

Monday, August 9, 2010

A special meeting of the Humboldt County Board of Commissioners was called to order on Monday, August 9, 2010, at 2:30 p.m. in the regular place of meeting at the Courthouse, Winnemucca, Nevada. Those present were Chairman Chuck Giordano, Commissioners Garley Amos Jr., Dan Cassinelli and Tom Fransway, Deputy District Attorney Angie Elquist, Administrator Bill Deist and Clerk of the Board Tami Rae Spero. Commissioner Mike Bell was absent.

PUBLIC COMMENTS: Chairman Giordano asked for public comments. None were offered.

REVIEW OF AGREEMENT BETWEEN EL PASO PIPELINE GROUP AND WESTERN WATERSHED PROJECT RELATED TO THE RUBY PIPELINE AND CONSIDERATION OF A RESOLUTION OPPOSING SAID AGREEMENT AND MATTERS RELATED THERETO: Copies

of correspondence from Elko County related to the issue, copies of media reports regarding the issue and copies of proposed resolutions were provided to the Board for review. Loren H. Locher, Regional Director, State Government Affairs for El Paso Western Pipelines appeared before the Board. Mr. Locher discussed the background of the Ruby Pipeline Project, the time line, the amount of ad valorem taxes that will result for Humboldt County, the litigation filed against the project and the pending legal settlement with Western Watershed Project including the amounts involved, the time frames, the approved usage of the funds and the Board of Directors and advisory committees. Mr. Locher offered an apology to the County for what had occurred with this situation and commented on what the intentions had been upon entering the agreement which was done in settlement of pending litigation and the unintentional fall out from the settlement. Mr. Locher discussed El Paso's relationship with the land users and the recent endowment set up with the Public Lands Council. Commissioner Amos commented on the ability of special interest groups to hold businesses hostage. Commissioner Fransway commented on Western Watershed's purpose to remove livestock from all public lands, Humboldt County's reliance on the livestock/agriculture business and his view that doing business with Western Watershed is aiding and abetting the enemy. Mr. Locher stated that he appreciated the comments of the Commissioners but noted that there were unintended consequences of what they thought was a good agreement with good controls in place. Chairman Giordano stated his concern about the language in the settlement related to "willing seller" and the possibility of grazing permits being retired. Discussion occurred regarding what would be required to retire a permit including changes to Federal Legislation and the ability to buy permits. Buster Dufurrena commented from the audience regarding his concern that a precedence has been set with this action and his concern that Western Watershed had not been mentioned during the process in Humboldt County. Mr. Locher responded to Mr. Dufurrena's concerns. Jim French

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commented from the audience on other payouts related to off site mitigation with State and Local agencies. Mr. Locher responded to Mr. French. Mike Draper, Public Affairs Supervisor at R&R Partners discussed actions taken by El Paso in Nevada related to both off site and on site impact mitigation. Mr. Locher discussed the years involved in the process and what was involved in the process including navigating the requirements of Federal, State and Local governments, NGOs and other assorted groups; he discussed the benefits of the project to Nevada and again apologized to the County, the ranchers, the cattlemen and the livestock industry in general and stated that they are working to fix this short term but critical mistake which resulted from not seeing all the pieces but he asked that the Commission and the audience not forget that this is a very good long term project for Nevada, Utah and Wyoming. The Commission stated they understood the importance of the project. Mr. Draper underscored that the intent of the agreement was not to change the federal act in any way and discussed what El Paso had envisioned with the agreement, commented on how the legal system works and discussed how El Paso is working to mitigate the concerns regarding the agreement. Audience member Wallace Lowe(?) commented from the audience (*not able to hear comment either during meeting or on recording*). Mel Hummel commented from the audience about the membership of the 3 member panel. Mr. Locher responded and commented on what is set forth in the agreement regarding the three person board and it's make up. Discussion occurred regarding the make up and the intent of the advisory committee. John Falen representing the Public Lands Council appeared before the Board and discussed the Council's involvement in the issue including the rejection by the industry of being on the panel, the "willing seller" issue, the amount of time spent working on the issue, the original intent that the contract between El Paso and Western Watershed needed to be broken, the realization that breaking the contract wouldn't happen, the decision to go with Plan B, the 15 million dollar endowment, the upcoming meeting of the full Public Lands Council to approve going forward with the contract with El Paso and to determine how the endowment would be administered. Discussion occurred regarding the problems with the issue of a "willing seller", the purpose of the Public Lands Council endowment and the role of the County in the issue. Mr. Falen stated that the Public Lands Council needs all the support it can get and that they supported the resolution being considered by the County. Commissioner Fransway commented on the need for the county to make a strong statement that shows disappointment with what happened. Discussion occurred regarding Western Watershed's intentions to run ranchers out of business, the possibility that these actions have set precedence and how the resolution would be presented at the August 12th meeting in Salt Lake City. Discussion ensued between the Commissioners regarding the language of the resolution including item 3 related to the assignment of representatives on the boards of the funds, that item 1 regarding the amendment

of the agreement be left in to express the County's desires even though the agreement is unlikely to be changed, adding language to item 2 after the word "would" to read "negatively impact the industry including buy outs of grazing permits" and adding an additional "resolved" as suggested by legal counsel to urge El Paso to support the agreement with the Public Lands Council. After discussion the following motion was offered by Commissioner Fransway:

That the Commission adopt the resolution requesting El Paso Corporation to take certain actions related to its agreements with Western Watershed Project and the Oregon Natural Desert Association including the amendments to the now therefore be it resolved 1, 2 and 3 and also addition of the second "now therefore be it resolved" as stated by legal counsel and staff and authorizing the Chairman to sign.

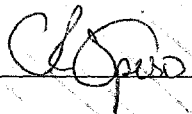
After reviewing the proposed resolution the previous motion was withdrawn by Commissioner Fransway and he offered the following motion which passed with Chairman Giordano and Commissioners Amos, Cassinelli and Fransway voting aye and Commissioner Bell being absent:

To adopt the resolution at its final draft with the same title.

(Resolution No. 08-09-10)

Discussion occurred regarding the presentation of the resolution at the meeting on August 12th in Salt Lake City and the benefit of a Commissioner attending to show support. After discussion Chairman Giordano stated he would be attending the meeting to present the resolution as the Chairman of the Board. **ADJOURNMENT:** Chairman Giordano adjourned the meeting at 4:06 p.m.

ATTESTED:



Clerk

APPROVED:



Chairman