

MINUTES
LINCOLN COUNTY REGIONAL DEVELOPMENT AUTHORITY (LCRDA)
February 27, 2017
Caliente City Hall
Mayor's Conference Room
Caliente, Nevada

The meeting was called to order by Chairman Hurd at 4:34pm.

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

Mr. Dave Hurd
Dr. Holly Gatzke
Mr. Jay Schofield
Mr. Cody Christensen
Mayor Stana Hurlburt
Mr. Nolan Avery
Ms. Emilia Cargill

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 January 23, 2017 Meeting: Chairman Hurd noted that the draft minutes of the LCRDA meetings were being provided by Dr. Baughman to Mr. Dave Maxwell of the Lincoln County Record and that as a result Mr. Maxwell was providing excellent and timely coverage of LCRDA meetings in the Record. Following review of the minutes Mr. Avery moved to approve the minutes of the January 23, 2017 LCRDA meeting as presented and Mr. Schofield seconded the motion. The motion was approved unanimously.

Discussion and Action on Financial Matters: Dr. Baughman reviewed the February 17, 2017 financial report. He reported that expenditures through February 17, 2017, including an invoice dated February 1, 2017 in the amount of \$5,720.00 from Intertech Services Corporation for Executive Director services, totaled \$52,925.39. Mayor Hurlburt moved and Mr. Christensen seconded a motion to approve the February 17, 2017 financial report. The motion was approved unanimously. Mr. Schofield moved and Mr. Avery seconded a motion to approve the invoice dated February 1, 2017 in the amount of \$5,720.00 from Intertech Services Corporation for Executive Director services. The motion was approved unanimously.

Discussion and Action on Industry Attraction and Marketing Initiatives: Dr. Baughman reminded the Board that he had been invited to speak as a panelist at the April 10-12, 2017 International Biomass Conference to be held in Minneapolis. He will be participating in the biomass feedstock session of the conference on April 10th. He also reported that he had made travel and hotel reservations to attend the conference and had registered (at a reduced Speakers'

Rate) for the conference. Dr. Baughman noted that he would be contacting select representatives of biomass using industries also attending the conference to arrange meetings with said persons while at the conference. He stated his hope to meet with 10-15 such representatives while there.

Mr. Schofield noted that a waste-to-energy plant was located in downtown Minneapolis and that Dr. Baughman should seek to tour the facility while he was in Minneapolis.

With regard to targeted marketing, Dr. Baughman next reviewed a proposal received by Target Industry Prospects (TIP) to undertake web-based targeted marketing of companies which might be associated with the Faraday Future electric car manufacturing plant and other industries locating in the Apex Industrial Park for location to the Coyote Springs area. Ms. Cargill noted she would not be able to support the proposal as she questioned how good the leads would be and to what extent they would be qualified leads. Dr. Baughman observed that in previous marketing campaigns undertaken by TIP for LCRDA the leads provided had gotten cold very quickly. The Board discussed the various industrial projects underway in the Apex Industrial Park. Chairman Hurd expressed concern with the cost of the proposed marketing campaign noting that the fee of \$500 per qualified lead in addition to the \$12,000 marketing cost appeared excessive. No Action was taken on the TIP proposal.

Dr. Baughman next described the Solar Power International 2017 tradeshow to be held September 10-13, 2017 in Las Vegas. He noted that he had attended the same conference a few years back when it was held in Dallas and that his attendance had led to several leads from solar firms interested in developing utility-scale solar projects in Nevada. He suggested the Las Vegas location might make the 2017 show affordable to attend. Dr. Baughman described the trends in solar energy development and electrical transmission issues as they pertain to solar projects in Lincoln County. Ms. Cargill observed that Coyote Springs remained interested in attracting one or more firms to develop large solar projects within the Lincoln County portion of the Coyote Springs site. She observed that Southern Nevada Water Authority and Silver State Energy Association had received a Record of Decision from BLM regarding development of their planned 230 kV electrical transmission line proximate to Coyote Springs and north through Lincoln County. Dr. Baughman asked the Board to keep the show in mind and that he would bring it up again for consideration at a subsequent LCRDA meeting.

Discussion and Action on Building Lincoln County Revolving Micro Loans: Dr. Baughman reviewed the February 17, 2017 summary of the payment status of the four loans referred to Clark County Collection Services (CCCS) noting that Mr. Randall Alfano had made two payments of \$100.00 each through which \$130.00 had been remitted to LCRDA. He noted that CCCS had had no luck with any collections from the other borrowers. Dr. Baughman reported that he had just completed a USDA grant compliance audit and that the USDA staff had expressed concern with the length of time the four loans might remain open through the collection process. USDA is anxious to close out the grants to LCRDA which assisted in capitalizing the micro loan program.

