

TONOPAH TOWN BOARD

MEETING MINUTES

JUNE 22, 2011

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

1. Review and Approval of Minutes from Regular Meeting held on June 08, 2011.

Horace Carlyle made a motion to approve the minutes, in context, from regular meeting held on June 08, 2011. Javier Gonzalez seconded. Motion passed 5-0.

2. Permission to Use Joe Friel Sports Complex for Tonopah Softball Association for the 2011 Season – Mark Cook

James Eason explained that Mark Cook was not present. The contract was the standard contract from previous years. He noted that this will be pending on receiving enough teams. Javier Gonzalez questioned if there was a start date. James Eason noted that currently there is not a start date and there are three teams that are tentative at the moment. Once he commits with the teams, the he will have the dates. Horace Carlyle asked if the Board should make this conditional or approve is normal. James Eason confirmed the latter.

Glenn Hatch made a motion to approve to grant Permission to use Joe Friel Sports Complex for Tonopah Softball Association for the 2011 season. Horace Carlyle seconded. Motion passed 5-0.

3. Review and Approval of Renewal of Property and Casualty Insurance with Nevada Public Agency Insurance Pool for Fiscal Year 2011-2012 – Ken Eason

Ken Eason reviewed the insurance proposal. He explained that Pool is a group of public entities in Nevada that pool their resources to purchase insurance. By doing so, the entities get the best insurance. He explained that as a member, each Board member does have liability. The Board does have liability insurance to protect it against lawsuits. The limit on that liability is \$10,000,000. The property insurance covers all operational property that has a value in excess of \$5,000. He explained that the deductible on the insurance is \$5,000. The Town self- insures the first \$5,000. Property is covered for replacement costs, including the building contents and the vehicle fleet. The policy also covers property for flood and earthquake insurance. He noted that Main Street is in a flood zone but most of the properties are out of the flood zone. He explained that there is coverage for money and securities for \$5,000, covering embezzlement or forgery. He noted that the total premium is up 5% from the previous year.

Duane Downing clarified that coverage was the same as it was for the previous year.

Ken Eason explained that there are other types of coverage in the program, including HR coverage.

Horace Carlyle made a motion to approve the renewal of property and casualty insurance with Nevada Public Agency Insurance Pool for Fiscal Year 2011-2012. Jon Zane noted that the year was misprinted on the agenda and should encompass 2011/2012. Ken Eason explained that it is a twelve month period that is the policy year but it also fits the fiscal year. Duane Downing seconded. Motion approved 5-0.

James Eason explained that Ken Eason will also be presenting the insurance information for the library. Ken Eason explained that it is almost exactly the same premium with just \$60.00 difference from the previous year. James Eason clarified that the deductible is \$500.00.

The Town Board moved to item 9 on the agenda.

4. Discussion and Decision – Selection of Alternative for Mitigating Arsenic and Transmission Line/Well Rehabilitation Project – Susan Dudley

Susan Dudley explained that Paul Winkleman from Shaw Engineering and Cheryl Couch from USDA Rural Development were also present.

Susan Dudley explained that the Board had a workshop on Tuesday June 14, 2011 regarding the arsenic project. She explained that Paul Winkleman will present a short summary of that so the Board still understands what the two alternatives are: treating arsenic versus not treating arsenic. She explained that once the summary is finished, she and Cheryl Couch will talk about how the project can be funded.

Paul Winkleman explained that there have been a couple of amendments Shaw Engineering has prepared for the original Lumos PER. In Amendment #1, their task was to look at the original PER, look at the project priorities and update the project costs. He noted that there were six project priorities in the original PER. They included well rehabilitation and replacement, replacement of the 8” steel main between Booster Pump Station #1 and Booster Pump Station #2, the water treatment plant alternative, replacing the well collection main, and replacing 10” and 12” steel main between Booster Pump Station #2 and Ararat Tanks. He noted that in Amendment #1, they just updated the capital costs of the project. The other thing Shaw Engineering did in Amendment #1 was to look at the arsenic data for the existing well field. He explained that the arsenic standard is 10 parts per billion and the wells are really close to that standard. Some wells are only slightly above the standard and other wells are below the standard. He explained that Shaw felt they should look at the existing well field and see if it was possible to do something there to lower the arsenic level through well design and not have to build the treatment plant. Shaw made a recommendation to look at the existing well field. The other recommendation was to look elsewhere in Ralston valley for better water. He noted that the goal is to not build a water treatment plant.

