

March 25, 2019

The regular meeting of the Yerington City Council was held in the Council Chambers at 10:00 a.m. with the following present:

Mayor George Dini  
Council Members John Garry, Larry Reynolds and Terceira Schunke  
City Attorney Chuck Zumpft  
Chief of Police Darren Wagner  
Public Works Director Jay Flakus  
Administrative Director/Interim City Clerk Sheema D. Shaw

Absent: Council member Selena Catalano

Guests: David Ray, Duane Halgrimson, Deb & Dave DeGrendele, Ray & Anne Richards, Chief Scott Draper of the Mason Valley Fire District and Amy Alonzo of the Mason Valley News

#### Agenda Approval

Councilman Garry made a motion to approve the agenda as presented, seconded by Councilwoman Schunke and passed unanimously.

#### Minutes

Interim City Clerk Shaw stated that in "Department reports" she had written that Councilwoman Schunke thanked Public Works Director Flakus for taking her on a tour of Nevada Copper. Interim City Clerk Shaw stated that will be corrected to state that Public Works Director Flakus gave Councilwoman Schunke a tour of the sewer ponds, water plant and parks.

Councilwoman Schunke made a motion to approve the minutes of March 11, 2019 with corrections, seconded by Councilman Garry and passed unanimously.

#### Business Licenses

The following business license applications were presented for review and approval:

- A. Mammoth Subs Inc. dba Subway of Yerington, Retail Sandwich Sales, 198 W. Goldfield Ave., Yerington NV 89447-Renewal
- B. Penhall Company, Asphalt/Concrete and Core Drilling, 550 E. Parr Blvd., Reno NV 89512 -New

Councilman Reynolds made a motion to approve the business license applications as presented, seconded by Councilwoman Schunke. Mayor Dini asked for public comment, there were no public comments and the motion passed unanimously.

#### Direct Agreement Among the City of Yerington (the "Contracting Party") and Nevada Copper, Inc. a Corporation Incorporated under the Laws of the State of Nevada (the "Borrower"), and KfW IPEX-Bank GmbH, as Collateral Agent (together with its Successors, Designees and Assigns in such Capacity, the "Collateral Agent") to Grant Successor Interests to KfW IPEX-Bank GmbH on the NCI-City Water

Interim City Clerk Shaw stated that Mr. Tim Dyhr of Nevada Copper is available by telephone if council has any questions.

City Attorney Zumpft stated that this is a different name on a prior agreement that we have essentially entered into three times.

City Attorney Zumpft stated that back in 2009 the city entered into an agreement with Nevada Copper where the city would provide to Nevada Copper water for its operations. Along the way Nevada Copper has gone through different lenders to help with their project. This

agreement confirms for the lender that should it have to foreclose against Nevada Copper it has the ability to utilize and foreclose on the water agreement in order to identify someone else to run the operations and that entity will have the water to continue the operations.

City Attorney Zumpft stated that if Nevada Copper pays, as it has promised to, this agreement will never come into effect.

Mayor Dini asked if the agreement states an amount of water that the city has agreed to. City Attorney Zumpft stated that the information is in the original agreement from 2009. This agreement has no specifics about amounts, quantities or places of use; that is addressed in the original agreement.

City Attorney Zumpft stated that this is the fourth amendment. City Attorney Zumpft stated that there were some wording issues with the bank. As an example, on page 5 of the agreement, there is wording to advise the lender of the other agreements the city had entered into with other banks and we are unaware of what happened to those agreements.

City Attorney Zumpft stated that the other issue is on page 7, paragraph 12; that confirms that Nevada is the place of suit should we run into any issues.

Mayor Dini stated that part of the permitting process was for Nevada Copper to show that they had the water supply. It remains a very important part of the process. Mayor Dini stated that we have reserved a large quantity of water for Nevada Copper and they pay a standby fee annually.

Mayor Dini stated that another reason we made the agreement was that at the time we were losing our beneficial water rights at the rate of 160 feet a year. This agreement with Nevada Copper was like a gift to shore up those water rights and show beneficial use to the state.

City Attorney Zumpft stated that he approves this agreement to form.

Councilman Garry made the motion to approve the Direct Agreement Among the City of Yerington (the "Contracting Party") and Nevada Copper, Inc. a Corporation Incorporated under the Laws of the State of Nevada (the "Borrower"), and KfW IPEX-Bank GmbH, as Collateral Agent (together with its Successors, Designees and Assigns in such Capacity, the "Collateral Agent") to Grant Successor Interests to KfW IPEX-Bank GmbH on the NCI-City Water, seconded by councilwoman Schunke. Mayor Dini asked for public comments, there were no comments and the motion carried unanimously.