In response to a suggestion that the outstanding loans be written off and the agreement with CCCS terminated, Dr. Baughman suggested that it may be possible to negotiate the purchase of the four outstanding loans by CCCS. He observed that LCRDA might be able to get \$.05 to \$.10

on the dollar for the four outstanding loans which are being serviced for collection by CCCS. The group discussed this idea noting that it had merit.

It was noted that the four outstanding loans had a combined outstanding value subject to collection of approximately \$14,000 and that \$.10 on the dollar would yield \$1,400 if the loans were sold. However, Dr. Baughman noted that the Alfano loan was the only loan for which CCCS had succeeded in securing any payment and that the firm might only receive approximately \$1,400 from total collections on the four loans. Accordingly, CCCS would likely not be willing to pay \$.10 on the dollar against the \$14,000 value of the four outstanding loans. Dr. Baughman suggested that a price of \$.05 on the dollar against the value of the four outstanding loans might be more likely. This would yield approximately \$700 to LCRDA. Chairman Hurd moved and Mr. Schofield seconded a motion to have the LCRDA Executive Director seek to negotiate the best deal possible with CCCS for the possible sale of the four outstanding loans to the firm. The motion was passed by all.

Update on Industrial Clients: Dr. Baughman reviewed a draft letter he had prepared to Mr. Jim VanNatta of VanNatta Worldwide (and Vortex Power) describing benefits of the firm's proposed Caliente waste-to-energy project and encouraging the firm to apply for Industrial Revenue Bond financing and needed environmental permits from the State of Nevada. Mayor Hurlburt moved and Mr. Christensen seconded a motion to approve the letter. The motion passed unanimously.

Dr. Baughman discussed his continuing coordination with Bainbridge Farms, an Australian firm seeking to find sites of 1,000 to 2,000 acres with water rights in Lincoln County to produce a specialty variety of plum for processing and consumption in the U.S. He reminded the Board that he had provided representatives of the company with information on various possible sites in south-central Lincoln County. He reported that company representatives had met with Ms. Jan Cole who represents the Gayle Green group of owners of the Lincoln Estates site in Rachel and Mr. Dan Stewart regarding his land and water holdings in the Pahranaagat Valley area. As a result of the meetings, the Bainbridge Farms representatives are in continuing conversations with Dan Stewart over possible lease-purchase and development of orchards on lands in the Pahranaagat Valley. Representatives of Bainbridge will be returning to Nevada in a month or so to further discussions with landowners in Lincoln County.

Dr. Baughman indicated that Enerparc continued to seek off-takers for the energy to be produced from its proposed utility-scale solar project near Rachel. He noted that the firm was in discussions with representatives of Valley Electric Cooperative regarding cooperating with them in providing solar generated electricity to the Department of Defense installations in Lincoln and Nye counties.

Dr. Baughman noted the need for representatives of the City of Caliente and him to schedule to meet with management of Salt River Materials regarding their proposed trans-loading facility in Caliente. Mayor Hurlburt indicated a desire to meet with management of the firm who are based in Arizona to discuss options for siting the trans-loading facility. It was noted by all that the firm's planned pozzolan mine and mill would be a great economic opportunity for Lincoln County but that siting of the proposed trans-loading facility in Caliente needed to be accomplished in a manner compatible with the community character.

Dr. Baughman indicated that Wilkin Trucking and Mining remained committed to modernize and maintain operation of the existing perlite popping facility in Antelope Canyon. He reminded the Board that thermal energy in the form of steam could be supplied by the Vortex Power project to the perlite popping plant which would significantly reduce the firm's reliance on propane as an energy source and significantly reduce operating costs. Mr. Hurd expressed concern that the owner of property at the intersection of U.S. 93 and Antelope Canyon Road was asserting that the Antelope Canyon Road was private and that access across said road by Wilkin and Vortex Power might become an issue for both projects.

In response to a map distributed by Mr. Schofield, Ms. Cargill noted that Coyote Springs owned approximately 29,000 acres, of which approximately two-thirds is located in Lincoln County and the rest in Clark County. She noted that Coyote Springs is very interested in solar development on the Lincoln County portion of their lands. She reported that one of the issues that solar developers have brought to their attention was the high cost which NV Energy was requiring to tie into the On-Line transmission line and related energy wheeling charges to be charged by NV Energy.

