

MINUTES
LINCOLN COUNTY REGIONAL DEVELOPMENT AUTHORITY (LCRDA)
October 17, 2016
Teleconference Meeting

The meeting was called to order by Chairman Hurd at 4:36pm.

Determination of Quorum: The following Board members participated on the teleconference call:

Mr. Dave Hurd
Mr. Jay Schofield
Dr. Holly Gatzke
Ms. Alice Rodowick
Ms. Emilia Cargill
Commissioner Varlin Higbee
Mr. Kyle Donohue

It was determined that a quorum of the Authority was present at the meeting.

Also participating in the teleconference meeting was Dr. Mike Baughman, LCRDA Executive Director and Ms. Marcia Hurd of LCAT.

Public Comment: None.

Discussion and Action on Minutes of September 19, 2016 Meeting: Mr. Hurd noted that draft minutes had been sent out for review and comment by Dr. Baughman and asked if there were any further revisions identified by LCRDA Directors. Hearing none, Commissioner Higbee moved and Dr. Gatzke seconded a motion to approve the minutes of the September 19, 2016 LCRDA meeting as presented. The motion was approved unanimously.

Discussion and Action on Financial Matters: Dr. Baughman reviewed the October 17, 2016 revised financial report he had emailed out prior to the teleconference. He noted that the October 8, 2016 invoice from Intertech Services Corporation had been amended to reflect the lower rate for per diem which had been adopted as policy by the Board of Lincoln County Commissioners resulting in a \$5.00 reduction in Intertech invoice. Through October 17, 2016 total LCRDA revenues were \$105,880.83.

Dr. Baughman reported that expenditures through October 17, 2016, including the aforementioned invoice from Intertech Services Corporation, totaled \$18,343.06. Ms. Rodowick moved and Mr. Schofield seconded a motion to accept the October 17, 2016 LCRDA financial report and to approve payment of the October 8, 2016 invoice from Intertech in the amount of \$6,738.15. The motion was approved unanimously.

Discussion and Action on Industry Attraction and Marketing Initiatives: Dr. Baughman reported that he had registered to attend the November 9-12 International Mountain Bicycling

Association World Summit to be held in Bentonville, Arkansas. He stated his intent to seek to meet with representatives of other communities with mountain bike trail networks to identify the types of businesses in the community which were deemed key to serving the visiting bike enthusiasts and representatives of companies manufacturing and supplying mountain bike related parts and supplies to learn what factors they might consider if evaluating whether to relocate or expand their business in a community having an extensive mountain bike trail network. Commissioner Higbee observed that Lincoln County Commission Chairman Phillips and another area businessman might also be interested in attending the IMBA summit. Dr. Baughman committed to provide Commissioner Higbee with information regarding the IMBA summit.

Dr. Baughman stated that pursuant to previous direction from the LCRDA Board of Directors he would be submitting an abstract for a proposed presentation to the organizers of the International Biomass Conference to be held in mid-April 2017 in Minneapolis. He reiterated that speakers at the conference were offered a 50 percent discount on conference registration costs. Dr. Baughman reminded the Board that he had spoken at the conference three years ago and that given the new information obtained by LCRDA regarding the availability and chemical characteristics of Lincoln County-derived PJ biomass it may be possible to submit a successful proposal to speak again at the conference. He reported that presentation proposals were due to the conference organizers by early-December.

For the benefit of Ms. Cargill, Dr. Baughman described previous targeted marketing campaigns which had been undertaken by LCRDA including those targeting small manufacturers in California and the mid-western US and those targeting utility-scale wind and solar energy project developers and related equipment suppliers.

In response to a question from Mr. Schofield, Chairman Hurd reported that Marcia Hurd had gone before the Board of Lincoln County Commissioners earlier in the day to further discuss the waste-to-energy district being proposed by VanNatta Worldwide for Lincoln County. He noted that the County Commission had expressed concerns with the proposal. Commissioner Higbee explained that the County Commissioners were concerned with the powers of the proposed 318 district which might be formed to develop and operate the proposed waste to energy project, including the power of taxation and eminent domain. Commissioner Higbee suggested that the idea was not dead and would be given further discussion by the County Commission.

Discussion and Action on Building Lincoln County Revolving Micro Loans: Dr. Baughman reviewed the current summary of micro loan payments noting that Mr. Karl Volk was delinquent on making payments on his restructured loan. He observed that Mr. Volk has only two payments of \$321.04 remaining to pay off his loan. He reported that to date, total loan payments, including principal, interest and late fees were \$58,582.70 and that total funds loaned had been \$78,500.00.

