

**MINUTES**  
**LINCOLN COUNTY REGIONAL DEVELOPMENT AUTHORITY (LCRDA)**  
**November 14, 2016**  
**Caliente City Hall**  
**Caliente, Nevada**

The meeting was called to order by Chairman Hurd at 4:35pm.

**Determination of Quorum:** The following Board members were in attendance at the meeting:

Mr. Dave Hurd  
Mr. Jay Schofield  
Dr. Holly Gatzke  
Ms. Emilia Cargill  
Commissioner Varlin Higbee  
Mr. Kyle Donohue  
Mr. Cody Christensen  
Mayor Stana Hurlburt

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

Also present at the meeting was Dr. Mike Baughman, LCRDA Executive Director.

**Public Comment:** None.

**Discussion and Action on Minutes of October 17, 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. Dr. Baughman reported that he had received suggested editorial revisions to Pages 2, 3 and 5 of the draft minutes from Mr. Hurd. Commissioner Higbee moved and Dr. Gatzke seconded a motion to approve the minutes of the October 17, 2016 LCRDA meeting with the revisions suggested by Mr. Hurd as described by Dr. Baughman. The motion was approved unanimously.

**Discussion and Action on Financial Matters:** Dr. Baughman reviewed the November 2, 2016 financial report. He reported that expenditures through November 2, 2016, including an invoice dated November 2, 2016 from Intertech Services Corporation for Executive Director services in the amount of \$5,135.00, totaled \$23,477.84. Dr. Gatzke moved and Mayor Hurlburt seconded a motion to accept the November 2, 2016 LCRDA financial report and to approve payment of the November 2, 2016 invoice from Intertech in the amount of \$5,135.00. The motion was approved unanimously.

**Discussion and Action on Industry Attraction and Marketing Initiatives:** Dr. Baughman reported that he had attended the November 9-12 International Mountain Bicycling Association World Summit held in Bentonville, Arkansas. He distributed and referred the Board to a list of 40 takeaways he had compiled from the various sessions he had attended and conversations he had held while at the Summit. The Board generally discussed several of the items on the list. Dr.

Gatzke expressed concern over the short amount of time until when the Caliente bike trail network would be completed and the need to undertake many activities to ensure that the City, County and its businesses were prepared to host the added mountain bike related visitors to the County. She noted that identification of who would be responsible for taking the lead on the many initiatives outlined in Dr. Baughman's list of takeaways and other actions was needed. She observed that the respective roles of the City, the County, LCAT, LCRDA and others needed to be defined. Mr. Hurd indicated that the list of takeaways was very helpful and indicated that much needed to be done. Dr. Baughman encouraged the LCRDA Directors to review the list of 40 takeaways and be prepared to discuss what role LCRDA might take with implementing any of said initiatives at its next meeting.

Dr. Baughman next reviewed a proposal he had submitted at the direction of the LCRDA Board of Directors to the Organizing Committee of the International Biomass Conference to speak at the April 2017 conference. He noted that selection of proposals and notification of accepted presenters was planned for mid-December 2016.

Dr. Baughman reported that he did not have any current proposals for design and implementation of a new targeted marketing campaign. In response to a question from Mr. Christensen, Dr. Baughman observed that while previous LCRDA targeted marketing campaigns had yielded 20-30 leads each, said leads generally became very cold very fast. He noted that LCRDA had previously undertaken 3-4 targeted marketing initiatives, from which only one serious industrial lead (SteelTech) had occurred. Conversely, he noted that his attendance at various solar energy and biomass trade shows during the past three years had resulted in numerous face-to-face meetings with selected industry representatives at each event and that he remained in contact with several of those industry staff.

**Discussion and Action on Building Lincoln County Revolving Micro Loans:** Dr. Baughman reviewed the November 1, 2016 summary of micro loan payments noting that Mr. Karl Volk had submitted a payment totaling \$662.00 which resulted in his paying off his restructured loan. Dr. Baughman reported that to date, total loan payments, including principal, interest and late fees were \$58,786.43 and that total funds loaned had been \$78,500.00.

Dr. Baughman noted 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. It was noted that Mr. Cortez has installed signage along U.S. 93 for his restaurant however a new Mexican restaurant located in Alamo is competitive with the Cortez establishment. According to Dr. Baughman, Clark County Collection Services had contacted Mr. Scoville but had not secured any payment from him. The firm has attempted unsuccessfully to contact both Mr. Barnett and Mr. Alfano regarding their delinquent micro loans.

