

TONOPAH TOWN BOARD

MEETING MINUTES

MARCH 9, 2011

Town Board Chairman Jon Zane called the meeting to order at 7:01pm. Also present were Horace Carlyle and Duane Downing. Javier Gonzalez was present via teleconference. Glenn Hatch was absent. There were seven other people in attendance.

1. Review and Approval of Minutes from Regular Meeting held on February 23, 2011.

Horace Carlyle made a motion to approve the minutes, in context, from regular meeting held on February 23, 2011. Duane Downing seconded. Motion passed 3-0-2 (Jon Zane abstained and Glenn Hatch was absent).

2. Request by Tonopah Little League to use Joe Friel Sports Complex for the 2011 Little League Season April 1st – June 19th.

Chuck Fox was present on behalf of Tonopah Little League. He noted that the contract is the same of last year with the exception that Little League is coming before the Board earlier this year. The season is April 1, 2011 through June 10, 2011. They understand that the High School has use of the field before they do. He explained that they forgot to put down the use of Highland Park. There are no games at the park. It is just used for practice. Jon Zane noted Little League did this last year. Chuck Fox noted that this arrangement was not on the agenda and not in the contract. James Eason explained that this arrangement is implied.

Horace Carlyle made a motion to approve the request of the Tonopah Little League to use the Joe Friel Sports Complex for the 2011 Little League Season April 1st through June 19th. Duane Downing seconded. Motion passed 4-0-1 (Glenn Hatch was absent).

3. Discussion, deliberation and possible decision to submit a grant request to NDOT for the 2012 Project Submittal Program.

Joni Eastly, representing TDC, presented information on the grant request TDC plans to submit to NDOT for the 2012 Project Submittal Program. The Nevada Department of Transportation (NDOT) has made \$4,000,000 available to be shared across the state for economic development related projects for communities of less than 5,000. TDC wants to finish out the Pocket Park. It is part of the bigger Brownsfield project. Joni Eastly feels it will be a very attractive project for funding because it started out as a Brownsfield site. Joni Eastly NDOT will look favorably on this project. TDC is proposing to purchase and install a pavilion at the site. The pavilion will be 26'x34' with a stamped concrete floor. The construction of the building is vinyl wrapped timbers making it virtually maintenance free for the Town.

James Eason noted that there is already electrical conduit running from the Reader Board sign to the Fire House but it is not underneath the street. Joni Eastly explained that part of the funding requested is for trenching to run electrical for the park lights. TDC is requesting between seven to ten light fixtures for the whole area. They need to talk with James and the Board to decide how many lights they want and where they will be placed. She presented the Board with pictures of the lamps. They have copper tops and LEDs, which use significantly less energy. Joni Eastly explained that there is a light pole in front of the Mizpah which was cast in the foundry before it was purchased by Horace Campbell. TDC attempted to find a pattern for the light or extra bases they could use however, they were unable to find either. The bases were chosen to match as closely as possible the light pole that is in front of the Mizpah. TDC plans to have park benches but they are unsure how many they need.

Joni Eastly explained that all the Board is doing is discussing approval for submitting the grant request. If the grant is approved, TDC wants to bring everyone in to make the final decision about the details. With Nye County's permission, TDC wants to replace the Stop signs at each of the corners with a more period pole. They will include a request for funding for a Town Square Clock. Joni Eastly noted that they are not including a request for landscaping but she has met with Dave Fanning, the Nye County Public Works director and he has agreed to provide an in kind donation of man power from the County to haul decorative rock and gravel for landscaping. She explained that they want to place a signal system on 95, one going North and one going South, with arms that go over the roadway, The signal lights will stop traffic when the ambulance and fire engines have to leave the barn. She noted that Chris Bramwell has already met with NDOT and they are supportive of this. She is asking for the Board's permission to move forward. They are hoping that the cost of the project will come in under \$200,000 but they are asking for the Board's permission to apply for and upward limit of \$230,000 worth of funding from NDOT. She noted that there is no match for the Town or Nye County.