#### Inter-Local Agreement Between the City of Yerington and Lyon County Nevada for Joint Use and Maintenance of the Sod Field Area at the Fairgrounds

City Manager Switzer stated that Lyon County has given us a proposal to put sod, paid for by the Boys & Girls Club, at the fairgrounds. The county would supply and lay sprinkler lines. The County would also be responsible for maintenance and the city would provide free water.

City Manager Switzer stated that council should consider the long term cost and lost revenue. City Manager Switzer stated that this can be viewed as a benefit to the community and utilized as, for example, a soccer field. It has been brought to his attention that the community lacks those types of facilities and it will add to the available recreation areas.

City Manager Switzer stated that in evaluating the foregone revenue, he looked at the charges at the football field which come to \$7,000 to \$10,000 a year for water. The council should consider the benefit to the community verses the foregone revenue.

Mayor Dini stated it is a good idea. We are having a new water system put in and if we deduct the current loss due to leakage and put that toward this project it would cover the usage.

Public Works Director Flakus stated that we do not meter our parks or the fair grounds. This is not an unusual request, but it would be a lot of water. Public Works Director Flakus stated that we do have four meters at the fairgrounds, none of which we charge water for. Public

Works Director Flakus stated that we could put these meters into accounts and not bill the accounts. Mayor Dini stated that we need to know how much water they are using.

Councilman Reynolds asked who would be taking care of the mowing, trimming and general maintenance. City Manager Switzer stated that he had spoken with Josh Foli at Lyon County who stated that as part of the agreement Lyon County would take care of the maintenance.

Mr. Dave DeGrendele, resident of Yerington, asked who will be the administrator to coordinate usage of the area. Public Works Director Flakus stated that it is the Lyon County Fairgrounds. All we will do is provide water.

Mr. DeGrendele asked where does the city stand should the neighbors complain about noise. Councilman Reynolds stated that it would be a county issue. Public Works Director Flakus stated if approved, the only contribution from the city would be the water.

Councilman Garry asked if perhaps we want to add a maximum amount of water to be used. City Manager Switzer stated that we can read the meter and track the usage without billing for the usage. In six months or a year we can come back and report what that usage is and assess from there.

Councilman Reynolds asked if the agreement should be based on a time. City Attorney Zumpft stated that the agreement is terminable with a 60 day notice by either party.

Mayor Dini stated that he would like to have the meter read to make sure there is no water waste. If the water is ponding and being wasted, we will need to tell them to shut it down.

City Attorney Zumpft stated that on page 2, obligations of county, City Manager Switzer indicated that the agreement contemplates the county installing the irrigation system; however, number four does not indicate that. It says they will maintain and keep it up.

City Attorney Zumpft stated that he would recommend in that location of the agreement something along the lines of "County shall be responsible for the installation, repairs, replacement, routine maintenance and upkeep of the entire irrigation system and all sod areas at county's expense, not limited to mowing and watering." City Attorney Zumpft stated that he can work out the wording with City Manager Switzer.

City Attorney Zumpft stated that on paragraph five, should we include a sentence that states "Provided that water use is responsible and consistent with the City's watering practices."

Public Works Director Flakus stated that if they keep it under 2 acre feet a year that would be 700,000 gallons of water. City Manager Switzer stated that the county did not provide any schematics of the area.

City Attorney Zumpft stated that what the council is entertaining is "whatever water it takes to water that area responsibly." If there is any ponding or puddling there needs to be an objective guideline as to when it is too much.

Councilman Garry asked what would happen if a promoter came in for the summer months and wanted to setup a mini water park. Does the agreement have any restrictions with regards to something of that nature? City Attorney Zumpft stated that this agreement does not restrict that.

Councilman Garry stated that he would like to table this item until City Attorney Zumpft and City Manager Switzer can work out some of the details with Lyon County. Councilman Reynolds agreed.

Mayor Dini asked for public comments, there were no comments and this item was tabled.

## Review Bills Previously Submitted for Payment

### Bills, Salaries and Vouchers:

Accounts Payable Checks	03/13/2019	30660 through 30701
	03/18/2019	30702 through 30724
	03/19/2019	30725 through 30726
Payroll Vouchers	03/11/2019	3141901 through 314920
Payroll Checks	03/11/2019	30656 through 30658
Transmittal Vouchers	03/11/2019	33111901
Transmittal Checks	03/11/2019	30659

Councilwoman Schunke made a motion to approve the bills as submitted, seconded by Councilman Garry. Mayor Dini asked for public comments, there were no comments and the motion passed unanimously.

### Public Participation

Mr. Duane Halgrimson, resident of Yerington, stated that he owns properties on both Kathy and Paul Streets.

