

Monday, May 16, 2011

The regular meeting of the Humboldt County Board of Commissioners was called to order on Monday, May 16, 2011 at 9:30 a.m. at the regular place of meeting at the Courthouse, Winnemucca, Nevada. Those present were Chairman Garley Amos Jr., Commissioners Mike Bell, Dan Cassinelli, Tom Fransway and Jim French, District Attorney Michael Macdonald, Administrator Bill Deist and Clerk of the Board Tami Rae Spero.

DISCUSSION & ACTION ON CORRECTION/APPROVAL OF MINUTES - MAY 16, 2011: The following motion was made by Commissioner Cassinelli and passed unanimously:

To approve.

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

ADMINISTRATIVE REPORT:

CONSENT AGENDA: The following items were presented under the consent agenda by Administrator Deist for the Board's review/action:

1. Request for adjustment to the Humboldt County Real Property Tax Roll: Copies of requests 10-11-44 to 10-11-46 were provided to the Board for review. *Recommendation: That the Commission approve the requests as recommended by the Assessor and Treasurer.*
2. Appointment to Local Emergency Planning Committee (LEPC): A request had been received from Wade George representing Newmont Mining for reappointment following the expiration of his previous term and Stephen Woytowicz representing Nevada Bell Telephone had resigned and Don Hogg had expressed interest in being appointed as a replacement. *Recommendation: That the Commission reappoint Wade George and appoint Don Hogg to LEPC.*

The following motion was made by Commissioner Bell and passed unanimously:

To approve the Consent Agenda as presented by staff.

SOLID WASTE MATTERS: Administrator Deist stated that he had nothing on this item.

PUBLIC LANDS PLANNING MATTERS & FORMULATION OF COUNTY POSITION ON BLM, FOREST SERVICE AND THE FEDERAL FISH AND WILDLIFE SERVICE PROPOSED

ACTIONS: Administrator Deist noted that he had provided the Commissioners with a press release regarding the Black Rock Wilderness Management Plan which is now available for review.

2011 LEGISLATIVE MATTERS: POSSIBLE FORMULATION OF COUNTY TESTIMONY/INPUT ON PROPOSED LEGISLATION, RESPONSE TO LEGISLATIVE COMMITTEE REQUESTS, NACO LEGISLATIVE REQUESTS FOR INFORMATION AND

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RELATED MATTERS: Administrator Deist updated the Board on SCR 1 related to the Pine Forest Resolution, AB 141 related to firefighter physicals, information which had been provided related to the allocation of mining taxes throughout the State, the Democrats' financial bill including information related to a margin tax and transition tax proposal. Discussion occurred regarding AB141.

MISCELLANEOUS REPORTS AND CORRESPONDENCE:

OTHER INFORMATION AND UPCOMING MEETINGS: Administrator Deist updated the Board on the effort to select an architect for the proposed dispatch center. Upcoming meetings and dates of importance were noted.

REPORTS FROM COMMISSIONERS REGARDING OTHER BOARDS AND COMMITTEES

THEY SERVE ON: Commissioner Fransway noted that he had traveled to Carson City to offer testimony in support of SCR 1 related to the Pine Forest Wilderness Bill and reviewed other testimony offered and the status of the resolution; he continued discussing the Nevada Association of Counties (NACO) Board of Directors meeting he had attended. Chairman Amos stated that he had attending a mining breakfast.

QUARTERLY INSPECTION OF THE ADULT DETENTION FACILITY - COMMISSIONER

FRANSWAY: Chairman Amos noted that Commissioner Fransway would be doing a quarterly inspection of the Detention Center.

CLAIMS FOR EXPENDITURES OF COUNTY FUNDS: The following motion was made by Commissioner Bell and passed unanimously:

To approve the expenditures as presented by staff.

REQUEST THAT THE COUNTY PAY FOR FILLING THE PROPANE TANK AT THE

SHOOTING RANGE: Kent Arrien and Robert Thomason appeared before the Board on behalf of the Shooting Range Committee. Administrator Deist noted that the cost for propane had previously been covered by the Nevada Division of Wildlife but they had inquired if the County could assist in covering the cost. Mr. Arrien addressed the Board and noted that this is more than a request for the one item, that a dialog needs to be started regarding a line item being created to cover maintenance and upkeep costs; he noted that volunteers do much of the work at the site but there is a cost for materials and that the City is providing \$100.00 per month for that purpose but that is not sufficient. Commissioner Cassinelli suggested a list be compiled of what needs to be done and what the associated costs would be. Commissioner Fransway concurred and noted that support could be provided through the Community Support line item in the County's budget. Administrator Deist noted that Community Support is not a

