

The Honorable Board of Lander County Commissioners met in special session in the Battle Mountain Civic Center in Battle Mountain, Nevada, on July 7, 2009 at 7:00 P.M.

**PRESENT: CHUCK CHAPIN, COMMISSIONER  
CHRIS SCHMIDT, COMMISSIONER  
BRIAN SPARKS, COMMISSIONER  
STEVEN STIENMETZ, COMMISSIONER  
RAY H. WILLIAMS, JR., COMMISSIONER  
GLADYS BURRIS, COUNTY CLERK  
GENE P. ETCHEVERRY, EXECUTIVE DIRECTOR  
JOY SWEENEY, HUMAN RESOURCE DIRECTOR  
ROGENE HILL, FINANCE DIRECTOR**

**ABSENT: WILLIAM SCHAEFFER, DEPUTY DISTRICT ATTORNEY**

Commissioner Chapin called the meeting to order.

Let the record reflect the presence of a quorum of five Commissioners.

Joy Sweeney led the Pledge of Allegiance.

### **APPROVAL OF AGENDA NOTICE**

The Notice of Posting was reviewed and found to be in order. Commissioner Schmidt moved to approve the Agenda Notice, as posted. Seconded by Commissioner Sparks, the motion was voted and carried unanimously. **Approved.**

### **PUBLIC HEARING/TOWN HALL MEETING**

- 1) **Public Hearing/Town Hall Meeting To Accept, Hear And Consider Public Input And Testimony Regarding The Increase In Water User Rates For The Town Of Battle Mountain Water System:** Let the record reflect that the majority of the public that attended this meeting signed in as they entered the meeting and this sign-in sheet will be attached to the approved minutes of this meeting.

Gene Etcheverry, Executive Director, explained the details regarding the new user rates for the Town of Battle Mountain Water System Project. Mr. Etcheverry explained that

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**Special Meeting of July 7, 2009**

around 2002 the Town of Battle Mountain Water System was found not to meet the Federal standards for arsenic levels in public water systems. Mr. Etcheverry stated that since 2002 the standard has been lowered two more times for arsenic levels and so now we are that much further away from meeting arsenic standards in our water. Mr. Etcheverry made the following statement:

ΔBattle Mountain has two major plans, Battle Mountain Water Sewer Master Plan and then Phase 1, Phase 2, Water System Improvement Plans and, the engineering to substantiate those plans have been completed. Phase 2, is the addressing of the arsenic situation for the water system and we are under a waiver the last of which can be granted to our system so we are fully compliant by January 1, 2011. Preliminary Engineering Report has been concluded by Shaw Engineering and Steve Brigman, Lander County Engineer, and was accepted by the Lander County Commissioners at the last meeting in May 2009.@

Mr. Etcheverry stated that now is the time for the selection of the alternatives and turned the meeting over to Steve Brigman of Shaw Engineering.

Steve Brigman of Shaw Engineering addressed the matter of the Battle Mountain Water and Sewer Phase 2 Water Project Arsenic Mitigation. Mr. Brigman explained that they have been studying this project for some time, which was mandated by the Federal Government and now administered from the State, to get compliant with the Arsenic Standards.

Mr. Brigman presented the following information:

Federal Government mandates that drinking water contain no more than 10 parts per billion (ppb) of the constituent arsenic. The Battle Mountain Water System drinking water currently contains approximately 24 ppb. The Nevada Department of Environmental Protection (NDEP) requires the Battle Mountain Water System to be in compliance by January 2011 with the federal mandate.

The recommended project to bring the water system into compliance includes: 2 new wells, 29,900 of transmission main, and a new 1 Million Gallon steel water storage tank.

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**Special Meeting of July 7, 2009**

**Estimated Total Project Cost: \$7,638,590.**

**PROJECT FUNDING**

<b>Lander County CCP Funding:</b>	<b>\$2,250,000</b>
<b>Lander County Excess 1/4 Percent Tax:</b>	<b>\$1,100,000</b>
<b>United States Army Corp of Engineers Grant:</b>	<b>\$1,300,000</b>
<b>Estimated Available Funding</b>	<b>\$4,650,000</b>
<b>Balance to be Financed (Loan/Grant)</b>	<b>\$2,988,590</b>

**Financing Options**

- 1) USA/AB198 Grant-Loan Combination  
\$2,250,000 USDA Loan/\$750,000 AB 198 Grant  
Interest Cost \$1,964,400 (3.5% @ 40 years)  
Requires Immediate \$20.50 rate increase (1.5% of MHI per AB198)
  
- 2) USDA Loan  
\$3,000,00  
Interest Cost: \$907,125 - \$2,620,000 based on terms  
rate Increase \$10.64 - \$19.73 per month phased in over time
  
- 3) Self Funded  
Borrow \$3,000,000 from Lander County General Fund  
Interest \$634,500 - \$1,780,000 based on terms  
Rate Increase \$9.05 - \$18.32 per month phased in over time

Mr. Brigman explained financing comparisons by interest rates for 15 year, 30 year and 40 year financing. Mr. Brigman also showed water rate increase from 2009-2015 for self funded financing.