Mr. Halgrimson stated that he had received a letter and questioner from Farr West Engineering regarding the sewer project.

Mr. Halgrimson stated that the project for 401 Paul Street encompasses digging up the backyard and around the house. Mr. Halgrimson stated that for the other properties he owns the line that goes out the front of the houses. Mr. Halgrimson stated that the residents in the area are just finding out that when they did the development they created it with a warehouse in mind and all of the sewers drain through the backyard. Mr. Halgrimson asked if there would be any help for the homeowners.

Mayor Dini stated that area is problematic and we are aware of the issue with the sewer lines.

Public Works Director Flakus stated that Kathy and Paul Streets were not intended to be a neighborhood. Public Works Director Flakus stated that the sewer main is located in the backyard between Kathy & Paul Streets and there is no sewer on Kathy Street or Paul Street, The water comes every 4<sup>th</sup> house from South Street. We are completely responsible for the repair and fixing of your yard. Public Works Director Flakus stated that the form gives you, the homeowner, the opportunity to comment on what you believe should be done.

Mr. Halgrimson stated that he did send back the questioner but decided to check with Walker River Mechanical and received a quote for \$1,850 to replace the plumbing. Public Works Director Flakus stated that the city is going to hire a plumber to take care of this for you.

Mayor Dini stated that it is a wrong that needs to be corrected. Mayor Dini stated that Mr. Halgrimson should speak with the engineers at Farr West and they can address his concerns.

Mr. DeGrendele stated that when he checked not ok on his questioner Farr West came out to his house and spoke with him.

### Department Reports

City Attorney Zumpft reported that he is working on a few items with City Manager Switzer.

Chief Wagner reported that he has one applicant in background at this time.

Public Works Director Flakus Reported:

- Remodel of the Information Center for the Police Department is proceeding. Deadline is April 15<sup>th</sup> to be out of Police Department location.
- Attended a meeting regarding sediment removal from the river. The city will move sand at the weir. Should hours be tracked?
- Working on street issue with Pioneer Crossing for issues of ponding on Center Street.
- Painting crosswalks on California, Pearl and Broadway during Spring Break.
- Sending out a letter to members of the public regarding backflow. Informing them about backflow prevention. We will also inform business owners that they will have to certify their backflow preventers.
- Sampling for lead and copper. As our system grows, so do our requirements.
- Weed Heights Sewer: Met with representatives from ARCO, Weed Heights Development and Farr West Engineering. There is a possibility that the city might look into taking on the Weed Heights effluent.
- Reviglio Field. Dugouts came out great. There was an oversight and we need to install a section of sidewalk in front of the dugouts and some sort of fence to prevent people from being hit by a foul ball.

City Manager Switzer reported that he attended the Nevada Airport Association conference. Several ideas were presented regarding Economic Development and airports.

City Manager Switzer stated that we are consolidating some procedures in the office relating to utility billing.

City Manager Switzer reported that he was able to settle a long standing billing with A.L.I.V.E and future billings will be sent to the owner of that property.

City Manager Switzer reported that we will be changing the utility billing to the postcards at the May billing cycle.

City Manager Switzer reported that he is waiting for a proposal on GAB financing for the Water & Sewer Project.

City Manager Switzer reported that he is working on the budget for our workshop meeting scheduled for April 4<sup>th</sup>.

City Manager Switzer reported that he had a short meeting with SkyFiber; however, they did not reach a resolution regarding a lease.

Councilman Garry stated that as a young child he was sent out by his school on a fundraiser to sell chocolate candy bars. Councilman Garry stated that it was not a pleasant memory and permanently soured him on sales work.

Councilman Garry stated that he is a member of Rotary and they do fundraising for worthwhile events. Currently the Rotary is hosting a dinner and he has two tickets to that event that he would like to raffle today. Councilman Garry has paid for the tickets and would prefer to raffle them rather than ask someone to purchase.

Councilman Garry had marked a number between 1 and 40 onto a piece of paper. He then asked for each person in the room to choose a number. All Council members and staff declined; however, members of the audience selected numbers.

Councilman Garry then read off the number (25) and Ms. Ann Richards was closest to that number and the winner of those tickets.

Councilman Garry reported that he has a brother in Yerington with Autism. Recently his brother was out and waved to one of our officers. The officer came back and took some time to speak with him. Councilman Garry stated that he found this to be great public relations from our police department.

Councilwoman Schunke stated that she and Councilwoman Catalano attended the last commissioners meeting. There are a lot of changes coming our way.

Mayor Dini stated for the record that he will not seek a third term as Mayor.

There being no further business the meeting was adjourned.

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Mayor of the City of Yerington

ATTEST:

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Administrative Director/Interim City Clerk