dedicated line item for the shooting range so grants would have to be requested and approved by the Commission. Mr. Arrien explained the difficulty in that process with time frame for payment to vendors. Commissioner Cassinelli suggested that the list be looked at with the City to see what could be done. Commissioner French discussed the usage of the range and its impact on tourism; he noted that the facility is at a crossroads with regards to upgrades and maintenance and the continued ability to provide the necessary upgrades and maintenance needs to be discussed by the Commission. Commissioner Bell asked about the ability to include the facility in the City/County Cost Share Agreement. Chairman Amos suggested that the committee prepare a budget and submit it to the Board for consideration. Mr. Arrien discussed issues with the need for sign replacement and with grants not being available for maintenance. Commissioner Cassinelli noted that no request for funding for maintenance had been received by the Commission previously. Mr. Thomason spoke in support of Mr. Arrien's request. Commissioner Cassinelli asked if fees were charged to use the facility. Mr. Thomason stated no that the facility is open for use without fees and noted the difficulty of collecting for site usage. Chairman Amos agreed as someone would need to be on site to collect; he suggested that representatives of the committee meet with the County Administrator and the City Manager to come up with a plan to bring to the Commission. Discussion occurred regarding the need for the propane. Commissioner Fransway noted his agreement with Commissioner Cassinelli's statements and his belief that it was appropriate for the county to be involved. After discussion the following motion was made by Commissioner French and passed unanimously:

To authorize filling of the propane tank as it sits right now and to move forward as discussed.

REQUEST FROM JEFF JOHNSON, HUMBOLDT COUNTY ASSESSOR, TO ALLOW THE HIRING OF A PERSON TO REPLACE LEANNE FRENCH, DEED AND TITLE REVIEW SPECIALIST, TO ALLOW TIME FOR TRAINING PRIOR TO THE RETIREMENT OF MS.

FRENCH IN AUGUST 2011: County Assessor Jeff Johnson appeared before the Board. Commissioner French disclosed for the record that Leanne French is his wife but this action will have no effect related to him so he would not be abstaining from discussion and action on the item. Assessor Johnson spoke in support of the request noting the duties assigned to the position, the importance of the duties and that there are no training classes associated with this position. Commissioner Cassinelli stated that this was the right approach. Commissioner Bell concurred. Discussion occurred related to the grade the person would come in at and how experience and future training would affect the grade and what effect this

would have on the Assessor's current budget and the budget for the next fiscal year. After discussion the following motion was made by Commissioner Bell and passed unanimously:

To approve the request to allow the hiring of a person to replace Leanne French to allow enough time to do the training.

REQUEST FROM THE NEVADA ALL-AROUND WORKING COW HORSE CHAMPIONSHIP FOR A \$1,000.00 GRANT FOR THEIR EVENT JULY 29-31, 2011 IN WINNEMUCCA:

Chairman Amos noted that this grant has been provided in the past and that this is a successful local event. Discussion occurred regarding which line item the grant is taken from, what the funds cover and the amount of local participation. After discussion the following motion was made by Commissioner French and passed unanimously:

To approve the request for the \$1000.00 for the Working Cow Horse Championship event as presented.

NUISANCE ISSUES:

A PUBLIC HEARING ON A NUISANCE COMPLAINT ALLEGING THAT PROPERTY BELONGING TO JESUS J. CASTANEDA IS DEFINED AS A POSSIBLE NUISANCE PER HUMBOLDT COUNTY CODE, CHAPTER 8.04 PARCEL #010-211-06:

A copy of the nuisance complaint with photos and inspection reports and a copy of the Notice of Public Hearing were provided to the Board for review. Neither the property owner nor a representative were present at the hearing. Chairman Amos read the title of the item set to public hearing. Building & Safety Director Bobby Thomas appeared before the Board and stated that he and Administrator Deist had reinspected the site on May 12th; that there is a fence which is in disrepair and if it was repaired it would basically shield all the vehicles from the public right-of-way and with private property rights if he cannot see it from the street he cannot make the claim so in his opinion at this time there is no nuisance. Chairman Amos asked for public comment. Joe Gough, complainant, appeared before the Board. Mr. Gough addressed the Board regarding weeds on the corner lot and noted that there have been as many as seven or eight vehicles on the property and that this is the third time he has come before the Commission with this complaint and he would like to see the owner keep the place cleaned up. Chairman Amos asked for additional public comment; none offered. Director Thomas commented on the ability to deal with weed issues at this time due to the weather and that while unsightly they are not a code violation; he noted that with the prior complaint once contacted the property owner took care of the issues right away and did not complain about it. Commissioner Bell inquired if the vehicles originally identified in the complaint were still there.

