

Monday, December 16, 2013

The regular meeting of the Humboldt County Board of Commissioners was called to order on Monday, December 16, 2013, at 9:30 a.m. in the regular place of meeting at the Courthouse, Winnemucca, Nevada. Those present were Vice-Chairman Dan Cassinelli, Garley Amos Jr., Mike Bell and Marlene Brissenden, District Attorney Michael Macdonald, Administrator Bill Deist and Clerk of the Board Tami Rae Spero. Chairman Jim French was present via teleconference between 9:35 a.m. and 10:20 a.m. and absent for the rest of the meeting.

PUBLIC COMMENTS: Vice-Chairman Cassinelli asked for public comments. None were offered.

DISCUSSION & ACTION ON CORRECTION/APPROVAL OF MINUTES: NOVEMBER 18, 2013 REGULAR MEETING AND THE DECEMBER 2, 2013 REGULAR MEETING: Vice-

Chairman Cassinelli asked for corrections/additions for the minutes of November 18, 2013. Commissioner Brissenden offered a grammar correction on page 8. The following motion was made by Commissioner Amos and passed with Vice-Chairman Cassinelli and Commissioners Amos, Bell and Brissenden voting aye and Chairman French being absent:

To approve as corrected.

Vice-Chairman Cassinelli asked for corrections/additions for the minutes of December 2, 2013; none offered. (*Chairman French joined the meeting at 9:35:29 a.m.*) The following motion was made by Commissioner Bell and passed unanimously:

To approve the December 2, 2013 minutes as presented.

ADMINISTRATIVE REPORT:

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

1. Approval of Resolution proclaiming January 2014 as National Radon Action Month in Humboldt County: A copy of the proposed resolution was provided to the Board for review. *Recommendation: That the Commission approve the resolution.*
2. Approval of request for adjustment to County Tax Roll: A copy of the request for adjustment for Recanzone was provided for the Board's review. *Recommendation: That the Commission grant the request as recommended by the Assessor and Treasurer.*
3. Approval of County Clerk's request for pre-approved overtime for the Court Clerk (20 hours) and the Indigent Coordinator (10 hours) for the period of January to June 2014: A copy of the request from the County Clerk for pre-approved overtime as well as informing the Board of the need for

overtime related to the upcoming election was provided to the Board for review.

Recommendation: That the request be granted.

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

To approve the consent agenda as presented.

(Resolution No. 12-16-13)

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 stated that he had nothing on this item.

MISCELLANEOUS REPORTS AND CORRESPONDENCE:

OTHER INFORMATION AND UPCOMING MEETINGS: Administrator Deist discussed a meeting which had occurred with representatives of Newmont Mining related to net proceeds. Upcoming meetings and dates of importance were noted.

REPORTS FROM COMMISSIONERS REGARDING OTHER BOARDS AND COMMITTEES THEY SERVE ON: Commissioner Brissenden commented on a Hospital Board meeting she had attended and a meeting of the Paradise Valley Weed District Board she had attended.

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

To approve expenditures as presented.

PUBLIC HEARING TO CONSIDER, SELECT, AND PRIORITIZE PROJECTS FOR THE 2014-2015 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM: Provided to the Board for review was a copy of the Notice of Public Hearing and a copy of the grant application for Nevada Rural Counties RSVP Respite Care Program. Brenda Willey, Administrative Assistant appeared Board. No other applications were submitted and no one appeared on behalf of the applicant. Discussion occurred regarding questions related to the application and that no answers were available at this time. Ms. Willey noted that the prioritizing of the project would need to occur today. Administrator Deist suggested that the Board could tentatively approve and prioritize the application if the questions are answered satisfactorily prior to submission. After discussion the following motion was made by Commissioner Brissenden and passed unanimously:

To tentatively approve as the number one priority the application from RSVP provided the answers to the questions can be resolved satisfactorily.

