

TONOPAH TOWN BOARD

MEETING MINUTES

MARCH 23, 2011

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

1. Election of Officers: Chairman, Vice Chairman and Clerk.

This item was not needed.

2. Review and Approval of Minutes from Regular Meeting held on March 9, 2011.

This item was tabled.

Review and Approval of minutes, in context, from budget workshop held on March 11, 2011.

Duane Downing made a motion to approve the minutes, in context, from budget workshop held on March 11, 2011. Glenn Hatch seconded. Motion passed 3-0-2 (Jon Zane and Javier Gonzalez were absent).

3. Approval of 5/8ths of 1% Room Tax Grant for promotion of the 41<sup>st</sup> Annual Jim Butler Day's Celebration.

Donna Otteson explained that she was requesting funds for the 41<sup>st</sup> Annual Jim Butler Day's Celebration. The requested funds will cover posters, event schedules, advertising in the Tonopah Times newspaper and the Pahrump Mirror, and KIBS radio. She explained that last year there was no charge for advertising on KIBS because TDC already had funding for it. She explained that she eliminated the radio advertising in Elko County. KIBS is going to record the advertisement and allow the local station, Alien Radio, to play it. Funds also cover buttons, garters, and tickets. She noted that she only put in for a portion of the money necessary for buttons and garters because of the budget constraints. The requested amount for awards was also cut back.

Donna Otteson explained that last year the Town was at 98% capacity. A band will play in the Town Square on that Saturday and a mechanical bull will be brought in. Duane Downing questioned where the Street Dance will be held. Donna Otteson explained that the dance will be back at the Union Plaza. She questioned whether holding the carnival in the same location as last year would cause an issue in the event of a fire. James Eason explained that there would be issues in the event of a fire. Duane Downing explained that there are issues with traffic control and parking. Traffic is usually diverted through St. Patrick Street to Knapp Avenue. James Eason

suggested talking to the Clines about the lot next to the Mizpah or looking at the parking lot for the Convention Center. Duane Downing noted that in the past the carnival was at Joe Friel. Donna Otteson explained that the idea was to move the carnival closer to downtown. Horace Carlyle brought up the possible power issue. James Eason explained that last year, vendors and the carnival brought generators. Donna Otteson requested the Town look at making sure power to the power pole in the Union Plaza is turned on so power is available for vendors and the Street Dance. She explained that she charges \$25.00 to use power.

Donna Otteson explained that a lot of work was done on the bandstand last year to repair it but the surface still needs a lot of work. She questioned if the Town was going to replace the surface. James Eason explained that if plywood is provided the Town can supply the labor. Donna Otteson wanted to know if the New Firehouse was going to do an open house over Jim Butler Days. James Eason explained that they were already discussing that.

Duane Downing made a motion to approve the 5/8<sup>th</sup> of 1% Room Tax Grant for promotion of the 41<sup>st</sup> Annual Jim Butler Day's Celebration in the amount of \$3,088.40. Glenn Hatch seconded. The motion passed 3-0-2 (Jon Zane and Javier Gonzalez were absent).

4. Discussion and adoption of resolution of the Town Board of Tonopah, Nevada authorizing to submit application for new right of way to the U.S. Department of Interior Bureau of Land Management.

James Eason explained that the Town is working with Midway Gold at a reinjection well site they have, A77, off the Belmont highway. The right of way allows the Town to go over the top of their Notice of Intent (NOI). The NOI allows Midway Gold to dig out there. The right of way gives the Town permission to drill the hole, evaluate the well and keep it if needed. If the well is not needed, the Town will abandon it. Horace Carlyle wanted to know if there were any other questions or comments from Midway Gold. James Eason explained that Midway has said that they feel the well will go into production. He noted that the well is only a monitoring well. He noted that a possible other location would be northwest of the current site. It is farther up in section 16, a USGS location. It is a former MX Missile site. There are five locations in that basin. The Town will begin working with USGS to start doing diligence to see if it can accept them. Horace Carlyle questioned whether this area was a BLM sensitive area. James Eason explained that they are all BLM sensitive areas. He explained that if the Town cannot get clearance to drill 77A, it would not get clearance to drill 48H, 46H, 47H, 76A, 45H, 49H, and 78H because the same requirements would be applicable.

Duane Downing made a motion to approve the adoption of the resolution of the Tonopah Town Board authorizing the town manager to submit an application for a new right of way to the U.S. Department of the Interior Bureau of Land Management. Glenn Hatch seconded. Motion passed 3-0-2 (Jon Zane and Javier Gonzalez were absent).

5. Discussion and possible approval, pursuant to BOCC meeting on March 15, 2011, to accept Nye County Board of Commissioners appointment of Duane Downing, Javier Gonzalez and Glenn Hatch to four year terms to end January 2015 and appoint Horace Carlyle and Jon Zane to the unexpired terms to end January 2013 as the Tonopah Board of Library Trustees.

