

TONOPAH TOWN BOARD

MEETING MINUTES

NOVEMBER 23, 2011

Tonopah Town Board Vice Chairman Horace Carlyle called the meeting to order at 9:01 am. Also present were Javier Gonzalez, Glenn Hatch and Duane Downing. Jon Zane was absent. There were seven other people in attendance.

Timed Item: 9:30 a.m.

Public Hearing to Discuss the Intent to Authorize an Interfund Loan.

James Eason explained that the flow chart shows the creation of the Town of Tonopah, under the authorization of the Board of County Commissioners. It shows the transfer and flow of money. The flow chart incorporates how the Town has the authority, responsibility, and obligation under the enterprise fund of TPU.

On 09/28/2010, the Town of Tonopah entered into an agreement with Shaw Engineering to reevaluate the PER performed by Lumos and associates. Costs and recommendations were around \$10,000.00 and it was paid from grant depreciation. It was considered as a match by the State Revolving Loan fund but was not reimbursable. On 11/16/2010, the Town of Tonopah also entered into an agreement with Shaw Engineering for an amount not to exceed \$275,000.00, also funded from grant depreciation. It was also considered a match from the State Revolving Loan fund and was also not reimbursable. To date, the Town has spent \$285,000.00 that is not reimbursable.

The scope of the services performed under the agreement included the Phase 1 of the hydrology report to determine the feasibility of locating a new source of water to mitigate the arsenic compliance issues. On 7/13/2011 the Town of Tonopah and TPU entered into another agreement with Shaw Engineering for Amendment 1 to the first agreement passed on 11/16/2010. That agreement was for \$95,000.00. The funding was again paid from grant depreciation but will be reimbursed by the State Revolving Loan Fund. Under the scope of work for that agreement, a cultural survey, biological survey, and environmental assessment have been conducted. This was required by the BLM for the new right-of-way application across public land.

James Eason noted that the Environmental Assessment was published Tuesday November 22, 2011. Susan Dudley explained that it was published under NEPA requirements and posted on the BLM website. It was sent out to all interested parties. James Eason explained that there is a thirty-day response time. The plan is to drill two new wells on previously undisturbed land, construct a 14" transmission main for approximately five miles on previously undisturbed ground, replace transmission line from Well 8 to Booster 1 with 14" transmission line on previously disturbed ground and private land, and replace 3.2 miles of 8" pipeline put in by the Army Air Corp. in 1943. There will be a land survey for the purpose of establishing a legal

description for the right-of-way, as required by the BLM. There is the engineering services that were connected to the land survey, the environmental work, and the EA.

On 11/23/2011, the Town entered into Amendment #2 with Shaw Engineering, With that agreement, Shaw will complete the preliminary and final design of the water system, another survey, the geotechnical and engineering work that needs to be completed, the water rights survey for changing the point of diversion for water rights from the airport wells to the new wells, the bidding and contract negotiations, the construction management, the contracted project management, the resident inspection, materials testing, and laboratory. The cost of the amendment is \$958,400.00. The funding for the amendment will come from the State Revolving Loan Fund program as well as a loan from USDA. The Notice to Proceed on the amendment will come after the Environmental Assessment has gone out for thirty days, public comment, and upon approval to give the Notice to Proceed by USDA and the State Revolving Loan Fund. James Eason explained that even though the Town has the approval of the BLM, it cannot start until the funders also agree with this. This agreement is for the remainder of the project once the Town receives the final FONSI from USDA and the EPA.

James Eason explained that by NRS, the Board must hold a Public Hearing to transfer funds from one account to another. This will be for a time period of less than twelve months. Susan Dudley explained that per the NRS, if it is a loan that is going to be greater than twelve months, it is a medium-term obligation and that carries different requirements. The interfund loan is less than twelve months. James Eason explained that since the Town will be in a period of two different budget cycles, FY 11/12 and FY 12/13, the Town needs to have that loan in place. Funds will be transferred from grant depreciation to the construction account for the project and the Town will be reimbursed by the State Revolving Loan Fund. The goal is to have that accomplished by January of 2012.

Susan Dudley explained that when the Town paid the \$275,000.00 to Shaw Engineering for Phase 1 and Phase 2 of the hydrology report, the drilling program, and the VOC and SOC tests, \$175,000.00 of that was paid from Capital Projects and the rest from Grant Depreciation. It is all a match to the project, bringing the cost of the project to \$7 million. James Eason explained that the VOC and SOC tests came out of the discussions at the June 14, 2011 workshop. The results were a non-detect for everything.