Paul Winkleman explained that in Amendment #2, Shaw took a phased approach. Phase 1 was to complete a paper research project and look at existing geological reports, existing water quality data from the wells in Ralston Valley, and any other available data. The goal of the first phase was to see if it made sense to go and find lower arsenic water. He explained that the hydrogeologist, Dwight Smith with Interflow Hydrology, informed Shaw that there may be a chance of finding lower arsenic water farther north in Ralston Valley. Shaw asked the hydrogeologist if there was a chance of finding lower arsenic water in the existing well field. The response from the hydrogeologists was that it may be possible. The result of Phase 1 showed that it may be possible to go farther north to find lower arsenic water. It may not be possible to find areas with lower arsenic in the existing well field.

Paul Winkleman explained that the second phase of Amendment #2 consisted of drilling exploration bore holes. Four holes were drilled. One hole was near the existing Well 4 and one hole was near the existing Wells 5-8. He noted that the reason for drilling those two holes was to see if a specific zone in the existing well field could be located that contained water with an arsenic level below 10. He noted that two holes were drilled farther north. One hole was drilled in Section 32, which the Town own and a one hole was drilled farther north near an existing Midway monitoring well. The Town has access to the site under an existing BLM permit.

Paul Winkleman explained that the site at 77A was drilled to 330 feet. Not only was there a lot of water at the site, it also had a very low arsenic level, two parts per billion. The site will probably serve the Town's needs for the foreseeable future. He noted that the hydrogeologist figures the Town can get 2,000 to 3,000 gallons per minute at that site. The Town needs about 1,000 gallons per minute.

Paul Winkleman explained that at the Section 32 site, the results showed a high arsenic level at nine parts per billion and the quantity of water was not good. He explained that in the existing well field, they conducted zone sampling but discovered that there was little variation in the arsenic level. Overall the results showed that the Town is stuck with what it has at the existing well field, the Section 32 site is no good, and the 77A site looks excellent.

Paul Winkleman explained that the final step is figuring out how much it costs to get the water from the 77A site to Town as compared to the original treatment plant proposal.

Paul Winkleman explained that the other area Shaw Engineering looked at was the Jelly Bean Well. It is an existing well in a gravel pit north of the town. They test pumped the well and pulled water quality samples. The quality of the water is good; it contains an arsenic level of 2 parts per billion. However, the area is not big enough to collect enough water for a long-term yield.

Paul Winkleman explained that Shaw Engineering presented three different alignment options for the new pipeline. He noted that they met with NDOT and BLM. BLM had issues with Alignments A & B because they run through culturally sensitive areas and advised the Town to avoid those two alignments because it would be too expensive to go through those areas. He noted that Alignment C is entirely through BLM public land. James Eason noted that a portion of

Alignment C is also through land owned by the Town. Paul Winkleman noted that BLM felt this alignment was feasible and that the Town could get an encroachment permit for it. Shaw Engineering proceeded with Alignment C as a feasible alignment. Paul Winkleman explained that they have developed a project that will get water from the new well site to Town. He noted that the new well site is actually higher in elevation than Booster Pump Station #2. Water can be pumped directly from the new well site to Booster #2 allowing the Town to eliminate Booster Pump Station #1, saving a lot of money. In electrical alone the Town will be saving around \$41,000 per year.

Paul Winkleman explained that when Shaw Engineering did Amendment #1 and updated the costs, they only updated the capital costs. Because they are now investigating a new option, they had to go back and conduct present worth analyses on all the alternatives. The present worth analysis looks at the total cost of the project over a forty-year life span. He explained that the total capital costs for the original project proposed in the Preliminary Engineering Report are \$9.6 million and the forty-year present worth costs is about \$11.2 million. He noted that the new alternative recommends constructing two wells at the new well site that will each pump about 531 gallons per minute, constructing a new 14" transmission main from the new well field to the existing transmission line at Booster Pump Station #1, replacing the 8" steel main between Booster Pump Station #1 and Booster Pump Station #2 and replacing the 10" and 12" steel main between Booster Pump Station #1 and Booster Pump Station #2. He explained that the 8" steel main replacement is very important because Booster #1 cannot be eliminated unless the 8" steel main is replaced. The first three funding priorities solve the arsenic compliance issue. The total capital cost for all five funding priorities is \$10.7 million. This is \$1.1 million more than what was presented in the original PER. However, the forty-year present worth is \$10.4 million, almost \$1,000,000 less than what was in the original PER. By constructing this project, the Town will actually be saving money over the forty year time period. The primary reason for this is the elimination of Booster Pump Station #1. Other savings come from not using some of the wells in the existing well field, Wells 1-4. He explained that from an economic standpoint, this alternative is superior.

