



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

March 14, 2019 8:00 a.m. – Ely Volunteer Fire Hall - 499 Mill Street - Ely, Nevada.

1. Chairman O’Flaherty called the regular meeting of the Ely Municipal Utilities Board to order at **8:02 a.m.**, led in the Pledge of Allegiance and asked for Roll Call.

Members present:

- Chairman John O’Flaherty
- Member Ken Ross
- Member Dale Derbidge
- Member Jeremy Lilly

City Officials and Staff present:

- Councilman Kurt Carson
- City Attorney Charles Odgers
- City Engineer B.J. Almberg
- City Recycling Leadman Mike Cracraft
- Deputy City Clerk Jennifer Lee

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

Municipal Utilities Board **ATTENDANCE LIST**

DATE: 3-14-19

| <u>Print name below</u> | <u>Print name below</u> |
|-------------------------|-------------------------|
| <u>Bill SAUFORD</u> | _____ |
| <u>Nathan Robertson</u> | _____ |
| <u>Lance Cook</u> | _____ |
| <u>George Chachas</u> | _____ |
| <u>Frederic Parley</u> | _____ |

2. PUBLIC COMMENT

George Chachas stated on March 5th and several days thereafter, I observed City crews working on private property located in the parking lot of the *Ramada Copper Queen*. Did anyone pull a permit? Who approved the work to be done on the property?

City Attorney Odgers stated that was a main line of the City that was in the street's right-of-way that was being repaired. It was leaking. It blew a gasket and we ended up having to search for three days as to where the valves were to shut it off. It was not private property. That line, for future reference, has been capped and cemented, with, hopefully, no ability to break again; when they put the main in, they didn't terminate that line, so that line has been charged more than twenty years.

George Chachas stated NRS prohibits public officials from having preference in the buying and selling of public property.

City Attorney Odgers stated that matter's been resolved.

George Chachas asked has the 490' of 16" steel pipe from the Murry Street project been brought back?

City Attorney Odgers stated no.

George Chachas stated ongoing concerns regarding not receiving reimbursement for curing a sewer problem at 681 Parker Avenue.

City Attorney Odgers stated that matter's been addressed as well.

George Chachas stated ongoing concerns regarding the City water line \$60,000.00 upgrade and in-house billing.

Chairman O'Flaherty stated for clarification, that is a main line of the City of Ely. That is City property. There was a right-of-way there.

City Attorney Odgers stated *Love's* was not \$60,000.00; it was \$16,000.00, where we provided height for it because the pipe there couldn't be located and was more than fourteen feet below grade. We dug down as far as we could reach and couldn't go any further. We replaced the pipe. Just like there was not 490 linear feet of 16" pipe. Mr. Chachas, I'm putting you on notice right this minute: You have been told what the facts are, so you need to stop spewing incorrect information. I have five sticks of 20' pieces.

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

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 Parthey stated the Mine continues to dewater the south block, which is part of our dewatering effort to continue mining the Ruth Pit. Currently we are pumping 2,200 GPM into Gleason Creek and also providing the City about 2,600 gallons that is solely coming from 7-P. A couple of weeks ago, I talked to the Utility Board about 6-P – how the water level has gone too low to be able to pump and the water level is not going to come back because we're dewatering – so three days ago, we had a rig on site to pull the pump out. I called Carl from the City and informed him about the pump being pulled; I had some discussion with the City Attorney, B.J., Mike and Carl about it and we realized there is no provision in our current agreement to get either a new pump or the same old pump back into 6-P whenever the water level rebounds back. Currently there is a new agreement that is being drafted; we'll make sure there is a maintenance piece that will take care of situations like this, so that when a pump is pulled it doesn't become a cost to the City. The pump is being pulled as we speak. 7-P is pumping 2,600 but it used to be over 3,000; it's also going down and we will make sure provisions are made. We've got a meeting set up to start talking about where the water's going to come from and whether the other wells are ready to supplement at \$1,500.00.

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Chairman O'Flaherty asked is the pump in 6-P similar in style to the pump in 7-P?

Frederick Parthey stated I don't know.

Chairman O'Flaherty asked do you have an extra pump for 7-P on hand?

Frederick Parthey stated we don't, but I've got money in the budget to purchase a pump this year.

Chairman O'Flaherty stated that could be as long as six months to a year.

Frederick Parthey stated that's correct.

Chairman O'Flaherty stated the pump coming out of 6-P is readily available to be put in 7-P in an emergency situation.