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Director Thomas stated they were gone. Mr. Gough concurred. Commissioner French commented that all three complaints involved the rotation of unregistered vehicles through the lot and asked Director Thomas if that caused him concern. Director Thomas responded that it did not at this time but noted that the vehicle issue would fall under the Sheriff's jurisdiction. Administrator Deist referred to the Sheriff's Office report that had been submitted regarding the complaint which indicated that only one vehicle was unregistered at the time of that inspection. Clerk Spero noted that neither the Sheriff's Deputy nor the Road Superintendent had access to the property to view the brown vehicle located behind the residence so they only identified the dually as being unregistered. Director Thomas stated that vehicle was no longer there upon his inspection on the 12th. Mr. Gough stated it was cleaned up now. Commissioner French noted his concern with the reoccurring problem. Director Thomas discussed what had occurred with abatement on the prior complaints. It was noted that these are the same owners as on the prior complaints. Clerk Spero stated that the weeds were never identified in this complaint and the property owner has never been served with any notice on that issue. Commissioner French asked if the property owners are aware of the fact that there is a problem with the storage of more than two unregistered vehicles. Clerk Spero responded that the property owners received a copy of the code as well as the reports and photos and the complaint and that they had received notice of today's hearing and the notice had been published in the local newspaper. After discussion the following motion was made by Commissioner Fransway and passed unanimously:

That at this time the Commission finds that no nuisance exists at 3010 Sage Heights Drive but due to the reoccurrence of the situation the Commission asks that the property owner make every attempt to maintain his property in a responsible fashion as to not have this matter brought back.

REVIEW OF PROGRESS RELATED TO ALLEGED NUISANCE AT 4120 BUCKLEY LANE ON PROPERTY OWNED BY CLIFTON AND JEANNIE BROWN:

Building and Safety Director Bobby Thomas and complainant Larry Willis appeared before the Board. Neither the property owner nor any representative were present at the meeting. Mr. Willis addressed the Board regarding the property and provided photos to the Board of the alleged nuisance taken in February and photos taken today which indicated that no changes have occurred. Director Thomas stated that he had contacted the property owner and informed him that while some work has been done that it may be presumed that it is not enough to avoid further action and that in this case he has not met his objective; he discussed what the agreement for clean up had been and what has been done and stated again that Mr. Brown has not met his

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obligation. Mr. Willis noted that there are three areas in question the vehicles, the composting and the structure. Commissioner Bell asked if the structure was a safety concern. Director Thomas stated it had been but that Mr. Brown had removed the most hazardous parts but what is left is still a hazard just not an imminent hazard but it does need to come down and the issue had been discussed with Mr. Brown. Commissioner Bell noted that though there has been bad weather there has been opportunities to take care of the issue and he stated the nuisance abatement should be moving along quicker. Commissioner Fransway inquired if the structure could be finished rather than be taken down. Director Thomas confirmed that it could. Commissioner Fransway noted a pile of pallets on the site. Director Thomas commented that in his original report there was discussion about a concern for fire hazard related to the grass clipping as well the pallets and that he does not believe any vehicles have been removed but just shuffled around on the property. Commissioner French noted the prior discussion related to a nuisance involving the rotation of unregistered vehicles and the issues with that occurring, that dealing with those vehicles should be one of the easiest parts the complaint to be abated and it has yet to be done so he agrees with Commissioner Bell that this needs to move forward. Chairman Amos concurred noting that originally the Commission had agreed to allow the matter to be worked out based on the agreement with Director Thomas but it would appear from looking at the photos that not much work has been done and he is not following through with the agreement. Chairman Amos asked for public comment; none offered. Discussion occurred regarding the validity of the building permit issued for the structure. The following motion was made by Commissioner Bell:

To declare a nuisance and that the owner is given thirty days to abate the nuisance.

Administrator Deist asked if that would be thirty days from the date of notice. The Board agreed. Discussion occurred regarding whether the required resolution could be approved at today's meeting or if the adoption would need to be specifically agendaized for that action. District Attorney Macdonald stated that based on the language used on today's agenda he would recommend that a resolution be drafted and the item be placed on the next agenda for discussion and action on the adoption of the resolution. Discussion occurred regarding the proper procedure and if the motion offered was sufficient. Clerk Spero asked for clarification if the date of abatement would be thirty days from adoption of the resolution or thirty days from date of service; she noted the practice of service on the property owner by the Sheriff which occurs usually within a day or two of adoption. The Board agreed that it would be from the date of service. Chairman Amos called Commissioner Bell's motion to a vote and it passed unanimously.