REQUEST FROM THE HUMBOLDT COUNTY HIGH SCHOOL RODEO ASSOCIATION FOR A GRANT TO ASSIST IN PUTTING ON THE 2014 HUMBOLDT COUNTY HIGH SCHOOL RODEO:

Members of the Humboldt County High School Rodeo Association appeared before the Board. President Savannah Montero spoke in support of the request for a \$6,000.00 grant to assist in putting on the 2014 high school rodeo; she reviewed the event attendance and how the funds would be used. Administrator Deist commented that this request is in line with prior years and recommended approval. The following motion was made by Commissioner Amos and passed unanimously:

To grant the Humboldt County High School Rodeo Club \$6,000.00 with the request that they try and shop locally and support local businesses.

APPROVAL OF THE 2014 COMMISSION CALENDAR: Discussion occurred regarding the dates of the elections in 2014 and the effect of those on the meeting schedule. After discussion the following motion was made by Commissioner Bell and passed unanimously:

To approve the calendar with changes to the meeting dates for November to the 11th and 24th and to have only one meeting in December on the 15th.

REQUEST FOR A WAIVER OF THE ATTRITION POLICY FOR A COURT CLERK 1 IN JUSTICE COURT:

Justice of the Peace Letty Norcutt and Court Administrator Holly Jones appeared before the Board. Judge Norcutt spoke in support of the request. After discussion the following motion was made by Commissioner Amos and passed unanimously:

*To approve waiver to the attrition policy for a court clerk one in Justice Court.
(Chairman French left the meeting at 10:20 a.m.)*

PUBLIC HEARING ON RH-13-06 - A zone change submitted by Desert Mountain Surveying as agent for Robert and Beverly Shell to rezone property locate at 4140 Moon Lane, Winnemucca, NV from RR-13 (Rural Ranchette District 13,000 square foot minimum lot size with Mobile Home Combining District Overlay) to R-1-9 MH (Single-Family Residential District 9,000 square foot minimum size with Mobile Home Combining District Overlay); APN 010-373-26 and 010-373-27:

Provided to the Board for review was a copy of the Notice of Public Hearing, a copy of the Planning Department Staff Report recommending approval, a copy of the application for zone change and a copy of the parcel map showing the location of the property. Betty Lawrence, Senior Planning Technician for the Planning Department appeared before the Board. John Milton of Desert Mountain Surveying appeared before the Board as agent for the applicants. Vice-Chairman Cassinelli read the title of the item set to public hearing. Mrs. Lawrence reviewed the application and recommended approval. Vice-

Chairman Cassinelli asked for public comment. Mr. Milton noted that the new zoning would match the current zoning in the area and that while the property is located in the County, if development occurs it would need to meet the City standards. No further public comment offered. The following motion was made by Commissioner Amos and passed with Vice-Chairman Cassinelli and Commissioners Amos, Bell and Brissenden voting aye and Chairman French being absent:

To adopt the zone change on property located at 4140 Moon Lane, Winnemucca, Nevada RR-13 to a mobile home combining district overlay to R-1-9 MH single family residential district 9,000 square foot minimum size with a mobile home combining district overlay, parcel number APN 010-373-26 and 010-373-27.

(Ordinance No. 12-16-13)

ADOPTION OF RESOLUTION FOR FY 2013 ELECTIONS FOR FOREST RELATED SAFETY

NET PAYMENTS (SECURE RURAL SCHOOLS): A copy of the proposed resolution and a copy of a letter regarding the Secure Rural Schools funding from the USDA were provided to the Board for review. Administrator Deist explained the request and noted that this is an annual requirement. After discussion the following motion was made by Commissioner Brissenden and passed with Vice-Chairman Cassinelli and Commissioners Amos, Bell and Brissenden voting aye and Chairman French being absent:

To adopt the resolution for FY 2013 elections for forest related safety net payments (Secure Rural Schools) as stated.