Diane Perchetti questioned whether there was a cement walkway going up to the pavilion. Joni Eastly explained that the walkway might be part of the landscaping. The only concrete that is planned is for the stamped concrete in the pavilion. She explained that TDC has discussed the possibility of putting speakers inside the roof of the pavilion. She noted that the light poles will contain outlets so they could be wrapped in Christmas lights. Horace Carlyle asked for clarification on who the Board was providing permission to: TDC or Commissioner Joni Eastly. Joni Eastly clarified that the Board was providing permission to TDC. She explained that once everything gets finalized she will put together a packet for each Board Member. She is hopeful TDC will receive the grant because she feels that this would be a model project for advertising at Brownsfield conferences across the United States for completed projects.

Horace Carlyle mad a motion to authorize TDC to submit a grant request to NDOT for the 2012 Project Submittal Program not to exceed \$230,000. Duane Downing seconded. The motion passed 4-0-1 (Glenn Hatch was absent.)

The Board agreed to reconsider this item to take into consideration the possible approval to submit a second grant request to cover the Union Plaza. James Eason explained that Aptus was supposed to provide drawings for this site. He is concerned whether the stamped drawings would

be completed in time. Susan Dudley explained that Aptus was only hired to complete a pre-design and the costs associated. James Eason explained to the Board that under the contract the Town has to continue with the layout. The Town cannot go out to bid with someone else based on the figures provided by Aptus.

Horace Carlyle made a motion to submit a grant to NDOT for the 2012 Project Submittal Program for Tab E Amphitheater the amount not to exceed \$300,000 and the participating partner would be TDC and to include the submission to NDOT for the 2012 Project Submittal Program not to exceed \$230,000 for TDC on behalf of the Town of Tonopah. Duane Downing seconded. Motion passed 4-0-1 (Glenn Hatch was absent).

4. Review, Discussion and possible decision regarding the pre design of the alternative previously selected in the Tonopah Convention Center Preliminary Architecture Report.

James Eason noted that he would like the Board to submit any comments they have regarding the Aptus drawings so they can be sent to the architects. Horace Carlyle drew attention to the cost estimates and noted that the funds have vastly improved.

Joni Eastly noted that she received an email from a woman in an organization called Preserve Nevada. It is a group of preservationists from all over the state. The email explained that Aptus has asked her to join their team and Aptus was looking for photographs of the exterior of the building in its heyday. Joni Eastly noted that this woman contacted her looking for that information and she referred her to the museum.

Susan Dudley explained what has been occurring with the funding. The Town has applied to both CDBG and USDA and in doing so have committed Town funds. USDA has obligated \$1,550,00 and the Town is hopeful to receive CDBG funds. Susan Dudley explained that the Town will make a presentation to CDBG on the 23rd of March. There are administrative costs, such as legal fees for the bond council and interest if the Town has to borrow money. The Board has approved a portion of Aptus's contract to do up to the pre design. The Board will have to approve to have them do the final design and construction management resident inspection. That will be an additional \$170,000. This will bring their total costs to \$304,000. If the Town receives CDBG funds, the total funded amount will be \$2,172,750. After taking off the administration fees and Aptus's fees, the Town has a total amount of \$1,800,000 for construction if the Town receives CDBG funds. The Convention Center costs are estimated at \$1,265,707 and the Belvada costs are estimated at \$784,296. The subtotal is estimated at \$2,050,003. Susan Dudley explained that when the project costs more than there are funds available, you do a base bid and take out something you can live without and bid that as an alternate bid. The parking lot and the amphitheater could be used as an alternate bid.

Susan Dudley explained where the funds for the Convention Center project are coming from. The Town already spent \$65,000 last fiscal year. In order to do what Dan McArthur suggested regarding the Special Capital Projects fund, she estimates spending \$35,000 this year leaving \$249,093. With what the Board has committed with the recent amendments to the Aptus contract from professional fees and what has already been spent otherwise, the total is \$376,800.

Horace Carlyle made a motion to approve Aptus to go ahead with the pre design of the alternative previously selected in the Tonopah Convention Center Preliminary Architecture Report that would include the Belvada, the existing Convention Center, the parking lot, and the amphitheater contingent upon USDA expenditures on the Belvada and the existing Convention Center, insurability by Pool/Pact with acceptable costs, and a letter from Brent Steed, code compliance officer of Nye County, exempting the Belvada and the Convention Center from being brought up to current seismic codes. Duane Downing seconded. Motion passed 4-0-1 (Glenn Hatch was absent).