PLANNING MATTERS: Dana Toth appeared before the Board on behalf of the Planning Department

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VH-11-04 - A variance request submitted by Donald Meldrum to reduce the required 20' side yard setback to 10'; to reduce the required 15' front yard setback to 10' and to reduce the required rear setback from 20' to 10' in order to construct a self storage facility. This variance application satisfies a condition of the Conditional Use Permit UH-11-04 approved by the RPC 3-17-11. The subject property is zoned G-C (General Commercial District) and located at 6100 Grass Valley Road; APN #013-462-24: Provided to the Board for review was a copy of the Planning Staff Report recommending approval and a copy of the application with maps. Dave Louk of Desert Mountain Surveying appeared before the Board on behalf of the applicant. Mrs. Toth reviewed the application and recommended approval. The following motion was made by Commissioner Bell and passed unanimously:

To approve the variance VH-11-04 as presented.

VH-11-08 - A variance request submitted by Raul and Kristy Lara to reduce the required 7' side yard setback to 5' and the required 20' front yard setback to 2' in order to allow for the construction of a 24'X25' shade structure for their children's play area that will later be converted into a carport. The subject property is zoned R-1-9 (Single Family Residential 9,000 sq. ft. minimum lot size) and is located at 4210 Sapling Court; APN #010-381-34: Provided to the Board for review was a copy of the Planning Staff Report recommending approval and a copy of the application with maps. Applicant Raul Lara appeared before the Board. Mrs. Toth reviewed the application and recommended approval. Mr. Lara spoke in support of the application. The following motion was made by Commissioner Bell and passed unanimously:

To approve VH-11-08 a variance request submitted by Raul and Kristy Lara to reduce the setbacks as presented by the Planning Department.

ROAD MATTERS: Road Superintendent Ben Garrett appeared before the Board.

REQUEST FOR A WAIVER TO THE ATTRITION POLICY FOR AN EQUIPMENT OPERATOR POSITION WHICH IS CURRENTLY VACANT: Superintendent Garrett spoke in support of the request noting that he would like to fill the position at the same time as the position approved at the prior meeting. After discussion the following motion was made by Commissioner French and passed unanimously:

To accept the request for the waiver of the attrition policy.

REVIEW AND POSSIBLE ACCEPTANCE INTO THE COUNTY MAINTAINED ROAD SYSTEM PASQUALE AND RICHARDS STREETS IN PARADISE VALLEY: Provided to the

Board for review was a memo from Superintendent Garrett, a Road Inspection Report and a map of the roads (see attached). Superintendent Garrett reviewed the request including numerous deficiencies including an occupancy rate short of the required 60%, fencing encroaching onto the right-of-way and possible other encroachments which would need to be confirmed via a land survey and issues with width, base cover, shoulders, drainage and signage. Commissioner Cassinelli commented that he had brought this request forward as a lot of people in the community support it as it will complete the town and help with road issues around the firehouse. Discussion occurred regarding the deficiencies including the width/shoulders and the occupancy levels. Commissioner Bell stated that per policy the road would need to be brought up to standards before it could be accepted. Superintendent Garrett noted that the problem with roads meeting standards was one of the issues the Board had discussed at the Commission Retreat. Commissioner Bell continued noting that if the County brings one road up to standards so it can be brought in then they would need to do it for all requests. The following motion was made by Commissioner Fransway:

To deny the request based on that they do not comply with the standards of road maintenance or the occupancy necessary to accept.

Commissioner Cassinelli asked that as Pasquale Road goes right by the Firehouse that is where the County gets fuel and such; he asked if that portion could be taken in by the County. Superintendent Garrett responded that an argument could be made for Pasquale and discussed the occupancy of that portion. Commissioner Fransway offered the following amended motion:

To deny the request based on that they do not comply with the standards of road maintenance or the occupancy necessary to accept but that Pasquale Place be brought back for further consideration.

Superintendent Garrett noted that it still would not meet standards. Commissioner Fransway agreed but suggested that if the item is brought back other reasons such as public safety could be considered. Commissioner Cassinelli agreed and suggested that he and Superintendent Garrett look at the matter some more. Chairman Amos called Commissioner Fransway's amended motion to a vote and it passed unanimously.

REPORT OF PENDING ROAD DEPARTMENT PROJECTS: Superintendent Garrett reported on flooding issues including expected and current washout repairs, the status of mag application, drainage repairs at the Little Humboldt noting that action will now be included in the annual plan, grading and noted that he is awaiting a plan for the Jungo project completion.

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MISCELLANEOUS ROAD RELATED MATTERS: Commissioner Cassinelli commented on the need for gravel on Chase Lane/Cousins Road. Superintendent Garrett stated he would discuss the issue with the BLM. Discussion occurred regarding the Summit Lake issue.

Chairman Amos recessed for lunch at 11:34 a.m. to reconvene at 1:00 p.m.

