



# CITY OF ELY

501 Mill Street Ely, Nevada 89301  
City Hall (775) 289-2430 - Fax (775) 289-1463

## ELY MUNICIPAL UTILITIES BOARD REGULAR MEETING AGENDA

**February 8, 2018 8:00 a.m.** – Ely Volunteer Fire Hall - 499 Mill Street - Ely, Nevada.

1. Chairman O’Flaherty called the regular meeting of the Municipal Utilities Board to order at **8:00 a.m.**, led in the Pledge of Allegiance and asked for Roll Call.

Members present:

Chairman John O’Flaherty  
Member Paul Holdaway  
Member Dale Derbidge

Members absent:

Member Ken Ross

City Staff present:

City Administrator Robert Switzer  
City Attorney Charles Odgers  
City Treasurer Janette Trask  
City Engineer B.J. Almberg  
City Water/Sewer Leadman Carl Siemer  
Deputy City Clerk Jennifer Lee

City Officials and Staff absent:

Councilman Kurt Carson

Also in attendance: Members of the public signed in (appears below).

*Utilities Board attendance list. 2-8-18*

<i>George Chachas</i>	_____
<i>Fredrick Parley</i>	_____

## 2. PUBLIC COMMENT

George Chachas stated there’s no justification for the two percent (2%) increase for the enterprise funds. In the case of the Landfill, the City loaned \$400,000.00 to three different departments and one private business; NRS forbids you from promoting any private business. Why haven’t you brought back the billing to City Hall? You’ve yet to correct billing errors with me. Why are you paying a CPA accountant in addition to Treasurer Trask? We’re paying double and yet the City is on the verge of bankruptcy. City ordinance mandates your treasurer must have a BA degree in accounting and have a fiduciary bond. You’ve not accounted for the thousands of dollars missing from City Hall. I want to remind you of City Ordinance 706 regarding compliance with the Nevada Open Meeting Law. Who paid for raising the hydrant on the corner of Avenue L and Great Basin? Also, there’s still rip rap around that fire hydrant, which creates a hazard for people trying to turn the water on in an emergency. Nothing has been done to correct ADA access on Park Avenue behind the Twin Woks on the opposite side, on K.

City Attorney Odgers stated the City Council rejected the two percent (2%) increase on the enterprise funds. Ms. Trask does have a bond, as do all the other employees. As far as the theft, a police report was made; it was a confidential investigation and we have received reimbursement from POOL PACT for the amount.

George Chachas asked how much?

City Attorney Odgers stated about \$2,500.00.

### 3. ITEMS FOR DISCUSSION/ POSSIBLE ACTION OF THE UTILITIES BOARD.

#### A. CONSENT AGENDA

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

Moved by: Member Derbidge Second by: Member Holdaway Vote: Unanimous

1. Discussion/For Possible Action –Minutes.
  - January 11, 2018

#### B. OLD BUSINESS

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

Frederick Partey, Environmental Manager for *Robinson Nevada Mining Company*, reviewed his statement appearing below and stated I make these statements because I know it's been a rumor on the streets that the Mine is going to turn off 6-P; I want to assure the Board Members that we will not do that without a proposal and without a consideration from this Board and from the Ely City Council's approval.

#### Utility Board Meeting

1. Robinson continues to dewater the Ruth pit to support the mine plan. We are discharging about 4300 gpm into Gleason Creek as at this morning.
2. RW-6P and RW-7P continue to provide over and above 3000 gpm require water to the city of Ely. Neither of the two wells will be modified without a proposal before this board/and the City Council for consideration and approval.
3. The city is a very important stakeholder to Robinson and we will work together to resolve any challenges that may befall us.

Chairman O'Flaherty stated on RP-6, you are going to keep it active?

Frederick Partey stated as we continue to dewater the pit, the first well we suspect will go down or will not have enough head to pump is 6-P; before we turn off 6-P or we modify it, we will put together a proposal before this Board and the City Council for consideration and approval.

Chairman O'Flaherty stated RP-6 has been a problematic well.

Frederick Partey stated it is.

Chairman O'Flaherty stated and it still is problematic.

Frederick Partey stated it is, but it still pumps fairly well. We are working on that and there will be a proposal before this Board to resolve 6-P issues.

Chairman O'Flaherty asked and you're working on a plan if RP-6 does go on, then you'll be in a position to present something to the Board?

Frederick Partey stated yes and I'm actually working on it as we speak and shortly, I will present that before the Board.

Chairman O'Flaherty stated if you want the input of the Utility Board or the City Engineer, obviously you might want to take that into consideration.

