

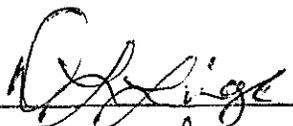
4. Attach two copies of all documents or items you believe provide credible evidence to support your allegations. NRS 281A.440 2(b)(1) requires you to submit all related evidence to support your allegations. NAC 281A.435.3 defines credible evidence as a minimal level of any reliable and competent form of proof provided by witnesses, records, documents, exhibits, minutes, agendas, videotapes, photographs, concrete objects, or other similar items that would reasonably support the allegations made within the complaint. Credible evidence does not include a newspaper article or other media report if the article or report is offered by itself.

State the total number of additional pages attached (including evidence) _____.

REQUESTOR'S INFORMATION:

NAME: <u>David Linge</u>	E-MAIL: _____
ADDRESS: <u>PO Box 842</u>	
CITY, STATE, ZIP: <u>Wells NV. 89835</u>	
TELEPHONE: <u>775-752-3013</u>	CELL PHONE: <u>752-0277</u>

By my signature below, I do affirm that the facts set forth in the foregoing complaint and attachments thereto are true and correct to the best of my knowledge and belief and I am willing to provide sworn testimony if necessary regarding these allegations.

Signature 
 Print Name: David Linge

Date 4-20-10

Please return an original signed form, two copies of the form, and three copies of the supporting documents and evidence to:

Executive Director
 Nevada Commission on Ethics
 3476 Executive Pointe Way, Suite 10
 Carson City, Nevada 89706

Ethics complaints submitted by facsimile will not be considered as properly filed with the Commission.
NAC 281A.255.3

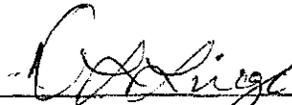
4. Attach two copies of all documents or items you believe provide credible evidence to support your allegations. NRS 281A.440.2(b)(1) requires you to submit all related evidence to support your allegations. NAC 281A.435.3 defines credible evidence as a minimal level of any reliable and competent form of proof provided by witnesses, records, documents, exhibits, minutes, agendas, videotapes, photographs, concrete objects, or other similar items that would reasonably support the allegations made within the complaint. Credible evidence does not include a newspaper article or other media report if the article or report is offered by itself.

State the total number of additional pages attached (including evidence) 3.

REQUESTOR'S INFORMATION:

NAME: <u>David Kinge</u>	E-MAIL:
ADDRESS: <u>PO Box 842</u>	
CITY, STATE, ZIP: <u>Wells NV. 89835</u>	
TELEPHONE: <u>775-752-3013</u>	CELL PHONE: <u>775-752-0277</u>

By my signature below, I do affirm that the facts set forth in the foregoing complaint and attachments thereto are true and correct to the best of my knowledge and belief and I am willing to provide sworn testimony if necessary regarding these allegations.

Signature 
 Print Name: David Kinge

Date 4-20-10

Please return an original signed form, two copies of the form, and three copies of the supporting documents and evidence to:

Executive Director
 Nevada Commission on Ethics
 3476 Executive Pointe Way, Suite 10
 Carson City, Nevada 89706

Ethics complaints submitted by facsimile will not be considered as properly filed with the Commission.
NAC 281A.255.3

RECEIVED

APR 28 2010

COMMISSION ON ETHICS

NEVADA COMMISSION ON ETHICS
REQUEST FOR OPINION
(ETHICS COMPLAINT)

NRS 281A.440.2

Please print or complete online.

1. Provide the name, title, public agency, address, and telephone number for the public officer or employee you allege violated the Nevada Ethics in Government Law, NRS 281A. (If more than one public officer or employee is alleged to have violated the law, use a separate form for each individual.)

Name & Title:	Jolene Supp City of Wells Manager	
Public Agency:		
Address:		
City, State, Zip:		Telephone:

2. Describe in specific detail the conduct of the public officer or employee identified above that you allege violated the provision(s) of chapter 281A of NRS. (You must include specific facts and circumstances to support your allegations - including dates, times, places, and the name and position of each person involved.)

Check here if additional pages are attached.

NRS 281A 400-2-3-7-5

3. Identify all persons who might have knowledge of the facts and circumstances you have described, as well as the nature of the testimony the person will provide. Include the address and telephone number for each person.

Check here if additional pages are attached.

Name & Title:	All of council	
Address:		
City, State, Zip:		Telephone:
Name of Testimony:		

REQUEST FOR OPINION (ETHICS COMPLAINT)
Page 1 of 2

Revised 05/02/09

4. Attach two copies of all documents or items you believe provide credible evidence to support your allegations. NRS 281A.440.2(b)(1) requires you to submit all related evidence to support your allegations. NAC 281A.435.3 defines credible evidence as a minimal level of any reliable and competent form of proof provided by witnesses, records, documents, exhibits, minutes, agendas, videotapes, photographs, concrete objects, or other similar items that would reasonably support the allegations made within the complaint. Credible evidence does not include a newspaper article or other media report if the article or report is offered by itself.

State the total number of additional pages attached (including evidence) _____

REQUESTOR'S INFORMATION:

NAME: <u>David Linge</u>	E-MAIL: _____
ADDRESS: <u>PO Box 842</u>	
CITY, STATE, ZIP: <u>Wells Nv 89835</u>	
TELEPHONE: <u>752-3013</u>	CELL PHONE: <u>752-0277</u>

By my signature below, I do affirm that the facts set forth in the foregoing complaint and attachments thereto are true and correct to the best of my knowledge and belief and I am willing to provide sworn testimony if necessary regarding these allegations.

Signature *DL Linge*
 Print Name: DL Linge

Date 4-20-10

Please return an original signed form, two copies of the form, and three copies of the supporting documents and evidence to:

Executive Director
 Nevada Commission on Ethics
 3476 Executive Pointe Way, Suite 10
 Carson City, Nevada 89706

Ethics complaints submitted by facsimile will not be considered as properly filed with the Commission.
NAC 281A.255.3

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State the total number of additional pages attached (including evidence) _____.

REQUESTOR'S INFORMATION:

NAME: <u>Anita Irene Linge</u>	E-MAIL:
ADDRESS: <u>558 5th st.</u>	
CITY, STATE, ZIP: <u>Wells, Nevada 89835</u>	
TELEPHONE: <u>775-752-3013</u>	CELL PHONE:

By my signature below, I do affirm that the facts set forth in the foregoing complaint and attachments thereto are true and correct to the best of my knowledge and belief and I am willing to provide sworn testimony if necessary regarding these allegations.

Anita Irene Linge
 Signature
 Print Name: Anita Irene Linge

April 26, 2010
 Date

Please return an original signed form, two copies of the form, and three copies of the supporting documents and evidence to:

**Executive Director
 Nevada Commission on Ethics
 3476 Executive Pointe Way, Suite 10
 Carson City, Nevada 89706**

Ethics complaints submitted by facsimile will not be considered as properly filed with the Commission.
NAC 281A.255.3

The earthquake on 2-21-08 destroyed Councilman Cal Stack's modular home set on piers. He had earthquake insurance when he filed claim they asked for Manufacture Housing of Nevada's inspection report and City of Wells Certificate of Occupancy (C.O.O.). After his request to the City Jolene, Sue and I had a conversation about Cal's request Sue stated that it was never inspected, that he and his friends set it up. A few days later Jolene waved a letter at me in City Hall and told me that she had taken care of Cal's insurance request. Talked with Sue later that day she said that shit will never stop with her (Jolene) there never was a C.O.O. issued that Cal pressured Jolene into writing the letter. Is this fraud?

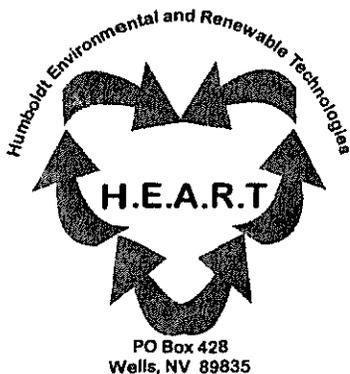
Then he went to the Earthquake Committee and requested funds to build a foundation for his new home. This request didn't fit under the guide lines of the Committee. He received the money's anyway. (from personal property to real property. Nice)

In 2002 Patrick Barney of World Renew from Winnemucca Nv. came into City Hall and spoke with Jolene and I his plan to build a tire recycling plant in Wells. He said Winnemucca was not supportive of him, wondering if Wells would be.

He was needing property, know of any grants, loans and different avenues of finances. Also needed help with State permitting process.

Everything was going good for Mr. Barney until the money was coming together. Then Jolene Supp formed her own Corporation Humboldt Environmental and Renewable Technologies (H.E.A.R.T.) which she is President of. This corp. was built out of City Hall using computers, fax, telephones and Office even after she hired Doug Molohon as Project Manager and gave him an Office in City Hall.

When I asked how she could do that her reply was they got a ruling and it fits under Economic Development.



To All Local Area Residents:

Humboldt Environmental And Renewable Technologies, (HEART), is the locally formed corporation that will manage and operate the Wells tire recycling facility. This corporation will be a “grass roots” group of shareholders and along with other funding will equip the facility to recycle and sell biproducts for profit. To follow is the suggested funding needed for phase I of a four phase project:

1. Private stockholders contributions	\$2,000,000
2. State of Nevada Funding	\$ 100,000
3. Federal Assistance	\$ 400,000
4. Environmental Waste International	\$ 350,000
5. Private loan	\$1,750,000

HEART is inviting local area residents wishing to be involved to pledge funding now for stockholders as a minimum amount of \$2000. Shares will be issued at \$10 per share. If you are interested please give consideration as to the amount of funds you wish to invest and return them to:

Humboldt Environmental And Renewable Technologies
P.O. Box 428
Wells, NV 89835

A stock certificate will then be issued upon receipt and returned to you. For questions, please call 775-752-3987 and leave a message or speak directly to one of the directors at the following numbers:

Mike Eriksen	753-2853
Ken Huff	752-2587 evenings
John Riddle	752-3274 evenings
Buddy Welsh	752-1508 days
	752-3548 evenings
Jolene Supp	752-3120 days
	752-3529 evenings
Marla Griswold	755-2227

Your participation is welcomed.

Sincerely,

The HEART Board of Directors

EXECUTIVE SUMMARY

Humboldt Environmental and Renewable Technologies, Inc. (HEART), proposes to build and own a \$16.5 million sustainable commercial tire reduction and recycling facility consisting of a 40,000 square foot building and patented (# 6,133,500 Oct 17, 2000) microwave tire reduction/processing equipment manufactured by Environmental Waste International Inc. ("EWI"). The proposed facility will be built on an 18.69 acre parcel of land at Wells Industrial Park, 290 Industrial Way, in the NE quarter of Section 11 parcel # 002-820-006 Elko County APN, designated for Industrial Economic Development, and owned by the City. This project is important to the City of Wells not only because it will provide an employment opportunity for up to 70 full time positions, but also because of the spin-off industries that it might attract.

The Nevada Division of Environmental Protection has issued a Waste Tire Management Facility Permit # **WTMF 050301** on July 7, 2003 for this project's predecessor, World Renew, and will transfer the permit. A phased plant startup for the four microwave processing units starting with one unit capable of reducing and recycling about 500,000 tires per year followed by three additional units, for a total of 2,000,000 tires recycled annually has been approved. When fully operational the plant will annually recover for sale:

- 15,000,000 pounds of Carbon Black
- 4,020,000 pounds of Scrap Steel
- 1,000,000 gallons of Oil (#2 grade)

The lighter gases may be used to generate enough electricity to make the project electrically self-sustaining. The oil may be used in the future to generate surplus electricity for sale to the grid. The revenues generated from sale of the recovered products are conservative but it is possible that as the markets are fully developed healthier revenues will be achieved.

The Business involves the receipt of waste tires on site, processing of the tires using the EWI microwave processing system, and the sale of the recovered products. One hundred percent of the recovered products are recycled. Revenues may be generated from the tire tipping fee and the sale of carbon black, scrap steel and hydrocarbons (oil). The plant may initially generate enough electricity on-site from the evolved non-condensable gases. This may sustain the facilities energy requirements. A decision on the future expansion of the project to include surplus power generation using the oil fraction of the evolved hydrocarbons will be based on the rise in electricity prices, availability of environmental emission credits (EEC's) and the rate negotiated for renewable energy credits (REC's) recently approved for the EWI process by the **State of Nevada Assembly Bill 296**. Together these credits may provide a cash benefit estimated in the millions of dollars to the fully operational project.

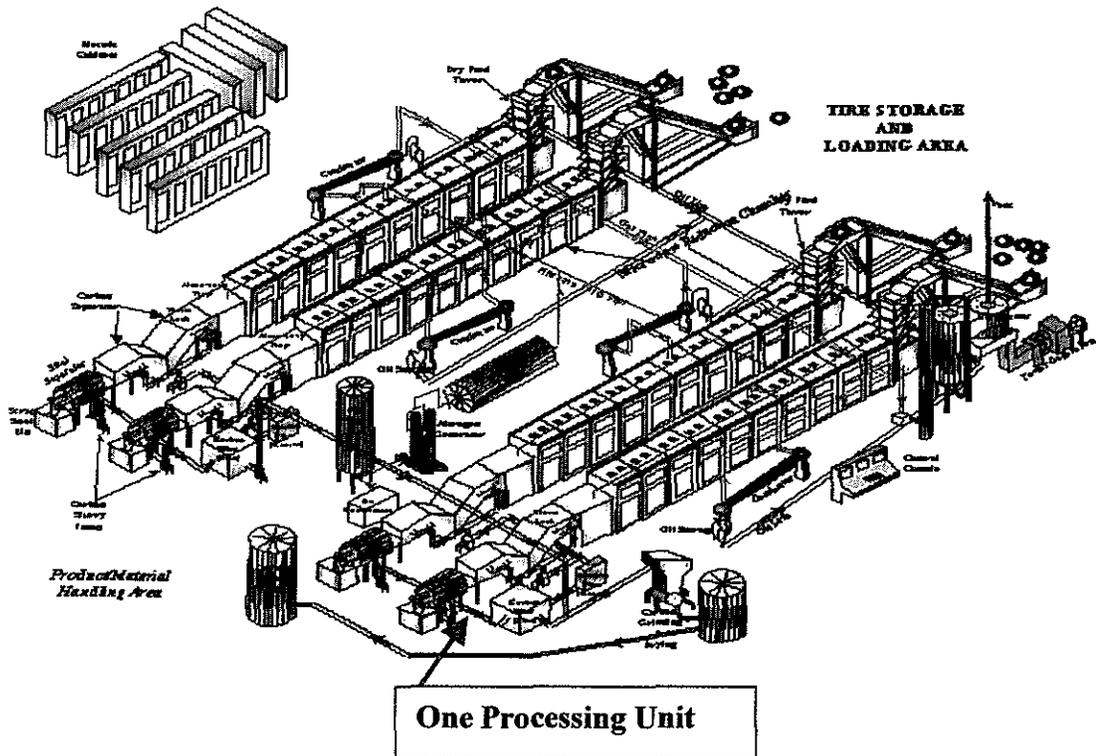
The first processing unit (1500 tires/day) will be commissioned within 14 months from contract award. The balance of the plant, which includes three additional processing units, will be installed approximately 18 months later.

Mortgage financing, and/or equity financing is needed to finance the project less the building, leasehold improvements to the building required by the process and the power generation portion of the first phase (Unit).

Local investors have pledged initial funding for the project. Further equity participation in this business will reduce debt load.

As with any new technology, the process of proving economic viability is undetermined and therefore carries risk. All investors shall assume the possibility of losing their investment. There are no guarantees.

FULL TR-6000 TIRE RECYCLING PLANT



**“AN ENVIRONMENTAL SOLUTION AS WELL AS REVENUE
GENERATING BUSINESS OPPORTUNITY”**

equipment to tear the old City Shop down. Manager Supp stated that is why this has come up. She stated that when it was discussed that the City may not be able to demolish the building, she asked for contractor estimates and one of the contractors interested in tearing the building down stated he would like to salvage some of the materials. Upon question, it was stated that he seemed to be interested in the wallboard and two by fours. Gretchen Hubert stated that if the City has need of the materials, that should be first priority. Cal Stark asked David Linge what he would need if the City crew was to tear the building down and he responded a Heister and excavator. Mayor Tybo asked about time, noting that Public Works is already going to be busy this summer. Gretchen Hubert stated that the project should be done over Spring Break when school kids are not around the area and David Linge asked why it can't be done during the summer. Contractor Mike Seech stated that harness and other equipment will be necessary to meet OSHA standards and David Linge stated he already has all of that. Kenny Huff stated that he has no problem with the City taking salvage material if they use it but does not want to see the material just stored. Contractor Mike Seech stated that it will take the City a month to tear the building down and a contractor could have it done in a week. Manager Supp stated that purpose of the agenda item is to report that salvaging must be a public process. David Linge stated he wants to be involved in the discussion.



CONSIDERATION OF FINANCIAL ARRANGEMENT BETWEEN CITY OF WELLS AND HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGY (HEART) FOR BUILDING

Rusty Tybo, Kenny Huff, and John Riddle declared that they are stockholders of Humboldt Environmental and Renewable Technology (HEART). Jolene Supp declared that she is President of the HEART corporation. She explained that ASC, Claims Adjustor for the insurance company, paid a check to the City of Wells for January and February rent of the HEART building to house the City's Public Works Department. For clarification, she explained that the check totaling \$10,923.62 included \$9,000 for this rent in addition to rent for the Sheriff's Office leased building and reimbursement of utilities. She continued that to have a paper trail, the City of Wells will cut a check to HEART in the amount of \$9,000 and HEART will give that money back to the City since they owe money for the land purchase. She further stated that since the new City Shop is not built, Public Works can remain in the HEART building for a few more months at no charge. She further stated that HEART is working on a long term lease with Frontier Development Group. Public Works Director David Linge asked about the propane bill and Manager Supp stated that she will submit all final utility bills after they are received for one last reimbursement from the insurance company. He asked if the insurance company will cover them and Jolene Supp responded yes. He stated that they are \$10,000 to \$12,000.

Councilwoman Gretchen Hubert explained that Board members have declared their interest but may have to vote on HEART matters at some future point because there will

not be a quorum if they do not. John Riddle stated that hopefully everyone can be whole in the future.

David Linge stated that if a new deal is renegotiated, as a citizen he would like to see it be a fair deal. Mayor Tybo commented that "free is fair".

REPORT OF LINE ITEM TRANSFERS

Jolene Supp referenced Line Item Transfer prepared for the insurance reimbursement. She stated that it may be changed in the future if the Greenspan eight percent amount is reduced but it is a budget starting point to track this money. John Riddle noted the money went into the Capital Improvement Fund and asked if money can be moved if necessary. City Clerk Sue Smith responded yes.

CLAIMS COMMITTEE REPORT; ACTION TO APPROVE FINANCIAL STATEMENTS

Cal Stark made a motion to approve Warrant Register dated February 23, 2010 in the amount of \$67,696.32. Gretchen Hubert seconded the motion and the vote was unanimous.

COUNCILMEN'S REPORTS

Councilwoman Hubert informed that the Dessert to D.C. group is holding a fundraiser on Wednesday night from 5:30 to 7 P.M. at the Four Way. She continued that there will be a Silent Auction, also. She further advised that this young group of students will be in Washington, D.C. over Memorial Day so it should be a great experience for them.

Mayor Tybo asked how things are going with the water tank. David Linge reported that the tank needs to be retested. Upon question of John Riddle, Linge stated that they are continuing to flush the tank.

Mayor Tybo informed that he received a call from Senator John Lee of Clark County, assuring him that the City's assets at the State level are protected for now. With the special emergency session of the Legislature going on in respect to budgeting for the shortfall in revenue, concern has been voiced about how safe the City's money in pooled invested cash is. A discussion ensued and the Board concurred with Staff that this money should be brought back to a local bank for security and certain high interest debts paid off and balance of the money used for capital projects such as City Hall. The Mayor further reported that closure of the Honor Camp was also considered but at this time has been removed from the State list.

The Mayor again reported on meetings he and Manager Supp attended concerning a local public preschool concept. He stated that the Family Resource Center brings a lot of

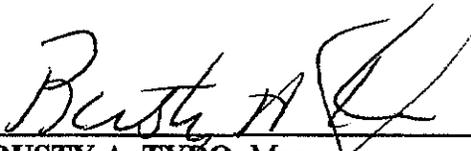
Jolene Supp stated that she has been working with Jim Naveran and Nevada Department of Transportation representatives on the heavy industrial park entrance.

Manager Supp reported that she spent several hours with a potential tenant for the heavy industrial park. She explained that this company intends to do tire recycling. She continued that while they intend to have a large number of tires stored on the property, they propose to hire a security guard and to install a foam suppression system. Question was asked if the company will need a rail spur and Manager Supp stated that this cost is in their plan. She stated that the client was pleased with the warm reception he received while he was in Wells.

City Clerk Sue Smith reported that the City of Wells has agreed to participate with Wells High School in a work study program and several students will be spending a few hours each day in the City shop and office to learn work skills.

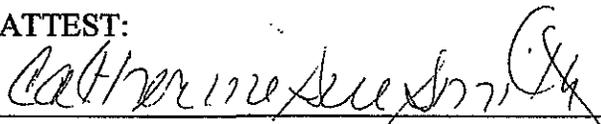
ADJOURNMENT

Cal Stark made a motion to adjourn the meeting and Vikki Dedman seconded the motion. The meeting was adjourned at 8:30 P.M.



RUSTY A. TYBO, Mayor

ATTEST:



CATHERINE SUE SMITH, CMC, City Clerk

Warrant Register dated October 22, 2003 was unanimously approved in the amount of \$45,569.01 upon motion of Vikki Dedman and second by Kerry Robinson.

COUNCILMEN'S REPORTS

Mayor Tybo reported that World Renew is committed to the development of a tire recycling plant in Wells. He stated that the project is on track and moving forward. Cal Stark asked about the tire storage issue and Manager Supp stated that they are willing to do mitigation measures. Upon question, Mayor Tybo informed that they will hire 70 to 120 employees. Kenny Huff asked if they are leasing or purchasing the property and Mayor Tybo stated that they intend to purchase the land.

Mayor Tybo stated that the first ever moto-cross event was held in Wells. Manager Supp added that the Starr Valley Turkey Shoot is an upcoming event.

Vikki Dedman reported that the Fireman's Ball will be December 6 or 7 and it will be held at the El Rancho. She stated that a spaghetti dinner will be held from 7 to 8 P.M. that evening. She also advised that a Liquor License application will be submitted for the next meeting.

STAFF REPORTS

Manager Supp reported that Tom Whalen will be in Wells this week. She advised that there is a meeting on Thursday, December 5, 2002 and the City will pitch for AB 198 grant funds.

Jolene Supp stated that OSHA has given a sixty-day extension in reference to development of a respiratory program. She stated that they have reduced the fine and given the City three months to pay.

The City Manager reported that she met with the Park Service and group interested in working on trails on the previous Friday.

Jolene Supp advised that she will be out of the office later in the week to attend Girls Golf State.

The City Manager informed that the Wellhead Protection Plan has been approved by the State and the Environmental Assessment document for the airport is on her desk. She also reported that the EPA was okay with the FEMA portion of the Environmental Assessment for the CDBG Four Way Lift Station Removal Project.

Jolene Supp reported that the Booster Club raised \$4,200 at the Crab Feed and the moto-cross event netted \$1,000, all of which will help support local youth activities.

Minutes of Wells City Council
Meeting of October 22, 2002

6

Vice Mayor Robinson reported that the lights will be moved to the new site of the ice skating rink on Humboldt Avenue during the coming week. He stated that Wells Rural Electric Company is committed to do this as a community service. Vikki Dedman stated that FISH in Elko has donated all the ice skates they have on hand to Wells so that skates will be available for those who do not have them.

Councilwoman Dedman stated that ECEDA is accepting nominations for Small Business of the Year and she added that there is no reason why it should not be a Wells business that wins.

Mayor Tybo announced that there will be a turkey shoot fundraiser on November 24, 2002 at the Wells Trap Range to generate funds to buy another trap thrower.

Mayor Tybo also informed that he and Manager Supp will be traveling to Carson City on November 14, 2002 to meet with Nevada Division of Environmental Protection and the Nevada State Fire Marshall in reference to World Renew. He stated that on Friday Manager Supp will be attending the CDBG Forum and he will be attending the Pool and PACT meeting.

STAFF REPORTS

Manager Supp stated that she would like the Board to consider a rewording of the Wells City Code to change the ordinance concerning utility shutoff day to allow postponement of the shutoff until Monday if the date happens to fall on a Friday. She stated that shutoff is hard to implement and inconvenient if a customer is turned off prior to the weekend.

Jolene Supp stated that she has been reviewing the telephone bills for the City and has changed the long distance service which will hopefully result in a savings and reduction in billed amount.

The City Manager announced that the retirement party for Mary Lou Ray will be held on Saturday, November 23, 2002. She requested that Council members RSVP.

With reference to CDBG, Jolene Supp stated that the City of Wells will most likely be in a position to have an alternate on the Board for the upcoming year. She continued that concerning the Sewer Lift Station Removal Project, FEMA has requested an eight-step process because the project is located in the flood plain.

Jolene Supp stated that the Chariot Races have been scheduled for the weekend of November 23 and 24.

The City Manager reported that Navco Construction will begin work on the Heavy Industrial Park entrance on Monday, November 18. She advised that City crews will be moving the fence.

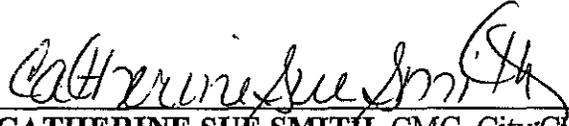
Manager Supp reported that she spoke with a representative of the Forest Service in reference to the downtown project and funds for that project have been pushed back due to budget cuts. She stated that he indicated a six to nine months delay. Jolene Supp stated that six months will work for the City as they cannot do the project in the wintertime but waiting nine months will push the project into the fall or winter of the coming year and that may not be acceptable.

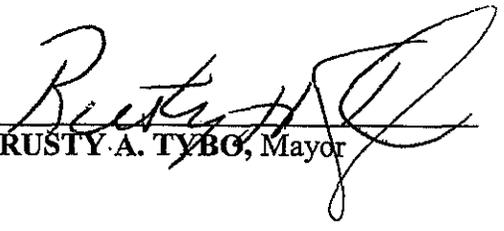
Jolene Supp stated that Patrick Barney of World Renew would like to purchase a twenty-acre industrial park parcel and desires an agreement contingent upon permits being issued. The Board discussed clean up bond requirements for the company. Manager Supp advised that NDEP will not issue a permit until a lease or sale agreement is in place. She continued that she would like to hear the Board's thoughts concerning a balloon payment after the permits are issued or other ideas concerning the purchase agreement. Kerry Robinson stated that the company needs to buy the property so the City is in no way liable for any clean up if there is an issue. Manager Supp continued that Mr. Barney stated that he is willing to pay a fair price and did not ask for the land for free. Kenny Huff stated that the City should not give the land away. Mayor Tybo stated that a price needs to be negotiated so that the State agencies cannot hold up the permitting process based on lack of land lease or purchase agreement. He continued that the City then needs to go to the elected officials and ask them to fulfill their promises for economic development by putting pressure on the agencies to get the permits issued. Manager Supp stated that \$5,000 per acre for the twenty acres would be a land cost of \$100,000. She added that if World Renew does build and operate, this will close out the CDBG economic development grants that are open. Twenty jobs are needed to close the grants.

Sue Smith announced that the Festival of Lights has been scheduled for Sunday, November 24, 2002.

ADJOURNMENT

Kerry Robinson made a motion to adjourn the meeting and Vikki Dedman seconded the motion. Rusty Tybo adjourned the meeting at 8 P.M.


CATHERINE SUE SMITH, CMC, City Clerk


RUSTY A. TYBO, Mayor

ELKO COUNTY SHERIFF'S OFFICE AND ACTION CONCERNING REMOVAL OF NAME FROM BROTHEL EXCLUDED PERSONS LIST

Manager Supp explained that Jolene Velarde has requested that her name be removed from the Excluded Persons List for Brothels. She referenced a memo from the Office of the Elko County Sheriff signed by Dale Lotspeich to Ms. Velarde concerning a determination on her judgement of conviction of a Utah felony on December 22, 1998 that she would not be eligible to work under the provisions of the Wells City Code until after December 22, 2003, the required five-year period. The Sheriff's Office indicated that they elect to comply with the newly adopted ordinance and that Ms. Velarde should remain excluded until that time. Upon question of Donna's Ranch owner Geoff Arnold, Vice Mayor Robinson referenced Section 3-16-6, E, 2, b outlining classes of felonies. Cal Stark made a motion to deny the request of Jolene Velarde to be removed from the Excluded Persons List for Brothels. Vikki Dedman seconded the motion and the vote was unanimous.

UPDATE BY CITY MANAGER OF PERMIT PROGRESS FOR WORLD RENEW AND DISCUSSION CONCERNING TERMS OF SALE FOR LAND SALE OF INDUSTRIAL PARK PARCEL #6 TO WORLD RENEW

Manager Supp stated that as part of the permitting process, Nevada Division of Environmental Protection (NDEP) is requesting from World Renew proof of land ownership or a lease agreement. She continued that the City has proof of ownership but Patrick Barney of World Renew desires to purchase a parcel that contains 18.67 acres. Manager Supp stated that the City has \$18,800 per acre in development costs, which would be a cost for said parcel of \$351,000. She proposed that Mr. Barney be assessed one third of the cost or \$116,950, cash down. She continued that as the objective of the City is to have a business that provides jobs for the community she would propose that the balance be divided by five years and by the sixty proposed jobs which equates to approximately \$327 per job per month. She further proposed that at any time during the five-year period following opening that the job number drops below sixty employees, World Renew be required to pay the City additional cash of \$327 per job per month. She stated, however, that if the five-year period goes by and sixty jobs have been in place during that time, the only additional purchase price be a \$1 buyout. She stated that Mr. Barney is agreeable to these terms but desires a clause that he is obligated to purchase only if permits are issued by the State. Jolene Supp stated that if the Board agrees to these terms she will have City Attorney Bob Goicoechea put it in contract form. Kerry Robinson stated that the objectives of the City are to have a tenant in the industrial park and jobs. He continued that a five-year term shows a level of commitment. Citizen Gene Kaplan praised Manager Supp and indicated that it is a standard industry practice to offer incentives

With further reference to the permitting process, Manager Supp advised that she spoke again with NDEP and they are concerned about the fact that Wells was once a Super Fund

Ellis be tentatively approved for a license and the Mayor requested that the matter be tabled. Vice Mayor Robinson stated that the Board will hold a special meeting, if necessary, when a location is determined. Kerry Robinson made a motion to table approval of the Application for Liquor License. Councilman Stark seconded the motion and the vote was unanimous. Upon question of City Clerk Sue Smith, the Board directed that the City's Liquor Code be reviewed and prepared for update.

PRESENTATION OF FISCAL YEAR 2001-2002 COMPREHENSIVE FINANCIAL REPORT BY MCMULLEN, MCPHEE AND COMPANY AND ACTION TO ACCEPT FINANCIAL REPORT

Ross Eardley of McMullen, McPhee and Company presented the Fiscal Year 2001-2002 Comprehensive Financial Report. He stated that report is shorter this year as a Single Audit is not required. He continued that Wells was given an unqualified opinion again this year as in the past. Mr. Eardley briefly updated that the Board on the requirements of GASB 34. Following a discussion concerning the City's financial position, Kerry Robinson made a motion to accept the Fiscal Year 2001-2002 Financial Report and Cal Stark seconded the motion. The vote was unanimous.

CITIZENS TO ADDRESS THE COUNCIL

Jay Eriksen stated that he was browsing the State of Nevada tax website and referenced a \$3.6 billion surplus. He suggested that the City of Wells work on a way to tap those funds.

ACTION TO APPROVE LAND SALE AGREEMENT WITH PATRICK BARNEY AND PATRICIA BARNEY DBA WORLD RENEW FOR PARCEL #6 IN HEAVY INDUSTRIAL PARK

Manager Supp reviewed a Land Sale Agreement with Patrick and Patricia Barney of World Renew for Lot 6, Block 1 of the City's Heavy Industrial Park. She informed that the date has been purposely left open until such time as NDEP permits are issued to the company. Kenny Huff made a motion to approve the Land Sale Agreement with Patrick Barney and Patricia Barney dba World Renew and Kerry Robinson seconded the motion. The vote of the Board was unanimous.

ACTION TO ADOPT RESOLUTION 02 – 15; RESOLUTION DESIGNATING CERTAIN ELECTED OFFICIALS AND CERTAIN APPOINTED OFFICIALS AS SIGNATORIES ON VARIOUS BANK ACCOUNTS OF THE CITY OF WELLS, REAFFIRMING RESOLUTION 89 – 30 AUTHORIZING THE USE OF FACSIMILE SIGNATURES AND OTHER MATTERS PROPERLY RELATING THEREO

STAFF REPORTS

Manager Supp reported that the Bureau of Land Management has informed that there will be a land acquisition in the Clover Valley area near Railroad Springs and the Angel Creek Campground and they requested a position letter from the City because of the water rights owned there. Manager Supp stated that the City will want to retain the water rights and added that she will draft a letter.

Manager Supp reported that during the AB198 meeting, fifty-eight percent of the grant was approved or a total amount of \$722,000. She stated that Rural Community Development will again open up the discussion and prioritize projects again and Wells may get more funding based on the updated priority list. She added that Developer John Ferricks was happy to hear about the potential for funding for infrastructure in the area on the east side of town.

Jolene Supp stated that she will be attending the CDBG Application Workshop in Eureka on Thursday and City Clerk Sue Smith will be attending the Election Workshop in Carson City on the same day.

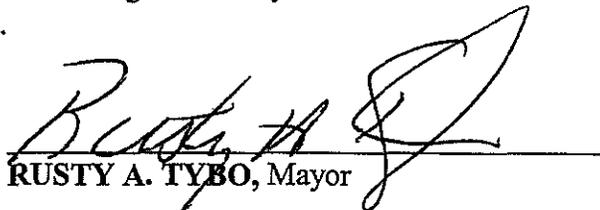
The City Manager stated that Patrick Barney of World Renew will be making a presentation to the Elko County Commission on Thursday, January 9. She added that the State Fire Marshall has approved the proposed storage of tires. Jolene Supp reported that power issues are still being worked on as well as permitting from the Nevada Division of Environmental Protection.

Manager Supp reported that work is being done on the heavy industrial park entrance and the project should be completed by the end of the week.

Jolene Supp reported that one of the law enforcement vehicles was totaled and the insurance company will be issuing a check to the City of Wells. She explained that the vehicle was unoccupied and parked when it was hit by another driver and no one was injured. She added that the vehicle will be replaced with a Ford Explorer.

ADJOURNMENT

Cal Stark made a motion to adjourn the meeting and Kenny Huff seconded the motion. The meeting was adjourned at 9 P.M.


