

# CITY OF ELY

501 Mill Street Ely, Nevada 89301  
City Hall (775) 289-2430  
[Cityofelynv.gov](http://Cityofelynv.gov)

## ELY MUNICIPAL UTILITIES BOARD REGULAR MEETING

April 14, 2022 8:00 a.m. – Ely Volunteer Fire Hall – 499 Mill Street – Ely, Nevada

Vice Chairman Dale Derbidge called the regular meeting of the Municipal Utilities Board to order at **8:01 a.m.**, led in the Pledge of Allegiance and asked for Roll Call.

Members present:

- Vice Chairman Dale Derbidge
- Member Ken Ross
- Member Sherrie Marquez

Members absent:

- Chairman John O’Flaherty
- Member Greg Rivero

City Officials and staff present:

- Councilman Kurt Carson
- Councilman Ed Spear
- City Clerk Jennifer Lee
- City Treasurer/HR Director Janette Trask
- City Engineer BJ Almberg
- City Attorney Leo Cahoon
- City Public Works Supervisor Mike Cracraft
- City Administrative Assistant Patti Cobb

Also, in attendance: Members of the public in attendance at the Ely Volunteer Fire Hall signed in (appears below):

### MUNICIPAL UTILITIES BOARD ATTENDANCE LIST

DATE: April 14, 2022

Print name below

Print name below

Ed Spear  
George Chachas

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## 2. PUBLIC COMMENT

George Chachas stated on your agenda item 3C-1 regarding the bid award for the Murry Street Sewer Main Upgrade Project Phase III has Mount Wheeler Power ever been contacted to move the power poles on Murry Street. Mr. Chachas stated ongoing concerns regarding the billing for his property at 490 High Street; If the Golf Course is caught up on their previous bill; the barbed wire fencing NDOT had around a creek in Central Ely not meeting City Code; and permitting of RVs throughout the City and if they are paying utilities.

Administrative Cobb read the following public comment into the record.

**KARL J. & AMY L. GARCIA \* 2320 S MINERAL DRIVE, ELY NV 89318 \* 775-293-0993**

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Utility Board  
Ely City Council

April 5, 2022

**RE: Mineral Heights Billings; Water Surcharge, Improvement Surcharge, and Capital Improvement Fees**

Dear Utility Board Members and Ely City Council:

I have attached a copy of my latest utility bill. This past month a water surcharge, and an improvement surcharge were added to my bill. After speaking with City of Ely staff, it was determined these fees are charged to only residents in the Mineral Heights area for a water tank that was placed in the area in the 90's, and improvements.

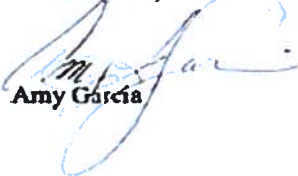
I am already billed a water and sewer capital improvement fee. Why does this not cover capital improvements in the Mineral Heights area? When or if, an improvement is made to another area of town that I do not benefit from, are/will those residents be singled out and made to pay for infrastructure that only they benefit from? And if so, what is the regular capital improvement fee for? I have considered that the creation of the capital improvement fee may have come after the surcharge already in place to Mineral Heights, and therefore was not considered, or possibly overlooked when establishing those improvement fees to those in Mineral Heights.

When this tank is paid for, will these fees drop from my bill? If residents have been paying for this tank since the 90's, at what point is the tank paid off, and Mineral Height residents see a reduction in this fee? What is the current balance for this water surcharge, and improvement surcharge? Does all this money go into the general fund and we have co-mingling of funds?

I am asking the Utility Board and Ely City Council, to please review this. I would like to have a better understanding as to why it is fair to handle this specific improvement this way. Mineral Height residents are paying for improvements in their area, while also paying into a separate capital improvement fund for the rest of the system, whether they benefit from said improvement or not. To my knowledge, no other resident pays an additional surcharge for improvements.

I appreciate your time in reviewing and considering my concern, and I will respect any decision the board makes on the matter going forward.

Kind Regards,



Amy Garcia

**3. ITEMS FOR DISCUSSION/POSSIBLE ACTION OF THE UTILITY BOARD.**

**A. CONSENT AGENDA**

**MOTION:** Move to approve the Consent Agenda item 3A-1 Minutes.

Administrative Assistant Cobb stated I attest the March 10, 2022 minutes are correct and accurate and written from the audio recording from the meeting.

