horace is absolutely right, Tom is absolutely right, we are going to help develop, is that what you want to do and if that is what you want to do - great - that's your choice, it is nobody else's, you are absolutely right, it is very, very tough to do development in Tonopah

Smith: Would it also help TPU?

Eason: In the long run, yes it would. There are benefits. The question is do you want to spend your money on this or something else? You guys have to make that decision- I mean

it's not us. Our recommendation is the people who are in the trench every day, you saw it, its on paper.

Carlyle: Okay, we have that, I don't want to keep anybody where they have to make a hotel reservation, what is the pleasure of the Board my individual recommendation is as an individual member is that we at least do due diligence up to \$20,000 and see where we are cuz right now were just talking

Hatch: That makes sense to me and then we have more concrete information to move forward

Carlyle: So it's up to the Board.

Downing: Someone make a motion then

Carlyle: As Chair I'm not- if you will allow me as Chair, I'll make a motion.

Downing: Alright

Carlyle: I make a motion that the Tonopah Town Board authorize the expenditure of up to \$20,000 to perform due diligence to secure an easement for a gravity sewer feed line across the Tonopah Northern Tonopah Development Corporation's property.

Hatch: I second it

Kipp? Now you have a motion and a second

Carlyle: Okay, any discussion? Because I mean I know this is a lot because you haven't been exposed to this, I have been chasing this for 6 months off and on and um I apologize for probably talking too much but I think this is- I have- I, as an individual- I ask people in Tonopah, what is your vision of the future of Tonopah? Is it a strip mall? Because we had the same issues back in the early 90- late 90's early 2000 at the airport where it was proposed to spend five and a half million dollars to upgrade the airport for infrastructure and development. It didn't get done

Kipp: Okay

Carlyle: Anyway, go ahead

Downing: You have a motion and a second

Kipp: When you said more discussion, I'd like to ask one question to Michael and Mr. Smith

Carlyle: Yes

Kipp: If the decision tonight is 'no' what's that going to do to your project tomorrow?
If the decision is 'yes' tonight what's that going to do to your project tomorrow?

Smith: Alright, the 300' that we were talking about that's something that we are doing
for part of our expansion right now

Kipp: Right

Smith: And the reason we submitted it was just because we thought if something
eventually goes in the future we wanted to have this done right so that they can connect to it.
For future development, for other developments, without this uh if some have a clear
definition of how the utility is going to be taken care of, it just makes development more
difficult. I don't think it's a yes or no type of decision, it's very hard to put a dollar figure
on it. It- just as I said it's difficult to develop here. It's difficult to get people to invest
money, so everything we can do to lower that threshold of risk is a big help and that's I
guess- that's the best way to characterize it

Eason: I have a question based on that answer, is it more difficult because when you go
to get your financing, is it from a will serve stand point from the utility? Is that what you're
getting at?

Smith: No its- and it isn't because of the utility, it's the big picture

Eason: But

Smith: Say a five million dollar investment in Tonopah – there's four thousand cars a day
on Highway 95 up at the north end of town. People look at that and say you don't have
traffic to justify revenues for that big of a development and we say yes but Tonopah is like an
island. It's a very unusual economy and if you do take the chance and put money here
people will use it because they are coming a long distance because they haven't stopped for a
long ways or people from the area, they don't want to go shopping 200 miles away, they'd
rather shop here if they could. Those are the- those are the difficult arguments to make to the
people in Las Vegas or Reno who have the money because they are going to say Tonopah is
just a little tiny place there's no way to justify putting our money- we would rather build a
mall in Las Vegas and so anything we can do to knock down those hurdles is- is really a help

Eason: Those hurdles of cost for your development

Lach: It's not so much cost, it's the unknowns, it's the more- look your automatically-
when you say "Tonopah" to somebody you are trying to convince them to pay attention
because their gonna- the first things gonna be what, where, why and so if you can finally
convince them to pay attention they are going to come out and then they are going to ask
their 20 questions and as many of those questions have definitive answers they either pay
more attention or they walk away and the less definitive answers there are with things then

people tend to say I don't want to put the work into it I am looking at something in Bishop and it just seems easier and that's just human nature people will go the easier route because that's how people deal with things and when your developing or putting- you know for anyone- anything you do in Tonopah is going to be risky because somebody investing millions is going to look at the market they are going to look at this and put down and they're going to say how do I fit in there and how do I do that- all I think- all Tom is saying is if it's there it's just one less gray area, if it's there then we probably put the water in and its two less gray areas, I don't know if it affects what we personally do cuz we have things in Tonopah that we know that are different than other people but you know we don't. We're not looking at it as us being the only be people that eventually can do stuff. I mean I like owning certain things in Tonopah and I look forward to doing that and I look forward to helping grow stuff down there but its again like Horace said it's up to do how you guys want to deal with it and what you want to do

