

MINUTES OF THE
REGULAR MEETINGS OF THE CHURCHILL COUNTY HIGHWAY COMMISSION
July 6, 2023

The Board of County Highway Commissioners met in regular session on the above date at 1:15 p.m. at the Churchill County Commissioners Chambers, 155 N. Taylor St, Fallon, NV, with Chairman Heath presiding.

Those present were as follows:

Justin Heath, Chairman
Gary Fowkes, Road Supervisor
Joe Sanford, District Attorney's Office
Naomi Steele, Recording Secretary
Jim Barbee, County Manager

Myles Getto, Vice Chairman
Harry Scharmann, Commissioner
Sherry Wideman, Comptroller
Bobbie King, Clerical Specialist

Those absent were as follows:

None

Call to order – Chairman Heath called the meeting to order at 1:15 p.m.

Verification of the agenda posting – Recording Secretary Steele verified the agenda was posted per NRS 241 on the 28th day of June 2023 between 10:00 and 11:00 a.m. at the locations listed on the agenda. Those locations include the Churchill County Road Department, Churchill County Complex Building, Churchill County Web Site, and the State of Nevada Website.

Public Comment – Road Supervisor Fowkes advised that Scott Nelson is in attendance at today's meeting to explain the circumstances involving Ormat and Alpine Road.

Mr. Nelson introduced himself and advised he is here today representing Pioneer General Engineering. He spoke with Ormat this morning, and there have been some delays, so he is present at today's meeting to answer any questions the Commission may have.

Mr. Nelson bid on the project about three months ago but never heard anything back from Ormat. As far as he knew, the project just died. He received a call 8-10 days ago asking when work would begin on Alpine. He advised Ormat, that a contract was never put in place. The Ormat representative said a contract was issued over 30 days ago but due to a switch in their software system in early January, Mr. Nelson did not receive notice of the contract. He has reviewed the contract and met with Road Supervisor Fowkes to measure the road and discuss the type of materials to be used. Mr. Nelson stated that trucking is very difficult to find and it will take a few days to get the trucks gathered up. He wanted the board to know, that Ormat is not trying to get out of upgrading the road, they actually are moving forward. At this point, the delay is on him, prior to that, the delay was due to the software upgrade.

Chairman Heath asked if they were planning on upgrading all of Alpine Road. Road Supervisor Fowkes responded that they will be required to gravel 1.5 miles and blade the remaining portion.

County Manager Barbee said he appreciates Mr. Nelson attending today's meeting and providing an explanation of his plans. However, he said that we are here today because Ormat did not meet their responsibility for maintaining the road. He said he read through the 2014 road contract and he doesn't think this is intentional, but Ormat has some issues with its structures, systems, and communications that at some point they need to address. The expectation isn't that this is a one-time every two, three, or four years, it is about the ongoing maintenance of a road that is degraded. Mr. Barbee said the constant inundation that this is not getting done and it being perceived that the county is not doing their part, gets frustrating.

Mr. Barbee turned to Civil Deputy District Attorney Sanford to address some of the contract language of the road agreement between the county and Ormat. Also, to look at some things that need to be done to put them on notice so that they start paying attention to what their responsibilities on the road are moving forward. Mr. Sanford said he has reviewed the road agreement. The normal procedure when there is a default like this is to provide formal notice that they are to have a cure within 60 days. He asked Mr. Nelson if he felt 60 days would be enough time or if this was something that wasn't going to be in compliance within the 60 days. Mr. Nelson said that barring any problems, 60 days would be enough time. If within 30 days, he felt there were any delays, he would come back before the board and provide an update.