Paul Winkleman explained that by going up north and building the new groundwater wells and transmission main, the Town does not have to build a water treatment plant. Another advantage is eliminating Booster #1. The forty-year present worth value is also \$900,000 less than the water treatment plant. One of the disadvantages is that there are still some unknowns. The Town will have to transfer water rights from existing wells at the Tonopah Airport to the new well site. He explained that whenever that happens, the Town has to file an application with the State Engineer and this will open the Town up to public input and comment. Another unknown is the environmental assessment of the well field and pipeline alignment. Another disadvantage is that ground water is subject to change over time. The Town could go to the new well field but the quality of the water is not guaranteed in the future. Another disadvantage is that the initial cost of the groundwater is higher by about \$1.1 million.

Paul Winkleman explained that Shaw Engineering did a comparison between the two alternatives. It is a comparison that was made in the original PER. Adsorption is the water

treatment process recommended in the original PER. The relative ranking for the water treatment plant is 60% and the groundwater alternative is 70%.

Paul Winkleman explained that Shaw Engineering's recommendation to the Board is to pursue a groundwater alternative versus a water treatment plant. Economically and comparatively it is a superior alternative. He noted that there are a few things that need to be addressed with this alternative. The Town will need to meet with Midway Gold to discuss any issues they would have with the planned project, including the well field location and transmission main alignment. He noted that the new well field is located on top of filed mining claims owned by Midway Gold. The Town has to have Midway's approval to do this project. He noted that Midway attended the workshop on June 14, 2011 and they were very supportive of the Town. They said they would not protest a water rights transfer. They felt this was a good alternative to treatment. Susan Dudley explained that there is a meeting scheduled by phone on July 1, 2011 with Midway at the BLM. Paul Winkleman explained that the Town has to perform the environmental work for the transmission line alignment and the new well field.

Susan Dudley explained that the archaeologist from the BLM conducted an archaeological cultural resource survey. Based on the cultural resources, the archaeologist foresees only one location that has a slight potential. This is at the southern end of the alignment, near one of the Town's wells. She noted that she has a meeting with the BLM at 7:30 am on Thursday June 23, 2011 to start discussion how they want to see the Town approach the cultural and biological surveys it has to complete. It has to be a cultural and biological consulting firm approved by the BLM. She explained that John Nelson, the State Engineer, pointed out that there was one little section in the original PER that was missed.

Paul Winkleman explained that the Town has to file the water rights application to change the point of use and place of use. The Town has to apply for a BLM right-of-way permit. He noted that once steps 1-4 have been completed, Shaw Engineering's recommendation is to design, bid, and construct the two wells and confirm the aquifer properties. He noted that they did not test for organic properties because they felt there was a very low probability of their existence. Those compounds will be tested for. The final step is to design, bid, and construct the pipeline, and make the modifications to Booster Pump Station #1 to eliminate it. He explained that the Town currently pumps water approximately 14 miles from the existing well field to town. The new well field is about 5 miles from the existing well field so the Town will now be pumping water approximately 19 miles to town. The alternative being discussed consists of constructing two new wells at the new well field, putting 14" transmission main in from the new well field to the existing well field, getting rid of Booster Pump Station #1, continuing to use Wells 5-8 and rehabbing them, and replacing the 8" steel main between Booster #1 and Booster #2. The lower priority projects for this alternative are replacing existing 10" and 12" steel main. Duane Downing clarified that the 12" pipe between Booster #1 and Booster #2 would remain. Paul Winkleman explained that the existing 12" pipe is ACP, asbestos cement pipe. It was put in in the 1980s, is relatively new, and is a high pressure rated pipe.

Paul Winkleman explained the schedule for the project. It will start in June/July 2011 and continue through the various steps, including surveying, environmental work, etc. Construction would start in 2013 and be completed in November 2013.

Susan Dudley noted that she asked Paul Winkleman to go to USDA and give them the same presentation he gave to the Board on June 14, 2011. She explained that the two options had to be identified in the minutes because they get sent a number of agencies. She noted that the priorities identified are funding priorities.