PUBLIC HEARING ON FY 2011-2012 BUDGETS FOR HUMBOLDT COUNTY AND SPECIAL

DISTRICTS: Chairman Amos read the title of the item set to public hearing. Administrator Deist noted that there had been some minor changes made to the tentative budget discussed during the budget hearing but that no additional changes are recommended. Comptroller Sondra Schmidt reviewed the tentative budget for the Board including minor changes to the Assessor's Tech Fund, the Indigent Fund and the Humboldt TV Fund and stated that the tentative budget had been received and reviewed by the State. Administrator Deist commented on the inclusion of Net Proceeds. Comptroller Schmidt recommended that the Commission accept the tentative budget with the changes outlined. Chairman Amos asked for public comment; none offered.

ADOPTION OF FY 2011-2012 BUDGETS FOR HUMBOLDT COUNTY, HUMBOLDT RURAL FIRE DISTRICT, WINNEMUCCA RURAL FIRE DISTRICT AND QUINN RIVER TV

DISTRICT: The following motion was offered by Commissioner Cassinelli and passed unanimously:

To approve 2011-2012 budgets with changes as recommended by staff.

PRESENTATION BY DAVID CRAIG, REAL ESTATE DIRECTOR AT NEVADA RURAL HOUSING AUTHORITY, REGARDING THE 60 UNIT SENIOR APARTMENT COMPLEX NEAR THE EXISTING SENIOR CENTER:

David Craig, Real Estate Director at Nevada Rural Housing Authority, appeared before the Board and discussed and offered a power point presentation related to the planned 60 unit senior apartment complex including the background of the Nevada Rural Housing Authority and the project, the site plan for Phase 1, the layout of the apartments, the construction schedule, future planned projects and projects in other communities.

JOINT MEETING BETWEEN THE HUMBOLDT COUNTY COMMISSION AND THE WINNEMUCCA CITY COUNCIL:

Present on behalf of the Winnemucca City Council were Mayor DiAn Willis-Putnam, Councilmen Joyce Sheen, Rich Stone, Doug Cain, Paige Brooks and Jim Billingsley, City Manager Steve West, City Clerk Eddy Davis and City Attorney O. Kent Maher.

PROPOSED SALE OF THE AIRPORT WATER SYSTEM TO GOLD COUNTRY WATER COMPANY:

Provided to the Board for review was a memorandum from City Manager/Engineer Steve West detailing the proposed sale of the airport water system (see attached). City Manager West reviewed

the proposal for the Board and Council including the current situation with the system, how the price was determined, the reasons the City is in favor of the proposal including issues with the system and the cost of testing, how City water rights will be used/preserved, that fire hydrants will be exempt from monthly charge and how the sale will affect the fees paid by the current users of the system. Commissioner Fransway asked about the continued use of a standpipe in the area by the County Road Department. Dave Reuter, Gold Country Water Vice-President appeared before the Board and Council and agreed that the continued use by the County would also be a benefit to Gold Country Water and stated that there were a number of ways that could be facilitated. Commissioner Fransway asked about language in the terms related to the ability of the purchasers to make improvements to or to maintain that they don't already own as it is still in escrow. Mr. Maher responded and explained why that was agreed to and what the limitations on it were. Mr. Reuter also commented on why that term had been included. Commissioner Fransway asked if there was additional development in the area would water rights be available to serve them. Mr. Reuter stated that Gold Country had water rights available to cover any growth or development within the Gold Country Water service area which are separate from the City's rights. Mayor Willis-Putnam asked if any changes were done to the system prior to the close of escrow would City Manager West be notified. Mr. Reuter stated yes. Councilman Sheen commented on concerns expressed by Winnemucca Rural Fire and what had been done to take care of those concerns. Mayor Willis-Putnam asked if the Commission had any concerns as they are partners in the airport. Discussion occurred regarding the County's investment in the airport. Administrator Deist suggested that any funds received by the County for this proposal be turned around and utilized to offset the County's cost share in the Cost Share Agreement related to the airport and he offered concurrence with the City Manager's recommendation to authorize this sale. The Board concurred. A motion was offered on behalf of the Council by Councilman Cain to proceed with the sale of the water system to Gold Country Water subject to the terms and conditions; said motion passed unanimously. The following motion was made by Commissioner Bell and passed unanimously:

To go ahead and do the sale subject to the terms and conditions.

Mayor Willis-Putnam adjourned the City Council portion of the meeting at 2:05 p.m.

PUBLIC COMMENTS: Chairman Amos asked for public comments. Heather Gula, reporter for the Humboldt Sun informed the Board that this may be her last meeting as she is moving out of state and offered her thanks to the Commission. No additional public comments offered.

ADJOURNMENT: Chairman Amos adjourned the meeting at 2:07 p.m.

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ATTESTED: J. Spoo Clerk APPROVED: Senly Amos Chairman

CONFIDENTIAL

MEMORANDUM

TO: COMMISSIONERS
FROM: ADMINISTRATOR
DATE: May 10, 2011
SUBJECT: CONSENT AGENDA

ACTION: Approval of the consent agenda is requested pursuant to the following staff recommendations:

1. Request for adjustment to the Humboldt County Real Property Tax Roll: Attached are requests 10-11-44 to 10-11-46 for your review.