5. Discussion and possible approval of submitting application to the United States Department of the Army for financial assistance from the Water Resource Development Act 2011 funding in an amount not to exceed \$4.5 million dollars for the Tonopah Arsenic Compliance Well Replacement Project.

Susan Dudley explained that this item is regarding the water project were Lumos prepared a Preliminary Engineering Report that was joint with Midway. Subsequently, the Town has entered into an agreement with Shaw Engineering to revisit this project. While Shaw is revisiting the PER, they are looking at what it would cost for the arsenic treatment plant and the cost of mitigating arsenic without the arsenic treatment plant. She noted that the Town is in the process of doing the drilling program. She put together some sheets showing the costs the Town knew about last year when it asked the offices of Senators Reid and Ensign to include Tonopah on the WRDA (Water Resources Development Act) Bill and asked for funding for this project. At the time the cost for the project was \$6,557,000. If the Town decided to include the second transmission line, it was \$9,000,000. The Town was asking to be included on the WRDA Appropriations for \$4.5 million.

Susan Dudley explained that on March 2, 2011 the Town received notification from Senator Reid's office stating that there was the possibility of the Town being included on the WRDA Bill again this year. They wanted to know if the Town would like to be included with the same project. The Town asked that it be included again this year for the same project. Susan Dudley explained that the WRDA Bill will go before the Senate Environment and Public Works Committee and the deadline for the Committee is March 28, 2011. If the Committee passes it to the House and the House passes it to the Senate and it gets approved, the Town will receive the funding. Last year, the Town was named in the Bill along with 21 other communities. The bill was for \$20,000,000. If the same thing happens again, the Town wants to be first in line, because the bill is on a first come first serve basis.

Susan Dudley explained that she has asked her contact at the Army Corp of Engineers to start processing the application if the bill passes. She wants to be ready and be granted approval to go forward with the application. She has started working on the agreement between the Department of the Army and the Town of Tonopah but has not finished it because the Town does not know what the project will be yet and she is waiting to hear from USDA regarding what they think their funding will be. Last year, for every dollar that is spent, \$0.75 came from the Corp and the Town had to match it with \$0.25 in non-federal funds. The Town is also looking at the State

Revolving Loan Fund. Because the Town did an income survey and became income eligible that it is socially disadvantaged, the Town will receive a loan that does not have to be paid back. The State Revolving Loan Fund is holding \$1,000,000 for Tonopah but it is unclear whether this will lose its federal attachment. This is EPA money passed to the state and handed out through the State Revolving Loan Fund. Normally this loses its federal attachment and can be used for the \$0.25. If it does not lose its federal attachment, it may not be eligible to be used for the match. The USDA loan may be used as the match. The other reason the agreement has not yet been finished is because there is discussion on whether or not they would change it from \$0.75 Corp money, \$0.25 non-federal match money to \$0.55 Corp money, \$0.45 non-federal match money.

Based on the PER completed by Shaw Engineering, Susan Dudley explained that if the Town did build an arsenic treatment plant, it has to complete the rehabilitation or replacement of the 3.8 miles of transmission line between Booster 1 and Booster 2. Shaw Engineering's recommendation is that if the Town does have to do an arsenic treatment plant, the arsenic treatment plant project should include the 3.8 miles of transmission lines. The only other option is to put in a storage tank and pump and this would be approximately \$300,000 to \$500,000. Susan Dudley explained that the storage tank option is a waste of money because it is only a temporary fix and the Town will have to put in the transmission line eventually and the storage tank would go away. The PER identified four wells that need to be replaced because of their condition and age. The Town is hoping that the drilling program will produce the impacts it wants and an arsenic treatment plant is not necessary.

Susan Dudley explained that if the Town does not need the treatment plants the project will still cost as little as \$3.4 million because the Town is currently drilling wells, which would be less than five parts per billion. The tie-in of the new wells into the four wells that are less than ten parts per billion will include transmission line and possibly booster stations to bring the water down. What the Town would be avoiding is the operations and maintenance costs of the treatment plant. The Town is not looking at a reduced upfront cost to mitigate arsenic without a treatment plant, it will be reducing between \$50,000 and \$150,000 a year in operations and maintenance.