Frederick Partey stated absolutely. B.J.'s aware; I'm working with him and before it comes here, I will make sure he reads what I have.

City Attorney Odgers stated I've been working on a letter to *Robinson Mine* regarding the dewatering issue, dealing with the issue of recharge.

Chairman O'Flaherty stated this is a sensitive area and I'm very concerned about it.

**C. NEW BUSINESS**

1. Board Members – City Attorney Odgers – Discussion/For Possible Action – Review of City Attorney’s discussion with Max Ahlvers of *Ahlvers Plumbing’s* regarding the events which transpired during his work to restore sewer service at 681 Parker Avenue in July 2017.

City Attorney Odgers stated John Chachas has threatened this Board and the City with litigation, so I sent out a confidential memo to this Board and the City Council regarding my discussion with Mr. Ahlvers.

Chairman O’Flaherty stated since I’m abstaining from this item, there’s still a quorum.

George Chachas stated Mr. Chairman, a question was asked at that meeting to prevent litigation. I want my money. Nothing was done without proper authority. This was an emergency situation. I asked about the City’s rules and regulations, in particular, was the business where the new ceramic shop is and *H & R*. No permit was taken out for that; that was an emergency situation. The City Attorney’s aware of my situation. I don’t want to litigate. All I want is my money. You took no permit out there. The Attorney said a permit was given by the State Highway; that’s a flat out lie. We didn’t do anything without proper knowledge of the City. In your business you charge by the hour; so does he. I want my money, period.

**Chairman O’Flaherty handed the gavel to Vice-Chairman Holdaway, due to a conflict of interest on Item 3C-2.**

2. Board Members – City Engineer AlMBERG – Discussion/For Possible Action – Acceptance of the completion of the WWTP Aeration Basin Air Improvement 2017, PWP #WP-2017-194 and Approval of Change Order No. 1 to the final cost of the project.

City Engineer AlMBERG reviewed the Change Order appearing below. The existing conduit was in a different location than what we had anticipated. Now the pipe ran into a handrail and the stainless steel tubing raised it up the side of the wall and ran into the bottom of the cat walk. This had to be completed by certified welders.

**CITY OF ELY  
CONTRACT CHANGE ORDER**

Change Order Number: **1**  
Date: January 29, 2018  
Location: Ely, White Pine, Nevada

Contract for: WWTP Aeration Basin Air Improvement 2017, PWP # WP-2017-194,  
Owner: City of Ely, 501 Mill Street, Ely, Nevada, 89301  
To Contractor: O’Flaherty Plumbing & Heating, 965 Great Basin Blvd., Ely, Nevada, 89301

You are hereby requested to comply with the following changes from the contract plans and specifications:

Description of Changes	DECREASE	INCREASE
Modify Handrail for Blower Piping	\$ 0.00	\$ 586.25
Additional Stainless-Steel Leader Pipe Welding Lot	\$ 0.00	\$ 1,149.50
4 Each Stainless Steel Handless (\$112.00 Each)	\$ 448.00	\$ 0.00
4 Each Epoxy Handles (\$20.00 Each)	\$ 0.00	\$ 80.00
<b>TOTALS:</b>	<b>\$ 448.00</b>	<b>\$ 1,815.75</b>

**NET CHANGE IN CONTRACT PRICE: \$ 1,367.75**

**Justification:**

1. Adjustment in quantities at unit bid prices to add the following:  
Items on the bid proposal not needing to be installed. Additional water meters and service lines.  
Reduction in asphalt pavement patch.

Original amount of the Contract: Two Hundred Ninety-Seven Thousand, Two Hundred Fifty-Six Dollars, and Zero Cents (\$ 297,256.00)

Total of previous change orders: 0

Contract total before this change order: Same as original

Contract will be increased by: One Thousand, Three Hundred Sixty-Seven Dollars, and Seventy-Five Cents (\$ 1,367.75).

Contract total including this, and previous change orders will be: Two Hundred Ninety-Eight Thousand, Six Hundred Twenty-Three Dollars, and Seventy-Five Cents (\$ 298,623.75).

The Contract period provided for completion will NOT be increased. This document will become a supplement to the contract and all provisions will apply hereto.

City of Ely \_\_\_\_\_  
Mayor

O’Flaherty Plumbing & Heating \_\_\_\_\_  
John O’Flaherty, President

Member Derbidge moved to recommend acceptance of the WWTP Aeration Basin Air Improvement 2017 project and approval of the Change Order No. 1 to the final cost of the project. Member Holdaway seconded the motion. The motion carried unanimously.

Chairman O'Flaherty stated I abstained from Item 3C-2.