RUSTY A. TYBO, Mayor

ATTEST:

Minutes of Wells City Council
Meeting of December 10, 2002

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DISCUSSION CONCERNING FISCAL YEAR 2003-2004 BUDGET

Jolene Supp provided the Board with projected budget numbers for the Water, Sewer and Sanitation Departments. She advised that there are no numbers for the General Fund as the State will be providing preliminary estimates on February 15, 2003. She asked the Board to consider this information for discussion at the next regular meeting. Mayor Tybo stated that the Board could also set a date for a work session at the next meeting.

CLAIMS COMMITTEE REPORT; ACTION TO APPROVE FINANCIAL STATEMENTS

Kerry Robinson noted the amounts of the FEMA grant and CDBG grant, stating that they are a large part of the expenditures. He then made a motion to approve Warrant Register dated February 11, 2003 in the amount of \$113,267.51. Cal Stark seconded the motion and the vote was unanimous.

COUNCILMEN'S REPORTS

Upon question of Cal Stark, Jolene Supp explained that award of the bid to Navco Construction was for \$28,600 and there was an extra \$3,200 listed if the lift station had to be removed. She advised that it was originally hoped that the lift station could be left in place but NDOT required it to be removed. She stated that the second plan was to have the City's Public Works crew remove it but it was too heavy, thus the contractor, Navco Construction, had to remove it. She stated that it should have been awarded as a base and alternate but since it wasn't a change order will be issued for the extra work. Cal Stark stated that he has a problem with it and feels it should have been re-bid. Manager Supp stated that the project hasn't changed. Cal Stark asked where the money came from and the City Manager explained that in addition to grant funds and Flying J's contribution of \$8,000, some money was taken out of both Water and Sewer Capital Outlay to make up the difference. Mayor Tybo stated that Manager Supp discussed the project with him. Cal Stark stated that he felt clarification was needed.

Mayor Tybo reported that he and Manager Supp went with Patrick Barney of World Renew to Carson City in an effort to obtain the Air Quality Permit from Nevada Division of Environmental Protection. The Mayor reported that progress was made and the Solid Waste Permit will be reviewed. He added that the Public Utilities Commission was very cooperative.

Mayor Tybo reported that there will be a BLM meeting in reference to the California Trail on Thursday, February 13, 2003 at 5 P.M. at the El Rancho.

STAFF REPORTS

Minutes of Wells City Council
Meeting of February 11, 2003

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COUNCILMEN'S REPORTS

Kerry Robinson stated that he received a card from the Nevada Commission on Ethics and Sue Smith stated that this is just a reminder for elected and appointed officials to file Financial Disclosure Statements.

Vikki Dedman referenced a number of tires behind the Shell Station and Manager Supp advised that she will send them a letter in reference to the Nuisance Ordinance. Manager Supp added that it was also brought to her attention that there are chickens in a couple of neighborhoods and she will also write letters giving owners ten days to remove the chickens. Councilwoman Dedman stated that during a recent ECEDA meeting, the ECEDA Board requested that a letter of support be written for World Renew. Councilwoman Dedman asked who wrote the information for Wells on ECEDA's website. She stated that other communities in Elko County have a large amount of information and Wells does not have much. She stated that ECEDA will be holding a meeting in Wells on March 18 at 1 P.M. and asked for location suggestions.

Mayor Tybo announced that he, Vice Mayor Robinson, Councilman Stark and Manager Supp will be traveling to Carson City on Thursday and Friday, February 27 and 28, 2003 to attend a meeting with Assemblyman Jason Geddes about his bill draft naming tires as non-renewable energy. He added that it is also local officials day at the Legislature and they will be attending activities associated with that. The Mayor added that they will also attend the Nevada League of Cities Board Meeting on Friday.

STAFF REPORTS

Manager Supp reported on the BLM California Trail meeting, stating that it appears that Wells will not receive much in the way of a satellite site.

Jolene Supp reported that World Renew's Solid Waste Permit Application is complete and the contract for power is moving along. Manager Supp stated that she is hopeful that a letter concerning the renewable energy designation will be coming soon.

The City Manager stated that NDOT has indicated that no millings will be available on this upcoming job. She continued that she was given the okay to contest this decision. She advised that Assemblyman John Carpenter will try to assist on the Wells to Osino project.

ADJOURNMENT

Vikki Dedman made a motion to adjourn the meeting and Kerry Robinson seconded the motion. Mayor Tybo adjourned the meeting at 9:23 P.M.

Mayor Tybo asked Mr. Dalton if he is asking that the City of Wells support the proposal and if so, where should the letter be directed. Brad Dalton and Mike Nannini both stated that the letter should be addressed to the Elko County Commissioners. Mayor Tybo asked when the letter is needed and Mike Nannini stated that there will be a presentation in April to the County Commissioners. Mike Nannini suggested that tax offset, public access, and grazing issues should be incorporated into the letter. The Mayor suggested that a draft letter be put together and Manager Supp asked if it should be in a favorable position or an opposing position. Vikki Dedman made a motion to table the matter so the Board can have more time to research it. Kerry Robinson seconded the motion and the Board cast a unanimous vote.

CLAIMS COMMITTEE REPORT; ACTION TO APPROVE FINANCIAL STATEMENTS

Kerry Robinson made a motion to approve the Warrant Register dated March 11, 2003 in the amount of \$39,608.41. Cal Stark seconded the motion and the vote was unanimous.

Mayor Tybo recessed the meeting at 8:23 P.M. and called to reconvene at 8:30 P.M.

COUNCILMEN'S REPORTS

Vikki Dedman stated that she has information on the Rural Nevada Economic Development Summit sponsored by Sierra Pacific. She advised that there is an ECEDA meeting on March 18 at 1 P.M. in the Meeting Room of the Wells Fire Station.

Mayor Tybo reported that he met with Assemblymen Jason Geddes and John Carpenter regarding the tire bill.

STAFF REPORTS

Manager Supp further reported on that meeting, stating that tires are renewable in California. She added that State Energy and the PUC are on the City's side.

Manager Supp reported that Liz Smith-Incer is scheduling an April 17 meeting in reference to trails development. She stated that the group will discuss Angel Lake first.

Jolene Supp stated that she met with Frehner Construction in reference to obtaining water for the their US Highway 93 construction project. She suggested that a trade be made with them. The City needs a detention basin and if they were to pump the heavy industrial park well and pay the power bill, that would also be a savings to the City. She added that the City desperately needs street work done and would willingly take "leftovers" from the highway project. She stated that they were cooperative. Mayor Tybo added that there

wanted to put on vertical siding. Cal Stark agreed with her concern. The City Clerk suggested that the purpose for the language is create a look that is compatible with the house. Mayor Tybo stated that he has no problem with the way it is worded. He stated that the final reading and action to adopt will be on the next agenda.

CLAIMS COMMITTEE REPORT; ACTION TO APPROVE FINANCIAL STATEMENTS

Kerry Robinson made a motion to adopt Warrant Register dated March 25, 2003 in the amount of \$34,530.47. Cal Stark seconded the motion and the vote was unanimous.

COUNCILMEN'S REPORTS

Vikki Dedman reported on the Rural Economic Development Summit and added that there was an ECEDA meeting last week.

Mayor Tybo explained that City Staff is putting together a board of photos and information of local persons serving in Operation Iraqi Freedom. He also announced that the Wells FFA teams did well again at state competitions, bringing home nine first place and one second place team awards.

STAFF REPORTS

Manager Supp reported on the status of World Renew in reference to the air quality permit from Nevada Division of Environmental Protection. She also advised that she spent time with Flying Pig Coach Works last week, stating that she encouraged them to phase their project.

The City Manager stated that there is a motocross event scheduled for the upcoming weekend.

Jolene Supp stated that a PERS representative will be in Wells on May 1st to answer any questions concerning retirement.

The City Manager announced that filing for the position of Mayor and position of Councilman will close on Friday, April 4.

Jolene Supp stated that Frehner Construction will build a detention basin, pump the heavy industrial park well and pay the electric bill in exchange for the construction water they need for the US Highway 93 job they are doing for NDOT.

ADJOURNMENT

There was no discussion and Councilmen Stark made a motion to accept. Councilmen Robinson seconded the motion with a unanimous vote to pass.

CLAIMS COMMITTEE REPORT; ACTION TO APPROVE FINANCIAL STATEMENTS

Councilwomen Dedman and Councilman Stark reviewed the claims. Stark made the motion to approve the register dated April 8, 2003 for the amount of \$20553.08. Dedman seconded the motion. There was a unanimous vote to pass.

COUNCILMEN'S REPORTS

Councilman Huff stated that he was happy to be on board for four more years and hoped to help and be positive.

Councilman Stark commented that the blue dumpster was moved and the site remained clean until today. Someone dumped garbage outside of the fence. There was discussion of manning the facility and dumping brush directly at the old landfill to burn at a later date.

Mayor Tybo stated that his latest trip to Carson City was to testify against AB296—renewable energy. He felt the trip was beneficial and World Renew received what they needed to move ahead. The solid waste permit still was not issued but should be at the public comment level by April 22, 2003. The air quality permit was still being negotiated. All and all the project was making progress.

Councilwoman Dedman also noted that there was a freezer by the Mountain View Motel with the door still attached.

STAFF REPORTS

Manager Supp commented that several people from the area had traveled to Carson City in support of AB498. This bill was to allocate funding to determine the level of repairs needed to fix Bishop Creek Dam. Also Community Pride week was scheduled for June 23, 2003. Mountain Shadows RV had approached the City to discuss sewer charges for commercial businesses that had large lawns. The RV park had no way to separate the irrigation water metering from the commercial usage and therefore the sewer charges were inflated. There had also been discussion to offer a service fee for the RV's to manage parking on City property. Event RV parking would offer services, room tax collection, as well as being an information ambassador for the City. Lastly, Supp commented that there would be no election this year because there was no multiple candidate positions running. Clerk Smith would probably be reading something into the record to verify this action.

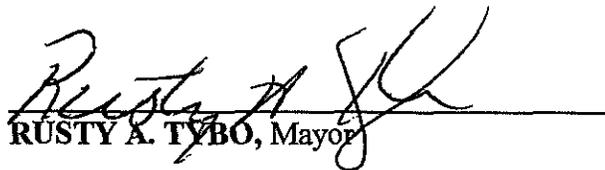
Manager Supp referenced an FAA grant application prepared by Knight Piesold for engineering design and runway extension. She explained that this matter will be on the agenda for action at the next meeting.

Manager Supp also stated that Tim Brown of Elko Sanitation Company will be present at the next meeting to discuss sanitation practices.

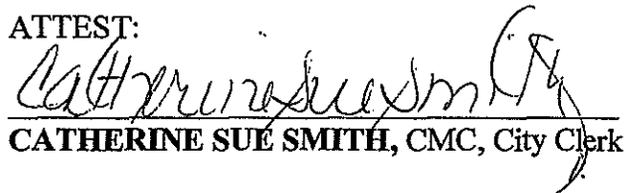
Jolene Supp reported that financing for World Renew is coming along really nice. She stated that publication for the permit should begin today or tomorrow.

ADJOURNMENT

Cal Stark made a motion to adjourn the meeting and Kenny Huff seconded the motion. Rusty Tybo adjourned the meeting at 9:25 P.M.


RUSTY A. TYBO, Mayor

ATTEST:


CATHERINE SUE SMITH, CMC, City Clerk

Kenny Huff made a motion to approve Warrant Register dated May 27, 2003 in the amount of \$40,004.29. Vikki Dedman seconded the motion and the vote was unanimous.

COUNCILMEN'S REPORTS

Vikki Dedman requested that Charter Communications be contacted to justify their recent rate increase. It was suggested that something else be done when their contract comes up for renewal.

Vikki Dedman reported that there will be an ECEDA meeting in the Wells Rural Electric Company Board Room on June 17, 2003 at 1 P.M.

Mayor Tybo announced that the City of Wells received both facilities grants that they applied for through CDBG and is listed as an alternate for the French Drain study. Manager Supp added that it is possible that the City will receive de-obligated funds from CDBG for sewer line construction from Humboldt Avenue to the Chariot Track. She informed that the original grant, which was given an alternate status last year, will be scaled down since AB 198 funds will be used to do the water portion of the project.

The Mayor announced that the Senior Pro Rodeo went well and Manager Supp thanked the Mayor and Vice Mayor for their help at the barbecue.

STAFF REPORTS

The City Manager stated that Mountain Shadows RV Park is considering the lease of Chinatown RV Park for the weekend of the car show and has requested a reduced business license and utility rate. She stated that she will put together a proposal for the next meeting.

Jolene Supp reported that the comment period for World Renew's permit has opened and will close on June 27, 2003.

Manager Supp informed that Vernon Dalton is working on obtaining funding for the Bishop Creek Reservoir Preliminary Engineering Report and dam repairs.

The City Manager announced that June 16 – 20, 2003 will be Community Pride Week. She stated that the City of Wells will be hosting Spouse's Day for the Nevada League of Cities/NACO Conference on Thursday, September 18, 2003. She stated that the conference is scheduled in Elko from September 17 – 20, 2003.

Manager Supp stated that she will be bringing chip-sealing prices to the Board in the near future.

STAFF REPORTS

Jolene Supp reported that she is working on Spouses Day for the Nevada League of Cities/NACO Annual Conference in September.

The City Manager provided a street work schedule including chip-sealing information.

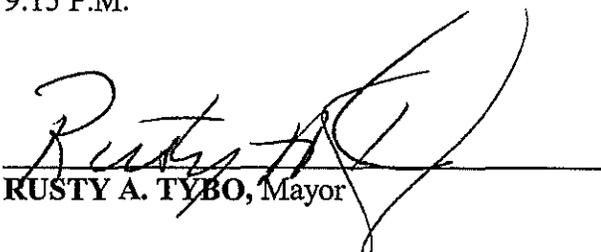
She updated the Board on the Nevada Supply Corporation land sale proposal, noting that they would like an option for an additional five acres. She continued that with reference to the original agreement, \$600 is not enough for earnest money as legal work is close to \$1,000. Kerry Robinson asked if the City will have to pay commission on the second sale. Cal Stark stated that it should be a maximum of a two-year option.

Jolene Supp reported that Senator Reid's office is working on a waiver of the equity required for the World Renew project. She stated that the pre-application is in and the financing broker seems happy with it.

The City Manager reported that all seasonal help is in place for the Parks Department and the swimming pool is scheduled to open the following day.

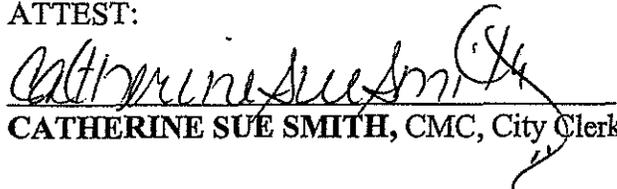
ADJOURNMENT

Vikki Dedman made a motion to adjourn the meeting and Cal Stark seconded the motion. Rusty Tybo adjourned the meeting at 9:15 P.M.



RUSTY A. TYBO, Mayor

ATTEST:



CATHERINE SUE SMITH, CMC, City Clerk

The City Manager reported that the Nevada State High School Rodeo Finals were good for the community in terms of generating traffic at hotels and restaurants. Jolene Supp continued that she met with Don McDonald regarding the upcoming Car Show and emphasized that they will have insurance or there will be no drag races at the airport. She stated that they also discussed parking, the addition of more portable restrooms facilities, and barricades for the street dance. She reported that they are expecting 400 entrants and would like to allow tent camping on the high school football field. Upon question of Kerry Robinson, the City Manager stated that there will be no RV parking at the City Park because of safety concerns. Rusty Tybo suggested that a City representative be present at the next meeting of the Wells Car Club to express concerns.

Manager Supp advised that her employment contract expires August 15, 2003 and stated that she will put a draft of changes in the Council's mailboxes.

Manager Supp stated that staff has been busy in preparation for close of the Fiscal Year. She also stated that Mayor Tybo and Councilman Huff will be sworn into office on Monday, July 7, 2003.

With reference to a request from Nevada Supply Company, the City Manager stated that City Attorney Bob Goicoechea stated that there can be no option on additional land but another contract can be written for this land for a two-year period with a \$1,500 non-refundable down payment and a balloon payment at the end of two years. She stated that the \$1,500 will cover legal and filing fees in the case that they desire not to continue with the sale. Vice Mayor Robinson stated that the first land sale agreement should be closed before the Board considers a second agreement.

Jolene Supp reported that there has been no waiver granted for the minimum equity of twenty percent for World Renew, therefore Patrick Barney changed his pre-application dollar amount. She added, however, that the feasibility study has been accepted. It was suggested that Mr. Barney consider a phased project.

Cal Stark asked if any additional word has been received from Skillful Fabrications and Manager Supp replied that he is paying his rent but no one has heard from the owner. Jolene Supp further reported that Tom Patterson is interested in opening a caramel shop at the El Rancho which would be great location for that type of business as it would appear to be a candy shop from the outside.

The City Manager also reported that plans are underway for the 2004 Wells High School All Class Reunion.

ADJOURNMENT

Kenny Huff made a motion approve Warrant Register dated July 8, 2003 in the amount of \$84,706.39. Cal Stark seconded the motion and the vote was unanimous.

COUNCILMEN'S REPORTS

Cal Stark referenced information about the National League of Cities Conference in Nashville, Tennessee in December and stated that he would like to attend.

Mayor Tybo reported on the team-roping event that was held over the 4th of July weekend.

STAFF REPORTS

Manager Supp gave an update on World Renew, announcing that Patrick Barney will be meeting with GE Capital next week to see if they can provide additional private financing needed for the project.

Jolene Supp reported that she will be meeting with representatives of El Paso Gas on Wednesday, July 9, 2003 to obtain information about the proposed natural gas pipeline.

The City Manager also reported that she will be meeting with UPRR on August 22 about installation of a team track and rail spur for economic development.

Jolene Supp reported that Mayor Tybo and Councilman Huff were sworn in on Monday, July 7. She further stated that it has been past practice to review City appointments following each election. She stated that this has typically been done during the second meeting in July. Manager Supp continued that City Attorney Bob Goicoechea advised that other entities are reviewing appointments in October so new Council members have an opportunity to review these positions. She continued that it may be a good time to change, as there were no new Board members elected this year. Mayor Tybo asked for a list of appointments for the next meeting.

The City Manager stated that she would like to do a memo to staff outlining recent increases in health insurance benefits and the PERS rate. She stated that although these are not seen on the paycheck, they are an increase to the employee. She further stated that City employees did not receive a cost of living increase and asked if there is an appetite by the Board to consider this. Upon question of Mayor Tybo, the City Manager stated that cost of living increases in the past have been approximately three percent. Cal Stark asked for total dollars at two and three percent and Kerry Robinson asked for Consumer Price Index information.

Jolene Supp stated that she has proposed some changes to her employment contract and will provide copies for the Board following a discussion with the Mayor on Thursday, July 9, 2003.

Minutes of Wells City Council
Meeting of July 8, 2003

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**MINUTES OF WELLS CITY COUNCIL
MEETING OF JULY 22, 2003**

CALL TO ORDER

Date: Tuesday, July 22, 2003
Time: 7:00 P.M.
Place: Meeting Room, Wells Fire Station
516 Seventh Street Wells, Nevada
Type of Meeting: Regular Meeting of City of Wells Board of Councilmen
Presiding Officer: Rusty A. Tybo, Mayor

ROLL CALL

Present: Vikki L. Dedman, Councilwoman
Kenny W. Huff, Councilman
Kerry T Robinson, Vice Mayor
Calvin S. Stark, Councilman
Rusty A. Tybo, Mayor

Absent: None

Quorum: Yes

Staff Present: Catherine Sue Smith, City Clerk
Jolene M. Supp, City Manager

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Kerry Robinson made a motion to approve minutes of the special meeting of May 20, 2003 and regular meeting of July 8, 2003. Kenny Huff seconded the motion. The vote was Huff, Robinson, Stark and Tybo; aye and Dedman abstained.

UPDATE BY CITY MANAGER ON WORLD RENEW PROJECT

Jolene Supp reported that Patrick Barney met with GE Capital regarding financing for his business. She reported that GE Capital does not finance start-up ventures and have not called Patrick back with other options. Jolene Supp stated that they are working with USDA's Business and Industry Department and Phil Johnson has called a meeting of all those involved for next week. She commented that the meeting has been scheduled for July 31, 2003 and she and the Mayor will be attending. Jolene Supp stated that Patrick Barney also has meetings scheduled with Wells Fargo and U.S. Bank. She stated that it may appear to the public that nothing is happening on the project, but it is. She stated that

Minutes of Wells City Council
Meeting of July 22, 2003

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the Board of Councilmen until the first Monday in July after the next election. Cal Stark seconded the motion and the vote was unanimous.

CEREMONY TO SWEAR IN NEWLY APPOINTED OFFICIAL

City Clerk Sue Smith administered the Oath of Office to newly appointed Councilman Hank Chapman.

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Minutes of previous meetings were approved upon motion of Kenny Huff, a second by Cal Stark and a unanimous vote.

CITIZENS TO ADDRESS THE COUNCIL

Gene Kaplan referenced a meeting concerning the California Trail Interpretive Center and Manager Supp informed that the meeting has been cancelled.

Cathey Quinn requested that someone fix the potholes on Eighth and Ninth Streets. Public Works Director David Linge stated that crews will get to those roads soon.

UPDATE BY CITY MANAGER ON WORLD RENEW PROJECT

Jolene Supp reported that Elko County Commissioner Mike Nannini arranged a meeting with U.S. Senator Harry Reid following his presentation in Elko on Saturday. She continued to report that Senator Dean Rhoads was also present at the meeting, as well as Councilwoman Vikki Dedman. Manager Supp stated that they were able to talk to Senator Reid about the World Renew Project. She continued that Zions and Nevada State Bank are the two private lending agencies that have stepped up to the plate in reference to the project. She stated that with reference to the City's participation, the City's Charter dictates a debt limit not to exceed forty percent of the City's assessed valuation if the full faith and credit of the City is also pledged to their payment. She also reported that EWI in Toronto is willing to provide a portion of the guarantee as well as a management agreement. Jolene Supp continued that this will be a pivotal week in terms of financing. She informed that the project may not be eligible for business and economic development bonds and an interpretation should be ready for the September 3 and 4, 2003 County Commission meeting. Manager Supp stated that although there is not a building going up yet, the project is still moving forward.

REVIEW OF QUALIFICATIONS OF ENGINEERING FIRMS AND ACTION TO SELECT ENGINEERING FIRM FOR CDBG SHOSHONE AVENUE SEWER LINE PROJECT

Mayor Tybo asked if someone else would be available over Labor Day Weekend to represent the City of Wells at the Elko County Fair. Vice Mayor Cal Stark volunteered to be there to present the Wells Businessmen's Trophy.

STAFF REPORTS

Manager Supp reminded that the City Office will be closed on Labor Day.

Jolene Supp informed that additional millings have been hauled on the Metropolis Road and chips are due to be delivered on Thursday and Friday. She stated that Pacific Avenue will be the first street done next week.

The City Manager referenced sanitation letters from Tim Brown and City Attorney Robert Goicoechea and stated that she will be calling Mr. Brown later in the week.

Manager Supp stated that with reference to Code revisions, she sees changes in sections concerning work cards, zoning, room tax, business license and fees for call-outs. Cal Stark referenced the 28-day exemption from paying room tax and asked that it be considered at the work meeting.

Jolene Supp reported that the auditors will be here this week and/or next week.

The City Manager informed that EWI will be here next week to attend the Elko County Commission meeting on Thursday, September 4 at 9:30 A.M. in reference to World Renew.

Manager Supp informed that one of the deputies has taken a position with Elko City so Elko County Sheriff's Office will be looking to fill that vacancy. The Board briefly discussed a dog catcher position and instructed staff to advertise. Manager Supp stated that she has received a request for a spay and neuter clinic to be held in Wells.

Jolene Supp stated that the Wells High School physical education classes are using the swimming pool for a couple of weeks while the weather is still warm.

Elaine Swanson asked what can be done about tire storage on private property in reference to concern about West Nile Virus. Manager Supp stated that this should be covered in the Nuisance Ordinance.

ADJOURNMENT

Vikki Dedman made a motion to adjourn the meeting and Kenny Huff seconded the motion. Mayor Tybo adjourned the meeting at 8:45 P.M.

UPDATE BY CITY MANAGER ON WORLD RENEW PROJECT

Mayor Tybo informed that the President and Marketing Director of EWI from Toronto were in Wells last week. City Manager Jolene Supp explained that the project is being restructured so EWI is a larger partner. She stated that they have more equity and a track record for operating the initial plant. She referenced a diagram showing how the project might be organized. She informed that the City of Wells might serve as the lessor on the project, EWI would be the operator and World Renew, who holds the permits, would be a sub-leasee/operator with an option to purchase the entire operation from EWI. The City Manager explained that Chapter 268 of Nevada Revised Statutes outlines the procedures for Economic Development Revenue Bonds which might be used to finance the entire project. Manager Supp stated that in reference to the bonds, only revenues from the plant may be used to make bond payments. She added that the City of Wells could not make these payments even if they wanted to, which adds a layer of protection for taxpayers. She continued that because of this, though, the finance package needs to be very complete and accurate. Jolene Supp reported that EWI will also assist in preparing the business plan. She stated that a tax attorney has been contacted and will be meeting with the parties to assist in this process. She stated that an advance ruling from the IRS may be necessary and a waiver from the State of Nevada may also be required because this is a start-up business and there are not five years of history. Manager Supp reported that it is estimated to take approximately eight months to go through this process.

FINAL READING OF ORDINANCE #203 AND ACTION TO ADOPT; AN ORDINANCE OF THE BOARD OF COUNCILMEN OF THE CITY OF WELLS, NEVADA, AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS IN THE MAXIMUM PRINCIPAL AMOUNT OF \$200,000 TO PAY IN PART THE COST OF SUCH PROJECT; PROVIDING THE FORMS, TERMS AND CONDITIONS OF THE BONDS, THE SECURITY THEREFOR AND THE SALE THEREOF OF TO THE UNITED STATES OF AMERICA; PROVIDING FOR THE COLLECTION AND DISPOSITION OF REVENUES DERIVED FROM THE OPERATION OF THE WATER SYSTEM; PROVIDING OTHER MATTER RELATING THERETO

Mayor Tybo made a final reading of Ordinance #203; An Ordinance of the Board of Councilmen of the City of Wells, Nevada, authorizing the issuance of Water Revenue Bonds in the maximum principal amount of \$200,000 to pay in part the cost of such project; providing the forms, terms and conditions of the bonds, the security therefor and the sale thereof to the United States of America; providing for the collection and disposition of revenues derived from the operation of the water system and providing for other matters relating thereto. Councilwoman Dedman made a motion to adopt Ordinance #203 and Councilman Huff seconded the motion. The vote was unanimous.

Wells. And finally he stated that there was a spectacular show of quilts at the Wells Rural Electric Annual Meeting in conjunction with the City's booth. He sited this as a display of traditional American folk art and asked the Board to support a display in the Overland Hotel from May through November, the Wells tourist season, for a rental fee of \$5. Manager Supp asked Mr. Kaplan what the electric bill is and he indicated that it is \$15 to \$20 per month. Mayor Tybo explained that the quilts were originally gathered from local quilters to put on a display for the spouses of the Nevada League of Cities Annual Convention attendees as part of Wells Day. He stated that when the guests came to Wells, they received a hay wagon ride around the area, viewed the quilts, had lunch at the golf course and also attended the stock dog clinic at the indoor arena. He further explained that since this was held on Friday and the Annual Meeting was Saturday, it seemed only natural to display the quilts again. Mr. Kaplan presented the Board with a letter outlining his request and conditions.

UPDATE BY CITY MANAGER ON WORLD RENEW PROJECT

City Manager Jolene Supp informed that several different financial alternatives are being considered for financing of the World Renew project. She stated that she will soon be receiving a revised business plan draft from EWI.

ACTION TO ADOPT RESOLUTION 03 – 13; A RESOLUTION SETTING FORTH THE COMPENSATION RATE FOR CITY ATTORNEY SERVICES AND OTHER MATTERS RELATED THERETO

City Attorney Robert Goicoechea was present. Mr. Goicoechea stated that he has been serving the City in capacity as attorney since 1972. Bob Goicoechea stated that in 1993 the rate for compensation for attorney services was changed to \$90 per hour. Mr. Goicoechea proposed that the rate be increased beginning November 1, 2003 to \$95 per hour and then again on July 1, 2004 to \$110 for civil work. He further proposed that court work be raised November 1, 2003 to \$95 per hour. Mr. Goicoechea also explained that the resolution includes a provision for a cost of living increase every two years beginning in 2006. Bob Goicoechea stated that the City Attorney serves at the pleasure of the Board of Councilmen in any case. Mayor Tybo stated that the resolution is written to be effective November 1, 2003 and asked the Board if they desire to delay consideration of the matter. Hank Chapman stated that the resolution seems reasonable and Kenny Huff stated that the City has been billed the same rate for a period of ten years. Vikki Dedman made a motion to adopt Resolution 03 – 13; Resolution setting forth the compensation rate for City Attorney services and Hank Chapman seconded the motion. The vote was unanimous.

CONTINUED DISCUSSION REGARDING BISHOP CREEK STUDY, REVIEW OF PREVIOUS MOTION AND POSSIBLE ACTION TO AMEND

Secondly, Mr. Webb stated that tourists felt the gateways to our communities were unkept and in need of a clean up. The weeds were growing tall. Mayor Tybo commented that in past, the City has annually sponsored a community clean up, but without a regular program, weeds grow back.

On a more positive side, the schools, parks, historic section and green belts were getting very favorable comments. Mr. Webb wanted to work with the City to promote the golf course, and walking tour to continue to bring people to the community. If people stayed in the area longer, they would spend more money. He also offered to volunteer and help when the City was ready and encouraged everyone to work together.

UPDATE ON THE TIRE PLANT PROJECT

Manager Supp reported that current options for financing included venture capital, revenue bonding, or the County financing the complete project. Mayor Tybo felt that revenue bonding was the best option to pursue. Supp asked if revenue bonds were the focus and Mayor Tybo confirmed that unless new venture capital were to come into the picture, that revenue bonding was the only real option. Supp stated that bond council, Swensein and Stern, needed to get involved. Councilman Stark then stated he felt the business plan was very well layed out and questioned why venture capitalists weren't giving the project a closer look. He also commented that offering to bond may bring capitalists forward. Councilman Stark made a motion to request \$2 million from the County and proceed with economic development bonds. Huff seconded the motion and the vote was unanimous.

The meeting was recessed as 7:38 and reconvened at 7:40.

ACTION TO AUTHORIZE STAFF TO REQUEST PROPOSALS FOR AIRPLANE HANGER RENTAL CONTRACTS

Councilman Stark questioned what happened to the current rental contract with the BLM. Supp stated that the BLM had relinquished their contract because their needs no longer justified the hanger rental. They had been renting the building for \$400 per month. It was also noted that local pilots needed to understand that if a rate was offered that was substandard to the market rate of \$400, then their rental may only be month to month and that if an entity came along and offered to pay the market rate, the current tenant would be asked to either match the rate or move out. Stark felt the hangers should be used for airport usage only. Huff made a motion to go out for proposals with the consideration being the net gain above tiedown(s). Stark seconded the motion and the vote was unanimous.

ACTION TO BID THE CITY OF WELLS CURB AND GUTTER PROJECT.

ACTION TO APPROVE PACKAGED LIQUOR LICENSE AT 1255 HIGHWAY 93 NORTH; FLYING J INC., APPLICANT

The Board considered an Application for Liquor License for Flying J at their new location on Highway 93 North. It was stated that the correct address is 174 Highway 93 North. Cal Stark made a motion to approve a Packaged Liquor License for Flying J Inc. at 174 Highway 93 North. Vikki Dedman seconded the motion and the vote was Chapman, Dedman, Stark and Tybo; aye and Huff declared conflict of interest and abstained.

ACTION TO APPROVE PARCEL MAP FOR MICHAEL AND PHYLLIS SEECH, A MERGER AND RESUBDIVISION OF LOTS 2 - 5 AND LOTS 8 - 13; BLOCK S OF SKYLINE TERRACE NO. 2 ADDITION TO THE CITY OF WELLS LOCATED IN A PORTION OF SECTION 9, T37N, R62E, MDM, CITY OF WELLS, NEVADA

Michael J. Seech, Jr. was present at the meeting in reference to his parcel maps. Upon inquiry of Mayor Tybo, Manager Supp explained that the Planning Commission unanimously approved the maps during their meeting the previous evening. Manager Supp also explained that Note #3 on the maps requires Mr. Seech to put in the curb, gutter and sidewalk. She stated that there were thirteen lots and there will now be ten, with the inside lots being larger. Mike Seech stated that he will be building a home for himself on Lots 13 and 14 once his place on Highway 93 North is sold and will then build homes on the other lots to sell. Manager Supp stated that all utilities are in the alleyway in Block S. Vikki Dedman made a motion to approve the Parcel Maps for Michael and Phyllis Seech of a merger and resubdivision of Lots 2 - 5 and Lots 8 - 13 of Block S of Skyline Terrace No. 2 Addition to the City of Wells located in a portion of Section 9, T37N, R62E. Cal Stark seconded the motion and the vote was unanimous.

ACTION TO APPROVE PARCEL MAP FOR CHRISTOPHER DIXON AND DELORES DIXON IN SECTION 10, T37N, 62E, MDB&M, CITY OF WELLS, NEVADA

Manager Supp stated that Delores Dixon has requested that consideration of the parcel map be removed from the agenda. Cal Stark made a motion to table and Kenny Huff seconded the motion. The vote was unanimous.

UPDATE BY CITY MANAGER ON WORLD RENEW PROJECT, REVIEW OF POTENTIAL FUNDING OPTIONS FOR THE PROJECT AND POSSIBLE ACTION TO SELECT OR PRIORITIZE FUNDING SOURCES AND AMOUNTS

Jolene Supp stated that there are several funding options for the tire recycling plant. She stated that a meeting of the Elko County Commissioners has been scheduled for November 5, 2003 at 9 A.M. for a presentation and discussion about a two million dollar loan to the City of Wells. She stated that if the money is loaned there is question as to

whether or not it is treated as an enterprise account and is totally government funded or whether the City would pursue economic development bonds or whether the City would contract with a private company. Jolene Supp stated that the Elko County Commissioners will not make a decision until November 19, two weeks after the presentation. It was stated that the City will agenda the meeting so all councilmen can attend if they desire. The City Manager stated that there has been no word from the legal counsel in Reno that the City sought advice from regarding tax issues. Jolene Supp also talked about a "grass roots" effort to raise the two million dollars rather than borrowing it from the County. She continued that Tony Wand, representative from Zions Bank stated that if the City desires to obtain a loan with \$2 million cash, a pre-application should be filed right away before gathering the money. She stated that their terms are a six and a half million dollar loan at six percent interest and they buy into the phased project idea. She stated that it does not matter to them if the \$2 million in cash comes from the County or a private stock option group. Jolene Supp stated that economic development bonds will probably cost the City approximately \$75,000 and there is a risk that the State could say no. Mayor Tybo added that there are many hoops to jump through, also. Upon suggestion of Cal Stark to give them the business plan and let them consider it, Jolene Supp stated that the City has to have a resolution prepared by bond counsel first and it must be advertised and submitted with the plan. Mayor Tybo stated that the City would have to pay for the legal work in any case and sited this option as riskier than other options at this point. The Board talked about "local" control of the project to ensure that the tire recycling plant will remain in Wells and keep the dollars in Wells. Mayor Tybo stated that the City could protect themselves by the way the contract is written. The Board also discussed whether or not the project should be public or private. It was noted that the District Attorney states that it should be one or the other and cannot be combined. Jolene Supp commented that private would definitely be faster.