Mr. Nelson said going back to 2014, he did all the original exploration for Ormat way before there was a power plant. The road is 1,000 times better than it ever was and that is because of Ormat and Gary's guys. Ormat made 25,000 tons of base when they were building the solar plant, which Gary's guys then placed on the road. Mr. Nelson said Pioneer has bladed the road between 25 to 30 times since 2014 and removed the snow off the road this past year. He is not saying Ormat is perfect, or they don't do it at the exact right time, but it isn't like they haven't done anything. He understands Jim and Gary's frustration but a lot of effort has been made over the years to keep the road in good shape. Mr. Barbee said that speaks exactly to what he is suggesting, which tells him there needs to be an ongoing service contract in existence. It shouldn't be when we get enough complaints, Gary has to ring their bell and then they put a contract together. Instead, he suggested that a contract be in place where the road is maintained consistently.

Mr. Nelson said once this upgrade is complete, doesn't the road revert back to the county? Road Supervisor Fowkes stated that Ormat is supposed to write a letter advising the construction is completed, then he will inspect it, and give it a thumbs up and it will revert back to the county. County Manager Barbee said that is not forever because of Ormat's use of the road, the wear and tear will continue. Mr. Sanford stated that the county's agreement from 2021 is related to the construction of the new geothermal plant. That agreement terminates upon completion of the plant, which is his understanding that it is already done. Once the road is brought up to the standard it should be at, Ormat will need to provide notice to the county that it is complete. The Road Department would then be in charge of it upon completion. If there were to be ongoing exceptional use, the county may require a new or updated road maintenance agreement that reflects that exceptional use as an ongoing agreement. Those particular details would need to be worked out in an agenized meeting. Mr. Sanford said he wanted to make sure that it is clear that his intention and his recommendation would be to send a notice under the prior contract that states things are not being done to the satisfaction that the county would like, and Ormat has 60 days to correct the problems.

Mr. Nelson said he may be confused but his understanding of road agreements, whether in Churchill, Washoe, or Lander County is during plant construction when they have really heavy traffic, they enter into a road agreement to maintain the road on an as-needed basis. It is his understanding that once the construction is completed, the road is turned back over to the county until they begin another construction project. County Manager Barbee said maybe that is his misunderstanding. He said, just so he is understanding this properly, the road would be rebuilt to the county's specifications and then it would go to once a year, and that's enough to

maintain it for their usage. Mr. Fowkes stated he told Mr. Nichols that if he wanted to maintain the road more than that, the county would be willing to amend the road agreement.

Chairman Heath thanked Mr. Nelson for attending.

Agenda – Vice-Chairman Getto motioned to approve the agenda as posted. The motion was seconded by Commissioner Scharmann and carried by a unanimous vote.

Minutes – Commissioner Scharmann motioned to approve the minutes of the regular Highway Commission meeting on June 1, 2023, as submitted. The motion was seconded by Vice-Chairman Getto, and carried by unanimous vote.

Department Reports-

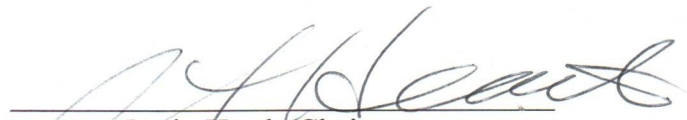
Monthly departmental report - Road Supervisor Gary Fowkes reported on Road Department matters, accomplishments, and projects (A complete report is attached to the original packet).

Future Agenda Items – Chairman Heath requested to update the board on the progress of Alpine Road at the August meeting.

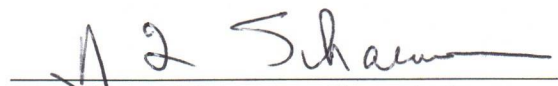
Public Comments – There were none.

Adjournment - With no further business to come before the Board, Chairman Heath declared the meeting adjourned at 1:36 p.m. The next regularly scheduled meeting will be held on August 3, 2023, at the Churchill County Administrative Complex, 155 N. Taylor Street, Commissioner's Chambers, Fallon, NV at 1:15 p.m.

Approved By:


Justin Heath, Chairman


Myles Getto, Vice-Chairman


Harry Scharmann, Commissioner