

TONOPAH TOWN BOARD

MEETING MINUTES

APRIL 24, 2013

Tonopah Town Board Chairman Horace Carlyle called the meeting to order at 7:04 pm. Also present was Duane Downing and Ron Kipp. Javier Gonzalez was absent. There were fourteen other people in attendance.

1. Public Comment

Stephanie Shampang expressed concern over the horse corral area. She noted that it is always full of trash and the alleyways are unclean. She noted that there is nothing being done to fix it. She suggested making it a community even where everyone comes out to help clean everything up.

No action taken by the Board.

2(a). Review and approval of minutes, in context, from budget workshop held on April 04 2013.

Duane Downing made a motion to approve the minutes, in context, from budget workshop held on April 04, 2013. Ron Kipp seconded. Motion passed 3-0-1 (Javier Gonzalez was absent).

(b) Review and approval of minutes, in context, from regular meeting held on April 10 2013.

Duane Downing made a motion to approve the minutes, in context, from regular meeting held on April 10, 2013. Ron Kpp seconded. Motion passed 3-0-1 (Javier Gonzalez was absent).

The Board moved to item 7.

3. Discussion and possible decision to grant request for Tonopah Little League to use Joe Friel Sports Complex and Highland Park for the 2013 season

Mary Valenzuela explained that Chuck Fox could not be present but he sent a letter to be read into the minutes. "Tonopah Little League has always appreciated the support from the Town throughout the years but we were disappointed that a once very nice facility has been allowed to deteriorate to the point where it is no longer safe to use. The Tonopah Little League Board, the parents, and players would like to know what the plan is for Joe Friel Complex to address these concerns. The damage that the gopher population has done to all three fields is a huge safety concern for the Board, parents and players. There are areas where there is nothing but dirt, rock and gopher holes. No grass, just holes. If a child steps into one of these holes while running for a

ball practicing warming up, we will end up with broken bones. If you have not seen the condition of all three fields, take the time to go up there and see what it does look like. We would like to know what the plan is for the lack of grass and the overabundance of weeds on the fields and what the time frame would be to do some repair.”

Mary Valenzuela noted that the scoreboards and controllers do not work anymore and the concession, storage, and bathroom building is in really bad shape. She noted that they have had a lot of complaints from parents. Steve Valenzuela explained that they use the fields in the evening after the high school is gone. He noted that they do have games planned with Round Mountain.

Horace Carlyle suggested Little League set up a time with the Town Manager to go inspect the fields. James Eason explained that he has been up to the fields and staff has been filling in gopher holes. There is a program in place to deal with the gophers. The Town started that contract last year. The water was turned on earlier this year than in previous years and there have been a few breaks up there. There has been damage in the bathrooms. He noted that all of the parks are in rough shape. Steve Valenzuela noted that in the last four or five years there has been a steady decline in the fields.

James Eason noted that about five years ago, residents decided not to fund the bond issue anymore to pay for the parks. The Town is running on a limited budget. He explained that there are no grants at this time for parks and recreation and the bond is done. The Town is working within the existing budget. All of the parks are funded from Room Tax. Traditionally, Room Tax was supposed to cover the Convention Center, the parks, the Mining Park, the Pool, the traffic islands, Rye Patch, the Rodeo Grounds, and Joe Friel. He explained that the Town has discussed zero scaping. He noted that at the last budget workshop, the Board approved to increase the water budget for the parks.

Mary Valenzuela wanted to know what could be done with the fields so Little League can continue this year. James Eason explained that Field 3 has traditionally been used later in the year. He noted that the Town has been helping the high school with the fields. Steve Valenzuela noted that Little League should have started already.

James Eason explained that the fields were seeded twice as the first time did not take. There was very little top soil put down. Horace Carlyle suggested Little League work with staff to see what can be done to make it work for this season. Steve Valenzuela noted that Little League had funded a lot of stuff up there. Duane Downing noted that the Town will do what it can with the fields as budget allows.

The item was tabled.

4. Discussion and possible decision to approve a Loan Resolution and Grant Agreement with USDA Rural Development for the Tonopah Phase Two Water Project

The Board called Susan Dudley at this time.

