Lincoln County Water District

181 Main Street, Suite 115, P. O. Box 206,
Pioche, NV 89043, (775) 962-5164

MINUTES

WEDNESDAY, SEPTEMBER 19, 2012, 10:00 A.M., COMMISSION CHAMBERS, LINCOLN COUNTY COURTHOUSE, PIOCHE, NV

Action may be taken on items denoted with an asterisk*.

1. *Call to order, open meeting compliance, roll call, prayer and pledge of allegiance.

   Meeting called to order at 10:00 a.m. Present: Paul H. Mathews, Paul Donohue, Kevin J. Phillips, G. Tommy Rowe, E. Edwin Higbee, Jr., Wade Poulsen-General Manager, Dylan Frehner-Legal Counsel, and Shannon Simpson-Administrative Assistant. Absent: None. Prayer: Paul Donohue. Pledge: Ed Higbee.

2. Public Comment and Discussion. Tommy Rowe has requested that he and Ed Higbee be compensated for wage and mileage to the Coyote Springs power event on August 22, 2012. This item will be agendized for the October meeting.

3. *Discussion/Possible Action: Approve/Modify minutes from the Lincoln County Water District (LCWD) August 22, 2012, meeting.

   Motion by Kevin Phillips to approve the August 22, 2012, meeting minutes, 2nd by Paul Donohue, motion passes unanimously.

4. *Discussion/Possible Action: Approval of vouchers paid on check dates September 4th & 17th, 2012.

   Motion by Paul Donohue to approve the payment of vouchers for check dates September 4th & 17th, 2012, 2nd by Tommy Rowe, motion passes unanimously.

5. Discussion: Board and Staff member reports:

   Wade:
   - Discussed the last meeting of the Panaca Farmstead and the article in the September 14, 2012, Lincoln County Record regarding the Panaca Farmstead consolidating with the LCWD. Based on the outcome of this meeting the Panaca Farmstead has decided not to consolidate with the LCWD and to stay as they are.
   - Met with Cory Lytle – Building & Safety Department Administrator and John Brown – Coyote Springs General Improvement District (CSGID) Legal Counsel regarding consolidating with the CSGID. Conversation is focusing on how do we want to present it, how do we want it to look at the end result. Future meetings planned to continue discussions.
   - Free workshop for domestic well owners in Ely on 10/16/12 sponsored by NWRA.

- BLM Business Plan - We have not met since our last meeting. Given comments to BLM and assuming that the BLM is finalizing based on these comments.
- Met with Vidler on Toquop Energy Site. There will be a press release around October 1, about the energy site and the people that are interested in it.
- On 09/17/12, attended the Virgin Valley Water District (VVWD) meeting. Jason King – State Engineer and Rick Felling – State Hydrologist attended. Discussion mainly focused on the USGS study on Basin 222. Their Board elected not to go ahead with matching of the $500,000.00, to do a 5-year basin study with the USGS. They want to have the study done but they would like to investigate alternative funding sources.
- VVWD will be addressing on their next agenda changing of their Board at the upcoming Legislature session.

Dylan:
- Attended most of the meetings regarding Panaca Farmstead. Dylan is no longer the legal representative of the Panaca Farmstead.
- Also attended CSI and Vidler meetings.

6. Vidler Update.

Ryan Hoerth:
- Met with the BLM regarding Toquop on 09/12/12. The BLM has amended the road grant and moved the power plant site northward in Section 36 so that it doesn't interfere with the utility corridor anymore. They also amended the grant for the access road into the power plant site.
- Grant still needs to be amended for the pipeline and power line going out into the well field. Once this is done we can move forward with the plan of development.
- Going to drill well in Kane Springs, drew up well specs and held a pre-bid meeting. Invited seven drillers, three declined and three attended. Bids are due October 12. Hope to start constructing a well in January. In the meantime, Zong Engineering will run some geophysics to site the well.
- Dry Lake working on the completion of beneficial use which will be submitted in October to prove up our water rights there.
- Other basins are status quo and continuing to monitor.

7. Discussion: Public Hearing on Ordinance No. 2012-01 – An Ordinance amending the LCWD Ordinance 2007-01 to clarify when and in what amount the LCWD will transfer percentage of revenues from water disbursements to Lincoln County, changing language restricting districts use of water funds, changing of the percentage distributed to water funds and other matters properly relating thereto.

- Ordinance will change the amount of revenue Lincoln County will receive from the net revenues received from commitment fees for Lincoln County water applications from 35% to 20%.
- Ordinances also changes where the funds will be placed and how those funds will be used. It gives the County more flexibility as to how the funds will be used at the time.

- Discussed history as to how the percentages were originally established and into what accounts those funds would be placed.
- The County will have to revise the agreement between the LCWD and County that established the 35%. The County Commission will have to take action on this item.

8. *Discussion/Possible Action: Including but not limited to approval, denial, or modification of Ordinance No. 2012-01.

Motion by Kevin Phillips to approve Ordinance No. 2012-01 – An Ordinance amending the LCWD Ordinance 2007-01 to clarify when and in what amount the LCWD will transfer 20% of revenues from water disbursements to Lincoln County, changing language restricting districts use of water funds, changing of the percentage distributed to water funds and other matters properly relating thereto, 2nd by Tommy Rowe, motion passes unanimously.

9. *Discussion/Possible Action: The LCWD wage scale.

- Lengthy discussion on wages for the Operations Foreman and General Manager.
- Majority of the Board felt that the wages were too high for the current economy and/or that the step increases were too short.
- Board asked Wade to work on a policy to go along with the wage scale.

10. *Discussion/Possible Action: Submitting a Bill Draft Request (BDR) to the State Legislature to change the LCWD Act, Chapter 474, Statutes of Nevada 2003, Section 12, redefining the makeup of the LCWD Board.

Motion by Ed Higbee for the Board to remain the same as it currently is now, 2nd by Tommy Rowe, motion passes four to one, Paul Donohue opposing.

11. Public Comment and Discussion.

Emilia Cargill – CSI:
- Thanked the Commissioner's for attending the CSI power event. Step forward for the County, Lincoln County Power and CSI.
- Looking forward to the talks regarding the possible consolidation between CSGID and the LCWD.
- CSI has signed a contract with Navigant to help them develop a RFP for the Lincoln County property

Dylan:
- Dylan – Response to Farmstead situation. Should the LCWD put some articles into the newspaper as educational pieces to show the history of the district?

12. *Adjourn. ***Paul Mathews adjourned the meeting at 11:45 a.m.***

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Submitted for approval on December 12, 2012, by Shannon Simpson, LCWD Administrative Assistant.

Shannon Simpson

Approved by: Paul Mathews
Signature

Paul Mathews — Chairperson
Print Name — Title