Recommendation: That the Commission approve the requests as recommended by the Assessor and Treasurer.

2. Appointment to LEPC: Wade George representing Newmont Mining term expired on 12-30-10 and he has expressed interest in being reappointed. Stephen Woytowicz, representing Nevada Bell Telephone, has resigned. Don Hogg has expressed interest in being appointed to replace him.

Recommendation: That the Commission reappoint Wade George and appoint Don Hogg to LEPC.

MEMORANDUM

TO: COUNTY COMMISSIONERS

FROM: COUNTY ADMINISTRATOR

DATE: May 9, 2011

SUBJECT: OTHER INFORMATION AND UPCOMING MEETINGS

OTHER INFORMATION:

1. Dispatch Architect: On May 5, 2011 Commissioner Bell, Sheriff Kilgore, Commander Dalley and myself interviewed four firms regarding this project. On May 9, 2011 we will get back together to select one firm to begin discussing cost of their service. If we can reach tentative agreement with that firm we will then be bring forward a contract for your approval.

UPCOMING MEETINGS:

1. May 17, 2011 HCLEA Negotiations
2. May 18, 2011 Infrastructure Team Meeting
3. May 21, 2011 Santa Rosa RAC meeting
4. May 26, 2011 HR Training
5. May 27, 2011 Administrator Annual Leave
6. May 30, 2011 County Holiday
7. June 3, 2011 Administrator Annual Leave
8. June 6, 2011 Commission

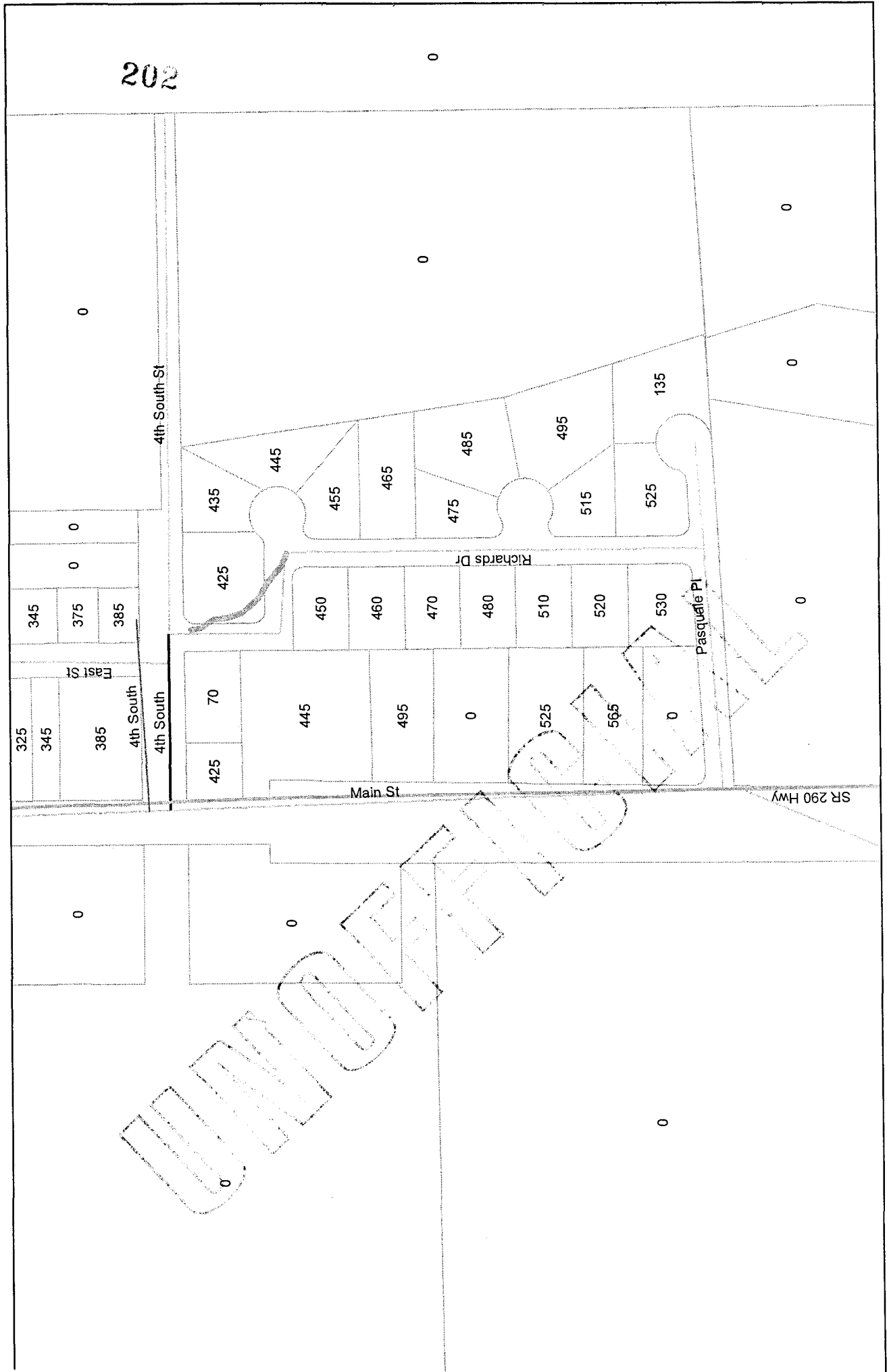
To: County Commission
From: Ben Garrett, Roads Superintendent
Date: May 11, 2011
Subject: Richards and Pasquale Road Acceptance