**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 had met initially with representatives of Lincoln County Power District #1 about selling electrical energy to the District.

Dr. Baughman also reported that he was in continuing email coordination 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 he understands that Estuary is still considering Coyote Springs as a possible location for one of their projects.

Next, Dr. Baughman reported that a new date had not yet been established for the proposed tour of Lincoln County and meetings with BLM, Union Pacific Railroad and local elected and appointed officials by representatives of FRAM Renewable Fuels. Said tour and meetings will likely occur 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 company's continuing desire to acquire that portion of their Antelope Canyon site which is located on BLM administered land. The company hopes to begin operations at their new facility within the next thirty days. The firm's existing facility in Antelope Canyon will remain in operation, with the combined facilities expanding production capacity. Dr. Baughman reported that he had met with BLM Caliente Field Office staff who confirmed that the parcel in Antelope Canyon occupied by the Wilkin plant is scheduled for modified competitive sale late next year and that Wilkin will have the last right of refusal to purchase the site by matching the high bid during the auction.

Mr. Hurd and Commissioner Higbee summarized the discussion by the Board of Lincoln County Commissioners earlier in the day concerning the proposal by VanNatta Worldwide to establish a waste to energy service district in Lincoln County. Mr. Hurd noted there appears to be some confusion among County elected officials regarding the process of establishing such a district and its powers. In particular, Mr. Higbee observed that the Commission was concerned with the potential for the district to levy taxes as well as condemn private property. Mr. Hurd reported that representatives of VanNatta would be working over the next several weeks to seek to address the questions and concerns of the County Commission. Dr. Baughman suggested that it might be best if the firm fell back to its original proposal to establish a waste to energy facility in Caliente intended only to handle the City's municipal solid waste stream and co-fire the facility with pinyon and juniper biomass as a means to demonstrate the utility and value of the VanNatta technology for addressing the broader county-wide solid waste management issue. Mr. Donohue noted that the Lincoln County Power District #1 remained concerned with the project from the perspective of whether the City of Caliente would be purchasing the electricity from the facility and if so, what adverse impact that might have upon the balance of electrical rate payers in the County. Mr. Hurd reiterated his understanding that VanNatta understood this possible impact to

LCPD#1 ratepayers and that the firm was committed to avoiding any such adverse impacts in the County.

Dr. Baughman briefly reported on his meeting with Andrew Bleak regarding his interest in purchasing the Meadow Valley Pharmacy. He also noted he had been in communication with Jason Bleak of the Grover C. Dils Medical Center regarding the Center's possible interest in acquiring the pharmacy. In both cases, Dr. Baughman observed that his discussions had focused on the importance of maintaining the pharmacy in the community as a service to area residents and options for possible financing the purchase of the business. He noted that USDA Rural Development Administration has a business and industry loan guarantee program which would enable a commercial lender to offer the buyer of the pharmacy a loan at a very competitive interest rate.

Ms. Cargill noted that contractors constructing the Faraday Future facility had stopped work on a temporary basis over Faraday's failure to pay for portions of work already completed. Dr. Baughman noted that it did appear a lot of site grading had been completed at the Faraday site in North Las Vegas.

In response to a question, Ms. Cargill indicated that work on project infrastructure continued and home construction was targeted to commence at Coyote Springs in 2018.

Ms. Cargill indicated that she had been contacted by a representative of Bainbridge Farms, an Australian concern seeking to identify sites in the southwestern U.S. to establish large-scale orchards producing a specialty plum for consumption in the American marketplace. The firm is looking for 1,000 to 2,000 acre sites with water rights. She noted the firm already has identified a site in Nye County and contacted her regarding the availability of land at Coyote Springs. She reported that such an agricultural land use, with its related water requirements, was not consistent with the Coyote Springs master plan. She indicated she would pass along the company's contact information to Dr. Baughman who committed to work with the firm to identify alternative sites in Lincoln County.

Mr. Donohue indicated that he had been contacted by representatives of Salt River Minerals, an Arizona firm looking into mining of pozzolan in the vicinity of Cathedral Gorge for use in the production of cement. He noted that the firm is considering locating a new mill for processing of pozzolan at sites near the new Wilkin Perlite Popping Plant or behind the Lincoln County Airport. Dr. Baughman indicated he would follow up with Mr. Kim Lee, who represents the firm locally, to discuss this industrial opportunity further.