Horace Carlyle asked if there were any major calls or remediation from the BLM. Susan Dudley explained that there are stipulations for the right-of-way. The Board will have to consider a Memorandum of Understanding with the BLM, Shaw Engineering, and the Town of Tonopah. The BLM will require a compliance inspector during the whole construction. If the Board enters into the MOU and the funders agree with the MOU, the Town will be able to use the resident inspector if the duties are combined. She explained that there will need to be an archaeologist on site during the four eligible sites. That will come under Shaw's agreement as well. The BLM will not require an archaeologist to be on site for the full construction period. James Eason explained that during the thirty-day comment period, there could be other issues that come up which the Town will have to address and possibly mitigate.

James Southcott explained that the more information given to the BLM, the more communication there is, and the more compliant the Town is the easier it will be. He noted that they are required to do quarterly visits. Susan Dudley explained that the reason the Town can combine the resident inspector and the compliance inspector is because the BLM will receive pictures and a daily report. Part of the contract with Shaw Engineering involved contract administration where the engineer comes down twice a month to look at the project and the BLM will have someone with him. Both USDA and State Revolving Loan fund have inspectors for the project. The BLM and the archaeologist will be at the pre-construction meeting. James Southcott explained that the BLM has a safety manual and suggested making sure the contractor is aware of that safety plan. Susan Dudley explained that the contract documents will require the subcontractor to have a safety plan in place. James Eason explained that the Town will be using the USDA contract documents, as they are the lead agency and all oversight will be done by USDA.

Susan Dudley explained that the Town cannot do any construction without having a biologist onsite from March 1st to July 31st due to migratory birds. She explained that the cultural and biological assessment, the right-of-way, and the EA were in combination with NV Energy, as they applied at the same time. NV Energy will do their work at the end of the migratory bird season. NV Energy will be out around August 1st to start working. James Eason explained that the biologist would be monitoring the project from the centerline to 300 feet on either side. If a nesting area is found, the birds will have to be relocated and that cannot be done by any of the Town personnel.

Susan Dudley explained that after the Board and the funders approve the agreement and the Town receives the Notice to Proceed, the surveyor will be out around the end of December to do the stakes. The geotechnical will be completed to determine what type of soil is in the ground so Shaw can do the bedding over the waterline. Shaw Engineering will complete the preliminary and final design by April so it can be reviewed by Bureau of Safe Drinking Water, Bureau of Health Protection, State Revolving Loan Fund, USDA, and anyone else necessary. The Town hopes to go out to bid by June/July and the bid will be awarded in August, and begin construction by September. James Eason explained that there are three areas where geotechnical work will be completed: the new area, the area going through the well field, and the 3.2 miles going to Booster 2.

1. Review and Approval of Summary from Regular Meeting held on November 09, 2011.

This item was tabled.

2. Presentation of Plaque to one (1) Retired Town Employee Honored for Her Years of Service.

James Eason thanked Susan Dudley for what she has done for the Town. He explained that Mrs. Dudley has been involved in numerous projects for the Town, including the water project, the sewer project, the convention center project, the day-to-day business of the Town, and numerous projects for Goldfield, Silver Peak, Dyer, Gabbs, and Manhattan. He noted that there are also

projects around the State which call on Mrs. Dudley. He presented Mrs. Dudley a small token of the Town's appreciation for everything she has done and for seven years of service. He explained that 6 ½ years ago TPU was at a deficit and the Town was almost at a deficit. Through the efforts of Mrs. Dudley and the team assembled, the Town is in a much better position today. He feels that the guidelines Mrs. Dudley has established have made it very easy for current staff to step in to keep everything going.

3. Public Comment.

No action taken by the Board.

4. Discussion and Possible Action by the Tonopah Town Board to Establish a Part Time 19 Hour Position Without Benefits to Staff the TDC, Chamber of Commerce, and Tourist Information Site.

James Eason explained that if the Town is going to look at any possible funding sources, room tax would be the place to look. Under the room tax resolution there are two options the Board can look at. Contracting with TDC so the Chamber of Commerce can promote the Town of Tonopah falls within the guidelines. The Board can request that TDC put together a budget and how they would like to promote Tonopah and the events in the community. With that, the Board can approve to fund it out of room tax. The second option is to establish a workshop, if the Board feels the that the resolution does not allow for option one, that would allow the Board to discuss and possibly add that item as a funding source.

Duane Downing noted that Number 7 of the resolution lists what expenses are not fundable and salaries are not fundable. James Eason explains that this covers hiring any individual person, such as hiring someone to be an employee of the Town. If the Board wants to go down this path, he recommended having TDC come forward with a contract to promote the Town. The Board will have an outline of what they would like to accomplish and it will look at the situation from that standpoint. The Board will be looking at a contract only and how TDC achieves that contract is their business. He explained that if the Board does not feel this fits the resolution, the second option is to hold a workshop and revisit the resolution. He explained that until the Board has TDC come forward and request funding, the state of the resolution is a moot point. He noted that this is not something that hasn't been done before.