Horace Carlyle made a motion to approve Town of Tonopah Public Utility to submit an application to the United States Department of the Army for financial assistance from the Water Resource Development Act 2011 funding in an amount not to exceed \$4.5 million dollars for the Tonopah Arsenic Compliance – rehabilitation of wells and transmission mains – Well Replacement Project – and giving the Chairman the authority to sign all appropriate paper work. Duane Downing seconded. Motion passed 4-0-1 (Glenn Hatch was absent).

6. Discussion and action regarding TPU/Preliminary Engineering Report: Amendment #1.

Horace Carlyle explained that at the last meeting he talked about what he felt was the importance of this project. He noted that it takes time to understand it because of the historical data involved. He felt that it would be beneficial for each Board member to consult with James Eason or the utility supervisor to take a field trip to the well fields and discuss the project and PER in detail. He explained that the decisions involved in this project are very complex. He felt that the

strength of the Board is the intelligence of all the Board members together working as a group. He has spoken with Susan Dudley to determine if Shaw Engineering is correcting or implementing some of the things that were not corrected from the 1993 report. He felt that in his time on the Board, this could be the most important project he could participate on. He feels that within the next 90 to 120 days the Board will have recommendations from staff on what the engineering reports show, what the choices will be, and the choices are not going to be simple. There are trade-offs. He encouraged each member of the Board to consult with Susan Dudley, James Eason, and Joseph Westerlund.

7. Tonopah Department Budget Reports

Chris Mulkerns asked if the Board had any questions regarding the budget reports.

Duane Downing noted that the National 9 is still running behind on room tax. James Eason noted that they are about a year and a half behind. He explained that Kim Lara from the Treasurer's office is working on this issue. She has had no response. He explained that he left a message with their corporate office. He has had a request to do a public petition. He explained that he was not concerned with not collecting the revenue because it will be collected and it will come out of a lean on the property. The Town will shut the motel down if necessary. James Eason explained that there is a need in the community for extra rooms so he would rather work with the owners to keep their doors open. The Town will lean the property and it will be the first lean holder before any other debtors they have. He explained that Daniel McArthur will be hired to complete an audit and National 9 will pay for those fees.

8. Tonopah Development Corporation Report

No action taken by the Board.

9. Public Comment

No action taken by the Board.

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

James Eason requested that if the Board has any recommendations or comments regarding the drafts from Aptus to send them to the Town Office no later than Tuesday March 15, 2011 so they can be forwarded to Brandon Sprague.

Susan Dudley recommended that the Board change the size on the drawings so the notes included with the drawings are readable. She noted that those notes are very helpful.

James Eason suggested the Board take the opportunity to set up a meeting to review the PER or to go out into the field.

James Eason noted that the floors at the New Firehouse were sealed and once they were dry the Fire Department will be moving the trucks down. Nye County Emergency services has moved in on the office side. Duane Downing explained that he was at the New Fire House on Tuesday March 8, 2011 and Patty White pointed out a few minor problems with the building, including cracks in some of the drywall. He wanted to know if these problems are going to be fixed. James Eason noted that there is still a light that needs to be fixed out front. Jon Zane wanted to know if the Town is going to do a ribbon cutting. James Eason explained that he needed to speak with Brent Jones. He explained that there is discussion to do an open house over Jim Butler Days.

James Eason explained that there is an item on the Board of County Commissioners agenda for Tuesday March 15, 2011 to appoint the Tonopah Town Board members as the Tonopah Library Board. He noted that there have been issues in the past with the Library Board. Commissioner Eastly requested the DA to give an opinion on whether the Tonopah Town Board could act as the trustees of the Tonopah Library. The DA confirmed that the Board could serve as the trustees. The recommendation from the DA to the Commissioners is to pass this item but it will be contingent upon the Town Board accepting the responsibility to be the trustees of the Library District. James Eason noted that the library taxing district is a little larger than the Town taxing district. The Town would maintain its taxing district under the existing budget. The Town Board would be in charge of the new library taxing district budget. The meetings would be held similar to how the Gaming and Liquor Control Board is set up for Nye County. The Town Board would recess and go into the Library Board meeting once a month or as needed. He noted that the staff recommendation is to accept this responsibility so the Town does not lose the library. Taking over the library also coincides with the PAR to have a satellite office in either the Convention Center or the Belvada. If the Town takes over the library sooner, it can start managing the budget better, set it up for the 2011/2012 budget, and the Town can use existing resources, such as Diane Perchetti or Heather Ingalls, and rotate them through the library.