**CONTINUED DISCUSSION CONCERNING WELLS CITY CODE CHANGES;
LANGUAGE CLEAN-UP AND AMENDMENTS**

Upon recommendation of the Mayor, Hank Chapman made a motion to table the discussion concerning Wells City Code amendments and Cal Stark seconded the motion. The vote was unanimous.

**ACTION TO ENTER INTO ENGINEERING CONTRACT WITH ECOLOGIC
ENGINEERING, LLC FOR SHOSHONE AVENUE SEWER LINE
REPLACEMENT PROJECT (CDBG/03/017)**

Jolene Supp referenced a draft contract with EcoLogic Engineering for the Shoshone Avenue Sewer Line Replacement Project. She stated that upon review, City Attorney Bob Goicoechea recommended changes on the second page concerning the project site administration language. She stated that the entire contract is approximately \$11,000. Cal Stark made a motion to enter into the Agreement for Provision of Professional Services with Eco:Logic, LLC for engineering for the Shoshone Avenue Sewer Line

CITIZENS TO ADDRESS THE COUNCIL

No citizens addressed the Board of Councilmen.

UPDATE BY CITY MANAGER ON TIRE RECYCLING PLANT PROJECT

Jolene Supp reported that work on the tire recycling plant is on going. The City Manager stated that she received a call from USDA informing her that the City cannot own stock in a private corporation. She stated that the City is aware of this and feels that USDA is being very conservative. Jolene Supp stated that a private group is out there attempting to get pledges to meet a \$750,000 goal for purchase of equipment. She continued that the group will be forming a corporation and will be selling shares for \$10 each with a minimum buy-in of \$2,000. She stated that this low amount will allow virtually anyone to buy in and to keep the project at a grass roots level. Jolene Supp stated that there has been serious interest in this approach. She stated that she has also approached Wells Rural Electric Company for consideration of REDLG funds to support the project.

ACTION TO ENTER INTO PIPELINE CLOSING AGREEMENT WITH UNION PACIFIC RAILROAD FOR WATER PIPELINE CROSSING OF RAILROAD PROPERTY AT MILE POST 718.250 ON THE SHAFTER SUBDIVISION/BRANCH AT OR NEAR WELLS, ELKO COUNTY, NEVADA

Upon question of the Mayor, Manager Supp stated that the purpose of this agreement is to allow the bore near the Chariot Track for the water line going to the new well. Cal Stark made a motion to enter into a Pipeline Closing Agreement with the Union Pacific Railroad for a water pipeline crossing of railroad property at Mile Post 718.250 on the Shafter Subdivision/Branch near Wells. Kenny Huff seconded the motion and the vote was unanimous.

ACTION TO ENTER INTO AGREEMENT WITH WELLS RURAL ELECTRIC COMPANY FOR ELECTRICAL SERVICE AND LINE EXTENSION IN SECTION 2, T37N, R62E, MDBM

The City Manager explained that this agreement is for the light at the Heavy Industrial Park entrance, which was designed by Nevada Department of Transportation (NDOT). Cal Stark asked where the light is to be located and Jolene Supp stated that the location of the light is on the northeast corner of the intersection. It was noted that both City employees and Wells Rural Electric Company employees believe the light is in the wrong place but NDOT dictates the placement. Kenny Huff made a motion to enter into an Agreement with Wells Rural Electric Company for electrical service and line extension in Section 2, T37N, R62E. Cal Stark seconded the motion and the vote was unanimous.

ACTION TO AWARD BID FOR WELLS SIDEWALK, CURB AND GUTTER PROJECT, (CDBG/03/016)

Minutes of Wells City Council
Meeting of November 25, 2003

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**MINUTES OF WELLS CITY COUNCIL
MEETING OF DECEMBER 9, 2003**

CALL TO ORDER

Date: Tuesday, December 9, 2003
Time: 7:00 P.M.
Place: Meeting Room, Wells Fire Station
516 Seventh Street Wells, Nevada
Type of Meeting: Regular Meeting of City of Wells Board of Councilmen
Presiding Officer: Calvin S. Stark, Vice Mayor

ROLL CALL

Present: Henry L. Chapman, Councilman
Kenny W. Huff, Councilman
Calvin S. Stark, Vice Mayor

Absent: Vikki L. Dedman, Councilwoman
Rusty A. Tybo, Mayor

Quorum: Yes

Staff Present: Catherine Sue Smith, City Clerk
Jolene M. Supp, City Manager

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Minutes of the regular meeting of November 25, 2003 were unanimously approved upon motion of Kenny Huff and a second by Hank Chapman.

CITIZENS TO ADDRESS THE COUNCIL

No citizens addressed the Board of Councilmen.

UPDATE BY CITY MANAGER ON TIRE RECYCLING PROJECT

Manager Supp stated that a local corporation for the tire recycling project has been formed. She advised that the company is to be called Humboldt Environmental and Renewable Technologies (HEART), a company with "heart". The City Manager stated that the fundraising effort of this group has put them at a mark of \$536,000 in pledges. She added that the group has met with an attorney and is getting corporate paperwork in order. Jolene Supp stated that in further researching the project, there may be issue with

getting enough tires to process. She stated that currently cutting or shredding tires and placing them in a landfill is considered recycling in several surrounding states. The City Manager stated that the transportation cost is a real issue and the tipping fee may not be adequate to cover that fee. Jolene Supp stated that she will continue to research these matters and keep the Board informed. She added that in a meeting with Elko County Commissioners, they are still promising the money to the City for project development. She also informed that Wells Rural Electric Company will be introducing the concept of using REDLG funds for the tire recycling project at their upcoming board meeting on Friday.

UPDATE BY CITY MANAGER CONCERNING SANITATION ISSUES INCLUDING BILLING BY CITY OF WELLS FOR COLLECTION SERVICE AND RELATED DISCUSSION

Tim Brown of Elko Sanitation Company was present for the discussion concerning sanitation issues. Manager Supp informed that she and other staff members met with Mr. Brown during the previous week to discuss the billing changeover. She informed that the City of Wells will be billing both residential and commercial customers for garbage collection service beginning January 1, 2004. She noted that special services such as large roll-off containers and appliance pickup will be handled and collected by Elko Sanitation Company directly. She stated that the group discussed reporting and payment arrangements. The City of Wells will bill at the end of the month for that month service and customers have until the fifteenth of the next month to pay and then the City of Wells will cut Elko Sanitation Company a check at the end of that month for the billed fees, which should make for a satisfactory cash flow. The Board then briefly discussed a delinquent list provided by Elko Sanitation Company. It was noted that many of the customers are still active and City staff will attempt to aid in the collection of this money as the delinquents and subsequent write-offs affect the rate of all customers. Manager Supp stated that one of the things discussed during the meeting with staff is the fact the Mr. Brown has been required to bid sanitation service for all schools within the Elko County School District area. Jolene Supp stated that she questions how they can pay a reduced, bid rate when the City has an ordinance in place establishing the rate for all customers. Tim Brown stated that the City Attorney tells him that the school district is considered a political subdivision of the State and they can bid private services. The City Manager stated that she will continue to look into this matter but in the meantime, Elko Sanitation Company will bill that account direct.

DISCUSSION CONCERNING US FOREST SERVICE GRANT AND POSSIBLE ACTION TO SELECT TYPE OF CONSTRUCTION MATERIALS AND LET BID FOR MATERIALS

Manager Supp informed that there are ninety days to drawn down on the \$10,000 U.S. Forest Service Comprehensive Trails Development grant for the sidewalk along Front Street. She stated that the Board has previously discussed the type of material to be used

both projects. The Board concurred that the roof repair is the priority. The group briefly discussed the gazebo concept and design, determined that additional planning needs to be done and agreed it might be a better project for spring. Elaine Swanson informed that the Next Dollar Foundation meets once a quarter.

UPDATE BY CITY MANAGER ON TIRE RECYCLING PROJECT

Jolene Supp reported that the tire recycling project is progressing quite nicely. She provided the Board with an Appropriations Information Form she completed for Senator Reid's office at the request of Burk Morrison, his Rural Representative. She stated that the original document had Elko County on it, as well, and County Commissioner Mike Nannini requested that the appropriation be made only on behalf of the City of Wells. She stated that the appropriations request is for \$400,000 per year for a period of three years. She explained that the appropriation must go to an entity. Upon question of Vice Mayor Stark, Jolene Supp explained that the City of Wells will then give the money to HEART, the locally owned, private corporation. She stated that the company will use it for capital improvements the first year and use it for operations the next two years. With reference to a timetable, she stated that appropriations will be requested soon and may be approved as early as July or September but the money will not be dispensed until some time later. Mayor Tybo asked for clarification on the form concerning the single appropriation.

Manager Supp continued to report that the Articles of Incorporation for Humboldt Environmental and Renewable Technologies (HEART) have been signed and Post Office box and telephone numbers established. She reported that HEART will be considering a revised sales agreement the following evening and will hopefully execute the document for EWI, the Toronto company. She continued that if the document is signed, the first payment will go to Toronto by the end of the month and the company will do a press release. She stated that there is a refundability clause and territory and performance guarantees in the document, as well. Manager Supp stated that she will meet with Herb Shedd of USDA on Friday morning to talk about USDA requirements for loan submittal. She added that Commissioner Nannini will also be attending that meeting.

Mayor Tybo asked about the REDLEG funds and Manager Supp explained that the local cooperative will have to guarantee those funds and she is not getting good vibrations that they will do that. Elaine Swanson asked if Zions Bank is still involved in the project and Jolene Supp stated that they will meet with Zions representatives later in the month if USDA offers hope.

Jolene Supp also reported that she and Mike Eriksen, Vice President of HEART, met with Doug Molohon, who is a potential Project Manager and although no offer was made, he has a number of good ideas concerning the project.

Mayor Tybo recessed the meeting at 7:23 P.M. and called to reconvene at 7:25 P.M.

**MINUTES OF WELLS CITY COUNCIL
MEETING OF JANUARY 27, 2004**

CALL TO ORDER

Date: Tuesday, January 27, 2004
Time: 7:00 P.M.
Place: Meeting Room, Wells Fire Station
516 Seventh Street Wells, Nevada
Type of Meeting: Regular Meeting of City of Wells Board of Councilmen
Presiding Officer: Rusty A. Tybo, Mayor

ROLL CALL

Present: Vikki L. Dedman, Councilwoman
Kenny W. Huff, Councilman
Calvin S. Stark, Vice Mayor
Rusty A. Tybo, Mayor

Absent: Henry L. Chapman, Councilman

Quorum: Yes

Staff Present: David L. Linge, Public Works Director
Catherine Sue Smith, City Clerk
Jolene M. Supp, City Manager

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Vikki Dedman made a motion to approve minutes of the meeting of January 13, 2004 and Cal Stark seconded the motion. The vote was unanimous.

CITIZENS TO ADDRESS THE COUNCIL

Elaine Swanson praised City crews for their snow removal efforts.

UPDATE BY CITY MANAGER ON TIRE RECYCLING PROJECT

Jolene Supp reported that Wells Rural Electric Company offered Humboldt Environmental and Renewable Technologies (HEART) economic development REDLG funds in the amount of \$200,000 through USDA at a one percent interest/administrative fee. She stated that the HEART board is still working through markets and other issues.

**MINUTES OF WELLS CITY COUNCIL
MEETING OF FEBRUARY 10, 2004**

CALL TO ORDER

Date: Tuesday, February 10, 2004
Time: 7:00 P.M.
Place: Meeting Room, Wells Fire Station
516 Seventh Street Wells, Nevada
Type of Meeting: Regular Meeting of City of Wells Board of Councilmen
Presiding Officer: Rusty A. Tybo, Mayor

ROLL CALL

Present: Henry L. Chapman, Councilman
Kenny W. Huff, Councilman
Calvin S. Stark, Vice Mayor
Rusty A. Tybo, Mayor

Absent: Vikki L. Dedman, Councilwoman

Quorum: Yes

Staff Present: Catherine Sue Smith, City Clerk
Jolene M. Supp, City Manager

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Kenny Huff made a motion to approve minutes of the meeting of January 27, 2004. Cal Stark seconded the motion and the vote was Huff, Stark and Tybo; aye and Chapman abstained, as he was not in attendance at that meeting.

CITIZENS TO ADDRESS THE COUNCIL

No citizens addressed the Board of Councilmen.

UPDATE BY CITY MANAGER ON TIRE RECYCLING PROJECT

Manager Supp reported that Humboldt Environmental and Recycling Technologies (HEART) continues to receive funds. She stated that a mailer has gone out to local citizens inviting them to invest and become stockholders. The City Manager also informed that the HEART Board of Directors will be traveling to Toronto, Canada on February 22 – 24, 2004.

Minutes of Wells City Council
Meeting of February 10, 2004

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CHAPTER 7, TITLE 10 OF THE WELLS CITY CODE ENTITLED "ZONING DISTRICTS; ALLOWABLE AND SPECIAL USES" TO AMEND STANDARDS FOR THE INSTALLATION OF MANUFACTURED AND FACTORY BUILT HOMES AND ESTABLISHING PROVISIONS FOR MODIFICATION OF THE STANDARDS BY THE SPECIAL USE PERMIT PROCESS

Mayor Tybo made a first reading of Ordinance 206; An Ordinance amending Chapter 2, Title 10 of the Wells City Code entitled "Zoning Regulations," by amending Section 10-2-2 to include a Manufactured Home and Group Home in the definition of a Single Family Dwelling or Residence; also by amending Chapter 7, Title 10 of the Wells City Code entitled "Zoning Districts; Allowable and Special Uses" to amend standards for the installation of manufactured and factory built homes and establishing provisions for modification of the standards by the Special Use Permit Process. The City Clerk explained that the primary purpose of this ordinance is to limit the age of manufactured homes that can be placed on a permanent foundation. She informed that, in accordance with State codes, a manufactured home must be built or manufactured within the five- (5) years immediately preceding the date on which it is affixed to the residential lot. The Clerk added that there is a provision for a Special Use Permit for homes older than that if they meet certain criteria.

CLAIMS COMMITTEE REPORT; ACTION TO APPROVE FINANCIAL STATEMENTS

Hank Chapman made a motion to approve Warrant Register dated February 24, 2004 in the amount of \$41,393.34 and Vikki Dedman seconded the motion. The vote was unanimous.

COUNCILMEN'S REPORTS

Vikki Dedman reported on her attendance at an ECEDA meeting earlier in the day.

Mayor Tybo requested that the Board check their calendars, as he would like to schedule a work session during the first week of March to discuss the upcoming budget. The Mayor stated that he would also like to discuss utility billing at that meeting. Garage owner Doyle Hitt informed that he has requested a waiver on his utility billing as he resides in the garage three days each week and there is only one restroom facility in the place. Mr. Hitt stated that he is being charged for both residential and commercial service and is willing to pay for commercial service but feels it is not appropriate that he be billed for residential service, also.

Mayor Tybo continued that there have been negative comments about the trip that the HEART Board of Directors is taking to Toronto. He emphasized that the City of Wells in no way funded the trip and that all expenses were paid by HEART. He also advised that

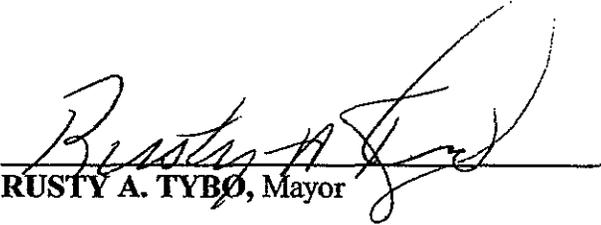
the City Manager took Annual Leave to make the trip. He stated that the group should be commended for trying to do something positive for the community.

STAFF REPORTS

At the request of Mayor Tybo, City Clerk Sue Smith informed that the grant for Healthy Nevada prepared by Senior Center Project Director Janet Riddle and Wells Family Resource Center Director Cindy Moschetti has advanced to the next level in funding consideration and additional documentation will need to be signed by the Mayor and submitted.

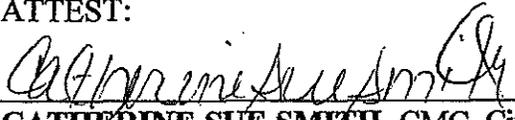
ADJOURNMENT

The meeting was adjourned at 8:45 P.M. upon motion of Vikki Dedman and a second by Hank Chapman.



RUSTY A. TYBO, Mayor

ATTEST:



CATHERINE SUE SMITH, CMC, City Clerk

informed that the League has been working on health insurance benefits. Manager Supp added that the new broker, ABD, is doing a good on the insurance and the projected increase for the coming year is 6.64%. Mayor Tybo asked Mr. Fraser about AB286 and he indicated that the legislation was not thought through prior to adoption and is likely to be revised. Mr. Fraser thanked the City of Wells for their continued support of the Nevada League of Cities.

CITIZENS TO ADDRESS THE COUNCIL

Fire Chief Randy Dedman approached the Board of Councilmen about a used ambulance vehicle to replace the incident van they currently have. Councilwoman Dedman declared conflict of interest and left the meeting room. Chief Dedman stated that they have an option to pick up a vehicle from another agency prior to it going out to bid. He continued that it should be capable of towing the eighteen-foot trailer they will receive from a Department of Energy grant for hazardous materials. Manager Supp advised that the vehicle is an International. Upon question, Chief Dedman advised that the vehicle has 103,000 miles on it and is a 1980s or 1990s model. Explanation was further provided that there is also another vehicle available and Volunteer Keven Hall will be traveling to the area later in the week and will drive both vehicles and make a final determination as to the value of the vehicles for Wells. Upon question of the Mayor, the City Manager explained that Chief Dedman did not know about the vehicles prior to the agenda being posted but needs to make a commitment on the vehicle prior to the next meeting. She stated that the purchase does not have to be an agenda item as it is within budget, but Chief Dedman did want to make the Board aware of the intentions of the department. The Board concurred that the Fire Department should pursue purchase of the vehicle. Councilwoman Dedman returned to the meeting room.

DISCUSSION AND ACTION TO PROCEED ON LAND SALE WITH HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES AND TO APPOINT COUNCIL PERSON TO NEGOTIATE LAND SALE

Following a reading the agenda, City Manager Jolene Supp and Councilman Kenny Huff who are both members of the HEART Board, declared conflict of interest and left the meeting room. Project Manager Doug Molohon and Board Member Mike Eriksen were present to represent Humboldt Environmental and Renewable Technologies (HEART). Mayor Tybo stated that one of the provisions of the Wells City Code authorizes the City Manager to negotiate the sale of real property. He stated that in this case, HEART has approached the City for purchase of land in the heavy industrial park and the City Manager does have a conflict of interest. Mayor Tybo then asked the Board if they would authorize him to negotiate the land sale in this instance. The Mayor informed that he will bring back all information to the Board for any action to be taken. Councilwoman Dedman made a motion to proceed with a land sale to HEART and to appoint Mayor Tybo to negotiate the land sale. Councilman Chapman seconded the motion and the vote

was Dedman, Chapman and Tybo; aye and Huff abstained. Manager Supp and Councilman Huff returned to the meeting room.

Mayor Tybo recessed the meeting at 7:25 P.M. and called to reconvene at 7:30 P.M.

REVIEW OF APPLICATION, RECOMMENDATION FROM PLANNING COMMISSION, AND ACTION TO GRANT SPECIAL USE PERMIT FOR PLACEMENT OF SECOND MANUFACTURED HOME AT 511 METROPOLIS ROAD, APN# 002-670-008; REBECCA SCHOOF, JEROME/LANCE LAUNER, APPLICANT

Manager Supp informed that the Planning Commission considered an application from Rebecca Schoof to place a manufactured home on a permanent foundation on her grandfather Jerome Launer's parcel of land off the Metropolis Road. She explained that the Planning Commission voted unanimously to approve placement of the second home. She further informed that the parcel is 5.73 acres so there are no setback issues and if Mr. Launer desired to parcel at a future date, he would meet the minimum of one half acre for each parcel. Kenny Huff made a motion to grant a Special Use Permit for placement of a second manufactured home at 511 Metropolis Road, APN# 002-670-008 for Rebecca Schoof and Jerome Launer. Vikki Dedman seconded the motion and the vote was unanimous.

REVIEW OF PROPOSALS FOR SMALL AIRPORT HANGAR AND ACTION TO SELECT PROPOSAL FOR RENT OF HANGAR

Mayor Tybo opened the one proposal received for the small airport hangar.

Demar H. Dahl	\$80.00 month
Starr Valley/Fallon, Nevada	

It was noted that this proposal meets the minimum advertised bid. Manager Supp informed that if Mr. Dahl's proposal is selected, a standard contract will be forwarded to him and placed on the agenda for approval when returned. Councilwoman Dedman made a motion to accept the proposal of Demar Dahl for lease of the small airport hangar for \$80.00 per month. Councilman Chapman seconded the motion and the vote was unanimous.

REVIEW OF BIDS, ENGINEERING ESTIMATES, RELATED DISCUSSION AND ACTION TO AWARD BID FOR SHOSHONE AVENUE SEWER LINE REPLACEMENT IN CONJUNCTION WITH CDBG/03/017

Mayor Tybo referenced minutes of the Bid Opening of April 8, 2004 for the Shoshone Avenue Sewer Line Replacement in conjunction with CDBG/03/017. He stated that four bids were received, with Navco Construction of Wells being the apparent low bidder in

Mayor Tybo informed that the Pool and PACT meetings are to be held April 29 and 30, 2004. Vikki Dedman announced that the ECEDA workshop is to be held on April 28, 2004. The Mayor also informed that CDBG presentations will be May 12, 2004.

STAFF REPORTS

Manager Supp referenced copies of a Capital Reimbursement Agreement with Nevada Department of Transportation. She informed that the Mayor executed this agreement in order to return it prior to the deadline date. She further explained that this agreement is in conjunction with transportation funding for the Silver Sage Senior Citizen Center.

The City Manager explained that the Federal Aviation Administration will have \$311,000 available after October 1, 2004 for airport improvements. Jolene Supp stated that she requested that this amount be deferred and additional added for another year as there are already several projects going on in the City this year and the funding is not adequate to do the airport project as proposed.

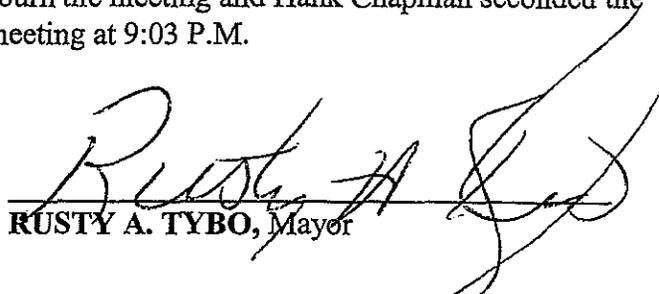
Manager Supp informed that there will be no increase in the Central Dispatch fee for the coming year.

The City Manager stated that Rick Tremblay of the Economic Development Administration will be in Wells on Tuesday, April 20, 2004 and she will be talking to him about additional improvements in the City's heavy industrial park. Manager Supp stated that there will be a railroad meeting on May 18, 2004.

Upon question of Elaine Swanson about HEART, Jolene Supp stated that the company needs money from the community. Elaine Swanson also asked about the County's position and Manager Supp stated that they are supportive of the project. Elaine Supp asked if HEART has received any checks from Elko and Jolene Supp stated that they have not. Vikki Dedman asked how much money has been received and Jolene Supp stated that HEART has received \$215,000 in private funding.

ADJOURNMENT

Vikki Dedman made a motion to adjourn the meeting and Hank Chapman seconded the motion. Rusty Tybo adjourned the meeting at 9:03 P.M.


RUSTY A. TYBO, Mayor

ATTEST:

Minutes of Wells City Council
Meeting of April 13, 2004

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REPORT BY MAYOR OF LAND SALE NEGOTIATION WITH HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES, RELATED DISCUSSION AND POSSIBLE ACTION CONCERNING LAND SALE

Mayor Tybo stated that he met with Humboldt Environmental and Renewable Technologies (HEART) Project Manager Doug Molohon concerning the sale of property at the Heavy Industrial Park. He stated that the HEART Board appointed Mr. Molohon and he was designated by the Council to negotiate for the land. The Mayor added that he would like to delay action on the land sale until the next meeting. Mr. Molohon informed that there are three items for discussion and further consideration. Doug Molohon stated that the first matter is plot selection. He stated that HEART is looking at Lot #6, an 18.9 acre parcel in the extreme southeast corner of the park near the railroad. He stated that HEART would like something in writing, stating that this parcel is available. Cal Stark stated that the parcel will require more fill than other available parcels. Doug Molohon agreed but added that other considerations such as proximity to rail spur and future expansion were also given in the land selection process.

Mr. Molohon stated that two other matters for discussion are cost per acre and terms of payment. He stated that a price was set during a previous negotiation and Mayor Tybo stated that this historical figure is being used as a basis for consideration. Doug Molohon stated that there needs to be an equitable price for both parties and a number that HEART can use to develop a payment schedule. He stated that HEART would like the Board to consider a creative financing package.

Mayor Tybo stated that the two parties will continue to negotiate until the next meeting and present options for consideration at that time. Cal Stark made a motion to table the matter until the next agenda and Hank Chapman seconded the motion. The vote was Chapman, Stark, and Tybo; aye and Huff abstained.

DISCUSSION CONCERNING PROPOSED STREET PROJECTS AND ACTION TO LET BIDS FOR STREET WORK

Manager Supp stated that she proposes the following work for the upcoming street project this construction season. She stated that it will include the one block section of Ruby Avenue between Fifth and Sixth Streets, four blocks of Clover Avenue between Sixth Street and City Hall and the length of Starr Avenue between Sixth and Castle Streets. Manager Supp continued that the project costs will be split over two fiscal years. The City Manager stated that she will be asking contractors to bid two and three inches of pavement. The City Manager stated that the project is not engineered and she is just meeting with contractors to let them know what the City wants. Manager Supp informed that an idea for water drainage was discussed and a valley curb will be installed on Starr Avenue. Councilman Huff made a motion to let bids for street work for the 2004 construction season. Cal Stark seconded the motion and the vote was unanimous.

pipe coating company which EDA would be pleased to use as support documentation for the grant. Jolene Supp stated that she will put those letters in the Board's mailboxes. She added that the EDA representative will be back to Wells in May to further discuss the project.

Manager Supp reported that the swimming pool will be open in May this year. She informed that there are college students available to lifeguard and a new pump was installed. She stated that this, combined with the solar blanket may allow the City to extend the summer swimming season.

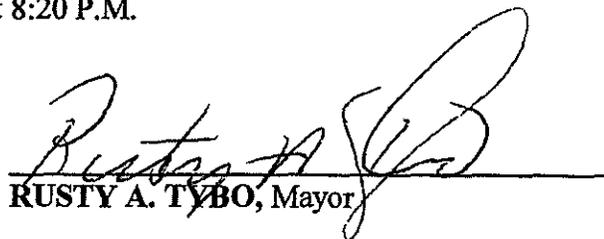
The City Manager advised that maintenance, pool and administrative summer jobs close on Friday, April 30. She stated that youth must be sixteen years of age to be eligible to work. She explained that staff contacted the insurance pool to discuss hiring younger persons but was advised against it for those using mowers and like equipment.

Upon question of Elaine Swanson, Manager Supp advised that Dixon Builders started Monday to work on the Sidewalk, Curb and Gutter project. She further advised that First Street in the one block area where they are working has been blocked off for the safety of workers.

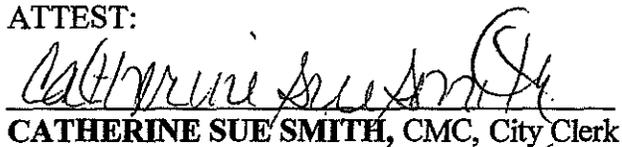
Elaine Swanson asked about HEART and Jolene Supp reported that Project Manager Doug Molohon, Board Member Mike Eriksen, and she went to Salt Lake City to meet with Zions Bank about funding. She stated that they also attended an Elko County Commission economic development meeting in reference to their plans to either loan or pledge credit for a loan to all Elko County entities for economic development projects. She also reported that Geoff Arnold is crunching numbers and the project is moving forward.

ADJOURNMENT

Cal Stark made a motion to adjourn the meeting and Hank Chapman seconded the motion. Rusty Tybo adjourned the meeting at 8:20 P.M.


RUSTY A. TYBO, Mayor

ATTEST:


CATHERINE SUE SMITH, CMC, City Clerk

Doug Molohon, representing HEART Corporation, referenced a proposal for land purchase of Lot #6, an 18.69 acre parcel in the heavy industrial park. Cal Stark stated that the quoted interest rate is high. Mayor Tybo stated that HEART is proposing a unique style of payment and Doug Molohon added that the interest rate is high on purpose as a good faith gesture because HEART does not intend to pay any interest on the balance of amount due after the 2006 annual payment. Mayor Tybo stated that the proposal is structured so as not to create a burden on HEART in the early development stages of the company. Mr. Molohon also stated that he would like to ensure that there is no penalty for early payoff, which should result in no loss of money for the City of Wells as there is no interest payment after the third year.

Upon question of Mr. Molohon about a timetable concerning the land sale, Mayor Tybo informed that if the proposal is accepted tonight, it will be sent to City Attorney Robert Goicoechea to include in contract documents and may be back on the agenda as early as May 25, 2004. Vikki Dedman made a motion to proceed with a land sale to HEART of Lot #6 in the City's heavy industrial park under the terms negotiated and outlined in the proposal. Cal Stark seconded the motion and the vote was Chapman, Dedman, Stark and Tybo; aye and Huff declared conflict of interest as a member of the HEART Board and abstained.

UPDATE BY HEART PROJECT DIRECTOR DOUG MOLOHON ON STATUS OF PROJECT

Doug Molohon informed that Accountant Geoff Arnold has spent the past three weeks preparing financial projections for the company to be submitted to Zions Bank and Elko County for their consideration in funding. He stated that this is a big step and offered thanks to Mr. Arnold, who was also present at the meeting. Mr. Molohon continued that he has been speaking with building contractors and at this time is considering Ormaza Construction of Elko to construct a two hundred by one hundred seventy five feet (200' x 175') pre-engineered Butler building. He continued that he has spoken with local contractor Navco Construction to do the site work and excavation and Coca Electric to do the electrical work for the project. He continued that survey work will be done after land sale documents are signed and Knight Piesold will do a geo-tech investigation. Mr. Molohon continued that he will send a preliminary building layout to EWI in Toronto. The Project Director stated that the plan is to have a constructed shell building on site by October 15, 2004. He continued that the equipment will be ordered as soon as the final payment is made to EWI and will take twelve to fourteen months to fabricate. He stated that it should arrive next spring and the company should be making product July 1, 2005. Doug Molohon continued that they will run the first line for six months and providing everything is okay, they will order the other three lines and they will be installed a year later. Upon question of Cal Stark if the line will be tested in Canada, Doug Molohon explained that the equipment will be installed and tested on site in Wells and EWI will be an integral part of that process. HEART Board Member John Riddle added that the equipment may be built in the USA, which would be a benefit for the company. Geoff

growth. She reported that four tipper carts have been delivered to the cemetery for the Memorial Weekend.

Jolene Supp reported that the Shoshone Avenue Sewer Line Replacement project is almost done and the Curb, Gutter and Sidewalk project is also moving along. She advised that there will be a new ADA ramp at City Hall.

The City Manager reported that Elko County Commissioners have cancelled their economic development assistance work meeting scheduled for the following day as they are obtaining more information concerning the loan guarantee process. She continued that Zions Bank is willing to lend HEART five million dollars if the land, building and equipment are leveraged as collateral and there is a pledge or guarantee for \$1.5 million from an entity.

The City Manager stated that she was approached by brothel owner Geoff Arnold about moving his sign off Hacienda property along U.S. Highway 93 further north to a location on his own property. Mr. Arnold had referenced the arbitration agreement between the brothels that was also signed by the City of Wells. Manager Supp stated that the agreement has vague language about resolving issues but does not specifically mention the sign. Upon question of the Mayor, Jolene Supp stated that Mr. Arnold desires to relocate the sign, not change the content of the sign. She added that he will also be required to have approval from Nevada Department of Transportation.

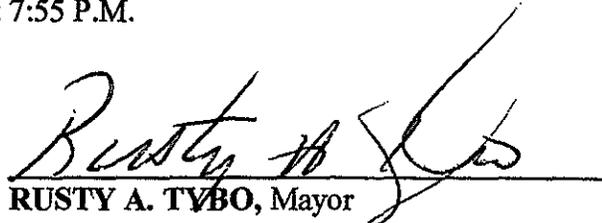
Mayor Tybo reported that Community Pride Week will be June 7 through 11, 2004 and the focus will be construction of the bathrooms in the ball field/rodeo grounds area.

It was announced that the Senior Pro Rodeo Barbecue will be Sunday, May 30 at 6 P.M. at the Wells City Park.

Fire Chief Randy Dedman invited Board members to step outside following the meeting to see the new hazmat trailer obtained through grant funding.

ADJOURNMENT

Kenny Huff made a motion to adjourn the meeting and Cal Stark seconded the motion. Rusty Tybo adjourned the meeting at 7:55 P.M.


RUSTY A. TYBO, Mayor

ATTEST:

Minutes of Wells City Council
Meeting of May 25, 2004

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statement says that the City will not serve residents outside the City limits with water and the second statement says that the Board shall reserve the right to serve or not serve. She also pointed out that fire protection is currently low in the area of proposed development and will not increase until completion of the USDA and AB 198 water project. Jolene Supp informed that the City Attorney recommended that Mr. Rodriguez sign a hold harmless statement in reference to fire protection. Mayor Tybo stated that inadequate fire protection is a valid reason not to serve but requested that the City Attorney review the letter prior to it being sent. Cal Stark stated that the letter is clear at the beginning that the City will not serve but requested that the letter be clarified in the ending paragraph concerning future development. Mayor Tybo stated that the City Attorney will most likely make changes, as well. Kenny Huff made a motion to authorize the issuance of a second letter with modifications concerning the Mike Rodriguez county development. Vikki Dedman seconded the motion and the Board cast a unanimous vote.