In response to a question, Dr. Baughman indicated that he had not yet been able to discuss opportunities for pursuing mining industry development within Lincoln County Mr. Sheldon Mudd, Mining Sector Specialist for the Governor's Office of Economic Development, and would be reporting back to the Board on this matter at their next meeting. Also in response to a question from Chairman Hurd, Dr. Baughman summarized what he gleaned from his attendance at the Rural Health Workshop he attended in Reno October 18, 2016. In general, he noted the workshop addressed the importance of local medical treatment and pharmacy services as an amenity in attracting business and industry to Lincoln County.

In response to a question from Mr. Hurd, Dr. Baughman reported that he had been in communication with a representative of the Nevada Governor's Office of Energy who was working with staff at the Nevada Department of Transportation to identify 2-3 sites in Lincoln County to located electric car charging stations. Mr. Donohue noted that these agency representatives had also contacted the LCPD#1 seeking information for use in siting charging stations in Lincoln County.

**Discussion and Action on Possible LCRDA Application for FY 17 US Forest Service Wood Innovations Grant** – Dr. Baughman introduced the topic and referred the Board to the description of the grant program he had distributed. He reported that he had passed the same documents along to Mr. Jim VanNatta suggesting that his firm might benefit from such a grant funded project such as feasibility or permitting initiatives. He had not heard back from Mr. VanNatta regarding the grant program. Dr. Baughman noted that in the absence of passage of HR 1815, the amendments to the Lincoln County Land Act and Lincoln County Conservation, Recreation and Development Act requested by Lincoln County, that BLM's ability to enter into long-term biomass supply contracts was limited and hence biomass using industries were not yet prepared to commit to projects in Lincoln County. Accordingly, Dr. Baughman indicated that it might be premature to pursue a US Forest Service Wood Innovations Grant. No further action was taken on this item.

**Board Member Reports:** Mayor Hurlburt reported that a ribbon cutting ceremony for the new bridge accessing the Caliente Youth Center was scheduled for Wednesday, November 16<sup>th</sup> at 11:45am. She also reported that the City of Caliente would be submitting a FY 17 Community Development Block Grant (CDBG) pre-application to the Governor's Office of Economic Development to undertake flood hazard mapping in the City. The project is intended to refine the designation of those areas in the community which are prone to flooding. By removing areas of the community from flood hazard designation, property owners in such areas will no longer be required to purchase flood hazard insurance. Dr. Baughman encouraged the City to document the economic development benefits of the project in its application.

Mr. Christensen reported that he was concerned over the future of the Caliente Youth Center as it currently employs many skilled persons residing in the County. He noted that recent changes in federal law and regulation were impacting the allowable ratio of staff to students at the facility and those attending C.O. Bastian High School located at the Center. Without additional Youth Center staffing being provided by the State of Nevada, the number of young men and women at the facility will decline as will attendance at the high school. As these resident/student population numbers decline, he is concerned that the State may look to close the facility altogether. He stated the need to meet very soon with State of Nevada officials to seek to address this issue. Dr. Baughman committed to work with Mr. Christensen to schedule meetings in Carson City with representatives of the Governor's Office; the Nevada Department of Health and Human Services and its Division of Child and Family Services.

Dr. Gatzke reported that she and her colleagues had developed and held agricultural producer value-added workshops and that attendance was excellent. She noted that workbooks for use in

the workshops had also been prepared and that additional workshops via video-conference were being considered. Dr. Baughman reminded the Board that this work by Dr. Gatzke was being funded by a grant from the Nevada Department of Agriculture being managed by LCRDA.

**Discussion and Action on Recommendation of Candidates for Appointment of LCRDA Director by the City of Caliente** – Dr. Baughman reminded the Board that LCRDA Director Alice Rodowick had tendered her resignation from the Board so that she might devote more time to assisting her husband recover from a medical ailment. He noted that Ms. Rodowick was an appointee of the City of Caliente. Mayor Hurlburt stated that the Caliente City Council would be discussing appointing a replacement for Ms. Rodowick at the Council’s next meeting. No candidates were mentioned by existing LCRDA Directors for consideration by the City. Mayor Hurlburt encouraged the LCRDA Directors to forward any suggestions they might have to her for consideration by the City Council.

**Public Comment:** None.

**Next Meeting Date:** The next meeting of the LCRDA Board of Directors will be held via teleconference January 23, 2017 at 4:30pm.

**Adjournment:** There being no further business to come before the Authority the meeting was adjourned at 7:10pm.