Mr. Brigman explained that they have conducted exploratory wells and have found that in the aquifer South of Battle Mountain the water meets the arsenic standards and it is better water than the wells that the town is using now. Mr. Brigman further stated that they have proposed a project that will drill a couple new wells which will pump that water into a new water tank that will be located on the hills where the BM is and; then they will put in a pipe line from the water tanks into the water system in town. Mr. Brigman stated they have presented the project to the County Commissioners and have decided that the most cost

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**Special Meeting of July 7, 2009**

effective project, in the long term for the County, is the new well as he just explained. Mr. Brigman also stated that this new well will bring up the water pressure in town, which is a big benefit of this project.

Mr. Brigman explained all the costs in regards to the project and the financing options available for the project.

Cheryl Couch, with the USDA Rural Development, explained the USDA loans, what revenue it takes to do the USDA loan and what user rates would be.

Mr. Brigman stated that they would now take any questions, from the public or from the Commission, in regards to this matter.

John Gamble, Battle Mountain resident, stated it was his understanding that water allowance was 5,000 gallons per month, where does the 15,000 come from? Mr. Brigman explained the 15,000 was used because that is the average usage that the funding agencies recognize as being used by a typical residence a month, the first 5,000 gallons that you use is a base rate and anything over that you will pay more. Mr. Brigman continued to explain how this works.

Mr. Gamble explained that people in town need to learn to conserve water better and he also addressed the arsenic levels and the mandates from the Federal Government. Mr. Gamble asked, in order to help with the arsenic levels, if personal households could put in their own filters that would eliminate the arsenic from the water? Mr. Gamble further stated that he has not seen where the arsenic has done any damage to this area.

Mr. Brigman stated this is an unfunded mandate, even though he agrees with Mr. Gamble, it is still a mandate and this project has to be completed by January of 2011 and if it is not completed by then the State can fine the County and they also can file criminal charges against the County.

Grace Powrie, Lander County Treasurer, questioned when they drill the new wells, what is the chance that they will be good wells? Mr. Brigman explained there is a well, that Battle Mountain Gold has near where these wells are going to be and it is a very good well. Mr. Brigman further stated that, from the well drilling program and looking at existing wells, that the further South we go the

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**Special Meeting of July 7, 2009**

better the water gets in terms of arsenic and; the copper basin well is good and the wells we are going to drill are in the same aquifer as that well. Mr. Brigman explained that the test wells had very low arsenic and from everything they know it looks like these new wells should work.

There was further discussion regarding vacant units, when the owners of the property leave town, then who pays their water bill? Ms. Powrie explained that when this happens this bill becomes delinquent and there is a lien placed on the property, which is collected when ownership changes. Ms. Powrie further stated that if the property was financed through a lending institution then the lending institution would have to pay that lien in order to get the title to that property and then add that to the price of the property.

Ruth O-day, Battle Mountain resident, had a question regarding when the County starts pumping from the new wells, that will be drilled south of town, if those wells will decrease the water supply in that area? Mr. Brigman stated that the aquifer in the area where the new wells are going to be is deeper and explained that is why they had to go further south because we needed to get into the deeper aquifer because of the bed rock that is closer to town. Mr. Brigman also explained that more pump testing well be done and water sampling to make sure where the well pump is going to be, which will be done before they drill the well or set the pipe line.

Frank Gamble, Battle Mountain resident, asked about the phosphoreus in the ground and if this could be a problem with the new well? Mr. Brigman stated that water samples were taken and a full primary and secondary testing was completed for all the constituents for primary drinking water and secondary drinking water standards and everything was good.

Mr. Brigman stated that the wells in use now will still be used until the new wells are completely up and running. Mr. Brigman explained that the new wells will be started up slowly to bring pressure up slowly and this will take some time. There was further discussion regarding water rights and what would happen with the water rights to the old wells once the new well is up and going? Commissioner Chapin stated that water rights are very touchy and he thinks that the County should keep the water rights they have on the wells. There was also discussion about adding more properties to the water system once the new system is in and

the fact that one of the benefits of the project is that the new pump line can serve the entire south side of the community.

There was further discussion regarding if the arsenic would always stay in the old wells and if those wells could be used as a secondary water source for outside water use only? Steve Brigman explained that the existing water system has too much arsenic in it and if you did this you would have to have a completely separated water system with two sets of pipes and different ponds and the cost for building another separate water system would be very costly.

There was discussion regarding if everyone could just pay a flat rate for every gallon of water they used instead of having water rates. Ms. Powrie explained that when the County has revenue bonds those bonds have to be paid through the user fees and that is why we have the base rate.

Erik Forstrom, Battle Mountain resident, asked if the water table that we use right now would raise once we quit using the wells we now have, as he is worried about water seeping in his basement once we go to the water basin south of town? Mr. Brigman explained where all the wells are right now that are used for the Battle Mountain Town water system. Mr. Brigman stated that with his experience with the wells that are in Battle Mountain right now he did not think that this would be a problem. There was further discussion regarding this matter. Mr. Brigman stated that he would find out more information in regards to this matter.

## **ADJOURNMENT**

There being no further business before the Board at this time, Commissioner Schmidt moved to adjourn the meeting of July 7, 2009. Seconded by Commissioner Stienmetz, the motion was voted and carried unanimously. **Approved.**

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**CHAIRMAN OF THE BOARD OF LANDER  
COUNTY COMMISSIONERS AND THE  
LANDER COUNTY LIQUOR BOARD**

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**ATTEST:** \_\_\_\_\_  
**LANDER COUNTY CLERK**

*Note: The Board of Lander County Commissioners serves as the Town Board for the unincorporated towns of Battle Mountain and Austin, Nevada.*

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