ACTION TO APPROVE AND ENTER INTO LAND SALE AGREEMENT WITH HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES (HEART) AND RELATED DISCUSSION

Mayor Tybo reported that the Land Sale Agreement has not been finalized yet. Cal Stark made a motion to table until the next meeting and Vikki Dedman seconded the motion. The vote was unanimous.

DISCUSSION CONCERNING REQUEST FOR JET A FUEL AT WELLS MUNICIPAL AIRPORT AND DIRECTION TO STAFF

Manager Supp informed that earlier last week a request was made to the airport caretaker to have the City consider dispensing Jet A fuel. She further advised that the Bureau of Land Management may use this type of fuel in some of its planes as opposed to the 100 low lead currently sold at the airport. She stated that a Leonard Petroleum representative estimated that it would cost the City approximately \$60,000 to set up a Jet A pump system. Jolene Supp also informed that since the initial request, the BLM contractor stated he is not sure how long or if they would need the Jet A fuel. The contractor further advised that he has a 2,500 gallon portable fuel tank that he would be interested in using for that purpose. The City Manager stated that safety issues would need to be addressed.

Manager Supp informed that the contractor also requested that he be allowed to pre-purchase 4,000 gallons of 100 low lead fuel at the existing rate. She informed that the rate for fuel is near \$3 per gallon in the Twin Falls area and Wells is at \$2.55 per gallon now. She continued that the City has approximately 8,000 gallons available now and may need to increase the fuel sale price to cover replacement costs.

Mayor Tybo recommended that staff further pursue the Jet A matter, keeping in mind safety and insurance issues. He also stated that even if the contractor provides a tank, there should be some financial benefit to the City.

Manager Supp explained that the Wells Baptist Church is requesting that they be allowed to use one tipper cart for both the church and the parsonage, as they do not generate a large amount of garbage at the church. She continued that according to Code they would be required to have two unless the Board grants an exemption. Mayor Tybo questioned whether one tipper would be adequate in the summer months or during a period when they have special events such as Bible School or a revival. He agreed that during a majority of the year, one tipper cart is probably adequate. Manager Supp stated that it is responsibility of the church to contact Elko Sanitation if they find that one cart is not enough. The City Manager added that she will write a letter to the church, notifying them of whatever decision is made. Following discussion, Vice Mayor Stark made a motion to grant garbage exemption of one unit to the Wells Baptist Church, providing that they contact Elko Sanitation Company for additional service if needed. Councilman Huff seconded the motion and the vote was unanimous.

CITIZENS TO ADDRESS THE COUNCIL

No citizens addressed the Board of Councilmen.

ACTION TO APPROVE AND ENTER INTO LAND SALE AGREEMENT WITH HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES (HEART) AND RELATED DISCUSSION

Humboldt Environmental and Renewable Technologies (HEART) Project Manager Doug Molohon was present for discussion. Jolene Supp informed that there are some lingering issues with financing for the HEART project, one of which should be made aware of in relation to the land sale. She advised that one of the lending institutions that HEART is working with has requested, as condition of the loan, that the land be used as collateral. She continued that this would mean that the City must subordinate. Cal Stark stated that the Board made a decision to deed the property to HEART. Manager Supp stated that there were terms. Doug Molohon added that there was five-year payoff for the land and he assumes that typically the City would hold the deed to the property until the final payoff. Manager Supp inquired of the Board if they would simply ask that HEART sign a promissory note instead. Mayor Tybo stated that with reference to the agenda item, he recommends that the matter be tabled, as the contract is not complete. Manager Supp questioned whether or not they should proceed with the contract until these other issues are resolved. Mayor Tybo recommended that they proceed with a draft of the contract. Manager Supp stated that it may be a waste of money if the contract needs to be re-written because of the finance package. Mayor Tybo and Vice Mayor Stark urged the City Manager to proceed.

Doug Molohon stated that the original discussion was a land purchase executed by July 1, 2004. Kenny Huff stated that there is only one more meeting prior to that deadline. Manager Supp referred to a land sale in Pacific Addition subdivision a few years back whereby the City of Wells subordinated and was forced to pay back taxes to get the

it was cold patch mix for street repair. Vice Mayor Stark also inquired about the City Attorney bill. He stated that there are several references to HEART. Manager Supp stated that she will check it. Doug Molohon stated that if these are things HEART should be paying for, the City should send him a statement. Kenny Huff made a motion to approve Warrant Register dated June 8, 2004 in the amount of \$24,088.79. Cal Stark seconded the motion and the vote was unanimous.

COUNCILMEN'S REPORTS

Mayor Tybo reported that June 7 – 11, 2004 is Community Pride Week. He stated that there seems to be more things to haul off and clean up again this year.

The Mayor also referenced a meeting he and Manager Supp had with Senator Harry Reid concerning the HEART project. He stated that there is more work to do in that area.

STAFF REPORTS

Manager Supp reported that Road and Highway Builders will be removing asphalt the week of June 21. She stated that they will start with Ruby Avenue, then move to Clover Avenue and will do Starr Avenue last. The City Manager continued that they will begin paving on July 12 and it will take them two or three days to complete the paving. She stated that citizens will be driving on gravel roads for approximately three to four weeks but this will give the City opportunity to see what kind of base is under the street and if additional is needed.

Jolene Supp reported that the seasonal employees have started work. She reported that the front of City Hall does look like a disaster area because of the sidewalk, curb and gutter construction project. She informed that some of the sidewalk installed earlier has been backfilled. She also stated that there will be both stairs and an ADA ramp leading to the front door upon completion of the project. The City Manager continued that she would like to see a sprinkler system installed while the lawn area is torn up.

The City Manager stated that she has issues with golf course safety in reference to testing of the new well. Jolene Supp stated that she will not close the golf course and is planning to meet with RTW Engineers and Fred Anderson Drilling representatives to discuss these concerns.

Jolene Supp stated that she will be meeting with Gene Kaplan on Thursday at 2 P.M. regarding the Trail of the 49er's Center. She stated that the location is apparently in jeopardy and Mr. Kaplan has requested that the City of Wells consider funding alternatives.

REVIEW OF APPLICATION FOR SPECIAL EVENTS LIQUOR LICENSE FOR WELLS HIGH SCHOOL ALL-CLASS REUNION AND ACTION TO APPROVE LIQUOR LICENSE

Manager Supp stated that a Special Events Liquor License is needed for the Wells High School All-Class Reunion to be held over the July 4th weekend. She stated that the event will be held mostly in the park but there will be a dinner in the firehouse on Saturday night and liquor may also be sold there. The City Manager stated that the drinks in the park will be mostly packaged drinks such as beer and wine coolers but there may be more of an open bar at the firehouse. City Clerk Sue Smith added that the cart from the distributing company will be used and it will be manned by the teachers as a fundraiser for a teacher who was recently in a car accident. Upon question by Hank Chapman, Manager Supp stated that she will be signing the application for the special events liquor license and it will be in the name of the All-Class Reunion Committee. Hank Chapman made a motion to approve a Special Events Liquor License for the Wells High School All-Class Reunion Committee for July 3 and 4, 2004 at the Wells City Park and Firehouse. Kenny Huff seconded the motion and the vote was Chapman, Huff and Tybo; aye and Councilwoman Dedman declared conflict of interest as member of the Reunion Committee and abstained.

CITIZENS TO ADDRESS THE COUNCIL

No citizens addressed the Board of Councilmen.

ACTION TO APPROVE AND ENTER INTO LAND SALE AGREEMENT WITH HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES (HEART) AND RELATED DISCUSSION

The Board reviewed the Land Sale Agreement between the City of Wells and Humboldt Environmental and Renewable Technologies (HEART). Vikki Dedman requested that a payment date be added to Section 2 (b) of the document. Mayor Tybo also questioned the date and the City Manager stated that the date of the agreement will be the date the Board signs it. HEART Project Manager Doug Molohon stated that if the Board of Councilmen approves the agreement, it will be considered by the HEART Board during their meeting the next afternoon. Vikki Dedman made a motion to approve and enter into Land Sale Agreement with HEART, with the noted changes. Hank Chapman seconded the motion and the vote was Chapman, Dedman, and Tybo; aye and Councilman Huff declared conflict of interest and abstained. Doug Molohon requested that a copy of the amended agreement be given to him the following day.

ACTION TO ADOPT RESOLUTION 04 – 6; RESOLUTION ESTABLISHING WATER CONNECTION FEES

Jolene Supp reported that a company called Peak Harvest Foods has been in Wells twice now. She stated that they dehydrate apples to make crunchy apply sticks and like the potential of using geothermal water in their process. Manager Supp stated that she is also working with a trucking company that will be hauling a Class 9 hazardous material from the Ruth, Nevada pit to rail. She stated that they will employ fifteen workers who will be required to reside in Wells and will set up a temporary location on the Metropolis Road railspur area as early as August, 2004. She stated that they will then relocate to the Heavy Industrial Park once rail is available there. She stated that there will be twenty-eight to thirty trucks a day unloading twenty-four hours a day. Jolene Supp requested, however, that they load only during daylight hours. Hank Chapman requested that the City Manager request a small jar of what they will be hauling, stating that if they use a particular chemical in their process, it could create an unpleasant odor.

Jolene Supp reported that Road and Highway Builders will be paving on Wednesday and Thursday, July 21 and 22, 2004. She stated that the City will be receiving a bill from Navco Construction for the hauling of base materials from the Tobar pit approximately nine miles south of Wells. She also added that there will be additional overtime for City Public Works employees during this street project. Manager Supp stated that she is holding off on the double chip seal on south Humboldt Avenue and Hogan Street until final invoices are in on the paving project to determine if the budget will hold.

Jolene Supp reported that Humboldt Environmental and Renewable Technologies (HEART) has submitted application to a competitive bank in terms of a Small Business Administration (SBA) guaranteed loan for the tire recycling plant. She stated that HEART has been doing a lot of research on the microwave process during the past few weeks.

The City Manager stated that the Planning Commission has reviewed another draft of the updated Master Plan and will be bringing it to the Board within the next two months for adoption.

Jolene Supp shared information from New Art Memorial about a cemetery memorial wall system.

Manager Supp then reported that Elko Central Dispatch is currently in labor negotiations and there is developing an appetite to privatize or to contract with Nevada Division of Forestry to perform the dispatch services.

Jolene Supp reported that both the cemetery well and old City Well #1 have been capped.

The City Manager reported that there will be a swimming pool inspection on Thursday, July 22, 2004.

recommendations in the immediate, thirty-day and two-year range, which will be helpful in planning and budgeting.

Jolene Supp referenced a letter addressed to the Board announcing that Greyhound Bus Line will no longer stop in Wells because of budget constraints. The City Manager stated that she has received calls from a couple of senior citizens that use this mode of transportation to travel to Salt Lake City to the doctor or to visit family members. Mayor Tybo suggested that a letter of concern from the Board be sent to the bus line.

Jolene Supp stated that Elaine Barkdull of ECEDA stopped by the office to talk about the e-brochure she is preparing. She added that it will include a target on the City of Wells Heavy Industrial Park.

The City Manager announced that John Rarick of Peak Harvest Foods has also selected Wells as the site for their apple dehydrating business. She stated that Mr. Rarick resides in Incline Village and received initial information from ECEDA. She continued that she and Councilwoman Dedman traveled to Elko to meet with him and he in turn came to Wells and then returned again with additional family members of the business. She reported that they will be looking at a spring development and may want to be close to HEART if they can use the heat HEART generates in their dehydrating process.

Jolene Supp stated that HEART is working with a new bank whose loan committee will be meeting on Wednesday, August 4 to review the completed loan package that has been submitted to them. She stated that they are trying to work quickly to secure a loan guarantee from the Small Business Administration prior to their September 30 year-end deadline.

Jerry Martindale arrived at the meeting and Mayor Tybo explained that the Board approved his request for a Will Not Serve Letter earlier in the meeting. He asked Mr. Martindale to coordinate with City Manager Jolene Supp.

Public Works Director David Linge reported that lightening took out two sprinkler system clocks at the pivots and also blew out the three-phase line to the aerator.

Jolene Supp reported that the Carson Circus sponsored by the Chamber of Commerce was a success. She stated that the late show was well attended. David Linge added that they left the rodeo grounds facility extremely clean.

Jolene Supp informed that she has been subpoenaed to appear in court on Tuesday afternoon, August 10, the date of the next Council meeting and may be late if the court time is extended.

She stated that they may also have to ship weekly instead of daily, as is the case for Pan Western. Jolene Supp stated that she is working with surrounding property owners to secure a lease for the property around the Tobar site so that the City of Wells will have the ability to sublease to interested companies. She stated that a zoning change will be required and she has obtained those documents from the County, however it may be October before they can act because of advertising requirements. Upon question, Manager Supp stated that she feels confident the company will still come to Wells and their workers will reside in Wells.

STAFF REPORTS

Manager Supp stated that there will be an employee barbecue on Sunday, August 29, 2004 and Board members and families are also welcome.

Jolene Supp referenced a Board invitation to the open house for the new Wells High School Industrial Arts Building and Band Room renovation.

Manager Supp referenced information packets for Nevada League of Cities and asked the Board to let staff know as soon as possible if they will be able to attend so reservations can be made. The City Manager informed that the conference conflicts with the Caselle Users Conference and all other City office staff will be gone for most of that week so she may be showing up only on the weekend.

Jolene Supp reported that HEART has received bank approval for their loan and is sending additional information to the Small Business Administration.

The City Manager reported that she sent out a half dozen or so nuisance letters with pictures to citizens she has received complaints about or who she has observed that are in need of a clean up. She continued that she will follow up on those and file formal complaints if necessary.

Manager Supp stated that she met with Elko County Building Department to discuss the possibility of them doing plan reviews and building inspections for the City of Wells. She stated that they have indicated that if they get a call by 4 P.M., they will be able to perform inspections the next day. She stated that they report that commercial plan checks take approximately three to five weeks.

Jolene Supp reported that Tom Harris from UNR is working on developing the unemployment and underemployment study needed to accompany the City's EDA grant application for additional infrastructure work in the Heavy Industrial Park.

The City Manager reported that she and City Clerk Sue Smith will be traveling to Ely on August 31 and September 1 to attend mandatory CDBG Environmental Review and Administration Workshop.

Minutes of Wells City Council
Meeting of August 10, 2004

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Company for an employee life insurance benefit of \$20,000. Vikki Dedman seconded the motion and the vote was unanimous.

**ACTION TO DESIGNATE MANAGEMENT DISCUSSION AND ANALYSIS
AUTHOR FOR FISCAL YEAR 2003-2004 AUDIT**

Manager Supp explained that in conjunction with the last several audits, the Wells City Manager has written the annual management letter for the City. She stated that with the new GASB requirements, the Board must now designate someone to write that portion of the audit. She also added that there are certain elements that must now be included in that discussion. Cal Stark made a motion to designate City Manager Jolene Supp to author the Management Discussion and Analysis for the Fiscal Year 2003-2004 Audit. Kenny Huff seconded the motion and the vote was unanimous.

**ACTION TO AMEND LAND SALE AGREEMENT WITH HUMBOLDT
ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES**

Mayor Tybo explained that during the audit, it was determined that payment installment amounts listed in the HEART contract exceed the total amount due. The initial sales price for the property of \$261,660.00 remains the same, but there is an extra \$25,000 listed in the balance of the last payment. Mayor Tybo informed that because of Manager Supp's involvement with HEART and conflict, he spoke with Doug Molohon of HEART and they both agreed that it simply does not add correctly. He stated that the final payment from HEART to the City of Wells in 2010 will be \$111,660.00 and not the listed \$136,660.00. Vikki Dedman made a motion to amend the Land Sale Agreement with Humboldt Environmental and Renewable Technologies, reducing the final payment installment to the City of Well to \$111,660.00. Hank Chapman seconded the motion and the vote was Chapman, Dedman, Stark and Tybo; aye and Huff declared conflict of interest and abstained.

**ACTION TO CANCEL REGULAR MEETING OF OCTOBER 12, 2004 AND
RELATED DISCUSSION**

As the Board will be traveling to the Nevada League of Cities Annual Conference in Boulder City in two weeks, Vikki Dedman made a motion to cancel the regular meeting of October 12, 2004 and Hank Chapman seconded the motion. The Board cast a unanimous vote.

**CLAIMS COMMITTEE REPORT; ACTION TO APPROVE FINANCIAL
STATEMENTS**

Warrant Register dated September 28, 2004 was unanimously approved in the amount of \$49,871.10 upon motion of Vikki Dedman and second by Kenny Huff.

The Mayor informed that the Nevada League of Cities Legislative Reception will be held Thursday, February 17, 2005.

Mayor Tybo reported that he and Manager Supp went to Washington, D.C. concerning Senator Reid's energy appropriation that will go to Humboldt Environmental and Renewable Technologies (HEART).

STAFF REPORTS

Manager Supp added that the appropriation is \$250,000 but there is a \$2,000 administrative fee so the actual amount to be distributed is \$248,000. The equal amount dollar match will be provided by HEART. She stated that there will be a forthcoming resolution outlining the criteria for awarding the money to HEART. Manager Supp stated that the City Attorney considered an award basis on Certificate of Occupancy but the money may be needed prior to that so other criteria might be selected for basis of award. Hank Chapman asked when the ground breaking for HEART will be and Jolene Supp stated that it will not be until late spring 2005, when the weather breaks.

Jolene Supp stated that the Planning Commission Chairman requested direction for the Commission for the coming year. Mayor Tybo stated that there needs to be some zoning code cleanup and Vice Mayor Stark agreed.

The City Manager reported that the unemployment survey has been completed and is well within the realm of needs for the City's eligibility for an EDA grant.

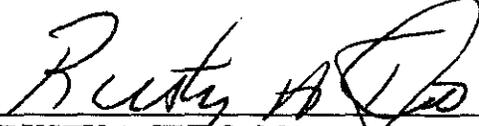
Manager Supp stated that if additional consolidated tax revenue is received, the City will have to augment the budget so that money can be spent.

The City Manager stated that the Nevada Rural Roundup will be held in West Wendover this year on April 13 – 15. She informed that signups need to be completed by April 6.

Jolene Supp reported that she will be attending another court hearing regarding nuisance ordinance enforcement for a resident on Fifth Street.

ADJOURNMENT

Kenny Huff made a motion to adjourn and Cal Stark seconded the motion. The meeting was adjourned at 8:12 P.M.



RUSTY A. TYBO, Mayor

REVIEW OF DEVELOPMENT PROPOSAL FROM ROGER KNIGHT CONSTRUCTION

Mayor Tybo started the conversation by stating that he would like the Board of Council to meet with Mr. Knight and get a feel for his development. Councilman Stark also added that more clarification and definition to paragraph three of the proposal was needed. Paul Bottari representing Bottari Realty was also in the audience. He questioned what the price and offer was. Manager Supp stated that most of the lots were ready to build at \$1.00 per square foot, corners at \$1.15 and lots that still needed work at \$.85. These prices did not include utility hook ups or the curb and gutter. Mr. Bottari then continued that he had concern about public development effecting private developments. He felt the developer should pay a competitive price. Mayor Tybo commented that the subdivision was an anchor to the citizens of Wells and the city had a responsibility to sell the property. This would generate assessed valuation as well as reduce city maintenance. Councilman Chapman agreed that he would like to see Mr. Knight at a meeting. Mayor Tybo assured everyone that he was not trying to undercut the private sector, but he felt there was a need to review the proposal further.

DISCUSSION AND ACTION TO ADOPT RESOLUTION 05-04; RESOLUTION DISTRIBUTING A FEDERAL GRANT TO BE RECEIVED BY THE CITY OF WELLS TO HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES, INC. (HEART)

Mayor Tybo read the resolution and clarified the appropriation was for \$250,000 however the actual cash disbursement was for \$248,000. The difference was help by the Department of Energy for administrative expenses. Councilman Stark moved for approval and Councilman Chapman seconded the motion. The motion carried with all ayes except Councilman Huff who abstained.

CLAIMS COMMITTEE REPORT; ACTION TO APPROVE FINANCIAL STATEMENTS

The claims committee reviewed the bills and Councilman Huff moved to approve claims for \$46,047.30 dated April 13, 2005. Councilman Stark seconded the motion and it carried unanimously.

COUNCILMEN'S REPORTS

Mayor Tybo questioned the cell phone packages and value that the City of Wells was receiving. He also requested a cell phone for council travel. He then recommended other competitors be looked at.

Mayor Tybo reported that ECAID, Elko County Against Illegal Dumping, was making an effort to stop illegal dumping. He stated that Manager Supp will represent the City on

also need to be addressed at this time. Mayor Tybo recommended that this be done during budget work sessions for next fiscal year.

Jolene Supp reported that the Race to the Angel was held Saturday, September 10, 2005 and it snowed up high and was very cold.

The City Manager reported that she gave written authorization for two appraisers to go forward to appraise lots that sale offers have been made on. She stated that the real question is who pays for the appraisal. She continued that if the person who makes the offer pays and is not successful, then perhaps the person who is successful should pay the appraisal fee.

Jolene Supp reported that she met with Alan Hansten of Riedesel and Associates concerning potential airport projects in the amount of one million dollars. She continued that the Federal Aviation Administration amount will be \$960,000. She also informed that Nevada Department of Transportation will be providing inkind in the amount of \$30,000 and the City of Wells will have to provide \$10,000 in inkind.

Jolene Supp reported that a concerned citizen approached she and the Mayor, in the wake of Hurricane Katrina, asking if the City of Wells has a plan if there is a disaster. Manager Supp continued that in the era of the millenium, a Disaster Preparedness Plan was developed and it has been five years so the plan probably needs revisited. Mayor Tybo stated that with Yucca Mountain, the City has potential for exposure. It was suggested that a winter storm might be another reason for concern. Manager Supp stated that the difference between New Orleans and Wells is that we all know each other and would know who needs help. Tom Callahan stated that in addition to a plan, there should be community awareness for individual preparedness like having seventy-hour kits and other supplies on hand to prevent initial panic.

Manager Supp stated that she and the Mayor assisted the golf course maintenance crew in aerating the greens.

Jolene Supp reported that she will be going to Carson City on Thursday to discuss air quality matters with the EPA in reference to HEART. The City Manager added that she will be taking additional paperwork to CDBG for the housing grant.

Manager Supp referenced the Shoshone Avenue vacation and stated that the east side of the street was vacated several years prior from Sixth to Baker Street to an eighty feet width. The City Manager stated that she and Public Works Director David Linge looked at the area and agreed that the vacation should continue along the same line to make it right. She stated that the line is very close to some driveways on the west side of the street. Cal Stark stated that the underpass is only sixty feet and the Board should vacate to sixty feet. Mayor Tybo stated that he does not want to restrict future Councils by making that street too narrow. Jolene Supp agreed that Shoshone Avenue may be a

Councilwoman Kelly reported that the NCED Conference will be in Elko on Wednesday and Thursday, October 26 and 27, 2005. She informed that ECEDA is hosting Robert Pittman of Lockwood Greene as speaker. Manager Supp added that if other Board members desire to attend, City staff can post an agenda. Pax Kelly also informed that she will be attending a workforce development seminar on October 7, 2005 and will then attend a Port of Elko meeting.

Councilman Callahan reported that he attended a meeting of the Elko County Water Planning Commission. He advised that it was informative, as most information was new to him. He stated that there are forty-one different water basins in Elko County and the Commission is concerned about filings of the Southern Nevada Water Authority. He continued to report that the Commission should be getting the results of a new water survey back soon. He added that the existing survey is dated 1966.

Councilman Huff reported that the Wells Family Resource Center is having a Halloween Spook Alley fundraiser.

Vice Mayor Stark reported that the City's cement mixer broke while they were using it to construct the restrooms at the rodeo grounds and ball field and suggested that the City get a new one. Mayor Tybo asked if there are other options in terms of rental or loaners to complete the project.

Mayor Tybo referenced an invitation to the Governor's Conference on Tourism and asked if any Board members desire to attend. Pax Kelly stated she received an invitation, as well, and is going with another Chamber member. She suggested that the Rural Roundup is a better meeting for small communities to attend.

STAFF REPORTS

Jolene Supp reported that Public Works crews are blading Shoshone Avenue and Frehner Construction will be in Wells on Monday, October 3, 2005 to begin paving. She also reported that all property owners along the affected streets were notified to use off-street parking.

The City Manager informed that she contacted Union Pacific Railroad about deterioration of the old U.S. Highway 40 railroad overpass and they will pass the information on to their systems maintenance person.

Manager Supp stated that during the upcoming meeting, the Board will be asked to consider a contract between the City of Wells and Humboldt Environmental and Renewable Technologies (HEART) in reference to the Department of Energy appropriation. She informed that Bob Goicoechea has drafted the document.

Jolene Supp referenced new teen driving laws that were passed during the last legislature.

three to four weeks to redo bid documents. She stated that it will take an additional month to submit to the health department and in all likelihood the Board will consider going to bid mid December. She stated that the bid award date will be mid January and construction will not take place until spring. Jolene Supp reported that RTW received tank bids on projects for other communities of approximately \$200,000. She stated that Sam Billin of RTW thinks the City may be able to complete the entire project for the money the City of Wells has already been awarded. She added that the first step is to complete the well house.

**CONTINUED DISCUSSION AND ACTION TO ADOPT RESOLUTION 05 – 21;
RESOLUTION ESTABLISHING PER DIEM AND OTHER EXPENSE RATES
FOR MEMBERS OF THE BOARD OF COUNCILMEN TRAVELING OUT OF
THE CITY ON OFFICIAL BUSINESS, AND OTHER MATTERS PROPERLY
RELATING THERETO**

Mayor Tybo stated that Resolution 05 – 21 was rewritten after the last meeting to reflect mileage, lodging and meal allowances mirroring State rates. Vice Mayor Stark stated that lodging rates in Nevada are at a maximum in some areas. The City Clerk stated that the wording in the resolution is “moderate” but exceptions are listed because of the high rates in places like Incline Village and Las Vegas. Vice Mayor Stark stated that even Reno rooms are high priced under certain circumstances. With reference to mileage, it was noted that a memo was received earlier that the mileage rate might be upped because of recent gas price hikes but it has been confirmed that the State must meet in regular session to adjust these rates so the reimbursement will remain at 40.5 cents per mile until January.

Tom Callahan recommended that Board members only be paid \$100 per diem per month rather than the listed \$150. Councilman Callahan stated that he has no feelings about the Mayor’s rate because he is not familiar with the required amount of travel for that position but \$100 would more than cover his expenses as Councilman. Pax Kelly stated that she is going to Elko several times a month and \$150 will barely cover the gas. Cal Stark stated that he would like to leave it at \$150 also and made a motion to adopt Resolution 05 – 21; Resolution establishing Per Diem and other expense rates for members of the Board of Councilmen traveling out of the city on official business. Pax Kelly seconded the motion and the vote was unanimous.

**ACTION TO ENTER INTO AGREEMENT WITH HUMBOLDT
ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES, INC. REGARDING
DISTRIBUTION OF U.S. HOUSE OF REPRESENTATIVES APPROPRIATION
BILL NO. 4818 GRANT FUNDS**

Jolene Supp stated that she and the Mayor flew to Washington, D.C. last January in reference to the \$250,000 Department of Energy appropriation that was secured by Senator Reid. She stated that the appropriation was slated for Humboldt Environmental

REVIEW OF AMENDED PAYMENT SCHEDULE FOR HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES (HEART), RELATED DISCUSSION AND ACTION TO APPROVE PROMISSORY NOTE AND ISSUE DEED OF TRUST

Ken Huff declared conflict of interest and did not participate in the discussion or vote on this agenda item. At the request of Mayor Tybo, Sue Smith informed that a document prepared by the City Attorney is an amended payment schedule for the industrial park land purchased by Humboldt Environmental and Renewable Technologies (HEART). The amended schedule is a request from HEART's lending institution as they will not accept the schedule that was originally agreed upon and allow for a seven-year payment plan with a balloon payment the last year. The new payment schedule reflects equal payments over a period of twenty years and adds five percent interest throughout the life of the loan. Cal Stark asked if the City of Wells has not already given HEART a Deed of Trust for the land and Sue Smith concurred. Mayor Tybo stated that HEART Directors believe that they will be able to pay the loan off well in advance of the twenty years. Cal Stark stated that the important thing is to get the facility built and the company up and running and made a motion to approve an amended payment schedule for the Humboldt Environmental and Renewable Technologies land sale. Pax Kelly seconded the motion and the vote was Kelly, Stark and Tybo; aye and Huff abstained.

CLAIMS COMMITTEE REPORT; ACTION TO APPROVE FINANCIAL STATEMENTS

Ken Huff made a motion to approve Warrant Register dated March 14, 2006 in the amount of \$42,202.78. Cal Stark seconded the motion and the vote was unanimous.

COUNCILMEN'S REPORTS

Vice Mayor Stark announced that he and Mayor Tybo flipped pancakes at the Senior Citizen Center fundraiser the previous weekend and there was a good showing of support for the Seniors.

Mayor Tybo reported that he just returned from CDBG grant presentations in Carson City. He stated that County personnel also did a good job in presenting the ambulance building for Wells. The Mayor commented that there were only thirty-six grant requests this year but funding was also down.

Mayor Tybo stated that he and Manager Supp have been active with PACE Coalition and student leadership of Wells High School in regards to drug and alcohol awareness. He stated that a mock DUI demonstration has been scheduled for April 12, 2006. Pax Kelly stated that June is when they will give the liquor sales class to bartenders and cashiers.

DISCUSSION AND ACTION TO ADOPT RESOLUTION 06 – 08; RESOLUTION FINDING IT IN THE BEST INTEREST OF THE PUBLIC TO SELL CITY OWNED REAL PROPERTY WITHOUT OFFERING THE PROPERTY FOR SALE BY AUCTION TO THE PUBLIC

Manager Supp stated that hopefully during the next legislature changes will be made in Assembly Bill 312 from the previous legislative session regarding the sale of real property. The City Manager continued that in the mean time, she would like to declare all real property that is City owned as economic development, with exception of the old Pit Stop building since the Board previously concurred that it might be a good location for a future public works shop. She stated that by adopting this resolution, the City of Wells will avoid the public auction process. Mayor Tybo asked what will happen if the City determines that the sale is not for economic development and Manager Supp stated that the Board has the flexibility to declare either. Cal Stark stated that we may be stretching it with economic development on residential lots and added that he does not want to get the City in trouble. Rusty Tybo stated that Mayor Vesco of Winnemucca has informed that they are doing a similar thing there. Manager Supp stated that there is a provision for residential housing in the resolution to support the establishment of new commercial enterprises or facilities or the expansion of existing enterprises or facilities. She added that the latest land sale offer is by a new highway patrolman who cannot find reasonable housing in Elko so he is moving to Wells and will be shopping here and paying taxes here, which could be classified as economic development. She again stated that the Board does have the option on each sale to determine whether or not it is economic development.

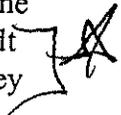
Brief discussion was held about method of payment listed in the resolution and whether or not the City may want to negotiate terms. It was suggested that the method verbiage be removed from the resolution, allowing the Board to determine terms on each sale; cash, check, cashier's check or negotiated terms. Cal Stark stated that he hopes the City is not carrying the papers for any property sale and added that we are not in the accounting business. Manager Supp stated that certain circumstances may make it necessary to do so and commented that in the case of a few residential sales, the finance company actually makes the check out to the City but it may be thirty or sixty days into the process or at the time of closing. It was also noted that the City of Wells is carrying terms for Humboldt Environment and Renewable Technologies (HEART). Manager Supp stated that the Board can repeal the resolution at any time if they determine it is necessary to do so. Councilman Huff made a motion to adopt Resolution 06 – 08 with the mentioned removal of wording concerning payment method; Resolution finding it in the best interest of the public to sell City owned real property without offering the property for sale by auction to the public. Vice Mayor Stark seconded the motion and the vote was unanimous.

ACTION TO ADOPT RESOLUTION 06 – 09; RESOLUTION DESIGNATING AND APPOINTING A MEMBER, ALTERNATE MEMBER AND STAFF

Minutes of Wells City Council
Meeting of April 25, 2006

4

increase in net assets and assets exceeding liabilities at June 30, 2007 by \$10,803,969, with \$1,585,773 as unrestricted.

The auditor reviewed technical violations with the Board. He explained that former terminology of "Reportable Conditions" are now deemed "Significant Deficiencies". Ross Eardley explained that the first deficiency is dependence on the auditors for non-routine transactions such as year end adjustments. He stated that this is common practice in smaller entities that do not have a CPA or other qualified person in house. The second deficiency is lack of organization of grant records. Although Eardley admitted that all documents were there, they were not found in chronological order and he had a hard time locating them in a timely manner. A final deficiency was non-payment of the Humboldt Environmental and Renewable Technologies (HEART) note as scheduled. Ross Eardley explained that there were minor budget over expenditures in the General Fund, Fire Department Fund and Recreation Fund, which is a result of the pooled cash situation. He informed that the City will have to respond to these findings to the Nevada Department of Taxation and also to the Single Audit Clearinghouse. 

Mayor Tybo asked where the City might find suitable staff training for City employees and Ross Eardley informed that the American Institute of CPAs has two-day seminars. The Mayor commented that the City needs another staff person and hiring an accountant may be the direction to go in terms of employment. Manager Supp stated that existing staff probably has the capability of making year end adjustments but time is more the element than lack of knowledge. City Manager Jolene Supp asked the auditor to compare the City of Wells with other entities in terms of financial condition and Ross Eardley responded that as consolidated taxes were up this year, most entities did well.

Ross Eardley reviewed the financial statement with the Board. Following brief discussion, John Riddle made a motion to accept the Fiscal Year 2006-2007 Financial Statement and Gretchen Hubert seconded the motion. The vote was unanimous.

PUBLIC COMMENT PERIOD AND RELATED DISCUSSION CONCERNING POTENTIAL APPLICATION FOR CDBG COMMUNITY ASSESSMENT GRANT

City Manager Jolene Supp explained that Community Development Block Grant set-aside funds have been designated for three community assessments and Wells has been selected as a potential community if the Board deems it appropriate. She continued that the State Business Development Council is partnering with CDBG to have these assessments done and they should cover all aspects of the community. She continued that the City's role in terms of inkind would be coordination of public meetings, noticing and similar items. She continued that there would be no cash outlay and added that this grant will not compete with the other CDBG public facilities grant the City is submitting for funding.

WELLS FARGO BANK

Member FDIC

Name: RUSTY A TYBO
CITY OF WELLS
Account Number: 4769 0010 8610 4917
Customer Service Phone Number: 888-758-5349

New Balance	\$142.22
Total Credit Line	\$2,500.00
Available Credit	\$2,357.00

Statement Closing Date	02/02/04
Payment Due Date	02/27/04
Min Payment Due	\$20.00

3138

BankCard News

IMPORTANT MESSAGE!!!
INTRODUCING EASYPAY! NOW YOU CAN MAKE AUTOMATIC PAYMENTS FROM YOUR CHECKING OR SAVINGS ACCOUNT! SELECT WHICH WORKS BEST FOR YOU: 1) YOUR FULL BALANCE, 2) YOUR MINIMUM PAYMENT, OR 3) YOUR CHOSEN FIXED AMOUNT EACH MONTH. CALL CUSTOMER SERVICE AT 1-888-758-5349 FOR MORE INFORMATION ON HOW TO ENROLL.