(Resolution No. 12-16-13a)

REVIEW AND POSSIBLE APPROVAL OF MEMORANDUM OF AGREEMENT BETWEEN THE BLM, HUMBOLDT COUNTY AND THE CITY OF WINNEMUCCA RELATED TO THE WATER CANYON RECREATION AREA:

A copy of the proposed Memorandum of Agreement (MOA) was provided to the Board for review. Derek Messmer, Field Manager for the Humboldt River Field Office BLM appeared before the Board. Administrator Deist noted the inclusion of language in the MOA to allow for the continued operation of the Water Canyon recreation area through cooperation between the City and County in the event of a federal government shutdown. After discussion the following motion was made by Commissioner Brissenden and passed with Vice-Chairman Cassinelli and Commissioners Amos, Bell and Brissenden voting aye and Chairman French being absent:

To approve the memorandum of agreement between the BLM, Humboldt County and the City of Winnemucca related to the Water Canyon recreation area.

POSSIBLE PARTICIPATION AS A COOPERATING AGENCY FOR THE ENVIRONMENTAL

ASSESSMENT OF THE DOUBLE H - BILK CREEK LANDSCAPE FUELS AND RESTORATION PROJECT:

A copy of a letter from the BLM and a copy of a cooperating agency information sheet were provided to the Board for review. Mike Feticc, Fire Management Officer for the Winnemucca District BLM, Derek Messmer Field Manager of the Humboldt River Field Office BLM and Mark Williams Fire Ecologist at the Winnemucca BLM appeared before the Board. Mr. Feticc stated that the BLM was inquiring as to Humboldt County's interest in participating as a cooperating agency with the environmental assessment for the Double H -Bilk Creek landscape fuels and restoration project. Mr. Williams explained the purpose of the project as well as the process and the goals. Mr. Messmer commented on the project. Discussion occurred regarding Humboldt County's prior cooperation on other projects. Mr. Williams noted that a request needed to be made by the County to be a cooperating agency and he explained what that status allows. After discussion the following motion was made by Commissioner Bell and passed with Vice-Chairman Cassinelli and Commissioners Amos, Bell and Brissenden voting aye and Chairman French being absent:

That Humboldt County wishes to participate as a cooperating agency for the environmental assessment for the Double H - Bilk Creek landscape fuels and restoration project.

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

REQUEST FROM CLEVE AND DEE MALLORY TO DISCUSS RE-OPENING BRUCE DRIVE AND NOT PROCEEDING WITH THE DEVELOPMENT OF MAYHEW DRIVE:

Cleve and Dee Mallory appeared before the Board. Superintendent Garrett explained the process that began in 2010 with the application for a right-of-way from the BLM to allow for the development of Mayhew Drive as an interconnection to tie the subdivisions together; he noted that under current NDOT standards those roads are too close together to do the improvements necessary in the NDOT right-of-way to keep all of them open so in the event NDOT decides to close some of the roads, the interconnection will allow the County to tie all those roads together and that the BLM right-of-way still has not been acquired and the project would require additional right-of-ways from private property owners so it would be at least a couple of years until the project is completed. Cleve Mallory addressed the Board and commented on the issues created by the removal of Bruce Drive including issues with the children trying to go to school; he commented that there is enough spacing for anything that NDOT would want to do off of Bruce Drive and suggested that the speed limit be lowered to 45 m.p.h. which would help the problems as the current speed limit is a safety issue and offered suggestions as to how re-opening of Bruce Drive could be