**Vice-Chairman Holdaway handed the gavel back to Chairman O'Flaherty.**

3. Mayor Van Camp – Discussion/ For Possible Action – Approval to withhold overpayment by *Outwest Excavating and Grading* for the 2014 and 2016 recycled metal payments received by the City of Ely, until the current metal pile at the Landfill is sold, for repayment, at no interest, from the City's portion of the proceeds earned from the sale of the current metal when the metal pile is sold.

**Member Holdaway stepped away from the Board table to the podium, abstaining due to a conflict of interest.**

Member Derbidge stated I have a business that deals with *Outwest*.

Paul Holdaway stated the American Metals market requires a \$4,000.00 subscription annually, so I get these numbers from the buyers; they gave me a heavy metal number instead of the shreadable, which was part of the contract, so I overpaid the City per ton based on the contract.

Chairman O'Flaherty asked the overpayment will be held until you sell?

Paul Holdaway stated correct.

Chairman O'Flaherty stated we're still faced with low metal prices.

Paul Holdaway stated yes. I talked to the buyer two days ago and there's a chance it will bump up to \$150.00.

City Administrator Switzer asked what's the current range now?

Paul Holdaway stated like \$125.00, so we're close.

City Attorney Odgers stated since Mr. Derbidge indicated he has a potential conflict, I would ask that the Board take no action.

**Member Holdaway returned to the Board table.**

4. Councilwoman Gardner – City Administrator Switzer – Discussion/For Possible Action – Approval of Amended Resolution 2017-13 Resolution from the City of Ely to document the current rates for Water and Sewer in the City of Ely.

City Administrator Switzer stated this is an amended resolution to memorialize what we've been charging residents, the 2012 rates; we could not find an actual resolution to set those rates. They do not include a two percent (2%) or any increase at all.

Member Derbidge move to recommend approval of Amended Resolution 2017-13. Member Holdaway seconded the motion. The motion carried unanimously.

5. Councilwoman Gardner – City Administrator Switzer – Discussion/For Possible Action – Approval of Amended Resolution 2017-14 Resolution from the City of Ely to document the Landfill rates in effect and include the Landfill rate previously approved by the City Council for commercial waste going across the scales.

City Administrator Switzer stated this action is also an amended resolution that memorializes the current rates for landfill usage. In addition, it adds the already approved calculation of commercial waste by weight, rather than by volume and those rates are included there as well: \$30.00 per ton across the scales for regular commercial waste; \$5.00 per ton for asphalt and concrete materials; and \$5.00 for residential service, unless the person can produce a current paid-up bill to the gate personnel.

Member Derbidge move to recommend approval of Amended Resolution 2017-14. Member Holdaway seconded the motion. The motion carried unanimously.

George Chachas stated I would recommend Jolene Gardner get off that position on the Utility Board.

City Attorney Odgers stated Ms. Gardner's not over the Utility Board, Kurt is.

George Chachas stated her item is on there. Her name is on there. Get her out of there completely. She's part of the problem that you folks have now of \$491,000.00, or whatever the case may be, in past due fees.

6. Councilman Carson – City Administrator Switzer – Discussion/For Possible Action – Establishment of requirement that all City of Ely elected/appointed officials and staff route potential engineering questions through the City Administrator, with the City Administrator determining which items will be submitted to *Basin Engineering*.

City Administrator Switzer stated I had a chance to talk to Councilman Carson prior to this meeting; it was his desire to maintain that chain of command on issues. There's no financial impact to this. His sense was individuals such as appointed officials and employees should bring items of concern to me first before they head to B.J.

Member Derbidge stated I can see a huge problem for Carl here, when something breaks, he's got a question and can go to B.J. When I was on the City Council, B.J. paid - I don't know how many - thousands of dollars for this computer program so he could use the water pressures and see where everything's needed and to map the whole City; he's the only one that has that, so you're delaying everything. By implementing this, to me it seems like if Carl has a question, he's got to find you before he can talk to B.J. and find a solution; that's what we have B.J. on a retainer for, is for that kind of situation. If there's an abuse problem, I think that should be handled in-house and not do a regulation.

Chairman O'Flaherty stated I always believe in an open-door policy. I'm not sure if we have a problem that we need to address. I did have a conversation with our City Engineer and he is not charging additional fees for consultations with the City employees; in fact, being brought up to speed with different potential problems and things that occur on a daily basis is beneficial for him and the employees. If we have a potential problem, I wasn't aware of it. I don't see a reason to change anything if it's not broke. I don't think it's broke. I can see if this was something that might have a factor on a financial basis, but *Basin Engineering* isn't charging the City any additional fees for consultations, other than if it's a contract. I think it's beneficial to have that open-door policy.