Susan Dudley explained that the wells have to be drilled first. There was some question whether there would be a conflict of matching State Revolving Loan Fund, which is federal dollars, and USDA Rural Development, which is also federal dollars. She thinks that has been worked out. The State Revolving Loan Fund has indicated that they will recommend \$1,060,780 to the Board for Financing of Water Projects on July 27, 2011. This includes the cost of drilling the two wells and engineering costs for design, survey, bidding, geotechnical, and the resident inspection for two wells. She noted that nothing can be done until the design has been completed. She explained that State Revolving Loan Fund will pay for the design of the project. The total cost of the project is \$7,196,826. If the State Revolving Loan Fund can fund \$1,060,780, that leaves \$6,136,046.

Cheryl Couch explained that USDA's biggest concern was whether or not they could partner with the State Revolving Loan Fund. She believes they have that issue resolved. She explained that the time line for completion of the project is 2013/2014. At this time, the loan payments would go into effect. She noted that USDA wants to make sure that TPU is generating enough revenue to cover all of the costs. She explained that it appears that it is in the ballpark for \$3.5 million to \$3.7 million in loan funds. The balance would be covered in grant funds. She explained that the one issue with USDA is that they are approaching the end of their fiscal year. In order to provide all of the funding for the project, they may have to look at phasing the funding. She noted that it may not impact construction but because of their access to the necessary grant funds, they may have to look at doing a loan/grant combination over several fiscal years. They anticipate that they would be able to provide the balance of funding for the project.

Susan Dudley explained that everything is preliminary. She noted that the application to the State Revolving Loan has to be before the Board of Water Finance on July 27, 2011. The application has to be to them no later than June 30, 2011. She has provided all the backup to them. She explained that if the Board approves to go forward with the State Revolving Loan Fund, then the Town will have to officially apply to USDA. She will put a notice in the paper notifying the public that the Town is planning to apply for federal funding. If the Board chooses to go forward with USDA, there will be an application on the agenda for the July 13, 2011 meeting. She explained that if the Town received a \$3.6 million loan from USDA, it would have annual debt payments of \$163,339. By October the Board had already raised the rates and in October the Board provided that so much of the rates would go to surcharge. Surcharge goes towards paying the old debt to USDA for the previous water project, puts aside the required capital replacement money for the old project to AB-198 Grant Program, and now for the new debt. In October, the

Board approved that starting in December, \$0.80 of every dollar collected would go to that debt. This will get increased by \$0.10 every year. In the past, the \$0.10 basically generates about \$15,600. The surcharge will increase by about \$15,600 every year. By the time the Town closes on the loan at the end of the project, it will have to start paying the debt. By June 30, 2011 \$23,500 will already have been generated. By June 30, 2012, \$55,900 will be collected. At this time, no debt has been incurred. By June 30, 2013, \$71,500 will be collected. In FY 13/14, the Town begins the new debt, about \$163,000 in annual payments. The Town may be about \$75,000 short that year but it has already collected about \$150,000 so there will be a surplus of \$75,000. There may be two years where the Town will be short. This will either reduce the amount needed to operate the system or cause TPU to go into the ending fund balance for a few years. She explained that two years will be lean until the \$0.10 per thousand gallons catches up to the total debt amount. She is usually conservative on what will be collected every year and predicts to spend all that is budgeted. She explained that at the end of five years, TPU will be in the black by about \$127,000 because of what is already being put aside for the debt. She noted that because the Town conducted an income survey, it has been deemed economically disadvantaged and the money from the State Revolving Loan Fund is considered a principle forgiveness loan. She explained that if the Town is not before the Board of Water Financing on July 27, 2011, it will lose that money.

Duane Downing made a motion to accept the well drilling program and the transmission line for the arsenic mitigation program as opposed to the water treatment plant. Glenn Hatch seconded.

James Eason requested that Mr. Downing indicate which alternative. He noted that alternative three is the one being discussed and the one recommended by staff. Susan Dudley noted that it includes all three funding priorities.

Duane Downing amended his motion. He made a motion to select Alternative #3 that identifies funding priorities 1, 2, and 3 as the decision for mitigating arsenic. Horace Carlyle seconded.

James Eason asked Paul Winkleman to clarify which alternative this is. He noted that one option was the treatment plant and one is a new well field. He noted that the Board reviewed the original alternative in the Lumos report. Javier Gonzalez clarified that the Board is looking at the groundwater alternative.