The roads in Paradise Valley near the Firehouse known as Pasquale and Richards are proposed for acceptance in the maintained system. Upon inspection several deficiencies were evident. Of the 21 lots within the subdivision only 6 are occupied with an additional 2 lots addressed to other roadways, but adjacent to Richards. With the 8 occupied lots the occupancy is 38%. The occupancy is well short of the required 60%. At least one fence encroaches on the right-of-way. The property corners were only found at 4 locations; to verify the roadway location and possible right-of-way encroachments a land survey is necessary.

Several other deficiencies are listed on the inspection report.

UNOFFICIAL COPY

Pasquale and Richards Parcels



202

0

0

East St

325

345

385

4th South

425

445

495

0

525

565

0

Main St

SR 290 Hwy

345

375

385

4th South St

425

435

445

455

465

475

485

515

495

525

135

Pasquale Pl

0

0



320 160 0 320 Feet

CITY OF WINNEMUCCA

DI AN PUTNAM, Mayor
 RICHARD STONE, Council Seat 1
 DOUG CAIN, Council Seat 2
 JOYCE SHEEN, Council Seat 3
 JIM BILLINGSLEY, Council Seat 4
 PAIGE BROOKS, Council Seat 5

90 WEST FOURTH ST.
 WINNEMUCCA, NV 89445

D. Stephen West, P.E., Manager/Engineer (775) 623-6333
 Eddy D. Davis, Clerk/Treasurer (775) 623-6338
 Bob Davidson, Police Chief (775) 623-6396
 Roger Sutton, Public Works Supervisor (775) 623-6381
 Steve Swecker, Recreation Director (775) 623-6325
 Sherrie Chaplin, Building Inspector (775) 623-6319
 Fax Number (775) 623-6321
 E-Mail winnemucca@winnemuccacity.org

MEMORANDUM

TO: City Council and County Commission
 FROM: City Manager/Engineer Stephen West *swest*
 SUBJECT: Proposed Sale of the Airport Water System
 DATE: May 6, 2011

The Gold County Water Company recently approached the City with a proposal to purchase the Airport Water System. Gold Country has been awarded funding from the State's revolving loan program which can be used for drilling a new municipal well or for the purchase of our system. Attached is the draft "term sheet" for the proposed sale, as negotiated by City Staff.

The proposed sale price of \$275,000 represents an offer of 64% of the estimated replacement value of our water system improvements (which was recently determined by Humboldt Drilling to be \$430,000) and does not include any water right transfers from the City. Comparable sales for water systems are few and far between! The Gold Country Water System was sold in 2001 (with substantial water rights) for \$255,000 which represented approximately 25% of its replacement value. The City of Winnemucca purchased the municipal water system from Sierra Pacific Power Company (with substantial water rights) in 1985 for one dollar.

Combining the operation of the two water systems would be very beneficial to both systems' users and could be easily accomplished, since the two water systems have already been physically connected. Our system currently serves Carry-On Trailers, CarWil, the BLM Fire Dispatch Center and two private hangars (with total annual revenue of less than \$2,000). We are in the process of converting the Civil Air Patrol building (and the general aviation ramp lawn) to the water system, as well. The airport water system consists of a small well (with small chlorination building), a large capacity fire well (with backup generator and small building) and about 7,400 feet of water main. The large fire well operates very inefficiently because it is required to pump large amounts of water into a very small system that is controlled by water pressure valves/switches. The costs of maintaining the two wells has been substantial (tens of thousands of dollars) over the years due to the operational problems of having large and small wells trying to hold a constant pressure in an extremely small system.