Frederick Parthey stated I don't have an answer for you.

Chairman O'Flaherty stated I believe the Mine is putting the City of Ely at risk. 6-P is down and I saw an email last night that there were problems with 7-P.

Frederick Parthey stated it was an electric bump, so it's working.

Chairman O'Flaherty stated If 7-P goes down, we only have one pump that is functioning a hundred percent and that's 17th and M. We have another well at the Golf Course that's capable of doing it, but we don't have proper distribution. I believe the Mine should step up and get us back on line in case there's an emergency situation.

Frederick Parthey stated I just got a text from the City Engineer that all we need to do is rehabilitate that pump and get it ready to go to 7-P, in case 7-P goes down.

Chairman O'Flaherty stated I want that 6-P pump on standby.

Frederick Parthey stated it will be on standby. We have a meeting set up on Monday.

Chairman O'Flaherty stated I'm upset about 10th and M; that pump cannot work a hundred percent.

C. NEW BUSINESS

1. Board Members – City Landfill Leadman Lawrence – Discussion/For Possible Action – Open and review of received bids for 1998 or newer model caterpillar 826 G landfill compactor, not to exceed \$250,000.00, and possible recommendation of bid award.

City Attorney Odgers stated we received no bids.

Mike Cracraft stated we decided *Wheeler Machinery* will go through our old one for \$600.00; if we decide to rebuild it, the \$600.00 will be waived.

2. Board Members – City Attorney Odgers – Discussion/For Possible Action – Recommendation of approval to order a title search to establish ownership on the Water Department's Georgetown Ranch property where the City Corrals are located for a minimum fee of \$3,500.00.

City Attorney Odgers stated we've had a discussion with the County for four years on where the corners are; I believe their GIS is wrong based on maps I've seen. We're trying to take action with the Corrals, but can't until we establish ownership.

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Member Derbidge moved to recommend approval to order a title search to establish ownership on the Water Department's Georgetown Ranch property. Member Ross seconded the motion. The motion carried unanimously.

George Chachas stated it would be nice if you allow public comment before the final vote. This \$3,500.00 can be better spent. The Georgetown Ranch was surveyed years ago by Dave Provost when it was annexed by the City.

City Attorney Odgers stated I have done the research.

3. Board Members – City Attorney Odgers – Discussion/For Possible Action – Recommendation of approval to renew or renegotiate the terms and conditions of the Joint Development and Beneficial Use Agreement between Heggie and Gale Ranching and the Ely Municipal Utilities Board, an operating agency of the City of Ely for the lease of approximately 1,980 acres of the Georgetown Ranch **OR** open the Georgetown lease for additional bids.

Lance Gale passed out material on his ranching operation and reviewed it below.

HEGGIE & GALE RANCHING
73 Grant Avenue
Ely, Nevada 89301

March 12, 2019

Ely City Council / Ely Municipal Utilities Board
501 Mill Street
Ely, Nevada 89301

RE: Georgetown Ranch Joint
Development & Beneficial
Use Agreement

*CURRENT LEASE TERM: May 1, 2009 – April 30, 2019

1) RANCH IMPROVEMENTS:

| | | | |
|----|--|-------------------------|--------------|
| a) | Heggie & Gale Use Fees Paid (Previous Lessee paid \$3510/yr) | \$4,025.00 (annually) = | \$ 40,025.00 |
| b) | Weed Control Program (2009-2019) Ditches, Fields, Pasture | | \$ 72,363.00 |
| c) | North 490 Pasture Seeding Project Brushing (2011, 2012, 2013) | | \$ 33,000.00 |
| d) | Heritage Pasture Brushing/Seeding Project (2010) | | \$ 2,200.00 |
| e) | Fence Repair/Replacement (2009-2019) | | \$ 2,000.00 |
| | | TOTAL | \$149,588.00 |

2) MAINTENANCE PERFORMED:

- a) Disc North Sewer Ponds as requested
- b) Allowed sewer treatment water to be distributed on cultivated fields only
(To control Nitrate levels)
- c) Allowed FULL access for City of Ely Departments to Ranch at all times
- d) Installed electric fencing on boundary fences to keep cows off Lackawana Highway (for safety to drivers)
- e) Dedicated 5 acres of pasture to the State of Nevada to fence off livestock for studying and testing Seed/Weed Control