Date of Transaction	Date of Posting	Reference Number	Transaction Description	Amount
			<i>Purchases & Cash Advances</i>	
01/05	01/05	2449280063DWMPM29	BEST WESTERN GOLD CNTRY H ELKO NV <i>ATC Hwy 5120</i>	16.20
01/12	01/12	24154340DG6YRX61T	LA FIESTA #2 ELKO NV <i>Elko County Comm. Taxation</i>	15.71
01/14	01/14	24692160F00VDWQXK	SHELL OIL 64607220027 HIKO NV - <i>League of Cities</i>	17.00
01/19	01/19	24455010K42QFXX1M	WAL-MART STORES, INC ELKO NV ✓	5.20
01/24	01/24	24455010T1EJ46SAT	FLYING J/CFJ WELLS NV ~	17.00
01/25	01/25	24610430S231WGNZ	HOLIDAY INNS F/B WASHINGTON DC - <i>Approv. for Heart</i>	71.11
			<i>Payments</i>	
01/28	01/28	74769000WX2QLDWQF	PAYMENT - THANK YOU	582.00-

TOTAL *FINANCE CHARGE* PAID IN 2004 \$0.00

Account Summary

Previous Balance	\$582.00	Credits	\$0.00
Charges	\$142.22	FINANCE CHARGE	\$0.00
Cash Advances	\$0.00	Debit Adjustments	\$0.00
Payments	\$582.00	New Balance	\$142.22

Periodic Finance Charge Rate(s) That May Be Used

Daily Periodic Rate (May Vary)	.03903%	Number of Days in Billing Cycle	29
EFFECTIVE ANNUAL PERCENTAGE RATE	14.25%	Purchases Balance subject to Finance Charge	\$0.00
Nominal Annual Percentage Rate	14.25%	Advances Balance subject to Finance Charge	\$0.00

10.50-6700 41.11
20.50-6700 41.11
90.51-6260 5.20
90.51-6700 41.11
90.55-6700 13.69

FEB 2 3 2004
382.80
BY: T6 C/6/2004

Notice: See Reverse Side For Important Information About Your Account.

JUST TRAVEL \$4,799.98

World Review DEPARTED CANADA 90-59-6170



CITY OF WELLS
CASH DISBURSEMENT ACCOUNT
1279 CLOVER AVENUE
WELLS, NEVADA 89836
PHONE: (775) 763-3355

NEVADA STATE BANK
P.O. BOX 308
WELLS, NEVADA 89836
94-771224

001556

CHECK NO.

Four Thousand Seven Hundred Ninty Nine Dollars and 98/100 DATE 1/21/03 AMOUNT \$4,799.98***

PAY
TO THE
ORDER JUST TRAVEL
OF 975 TERMINAL WAY
 ELKO, NV 89301

~~COPY NOT NEGOTIABLE~~
AUTHORIZED SIGNATURE

⑈001556⑈ ⑆122400779⑆0492002928⑈

Just Travel
 975 Terminal Way
 Elko, NV 89801
 775-738-9847
 800-891-9847

Statement

CITY OF WELLS
 PO BOX 366
 WELLS, NV 89835

From: / /
 To: 02/07/03

Phone: 775-752-3355 Fax:

Client No: 45

02/07/03 09:56

Page: 1

Issue Dt	Invoice No	Group						
Ticket No	Passenger	Vendor	Start Dt	Itinerary	Fare			
01/10/03	157550							
7321415494	Dedman/Vikki L	America West Ai	01/14/03	SLC/PHX/YYZ	1,102.02			
7321415495	Supp/Jolene	America West Ai	01/14/03	SLC/PHX/YYZ	1,102.02			
7321415496	Sheffield/Nancy	America West Ai	01/14/03	SLC/PHX/YYZ	1,102.02			
7321415497	Barney/Patrick	America West Ai	01/14/03	SLC/PHX/YYZ	1,102.02			
	Dedman/Vikki L	TRANSACTION FEE	01/15/03	/ /	25.00			
	Dedman/Vikki L	TRANSACTION FEE	01/15/03	/ /	25.00			
	Dedman/Vikki L	TRANSACTION FEE	01/15/03	/ /	25.00			
	Dedman/Vikki L	TRANSACTION FEE	01/15/03	/ /	25.00			
								4,508.08
01/10/03	157551							
7321415498	Rhoades/Dean A	America West Ai	01/14/03	SLC/PHX/YYZ	758.40			
7324149750	Nannini/Charles	America West Ai	01/14/03	SLC/PHX/YYZ	758.40			
7324149752	Tybo/Rusty A	America West Ai	01/14/03	SLC/PHX/YYZ	758.40			
7324149754	Brown/Alan	America West Ai	01/14/03	SLC/PHX/YYZ	758.40			
7324149756	Carpenter/John	America West Ai	01/14/03	SLC/PHX/YYZ	758.40			
	Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00			
	Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00			
	Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00			
	Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00			
	Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00			
								3,917.00
01/10/03	157552							
7324149758	Rosse/Herman	America West Ai	01/14/03	RNO/YYZ/CMH	780.00			
	Rosse/Herman	TRANSACTION FEE	01/15/03	/ /	25.00			
								805.00
01/13/03	157559							
7324149765	Brown/Alan	Delta Air Lines	01/14/03	EKO/SLC/EKO	226.50			
7324149766	Rhodes/Dean	Delta Air Lines	01/14/03	EKO/SLC/EKO	226.50			
								453.00

9683.08
 -1009.90 alan Brown pd
 -2904.90 ECEDA
 -4799.98 city of wells pd 1/21/03
 CK # 1556
 3873.20

Total Open: 9,683.08
 Total Unapplied: 5,809.88
 Account Balance: 3,873.20

Debbie
Armonth

Just Travel
975 Terminal Way
Elko, NV 89501
775-738-9847
800-891-9847

Statement

CITY OF WELLS
PO BOX 366
WELLS, NV 89833

From: / /
To: 01/15/03

Phone: 775-752-3355 Fax:

Client No: 45

01/15/03 13:04

Page: 1

Issue Dt	Invoice No	Group	Ticket No	Passenger	Vendor	Start Dt	Itinerary	Fare
01/10/03	157550		7321415494	Dedman/Vikki L	America West Ai	01/14/03	SLC/PHX/YYZ	1,102.02
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			7321415496	Sheffield/Nancy	America West Ai	01/14/03	SLC/PHX/YYZ	1,102.02
			7321415497	Barney/Patrick	America West Ai	01/14/03	SLC/PHX/YYZ	1,102.02
				Dedman/Vikki L	TRANSACTION FEE	01/15/03	/ /	25.00
				Dedman/Vikki L	TRANSACTION FEE	01/15/03	/ /	25.00
				Dedman/Vikki L	TRANSACTION FEE	01/15/03	/ /	25.00
				Dedman/Vikki L	TRANSACTION FEE	01/15/03	/ /	25.00
								4,508.08
01/10/03	157551		7321415498	Rhoades/Dean A	America West Ai	01/14/03	SLC/PHX/YYZ	758.40
			7324149750	Nannini/Charles	America West Ai	01/14/03	SLC/PHX/YYZ	758.40
			7324149752	Tybo/Rusty A	America West Ai	01/14/03	SLC/PHX/YYZ	758.40
			7324149754	Brown/Alan	America West Ai	01/14/03	SLC/PHX/YYZ	758.40
			7324149756	Carpenter/John	America West Ai	01/14/03	SLC/PHX/YYZ	758.40
				Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00
				Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00
				Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00
				Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00
				Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00
								3,917.00
01/10/03	157552		7324149758	Rosse/Herman	America West Ai	01/14/03	RNO/YYZ/CMH	780.00
				Rosse/Herman	TRANSACTION FEE	01/15/03	/ /	25.00
								805.00
01/13/03	157559		7324149765	Brown/Alan	Delta Air Lines	01/14/03	EKO/SLC/EKO	226.50
			7324149766	Rhodes/Dean	Delta Air Lines	01/14/03	EKO/SLC/EKO	226.50
								453.00

Alan Brown = 758.40
25.00
226.50
\$1009.90

Total Open: 9,683.08
Account Balance: 9,683.08

9683.08 / 10 = 968.30 per person

ELEDA = 3 x 968.30

Just Travel
975 Terminal Way
Elko, NV 89801
775-738-9847
800-891-9847

Statement

CITY OF WELLS
PO BOX 366
WELLS, NV 89835

From: / /
To: 01/15/03

Phone: 775-752-3355 Fax:

Client No: 45

01/15/03 13:04

Page: 1

Issue Dt	Invoice No	GROUP	Ticket No	Passenger	Vendor	START DT	Itinerary	Rate
01/10/03	157550		7321415494	Dedman/Vikki L	America West Ai	01/14/03	SLC/PHX/YYZ	1,102.00
			7321415495	Summ/Joleen	America West Ai	01/14/03	SLC/PHX/YYZ	1,102.00
			7321415496	Shaffield/Nancy	America West Ai	01/14/03	SLC/PHX/YYZ	1,102.00
			7321415497	Barney/Patrick	America West Ai	01/14/03	SLC/PHX/YYZ	1,102.00
				Dedman/Vikki L	TRANSACTION FEE	01/15/03	/ /	25.00
				Dedman/Vikki L	TRANSACTION FEE	01/15/03	/ /	25.00
				Dedman/Vikki L	TRANSACTION FEE	01/15/03	/ /	25.00
				Dedman/Vikki L	TRANSACTION FEE	01/15/03	/ /	25.00
								4,508.00
01/10/03	157551		7321415498	Rhoades/Dean A	America West Ai	01/14/03	SLC/PHX/YYZ	758.40
			7324149750	Nannini/Charles	America West Ai	01/14/03	SLC/PHX/YYZ	758.40
			7324149752	Tybo/Rusty A	America West Ai	01/14/03	SLC/PHX/YYZ	758.40
			7324149754	Brown/Alan	America West Ai	01/14/03	SLC/PHX/YYZ	758.40
			7324149756	Carpenter/John	America West Ai	01/14/03	SLC/PHX/YYZ	758.40
				Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00
				Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00
				Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00
				Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00
				Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00
								3,917.00
01/10/03	157552		7324149758	Rosse/Herman	America West Ai	01/14/03	RNO/YYZ/CMH	780.00
				Rosse/Herman	TRANSACTION FEE	01/15/03	/ /	25.00
								805.00
01/13/03	157559		7324149765	Brown/Alan	Delta Air Lines	01/14/03	EKO/SLC/EKO	226.50
			7324149766	Rhodes/Dean	Delta Air Lines	01/14/03	EKO/SLC/EKO	226.50
								453.00

Total Open: 9,683.08
Account Balance: 9,683.08

Alan Brown = 758.40
25.00
226.50

\$1009.90

2904.90

968.30

~~6726.58~~

4799.98

9683.08 / 10 = 968.30 per person

ECEDA = 3 x 968.30

ECEDA -
County -
City

Member FDIC

Name: JOLENE SUPP
CITY OF WELLS

Account Number: 4769 0010 8690 1114

Customer Service Phone Number: 888-758-5349

3138

New Balance	\$263.71
Total Credit Line	\$5,000.00
Available Credit	\$4,736.00

Statement Closing Date	12/03/02
Payment Due Date	12/28/02
Min Payment Due	\$0.00

Date of Transaction	Date of Posting	Reference Number	Transaction Description	Amount
<i>Purchases & Cash Advances</i>				
11/05	11/05	2445501N56P643VG8	PILOT CORP #340 FERNLEY NV <i>would renew</i>	22.12
11/14	11/14	2414202NFS662ZBMR	WYLLIE'S COPY CENTER CARSON CITY NV <i>would renew</i>	14.25
11/14	11/14	2462512NFQ8N36BJX	CHEVRON SILVERADO CHEVRO FERNLEY NV	17.00
11/15	11/15	2432300NG3JJ56WSY	SILVERADO RESTAURANT/C FERNLEY NV	20.95
11/15	11/15	2449398NF8AKKPJFF	THE PLAZA MOTEL CARSON CITY NV <i>Pool Pack</i>	47.52
11/15	11/15	2449398NF8AKKPJJP	THE PLAZA MOTEL CARSON CITY NV <i>Pool Pack</i>	47.52
11/15	11/15	2462512NGQ8N8J25A	CHEVRON SILVERADO CHEVRO FERNLEY NV	10.00
11/15	11/15	2480389NF0029KZ0D	RED'S OLD 395 GRILL CARSON CITY NV	60.96
11/20	11/20	2449241NMRRRKJZXB	DEE'S COLLECTIBLE WELLS NV <i>would renew</i>	23.39
<i>Payments</i>				
11/27	11/27	7476900NXX2QLDWBJ	PAYMENT - THANK YOU	660.99-

PAYMENT OF AMOUNT IN DISPUTE \$298.99 NOT REQUIRED.

Account Summary

Previous Balance	\$660.99	Credits	\$0.00
Purchases	\$263.71	FINANCE CHARGE	\$0.00
Cash Advances	\$0.00	Debit Adjustments	\$0.00
Payments	\$660.99	New Balance	\$263.71

Periodic Finance Charge Rate(s) That May Be Used

Daily Periodic Rate (May Vary)	.03629%	Number of Days in Billing Cycle	29
EFFECTIVE ANNUAL PERCENTAGE RATE	13.25%	Purchases Balance subject to Finance Charge	\$0.00
Nominal Annual Percentage Rate	13.25%	Advances Balance subject to Finance Charge	\$0.00

1114
Dec 02 stmt

PAID
DEC 26 2002
K# 1547-26371

90-59-6170

Notice: See Reverse Side For Important Information About Your Account.

MYLIE'S COPY CENTER
211 E. 9TH ST.
CARSON CITY, NV 89701
775-683-6973

DEE'S COLLECTIBLES
PO BOX 444 144 HWY 93
WFLS, NV 89835
(775)752-2391

BATCH: 147
S-A-L-E-S D-R-A-F-T
74369492
396200007856

C O P Y
11/20/2002 15:08
Sale:

REF: 0002
CD TYPE: VISA
TR TYPE: PURCHASE
DATE: NOV 14, 02 14:35:49

Transaction # 3
Card Type: VISA
Acc: 4769001086501114
Exp. Date: 0904
Entry: Swiped
Bse Amt: 20.39

TOTAL \$14.25

Tip Amount 3

ACCT: 4769001086501114
AP: 014900
NAME: JOLENE SUIT
TAX: \$0.00
OK 1547 203.71

EXP: 09/04

Total Amt: 23.39

PA
DEC 26

CARDMEMBER ACKNOWLEDGES RECEIPT OF GOODS
AND/OR SERVICES IN THE AMOUNT OF THE
TOTAL SHOWN HEREON AND AGREES TO PERFORM
THE OBLIGATIONS SET FORTH BY THE
CARDMEMBER'S AGREEMENT WITH THE ISSUER

Reference: PAID 0003
Auth. Code: 020798
Response: DEC 26 2002
OK 1547 203.71

THANKS FOR USING VISA

Jolene Suit

TOP COPY-MERCHANT BOTTOM COPY

Member FDIC

Name: **JOLENE SUPP**
CITY OF WELLS
 Account Number: 4769 0010 8690 1114
 Customer Service Phone Number: 888-758-5349

3138

New Balance	\$1,266.99
Total Credit Line	\$5,000.00
Available Credit	\$3,733.00

Statement Closing Date	02/04/03
Payment Due Date	03/01/03
Min Payment Due	\$20.00

90-51-6550 92.53
 90-51-6600 17.36
 90-59-6170 1157.10

1266.99

Date of Transaction	Date of Posting	Reference Number	Transaction Description	Amount
			<i>Purchases & Cash Advances</i>	
01/09	01/09	24226380A9ABNMRAL	WAL MART ELKO NV - Vacuum City Hall	92.53
01/09	01/09	24323010A78Z7BJRW	JR'S BAR & GRILL ELKO NV - County Com meeting	51.80
01/09	01/09	24423630A4TNP5ZJJ	ANGLE LAKE TESORO WELLS NV	17.36
01/14	01/14	24445000FG0JK8N48	IIMSHOST-PIX-AIR #0004 PHOENIX AZ - Denver	59.50
01/15	01/15	74479320G03PQZ393	NATL CAR CANADA TORONTO CD	129.21
			3017 196.82 124 0.656488161 - car rental	
01/15	01/15	74537970GSRSL2XBX	REGAL CONSTELLATION HOTEL ETOBICOKE CD	65.75
			3017 100.15 124 0.656515227 - carpenter	
01/15	01/15	74537970GSRSL2XF0	REGAL CONSTELLATION HOTEL ETOBICOKE CD	65.44
			3017 99.68 124 0.656500802 - Rosse, Herman	
01/15	01/15	74537970GSRSL2XJ3	REGAL CONSTELLATION HOTEL ETOBICOKE CD	65.44
			3017 99.68 124 0.656500802 Tybo	
01/15	01/15	74537970GSRSL2XJ3	REGAL CONSTELLATION HOTEL ETOBICOKE CD	70.92
			3017 108.03 124 0.656484309 - nannini	
01/15	01/15	74537970GSRSL2XJ3	REGAL CONSTELLATION HOTEL ETOBICOKE CD	65.44
			3017 99.68 124 0.656500802 - Rhoads	
01/15	01/15	74537970GSRSL2XJ3	REGAL CONSTELLATION HOTEL ETOBICOKE CD	65.44
			3017 99.68 124 0.656500802 Supp	
01/15	01/15	74537970GSRSL2XM4	REGAL CONSTELLATION HOTEL ETOBICOKE CD	65.44
			3017 99.68 124 0.656500802 - Banquet	
01/16	01/16	74537970HSRSM6A8X	REGAL CONSTELLATION HOTEL ETOBICOKE CD	296.85
			3018 451.47 124 0.657518772 - Banquet	
01/16	01/16	74537970HSRSM69T4	REGAL CONSTELLATION HOTEL ETOBICOKE CD - Breakfast	87.67
			3018 133.33 124 0.657541438 -	
01/17	01/17	74510200JSFW3476T	STRONCO AUDIO VISUALS TORONTO CD	68.20
			3021 103.50 124 0.658937198 - Overhead Projector	
			<i>Payments</i>	
01/29	01/29	74769000ZX2QLDWBM	PAYMENT - THANK YOU	38.04-

PAID
FEB 26 2003
 CASH 1675.1266.99

Notice: See Reverse Side For Important Information About Your Account.

HFCHost
 N4 Home turf
 Harbor Intl Airport
 319
 107/1
 4502 Jaclyn
 AN14 03 12:45PM
 VISA AO 4*
 XXXXXXXXXXXX1114
 XX/XX
 014551
 JULIENE SUPP

TOTAL: 49.50
 I agree to comply with the card
 issuer agreement.
 10.-
 59.50
 Signature: *JLS*

JR'S GOLD COUNTRY
 BAR & GRILL
 350 Idaho Street
 Elko NV, 89801
 (775) 776-0515

MF: ANGELETTA
 Date 01/09/03
 Table 22
 Card Number 4769001086901114
 Auth Code 009211
 AMOUNT 49.50
 Tip 6.-
 Total 55.50

County Com
 Ntz
 Cardmember agrees to comply with the card issuer agreement if credit card is used.
 World Renew
 *** Customer Cop ***

HFCHost
 N4 Home turf
 Phoenix Sky Harbor Intl Airport
 4502 Jaclyn
 107/1 319 03
 JAN14 01 12:32PM

SEAT 1
 1 BAR SODA 0.00
 NO REFILL 2.39
 COFFEE
 CHICAGO DOG 1.49
 BLT SANDWICH 1.49
 BLT SANDWICH 1.49
 DON'T MAKE W
 Subtotal 45.79
 Tax 3.71 Amount 49.50

 Subtotal 45.79
 Tax 3.71
 Amount \$49.50

HFCHost
 N4 Home turf
 Phoenix Sky Harbor Intl Airport

CREDIT CARD VOUCHER

REGAL CONSTELLATION HO

MERCH NUM: 4537127043
 TABLE ID : 210/1
 SERV/KEY: 59/59
 TIME/DATE: 08:12 1/15/03
 CHECK NUM: 506496
 APPR CODE: 015342
 PAY TYPE: VISA
 ACCOUNT: 4769001086901114
 EXP DATE: 0904
 ENTRY MOD: SWIPED
 REFERENCE: 1153506496

VOUCHER TOTAL:

TIP:

GRAND TOTAL:

X *JLS*
 SIGNATURE

I AGREE TO PAY TOTAL AMOUNT ACCORDING TO THE CARD ISSUER AGREEMENT (NEED AGREEMENT IF CREDIT VOUCHER)

Just Travel
975 Terminal Way
Elko, NV 89801
775-738-9847
800-891-9847

Statement

CITY OF WELLS
PO BOX 366
WELLS, NV 89835

From: / /
To: 01/15/03

Phone: 775-752-3355 Fax:

Client No: 45

01/15/03 13:04

Page: 1

Issue Dt	Invoice No	Group	Ticket No	Passenger	Vendor	Start Dt	Itinerary	Rate
01/10/03	157550		7321415494	Dedman/Vikki L	America West Ai	01/14/03	SLC/PHX/YYZ	1,102.02
			7321415495	Supp/Joleen	America West Ai	01/14/03	SLC/PHX/YYZ	1,102.02
			7321415496	Sheffield/Nancy	America West Ai	01/14/03	SLC/PHX/YYZ	1,102.02
			7321415497	Barney/Patrick	America West Ai	01/14/03	SLC/PHX/YYZ	1,102.02
				Dedman/Vikki L	TRANSACTION FEE	01/15/03	/ /	25.00
				Dedman/Vikki L	TRANSACTION FEE	01/15/03	/ /	25.00
				Dedman/Vikki L	TRANSACTION FEE	01/15/03	/ /	25.00
				Dedman/Vikki L	TRANSACTION FEE	01/15/03	/ /	25.00
								4,508.08
01/10/03	157551		7321415498	Rhoades/Dean A	America West Ai	01/14/03	SLC/PHX/YYZ	758.40
			7324149750	Nannini/Charles	America West Ai	01/14/03	SLC/PHX/YYZ	758.40
			7324149752	Tybo/Rusty A	America West Ai	01/14/03	SLC/PHX/YYZ	758.40
			7324149754	Brown/Alan	America West Ai	01/14/03	SLC/PHX/YYZ	758.40
			7324149756	Carpenter/John	America West Ai	01/14/03	SLC/PHX/YYZ	758.40
				Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00
				Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00
				Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00
				Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00
				Rhoades/Dean A	TRANSACTION FEE	01/15/03	/ /	25.00
								3,917.00
01/10/03	157552		7324149758	Rosse/Herman	America West Ai	01/14/03	RNO/YYZ/CMH	780.00
				Rosse/Herman	TRANSACTION FEE	01/15/03	/ /	25.00
								805.00
01/13/03	157559		7324149765	Brown/Alan	Delta Air Lines	01/14/03	EKO/SLC/EKO	226.50
			7324149766	Rhodes/Dean	Delta Air Lines	01/14/03	EKO/SLC/EKO	226.50
								453.00

Total Open: 9,683.08
Account Balance: 9,683.08

Alan Brown = 758.40
25.00
226.50
\$1009.90

9683.08 / 10 = 968.30 per person

ECEDA -
County -
C.I.

2904.90

968.30

ECEDA = 3 x 968.30

PAID
FEB 26 2003
1675.1266 99/08

CREDIT CARD AUTHORIZATION FORM

COMPANY: CITY OF WELLS
Jolene Supp
1279 Clover St.
Well, Nevada
USA89835

NAME OF FUNCTION: CITY OF WELLS

DATE OF FUNCTION: Tuesday, January 14, 2003

TO: REGAL CONSTELLATION HOTEL
ATTN: Larissa Derkatch
900 Dixon Road
Etobicoke, Ontario
M9W 1J7

RE: PAYMENT BY CREDIT CARD

I/We authorize Regal Constellation Hotel to charge on my/our credit card for the upcoming function.

CREDIT CARD NUMBER	X <u>4769 0010 8690 1114</u> Visa
EXPIRY DATE	X <u>09/04</u>
NAME OF CARD HOLDER	X <u>City of Wells, Jolene Supp</u>
NATURE OF CHARGES	X <u>Projector & Screen / Meal</u>
SIGNATURE OF CARD HOLDER OR AUTHORIZED SIGNATORIES	X <u>Jolene M Supp</u>

PAID
 FEB 26 2003
 #1675-1266-99/08



REGAL CONSTELLATION HOTEL

Monday, 13 January 2003

Jolene Supp
CITY OF WELLS
1279 Clover St.
Well, Nevada
USA 89835

Dear Jolene:

Thank you for selecting the Regal Constellation Hotel for your Meeting to be held on Tuesday, January 14, 2003.

The enclosed function agreement outlines the details of your upcoming function. Please check this form for accuracy and return one signed copy along with the Terms & Conditions and the Credit Card Authorization Form by Monday, January 13, 2003. Should you require any changes to your function, please note them on the copy to be returned. The Hotel reserves the right to release all space if confirmation is not received by the above due date.

If you plan to send any boxes or materials to our Hotel, please ask me about the best procedure. Customs Brokerage must always be pre-arranged. Please confirm your agenda times as stated on the function agreement, and be advised that if food service is delayed at any time by more than 30 minutes, a labour charge will be applied. Also, a guarantee of attendance for meal functions is required 72 hours prior to the function.

In the meantime, if I may be of any assistance, please contact me directly at (416) 675-1500 Ext. 6333. I look forward to ensuring the success of your function, and wish to thank you for your patronage of the Regal Constellation Hotel.

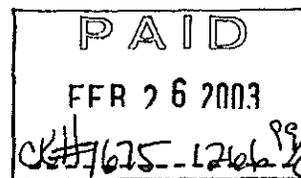
Sincerely,

REGAL CONSTELLATION HOTEL

Larissa Derkatch
Catering Coordinator

LD/ld

Enclosure



A REGAL INTERNATIONAL HOTEL

900 DIXON ROAD • ETOBICOKE, TORONTO, ONTARIO • CANADA M9W 1J7
PHONE 416.675.1500 • RESERVATIONS 800.268.4838 • FAX 416.675.1737
WEBSITE: <http://RegalHotel.com>

REGAL CONSTELLATION HOTEL
TORONTO, CANADA

100 Dixon Road, Etobicoke (Toronto), Ontario, Canada M9W 1J7
Tel: (416) 675-1500 Fax: (416) 675-4611
Direct Catering Line: (416) 798-6400

BEO 57693

Page: 1 of 1

Created: 1/13/03

FUNCTION AGREEMENT

Account: CITY OF WELLS Post As: CITY OF WELLS Event: Address: 1279 Clover St. Well, Nevada 89836	Event Date: Tuesday, January 14, 2003 Contact: Jolene Supp Phone: 775-752-3120 Fax: 775-752-3419 On-Site: Catering Src: Larissa Derkatch
------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

It is the responsibility of the Conventor to pre-arrange customs brokerage if required.

Date	Time	Room	Function	Set-up	AGR	EXP	GTD	Rental
Jan 14, 2003	7:00 PM - 10:00 PM	Salon #26	MTG	BDRM	13	13		

<p align="center">Food Requirements</p> <p align="center">*** LIGHT DINNER MENU TBA ***</p> <p align="center">Audio Visual Requirements</p> <p>SCREEN PROJECTOR</p> <p>RENTAL CHARGE FOR AUDIO VISUAL EQUIPMENT TO BE BILLED SEPARATELY BY RENTAL COMPANY. ALL RIGGING REQUIREMENTS SUBJECT TO HOTEL APPROVAL. DAMAGE CHARGES WILL BE LEVIED WHERE APPLICABLE.</p>	<p align="center">Beverage Requirements</p> <p align="center">***NOT REQUIRED***</p> <p align="center">Set Up Requirements</p> <p>Boardroom Style x13 Pens/Pads/Mints Water on the Tables</p> <p>Please review your requested set-up carefully. We would be pleased to prepare a floorplan at your request. Changes and/or additions to set-up may result in additional labour charges.</p> <p align="center">Miscellaneous</p> <p>Method of Payment: Accounting Charge to Credit Card</p> <p>SIGNING OFFICER SIGNATURE IS REQUIRED FOR ADDITIONAL SERVICES REQUESTED.</p>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Guarantee number is required 72 hours prior to function. You will be billed for guarantee number or attendance, whichever is larger. We are prepared to serve 10% above guaranteed number to a maximum of 25 persons. ②

Food Tax: 8% Beverage Tax: 10% Service Charge: 15% GST: 7%

Jolene M
 Organization Authorized Signature _____ Date _____

[Signature] Jan 13, 03
 Hotel Representative Signature _____ Date _____

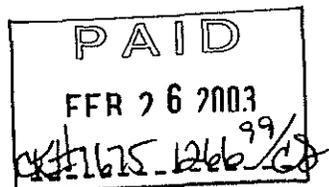
PAID
 FEB 26 2003
 1266-99

TERMS AND CONDITIONS

By the execution of this contract, the Convenor acknowledges and accepts the following terms and conditions:

1. The Regal Constellation Hotel (the "Hotel") shall not be liable or responsible in any manner whatsoever for any loss, injury or damages in any form or of any kind sustained by the Convenor or any person attending the function or any other person, firm or corporation whatsoever, including without limitation, any loss or damage resulting from:
 - (a) the inability of the Hotel to perform the services set out herein as a result of any strike, flood, fire, force majeure or act of God;
 - (b) the conduct of any person or persons attending the function;
 - (c) the conduct of the Convenor or the management of the function by or on behalf of the Convenor; and
 - (d) loss of any items or exhibits to be displayed; and the Convenor agrees to indemnify and save harmless the Hotel in respect of any and all claims for any such loss, injury or damages.
2. The Convenor agrees to indemnify the Hotel from any losses or damages suffered by the Hotel directly or indirectly in any manner whatsoever arising in connection with the function, including without limitation, any loss or damage resulting from:
 - (a) the conduct of any person attending the function;
 - (b) the failure of any person attending the function to pay his room bill; and
 - (c) any claim made against the Hotel for damages or losses suffered by any person resulting from anything done by the Hotel at the request of the Convenor or by the convenor on the premises of the Hotel or from any property brought onto the premises of the Hotel by or at the request of the Convenor.
3. The Hotel may request that the Convenor provide the Hotel with a deposit at any time prior to the date of the function which amount shall be held by the Hotel as a deposit, a part or all of which may be retained by the Hotel as reimbursement for any damages suffered by the Hotel, whether or not the function is held.
4. The Hotel may substitute a comparable function room(s) within the Hotel for the function room named on the reverse side hereof.
5. The Convenor shall be liable for the full cost per person for the total number of guests contemplated herein with respect to food and beverage requirements save and except that the Convenor may notify the catering office at least seventy-two hours prior to the commencement of the function of a reduction in the number of guests not in excess of 15% of the number stated herein and the aggregate cost shall be reduced accordingly.
6. If the Convenor provides the Hotel with written set-up instructions at least ten days prior to the date of the function, the Hotel shall use its best efforts to implement same, provided that the Hotel shall not be obliged to provide special electrical arrangements but if same are provided the Hotel shall be entitled to charge the Convenor for same and the use thereof.
7. In the event that displays or exhibits are to be used, arrangements therefore must be made with the catering office at least two weeks prior to the function.
8. Prices quoted herein are subject to change unless the function is to be held within sixty days of the date of this contract.
9. The Convenor agrees that the function will be conducted in a proper and orderly fashion and so as not to disturb other functions or other guests of the Hotel.
10. A charge will be levied when deemed necessary by the Hotel for removal of garbage or extraordinary cleaning.
11. Any placement of promotional materials or signage in the Hotel outside the function room must first be approved by the Hotel.
12. The references herein to Convenor mean the Convenor, its members, officers, employees and agents.
13. The Convenor agrees that no retail sale of merchandise will be conducted in the above named function room.

Approved: X John M. [Signature] Date: X 4/13/03



TOTAL P. 65

REGAL CONSTELLATION HOTEL
TORONTO, CANADA

900 Dixon Road, Etobicoke (Toronto), Ontario, Canada M9W 1J7
Tel: (416) 675-1500 Fax: (416) 675-4611
Direct Catering Line: (416) 798-6400

JAN 13 2003

LD

BEO 67893
Page: 1 of 1
Created: 1/13/03

FUNCTION AGREEMENT

Account: CITY OF WELLS
Post As: CITY OF WELLS
Event:
Address: 1279 Clover St.
Well, Nevada 89835

Event Date: Tuesday, January 14, 2003
Contact: Jolene Supp
Phone: 775-752-3120
Fax: 775-752-3419
On-Site:
Catering Src: Larissa Darketch

It is the responsibility of the Convenor to pre-arrange customs brokerage if required.

Date	Time	Room	Function	Set-up	AGR	EXP	GTD	Rental
Jan 14, 2003	7:00 PM - 10:00 PM	Salon #26	MTG	BDRM	13	13	11	

Food Requirements

D102 - OLD FASHIONED ROAST BEEF

Serve: 8:00 PM to 10:00 PM

Chef's Homemade Soup of the Day

Regel House Salad

Fresh Seasonal Greens Tossed
with your choice of Dressing

Old Fashioned Country Style Roast Beef

Slowly Braised Round of Beef in a Red Wine Reduction
with Root Vegetables

Served with Roasted Potatoes & Green Beans

Freshly Baked Rolls with Dairy Butter

Fruit Flan

Coffee, Tea, & Decaf

11 people @ \$26.50 Per person

Audio Visual Requirements

SCREEN
PROJECTOR

RENTAL CHARGE FOR AUDIO VISUAL EQUIPMENT TO BE
BILLED SEPARATELY BY RENTAL COMPANY. ALL RIGGING
REQUIREMENTS SUBJECT TO HOTEL APPROVAL. DAMAGE
CHARGES WILL BE LEVIED WHERE APPLICABLE.

Beverage Requirements

NOT REQUIRED

Set Up Requirements

Boardroom Style x13

Pens/Pads/Mints

Water on the Tables

Please review your requested set-up details carefully. We would
be pleased to prepare a floorplan at your request. Changes and/or
additions to set-up may result in additional labour charges.

Miscellaneous

Method of Payment: Accounting Charge to Credit Card
SIGNING OFFICER SIGNATURE IS REQUIRED FOR
ADDITIONAL SERVICES REQUESTED.