Duane Downing clarified that the motion is to select the new well field at site 77A, the new transmission line from site 77A to the existing well field, and the dismantling of Booster Pump Station #1, the replacement of 8" and 10" line between Booster Pump Station 1 and Booster Pump Station 2, and rehabilitation of Wells 5-8. Horace Carlyle clarified that this also includes the rehabilitation of the collection line. Horace Carlyle seconded. Motion passed 5-0.

5. Discussion and Approval to Submit Application to Nevada State Revolving Loan Fund Program – Susan Dudley

Susan Dudley explained that the application is to the State Revolving Loan Fund to pay for the two new wells. She noted that the Town will apply to USDA Rural Development for the new

transmission line, the rehabilitation of Wells 5-8, and the rest of the transmission line. The State Revolving Loan Fund will also pay for part of Shaw Engineering's fees as they relate to the design, surveying, bidding, and geotechnical. The amount is \$1,060,780. It is a loan but the Town will not be required to pay it back. All of the attachments have already been given to the State Revolving Loan Fund. Jon Zane clarified that this is a principle forgiveness loan.

Horace Carlyle made a motion to approve the submittal of application to the Nevada State Revolving Loan Fund Program to fund in part the arsenic mitigation, transmission line, and well rehabilitation program authorizing the Town Manager to sign all necessary paperwork. Javier Gonzalez seconded. Motion passed 5-0.

6. Discussion on Town of Tonopah Community Center/Convention Center Library American Reinvestment and Recovery Act (ARRA) and Community Development Block Grant (CDBG) Funded Project – Cheryl Couch

Cheryl Couch explained that she is here to respond to the letter received from the Town regarding the Board's decision to delay the Convention Center/Belvada Project. She explained that they wanted to let the Board know what their position is. The project was funded with ARRA funds, American Reinvestment and Recovery Act funds. They are time limited and have to be fully expended by September 30, 2015 or they will go away. She explained that even if a project is not completely finished, if the funds are not expended completely by September 30, 2015, they will go away. She explained that when USDA obligated the loan funds, the interest rate was 4%. The interest rate will not go higher than 4%, because that was the interest rate at the time the funds were obligated. If when the Town closes on the loan and the rate has declined further, the Town will get the lower interest rate. She explained that if the Town can move forward, USDA would like it to do so. They would like know if the Town would possibly look at phasing the project.

Cheryl Couch presented a possible phasing alternative for the project. The Town could utilize the CDBG funds to complete the exterior of the building and use the Rural Development funds to complete the Belvada. She explained that the grant funds can only be used on the Belvada. They are requesting communities to look at a renewable energy component of the project. The final phase would be to complete the improvements to the Convention Center. She noted that there is a total of \$1.4 million in loan funds obligated for the project. If the Board opted to proceed with a portion of the Belvada project, it would have to enter into self-interim financing. This would give the Town time to evaluate its financial position. She explained that there is a possibility of also awarding a bid alternate and utilizing 100% of the bid funds. She explained that the interim financing gives the Town flexibility so the funds can be retained and the Town has the opportunity to look at phasing the project and utilizing all of the funds.

Des Craig explained that CDBG is pleased to recommend a grant to Tonopah for \$250,000 for the external rehabilitation of the Belvada. He explained that CDBG is willing to continue offering the grant to the Town but there are a number of conditions. They need a fresh budget and a letter explaining the changes. They would also like to make sure that the Town has ownership of the building before the Town starts spending money that it asks CDBG to refund.

The proposal is to go ahead and give the Town the grant award and once the environmental is done to go ahead and give a notice to proceed, which will contain the condition that money would not be refunded until the Town has ownership of the building.

Susan Dudley explained that one possibility for gaining title to the building is to approach Nye County after the building has been taken back for back taxes in a few weeks and go through that process. This is about a 120 day process. If the Board decides to go forward with the building, it would need to have the architect design it, which is about the same period of time. Before the bid is awarded and before any funds were incurred, then the Town could take the title and meet the CDBG requirements.

Des Craig explained that he would rather the grant not still be sitting out there in June 2012 as yet unspent. It is important that they do see some sort of a timeline in terms of when it will be spent.