Horace Carlyle noted that the BLM is requiring a cultural study of the transmission line from the well fields to the Aarat tank. He wanted to know the time line for the study. James Eason explained that the Town is going to fight having to complete the cultural study. It is an existing line and the Town knows the location of the line. Susan Dudley explained that the transmission line, which needs to be replaced, is in existence and the Town will be amending it. The right of way says that the line is 8" and will be increased to 10". She noted that a lot of the line is already 10". She further explained that cultural studies would have to be completed if the Town decided to drill another well outside the current well fields. She explained that the Town cannot complete any cultural clearances until it figures out the scope of the project, however, the cultural clearances need to be completed before the funders will allow the Town to put funding in place. She explained that the Army Corp of Engineers takes a portion of the funding they provide to pay for an archaeologist to clear the site. Susan Dudley directed the Board to the appendix of the PER where Shaw Engineering broke down the costs for the PER. She noted that if the Town does have to complete cultural clearances, the funds would come from the Town's capital projects fund and the grant depreciation fund. These would count towards the matching funds with the Army Corp of Engineers.

Joni Eastly noted that she enjoyed seeing Board members in the audience at the Commissioners meetings. She felt it was very helpful. She explained that because of the current budget situation, the State is looking at transferring some services, along with their costs, down to the counties. She is unsure which services the counties will be taking over. She noted that Nye County is very nervous about the State sweeping any of the funds sitting in the accounts. She feels there is a possibility the State could do the same with unobligated funds in the towns.

Joni Eastly explained that Nye County submitted a request for funding on the NDOT grant. The County requested money to replace all the sidewalks in downtown Tonopah. James Eason questioned who would complete the archaeological studies. He noted that on the last project the Town completed regarding the sidewalks was a remove and replace project. An archaeological study does not need to be completed when you are just replacing existing sidewalks. If an entire project is planned, archaeological studies need to be completed. Structural projects also need to be completed.

Joni Eastly noted that this would be an ideal time to submit a grant request to NDOT to finish the Union Plaza. James Eason explained that the report with all the engineering costs was necessary and this was something that needed to be put before the Board. Joni Eastly noted that the filing deadline is March 28, 2011. She explained that item number three on the agenda does not specify what the grant request is for nor how many grant requests may be submitted. Duane Downing noted that the Union Plaza was part of the Convention Center project. James Eason that the total amount of the grant request should not exceed \$300,000. The estimated costs presented by Aptus is \$287,997.

Horace Carlyle made a motion to reconsider Action item number 3. Duane Downing seconded. Motion passed 4-0-1 (Glenn Hatch was absent).

11. 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.

12. 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.

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

This item was tabled.

14. 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.

15. 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.

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

This item was tabled.

17. Correspondence

Round Mountain Town Board Meeting Minutes – 02/22/2011

Nye County Board of Commissioners Meeting Agenda – 03/01/2011

Round Mountain Town Board Notice of Possible Quorum – 03/02/2011

Budget Battle: What Got Cut – 03/03/2011

Nye County Board of Commissioners Teleconference Meeting Agenda – 03/04/2011

Pahrump Town Board Meeting Agenda – 03/08/2011

Round Mountain Town Board Meeting Agenda – 03/08/2011

Beatty Town Advisory Board Meeting Agenda – 03/09/2011

Nye County Board of Commissioners Special Meeting Agenda – 03/14/2011

Horace Carlyle referred to the agenda item on the Pahrump Town Board Meeting Agenda for March 8, 2011 which mentions splitting Nye County. Duane Downing noted that it appears as though Pahrump would like to establish a boundary line separating Northern Nye County from Southern Nye County.

18. Approval of Vouchers for Payment

The vouchers were reviewed and all were signed by Board members. Horace Carlyle made a motion to approve the vouchers as presented for payment. Duane Downing seconded. Motion passed 3-0-2 (Glenn Hatch and Javier Gonzalez were absent).

19. Adjourn

Meeting was adjourned at 8:40.

Minutes transcribed by:

Mariah Rivero

Mariah Rivero

Approved:

Jon Zane
Jon Zane, Chairman

Horace Carlyle
Horace Carlyle, Vice Chairman

Javier Gonzalez
Javier Gonzalez, Clerk

Glenn Hatch
Glenn Hatch, Member

Duane Downing
Duane Downing, Member