✓ CC: Room Service

PAID
FEB 26 2003
CK# 1675-126699

Guarantee number is required 72 hours prior to function. You will be billed for guarantee number or attendance whichever is less. We
are prepared to serve 10% above guaranteed number to a maximum of 25 persons.
Food Tax: 8% Beverage Tax: 10% Service Charge: 15% GST: 7%

[Signature]
Organization Authorized Signature Date

[Signature]
Hotel Representative Signature Date

TOTAL P.02



REGAL CONSTELLATION HOTEL

CANADA

A REGAL INTERNATIONAL HOTEL

900 DIXON ROAD

ETOBICOKE, M9W 1J7

Phone : 416-675-1500 Fax : 416-675-1737

Internet : <http://www.regalhotel.com>

REMINDER
PLEASE RETURN YOUR ROOM
KEY UPON YOUR DEPARTURE

Account : 446679

Arrival : 1/14/03

Departure : 1/16/03

Room :

Rate : 0

No Of Guest : 0

Guest : CITY OF WELLS
Company : ATTN: JOLEME SUPP
Address : 1279 CLOVER ST.,
WELL, NEVADA 89835

Checked Out By :

Out Time :

NO.	DATE	DESCRIPTION	COMMENT		
1	1/15/03	BANQUET FOOD	BANQUET FOOD #48473 1/14	\$344.50	
2	1/15/03	BANQUET GRATUITY	BANQUET GR #48473 1/14D	\$51.68	
3	1/15/03	BANQUET PST	BANQUET PST	\$27.56	
4	1/15/03	BANQUET GST	BANQUET GST	\$27.73	
5	1/16/03	VISA	VISA		\$451.47

**PAID IN FULL
THANK YOU**

PAID
FEB 26 2003
#1675-1266-99

Grand Total: \$451.47 \$451.47

Balance: \$0.00

GST Vendor Number:121218374RT0001

34.73/person
(Canadian)

I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges. Interest in the amount of 2% per month (24% per annum) will be charged on the overdue balance.

Je m'engage personnellement à défrayer les frais encourus soit en partie ou entier, à défaut de paiement complet par la compagnie, l'association ou son représentant désigné. Un intérêt au montant de 2% par mois (24% par an) sera chargé sur le solde non - payé.

Guest
Signature du client



REGAL CONSTELLATION HOTEL

CANADA

A REGAL INTERNATIONAL HOTEL

900 DIXON ROAD

ETOBICOKE, M9W 1J7

Phone : 416-675-1500 Fax : 416-675-1737

Internet : <http://www.regalhotel.com>

REMINDER
PLEASE RETURN YOUR ROOM
KEY UPON YOUR DEPARTURE

Account : 446179

Arrival : 01/14/2003

Departure : 01/15/2003

Room : 246

Rate : 89.00

No Of Guest : 1

Checked Out By : HC

Out Time : 07:01

Guest : CARPENTER, JOHN
Company :
Address : 1279 CLOVER STREET
WELLS NV 89835 US

NO.	DATE	DESCRIPTION	COMMENT	CHARGES	CREDITS
1	01/14/2003	LONG DISTANCE	246/23:31/10/8002255288	\$0.44	
2	01/14/2003	LONG DISTANCE GST	LONG DISTANCE GST	\$0.03	
3	01/14/2003	ROOM CHARGE	#246 CARPENTER, JOHN	\$89.00	
4	01/14/2003	ROOM PST	ROOM PST	\$4.45	
5	01/14/2003	ROOM GST	ROOM GST	\$6.23	
6	01/15/2003	VISA	VISA		\$100.15

PAID
FER 26 2003
#1675-1266-92/8

Grand Total: \$100.15 \$100.15

Balance: \$0.00

GST Vendor Number:121218374RT0001

I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part or the full amount of these charges. Interest in the amount of 2% per month (24% per annum) will be charged on the overdue balance.

Je m'engage personnellement à défrayer les frais encourus soit en partie ou entier, à défaut de paiement complet par la compagnie, l'association ou son représentant désigné. Un intérêt au montant de 2% par mois (24% par an) sera chargé sur le solde non - payé.

Guest
Signature du client

Upon introduction and motion by Councilman Calvin S. Stark, a second by Councilman Henry L. Chapman, Jr., the following resolution was duly passed and adopted:

**CITY OF WELLS, NEVADA
RESOLUTION NO. 05- 4**

A RESOLUTION DISTRIBUTING A FEDERAL GRANT TO BE RECEIVED BY THE CITY TO HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES, INC. (HEART) FOR RECYCLING FOR ENERGY CONSERVATION PROJECT UPON RECEIPT OF THE GRANT BY THE CITY

WHEREAS, United States House of Representatives Appropriation Bill No. 4818 has appropriated \$250,000.00, less \$2,000.00 administration fee, to the City of Wells, Nevada for a Recycling for Energy Conservation Project; and

WHEREAS, the Recycling for Energy Conservation Project is being implemented by HEART by building a microwave process scrap tire recycling facility which will produce hydrocarbon gas and oil from the process which will be used as power for the facility and additional electrical power for sale to the electrical power grid; and

WHEREAS, the distribution of the Federal Grant fund from the City to HEART will serve a public purpose of conferring a direct benefit of a general character to a significant part of the public and citizens of the City of Wells creating additional jobs, economic development, taxes and small business generation of alternative electrical power; and

WHEREAS, the City of Wells has the authority through its Charter, Section 2.130, to dispose of property for the benefit of the City and is not prohibited by the Nevada Constitution or otherwise from donating money to a corporation for purposes which will benefit the City and serve a public purpose.

NOW, THEREFORE BE IT RESOLVED AND ORDERED BY THE WELLS CITY COUNCIL AS FOLLOWS:

That when the City receives from the Federal Government the \$248,000.00 grant for the Recycling for Energy Conservation Project, i.e., the scrap tire recycling facility

which is being built by HEART that the City distribute the grant funds to HEART when HEART has receive the occupancy permit to occupy and operate the constructed facility.

All orders, resolutions or parts thereof in conflict with this resolution and these orders are hereby repealed.

IT IS FURTHER RESOLVED, that upon adoption of this Resolution by the City Council, it shall be signed by the Mayor and attested to by the City Clerk.

PASSED, APPROVED AND SIGNED this 26th day of April, 2005.

CITY OF WELLS

By Rusty Tybo
RUSTY TYBO, Mayor

ATTEST:

Catherine Sue Smith
CATHERINE SUE SMITH, City Clerk

VOTE:

AYES:

W. Chapman
W. S. Smith

NAYES:

None

ABSENT:

Vikki L. Dedman

ABSTAINED:

Kenny W. Huff

PURCHASE AND SALE AGREEMENT

by and between

**HUMBOLDT ENVIRONMENTAL AND
RENEWABLE TECHNOLOGIES, INC., BUYER**

and

CITY OF WELLS, SELLER

Dated as of June 22, 2004

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (the "Agreement") is made this 22nd day of June, 2004, by and between HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES, INC., a Nevada corporation (hereinafter "BUYER"), and the CITY OF WELLS, a municipal corporation organized and existing under the laws of the State of Nevada (hereinafter "SELLER").

R E C I T A L S:

A. SELLER is the owner of certain real property situate in the City of Wells, Elko County, Nevada, more particularly described as follows:

All that certain lot, piece or parcel of land situated in the City of Wells, Elko County, Nevada, described as follows:

Lot 6, Block 1, City of Wells Industrial Park Subdivision, as shown on the map dated April 23, 1998, and filed in the Office of the County Recorder of Elko County, State of Nevada, as File No. 455828.

TOGETHER WITH all tenements, hereditaments and appurtenances thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

SUBJECT TO reservations, restrictions, encumbrances, easements and rights of way, existing or of record.

B. SELLER desires to sell, and BUYER desires to purchase the real property described above, together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders thereof, with all covenants, licenses, privileges and benefits thereto belonging, and any easements, rights-of-way, rights of ingress and egress to any highway, street, road or avenue, open or proposed, abutting or adjoining such real property. The real property hereinabove described is hereinafter referred to as the "Real Property."

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter contained, SELLER and BUYER agree as follows:

ARTICLE 1
PURCHASE AND SALE OF REAL PROPERTY

Section 1.01 Purchase of Real Property. SELLER agrees to sell and BUYER agrees to purchase the Real Property on the terms and conditions set forth in this Agreement.

Section 1.02 Consideration. The purchase price for the Real Property is TWO HUNDRED SIXTY-ONE THOUSAND SIX HUNDRED SIXTY DOLLARS (\$261,660.00), payable by the BUYER to the SELLER in the following manner:

1. A principal payment in the sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) due on September 1, 2004.
2. The balance of the purchase price, hereinafter referred to as the "deferred balance" in the sum of TWO HUNDRED THIRTY-SIX THOUSAND SIX HUNDRED SIXTY DOLLARS (\$236,660.00), shall be paid as follows:
 - (a) An interest-only payment, with interest at the rate of 8% per annum on the deferred balance accruing from September 1, 2004 to September 1, 2005, payable in the amount of \$18,932.80 on September 1, 2005;
 - (b) An interest-only payment, with interest at the rate of 9% per annum on the deferred balance accruing from September 1, 2005 to September 1, 2006, payable in the amount of \$21,299.40 on September 1, 2006;
 - (c) A principal payment of \$25,000.00 without interest due on September 1, 2007;
 - (d) A principal payment of \$50,000.00 without interest due on September 1, 2008;
 - (e) A principal payment of \$50,000.00 without interest due on September 1, 2009; and
 - (f) The remaining balance of principal without interest in the sum of \$136,660.00 due on September 1, 2010.

Amended 9/28/2004 by City of Wells Board of Councilmen to reflect correct amount of \$111,660.00 

3. The BUYER may, at its option, increase the amount of the said payments, or may make additional or further payments on the principal balance then due, or may pay in full at any time the principal balance then due, all without a penalty or additional charge, save and except only for any interest then due.
4. The deferred balance shall be evidenced by a Promissory Note encompassing the applicable provisions hereof, and providing for acceleration of the total unpaid amount due in the event of default, which default extends for a period of thirty-five (35) days or more, which provides for the payment of attorney fees and costs in the event of default, and which provides for waiver of presentment, protest, notice of dishonor and diligence in collecting.
5. The payment of the deferred balance shall be secured by a Deed of Trust on the Real Property hereinbefore described, shall contain the ordinary and usual covenants, and specifically covenants numbered 1, 2 (reasonable), 3, 4 (8% per annum), 5, 6, 7 (reasonable), 8 and 9 of N.R.S. 107.
6. SELLER agrees with BUYER to subordinate the deed of trust to the primary loan which BUYER will obtain for the construction of a manufacturing facility on the Real Property.

ARTICLE 2 TITLE

Section 2.01 Title to Real Property. Title to the Real Property shall be evidenced by a Grant, Bargain and Sale Deed conveying good and marketable title to the Real Property to BUYER in a fee simple, free and clear of all liens and encumbrances. SELLER shall provide BUYER with a title insurance policy in the principal sum of the purchase price.

ARTICLE 3 INSPECTION AND APPROVAL OF REAL PROPERTY

Section 3.01 Approval of Real Property. BUYER is familiar with the condition of the property. BUYER is purchasing the property "as is" without any other representations or warranties except those contained in Article 2 above.

ARTICLE 4
CLOSING DATE AND CLOSING OBLIGATIONS

Section 4.01 Closing Date. The Closing Date shall be no later than September 1, 2004.

Section 4.02 BUYER's Closing Obligations. On or before the Closing Date, BUYER shall deliver the following:

- a. The cost of recording the Deed;
- b. An amount equal to the Nevada Real Property Transfer Tax; and
- c. Such other documents as are reasonably required by BUYER to carry out the terms and provisions of this Agreement, including the Promissory Note and Deed of Trust.

Section 4.03 SELLER's Closing Obligations. At the Closing, SELLER shall furnish and deliver the following:

- a. The Deed;
- b. Any and all transfer declarations or disclosure documents, duly executed by the appropriate parties, required in connection with the Deed by any state, county or municipal agency having jurisdiction over the Real Property or the transactions contemplated hereby; and
- c. Such other documents as are reasonably required by BUYER to carry out the terms and provisions of this Agreement.

ARTICLE 5
REMEDIES

Section 5.01 Remedies. SELLER and BUYER shall be entitled to all remedies at all or in equity.

ARTICLE 6
MISCELLANEOUS

Section 6.01 Successors and Assigns. This Agreement shall be binding not only upon the parties but also upon their respective assigns and other successors in interest.

Section 6.02 Time. Time is of the essence of this Agreement. In the event that any date specified in this Agreement falls on a Saturday, Sunday or a public holiday, such

date shall be deemed to be the succeeding day on which the public agencies and major banks are open for business.

Section 6.03 Execution of Additional Documents. In addition to documents and other matters specifically referenced in this Agreement, SELLER and BUYER agree to execute and/or deliver, or cause to be executed and/or delivered, such other documents and/or materials, including additional escrow instructions carrying out the terms and conditions of this Agreement as may be reasonably necessary to effect the transaction contemplated by this Agreement.

Section 6.04 Notices and Other Communications. Every notice or other communication required or contemplated by this Agreement by any party shall be in writing delivered either by personal delivery, prepaid overnight delivery service or facsimile addressed to the party for whom intended at the address specified in this Section.

To SELLER: Catherine Sue Smith, City Clerk
City of Wells
P.O. Box 366
Wells, NV 89835

To BUYER: Doug Molohon, HEART Incorporated
P.O. Box 428
Wells, NV 89835

Notice by overnight delivery service shall be effective on the date it is officially recorded as delivered to the intended recipient. All notices delivered in person or sent by facsimile shall be deemed to have been delivered to and received by the addresses and shall be effective on the date of personal delivery or on the date sent, respectively. Notice not given in writing shall be effective only if acknowledged in writing by a duly authorized representative of the party to whom it was given. Either BUYER or SELLER may, by notice to the other given as herein stated, change its address for future notices hereunder.

Section 6.05. Governing Law; Venue. The validity, construction and enforceability of this Section shall be governed in all respects by the laws of Nevada applicable to agreements negotiated, executed and performed in Nevada by Nevada residents. BUYER hereby consents to jurisdiction in the State of Nevada. Venue for any action instituted with respect to this Agreement, related Agreements, or the transactions contemplated hereunder and thereunder shall lie exclusively in Elko County, Nevada.

Section 6.06 Entire Agreement; Modification; Waiver. This Agreement constitutes the entire agreement between BUYER and SELLER pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations and understandings. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

Section 6.07 Counterparts. This Agreement may be executed in one or more counterparts, and each counterpart shall constitute an original instrument but all such counterparts shall only constitute one and the same instrument.

Section 6.08 Merger. The obligations of SELLER and BUYER pursuant to this Agreement shall survive the close of escrow contemplated hereunder, and shall not be deemed to merge with the deed of conveyance.

Section 6.09 Captions. The captions of this Agreement do not in any way limit or amplify the terms and provisions of this Agreement.

Section 6.10 Attorney's Fees. In the event of any litigation between the parties hereto arising out of this Agreement, or if one party seeks to judicially enforce the terms of this Agreement, the prevailing party shall be reimbursed for all reasonable costs, including but not limited to, reasonable attorney's fees.

Section 6.11 Severability. Each provision of this Agreement is severable from any and all other provisions of this Agreement. Should any provision(s) of this Agreement be for any reasonable unenforceable, the balance shall nonetheless be of full force and effect.

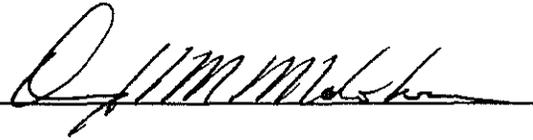
Section 6.12 Brokers. SELLER represents to BUYER that there is no broker or other person entitled to a commission or similar fee from SELLER in connection with the transactions described in this Agreement. BUYER represents that it has dealt with no agent or broker in connection with this Agreement. SELLER and BUYER covenants and agree to defend, indemnify and save harmless the other from and against any claim for any other broker's commission or similar fee or compensation for any service rendered in connection with the sale and purchase of the Real Property.

Section 6.13 Plan Review and Permit Fees. BUYER shall pay for all required plan review and permit fees (federal, state and local) which may be required for any on-site public improvements.

IN WITNESS WHEREOF, the SELLER and BUYER have executed this Agreement on the date first above written.

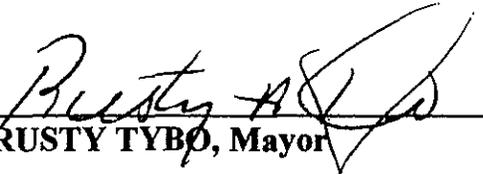
BUYER:

**HUMBOLDT ENVIRONMENTAL AND
RENEWABLE TECHNOLOGIES, INC.**

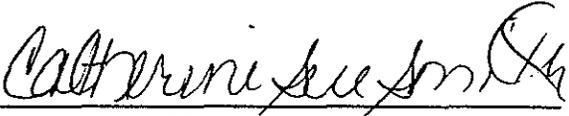
By 

SELLER:

CITY OF WELLS

By 
RUSTY TYBO, Mayor

ATTEST:


CITY CLERK

PROMISSORY NOTE

\$236,000.00

_____, 2006
Wells, Nevada

FOR VALUE RECEIVED, HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES, INC., promises to pay to the order of the **CITY OF WELL**, a Municipality, at P.O. Box 366, Wells, Nevada 89835, or wherever payment may be demanded by the holder of this Note, the sum of **TWO HUNDRED THIRTY-SIX THOUSAND DOLLARS (\$236,000.00)**, together with interest thereon from the date of this Note until paid, at the rate of **five percent (5%)** per annum, both principal and interest payable only in lawful money of the United States of America, as follows:

Twenty annual installments of **EIGHTEEN THOUSAND NINE HUNDRED THIRTY-SEVEN AND 25/100 DOLLARS (\$18,937.25)**, which amount includes interest, shall be paid on this Note, the first of said installments to be paid on the ____ day of _____, 2006, and a like installment on _____ and each and every year thereafter for a period of twenty (20) years or until principal and interest have been fully paid. Each of said installments shall be applied first to the payment of accrued interest on the unpaid principal, and the balance thereof to be credited on the principal.

The Maker may, at its option, increase the amount of said payments, or may make additional or further payments on the principal balance then due, or may pay in full, at any time, the principal balance then due, all without a penalty or additional charge, save and except only for an interest then due, and any additional payments made shall be credited as of the date of payment, and interest shall accrue only upon the remaining balance of the indebtedness; **PROVIDED, HOWEVER**, that any such prepayment or additional payment shall not be cumulative, but in all events, each installment payment as hereinabove set forth shall be paid as it becomes due until the sum is paid in full.

If any default be made in the payment of any sum due hereunder and such default is not cured and made good within **thirty-five (35) days** in the manner and after the notice specified in N.R.S. 107.080, as in effect on the date of this Note, then, at the option of the holders of this Note, the entire unpaid principal balance hereof, together with accrued interest, and other sums payable hereunder and under the terms of the security herefor, shall become immediately due and payable in full, although the time of maturity expressed in this Note shall not have arrived.

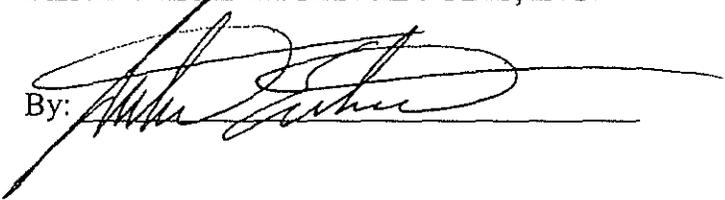
The Maker and any endorsers, guarantors or accommodation parties hereby severally waive presentment for payment, notice of dishonor, protest, and noticing for protest of non-payment of this Note, and all defenses on the grounds of any extension of time of payment that may be given by the holders.

GOICOECHEA, DI GRAZIA,
COYLE & STANTON, LTD.
ATTORNEYS AT LAW
530 IDAHO STREET - P.O. BOX 1358
ELKO, NEVADA 89801
(775) 738-8091

The Maker and any endorsers, guarantors or accommodation parties further agree to pay all costs of collection, including any reasonable attorney fees incurred by the Holders of this Note incidental to the collection hereof, or any portion, in the event of default or deficiency in the payment of the Note or any portion hereof.

A Deed of Trust of even date secures the payment of this indebtedness evidenced by this Note.

**MAKER:
HUMBOLDT ENVIRONMENTAL AND
RENEWABLE TECHNOLOGIES, INC.**

By: 

GOICOECHEA, DI GRAZIA,
COYLE & STANTON, LTD.
ATTORNEYS AT LAW
530 IDAHO STREET - P.O. BOX 1358
ELKO, NEVADA 89801
(775) 738-8091

e

APN: 002-820-006
Recording Requested By
and Return to:

Grantor's Address:
P.O. Box 428
Wells, Nevada 89835

Beneficiary's Address:
P.O. Box 366
Wells, Nevada 89835

DEED OF TRUST

THIS DEED OF TRUST, made this ____ day of _____, 2006, by and between **HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES, INC.**, hereinafter called "Grantor," and **STEWART TITLE OF NORTHEASTERN NEVADA**, as Trustee, and **CITY OF WELLS**, a Municipality, hereinafter called "Beneficiary," it being specifically understood that any and all references to the words "Grantor" and "Beneficiary" shall include the masculine, feminine, and neuter genders, and singular and plural, as indicated by the context and number of parties hereto:

W I T N E S S E T H:

That Grantor hereby grants, transfers and assigns to the Trustee in trust, with power of sale, all of the following described real property situate in the County of Elko, State of Nevada, and more particularly described on Exhibit "A" attached hereto and incorporated herein by reference.

TOGETHER WITH all buildings and improvements situate thereon.

TOGETHER WITH the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof.

SUBJECT to any and all exceptions, reservations, restrictions, restrictive covenants, assessments, easements, rights and rights-of-way existing or of record.

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ATTORNEYS AT LAW
530 IDAHO STREET - P.O. BOX 1358
ELKO, NEVADA 89801
(775) 738-8091

TO HAVE AND TO HOLD the same unto said Trustee and its successors, in trust, to secure the performance of the following obligations, and payment of the following debts:

ONE: Payment of an indebtedness evidenced by a certain Promissory Note of even date hereof in the principal amount of **TWO HUNDRED THIRTY-SIX THOUSAND DOLLARS (\$236,000.00)** with interest thereon, expenses, attorney fees and other payments therein provided, executed and delivered by the Grantor payable to the Beneficiary on order, and any and all extensions or renewals thereof.

TWO: Payment of such additional amounts as may be hereafter loaned by the Beneficiary to the Grantor, or any successor in interest of the Grantor, with interest thereon, expenses and attorney fees, and any other indebtedness or obligation of the Grantor to the Beneficiary.

THREE: Payment of all other sums with interest thereon becoming due or payable under the provisions hereof to either Trustee or Beneficiary.

FOUR: Payment, performance and discharge of each and every obligation, covenant, promise and agreement of Grantor herein or in said Note contained, and of all renewals, extensions, revisions and amendments of the above-described Note and any other indebtedness or obligation secured hereby.

To protect the security of this Deed of Trust, it is agreed as follows:

1. The Beneficiary has the right to record notice that this Deed of Trust is security for the additional amounts and obligations not specifically mentioned herein, but which constitute indebtedness of obligations of the Grantor for which the Beneficiary may claim this Deed of Trust as security.

2. The Grantor shall keep the property herein described in good condition, order and repair; shall not remove or demolish any buildings, fixtures, improvements or landscaping thereon or hereafter placed or constructed thereon; shall not commit or permit any waste or deterioration of the land, buildings and improvements; and shall not do nor permit to be done anything which shall impair, lessen, diminish or deplete the security hereby given.

3. The following covenants, Nos. 1; 2 (replacement value); 3; 4 (9%); 5; 6; 7 (reasonable); 8 and 9 of NRS 107.030 are hereby adopted and made a part of this Deed of Trust. In connection with Covenant No. 6, it shall be deemed to include and apply to all

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conditions, covenants and agreements contained herein in addition to those adopted by reference, and to any and all defaults or deficiencies in the performance of this Deed of Trust.

4. All payments secured hereby shall be paid in lawful money of the United States of America.

5. The Beneficiary and any persons authorized by the Beneficiary shall have the right to enter upon and inspect the premises at all reasonable times.

6. If default be made in the performance or payment of the obligations, note or debt secured hereby, or in the performance of any of the terms, conditions and covenants of the Deed of Trust, or the payment of any sum or obligation to be paid hereunder, or upon the occurrence of any act or event of default hereunder, and such default is not cured within **thirty-five (35)** days after written notice of default and of election to sell said property given in the manner provided by NRS 107.080 as in effect on the date of this Deed of Trust, Beneficiary may declare all notes, debts and sums secured hereby or payable hereunder immediately due and payable although the date of maturity has not yet arrived.

7. In case of condemnation of the property subject hereto, or any part thereof, by paramount authority, all of any condemnation award to which the Grantor shall be entitled, less costs and expenses of litigation, is hereby assigned by the Grantor to the Beneficiary, to the extent the Beneficiary is entitled thereto, who is hereby authorized to receive and receipt for the same, and apply such proceeds as received toward the payment of the indebtedness hereby secured, whether due or not.

8. The Promissory Note secured by this Deed of Trust is made a part hereof as if fully herein set out.

9. The rights and remedies herein granted shall not exclude any other rights or remedies granted by law, and all rights or remedies granted hereunder or permitted by law shall be concurrent and cumulative.

10. All the provisions of this instrument shall inure to and bind the heirs, legal representatives, successors and assigns of each party hereto respectively as the context permits. All obligations of each Grantor hereunder shall be joint and several.

11. Any notice given to Grantor under Section 107.080 of NRS in connection with this Deed of Trust shall be given by registered or certified letter to the Grantor addressed to the address set forth near the signature on this Deed of Trust, or at such substitute address as

GOICOECHEA, DI GRAZIA, COYLE & STANTON, LTD.
ATTORNEYS AT LAW
530 IDAHO STREET - P.O. BOX 1358
ELKO, NEVADA 89801
(775) 738-8091

Page 3 of 4

Grantor may direct in writing to Beneficiary and such notice shall be binding upon the Grantor and all assignees or grantees of the Grantor.

12. It is expressly agreed that the trusts created hereby are irrevocable by the Grantor.

13. The waiver by the Beneficiary of any default or breach of any of the provisions, covenants or conditions hereof on the part of the Grantor to be kept and performed shall not be a waiver of any preceding or subsequent default or breach of the same or any other provision, covenant or condition contained herein.

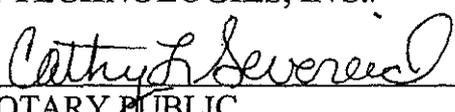
IN WITNESS WHEREOF, the Grantor has executed these presents the day and year first hereinabove written.

**GRANTOR:
HUMBOLDT ENVIRONMENTAL AND
RENEWABLE TECHNOLOGIES, INC.**

By: 

STATE OF NEVADA)
 : ss.
COUNTY OF ELKO)

This instrument was acknowledged before me on APRIL 6th, 2006, by Michael Erikson, as Vice President for **HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES, INC.**


NOTARY PUBLIC



GOICOECHEA, DI GRAZIA, COYLE & STANTON, LTD.
ATTORNEYS AT LAW
530 IDAHO STREET - P.O. BOX 1358
ELKO, NEVADA 89801
(775) 738-8091

Page 4 of 4

Exhibit "A"

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of ELKO, described as follows:

Lot 6, Block 1 of the WELLS INDUSTRIAL PARK SUBDIVISION, according to the Official Map of said subdivision filed in the Office of the County Recorder of Elko County, State of Nevada on March 1, 2000, as File No. 455828, and amendment thereof recorded March 30, 2000 in Book 0, Page 7636, Official Records, Elko County, Nevada.

AMENDED PURCHASE AND SALE AGREEMENT

by and between

**HUMBOLDT ENVIRONMENTAL AND
RENEWABLE TECHNOLOGIES, INC. (HEART),
BUYER**

and

CITY OF WELLS, SELLER

Dated as of March 14, 2006

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AMENDED PURCHASE AND SALE AGREEMENT

THIS AMENDED PURCHASE AND SALE AGREEMENT (the "Agreement") is made this 14th day of March, 2006, by and between HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES, INC. (HEART), a Nevada corporation (hereinafter "BUYER"), and the CITY OF WELLS, a municipal corporation organized and existing under the laws of the State and Nevada (hereinafter "SELLER").

RECITALS:

- A. SELLER is the owner of certain real property situate in the City of Wells, Elko County, Nevada, more particularly described as follows:

All that certain lot, piece or parcel of land situated in the City of Wells, Elko County, Nevada described as follows:

Lot 6, Block 1, City of Wells Industrial Park Subdivision, as shown on the map dated April 23, 1998, and filed in the Office of the County Recorder of Elko County, State of Nevada, as File No. 455828.

TOGETHER WITH all tenements, hereditaments and appurtenances thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

SUBJECT TO reservations, restrictions, encumbrances, easements and rights of way, existing or of record.

- B. SELLER desires to sell, and BUYER desires to purchase the real property described above, together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders thereof, with all covenants, license, privileges and benefits thereto belonging, and any easements, rights-of-way, rights of ingress and egress to any highway, street, road or avenue, open or proposed, abutting or adjoining such real property. The real property hereinabove described is hereinafter referred to as the "Real Property."

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter contained, SELLER and BUYER agrees as follows:

ARTICLE I
PURCHASE AND SALE OF REAL PROPERTY

Section 1.01 Purchase of Real Property. SELLER agrees to sell and BUYER agrees to purchase the Real Property on the terms and conditions set forth in this Agreement.

Section 1.02 Consideration. The purchase price for the Real Property is TWO HUNDRED SIXTY-ONE THOUSAND SIX HUNDRED SIXTY DOLLARS (\$261,660.00), payable by the BUYER to the SELLER in the following manner:

1. A principal down payment in the sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) due on September 1, 2004.
2. An interest-only payment, with interest at the rate of 8% per annum on the deferred balance accruing from September 1, 2004 to September 1, 2005, payable in the amount of \$18,932.80 on September 1, 2005.
3. A renegotiation of terms in March 2006 to meet BUYERS' financing needs with Small Business Administration using a balance of TWO HUNDRED THIRTY SIXTY THOUSAND DOLLARS (\$236,000.00) and equal payments with interest at the rate of 5% per annum on the deferred balance; twenty annual payments of principal and interest in the amount of \$18,937.25 each year beginning September 1, 2006 and ending September 1, 2025.
4. The BUYER may, at its option, increase the amount of the said payments, or may make additional or further payments on the principal balance then due, or may pay in full at any time the principal balance then due, all without a penalty or additional charge, save and except only for any interest then due.
5. The deferred balance shall be evidenced by a Promissory Note encompassing the applicable provisions hereof, and providing for acceleration of the total unpaid amount due in the event of default, which default extends for a period of thirty-five (35) days or more, which provides for the payment of attorney fees and costs in the event of default, and which provides for waiver of presentment, protect, notice of dishonor and diligence in collecting.
6. The payment of the deferred balance shall be secured by a Deed of Trust on the Real Property hereinbefore described, shall contain the ordinary and usual covenants, and specifically covenants numbered 1, 2 (reasonable), 3, 4 (5% per annum), 5, 6, 7 (reasonable), 8 and 9 of N.R.S. 107.
7. SELLER agrees with BUYER to subordinate the Deed of Trust to the primary loan which BUYER will obtain for the construction of a manufacturing facility on the Real Property.

ARTICLE 2

TITLE

Section 2.01 Title to Real Property. Title to the Real Property shall be evidenced by a Grant, Bargain and Sale Deed conveying good and marketable title to the Real Property to BUYER in a fee simple, free and clear of all liens and encumbrances. SELLER shall provide BUYER with a title insurance policy in the principal sum of the purchase price.

ARTICLE 3

INSPECTION AND APPROVAL OF REAL PROPERTY

Section 3.01 Approval of Real Property. BUYER is familiar with the condition of the property. BUYER is purchasing the property "as is" without any other representations or warranties except those contained in Article 2 above.

ARTICLE 4

CLOSING DATE AND CLOSING OBLIGATIONS

Section 4.01 Closing Date. The Closing Date shall be no later than September 1, 2004.

Section 4.02 BUYER's Closing Obligations. On or before the Closing Date, BUYER shall deliver the following:

- a. The cost of recording the Deed;
- b. An amount equal to the Nevada Real Property Transfer Tax; and
- c. Such other documents as are reasonably required by BUYER to carry out the terms and provisions of this Agreement, including the Promissory Note and Deed of Trust.

Section 4.03 SELLER's Closing Obligations. At the Closing, SELLER shall furnish and deliver the following:

- a. The Deed;
- b. Any and all transfer declarations or disclosure documents, duly executed by the appropriate parties, required in connection with the Deed by any state, county or municipal agency having jurisdiction over the Real Property or the transactions contemplated hereby; and
- c. Such other documents as are reasonably required by BUYER to carry out the terms and provisions of this Agreement.

ARTICLE 5

REMEDIES

Section 5.01 Remedies. SELLER and BUYER shall be entitled to all remedies at all or in equity.

ARTICLE 6
MISCELLANEOUS

Section 6.01 Successors and Assigns. This Agreement shall be binding not only upon the parties but also upon their respective assigns and other successors in interest.

Section 6.02 Time. Time is of the essence of this Agreement. In the event that any date specified in this Agreement falls on a Saturday, Sunday or a public holiday, such date shall be deemed to be the succeeding day on which the public agencies and major banks are open for business.

Section 6.03 Execution of Additional Documents. In addition to documents and other matters specifically referenced in this Agreement, SELLER and BUYER agree to execute and/or deliver, or cause to be executed and/or delivered, such other documents and/or materials, including additional escrow instructions carrying out the terms and conditions of this Agreement as may be reasonably necessary to effect the transaction contemplated by this Agreement.

Section 6.04 Notices and Other Communications. Every notice or other communication required or contemplated by this Agreement by any party shall be in writing delivered either by personal delivery, prepaid overnight delivery service or facsimile addressed to the party for whom intended at the address specified in this Section.

To SELLER: Catherine Sue Smith, City Clerk
City of Wells
P.O. Box 366
Wells, NV 89835

To BUYER: Doug Molohon, Project Manager
HEART Incorporated
P.O. Box 428
Wells, NV 89835

Notice by overnight delivery service shall be effective on the date it is officially recorded as delivered to the intended recipient. All notices delivered in person or sent by facsimile shall be deemed to have been delivered to and received by the addresses and shall be effective on the date of personal delivery or on the date sent, respectively. Notice not given in writing shall be effective only if acknowledged in writing by a duly authorized representative of the party to whom it was given. Either BUYER or SELLER may, by notice to the other given as herein stated, change its address for future notices hereunder.

Section 6.05. Governing Law; Venue. The validity, construction and enforceability of this Section shall be governed in all respects by the laws of Nevada applicable to agreements negotiated, executed and performed in Nevada by Nevada residents. BUYER hereby consents to jurisdiction in the State of Nevada. Venue for any action instituted with respect to this Agreement, related Agreements, or the transactions contemplated hereunder and thereunder shall lie exclusively in Elko County, Nevada.