beneficial and how it could be done. Discussion occurred regarding the closure of Bruce Drive. Mr. Mallory stated that it was time for Bruce Drive to be reopened and stated his belief that if the County made the request to NDOT for re-opening that request would be granted. Mrs. Mallory noted that other accesses in the area such as Delaney and Lambert are in the County's name. Commissioner Bell commented on the Commission's prior direction as to the use of frontage roads as opposed to multiple accesses to a busy highway. Mr. Mallory stated that they would deal with NDOT if the County would give its blessing and vote to re-open Bruce Drive. Commissioner Brissenden asked for direction from the District Attorney. District Attorney Macdonald could not offer direction on how to proceed but noted prior recommendations from staff including the Road Superintendent and suggested that the question today is whether the Commission is interested in working with NDOT to open up Bruce Drive, if that is possible or whether to continue pursuing the frontage road. Administrator Deist noted that at the time NDOT closed Bruce Drive it had been the direction of the Commission to begin the frontage road process and that is what has been occurring. Vice-Chairman Cassinelli concurred and noted that had been the position of the Commission at that time and that he would not be changing his mind today, so he did not believe the Board should get back into this issue again. Mr. Mallory reiterated his request for the County's assistance in re-opening Bruce Drive. Discussion occurred regarding the plan for Mayhew. Superintendent Garrett discussed the improvements that would be required by NDOT if Bruce Drive were to be reopened comparing it to what had occurred with Savage Drive. Discussion occurred regarding the closure of Bruce Drive. The following motion was made by Commissioner Amos:

To re-open Bruce Drive.

Commissioner Brissenden asked the District Attorney about any liability for the Commission in doing that. District Attorney Macdonald stated that he believed the Road Superintendent could provide information regarding liability issues similar to what had been discussed with Savage. Commissioner Amos stated that the Mallory's would take care of that, the Commission would motion to re-open but it would be up to the Mallory's to take care of the permits and getting it up to State standards and whatever else is required as the County would not be responsible for that. Administrator Deist asked if the permit would be in the Mallory's name not the County's. Commissioner Amos concurred. Commissioner Bell stated that could be done without the Commission's vote. Mr. Mallory commented on the benefits of re-opening Bruce Drive as opposed to the frontage road project. Vice-Chairman Cassinelli asked if the motion were to pass what would the ramifications be. District Attorney Macdonald stated he was not sure sitting here today but if the County is going to take action to open the road then the County could

ultimately be responsible. Superintendent Garrett noted that in the recent situation with Savage, they wanted the County to pull the permit as no private property owner wanted to assume the responsibility for it and there were tremendous amounts of improvements required and there was not sufficient right-of-way plus it would be very costly; he suggested that this situation would be similar and that he does not believe it would be a simple project. Vice-Chairman Cassinelli called Commissioner Amos' motion to a vote and Commissioner Amos voted aye, Vice-Chairman Cassinelli and Commissioners Bell and Brissenden voted nay and Chairman French was absent. Vice-Chairman Cassinelli stated that the motion had failed, that the County would not give a blessing and that the Mallory's would need to deal with NDOT regarding the issue. Mrs. Mallory asked if the Commission could make a motion lowering the speed limit through the area. Commissioner Bell stated that NDOT decides the speed limit. Mr. Mallory indicated that NDOT said that if the Commissioners asked they would do it. Vice-Chairman Cassinelli commented on the safety project planned for US 95. Superintendent Garrett commented on the safety audit that had occurred noting that there had not been an appetite by NDOT to reduce speed limits. Administrator Deist stated that the issue of requesting NDOT to do anything with speed limits could not be addressed today as it was not agendized.

REPORT OF PENDING ROAD DEPARTMENT PROJECTS: Superintendent Garrett reported on snow removal, cattle guard cleaning and pipe installation.

MISCELLANEOUS ROAD RELATED MATTERS: None offered.

PRESENTATION OF THE AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2013 AND ACCEPTANCE OF SAID AUDIT: Provided to the Board for review was the audit for fiscal year ending June 30, 2013 prepared by Drake Rose & Associates, LLC, a handout of graphs related to Humboldt County's funds and a copy of the audit letter (letter attached). Andree Rose & Tara Larson of Drake Rose & Associates appeared before the Board. Mrs. Rose stated that the audit provided an unqualified clean opinion on the financial statements of Humboldt County for the year ended June 30, 2013 and reviewed the findings of the audit for the Board including a significant deficiency as to communication of operational activities from departments to Comptroller's Office and a material weakness as to training and supervision of staff and review of transactions and management's response to the deficiency/weakness. Mrs. Larson reviewed the graphs for the Board. Mrs. Rose reviewed the audit letter as required. After discussion the following motion was made by Commissioner Bell and passed Vice-Chairman Cassinelli and Commissioners Amos, Bell and Brissenden voting aye and Chairman French being absent:

12/16/2013

Page 7 of 8

MEMORANDUM

TO: COMMISSIONERS
FROM: ADMINISTRATOR
DATE: December 9, 2013
SUBJECT: CONSENT AGENDA

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

1. Approval of Resolution proclaiming January 2014 as National Radon Action Month in Humboldt County: The Resolution is attached. We have adopted this resolution for the last several years.