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- f) Developed the 490 Pasture with ditching and culverts to receive spring water run-off from Steptoe Creek. Also to keep water permit (10 second feet) active for City of Ely.
- g) Worked with KGHM Robinson Mine & City of Ely to receive 6,000 gallons per minute of water for 30 days during the test period of new well at WP Golf Course.
- h) Continuous efforts to keep ranch clear of debris from Landfill (paper, etc.) Excess wood is piled up and gifted to low-income families for firewood.
- i) Maintained BLM Allotment springs and fences.
- j) Worked with Ely State Prison on Hwy 490 fencing. Worked with NDOT to install cattle guard in Smith Valley to keep cows off highway for Prison employee driver safety.
- k) Heggie & Gale has maintained Liability Insurance on the ranch for the duration of Lease Agreement (10 years) with NO CLAIMS.
- l) Worked with WP Golf Course for seeding, drilling, weed control on fence line, and helped with geese control efforts.
- m) Worked with KGHM to receive water from their de-watering projects; developed ditches and culverts for water flowage to Ranch from Gleason Creek and Murry Springs.

3) COMMUNITY SUPPORT:

- a) Allowed bird-watchers full access to Ranch
- b) Allowed hunters access to Ranch
- c) Allowed families access to Ranch for community garden
- d) Worked with Coyote Motorcycle Club to run their race through the Ranch (Every 3 years)
- e) Worked with Silver State Classic Car Racing to move cows from Hwy 490 "shoot-out" race area (bi-annually)
- **f) Under Tedd Heggie's capacity as White Pine High School Ag Teacher the Ranch has been used for Agriculture Industry teaching opportunities for many students

4) FUTURE PLANS:

- a) Continue to develop weed control programs
- b) Continue to repair and replace boundary fences
- c) Continue with brushing and seeding projects to develop livestock feed
- d) Work with City of Ely Departments on future Ranch development projects
- e) Work with BLM on Allotment boundary fencing and development projects

5) RANCH FACTS:

- a) During the term of use agreement (2009-2019) there was no guarantee of water
- b) During the ten years under the use agreement Heggie & Gale Ranch only had enough water to harvest a 2nd crop of hay four (4) of the ten (10) years.
- c) Due to lack of feed Heggie & Gale has only been able to use the BLM Allotment annual term of 7 months to its full capacity six (6) of the ten (10) years.
2018 four (4) months only

Heggie & Gale Ranching would like to thank the City of Ely for the current Joint Development and Beneficial Use Agreement. We respectfully request the Municipal Utilities Board and Ely City Council to approve a renewal of this Use Agreement for the Georgetown Ranch. Thank you for your consideration in this matter.

Sincerely,

Heggie & Gale Ranching
Tedd Heggie
Lance Gale

Member Derbidge moved to recommend opening up the Georgetown Ranch lease to additional bids. Member Lilly seconded the motion. The motion carried unanimously.

Bill Sanford stated I went to a public housing meeting the other day. If we go into an extended lease, does that take out any property that could be converted to housing?

City Attorney Odgers stated yes.

Chairman O'Flaherty stated your utilities are not expanded out to that area.

William Sanford stated I was told there's a water line out to the airport. I don't want to see the City get tied up in a lease.

George Chachas stated I'm against any housing development on the Georgetown Ranch; it was acquired for recreation for the City of Ely. At one time there were some people from Reno who wanted to do housing and the City wouldn't grant their Will Serve.

4. CITY DEPARTMENT REPORTS

○ **CITY ATTORNEY**

City Attorney Odgers reviewed his lien report on file at City Hall and stated we've had issues with 6- and 7-P the last couple of days; I've provided Carl and Mike with copies of the contract. I've brought B.J. in regarding some of the sewer issues we've had. The primary goal is to make sure we have enough water this summer.

○ **CITY ENGINEER**

City Engineer Almborg stated the Aultman Street project will help to upgrade our water lines. We reviewed the Tribe roadway. We assisted Chuck with the Water Conservation Plan. We were at the housing meeting, so people understand what improvements might be needed.

City Attorney Odgers stated we have a meeting with NDOT on Monday at 10:00 a.m. at NDOT.

5. PUBLIC COMMENT

George Chachas stated ongoing concerns regarding bringing back the utility billing back in-house; misbilling him; and the City needing to hire someone with a Bachelors degree in accounting. You need to get an attorney who is competent.

Charles Odgers stated Mr. Chachas, I will sue you if you continue to make false allegations.

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

Chairman O'Flaherty adjourned the regular meeting of the Municipal Utilities Board at **9:09 a.m.**

CHAIRMAN

ATTEST