Horace Carlyle recommended tabling this item and see what interest the TDC might have in making a presentation to the Board. James Eason explained that currently the Town does not have the staff available to maintain the position nor is there the availability to set up the guidelines for this position. He feels the responsibility for the employees should be TDC's. He explained that the 2009 budget was similar to this recommendation.

This item was tabled.

The Tonopah Town Board recessed to the Tonopah Library Board at 9:21 am.

The Tonopah Town Board returned at 9:25 am.

7. Tonopah Development Corporation Report

No action taken by the Board.

8. Public Comment

No action taken by the Board.

The Tonopah Town Board recessed at 9:27 am.

The Tonopah Town Board returned at 9:30 am and moved to the Public Hearing.

5. Adoption of Tonopah Resolution Authorizing a Temporary Interfund Loan from the Grant Depreciation Capital Replacement Fund to a Separate Construction Account for the Purpose of Mitigating Arsenic.

Javier Gonzalez made a motion to adopt the Tonopah Resolution authorizing a temporary interfund loan from the Grant Depreciation Capital Replacement Fund to a separate construction account for the purpose of mitigating arsenic in the Town's water source. Horace Carlyle noted that it is Resolution 11-07. Glenn Hatch seconded. James Eason explained that the flow chart will be submitted to the Board of County Commissioners at the December 16, 2011 meeting. The flow chart shows two new bank accounts. He noted that the Town will be back before the Board at a later date for the Convention Center Project. All bank accounts must be approved by the Board of County Commissioners. The resolution was read into the minutes. Motion passed 4-0-1 (Jon Zane was absent).

6. Discussion and Approval of Amendment #2 to the Agreement Between the Town of Tonopah/Tonopah Public Utilities and Shaw Engineering for the Arsenic Compliance Infrastructure Project.

James Eason explained that there may be some changes. This is the contract to have Shaw Engineering begin the design process.

Duane Downing made a motion to approve Amendment #2 to agreement with Shaw Engineering in the amount of \$958,400.00 to complete the arsenic compliance water infrastructure project with said amount to be paid for by State Revolving Loan Fund and USDA loan and grant funding. The approval is contingent upon USDA and State Revolving Loan Fund approval and subject to any additional regulatory issues USDA may impose. Glenn Hatch seconded. Motion passed 4-0-1 (Jon Zane was absent).

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

James Eason explained that Clair Blackburn will take the wind turbine for the Visitor Center down to San Diego over Thanksgiving to have it fixed. He hopes it will be completed around Christmas so he can pick it up. Maintenance is still upgrading the swimming pool and that work will be ongoing throughout the winter. Christmas lights have been installed and bleachers and trashcans will be placed on Friday December 2, 2011 for the lighting of the Town Christmas Tree and the wreaths are up. He explained that the Town is working with one additional right-of-way for the reuse project. The hope is to go out to bid first quarter of next year for the reuse project. Sarah Rind from Aptus will be in Town next week to start working on the Convention Center Project.

James Eason explained that the Town will be meeting with Greg Titus next week from Bank of America. The Town has to have the interim debenture bond which is managed by a third party and is currently seeking out proposals from three entities. This will cover the construction costs until the Town is reimbursed from USDA.

James Eason explained that the Town is working with Chris Askins from Western Nevada Community Foundation. There are a couple of options, including investment from a long-term and a short-term standpoint. The Town just received the numbers on November 22, 2011. In the meantime, the Town will receive the money and it will go into an impound account until a recommendation can be made on what direction the Town wants to go. He explained that the Town can do sub-endowments.

Duane Downing noted that recent events have been troubling, especially with the break-in at the Convention Center. He is looking at how this can be stopped and one idea is video surveillance. He explained that he is looking at this for all Town buildings. James Eason explained that when the Town is going through the plans for the Convention Center, this will be discussed. He explained that this can be budgeted for next year.

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

Round Mountain Town Board Meeting Minutes – 11/08/2011

Radiation Levels in Real Time? – 11/15/2011

Letter to Michael Lach – 11/17/2011

Nye County Board of Commissioners Teleconference Meeting Agenda – 11/21/2011

Round Mountain Town Board Meeting Agenda – 11/22/2011

Nye County Treasurer Report of Monies Submitted – 11/22/2011

Beatty Town Advisory Board Meeting Minutes – 11/30/2011

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 4-0-1 (Jon Zane was absent).

18. Adjourn

Meeting was adjourned at 10:35 am.

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Minutes transcribed by:

Mariah Rivero

Approved:

Jon Zane, Chairman

Horace Carlyle, Vice Chairman

Javier Gonzalez, Clerk

Glenn Hatch, Member

Duane Downing, Member