Recommendation: That the Commission approve the resolution.

2. Approval of request for adjustment to the County Tax Roll: Attached is the request.

Recommendation: that the Commission grant the request as recommended by the Assessor and Treasurer.

2. Approval of County Clerk's request for pre-approved overtime for the Court Clerk (20 hours) and the Indigent Coordinator (10 hours) for the period of January to June 2014: Attached is the request.

Recommendation: That the request be granted.



November 27, 2013

To the Honorable Board of County Commissioners
of Humboldt County, Nevada

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Humboldt County, Nevada for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 15, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Humboldt County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2013. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of depreciation of property and equipment is based on estimated useful lives as set by industry standards. We evaluated the key factors and assumptions used to develop the useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimates of other postemployment benefits are based on information calculated by an actuary. We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

The following material misstatements detected as a result of audit procedures were corrected by management: adjustments to record in fiscal year 2012-2013 accounts payable and construction in progress related to the dispatch building that had been incorrectly recorded in the 2013-2014 fiscal year, an adjustment to record the liability related to the sheriff's office retroactive pay adjustments, and an adjustment to record fixed assets and building repairs donated by the Winnemucca Convention and Visitor's Authority. These misstatements were the result of weaknesses in controls, one of which we believe to be a significant deficiency and a second that is deemed a material weakness, the details of which can be found in the financial statements under the heading "Findings Relating to the Financial Statements Reported in Accordance with Generally Accepted Government Auditing Standards (GAGAS)" in the Schedule of Findings and Questioned Costs.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 27, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of County Commissioners of Humboldt County and management of Humboldt County and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Blake Rose & Associates, LLC

Client: *Humboldt County*
 Engagement: *Humboldt County*
 Period Ending: *6/30/2013*
 Workpaper: *Passed Journal Entries Report*

Account	Description	W/P Ref	Debit	Credit
Passed Journal Entries JE # 39				
Medicare tax not recorded on paid time off.				
100-001-51106-000	MEDICARE		6,206.00	
201-000-51106-000	MEDICARE		87.00	
202-000-51106-000	MEDICARE		973.00	
203-000-51106-000	MEDICARE		59.00	
205-034-51106-000	MEDICARE		2,411.00	
207-000-51106-000	MEDICARE		531.00	
212-000-51106-000	MEDICARE		358.00	
100-000-20103-000	ACCRUED SALARY & BENEFIT			6,206.00
201-000-20103-000	ACCRUED SALARY & BENEFIT			87.00
202-000-20103-000	ACCRUED SALARY & BENEFIT			973.00
203-000-20103-000	ACCRUED SALARY & BENEFIT			59.00
205-000-20103-000	ACCRUED SALARY & BENEFIT			2,411.00
207-000-20103-000	ACCRUED SALARY & BENEFIT			531.00
212-000-20103-000	ACCRUED SALARY & BENEFIT			358.00
Total			10,625.00	10,625.00
Passed Journal Entries JE # 40				
Accrued payroll variance.				
100-000-20103-000	ACCRUED SALARY & BENEFIT		8,162.00	
100-001-51001-000	SALARIES			8,162.00
Total			8,162.00	8,162.00
Passed Journal Entries JE # 41				
Lease of Federal Lands revenue in incorrect year.				
100-000-32328-000	LEASE OF FEDERAL LANDS		80,799.00	
100-000-25407-000	FUND BAL UNRESERVED			80,799.00
Total			80,799.00	80,799.00