



CITY OF ELY

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

ELY MUNICIPAL UTILITIES BOARD REGULAR MEETING

July 9, 2020 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 8:05 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
- Councilman Jim Alworth
- City Attorney Caroline Townsend
- City Clerk Jennifer Lee
- City Public Works Supervisor Mike Cracraft

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

Utilities Board ATTENDANCE LIST

DATE: 7-9-20

Print name below

Jim Alworth
Frederic Parley
George Chachas

Print name below

2. PUBLIC COMMENT

George Chachas stated ongoing concerns regarding his public information request on former Councilwoman Gardner receiving money from the City; and whether squatters are billed for sewer and water. I received the Mayor’s letter dated June 10, 2020 in regards to the billing of my property located at 490 High Street. Once again, I’m telling you your staff does not know what they’re doing. From the date of the first bill I received, February 28, 2018, I reported the error. I have never had this water turned on. I was charged for water, sewer, outside water, capital improvements for \$746.65 and there’s no such

animal. I was billed a total of \$766.99 with no past due balance on the first bill. I've reported this on a monthly basis to you as the Utility Board and the City Council since March of 2018. The City has incompetent prejudiced staff. You need to hire a degreed accountant and stop the discrimination. The only charge for the property should be the landfill, which I paid for – including the penalties – even though the City has yet to reimburse me for overpayment on my other properties; I've had that coming for years, yet I'm not getting any response. Again, I believe you guys are discriminating under color of law. The last bill for 490 dated June 30, 2020 was for \$1,251.67. How does that add up? How does that add up? You people need to get your knees off my neck! If you don't have anybody that knows how to make any proper corrections, you need to find somebody.

Jim Alworth stated Jim Alworth, 805 Avenue I, private citizen. At the last Council meeting, I objected to the Mayor about Mr. Chachas using that 'knee off my neck' quote, comment. I find it very, very offensive. It should not be brought up. Look what it's caused in this country. Please do not allow him to use that again; it's right there in the rules of the Open Meeting Law. It's "offensive".

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

A. CONSENT AGENDA MOTION:

B. Move to approve the Consent Agenda item 3A-1 Minutes.

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

1. Discussion/For Possible Action – Minutes

- June 11, 2020

Member Lilly abstained from approval of the June 11, 2020 minutes due to his absence.

Chairman O'Flaherty stated I'm going to remove item number 3, as no utilities were involved and it was outside the scope of the Utilities 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.

RNMC Environmental Manager Frederick Partey stated we are continuing to develop the Ruth Pit, dewatering at about 10,000 GPM in order to mine. 1,683 goes to the City of Ely from 7-P. About 3,000 is going down Gleason Creek and the rest goes to the mill as part of our process. We have been working with Basin to make sure the Terrace Well is up and running; we recently completed a combination study, which is electrical in nature, to make sure everything is in place. We are currently waiting for the pump and the motor; my understanding is that will show up sometime this week and it is paid for. We will have Boart install it as soon as it arrives.

Councilman Carson asked once the Terrace Well is up and running, what projections do you have that it is capable of?

RNMC Environmental Manager Frederick Partey stated between 500, 600; that's what the pump was sized for.

Councilman Carson asked with 6-P down, do we have some kind of backup in case 7 does go down too?

RNMC Environmental Manager Frederick Partey stated yes. We have a pump and motor for 7-P. We have looked at drilling a new well to replace 7-P or deepening 7-P, so it has more head. We've ordered a

new pump for 7-P that will pump 1,500 GPM constantly; if we do that, we'll have to complement it with the alluvial wells we have.

Chairman O'Flaherty asked if you drill a new well, when is that decision to be made?

RNMC Environmental Manager Parthey stated we'll finalize that sometime in August. If we want Murry Springs to come back quicker, an additional well will delay it. Hopefully when we sit down and talk about mediation for the City, that can be one of the things we discuss.

Councilman Carson asked didn't we already discuss that in the last meeting we had?

RNMC Environmental Manager Parthey stated the position was we want to keep everything ready. Right now, we're running a pump that's bigger than what it's sized for. It's better to pump a little pump: it's less electricity.

C. NEW BUSINESS

1. Mayor Robertson – Discussion/For Possible Action – Recommendation to draft a ten-year lease proposal for the building, owned by Robinson Nevada Mining Company, located at #1 Murry Springs Circle, allowing Robinson Nevada Mining Company access to all monitoring points.

Councilman Carson stated I think it would be a great deal and keep equipment out of the weather.

Councilman Derbidge moved to recommend drafting a ten-year lease proposal for the building, owned by Robinson Nevada Mining Company, located at #1 Murry Springs Circle, allowing Robinson Nevada Mining Company access to all monitoring points. Member Lilly seconded the motion. The motion carried unanimously.

2. Councilman Carson – Discussion/For Possible Action – Approval to send letter to Robinson Nevada Mining Company requesting they present an Escrow Agreement modifications proposal at the July 23, 2020 Ely City Council meeting.

Councilman Carson stated the mine did send a letter back saying they're collecting more data and need more time. I feel there are things we can work on while they're collecting data.

Chairman O'Flaherty stated the City needs some response. No action is not acceptable.

Member Lilly moved to approve sending a letter to Robinson Nevada Mining Company requesting they present an Escrow Agreement modifications proposal at the July 23, 2020 Ely City Council meeting. Member Ross seconded the motion. The motion carried unanimously.

4. Councilman Alworth – Discussion/For Possible Action – Approval of new format to be used by the Water, Sewer and Landfill departments for future monthly reports.

Councilman Alworth stated more information enlightens staff and the Council. On the Sewer department, what type of digs? Sewer rodding: I know there are some troubled sewers. On the wells, we need to know the status of that. Miscellaneous: non-payment shut offs. This can financially be a big deal for the City.

Chairman O'Flaherty stated I'd recommend getting with the departments, so it's things beneficial for them, so they don't have to write a lot. Knowing the number of employees in each department is important.

Member Derbidge moved to recommend the new report format. Member Lilly seconded the motion. The motion carried unanimously.

4. CITY DEPARTMENT REPORTS

• **CITY ATTORNEY**

City Attorney Townsend stated we've had a few individuals paying their balances off and I've been able to release those liens. I will be resigning August 20th.

5. PUBLIC COMMENT

George Chachas stated ongoing concerns regarding the 490' of Murry Street project pipe; the water line upgrade near Love's; reimbursement for curing the sewer problem at 681 Parker; in-house utility billing; billing errors; and the City needing to hire someone with a Bachelor's Degree in accounting. Part of the problem you've got in regards to my problems, as well as others in billing, on your internal control material weaknesses from your audit dated 2019: Finding – "As part of closing or finalizing the accounting records at year end, the City should determine that all balance sheet accounts have been properly reconciled and all appropriate adjustments have been posted to the accounting records. During the audit we noted that several balance sheet accounts across all the funds were not reconciled resulting in the City proposing over 100 adjustments that needed to be made in order to correct the financials. The City does not have an effective process nor proper controls to ensure all significant accounts are reconciled or properly adjusted. The financial statements as originally provided, prior to adjustments, were materially misstated in multiple areas across all funds." We've got to correct the problem.

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

Member Derbidge moved to adjourn the regular meeting of the Municipal Utilities Board at 8:40 a.m. Member Lilly seconded the motion. The motion carried unanimously.

CHAIRMAN

ATTEST