Susan Dudley explained that the next three items all relate to Phase II of the Water Project. Phase II has already begun with the surveying of the right-of-way. This took a little longer than initially anticipated so the schedule is a little behind. The funders are aware of the situation and they have no problem with the extended schedule. Instead of expecting construction to begin around the first week of October, it will be either the last week of October or the first week of November. In addition to the survey, the archaeologist has completed the cultural survey as required by the BLM in the right-of-way stipulations. The BLM also asked that the archaeologist the soil sample test pit locations with their survey information. Three test pits needed to be moved because of cultural issues. Shaw Engineering is scheduled to begin soil sampling next week.

In order to insure that TPU can continue paying the invoices coming in for the project, TPU needs the funds from USDA. Susan Dudley explained that the Loan Resolution is in the amount of \$1,873,000. The Town decided to refinance an existing debt that had a 4.5% interest rate, The amount of \$439,000 was refinanced down to 2.5%. The balance of the loan resolution is \$1,434,000 to help fund Phase II.

Susan Dudley explained that the grant agreement is in the amount of \$2,615,933. The grant agreement for Phase I was \$2,229,047. The difference is \$386,886, which is designated just for Phase II. From the grant award for Phase I, only \$786,530 of that grant has been spent and she does not foresee spending anymore. The total grant amount, including the funds brought forward from Phase I and the funds awarded for Phase II, is \$1,829,403. With the loan and grant funds from USDA and the \$1,700,000 principal forgiveness loan from State Revolving Loan Fund, the total funding is \$4,920,886 for Phase II.

Duane Downing made a motion to approve the Loan Resolution in the amount of \$1,873,000 and approve the Grant in the amount of \$2,615,933. Ron Kipp seconded. Motion passed 3-0-1 (Javier Gonzalez was absent).

5. Discussion and possible decision to approve an engagement letter to hire Swendseid and Stern, Sherman Howard as Bond Counsel for services for an Interim Debenture Bond Closing and Revenue Bond Closing related to the Tonopah Phase Two Water Project

Susan Dudley explained that TPU received an amended Letter of Conditions from USDA. That Letter states certain requirements to be met in order to insure USDA funding. One of the requirements is to obtain the services of a recognized bond counsel. She noted that the Town has used this company for at least the last ten years. She requested an engagement letter for the consideration and approval of the Board. The engagements letter spells out that they will provide certain services that relate to the closing on the interim financing, which is necessary to pay the cost of the project until the Town closes on the final Revenue Bond with USDA. The cost quoted is in the funding. She noted that the Board has previously gone through the closing on the interim debenture and the closing on the revenue bond for Phase I.

Duane Downing made a motion to approve an engagement letter to hire Swendseid and Stern, Sherman Howard as bond counsel for services for an interim debenture bond closing and revenue

bond closing related to the Tonopah Phase Two Water Project. Ron Kipp seconded. Motion passed 3-0-1 (Javier Gonzalez was absent).

6. Discussion and possible decision to begin the request for proposal process of obtaining Interim Financing in the amount of \$1,434,000 for the Tonopah Phase Two Water Project

Susan Dudley explained that this is another requirement in the Letter of Conditions. The Town is required to pay the construction costs equal to the loan amount. The Loan Amount is \$1,434,000. The rest of the Loan Resolution is to refinance an old loan. The Town has to pay those construction costs until it closes on the revenue bond after going through those costs. In order to be able to ensure that the Town has that capability prior to advertising for the bid, the Town must seek interim financing and close on an interim debenture bond. She explained that she put together a request for proposal. It has been vetted with Kendra Follett and USDA. If the Board approves, she will work with a number of financial institutions requesting for the Town to borrow the amount of \$1,434,000 to use for construction costs until closing on the revenue bond. She explained that the Town is asking for a loan for the funding. If the institution is willing to loan the money, they will provide a proposal giving the terms and conditions of the loan. This process takes approximately two months and closing on the interim debenture bond takes about two months.

Susan Dudley explained that there were four proposals for Phase I. The Board compared the proposals to see which one was most economical and that was the one selected, Zion's Bank. This would be the same process.