Dr. Baughman noted that Clark County Collection Services had reported they had reached a repayment agreement with Mr. Cortez in an amount similar to what LCRDA would have obtained from Mr. Cortez under the most recent loan restructure offer by LCRDA. However, since agreeing to the Clark County Collections offer, Mr. Cortez has not made any payments and has not been in contact with Clark County Collection Services. The firm has attempted

unsuccessfully to contact both Mr. Barnett and Mr. Alfano regarding their delinquent micro loans.

Mr. Scoville had agreed to make regular payments but had not followed through with any payments. Dr. Baughman reported that Clark County Collection Services had inquired as to whether LCRDA would allow the firm to file suit against Mr. Scoville to seek a judgement against him and compel payment. The Board discussed the firm's request to file suit with various reasons expressed by Directors as to why court action would not be feasible including: 1) Mr. Scoville does not have any assets upon which a lien might be placed; 2) Mr. Scoville is not employed on a regular basis so wage garnishment would be impossible and 3) given these first two factors, the cost of legal action would likely not be feasible for either Clark County Collection Services or LCRDA. Following this discussion, Ms. Rodowick moved that a suit not be filed against Mr. Scoville by Clark County Collection Services. Mr. Schofield sought to amend the motion to include LCRDA not supporting the firm filing suit on any of the borrowers of loans LCRDA had referred to the firm for collection. This proposed amendment to the motion did not enjoy a second and died. Mr. Schofield then seconded the initial motion as made by Ms. Rodowick and the motion was approved by all.

Initially, there was an attempt to amend the motion to not pursue legal action against Mr. Scoville to include not pursuing legal action on any of the loans referred by LCRDA to Clark County Collection Services. However, I and several Directors argued that the option for legal action by your firm should be preserved for other loans and considered on a case by case basis. The attempt to amend the motion failed.

Update on Industrial Clients: Dr. Baughman discussed his continuing coordination with Enerparc regarding their proposed solar project in the Rachel area. He noted that the firm was seeking to discuss the provision of electricity solar energy to the Lincoln County Power District #1 about selling electrical energy to the District.

Dr. Baughman also reported that he was in continuing conversations with representatives of Estuary Capital Partners whom he had referred to Emilia Cargill of Coyote Springs regarding a possible site for solar energy development. He noted representatives of Estuary had met with Coyote Springs staff and Estuary is considering if the Coyote Springs property would be a good project location for one of their projects. Ms. Cargill affirmed that representatives of Estuary had met with her and other Coyote Springs staff and that as far as she knew the firm was still evaluating the area for its potential to host a solar energy project. Dr. Baughman indicated he would follow up with representatives of both Enerparc and Estuary.

Next, Dr. Baughman reported that the proposed November 14-15 tour of Lincoln County and meetings with BLM, Union Pacific Railroad and local elected and appointed officials by representatives of FRAM Renewable Fuels was being postponed until after January 1, 2017. He reminded the Board that the company is interested in investigating building and operating an industrial pellet mill in Lincoln County using pinyon and juniper biomass as a feedstock. The pellets would be shipped via rail to the Port of Los Angeles and exported to Asia.

Dr. Baughman indicated he had been in contact with representatives of Wilkin Trucking and Mining regarding the expansion of their perlite popping plant and the potential for the project being eligible for state incentives. He will discuss the project with staff at the Governor's Office of Economic Development. In addition, he noted that Wilkin remains interested in pursuing purchase from BLM of that portion of their existing plant site which is located on public land. Dr. Baughman stated his intent to discuss with BLM Caliente staff a possible modified direct sale of the site to Wilkin.

Dr. Baughman also briefly updated the Board on progress by Faraday Future to develop their auto manufacturing plant at the Apex site in Clark County. He reported that Faraday had recently selected AECOM to construct the plant and that construction was already underway on site grading and improvements.

Ms. Hurd reported on her presentation to the Board of County Commissioners earlier in the day regarding the VanNatta Worldwide proposal to establish a waste-to-energy service district in Lincoln County. As noted above, she noted that the meeting did not go particularly well as the Commissioners appear to have a lot of concerns about the proposal and that the item was tabled for further discussion at a later date.