Moved by: Member Marquez Second by: Vice Chairman Deridge Vote: Unanimous

1. Discussion/For Possible Action –Minutes.
  - March 10, 2022

**B. OLD BUSINESS**

1. Board Members – *Robinson Nevada Mining Company* (RNMC) representative – Discussion only – Update to the Utility Board on the *Robinson Nevada* Development, Ruth Pit Development and water mitigation efforts within the City of Ely.

City Clerk Lee read the following into the record:

**Jennifer Lee**

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**From:** Frederick Partey <Frederick.Partey@us.kghm.com>  
**Sent:** Wednesday, April 13, 2022 6:48 PM  
**To:** Jennifer Lee  
**Cc:** Amanda Hilton  
**Subject:** Utility Board Meeting- 04/13/2022

Hello Jennifer,

I will not be able to attend tomorrow's utility board meeting, I am by this email providing you an update on "Old Business" Item B 1. *Ruth Pit development and water mitigation efforts within the City of Ely.*

Robinson continue to mine from the Ruth pit complex, here is the breakdown of fresh water dewatering effort from the South block.

About 8,935 gpm is being pumped, 5,332 gpm is going into Gleason Creek and the rest is going to the mill for ore processing. The Bureau of Safe Drinking Water has approved the temporary pump, motor and accessories for RW-7P. Robinson has issue a purchase order and we expect ~6 week lead time for the pump, motor and accessories to arrive. We will also schedule the push/pull rig to minimize the risk of additional delays once the pump, motor and accessories are here.

Please let me know if the utility board has any questions.

Thanks,

Frederick

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**C. NEW BUSINESS**

1. Board Members – City Engineer Almberg – Discussion/For Possible Action – Recommendation on Bid Award for Murry Street Sewer Main Upgrade Project Phase III, CDBG funded project 21/PF/02 (PWP# WP-2022-162).

City Engineer Almberg stated we received bids earlier this week. We had four contractors pick up bid packets, but unfortunately only one contractor turned in a bid. The bid that was turned in was for \$415,193.10 and everything that was required as part of the bid was included. The concern we have is this is a CDBG funded project and our funds that we have put together based on our grant funding is \$349,500.00. The bid is \$65,693.10 over what we had through the grant funds. We do have the funding in place and would be able to proceed with this project as is with the City providing the difference. It is available for award based on this price based on our coordination with the Treasurer's Office. In the bid documents there is a paragraph that states the low bid shall be considered to be that bid which has the lowest total cost on the bid items selected by the owner, based upon available funding, for inclusion in the final agreement rather than the total cost of all bid items prior to the elimination of various deductible bid items. It is an option, but we don't necessarily have to take that option at this point and time as we do have the funding to go ahead and complete all this project. To clarify why this bid is higher was with the last project we had some problems with some of the valves not functioning. We tried to include in this next phase the upgrade of some of our water valves associated with this project. The overage is the increased price to take care of some of the issues that will benefit our water system.

Vice Chairman Derbidge stated by putting the new valves in it has to be more cost effective to do it now then to wait until they break.

Councilman Carson stated I agree.

City Engineer Almberg stated it is, and the reason we are doing it is when we were down there working on it during the last phase and turning water valves off, they were just not functioning. It is to the benefit of the City to put them in now.

Member Marquez asked will that extend the time of the project?

City Engineer Almberg stated no, it does not extend the time of the project.

Member Ross asked what is the timeframe?

City Engineer Almberg stated if it gets recommended for award through you today and approved through City Council tonight, we will start the paperwork right away to get their bonds in place and contracts signed. We are anticipating the project to start the first week of May if there is not a delay with materials and I believe it is a ninety-day timeline. CDBG did review the bid documents, and everything is good to go as far as CDBG is concerned with this contractor.

Member Marquez moved to recommend approval of the Bid Award for submitted bid on the Murry Street Sewer Main Upgrade Project Phase III, CDBG funded project 21/PF/02 (PWP# WP-2022-162). Member Ross seconded the motion. The motion carried unanimously.