7. Discussion and Decision Regarding Setting Priorities on the Convention Center Project (Convention Center and Belvada Building) and Decision on What Steps to Take to Meet Those Priorities – Susan Dudley

Susan Dudley explained that at the June 14, 2011 workshop, it was presented that the Board wanted to look at the possibility of going forward with the Belvada as identified in Tab E. This would make the Belvada a complete project. The Board also looked at the possibility of making the improvements on the Convention Center, which includes the roof, HVAC, and electrical. Cheryl Couch explained that if the Town took an \$800,000 loan over a thirty-year term at 4% interest, the monthly payment would be \$3,824. USDA also has the restrictive debt service reserve requirement. The monthly component for that is \$382.40. The annual loan payment would be \$45,888 and the debt service reserve requirement would be \$4,589. The total loan payment is \$50,477 annually. James Eason clarified that \$800,000 is a loan and \$96,000 is a grant based on the library side. Cheryl Couch explained that when USDA initially obligated the funds for the project, they had the architect break out the library component within the Belvada. The grant funds were primarily intended for the library component as a percentage of total project cost. To receive the grant funds, the Town would have to include the library component. If the Belvada is 100% completed, the Town would be able to utilize 100% of the grant funds. She noted that USDA recommends that the funds not be de-obligated and that the Town really evaluate its financial position and determine if it wants to move forward with the remaining funds.

Susan Dudley explained that the cost estimates provided by Aptus for the work on the Convention Center is \$336,587. The Belvada total project is \$846,016 for a total of \$1,182,603. She explained that \$250,000 will come from CDBG, \$896,000 from USDA, and \$35,607 from Town funds. The total amount to the architect is \$319,385. This includes \$50,000 for the PAR, \$56,205 for the design, and \$175,000 for construction management. She explained that USDA requires that the architect be here once a month and they require a resident inspector. If the Board decides to take this option and goes to USDA for a loan, the Town will have to close on a revenue bond. This will be a total of about \$35,000. With the construction dollars, the architect

fees, and the closing costs the total contribution of Town funds is \$389,992. The Town has already paid \$111,416 to the architects leaving a balance of \$278,576. There is currently \$263,093 in the Special Capital Projects and the Town can take \$15,000 for the project management out of Professional Fees. This leaves a balance of \$483.

James Eason explained that the option the Board discussed at the June 14, 2011 workshop consists of completing the Belvada per Tab E. Out of Tab E, the Town will look at working on the roof of the Convention Center, the HVAC, and any upgrades to maximize the efficiency of the operational costs. The total to complete repairs on the Convention Center is \$336,587. He explained that the \$846,016 is the total for the Belvada. The Town still has the application for the Union Plaza parking lot out to NDOT for \$287,997 and is still looking at possibly requesting funds from Parks and Recreation for the parking lot between the Convention Center and the Belvada, which is estimated at \$87,673.

James Eason noted that the Town is still waiting on the opinion from the DA to make sure that everything the Town has done up to this point satisfies the Tonopah Town Board, the funders' requirements, and the seismic conditions.

Horace Carlyle explained that the reason the Board asked for the opinion from the DA is to make sure the Town has done everything it is supposed to do. He feels that the current alternative of completing the Belvada and completing the repairs on the Convention Center is a prudent way to go because it gives the Town flexibility and it will not over extend.

Susan Dudley explained that if the Board moves forward, some of the necessary steps include writing a letter to CDBG explaining that the Town still wants the grant money and explaining what the steps are. The Town will need to have the design done before moving forward with using any of the funding. She noted that at the April 13, 2011 meeting, Aptus put a proposal before the Board for everything. If the Board wanted to have Aptus do the design in full on both buildings, the design would be there if the Town decided to move forward completely with both buildings. She explained that the Board needs to send a letter to USDA explaining what its intentions are and ask them to keep the full funds obligated, use a portion of them and then decide later if it will request the remaining funds be de-obligated.

Jon Zane explained that he feels that the Board can go forward with this but make it conditional on receiving an opinion from the DA. He noted that the Board can always revise this decision if the opinion from the DA necessitates it. James Eason explained that when he spoke with the DA, the DA informed him that he was still working on getting a response to the letter.

Susan Dudley explained that the Board needs to submit a letter to CDBG and a letter to USDA. She asked the Board if it wanted to have Aptus submit a new proposal or if it wanted to use the same proposal. Horace Carlyle noted that the most recent proposal contains the number the Town has been working with.