In response to a question from Chairman Hurd, Dr. Baughman reported that he had been in communication with Ms. Dana Bennett, President of the Nevada Mining Association regarding the potential for attracting mining and support services to Lincoln County. He noted that was also planning to discuss this matter with Mr. Sheldon Mudd, Mining Sector Specialist for the Governor's Office of Economic Development and would be reporting back to the Board at their next meeting. Also in response to a question from Chairman Hurd, Dr. Baughman summarized the Nevada Economic Development Conference he had attended in Reno September 21-22, 2016.

Ms. Cargill provided the Board with a brief update on the status of the Coyote Springs project indicating that construction of water and wastewater treatment facilities was underway and would be completed next year. She also observed that a contract would be let soon to complete detention basins and US Hwy 93 under-crossings for storm-water management. She also noted that HR 1815, which includes provisions with beneficial impact on Coyote Springs was poised to pass the Senate in the next few months. Dr. Baughman reminded the Board that HR 1815 also contained various Lincoln County-requested amendments to the Lincoln County Land Act and the Lincoln County Conservation, Recreation and Development Act. He reported that staff to Senator Heller had indicated to him that the bill was intended to be amended into an omnibus measure which would be considered for passage near the end of the current congressional session.

Chairman Hurd reported that International Mountain Bicycling Association (IMBA) staff would be in Caliente on October 25 to hold a status meeting regarding the construction of the mountain bike trail network in the Caliente area. Dr. Baughman stated he had been in contact with Mr. Patrick Kell of IMBA and had stressed the need for local residents to be included on the teams of folks hired to build the trails and the importance of training local residents in mountain bike trail construction.

Discussion and Action on LCRDA Grant in an Amount up to \$15,000.00 to Lincoln County Community Action Team Use in funding a Part-time Communication Coordinator – Dr.

Dr. Baughman introduced the topic and referred the Board to documents provided to him by Marcia Hurd of LCAT. Ms. Hurd explained the past work of the Communications Coordinator, the planned expanded Scope of Work for the position and the need to identify a permanent source of funding for the Coordinator. She reported that LCAT had discussed a grant from the Nevada Commission on Tourism (NCOT) but had learned that NCOT funding could not be used for promotion within Lincoln County. While a portion of the Coordinator’s work related to marketing outside of Lincoln County, a significant component of the job involved working with residents and businesses within the County. Dr. Baughman suggested breaking the Scope of Work for the position into pieces which meshed with various grant sources. In this way NCOT might be able to fund the marketing work by the Coordinator outside of Lincoln County.

Dr. Baughman noted that the majority of LCRDA’s funding comes from a grant from the Nevada Governor’s Office of Economic Development and that such funding could not be used for tourism purposes. He further observed that the Board of Lincoln County Commissioners had not yet, and might not at all, provide LCRDA with the \$10,000.00 in funding the Authority had requested from the County. Dr. Gatzke observed that LCAT is working support the retention and expansion of existing Lincoln County businesses and discussed Mr. Ben Rowley’s work (who has served as the Communications Coordinator to LCAT under a now expired contract) in this regard. In response to a question from Commissioner Higbee regarding the Lincoln County Chamber of Commerce, Dr. Gatzke reported that the Chamber had been disbanded. In response to a question from Dr. Baughman regarding the use of Lincoln County Room Tax proceeds to fund the position, Dr. Gatzke and Commissioner Higbee explained the historical uses of such funds. Commissioner Higbee noted that if LCAT would obtain the support from a large number of the businesses in Lincoln County that funding for the position from Room Tax or other County sources might be obtainable. Dr. Baughman agreed to assist Ms. Hurd and LCAT to identify and pursue alternative sources of funding for the Communications Coordinator.

Board Member Reports: Chairman Hurd reported that Terry Phillips was developing a general merchandise store to include clothing and household goods at a location on US 93 next to the Dolan and Edwards Insurance firm.

Commissioner Higbee reported that he and Commissioner Donohue would be attending a Nuclear Waste Management conference in the near future and that the Yucca Mountain Project might see new light and activity depending upon the outcome of the presidential election. He suggested that thought might be given to what kinds of business and industry might be possible in the County and City of Caliente to support the Yucca Mountain Project. Mr. Schofield expressed interest in also attending said nuclear waste management conference.

Public Comment: None.

Next Meeting Date: The next meeting of the LCRDA Board of Directors will be held November 14, 2016 at 4:30pm. in the Mayor’s conference room of the Caliente City Hall.

Adjournment: There being no further business to come before the Authority the meeting was adjourned at 6:01pm.