City Attorney Odgers stated part of the problem and it's a systemic problem within the City: Employees generally bypass the City Administrator and don't communicate issues with the City Administrator, which creates a separate issue. There isn't anything I do that affects any of the utilities that Mr. Switzer isn't aware of.

Chairman O'Flaherty asked Bob, don't you have a weekly meeting?

City Administrator Switzer stated yes, we do. If there were issues, they have significantly been reduced; I'm not aware of any current problems with employees starting new projects that would require additional financial resources with *Basin Engineering*. As you know, if it's a capital asset project *Basin* is entitled to the fees associated with that particular project. All the department heads – not only do we have our weekly Monday meeting, but they will call me. If it's an emergency, they will call me and tell me 'I need to talk to B.J. about a particular issue'. So on almost every item I can think of most recently, I've been aware of what's been going on relative to special emergency situations and most of those involve the Water/Sewer department because that's where we're having our significant failures in infrastructure.

Member Derbidge stated if you make this a requirement you're setting up an employee to fail when they're doing the best practice they know how.

City Attorney Odgers stated whether it's pre- or post-, people need to communicate with the City Administrator.

Member Derbidge stated I still feel you can handle it without a regulation. If somebody is not communicating, then you talk to them. I think this is more in a policy procedure manual than something passed by the City Council.

City Engineer Alberg stated I do everything I can do to keep Bob informed. It's prejudicial when it's singling *Basin* out. I believe communication should go on with everybody, all department heads. This agenda tends to have the public read out as I was doing something wrong in not keeping Bob informed and going behind Bob's back and that wasn't the case. I have a conversation with Bob regularly and a lot of times, our conversation is about things we want to accomplish down the road. My biggest thing is that the appearance of this is that we have done something wrong, now we need to be told how it's needs to be and I don't think that's the case. I'm a hundred percent with keeping Bob informed of what's going on because the buck stops there.

City Attorney Odgers stated there's been no indication from Mr. Carson or anybody else that anybody in particular did anything. What it comes from is incidences where there was a lack of communication, whether by staff or elected or appointed individuals, and Bob didn't know about it. With that, I recommend no action.

Member Holdaway moved to recommend no action on this item. Member Derbidge seconded the motion. The motion carried unanimously.

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

##### **○ CITY ADMINISTRATOR**

City Administrator Switzer stated to reiterate issues we're having within the City regarding our main water lines, we've had significant failures of the water system. B.J. and Carl are putting together a map of repairs we've done throughout the City. Looking at the map even now is distressing. For example, on Elysium we had three main breaks in the last couple months and that's indicative of the condition of the pipes; as we do the repair jobs, they're split and cracked. It's something that B.J. and I have touched on briefly in our meetings together and something we need to take a look at for the future. We're going to continue to be repairing these jobs over and over again.

Chairman O'Flaherty stated I concur with you. Our system is seventy to ninety years old.

##### **○ CITY ENGINEER**

City Engineer Alberg stated I apologize there's no report; I was out of town. We've been dealing with NDOT on their Aultman Street project; we met with them yesterday and there's some power line conflict issues with their storm drain that they're putting in there. We met with *Mt. Wheeler* on site to look at some of these locations. Yesterday's meeting went well; the power company was very cordial in trying to modify their stuff as required to get this project completed. We are completing our As Builts for the Ely Avenue water project; we always give Bob a completed booklet on projects when they're completed. We've been helping Chuck, trying to find old Railroad maps. Bob indicated what we're doing with Carl on problem areas, mapping; the troubling thing is it's everywhere.

Member Derbidge's asked what's NDOT timeframe?

City Engineer Alberg stated spring of 2019.

Chairman O'Flaherty asked has anything changed in their design?

City Engineer Alberg stated they're changing their alignment in the East Ely area and they're staying in their right-of-way on Aultman; it's not cost effective to be going into other streets. They believe it will be a 30 million dollar project when it's done.

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

George Chachas stated ongoing concerns regarding an unfinished valley gutter on Ruby and Orson; whether a backflow device was put in at the old RV park where *Ely Ice* was; the 490' pipe from the Murry Street project; and an encroachment on his property at 622 7<sup>th</sup> Street. In the blotter report, you took an older person to court for taking a wheel barrow and charged them \$1,000.00. In your minutes on page 6 you refer to the *Cove*; it is now *Desert Rose Ceramics* and *H & R Tax*.

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

Chairman O’Flaherty adjourned the regular meeting of the Municipal Utilities Board at **8:48 a.m.**

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**CHAIRMAN**

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**ATTEST**

DRAFT