Section 6.06 Entire Agreement; Modification; Waiver. This Agreement constitutes the entire agreement between BUYER and SELLER pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations and understandings. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

Section 6.07 Counterparts. This Agreement may be executed in one or more counterparts, and each counterpart shall constitute an original instrument but all such counterparts shall only constitute one and the same instrument.

Section 6.08 Merger. The obligations of SELLER and BUYER pursuant to this Agreement shall survive the close of escrow contemplated hereunder, and shall not be deemed to merge with the deed of conveyance.

Section 6.09 Captions. The captions of this Agreement do not in any way limit or amplify the terms and provisions of this Agreement.

Section 6.10 Attorney's Fees. In the event of any litigation between the parties hereto arising out of this Agreement, or if one party seeks to judicially enforce the terms of this Agreement, the prevailing party shall be reimbursed for all reasonable costs, including but not limited to, reasonable attorney's fees.

Section 6.11 Severability. Each provision of this Agreement is severable from any and all other provisions of this Agreement. Should any provision(s) of this Agreement be for any reasonable unenforceable, the balance shall nonetheless be of full force and effect.

Section 6.12 Brokers. SELLER represents to BUYER that there is no broker or other person entitled to a commission or similar fee from SELLER in connection with the transactions described in this Agreement. BUYER represents that it has dealt with no agent or broker in connection with this Agreement. SELLER and BUYER covenants and agree to defend, indemnify and save harmless the other from and against any claim for any other broker's commission or similar fee or compensation for any service rendered in connection with the sale and purchase of the Real Property.

Section 6.13 Plan Review and Permit Fees. BUYER shall pay for all required plan review and permit fees (federal, state and local) which may be required for any on-site public improvements.

IN WITNESS WHEREOF, the SELLER and BUYER have executed this Agreement on the date first above written.

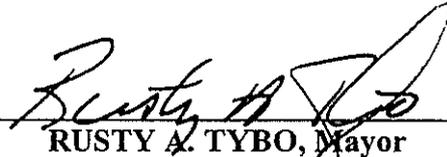
BUYER:

HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES, INC.

SELLER:

CITY OF WELLS

By _____

By  _____
RUSTY A. TYBO, Mayor

ATTEST:

CATHERINE SUE SMITH, Clerk

Official Record

Requested By
GOICOECHEA, DIGRAZIA, COYLE, ETAL

Elko County - NV

Jerry D. Reynolds - Recorder

Page 1 of 3 Fee: \$16.00

Recorded By: NR RPTT: \$1,021.80

APN: 002-820-006

Mail Tax Statements to:
HEART, Inc.
P.O. Box 428
Wells, NV 89835



GRANT, BARGAIN AND SALE DEED

THIS INDENTURE, made and entered into this 22 day of June, 2004 by and between the **CITY OF WELLS**, a Municipality, Grantor, and **HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES, INC.**, Grantee.

W I T N E S S E T H:

That the Grantor for and in consideration of the sum of **TEN DOLLARS** (\$10.00) lawful money of the United States of America, to it in hand paid by the Grantee, and other good and valuable consideration, the receipt whereof is hereby acknowledged, does by these presents, grant, bargain, sell, and convey unto the said Grantee, and to its successors and assigns, all that certain parcel and piece of land lying and being in the County of Elko, State of Nevada, more particularly described on Exhibit "A" attached hereto and incorporated herein by reference.

SUBJECT TO any and all exceptions, reservations, restrictions, restrictive covenants, assessments, easements, rights and rights-of-way of record.

TOGETHER WITH the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, and the reversion, reversions, remainder, remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD the said premises, together with the appurtenances, unto the said Grantee, and its successors and assigns, forever.

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ATTORNEYS AT LAW
530 IDAHO STREET - P.O. BOX 1358
ELKO, NEVADA 89801
(702) 738-8091



IN WITNESS WHEREOF, the said Grantor has executed this Deed the day and year first hereinabove written.

THE CITY OF WELLS

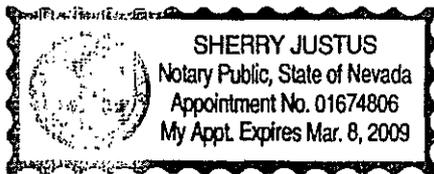
By: *Rusty A. Tybo*
RUSTY A. TYBO, Mayor

ATTEST:

Catherine Sue Smith
CATHERINE SUE SMITH, City Clerk

STATE OF NEVADA)
 : ss.
COUNTY OF ELKO)

This instrument was acknowledged before me on January 1/19, 2006 by **RUSTY A. TYBO, Mayor** and **CATHERINE SUE SMITH, Deputy City Clerk**, of the City of Wells.



Sherry Justus
NOTARY PUBLIC

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ELKO, NEVADA 89801
(702) 738-8091



548082

01/31/2006
003 of 3

Exhibit "A"

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of ELKO, described as follows:

Lot 6, Block 1 of the WELLS INDUSTRIAL PARK SUBDIVISION, according to the Official Map of said subdivision filed in the Office of the County Recorder of Elko County, State of Nevada on March 1, 2000, as File No. 455828, and amendment thereof recorded March 30, 2000 in Book 0, Page 7636, Official Records, Elko County, Nevada.

APN: 002-820-006

Recording Requested By
and Return to:

Grantor's Address:

P.O. Box 428
Wells, Nevada 89835

Beneficiary's Address:

P.O. Box 366
Wells, Nevada 89835

DEED OF TRUST

THIS DEED OF TRUST, made this ____ day of _____, 2006, by and between **HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES, INC.**, hereinafter called "Grantor," and **STEWART TITLE OF NORTHEASTERN NEVADA**, as Trustee, and **CITY OF WELL**, a Municipality, hereinafter called "Beneficiary," it being specifically understood that any and all references to the words "Grantor" and "Beneficiary" shall include the masculine, feminine, and neuter genders, and singular and plural, as indicated by the context and number of parties hereto:

W I T N E S S E T H:

That Grantor hereby grants, transfers and assigns to the Trustee in trust, with power of sale, all of the following described real property situate in the County of Elko, State of Nevada, and more particularly described on Exhibit "A" attached hereto and incorporated herein by reference.

TOGETHER WITH all buildings and improvements situate thereon.

TOGETHER WITH the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof.

SUBJECT to any and all exceptions, reservations, restrictions, restrictive covenants, assessments, easements, rights and rights-of-way existing or of record.

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Page 1 of 4

TO HAVE AND TO HOLD the same unto said Trustee and its successors, in trust, to secure the performance of the following obligations, and payment of the following debts:

ONE: Payment of an indebtedness evidenced by a certain Promissory Note of even date hereof in the principal amount of **TWO HUNDRED THIRTY-SIX THOUSAND DOLLARS (\$236,000.00)** with interest thereon, expenses, attorney fees and other payments therein provided, executed and delivered by the Grantor payable to the Beneficiary on order, and any and all extensions or renewals thereof.

TWO: Payment of such additional amounts as may be hereafter loaned by the Beneficiary to the Grantor, or any successor in interest of the Grantor, with interest thereon, expenses and attorney fees, and any other indebtedness or obligation of the Grantor to the Beneficiary.

THREE: Payment of all other sums with interest thereon becoming due or payable under the provisions hereof to either Trustee or Beneficiary.

FOUR: Payment, performance and discharge of each and every obligation, covenant, promise and agreement of Grantor herein or in said Note contained, and of all renewals, extensions, revisions and amendments of the above-described Note and any other indebtedness or obligation secured hereby.

To protect the security of this Deed of Trust, it is agreed as follows:

1. The Beneficiary has the right to record notice that this Deed of Trust is security for the additional amounts and obligations not specifically mentioned herein, but which constitute indebtedness of obligations of the Grantor for which the Beneficiary may claim this Deed of Trust as security.

2. The Grantor shall keep the property herein described in good condition, order and repair; shall not remove or demolish any buildings, fixtures, improvements or landscaping thereon or hereafter placed or constructed thereon; shall not commit or permit any waste or deterioration of the land, buildings and improvements; and shall not do nor permit to be done anything which shall impair, lessen, diminish or deplete the security hereby given.

3. The following covenants, Nos. 1; 2 (replacement value); 3; 4 (9%); 5; 6; 7 (reasonable); 8 and 9 of NRS 107.030 are hereby adopted and made a part of this Deed of Trust. In connection with Covenant No. 6, it shall be deemed to include and apply to all

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Page 2 of 4

conditions, covenants and agreements contained herein in addition to those adopted by reference, and to any and all defaults or deficiencies in the performance of this Deed of Trust.

4. All payments secured hereby shall be paid in lawful money of the United States of America.

5. The Beneficiary and any persons authorized by the Beneficiary shall have the right to enter upon and inspect the premises at all reasonable times.

6. If default be made in the performance or payment of the obligations, note or debt secured hereby, or in the performance of any of the terms, conditions and covenants of the Deed of Trust, or the payment of any sum or obligation to be paid hereunder, or upon the occurrence of any act or event of default hereunder, and such default is not cured within **thirty-five (35)** days after written notice of default and of election to sell said property given in the manner provided by NRS 107.080 as in effect on the date of this Deed of Trust, Beneficiary may declare all notes, debts and sums secured hereby or payable hereunder immediately due and payable although the date of maturity has not yet arrived.

7. In case of condemnation of the property subject hereto, or any part thereof, by paramount authority, all of any condemnation award to which the Grantor shall be entitled, less costs and expenses of litigation, is hereby assigned by the Grantor to the Beneficiary, to the extent the Beneficiary is entitled thereto, who is hereby authorized to receive and receipt for the same, and apply such proceeds as received toward the payment of the indebtedness hereby secured, whether due or not.

8. The Promissory Note secured by this Deed of Trust is made a part hereof as if fully herein set out.

9. The rights and remedies herein granted shall not exclude any other rights or remedies granted by law, and all rights or remedies granted hereunder or permitted by law shall be concurrent and cumulative.

10. All the provisions of this instrument shall inure to and bind the heirs, legal representatives, successors and assigns of each party hereto respectively as the context permits. All obligations of each Grantor hereunder shall be joint and several.

11. Any notice given to Grantor under Section 107.080 of NRS in connection with this Deed of Trust shall be given by registered or certified letter to the Grantor addressed to the address set forth near the signature on this Deed of Trust, or at such substitute address as

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Page 3 of 4

Grantor may direct in writing to Beneficiary and such notice shall be binding upon the Grantor and all assignees or grantees of the Grantor.

12. It is expressly agreed that the trusts created hereby are irrevocable by the Grantor.

13. The waiver by the Beneficiary of any default or breach of any of the provisions, covenants or conditions hereof on the part of the Grantor to be kept and performed shall not be a waiver of any preceding or subsequent default or breach of the same or any other provision, covenant or condition contained herein.

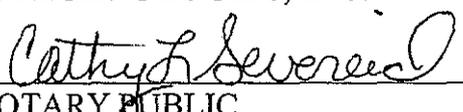
IN WITNESS WHEREOF, the Grantor has executed these presents the day and year first hereinabove written.

**GRANTOR:
HUMBOLDT ENVIRONMENTAL AND
RENEWABLE TECHNOLOGIES, INC.**

By: 

STATE OF NEVADA)
 : ss.
COUNTY OF ELKO)

This instrument was acknowledged before me on APRIL 6th, 2006, by Michael Erikson, as Vice President for **HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES, INC.**


NOTARY PUBLIC



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ARTICLE I
PURCHASE AND SALE OF REAL PROPERTY

Section 1.01 Purchase of Real Property. SELLER agrees to sell and BUYER agrees to purchase the Real Property on the terms and conditions set forth in this Agreement.

Section 1.02 Consideration. The purchase price for the Real Property is TWO HUNDRED SIXTY-ONE THOUSAND SIX HUNDRED SIXTY DOLLARS (\$261,660.00), payable by the BUYER to the SELLER in the following manner:

1. A principal down payment in the sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) due on September 1, 2004.
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6. The payment of the deferred balance shall be secured by a Deed of Trust on the Real Property hereinbefore described, shall contain the ordinary and usual covenants, and specifically covenants numbered 1, 2 (reasonable), 3, 4 (5% per annum), 5, 6, 7 (reasonable), 8 and 9 of N.R.S. 107.
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ARTICLE 2
TITLE

Section 2.01 Title to Real Property. Title to the Real Property shall be evidenced by a Grant, Bargain and Sale Deed conveying good and marketable title to the Real Property to BUYER in a fee simple, free and clear of all liens and encumbrances. SELLER shall provide BUYER with a title insurance policy in the principal sum of the purchase price.

ARTICLE 3
INSPECTION AND APPROVAL OF REAL PROPERTY

Section 3.01 Approval of Real Property. BUYER is familiar with the condition of the property. BUYER is purchasing the property "as is" without any other representations or warranties except those contained in Article 2 above.

ARTICLE 4
CLOSING DATE AND CLOSING OBLIGATIONS

Section 4.01 Closing Date. The Closing Date shall be no later than September 1, 2004.

Section 4.02 BUYER's Closing Obligations. On or before the Closing Date, BUYER shall deliver the following:

- a. The cost of recording the Deed;
- b. An amount equal to the Nevada Real Property Transfer Tax; and
- c. Such other documents as are reasonably required by BUYER to carry out the terms and provisions of this Agreement, including the Promissory Note and Deed of Trust.

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- b. Any and all transfer declarations or disclosure documents, duly executed by the appropriate parties, required in connection with the Deed by any state, county or municipal agency having jurisdiction over the Real Property or the transactions contemplated hereby; and
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Notice by overnight delivery service shall be effective on the date it is officially recorded as delivered to the intended recipient. All notices delivered in person or sent by facsimile shall be deemed to have been delivered to and received by the addresses and shall be effective on the date of personal delivery or on the date sent, respectively. Notice not given in writing shall be effective only if acknowledged in writing by a duly authorized representative of the party to whom it was given. Either BUYER or SELLER may, by notice to the other given as herein stated, change its address for future notices hereunder.

Section 6.05. Governing Law; Venue. The validity, construction and enforceability of this Section shall be governed in all respects by the laws of Nevada applicable to agreements negotiated, executed and performed in Nevada by Nevada residents. BUYER hereby consents to jurisdiction in the State of Nevada. Venue for any action instituted with respect to this Agreement, related Agreements, or the transactions contemplated hereunder and thereunder shall lie exclusively in Elko County, Nevada.

Section 6.06 Entire Agreement; Modification; Waiver. This Agreement constitutes the entire agreement between BUYER and SELLER pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations and understandings. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

Section 6.07 Counterparts. This Agreement may be executed in one or more counterparts, and each counterpart shall constitute an original instrument but all such counterparts shall only constitute one and the same instrument.

Section 6.08 Merger. The obligations of SELLER and BUYER pursuant to this Agreement shall survive the close of escrow contemplated hereunder, and shall not be deemed to merge with the deed of conveyance.

Section 6.09 Captions. The captions of this Agreement do not in any way limit or amplify the terms and provisions of this Agreement.

Section 6.10 Attorney's Fees. In the event of any litigation between the parties hereto arising out of this Agreement, or if one party seeks to judicially enforce the terms of this Agreement, the prevailing party shall be reimbursed for all reasonable costs, including but not limited to, reasonable attorney's fees.

Section 6.11 Severability. Each provision of this Agreement is severable from any and all other provisions of this Agreement. Should any provision(s) of this Agreement be for any reasonable unenforceable, the balance shall nonetheless be of full force and effect.

Section 6.12 Brokers. SELLER represents to BUYER that there is no broker or other person entitled to a commission or similar fee from SELLER in connection with the transactions described in this Agreement. BUYER represents that it has dealt with no agent or broker in connection with this Agreement. SELLER and BUYER covenants and agree to defend, indemnify and save harmless the other from and against any claim for any other broker's commission or similar fee or compensation for any service rendered in connection with the sale and purchase of the Real Property.

Exhibit "A"

LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of ELKO, described as follows:

Lot 6, Block 1 of the WELLS INDUSTRIAL PARK SUBDIVISION, according to the Official Map of said subdivision filed in the Office of the County Recorder of Elko County, State of Nevada on March 1, 2000, as File No. 455828, and amendment thereof recorded March 30, 2000 in Book 0, Page 7636, Official Records, Elko County, Nevada.

Section 6.13 Plan Review and Permit Fees. BUYER shall pay for all required plan review and permit fees (federal, state and local) which may be required for any on-site public improvements.

IN WITNESS WHEREOF, the SELLER and BUYER have executed this Agreement on the date first above written.

BUYER:

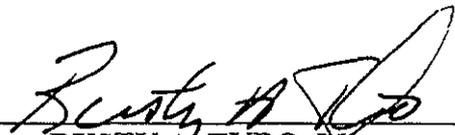
**HUMBOLDT ENVIRONMENTAL AND
RENEWABLE TECHNOLOGIES, INC.**

SELLER:

CITY OF WELLS

By _____

By _____


RUSTY A. TYBO, Mayor

ATTEST:

CATHERINE SUE SMITH, Clerk

AMENDED PURCHASE AND SALE AGREEMENT

by and between

**HUMBOLDT ENVIRONMENTAL AND
RENEWABLE TECHNOLOGIES, INC. (HEART),
BUYER**

and

CITY OF WELLS, SELLER

Dated as of March 14, 2006

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AMENDED PURCHASE AND SALE AGREEMENT

THIS AMENDED PURCHASE AND SALE AGREEMENT (the "Agreement") is made this 14th day of March, 2006, by and between HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES, INC. (HEART), a Nevada corporation (hereinafter "BUYER"), and the CITY OF WELLS, a municipal corporation organized and existing under the laws of the State and Nevada (hereinafter "SELLER").

RECITALS:

- A. SELLER is the owner of certain real property situate in the City of Wells, Elko County, Nevada, more particularly described as follows:

All that certain lot, piece or parcel of land situated in the City of Wells, Elko County, Nevada described as follows:

Lot 6, Block 1, City of Wells Industrial Park Subdivision, as shown on the map dated April 23, 1998, and filed in the Office of the County Recorder of Elko County, State of Nevada, as File No. 455828.

TOGETHER WITH all tenements, hereditaments and appurtenances thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

SUBJECT TO reservations, restrictions, encumbrances, easements and rights of way, existing or of record.

- B. SELLER desires to sell, and BUYER desires to purchase the real property described above, together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders thereof, with all covenants, license, privileges and benefits thereto belonging, and any easements, rights-of-way, rights of ingress and egress to any highway, street, road or avenue, open or proposed, abutting or adjoining such real property. The real property hereinabove described is hereinafter referred to as the "Real Property."

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter contained, SELLER and BUYER agrees as follows:

Agenda item 11
Date of Meeting 2/23/10

AMENDED PURCHASE AND SALE AGREEMENT

by and between

**HUMBOLDT ENVIRONMENTAL AND
RENEWABLE TECHNOLOGIES, INC. (HEART),
BUYER**

and

CITY OF WELLS, SELLER

Dated as of March 14, 2006

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SUBJECT TO reservations, restrictions, encumbrances, easements and rights of way, existing or of record.

- B. SELLER desires to sell, and BUYER desires to purchase the real property described above, together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders thereof, with all covenants, license, privileges and benefits thereto belonging, and any easements, rights-of-way, rights of ingress and egress to any highway, street, road or avenue, open or proposed, abutting or adjoining such real property. The real property hereinabove described is hereinafter referred to as the "Real Property."

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter contained, SELLER and BUYER agrees as follows:

ARTICLE I
PURCHASE AND SALE OF REAL PROPERTY

Section 1.01 Purchase of Real Property. SELLER agrees to sell and BUYER agrees to purchase the Real Property on the terms and conditions set forth in this Agreement.

Section 1.02 Consideration. The purchase price for the Real Property is TWO HUNDRED SIXTY-ONE THOUSAND SIX HUNDRED SIXTY DOLLARS (\$261,660.00), payable by the BUYER to the SELLER in the following manner:

1. A principal down payment in the sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) due on September 1, 2004.
2. An interest-only payment, with interest at the rate of 8% per annum on the deferred balance accruing from September 1, 2004 to September 1, 2005, payable in the amount of \$18,932.80 on September 1, 2005.
3. A renegotiation of terms in March 2006 to meet BUYERS' financing needs with Small Business Administration using a balance of TWO HUNDRED THIRTY SIXTY THOUSAND DOLLARS (\$236,000.00) and equal payments with interest at the rate of 5% per annum on the deferred balance; twenty annual payments of principal and interest in the amount of \$18,937.25 each year beginning September 1, 2006 and ending September 1, 2025.
4. The BUYER may, at its option, increase the amount of the said payments, or may make additional or further payments on the principal balance then due, or may pay in full at any time the principal balance then due, all without a penalty or additional charge, save and except only for any interest then due.
5. The deferred balance shall be evidenced by a Promissory Note encompassing the applicable provisions hereof, and providing for acceleration of the total unpaid amount due in the event of default, which default extends for a period of thirty-five (35) days or more, which provides for the payment of attorney fees and costs in the event of default, and which provides for waiver of presentment, protest, notice of dishonor and diligence in collecting.
6. The payment of the deferred balance shall be secured by a Deed of Trust on the Real Property hereinbefore described, shall contain the ordinary and usual covenants, and specifically covenants numbered 1, 2 (reasonable), 3, 4 (5% per annum), 5, 6, 7 (reasonable), 8 and 9 of N.R.S. 107.
7. SELLER agrees with BUYER to subordinate the Deed of Trust to the primary loan which BUYER will obtain for the construction of a manufacturing facility on the Real Property.

ARTICLE 2

TITLE

Section 2.01 Title to Real Property. Title to the Real Property shall be evidenced by a Grant, Bargain and Sale Deed conveying good and marketable title to the Real Property to BUYER in a fee simple, free and clear of all liens and encumbrances. SELLER shall provide BUYER with a title insurance policy in the principal sum of the purchase price.

ARTICLE 3

INSPECTION AND APPROVAL OF REAL PROPERTY

Section 3.01 Approval of Real Property. BUYER is familiar with the condition of the property. BUYER is purchasing the property "as is" without any other representations or warranties except those contained in Article 2 above.

ARTICLE 4

CLOSING DATE AND CLOSING OBLIGATIONS

Section 4.01 Closing Date. The Closing Date shall be no later than September 1, 2004.

Section 4.02 BUYER's Closing Obligations. On or before the Closing Date, BUYER shall deliver the following:

- a. The cost of recording the Deed;
- b. An amount equal to the Nevada Real Property Transfer Tax; and
- c. Such other documents as are reasonably required by BUYER to carry out the terms and provisions of this Agreement, including the Promissory Note and Deed of Trust.

Section 4.03 SELLER's Closing Obligations. At the Closing, SELLER shall furnish and deliver the following:

- a. The Deed;
- b. Any and all transfer declarations or disclosure documents, duly executed by the appropriate parties, required in connection with the Deed by any state, county or municipal agency having jurisdiction over the Real Property or the transactions contemplated hereby; and
- c. Such other documents as are reasonably required by BUYER to carry out the terms and provisions of this Agreement.

ARTICLE 5

REMEDIES

Section 5.01 Remedies. SELLER and BUYER shall be entitled to all remedies at all or in equity.

ARTICLE 6
MISCELLANEOUS

Section 6.01 Successors and Assigns. This Agreement shall be binding not only upon the parties but also upon their respective assigns and other successors in interest.

Section 6.02 Time. Time is of the essence of this Agreement. In the event that any date specified in this Agreement falls on a Saturday, Sunday or a public holiday, such date shall be deemed to be the succeeding day on which the public agencies and major banks are open for business.

Section 6.03 Execution of Additional Documents. In addition to documents and other matters specifically referenced in this Agreement, SELLER and BUYER agree to execute and/or deliver, or cause to be executed and/or delivered, such other documents and/or materials, including additional escrow instructions carrying out the terms and conditions of this Agreement as may be reasonably necessary to effect the transaction contemplated by this Agreement.

Section 6.04 Notices and Other Communications. Every notice or other communication required or contemplated by this Agreement by any party shall be in writing delivered either by personal delivery, prepaid overnight delivery service or facsimile addressed to the party for whom intended at the address specified in this Section.

To SELLER: Catherine Sue Smith, City Clerk
City of Wells
P.O. Box 366
Wells, NV 89835

To BUYER: Doug Molohon, Project Manager
HEART Incorporated
P.O. Box 428
Wells, NV 89835

Notice by overnight delivery service shall be effective on the date it is officially recorded as delivered to the intended recipient. All notices delivered in person or sent by facsimile shall be deemed to have been delivered to and received by the addresses and shall be effective on the date of personal delivery or on the date sent, respectively. Notice not given in writing shall be effective only if acknowledged in writing by a duly authorized representative of the party to whom it was given. Either BUYER or SELLER may, by notice to the other given as herein stated, change its address for future notices hereunder.

Section 6.05. Governing Law; Venue. The validity, construction and enforceability of this Section shall be governed in all respects by the laws of Nevada applicable to agreements negotiated, executed and performed in Nevada by Nevada residents. BUYER hereby consents to jurisdiction in the State of Nevada. Venue for any action instituted with respect to this Agreement, related Agreements, or the transactions contemplated hereunder and thereunder shall lie exclusively in Elko County, Nevada.

Section 6.06 Entire Agreement; Modification; Waiver. This Agreement constitutes the entire agreement between BUYER and SELLER pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations and understandings. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

Section 6.07 Counterparts. This Agreement may be executed in one or more counterparts, and each counterpart shall constitute an original instrument but all such counterparts shall only constitute one and the same instrument.

Section 6.08 Merger. The obligations of SELLER and BUYER pursuant to this Agreement shall survive the close of escrow contemplated hereunder, and shall not be deemed to merge with the deed of conveyance.

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Section 6.10 Attorney's Fees. In the event of any litigation between the parties hereto arising out of this Agreement, or if one party seeks to judicially enforce the terms of this Agreement, the prevailing party shall be reimbursed for all reasonable costs, including but not limited to, reasonable attorney's fees.

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Section 6.12 Brokers. SELLER represents to BUYER that there is no broker or other person entitled to a commission or similar fee from SELLER in connection with the transactions described in this Agreement. BUYER represents that it has dealt with no agent or broker in connection with this Agreement. SELLER and BUYER covenants and agree to defend, indemnify and save harmless the other from and against any claim for any other broker's commission or similar fee or compensation for any service rendered in connection with the sale and purchase of the Real Property.

Section 6.13 Plan Review and Permit Fees. BUYER shall pay for all required plan review and permit fees (federal, state and local) which may be required for any on-site public improvements.

IN WITNESS WHEREOF, the SELLER and BUYER have executed this Agreement on the date first above written.

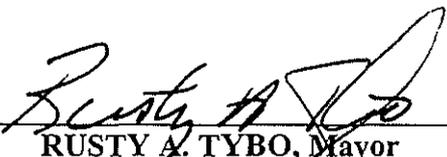
BUYER:

**HUMBOLDT ENVIRONMENTAL AND
RENEWABLE TECHNOLOGIES, INC.**

SELLER:

CITY OF WELLS

By _____

By  _____
RUSTY A. TYBO, Mayor

ATTEST:

CATHERINE SUE SMITH, Clerk

Statement
CITY OF WELLS

Office of City Clerk
P.O. Box 366
Wells, Nevada 89835
775-752-3355

As of February 19, 2010

H.E.A.R.T.
P.O. Box 428
Wells, Nevada 89835-0428

Description				
	Original Purchase Price of Land			\$ 261,660.00
9/1/2004	Down Payment Due	\$ 25,000.00		
9/17/2004	Payment Received		\$ 25,000.00	\$.00
9/1/2005	Interest Only Payment Due	\$ 18,932.80		
10/4/2005	Payment Received		\$ 18,932.80	\$.00
3/14/2006	Renegotiation of Terms			\$ 236,000.00
9/1/2006	Payment Installment #1 Due	\$ 18,937.25		\$ 18,937.25
9/1/2007	Payment Installment #2 Due	\$ 18,937.25		\$ 37,874.50
2/12/2008	Payment Received		\$ 5,000.00	\$ 32,874.50
9/1/2008	Payment Installment #3 Due	\$ 18,937.25		\$ 51,811.75
9/1/2009	Payment Installment #4 Due	\$ 18,937.25		\$ 70,749.00

PROMISSORY NOTE

\$236,000.00

_____, 2006
Wells, Nevada

FOR VALUE RECEIVED, HUMBOLDT ENVIRONMENTAL AND RENEWABLE TECHNOLOGIES, INC., promises to pay to the order of the **CITY OF WELL**, a Municipality, at P.O. Box 366, Wells, Nevada 89835, or wherever payment may be demanded by the holder of this Note, the sum of **TWO HUNDRED THIRTY-SIX THOUSAND DOLLARS (\$236,000.00)**, together with interest thereon from the date of this Note until paid, at the rate of **five percent (5%)** per annum, both principal and interest payable only in lawful money of the United States of America, as follows:

Twenty annual installments of **EIGHTEEN THOUSAND NINE HUNDRED THIRTY-SEVEN AND 25/100 DOLLARS (\$18,937.25)**, which amount includes interest, shall be paid on this Note, the first of said installments to be paid on the _____ day of _____, 2006, and a like installment on _____ and each and every year thereafter for a period of twenty (20) years or until principal and interest have been fully paid. Each of said installments shall be applied first to the payment of accrued interest on the unpaid principal, and the balance thereof to be credited on the principal.

The Maker may, at its option, increase the amount of said payments, or may make additional or further payments on the principal balance then due, or may pay in full, at any time, the principal balance then due, all without a penalty or additional charge, save and except only for an interest then due, and any additional payments made shall be credited as of the date of payment, and interest shall accrue only upon the remaining balance of the indebtedness; **PROVIDED, HOWEVER**, that any such prepayment or additional payment shall not be cumulative, but in all events, each installment payment as hereinabove set forth shall be paid as it becomes due until the sum is paid in full.

If any default be made in the payment of any sum due hereunder and such default is not cured and made good within **thirty-five (35) days** in the manner and after the notice specified in N.R.S. 107.080, as in effect on the date of this Note, then, at the option of the holders of this Note, the entire unpaid principal balance hereof, together with accrued interest, and other sums payable hereunder and under the terms of the security herefor, shall become immediately due and payable in full, although the time of maturity expressed in this Note shall not have arrived.

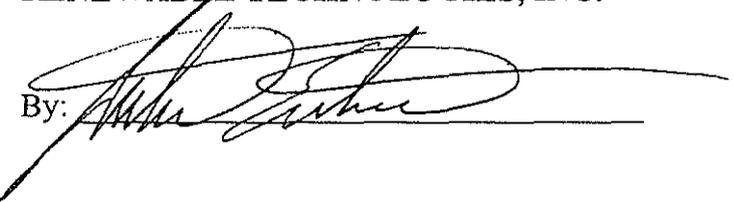
The Maker and any endorsers, guarantors or accommodation parties hereby severally waive presentment for payment, notice of dishonor, protest, and noticing for protest of non-payment of this Note, and all defenses on the grounds of any extension of time of payment that may be given by the holders.

GOICOCHEA, DI GRAZIA,
COYLE & STANTON, LTD.
ATTORNEYS AT LAW
530 IDAHO STREET - P. O. BOX 1358
ELKO, NEVADA 89801
(775) 738-8091

The Maker and any endorsers, guarantors or accommodation parties further agree to pay all costs of collection, including any reasonable attorney fees incurred by the Holders of this Note incidental to the collection hereof, or any portion, in the event of default or deficiency in the payment of the Note or any portion hereof.

A Deed of Trust of even date secures the payment of this indebtedness evidenced by this Note.

**MAKER:
HUMBOLDT ENVIRONMENTAL AND
RENEWABLE TECHNOLOGIES, INC.**

By: 

GOICOCHEA, DI GRAZIA,
COYLE & STANTON, LTD.
ATTORNEYS AT LAW
530 IDAHO STREET - P.O. BOX 1358
ELKO, NEVADA 89801
(775) 738-8091

The Wells Progress

1.4 No. 6 editor@wellsprogress.com **Friday** www.wellsprogress.com February 26th, 2010

deputy 1 on pending igation

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opinion save city \$10,000



Sue Chapman took this photo of the demolition of Simon's Meat Market. Vico Construction is doing the tear down for Hank & Sue Chapman. In a very generous move, Elko Sanitation with the help of the City of Wells will haul three or four 30 yard loads back to the Elko landfill for free.

A change comes to Front Street

Front Street in Wells is again changing. Hank and Sue Chapman owners of Lot 4, Block E, have contracted VICO Construction to demolish and remove what was left of the building. According to the sign of the Old Town Front Street Walking Tour, Lot 4, Block E was a meat market. In 1890,

broke out, and burned all the buildings from Nuttall's store on the corner to the brick San Marin Hotel. Coryell decided to rebuild with only one story. His first tenant had a saloon business that was short lived. The brick building was then re-opened as Simon's Meat Market and lasted a

H.E.A.R.T. looks to repay debt

Humboldt Environmental and Renewable Technologies (HEART) was a corporation that was formed with the idea of recycling tires through microwave technology. The idea has failed to materialize but debt owed to the city remains. The corporation put a down payment on land owned by the city of \$25,000 on September 17th, 2004. The land is located in the Wells heavy industrial park. The original price of the land was set at \$261,660 and following an interest only payment of \$18,932.80 paid on October 4th, 2005, a renegotiation of terms for a price of \$236,000 was approved on March 14th, 2006. A payment installation program was set up where by HEART would make a payment of \$18,937.25 to the city on the first of September of each year until 2025. The first payment was due on Sept 1st of 2006. It was not paid. A second payment was due on September 1st 2007. A payment of \$5,000 was received on February

continued page 2

Deputy Clerk will file to succeed boss

In yet another pre-filing announcement Carol Fosmo, Chief Deputy Clerk for Elko County, plans on signing up to run for the position of Elko County Clerk

OPINION

MINORITY VIEW BY

Mounting evidence suggests that claims of manmade global warming might turn out to be the greatest hoax in mankind's history. Immune and hostile to the evidence, President Barack Obama's administration and most of the U.S. Congress sides with Climate Czar Carol Browner, who says, "I'm sticking with the 2,500 scientists. These people have been studying this issue for a very long time and agree this problem is real."

The scientists whom Browner references are associated with the U.N.'s Intergovernmental Panel on Climate Change (IPCC). Let's look some of what they told us. The 2007 IPCC report, which won them a Nobel Peace Prize, said that the probability of Himalayan glaciers "disappearing by the year 2035 and perhaps sooner is very high" as a result of manmade global warming. Recently, IPCC was forced to retract their glacier disappearance claim, which was made on the basis of a non-scientific magazine article. When critics initially questioned the prediction, Rajendra Pachauri, IPCC's chairman, dismissed them as "voodoo scientists."

The IPCC also had to retract its claim that up to 40 percent of the Amazonian forests were at risk from global warming and would likely be replaced by "tropical savannas" if temperatures continued to rise. The IPCC claim was based on a paper co-authored by the World Wildlife Fund (WWF) and the International Union for Conservation of Nature (IUCN), two environmental activist groups. England's now-disgraced University of East Anglia's Climatic Research Unit (CRU) has been a leader in climate research data. Their data, collected and analyzed by them, have been used for years to bolster IPCC efforts to press governments to cut carbon dioxide emissions. Climatologists, including CRU's disgraced former director Professor Phil Jones, have been accused of manipulating data

scientists were manipulating data. In a recent interview with the BBC, he admitted that he did not believe that "the debate on climate change is over" and that he didn't "believe the vast majority of climate scientists think this."