Horace Carlyle made a motion to request Susan Dudley to submit a letter to USDA and a letter to CDBG outlining the proposed program, with direction on funding, asking to keep the total

USDA funding of \$1.5 million open, but drawing an initial loan of \$800,000, and proposing to move forward with the Belvada and the existing Convention Center Program contingent on the okay from the Nye County District Attorney. Glenn Hatch seconded. Motion passed 5-0.

8. Discussion and Possible Decision Regarding Application to Redistricting Advisory Committee

James Eason explained that at the last Board of County Commissioners meeting held in Tonopah, NV, the issue of redistricting was brought up. He explained that there will be representatives from three different Town Boards, Round Mountain, Tonopah and Pahrump, three from the public at large in Pahrump that are non-governmental individuals, and one from the regional planning commission. He explained that there would be five individuals from Pahrump and two from outside Pahrump. The Board will be able to pick amongst themselves someone to be the representative for Tonopah. Joni Eastly explained that during the last Commissioner's meeting, she questioned if the representative could be a Town Manager. She noted that if the Board would like to designate James Eason, which she urged the Board to do, they could do so.

Horace Carlyle agreed with Mrs. Eastly. He feels Mr. Eason would be the most powerful representative for the area. He feels it would give the Town the most input and impact. James Eason requested that the Board also come up with an alternate in case there is an emergency where he is not able to make the meeting. Based on time, his recommendation is Horace Carlyle. He noted that Horace Carlyle and Glenn Hatch have more time than the rest of the Board members.

Glenn Hatch made a motion to nominate James Eason and have Horace Carlyle as a back up. Duane Downing seconded. Motion passed 5-0.

The Tonopah Town Board recessed to the Tonopah Library Board at 7:18 pm.

The Tonopah Town Board reconvened at 7:30 pm.

9. Tonopah Development Corporation Report

Joni Eastly explained that TDC is still waiting to hear the results of the collaborative grant request made to the Nevada Department of Transportation. She noted that they expect to hear something around September 1, 2011. She explained that TDC was notified on Tuesday June 21, 2011 that they will receive the full reimbursement from Nevada Commission on Tourism in the amount of \$5,000 for the walking tour brochures. She explained that TDC is planning on submitting another couple of grants for a recording that goes with the walking tour.

The Town Board moved to item 8 on the agenda.

No action taken by the Board.

10. Public Comment

No action taken by the Board.

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

James Eason noted that the swimming pool will be open on Friday. The new pump was installed on Tuesday June 21, 2011. He noted that there will be a Blacksmithing Event at the Tonopah Historic Mining Park Friday June 24, 2011 through Sunday June 26, 2011. He explained that at the fairgrounds the previous weekend was the annual 4-H fair. He noted that the rodeo grounds are still closed even though the state ban has been lifted. The grounds will be closed for the horseshow over the weekend to make sure they stay clean. The solar reserve project is moving forward and the first public hearing was held in Pahrump on June 21, 2011. The next public hearing will be held in Tonopah on July 5, 2011. The development agreement will be finalized. Solar Reserve is anticipating breaking ground sometime in July or August.

Joni Eastly explained that there was a really interesting Commissioner's meeting on Tuesday June 21, 2011. The Board took action to accept an initiative petition presented by a group of Amargosa Valley citizens. The Board set a time, date, and location for a public hearing to adopt an ordinance for them to become an elected Town Board. If the ordinance passes in July, the Board will hold a public hearing and vote on the ordinance. She noted that she suspects that the Board will either adopt or amend and adopt the ordinance and as of the effective date of the ordinance, they will be on their own. If the ordinance is adopted, the current Town Board members will be appointed.

12. 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.

13. 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.

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

This item was tabled.

15. 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.

16. 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.

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

This item was tabled.

18. Correspondence

U.S. Nuclear Regulator Withheld Information: Report – 06/10/2011

Round Mountain Town Board Meeting Agenda – 06/14/2011

Nevada National Security Site Demonstrates Technology with Local School – 06/14/2011

Nevada Hosts National Advisory Board Meeting – 06/20/2011

Nye County Board of Commissioners Meeting Agenda – 06/21/2011

Beatty Town Advisory Board Meeting – 06/22/2011

19. 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. Glen Hatch seconded. Motion passed 5-0.

20. Adjourn

Meeting was adjourned at 9:14 pm.

Tonopah Town Board Meeting

June 22, 2011

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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