Eason: So from the stand point of finance just so I'm clear in my mind we will- which we have always done whether it's for you or for anybody else, we provide 'will serves' and the next agenda item they are going to be covering that because it goes along with what we talked about before our water project our next phase is to identify the number of ERUs that we have to sell. The ERUs are addressed on the front side of the water and the back side of sewer so if your lender comes and asks - do you have the ability to be served by a utility? we're there so that's part of that gray area that Mike just talked about, the next thing just so that were clear on this is that when we put our line in there it makes, at our expense, their development, and it opens up your property even more and those are more the barriers you're talking about Tom. It opens it up that from the lending or attracting whether its XYZ company, ABC developer, whatever,

Smith: Trust me, nobody is breaking down doors to invest in Tonopah

Eason: No no no I understand that, I understand that and what its - so everybody is clear on what's going on here by having that infrastructure in place its more attractive and those costs to develop are brought down. They are going to say yeah I want to invest there whoever this company is because yes the sewer is there or the electricity is there or the lot

Smith: Absolutely

Eason: And that's really, at the end of the day, you as a Board need to decide if that's what you want to do, you have that right. Do you want to help move this along? What we are saying as staff this is not a critical need for us right now, that's all we are saying. That's what that opinion says, we can live without this gravity line and if we get the funding or if we want to keep proceeding into the future and not be a hindrance to them as Michael outlined, if we have a clear path across their property when they do and they go and parcelize- parcel their land if they ever do that, they know that the line is North and South our it's at this degree East West.

Smith: So regardless of our development do you characterize the report that you got from your engineer, he did say that the cheapest life cycle

Eason: Tom, absolutely, absolutely, but you outlined it perfectly, but as an engineer or as myself when I have to sit down and I evaluate it, I have to look at what is going to give me the biggest bang for my dollar and my utility super operator- utility supervisor and operator says look you can get this done for \$40,000 and the question is, do I spend \$450 to a half million dollars right now or do I spend \$40,000 and take that \$450 to a half a million dollars and use it in other areas because I have a tremendous amount of debt I am incurring right now to Phase 1 and Phase 2 which is going to be tied to the next agenda item issue

Carlyle: Okay, I think we have had enough, Okay I am going to make one final comment. I support Shaw Engineering's feasibility study. My recommendations are based on the engineering study, the cost concepts, the benefit of the life cycle. I've arrived, based on 6 months of discussion with James and Tonopah Development Corporation the fact that there are secondary benefits that are extremely beneficial to the Town based on revenue, based on prospects of future growth, uh I- I- I strongly disagree with the estimates being given on the rehab of the lift station based on my individual knowledge and contact with the Maintenance Supervisor and with James. We're talking about potentially at least \$100,000 depending on the condition when and if it's ever inspected. Anyway, I have a motion, I have a second what is the pleasure of the Board? I vote yes.

Hatch: I vote yes

Kipp: Ah, I am going to vote Nay

Downing: I am also going to vote Nay

Carlyle: Okay

Eason: Mr. Chair

Carlyle: Yep

Eason: Can I ask that this item be tabled and the reason why I'm asking that, is because as this development moves forward and I believe when Tom and Mike who are working with all kinds of different people have a clearer direction and plan

Carlyle: I'm- I'm sorry I won't table it. It had a 2 to 2 vote, it's off. I think this is a charade- um you know based on the information being presented um I'm- you know- the point is we will live with what the operating supervisor proposes. We'll see how his um- how long the lift station exists without difficulty or fines. You know there's no reason to revisit this because if the clear evidence of our public engineer doesn't validate spending a few dollars than there's no point in even bringing this up again. I am tired of it after six months and a bunch of bullshit. Okay, go on to the next one.

7. **Tonopah Development Corporation Report.**

No action taken by the board.

8. **Town Board Members/Department Manager's/Nye County Commissioner's Comments.**

Town Manager Eason wished everyone Happy New Year. Mr. Eason also stated he had spoken with Sean from Garland and a schedule for the roofing project for the Old Firehouse, Convention Center and Mining Park Visitors Center should hopefully be ready by next week.

Mr. Eason also stated that the Water Project is moving along.

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

No action taken by the board.

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

No action taken by the board.

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

No action taken by the board.

12. **Correspondence.**

Town of Tonopah collections for the month of December 2013
Tonopah Room Tax Report for the month of November 2013
Open Meeting Law and Ethics Training

13. **Public Comment**

Discussion regarding developments to revisit easement.


14. **Approval of vouchers for payment**

The board reviewed and signed the vouchers. Duane Downing motioned to approve the vouchers as presented for payment. Ron Kipp seconded. No further discussion. Motion carried 4-0.

15. **Adjourn**

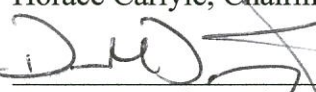
The meeting adjourned at 9:03 p.m.

Minutes transcribed by:


Arlene Neiderman, Deputy Town Clerk

Approved:


Horace Carlyle, Chairman


Duane Downing, Vice Chairman


Ron Kipp, Clerk

Javier Gonzalez, Member


Janet Hatch, Member