Duane Downing made a motion to approve the request for proposal process of obtaining interim financing in the amount of \$1,434,000 for the Tonopah Phase Two Water Project. Ron Kipp seconded. Motion passed 3-0-1 (Javier Gonzalez was absent).

The Board moved to item 8.

7. Discussion, deliberation and possible decision to support Nye County Public Works to remediate the drainage problem known as "slime wash" adjacent to Hwy 95, north of the Clown Motel. Determine any monetary costs and acquisition of right-of-ways which would include securing the 10' or 15' utility access across all lots affected by the open slime wash channel. Subsequently address future maintenance issues.

Dave Fanning explained that he spoke with Steve Baer at NDOT regarding the sidewalks and slime wash. The main focus with slime wash is the State right-of-way and how it affects some of the work to be done. NDOT would like to look at offering up a pit source to provide suitable backfill that would be used for the back-sloping of their right-of-way. They have no funding for this project at this time. Nye County will end up hauling the material.

Dave Fanning explained that once the budget is approved, the project should take about a month. The ditch has to be cleaned up. Nye County will also have to deal with TPU's sewer line crossing. He noted that the project covers the portion of the wash that runs parallel to the

highway but where it turns away is where the project stops. The outlet from the existing NDOT pipe would be tied into a drop inlet. He explained that this is a recommendation from NDOT. Every 400 feet there would be another drop inlet. He noted that there are some high elevations coming off the highway. The project will address that to the existing property line elevations. The County has to obtain right-of-ways from the beginning of the pipe to where the project will stop about 1,200 feet down the channel. This needs to be acquired from the property owners. He noted that this is about a \$400,000 project.

James Eason noted that the Town received a right-of-way and permission from Mr. Stone when the Town cleaned the channel.

Horace Carlyle noted that he would like to see two Board members work with Mr. Eason and Mr. Fanning on this. Dave Fanning noted that this makes the property along that stretch more sellable.

Durk Pearson explained that he owns HRH Nevada Resources. They own all of the property between the Holder property and the apartment buildings to the north. He explained that he is very pleased with the plans and is willing to give the necessary easements without charge. He noted that there is also fill dirt available.

Duane Downing made a motion to appoint Chairman Carlyle to work as liaison to Staff and Mr. Fanning's department in insuring that this project goes forward. Ron Kipp seconded. Motion passed 3-0-1 (Javier Gonzalez was absent)

The Tonopah Town Board recessed to the Tonopah Library Board of Trustees at 7:21 PM.  
The Tonopah Town Board returned at 7:25.

The Board moved to item 3.

8. Review, discussion and possible decision to advertise in *Civil Air Patrol Magazine*.

James Eason explained that for the past two years the Town has decided to advertise in the *Civil Air Patrol Magazine*. All the proceeds go to a non-profit to help support the Civil Air Patrol. It is up for renewal again. It will be funded out of Room Tax. Ron Kipp wanted to know if this was a quarterly publication. James Eason noted that the Town only pays once a year. Duane Downing wanted to know if it was still \$195.00. James Eason explained that it is the same as last year.

Duane Downing made a motion to approve the advertisement in the *Civil Air Patrol Magazine* in the amount of \$195.00. Ron Kipp seconded. Motion passed 3-0-1 (Javier Gonzalez was absent).

9. Tonopah Development Corporation Report

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

Horace Carlyle explained that he appeared before the County Commissioner's as approved by the Board to support the Nye Regional extension for the 5.5 acres. It was voted against. He noted that the four conditions listed in Exhibit A do not specify what had to be constructed first. The project had to begin within 36 months and there was no deadline in the construction process.

Horace Carlyle noted that the Town received the opinion from the District Attorney. The Town has documentation that it has, to the best of its abilities, complied with the NRSs.

Horace Carlyle explained that based on discussions regarding the budget, he solicited comments from Shaw Engineering. He feels TPU still needs to get some document so the Board has the basis to make a decision on. He recommends setting a budget for Shaw Engineering, capped at \$20,000, to work on this in conjunction with Staff.

James Eason explained that during the budget workshop, the Town did have a windfall and there was confusion regarding why the assessed valuation went up so much. The Department of Taxation informed the Town yesterday that the Assessor made a mistake and included the Solar Reserve project into the Town's area. Based on last year, there should only be a slight increase in Property Tax from last year.