James Eason requested that this item be tabled to possibly the next meeting. He explained that he is waiting for answers. He noted that he, Chris Mulkerns, and Irene Carlyle had a meeting on Monday March, 21, 2011. He requested the Board review the information they received in their packets. He noted that the current recommendation is for Town staff to work with Irene Carlyle and develop a budget for FY 11/12 and have the Town officially take over the library on July 1, 2011. He noted that Town staff have been out to Round Mountain to meet with their local librarian and have been up to talk to the local librarian to get a feel for what they are doing operationally. The Board agreed to table the item to a later date.

6. Discussion and possible decision to send a letter to Wayne Carlson requesting that the Tonopah Town Board be accepted as a member on the Pool/Pact Executive Board.

James Eason explained that when Wayne Carlson from Pool/Pact was in town in February, he discussed whether the Town would be interested in becoming a voting member on the executive Board. The Board needs to decide whether or not to approve to send a letter. James Eason explained that Pool/Pact is the Town's insurance carrier. They handle workers comp and liability on buildings.

Duane Downing made a motion to approve sending a letter to Wayne Carlson requesting that Tonopah Town Board be accepted as a member on the Pool/Pact Executive Board. Glenn Hatch seconded. Motion passed 3-0-2 (Jon Zane and Javier Gonzalez were absent).

7. Tonopah Development Corporation Report

No action taken by the Board.

8. Public Comment

No action taken by the Board.

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

James Eason explained that Wednesday morning he, Susan Dudley, and Chris Mulkerns traveled to Carson City to present the Town's case before the CDBG Board regarding the application submitted in December 2010. This grant is for the rehabilitation of the outside of the Belvada. The Town is requesting \$250,000. The Town should have an answer by Friday. James Eason explained that after the CDBG meeting, they went to meet with other funders from USDA to discuss the various Convention Center and water projects.

James Eason noted that he has a proposal for \$3,980 to put the steel roof on the concession stand at Joe Friel. He explained that there was a lot of water damage internally. The new storage facility is also being constructed.

Duane Downing explained that the wind turbine at the visitor's center has blown off. It landed on the ground between Main Street and the entrance to the Texaco. This occurred during the last wind storm.

Horace Carlyle noted that Ann McGraw still needs a letter of support from the Town regarding the Senior Transportation Program. He felt that any support the Town gives should mention the income study. He brought up the mural fund. He is concerned about the funding for this account and feels that the Board needs to reexamine this fund. He is concerned about potential underfunding for the fund.

Horace Carlyle disclosed that his wife was on the Library Board and has been active even after leaving. He felt the key to the library is management, especially the director. He felt that the library director is the manager and the moral and ethical director of the library and he or she would be the one to primarily report to the Board. He felt that unless the library has decent management, the Town should not take it over. He noted that something has to be done with the Silver Trails building so it can be opened to the public. He felt that it needs to be secured for public safety and minor maintenance, including staining to prevent splinters and furnishing some sort of power and surveillance cameras

Horace Carlyle felt that because of the Open Meeting Law the Board is separated, particularly on critical issues. He feels that the Board has limited communication on these issues or does not communicate. He felt the reason for this was because the Board relies on James Eason to be its director. He felt the water project was very critical and that if anything goes wrong, based on the funding he feels that the Town has less than one hundred days to get the proposal done by June 1, 2011 so it can be turned over to Susan Dudley and James Eason to be reviewed and turned in to the funding agency. He felt that if the Town does not have the proposal in by June 30, 2011 then the Town would forfeit all funding. He felt that based on the political climate there will not be funds available for many years to come. He read the following letter into the minutes:

James,

I request that TPU request Shaw Engineering/P.E. Paul Winkelman develop an engineering plan per Preliminary Engineering Report Amendment #1 dated 2/3/2011. Note that development of alternative sources of water outside our well field is conditional on costs and other regulatory constraints as well as our short time line to submit our grant applications for review and funding.

Because of funding deadlines, I request that the engineering plan be ready for submission on or prior to June 1, 2011. Submission of the plan on or before the above date would allow all state and federal agencies time to review our proposal prior to June 30, 2011 in the event the agencies require clarification or changes prior to expiration of the funding period/deadline ending 6/30/2011.

I ask the above action be taken or the issue be submitted to the Town Board for discussion or action no later than April 13, 2011. If necessary, I request a Special Meeting be scheduled for discussion and action regarding the Town Board's decision and direction to staff and TPU prior to April 13, 2011. I believe timely action by staff and Board is critical to protect the Town of Tonopah's water delivery system.

The Town's water delivery system was studied in 1993 and the corrections to the well field and delivery system and upgrades were not addressed. I believe that the life and survival of Tonopah depends on a timely submission of the engineering plans to support and obtain the state and federal funding needed to take care of our Arsenic Non compliance issue, as well as updating the well field and delivery system.

Vice Chairman Tonopah Town Board, Horace H. Carlyle

He felt that this project is the most important thing he will ever deal with as a Board member for this town. He feels that there is no margin of error in this.