Mr. Christensen observed that he had seen several solar projects in Nye County on a recent drive to Carson City. Dr. Baughman noted that those projects had been possible because Valley Electric which serves that area has CALISO certified transmission lines enabling said solar projects to deliver and sell their energy into the California market.

Discussion and Action on LCRDA Initiatives Regarding Amendments to the Lincoln County Land Act and the Lincoln County Conservation, Recreation and Development Act – Dr. Baughman reviewed his work to secure adoption by the Board of Lincoln County Commissioners recently of a resolution reaffirming their desire that the two acts be amended. He noted that the resolution had been specifically requested by staff to Senator Heller. He also reviewed letters he had prepared and which had been approved by the County Commission to Senator Cortez Masto and Congressmen Kihuen seeking their assistance and support for amendments to the Lincoln County Land Act and the Lincoln County Conservation, Recreation and Development Act. He reported that Senator Heller's staff had stated their hope that the Senate version of a bill amending LCLA and LCCRDA might be introduced late the week of February 27th. He also noted that Congressman Kihuen staff had told him that the Congressman had agreed to introduce a House version of the bill in the near future.

Discussion and Action on Development of Mountain Bike Trail Related Visitor Services Business Cluster – Dr. Baughman reviewed his meeting with USDA RDA staff at which he learned that USDA has \$53,000 in available RBEG grant funding with applications due March 31, 2017. He noted the funding could be used for assisting to prepare Caliente and its businesses to serve the anticipated influx of mountain bikers to the community. He suggested a grant from USDA on the order of \$20-25 thousand might be possible and that a match of 20 percent would make an application for such funding more competitive. He further noted that the USDA staff suggested that the City of Caliente be the applicant for such a grant as the City had not previously received a RBEG grant and as a first time applicant would receive bonus points in the application scoring process. Dr. Gatzke and Mayor Hurlburt reported on their conversations with

USDA staff and reviewed a plan developed by USDA staff regarding implementation of various mountain bike related initiatives. Dr. Gatzke also reiterated her belief that an analysis of the types of businesses which might be needed in Caliente to service mountain bikers and other OHV, equestrian and pedestrian trail users is needed. She observed that Mr. Buddy Borden of the University of Nevada Cooperative Extension was prepared to complete such an analysis for the City but that the results would likely not be available for many months. Dr. Gatzke indicated that LCAT was prepared to take the lead on coordinating marketing initiatives in consultation with the International Mountain Biking Association and that a grant from the Nevada Commission on Tourism would be sought to undertake said marketing initiatives. After discussion, Mayor Hurlburt moved and Mr. Avery seconded a motion to have the LCRDA Executive Director assist the City in developing a RBEG application to USDA and that LCRDA provide a cash match of up to \$6,000 for said grant application. The motion was approved by all.

Discussion and Action on Initiatives to Encourage Maximum Use by State of Nevada of Caliente Youth Center Facilities: Mr. Christensen and Dr. Baughman reported on actions being taken by and communications with Nevada Division of Child and Family Services to hire additional staff at the Caliente Youth Center and to resolve funding issues associated with C.O. Bastian High School. Dr. Baughman indicated he will be monitoring action on commitments by State officials to seek to expand use of Caliente Youth Center facilities and to resolve related short, intermediate and long term funding shortfalls experienced by the Lincoln County School District due to lower than expected enrollment at C.O. Bastian High School. The Board discussed options for housing other youth programs at CYC and the benefit of the facility to the County and City. No action was taken on this item.

Discussion and Action on “2016 Annual Report: Lincoln County Comprehensive Economic Development Strategy”: Dr. Baughman reiterated the need for the Authority to prepare an updated version of the document and submit same to the U.S. Economic Development Administration (EDA) for acceptance as a means for Lincoln County and the City of Caliente to remain eligible for EDA technical assistance and infrastructure grants. He again asked the Authority Directors to review the Strategy section of the document and provide suggestions via email for revisions to said section. Dr. Baughman indicated that he will have a draft of the “2016 Annual Report: Lincoln County Comprehensive Economic Development Strategy” available for review at the next LCRDA meeting. No action was taken on this item.

Board Member Reports: Chairman Hurd passed out a tourism brochure developed for LCAT and also showed a rendering of the proposed billboard being placed by LCAT near the intersection of U.S. Hwy 93 and SR 376. LCAT was commended by various LCRDA Directors for the quality of both projects.

Public Comment: None.

Next Meeting Date: The next meeting of the LCRDA Board of Directors will be held via teleconference on March 27, 2017 at 4:30pm.

Adjournment: There being no further business to come before the Authority the meeting was adjourned at 6:54pm.