We currently hold a state permit for the Airport Water System, which requires monthly testing and annual water well chemistry testing, at the cost of several thousands of dollars each year. The quality of the water that we are currently providing to our customers is negatively impacted

by the system's low volume/dead-end main arrangement. Combining the systems would greatly increase the flow thru our system and would eliminate our existing stagnant water problems. In addition, combining the systems would eliminate the substantial water pressure fluctuations experienced by our customers as a result of the wells rapidly cycling on and off (in an attempt to stabilize the pressure of the system).

The proposed terms would exempt us from the payment of Gold Country Water system's connection fees (for all existing and future uses) provided that we provide the water rights for those uses. The elimination of connection fees (typically tens of thousands of dollars for developers) will be helpful when we are attempting to attract new industrial park clients. The draft terms also exempt our fire hydrants (present and future) from any monthly fee charges by Gold Country Water (per Rural Fire Chief Ron Schrempp's request).

Our water customers are currently receiving monthly bills at the City's rate of \$2.80- \$7.20 meter charge (depending upon the size of the service) plus \$1.25 / 1,000 gallons of water used. If the sale is approved, these customers would then receive bills from the Gold Country Water Company at the City's rate for a period of two years. After the two year period, they would be billed at the standard Gold Country Water Company rates (currently at \$30.50 per month for the first 8,000 gallons plus \$0.86 / 1,000 gallons for any additional water used). This rate structure will result in higher bills for the low water users and lower bills for the high water users.

It is our opinion that the most important issue to address prior to moving forward with this transaction is guaranteeing our ability to maintain our existing water rights for the future development of our airport and industrial park. Staff met with State Water Rights Surveyor John Milton to discuss the concerns about any potential negative impacts that the proposed sale might have on our ability to maintain our existing airport water rights in the future. The term sheet has been amended to adequately address these water rights issues.

Staff recommends that the City Council and County Commission approve the sale of the Airport Water System to the Gold Country Water Company pursuant to the proposed terms dated May 6, 2011.

5/4/11

Draft Term Sheet for Gold Country Water Company to Acquire City of Winnemucca Airport Water System 205

- Gold Country will purchase the Airport Water System wells, pumping equipment and control systems, pipelines and appurtenances including all easements with water facilities thereon for the sum of \$275,000.
- In addition, Gold Country will pay up to \$25,000 toward preparation of the purchase agreement and legal descriptions including any necessary surveying, title and escrow fees associated with the acquisition of the Airport Water System facilities. If the total cost for these items exceed \$25,000, Gold Country and the City will share the costs over \$25,000 equally.
- City shall retain ownership of all certificated and permitted water rights associated with the Airport Water System and the City shall have the right after close of escrow to use the Airport Water System wells for purposes of keeping the City water rights in good standing.
- The City shall provide the water rights for further city development or development within the Industrial Park unless otherwise agreed to by Gold Country and the City.
- Once the City has accepted the terms of the purchase agreement and prior to the close of escrow, Gold Country may proceed with improvements to the Airport Water System including replacement of well pumps/motors, electrical and control modifications, piping installation, etc. If Gold Country needs to use water from the Airport Water System prior to the close of escrow, Gold Country will only be responsible for paying the power and chemical costs of operating the Airport Water System wells in lieu of the \$1.25 per thousand gallon rate.
- At close of escrow, water rates for customers currently served by the City will remain at existing rates for a period of not less than two years, after which time rates may be converted to the then existing Gold Country rates and will be subject to Gold Country's rules as approved by the Public Utilities Commission of Nevada, except that 1) Winnemucca Rural Fire Department will not be charged the monthly per fire hydrant fee for fire hydrants within the Industrial Park or hydrants adjacent to City operations and 2) the existing monthly (capital improvement) surcharge will not be charged to customers currently served by the City or to future customers within the Industrial Park.
- After close of escrow, Gold Country shall maintain adequate water flow for the fire suppression systems associated with the Airport Water System, and shall provide reports to the City, at least annually, of the water used for City and fire suppression purposes.
- Future development by the City or within the Industrial Park will be subject to the then existing rates and rules of Gold Country as approved by the Public Utilities Commission of Nevada (with the exceptions noted above for the monthly fire hydrant fee and the monthly capital improvement surcharge). If the City provides the water rights for such development, no connection or water rights fees will be assessed by Gold Country unless otherwise agreed to by Gold Country and the City.

- Prior to close of escrow, City shall complete and pay for all scheduled water quality testing for calendar year 2011 (with the exception of monthly bact testing).
- Except as described above, all invoices for materials and services provided prior to the close of escrow will be paid by City.
- City shall retain payments from all accounts receivable for service provided prior to the close of escrow.

UNOFFICIAL

CONNECTION TO GOLD COUNTRY WATER SYSTEM

CARRY-ON FRANKERS

CAR-WILE

LARGE FIRE WELL

BLM DISPATCH

SMALL WELL

BLM FIRE

MCCOY HANGAR BLM

AIRPORT WATER SYSTEM