James Eason felt there should be a workshop to inform the Board of the status of this project. He explained that the Town is currently reviewing the PER presented by Lumos Engineering. The Town is going through all the processes put forth by Shaw Engineering. John from USDA is going to review all the PERs, the supplement PERs, and all the work that has been done. He is the one who will give the green light for funding. James Eason explained that the Town is on the list for WRDA funding. The Town does not yet know if the WRDA funding is in the 2011, 2012, or 2013 budget. The Town is still on the list for money from the State Revolving Loan Fund and is not in jeopardy of losing the funds for the project. He explained that the hydrologist has submitted a timeframe to meet the deadlines referred to by Horace Carlyle.

James Eason advised the Board to go back and review the PER explaining that if the Town has to put in an arsenic treatment plant, the cost is at least \$2.5 to \$3 million dollars. The cost to build to treatment plant would be passed onto the ratepayers. The operations and maintenance of such a facility could be as high as \$1.5 million dollars. The Town is trying to avoid passing the operations and maintenance costs to the rate-payers. He explained that Town is doing as much as it can in a limited amount of time. He advised the Board that if they approve to go ahead and treat arsenic at the next meeting, they need to prepare to increase rates. The Town is attempting to work within the existing rate structure. He noted there are currently four wells that are under the arsenic requirements. If the Town can develop two, three, or four more wells that will take Wells 1-4 offline, the Town will not have to treat arsenic.

Horace Carlyle noted that he wanted a workshop regarding this project as soon as possible. He explained that it is his understanding that there are funding dates and that no more extensions will be allowed. James Eason explained that there are updates that need to be completed for ARA. The dates for the application to WRDA have been addressed. He explained that the Town is number one on the list for the State Revolving Loan Fund but the Town cannot just submit a plan without knowing the exact extent of the project. He noted that the PER provided three options. The first option is an arsenic treatment plant and a pipeline. The second option is wells

and well collection line replacement. Option two is what the Town is concentrating on because there are wells under ten parts per billion.

James Eason explained that the tightest timeframe the Town is currently facing is the looming growth. He explained that currently the Town can shut off the highest producing arsenic wells and be in compliance. However, if the population of the Town greatly expands, those wells need to be turned back on. Horace Carlyle feels that if the Town does not have any state funding in place or tied up by June it will be gone. He does not feel the Town is safe on any federal funding. James Eason explained, "I am not here to recommend one option versus the other because if I go and I recommend the easy way out because I am scared of all these things and we have to go and raise rates because we have to increase our O and M costs for arsenic and we are saddling this town for the next twenty to thirty to fifty years and working with arsenic, I am not willing to do that." He noted that this is why the Town is going through all these other avenues to deal with arsenic. He explained that he is still reluctant to go for one option without exploring others.

Horace Carlyle stated, "My position as an individual Board member is we have to look at the timeline on funding and I'm not at the meetings you were at. I have your information you're speaking of at this moment. I am looking at generic information I've been furnished as an individual Board member or I've been present where it has been discussed. However, I have a question for all of us. If we lose the funding that is currently available for the treatment that we have had for fifteen months sixteen months already we are behind because we worked with Midway Gold. This discussion wouldn't be taking place if we hadn't worked with Midway Gold for fifteen months, in my opinion. Now the problem is the political climate, economic climate has changed. You can watch Fox News or MSNBC and take your own choice. But the point is the money is going to be gone, zero. Now we can have optimum solutions. I have my wish list but I have to be a realist. What is the growth of our town or what is our individual property worth if the funding disappears that we currently think we have? There is no money for water treatment. What is the results of that?"

James Eason wanted to know if Horace Carlyle was concerned about the funding from USDA. Horace Carlyle explained that he was concerned about all funding, state and federal. James Eason clarified that Horace Carlyle was concerned about a loan that the Town has to repay to USDA that it takes out. Horace Carlyle explained that his goal is to protect the water supply of this town.

10. 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.

11. 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.

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

This item was tabled.

13. 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.

14. 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.

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

This item was tabled.

16. Correspondence

Project Submittal Program – 01/28/2011

Nye County Board of Commissioners Meeting Agenda – 03/15/2011

BLM Environmental Assessment – 03/16/2011

Memo Regarding Tagging Incident at Fire Training Building – 03/17/2011

Nye County Water District Governing Board Meeting Agenda – 03/21/2011

Nevada Department of Transportation Submittal Application: TDC Project – 03/21/2011

Pahrump Town Board Meeting Agenda – 03/22/2011

Round Mountain Town Board Meeting Agenda – 03/22/2011

Nye County Board of Commissioners Meeting Agenda – 03/25/2011

Horace Carlyle referenced the review of funds from National 9. James Eason explained that he will no comment on this until he has spoken to the Treasurer.

17. 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. Glenn Hatch seconded. Motion passed 3-0-2 (Jon Zane and Javier Gonzalez were absent).

18. Adjourn

Meeting was adjourned at 8:06 pm.

Minutes transcribed by:

Mariah Rivero  
Mariah Rivero

Approved:

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Jon Zane, Chairman

Horace Carlyle  
Horace Carlyle, Vice Chairman

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Javier Gonzalez, Clerk

Glenn Hatch  
Glenn Hatch, Member

D. Downing  
Duane Downing, Member