James Eason explained that the Town submitted the Tentative Budget with an overall dollar amount but he would like to have a workshop with the Board and the public. He explained that during the meetings with Staff and two of the Board members, the discussion started with TPU Sewer, then Water, and then Town. He noted that a study does need to be done on the sewer lines which have not been touched in a long time to see what the useful life is and which areas are causing problems and possibly revisit the PER. The new treatment facility was put in in 2008 and it is now the collection lines. He explained that Staff submitted comments to Shaw Engineering to reevaluate the lift station at Sierra Vista. There were four alternatives presented. There was also a discussion about paying off debt. On the water side, TPU is working on Phase II. Eventually, the Town will have to look at replacing distribution lines in Town. He explained that the meetings addressed the parks, including zero scaping and playground equipment. There were discussions about what to do regarding the grass at Joe Friel. Further projects at the Convention Center were discussed. He noted that there were discussions about continuing to fund the endowment and the OPEB obligation. James Eason recommended doing a workshop before a Board meeting.

James Eason explained that the Convention Center roof is basically completed. There are no other outstanding issues and all that remains is paperwork. The Town is waiting on the Owner's Manuals for the HVAC systems and the warranty guaranteeing the roof for 20 years. TPU is trying to wrap up the Reuse Project. They are working out communication issues with the card

reader. Once completed there will be training for staff. The computer is already set up and the office has been rearranged. Joe Westerlund noted that Wells 5-8 will be online next week.

James Eason explained that he spoke with Dave Fanning regarding the horse corrals, as it is really a Nye County issue. All of the right-of-ways belong to Nye County. There are issues with the lots. Some have merged together and blocked alleyways. There will have to be a plan on how to address that. That area was designated as an animal area. People cannot live down there and the alleyways were set up for utilities and access to go ride in the desert. He noted that it is an enforcement issue.

Horace Carlyle feels that in the workshop the Board needs to look at what is theoretically available. James Eason explained that by law the Town only needs to carry over 3%.

James Eason explained that he, Heather Ingalls, and Mariah Rivero attended Rural Roundup last week. The Mining Park and the Town are receiving a lot of exposure.

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. Correspondence

Tonopah Historic Mining Park Collections Brochure  
Round Mountain Town Board Regular Meeting Minutes – 03-26-2013  
Email Regarding Updating Sewage Collection Lines – 03/27/2013  
The Battle Mountain RMP Newsletter – April 2013  
Round Mountain Town Board Regular Meeting Agenda – 04/09/2013  
Email Regarding Status of Bills – 04/15/2013  
Nye County Board of Commissioners Regular Meeting Agenda and Backup – 04/16/2013  
Letter from Nevada Department of Taxation – 04/17/2013  
Nye County Board of Commissioners Workshop Agenda and Backup – 04/17/2013  
Nye County Animal Advisory Committee Regular Meeting Agenda – 04/18/2013

- Beatty Town Advisory Board Business Ordinance Workshop Agenda – 04/22/2013
- Beatty Town Advisory Board Regular Meeting Agenda – 04/22/2013
- Email Regarding Scope of Work Suggestions – 04/22/2013
- Opinion from Nye County District Attorney – 04/22/2013
- Round Mountain Town Board Regular Meeting Agenda – 04/23/2013
- Pahrump Town Board Regular Meeting Agenda – 04/23/2013
- Nye County Board of Commissioners Teleconference Meeting Agenda – 04/24/2013
- Nye County Water District Governing Board Regular Meeting Agenda – 04/29/2013
- Nye County Park and Recreation Advisory Board Teleconference Meeting Agenda – 04/24/2013

16. 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. Ron Kipp seconded. Motion passed 3-0-1 (Javier Gonzalez was absent).

17. Adjourn

Meeting was adjourned at 8:47 pm.

Minutes transcribed by:

Approved:

Mariah Rivero  
Mariah Rivero

Horace Carlyle  
Horace Carlyle, Chairman

Duane Downing  
Duane Downing, Vice Chairman

Ron Kipp  
Ron Kipp, Clerk

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Javier Gonzalez, Member

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Vacant, Member