George Chachas stated a copy of the contract is not in the packet and I would like to have a copy to review. I also want to say the volume needs to be turned up as you cannot hear some of these people. The Open Meeting Law is specific about those that may be impaired with hearing.

2. City Attorney Cahoon – Discussion/For Possible Action – Recommendation to temporarily hold in abeyance pending resolution of litigation the assessment of gate fees for residential and commercial waste (not to include Class III waste, which includes but is not limited to construction, concrete, and/or asphalt waste) collected and delivered by Ely Disposal Service, Inc., a Nevada Corporation, with continued waste measurement and recording of fees.

City Attorney Cahoon stated there is not much I can say about it. It is regarding the landfill and the gate fees. This agenda item is in anticipation of a court order barring us from charging gate fees to Ely Disposal Service.

Member Marquez asked how did this lawsuit come about?

City Attorney Cahoon stated there is an issue with how the City is charging with regard to Ely Disposal Service (EDS). We have gone to court, which is public record, and the court hasn't given an official order yet on an injunction for the City to stop charging these gate fees. The City is currently working on the way we currently charge the gate fees so this is in anticipation for that.

Member Ross asked when is this court decision supposed to be made?

City Attorney Cahoon stated it could be anytime now. There was a hearing back on March 15, 2022 where Judge Dobrescu was essentially asking questions regarding the gate fee financials, but based on the hearing and what was said it is anticipated that the City will have to quit charging those gate fees to Ely Disposal Service (EDS). I think it is a strategic move for the City to do that because if we continue to charge the gate fees in an injunction or an order requiring the City to pay back those gate fees our number of damages would be increased based on our continued charging from EDS. This is a temporary solution the City is currently working on.

Vice Chairman Derbidge asked you are looking for a motion to approve this temporary hold?

City Attorney Cahoon stated yes, it is intended to be temporary.

Member Marquez asked if this does not go through will the City recover those fees not collected?

City Attorney Cahoon stated that is why at the end of the item it states, “with continued waste measurement and recording of fees.” The City will continue to weigh EDS and record what we are to be charging them, we just won’t be sending the bill. If the court decides we can still seek those charges that we have been recording.

Member Ross moved to recommend approval to temporarily hold in abeyance pending resolution of litigation the assessment of gate fees for residential and commercial waste (not to include Class III waste, which includes but is not limited to construction, concrete, and/or asphalt waste) collected and delivered by Ely Disposal Service, Inc., a Nevada Corporation, with continued waste measurement and recording of fees. Member Marquez seconded the motion. The motion carried unanimously.

#### **4. CITY DEPARTMENT REPORTS**

##### **➤ CITY CLERK**

City Clerk Lee stated City Engineer AlMBERG and Public Works Supervisor went to Carson City to present for the CDBG Grant yesterday and did a great job; as the Grant Administrator I had to accompany them. We should hear in the next few days if we get one of those two grants.

##### **➤ CITY ENGINEER**

City Engineer AlMBERG stated we have been spending a lot of time with the PORTER Group trying to get some earmarked funding. We were successful the last round with getting one of those earmarks. It has been a busy week because this is the final week everything is turned into the Senators and Congressmen, so we have been working diligently to finish those requests and should have all of our requests in for the four earmarks on behalf of the City.

#### **5. PUBLIC COMMENT:**

George Chachas stated nothing has been done to date regarding the sewer connections on my family’s lots on Great Basin Boulevard and I want equal protection under the law. Mr. Chachas stated ongoing concerns regarding his request of reimbursement from Q & D to his brother regarding the alleged damage to the shut off valve at 745 Great Basin Boulevard; his request for a list of permitted RVs in the City and if they are paying utilities; his request of a storm drain to be installed at the corner of 7<sup>th</sup> Street where it intersects with Avenue C; if the City ever collecting in full for water, sewer and landfill services from the Historical Railroad when they owned the White Pine Trailer Park; and collected in full for utilities from Garnett Mercantile.

**6. ADJOURNMENT: THE MEETING MAY BE ADJOURNED BY APPROPRIATE MOTION OF THE MUNICIPAL UTILITY BOARD**

Vice Chairman Derbidge adjourned the regular meeting of the Municipal Utilities Board at **8:27 a.m.**

  
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**Vice Chairman**

  
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**Attest**