Long denied by the warmers, Professor Jones admitted that the Medieval Warm Period (800 A.D. to 1300 A.D.) might well had been as warm as the Current Warm Period (1975-present), or warmer, and that if it was, "then obviously the late-20th century warmth would not be unprecedented." That suggests global warming may not be a manmade phenomenon. In any case, Professor Jones said that for the past 15 years, there has been no "statistically significant" global warming.

During the BBC interview, Professor Jones dodged several questions: why he had asked a colleague to delete e-mails relating to the IPCC's Fourth Assessment Report and ask others to do likewise; whether some of his handling of data had crossed the line of acceptable scientific practice; and what about his letter saying that he had used a "trick" to "hide the decline" in tree-ring temperature data?

Given all the false claims and evidence pointing to scientific fraud, I don't think it wise to continue spending billions of dollars and enacting economically crippling regulations in the name of fighting global warming. At the minimum, we should stop the Environmental Protection Agency from going on with their plans to regulate carbon emissions. Companies should resign from the United States Climate Action Partnership (USCAP), a lobbying group of businesses and radical environmentalists. Dr. Tom Borelli, who is director of the National Center for Public Policy Research's Free Enterprise Project, says that BP, Caterpillar, Conoco Phillips, Marsh, Inc. and Xerox have the common sense to so already.

Walter E. Williams is a professor of

The Earthquake

Water lines failed because of cracks
Even damage to bridges and railroad tracks.

People rallied together and helped one another
Everyone acted like a sister or brother
They're not holding their breath waiting for government aid
Religious or not most everyone prayed.

Earthquakes power makes building tumble

Whatever, earthquakes, flood and fire
Work and sacrifice will He require.

All will suffer a loved ones death
Helplessly watching for their last breath
Yes, many unpleasant days we must endure
Makes us a better person than we were before.

-By Reed Jensen

HEART continued...

12th, 2008. Two more September firsts have passed with no payments received. HEART now owes the city \$70,749.

Following the red-tagging of the City Shop, declaring it unsafe, the public works crew moved their operation up to the HEART building. The City's Insurance Company has paid the rent for use of the building. The HEART corporation plans to sign the money received for rents from the insurance

company back over to the city. This totals about \$9,000. In addition HEART will allow the city crews to remain in the building, rent free, until the new city shop is completed.

At Tuesday night's city council meeting it was also mentioned that Fronteer Development Group, the company exploring for gold in the Esquops, may be looking at a long term lease of part of the facility.

Editorial Policy

The Wells Progress will accept and print a variety of Letters to the Editor under the following circumstances. In order to be considered for publication a letter must be sent to either 1053 Idaho St. Elko, NV 89801 or e-mailed through wellsprogress.com by the preceding Tuesday. Letters may be edited to prevent libel. Letters must have contact information to ensure authorship.



both projects. The Board concurred that the roof repair is the priority. The group briefly discussed the gazebo concept and design, determined that additional planning needs to be done and agreed it might be a better project for spring. Elaine Swanson informed that the Next Dollar Foundation meets once a quarter.

UPDATE BY CITY MANAGER ON TIRE RECYCLING PROJECT

Jolene Supp reported that the tire recycling project is progressing quite nicely. She provided the Board with an Appropriations Information Form she completed for Senator Reid's office at the request of Burk Morrison, his Rural Representative. She stated that the original document had Elko County on it, as well, and County Commissioner Mike Nannini requested that the appropriation be made only on behalf of the City of Wells. She stated that the appropriations request is for \$400,000 per year for a period of three years. She explained that the appropriation must go to an entity. Upon question of Vice Mayor Stark, Jolene Supp explained that the City of Wells will then give the money to HEART, the locally owned, private corporation. She stated that the company will use it for capital improvements the first year and use it for operations the next two years. With reference to a timetable, she stated that appropriations will be requested soon and may be approved as early as July or September but the money will not be dispensed until some time later. Mayor Tybo asked for clarification on the form concerning the single appropriation.

Manager Supp continued to report that the Articles of Incorporation for Humboldt Environmental and Renewable Technologies (HEART) have been signed and Post Office box and telephone numbers established. She reported that HEART will be considering a revised sales agreement the following evening and will hopefully execute the document for EWI, the Toronto company. She continued that if the document is signed, the first payment will go to Toronto by the end of the month and the company will do a press release. She stated that there is a refundability clause and territory and performance guarantees in the document, as well. Manager Supp stated that she will meet with Herb Shedd of USDA on Friday morning to talk about USDA requirements for loan submittal. She added that Commissioner Nannini will also be attending that meeting.

Mayor Tybo asked about the REDLEG funds and Manager Supp explained that the local cooperative will have to guarantee those funds and she is not getting good vibrations that they will do that. Elaine Swanson asked if Zions Bank is still involved in the project and Jolene Supp stated that they will meet with Zions representatives later in the month if USDA offers hope.

Jolene Supp also reported that she and Mike Eriksen, Vice President of HEART, met with Doug Molohon, who is a potential Project Manager and although no offer was made, he has a number of good ideas concerning the project.

Mayor Tybo recessed the meeting at 7:23 P.M. and called to reconvene at 7:25 P.M.

End of May first part June 09 Public Works foreman Dennis Calton was showing Insurance Co., Green Span and City engineers into damaged buildings for final evaluation before settling Ins. claim. When Dennis called me saying Glen Palmer wanted to know why for the first time Jolene has asked to evaluate this hanger, (Bud Supps) I told him that I didn't know but if she asked them to let them, she must know something I didn't. It's not one of the three that's owned by City. I didn't think about it again until conference call with Ins. Co., Green Span, Glen Palmer, Jolene and I, which was the last conf. call before the meeting where all the decision makers were to meet.

The discussion went hanger #13 and I realized they were talking about Bud's not the city's went to say they were talking about the wrong hanger. Jolene stoped me by raising her hands and speaking softly saying talk after meeting.

After meeting Jolene said that Bud her father in law was going to will his hanger to the city and that it would be nice to have it fixed up. Told her that was Insurance fraud and I would hate to see her go there and jeopardize the City's claim.

A few days later Jolene told me that she had talked with them and they were going to drop hanger #13/Bud's from the claim. I'm not sure if she was talking about Green Span or Ins. Co.

After Rustu and Jolene returned from decision makers meeting she came into Sue's office where I was and said they Ins. Co. said what's the differences one hanger or four. Next council meeting learned the Insurance claims had gone to a global settlement.

Dennis Caltan
Public Works Foreman
935 2nd St. Wells No. 89835
Home 775-752-3730 Cell 775-752-0617

Re: City of Wells

Buildings	TGC/AI	Pool's Counter Proposal 10/26/09
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Per Estimates \$ 2,374,991.30 \$ 1,083,526.95

Adjustments;

Epoxy		\$ 116,091.16
Painting Water Tank		see below
Sub-total		\$ 1,199,618.11
Supervision		\$ 83,973.27
Sub-total		\$ 1,283,591.38
Prevailing Wages		\$ 89,851.40
Engineering	\$ 65,000.00	\$ 65,000.00
Permits		
Scope adjustments;	\$ (50,000.00)	

Painting Water Tank \$ 66,000.00

Sub-total w/o scope adjustments \$ 2,389,991.30 \$ 1,504,442.77

General Conditions considered \$ -

Sub-total: \$ 2,389,991.30 \$ 1,504,442.77

Contractor's Overhead \$ 28,991.58

Contractor's Fee \$ 28,991.58

Revised Totals: \$ 2,389,991.30 \$ 1,562,425.94

Remove Hanger 13 from spreadsheet and
relabel Number 41 to be Number 13 \$ (66,366.81)

Adjustment for Global Walk Away Settlement considered

Revised Amounts: \$ 2,323,624.49 1 \$ 1,550,000.00

Footnotes;

1) Rounded to Donna's 10/26/09 offer

Suggested Compromise	Comments
----------------------	----------

\$	1,083,526.95	(\$ 1,003,526.95 plus \$ 80,000 for scope adjustments)
\$	116,091.16	See Epoxy Sheet
\$	1,199,618.11	
\$	83,973.27	7% of hard cost
\$	1,283,591.38	
\$	89,851.40	Government Mandated, 10% of 70% of Job-Cost
\$	65,000.00	Actual Cost

see below

\$	66,000.00	Fully burdened
\$	1,504,442.77	
\$	150,444.28	claimed @ 10 % offered to settle for 7%
\$	1,654,887.05	
		Applies to Epoxy \$ 116,091.16, Supervision \$
		83,973.27, Prevailing Wages \$ 89,851.40 and
\$	44,036.01	General Conditions \$ \$ 150,444.28
\$	44,036.01	
\$	1,742,959.07	Delta \$ 773,624.49 (\$ 2,323,624.49 minus \$ 1, 550,000.00)

\$	174,295.91	Suggest add 10% for Contingency for "Walk Away Global Settlement)	Delta is now \$ 773,624.49 (
\$	1,917,254.98		

"

\$ 2,323,624.49 minus \$ 1,550,000.00)

? You forwarded this message on 7/20/2009 10:42 AM.

Attachments can contain viruses that may harm your computer. Attachments may not display correctly.

Donna J. Squires

From: Donna J. Squires **Sent:** Thu 7/16/2009 5:29 PM
To: Jolene Supp
Cc:
Subject: FW: Wells revised Xactimate estimates

Attachments: [Restroom Area.pdf\(69KB\)](#) [Rodeo Restrooms.pdf\(73KB\)](#) [Rural Medical Clinic.pdf\(257KB\)](#) [Senior Center.pdf\(206KB\)](#) [Wastewater Pump Station.pdf\(26KB\)](#) [Airport Hanger Large.pdf\(26KB\)](#) [Airport Hanger Medium.pdf\(34KB\)](#) [Bath House.pdf\(240KB\)](#) [City Hall.pdf\(1MB\)](#) [Concession - Storage at Pool.pdf\(39KB\)](#) [Family Resource Center.pdf\(219KB\)](#) [Fire Station-Jail.pdf\(121KB\)](#) [Flagpole.pdf\(22KB\)](#) [Golf Clubhouse.pdf\(281KB\)](#) [Golf Pumphouse - Restroom.pdf\(94KB\)](#) [Golf Shop.pdf\(91KB\)](#) [Health Van Garage.pdf\(13KB\)](#) [Hunter Safety.pdf\(126KB\)](#) [Maintenance Shop - revised with out roofing.pdf\(251KB\)](#) [New Fire House.pdf\(195KB\)](#) [Pumphouse 2.pdf\(72KB\)](#) [Pumphouse 6.pdf\(22KB\)](#) [Loc 13, 35,39.PDF\(283KB\)](#) [concession-announcer.pdf\(25KB\)](#) [Library.pdf\(228KB\)](#) [Rodeo concession.pdf\(70KB\)](#) [Airport Beacon.pdf\(13KB\)](#)

Hi Jolene:

Attached are the remaining revised estimates for your review. They are in PDF format this time so you can open them.

Overall, here's what we did:

- Changed the price list to Elko, non-prevailing, eff. 7/1/09 (sales tax increased)
- Base service charges changed to factored. This is a better method of accounting for additional costs for working in a rural area. This results in the prices for some items to be higher.
- Supervision and access fees have been removed. These will be taken into account following completion of the work.
- Overhead and profit have been included but will not be paid until the work is complete. If Belfor is doing the work, O&P will be removed and the work will be done per their existing contract with NPAIP.
- Temporary power and water have been removed, and in some cases temporary toilets. Where City utilities are available it is recommended that they be used and the City reimbursed for any increases.

With respect to the Hunter's Safety Building, Family Resource Center, Senior Center, Library, Rural Medical Clinic and New Firehouse, the estimates have been reflected to patch new cracks and touch up the paint. Work that was not previously done has been included.

The City Shop estimate has been revised (it is now labeled REV2) to delete the R&R of the roof since Glen is working on an alternate repair method.

There were changes in repair methods recommended for the City Hall. These will need to be discussed collectively once Paul and Vince complete their review.

Attachment "loc 13, 35, 39" contains documentation with respect to those locations. With respect to loc 13 (the small airport hanger), Greenspan indicates it is awaiting a bid for epoxy repairs to the slab. According to the initial inspections by RTW and Terrence Tobey, there was no damage at this location.

With respect to loc 35 (pumphouse #1), Greenspan is waiting for a bid for epoxy injection to the slab. Greenspan's estimate dated 12/11/08 indicates there was no visual damage at the time of inspection. RTW's inspection report also indicates no damage.

With respect to location 39 (medium airport hanger), Terrence Tobey's ATC-20 inspection report indicates the fold up door was damaged but that there was no other damage. He noted the slab cracks were pre-existing.

**MINUTES OF WELLS CITY COUNCIL
MEETING OF DECEMBER 8, 2009**

CALL TO ORDER

Date: Tuesday, December 8, 2009
Time: 7:00 P.M.
Place: Meeting Room, Wells Fire Station
516 Seventh Street Wells, Nevada
Type of Meeting: Regular Meeting of City of Wells Board of Councilmen
Presiding Officer: Rusty A. Tybo, Mayor

ROLL CALL

Present: Gretchen A. Hubert, Councilwoman
Kenny W. Huff, Councilman
John G. Riddle, Councilman
Calvin S. Stark, Vice Mayor
Rusty A. Tybo, Mayor

Absent: None

Quorum: Yes

Staff Present: David L. Linge, Public Works Director
Catherine Sue Smith, City Clerk
Jolene M. Supp, City Manager

PLEDGE OF ALLEGIANCE

Councilwoman Gretchen Hubert led the Pledge of Allegiance.

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Cal Stark made a motion to approve minutes of the meeting of November 24, 2009 and Kenny Huff seconded the motion. The vote was Hubert, Huff, Stark and Tybo; aye and Riddle abstained as he was not in attendance at that meeting.

**PRESENTATION OF FISCAL YEAR 2008-2009 FINANCIAL STATEMENT,
RELATED DISCUSSION AND ACTION TO ACCEPT FINANCIAL
STATEMENT**

Minutes of Wells City Council
Meeting of December 8, 2009

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Ross Eardley of McMullen, McPhee and Company presented the Fiscal Year 2009 Financial Statement. Eardley informed that the City of Wells received an unqualified opinion as in previous years. There was an overall increase in City assets of \$100,174 or less than one percent. The financial report included a \$1,024 negative fund balance in the Cemetery Perpetual Care Fund which is a result of the wrought iron fence purchase. There were also expenditures in excess of budget in the Administrative function of the General Fund due to earthquake expenditures and the Community Support function. The General Fund overall was within budget. The Earthquake Fund was also not budgeted.

Ross Eardley stated Audit Findings were similar to previous years; accounting system does not provide for year end and non-routine transactions, grant filing system needs to be better organized, and lack of budget adjustments/augmentations. Upon question of the Mayor, Eardley explained that City Staff is relying too much on the auditors to make non-routine adjustments and there should be more independence between the two. He continued that this is a result of Enron and other recent corporate failures. Gretchen Hubert asked if more staff training is needed. Explanation was provided that the City can hire an independent or put a CPA on staff, for example. Ross Eardley added that day-to-day operations are accurate and handled well but theoretically the City of Wells should be able to produce its own financial statement without benefit of an auditing firm.

John Riddle made a motion to accept the Fiscal Year 2009 Financial Statement. Cal Stark seconded the motion and the Board cast a unanimous vote.

CITIZENS TO ADDRESS THE COUNCIL

Mayor Tybo introduced Pamela Smith, Community Relations Coordinator for Fronteer Development (USA), Inc. Ms. Smith informed that the preliminary economic assessment for gold exploration in the area between Wells and West Wendover is out. Mayor Tybo asked when the City of Wells may see a greater impact and she stated that these are the initial exploration results and they will be updated next year, based on this year's information. Mayor Tybo asked if there is anything the City of Wells can do and she responded not at this time. Ms. Smith stated that she will be attending Council meetings and providing updates.

CONTINUED DISCUSSION OF LOSS CLAIM AND GLOBAL SETTLEMENT OPTION, REVIEW OF AMENDED RELEASE DOCUMENT AND POSSIBLE ACTION TO ACCEPT GLOBAL SETTLEMENT OR RETURN RELEASE DOCUMENT TO INSURANCE COMPANY FOR FURTHER REVIEW

Mayor Tybo informed that no figures have been received from the insurance company. Manager Supp added that she spoke with ASC Adjuster Donna Squires who stated that she is frustrated that nothing has been resolved. Squires added that she answered all the insurance company's questions prior to going on vacation at Thanksgiving and thought they would have an answer by now. Cal Stark referenced an e-mail from Greenspan and

Jolene Supp stated that they think it would be an act of good faith to send the amended Release document, unsigned, to the insurance company so they know that the verbiage is okay. John Riddle stated that he is concerned about the City of Wells from a liability standpoint. Mayor Tybo stated that some of the issues have been taken care of and he doesn't think it would hurt to agree. He continued that the Board might also want to give him authority to sign the document if an agreeable number is offered since there will not be a meeting until January 12, 2010.

The City Manager asked if the Board desires to carve the swimming pool out of the settlement. Cal Stark stated that it is a good idea since the contractor has already spent \$75,000 on it. John Riddle stated that the City must go through a bid process if they accept settlement for the swimming pool and likely Davis-Beacon wages will be applicable. Jolene Supp concurred. Cal Stark stated that there is only enough insurance money to construct the swimming pool, not the building. Manager Supp stated that pool buildings will have to be completed with the Dean Heller appropriation and again stated will have to be bid. John Riddle stated that removing the pool from the global settlement will probably reduce the cost of swimming pool construction overall.

Following brief discussion about the wording, Vice Mayor Stark made a motion to allow Greenspan to send an unsigned, amended Release document to the insurance company, including third party liability and removing the swimming pool from the settlement. Kenny Huff seconded the motion and the vote was unanimous.

Manager Supp updated the Board on the Golf Course. Jolene Supp stated that in the spreadsheet she prepared for insurance money expenditures, she put in \$20,000 for the Golf Course. The City Manager stated she pulled up the carpet in front of the bar and the wavy floor there is being caused by the disintegrated particle board. Manager Supp stated that she contacted Building Inspector Ed Achurra about an alternative to Structural Engineer Glen Palmer's design of foundation and suggested a pony wall on footings extending through to under the kitchen area where the heavy refrigerators and freezers are also causing a sagging floor. She stated that Palmer's design does not address the kitchen area as it was not earthquake damage. She stated that Palmer's design requires the hand wheeling of eight yards of cement under the existing floor. John Riddle asked if the City will get into regulatory issues if the kitchen area is involved and questioned how much should be done because of this. Jolene Supp assured that the health department will require nothing new if there are no changes to appliances or if there is no change in location of fixtures. Cal Stark asked if a quote has been obtained for this work. Manager Supp stated that she is awaiting Ed Achurra's response before proceeding. Mayor Tybo asked if the City should continue to work since no decision has been made by the insurance company. Jolene Supp stated that the City can go ahead and then ask for reimbursement from the insurance company, even if a settlement is not reached. Gretchen Hubert expressed using caution. John Riddle stated that obviously the timing is good as the Golf Course is closed for the season. He asked about replacement of the carpet and Jolene Supp stated that she would like to use a product that Wells Rural

Electric Company has in their Service Center for flooring but stated that she needs to verify with the health department whether or not it is acceptable in the kitchen. David Linge asked if the insurance company will have problems if the City deviates from the design of the structural engineer and Jolene Supp stated that there should be no problem if the Building Official approves it.

Manager Supp informed that Steel Systems intends to do their final pour later in the week, weather permitting and then tarp everything off until January when the steel arrives.

REPORT FROM MAYOR ON NEGOTIATION FOR PROPERTY PURCHASE FOR NEW CITY HALL LOCATION AND POSSIBLE ACTION TO HAVE CITY ATTORNEY ORDER PRELIMINARY TITLE REPORT AND DRAFT SALE DOCUMENTS

Rusty Tybo reported that he met with Mitch and Robert Supp of ARM Tire Company concerning the potential property purchase for City Hall. He stated that the closest comparison is the Dixon property on the corner of Sixth Street and Humboldt Avenue, 35,000 square feet for \$45,000 and the Supp property is 37,500 square feet and they are asking \$50,000. The Mayor continued that Supps intend to use the property to build an airport hangar. They want to tear down the old hangar they use and construct new and execute a lease at that time. He continued that they also suggested that the hangar would revert to the City at some future point. John Riddle asked how large the hangar will be and it was explained that it will be large enough to hold two airplanes. The Mayor further advised that he intends to have another meeting with them after the holidays but would like for the City Attorney to proceed to order a preliminary title report. Gretchen Hubert asked what the hangar has to do with the property and suggested it might be cleaner to just deal with a land sale. Mayor Tybo agreed that the City would pay the price for the land and they can use it to build a hangar. Upon question of Councilman Riddle about an environmental assessment on the property, Jolene Supp stated that she has USDA already doing that. The City Manager declared conflict of interest. Cal Stark asked if the Mayor is dickering on the \$50,000 price tag. Mayor Tybo stated that he wants to meet with the Supps again before the City Attorney is involved. John Riddle ask where the money is going to come from for purchase of the property and Mayor Tybo stated that \$150,000 of the Reid money was slated for land purchase. John Riddle made a motion to authorize the Mayor to instruct the City Attorney to do a preliminary title search on the subject property. Gretchen Hubert seconded the motion and the vote was unanimous.

ACTION TO CANCEL SECOND REGULAR MEETING IN DECEMBER

Mayor Tybo stated that the Board has historically cancelled the second meeting in December as it usually falls during the Christmas week. The meeting date would be December 22, 2009. Kenny Huff made a motion to cancel the second regular meeting in December and Gretchen Hubert seconded the motion. The Board cast a unanimous vote.

ACTION TO CLOSE CITY OPERATIONS ON DECEMBER 24, 2009

The Mayor stated that the past several years the Board has voted to close City operations on December 24, Christmas Eve, to allow all employees an opportunity to be with family. He stated that employees are required to take a personal day, annual leave or their floating holiday for this day off. Cal Stark made a motion to close City operations on December 24, 2009 and Kenny Huff seconded the motion. The vote was unanimous.

CLAIMS COMMITTEE REPORT; ACTION TO APPROVE FINANCIAL STATEMENTS

Cal Stark made a motion to approve Warrant Register dated December 8, 2009 in the amount of \$33,581.07 and John Riddle seconded the motion. The vote was unanimous.

COUNCILMEN'S REPORTS

Gretchen Hubert announced that the Desert to DC junior high students are holding a fund raiser dinner at Wells High School on Wednesday, December 9 prior to the Band Concert at 6:30 P.M.

John Riddle thanked the Vice Mayor for performing his duties on the Claims Committee for the past couple of meetings. Councilman Riddle continued that he was unable to do so because of a business conflict but will be willing to reciprocate in the coming month if necessary.

Kenny Huff announced that the Wells Family Resource Center has an Angel Tree at Nevada State Bank and will also have bins for toys and food at other locations.

Cal Stark reported that he, Mayor Tybo and Manager Supp attended the UNLV student landscape architect team final presentation in Las Vegas. He informed that they will be providing the City with copies of their presentation. Mayor Tybo commented that they were definitely listening when they made their presentation in Wells and asked for feedback as they modified some of their concepts. Cal Stark stated that one of the changes was using a giant wagon wheel as a feature in the area across from the Ranch House. The Mayor also informed that Cal Stark presented them with a plaque for their efforts.

Mayor Tybo informed that he will be taking the Senior Citizen Center bus to Salt Lake City the following day as it needs repairs done to the wheel chair lift. He wished everyone a Merry Christmas.

STAFF REPORTS

Minutes of Wells City Council
Meeting of December 8, 2009

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Jolene Supp reported that the City has received numerous compliments about Christmas lights and commended Public Works for their display. Cal Stark stated that he, too, has received numerous comments that people really like the trees with lights in the City Park. The City Manager continued that she has received engineering on the banners so hopefully when the Christmas lights on Sixth Street are removed, the banners can go up.

Manager Supp stated that she met with new ECEDA Director Pam Borda and gave her a tour of Wells. Jolene Supp stated that she was frank with Borda about past treatment and how Wells feels about "community" development, not just economic development. The Director indicated that ECEDA is going to do some strategic planning and she will get back to Wells. The City Manager stated that she is optimistic about future relations with ECEDA. Gretchen Hubert stated that she will be happy to sit in on meetings if the City of Wells wants a representative.

Manager Supp reported on a meeting about Bishop Creek. The Elko County Commissioners have entered into an agreement with the Metropolis Irrigation District and have also directed Elko County Community Developer Randy Brown to take the lead in the environmental process. She also informed that there is a January 19 meeting scheduled to identify concerns and move forward with the project. She added that the Bureau of Land Management is going to be the lead agency.

The City Manager continued that after that meeting the talk turned to the pipeline project. She continued that the BLM has pushed back the environmental but is certainly getting pressure because of the number of jobs to be created. She added that US Pipeline has written the City to activate their lease beginning in February, 2010.

Jolene Supp informed that as part of ARRA funds, the State of Nevada is hiring the consulting firm Broadbent to identify orphaned and abandoned underground storage tanks and create an inventory list. She continued that there is a job announcement at City Hall for a local person to do this work.

The City Manager reminded the Board of the employee Christmas Party on Thursday, December 17 at 2 P.M. at City Hall.

David Linge informed that the wellhead passed inspection.

David Prall informed that the Sheriff's Office has been recently been dealing with dog complaints.

ADJOURNMENT

Kenny Huff made a motion to adjourn the meeting and Cal Stark seconded the motion. Mayor Tybo adjourned the meeting at 8:15 P.M.

**MINUTES OF WELLS CITY COUNCIL
MEETING OF JULY 14, 2009**

CALL TO ORDER

Date: Tuesday, July 14, 2009
Time: 7:00 P.M.
Place: Meeting Room, Wells Fire Station
516 Seventh Street Wells, Nevada
Type of Meeting: Regular Meeting of City of Wells Board of Councilmen
Presiding Officer: Rusty A. Tybo, Mayor

ROLL CALL

Present: Gretchen A. Hubert, Councilwoman
John G. Riddle, Councilman
Calvin S. Stark, Vice Mayor
Rusty A. Tybo, Mayor

Absent: Kenny W. Huff, Councilman

Quorum: Yes

Staff Present: David L. Linge, Public Works Director
Catherine Sue Smith, City Clerk
Jolene M. Supp, City Manager

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Gretchen Hubert made a motion to approve minutes of the special meeting of June 22, 2009 and Cal Stark seconded the motion. The vote was unanimous. Cal Stark then made a motion to approve minutes of the regular meeting of June 23, 2009 and Gretchen Hubert seconded the motion. The vote was Hubert, Stark and Tybo; aye and John Riddle abstained as he was not in attendance at that meeting.

DAVID FRASER OF NEVADA LEAGUE OF CITIES TO ADDRESS THE BOARD OF COUNCILMEN

Mayor Tybo informed that David Fraser was unable to attend the meeting as scheduled.

WAYNE CARLSON OF NEVADA PUBLIC AGENCY INSURANCE TO ADDRESS THE BOARD OF COUNCILMEN

Minutes of Wells City Council
Meeting of July 14, 2009

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Nevada Public Agency Insurance Pool Executive Director Wayne Carlson apologized for not being able to attend the previous meeting. With reference to the Board's concern about increase in premiums, Carlson explained that original earthquake damage was estimated to be two million dollars. It has now been determined to be closer to four million. Carlson explained that he sent Claims Adjustor Donna Squires and Jeff Zander of the Elko County School District to talk to Underwriters Lloyd's of London about the difference. They explained about the curtain wall finding in Wells High School and this helped to mitigate a huge increase in premium and to prove there was no intent on their part to fraud or mislead the insurance company about the damage. Wayne Carlson continued that there is still a significant increase, approximately ten percent overall, to all members of the Pool but they were able to retain the amount of coverage required. Carlson stated that they have been in the market for a number of years and Lloyd's values the relationship which has helped to continue with the coverage even though 2008-2009 was the second worse year in the Pool's history in terms of claims. He added that the worst year was 2002 with a five and a half million dollar claim. Carlson stated that the City of Wells had a slight increase in payroll and a slight increase in property and vehicle appraisal which equated to the twelve percent increase or a premium totaling approximately \$55,000.

Wayne Carlson informed that the Pool will continue to provide the same scope of service including human resources and loss control. Mr. Carlson also explained about the Pool's Risk Management Grant program whereby the Board has dedicated one percent each year to allow entities to fix something they determine to be a risk. He explained that grants under \$10,000 can be approved at Staff level and those over \$10,000 require Board approval. Wayne Carlson stated that they encourage each entity to use creativity to come up with projects. He stated that the grant money available is approximately \$200,000 on the Pool side and \$400,000 on the PACT side. He stated they have helped with ADA issues, security issues and other things unique to the entity. Wayne Carlson explained, for example, that Nye County asked for a grant to purchase equipment for respiratory fit testing and instead of granting it to the entity, in this case the Pool purchased the equipment and it can now be used by all its covered entities at no cost to these entities. Carlson explained that another new benefit to users is a subscription to MSDS online and again there is no charge to members to obtain the needed information.

Jolene Supp asked Wayne Carlson if the Pool will be able to give an estimate of the increase in insurance premium as the City of Wells brings new buildings online. Mr. Carlson stated they can estimate this for the City. Mayor Tybo stated that given the school district scenario of increased damages, it is possible that a similar thing will happen to Wells when buildings are actually being repaired. Wayne Carlson stated that additional analysis has been done and he believes the four million dollar estimate will also cover any hidden damage. Mayor Tybo asked how it will affect the City of Wells if there is an increase. Wayne Carlson stated they have learned that earthquake claims are often more but the surprise was actually how much more. He continued that the important thing was to prove to the underwriters that there was no evil intent to fraud or

understate the claim. Carlson explained that he gave City Manager Jolene Supp numbers that have been reviewed by Donna Squires for three buildings and should have the rest of the buildings evaluated by the end of the week and then contractors can proceed. He commented that if it costs more, they are obligated to fix it.

Councilwoman Hubert expressed frustration on part of the Board, stating that it is now sixteen months later and we have just determined that the City Shop has been unsafe. She stated that hopefully the City will never experience another earthquake but asked if something has been learned in the process that will help the insurance company do a better job the next time. Wayne Carlson stated that the process was slowed as a result of the magnitude of the aftershocks. He stated that there was a mutual understanding between the City of Wells and the insurance company to postpone further evaluation of damage until these subsided and also to allow the focus to be placed on the Elko County School District damage to get students back into the classroom by last fall. Wayne Carlson stated that the claim process was further delayed by the City hiring a third party that made unreasonable demands and caused damaged relationships. Gretchen Hubert stated that as nothing had been initiated by the insurance company, the Board hired this company to free up Staff to do other things that desperately needed to be done. Wayne Carlson stated that one of the things that has helped is to have the weekly telephone conversations and they would start those sooner next time. He stated that it is the Pool's first earthquake loss. Carlson added that he sits on the Nevada Earthquake Council. Carlson stated the important thing is we are now going forward. He stated that the insurance company will hire the contractors and the City can reimburse if there are things done above and beyond earthquake damages. He added that there are some exceptions to that process. Wayne Carlson stated that the City has also complicated things by deciding to select another site for the swimming pool.

**UPDATE ON EARTHQUAKE INSURANCE CLAIM FOR PUBLIC DAMAGE,
REPORT ON TELECONFERENCE MEETINGS, REVIEW OF PLANS FOR
PUBLIC WORKS DEPARTMENT AND CITY HALL, CONTINUED
DISCUSSION OF MATTERS RELATED THERETO AND POSSIBLE ACTION
TO APPROVE PLANS AND REQUEST PROPOSALS**

Mayor Tybo asked Wayne Carlson if he has anything to add concerning the City's claims and he responded that as previously stated, Manager Supp has been given the first three building numbers for review. He continued that their estimators have gone through the details and tried to be thorough in determining these numbers. He stated that the Board should prioritize where they want the efforts focused, given that construction season is over by about November 1. Jolene Supp stated that she hopes the City of Wells will not have to defend expenses to underwriters next year. Wayne Carlson stated that they are targeted to have final numbers by this Friday so they should be able to provide a status report. He stated that they won't know for sure until all the work is all done, but he does not think it will be two million dollars more. Upon statement by Jolene Supp, Carlson concurred that the total may go up some but it probably won't be that much.

Mayor Tybo stressed urgency on part of the City of Wells to expedite work before the construction season slips away. He asked Carlson to use his authority to help move forward and asked that the teleconference calls be continued.

REVIEW OF APPLICATION FROM RONALD WHEELER FOR ZONING AMENDMENT FROM BC, BUFFER COMMERCIAL DISTRICT TO R-2, RESIDENTIAL, MEDIUM AND HIGH DENSITY DISTRICT ON THE EAST HALF OF LOT 29 AND LOT 30, BLOCK G, 579 FIFTH STREET, APN# 002-553-006, CONSIDERATION OF RECOMMENDATION FROM PLANNING COMMISSION, RELATED DISCUSSION AND ACTION TO GRANT OR DENY

REVIEW OF APPLICATION FROM JOHN LARSEN FOR ZONING AMENDMENT FROM BC, BUFFER COMMERCIAL DISTRICT TO R-2, RESIDENTIAL, MEDIUM AND HIGH DENSITY DISTRICT ON LOTS 25 AND 26, BLOCK H, 459 FIFTH STREET, APN# 002-546-008, CONSIDERATION OF RECOMMENDATION FROM PLANNING COMMISSION, RELATED DISCUSSION AND ACTION TO GRANT OR DENY

Mayor Tybo read the next two agenda items and stated that they are similar requests, zoning amendment from BC, Buffer Commercial to R-2, Residential Medium and High Density. He continued that the Board tabled the Wheeler request to obtain legal opinion concerning spot zoning. He continued that as there is residential zoning across the street, he feels it would not constitute spot zoning. The Mayor informed that these two applications were considered at a Planning Commission meeting the previous evening and a majority of those voting recommended action to grant the zoning amendment. He stated, however, there was not a quorum for the vote with the Chairman abstaining and one member absent. The Mayor stated that there was no opposition voiced at the meeting and nothing submitted in writing. Manager Supp clarified that one neighbor stated that she did not want her zoning to be changed but stated that she was not opposed to the request for other properties. Mayor Tybo stated that if it is easier for property owners to finance with the change, he would recommend approval of both items. John Riddle stated that based on findings that the change would not constitute spot zoning, that there was no opposition to the requests for zoning amendment and the need to keep homes occupied, he would make a motion to approve both zoning amendments from Buffer Commercial to R-2, Residential, Medium and High Density. Cal Stark seconded the motion and the vote was unanimous.

REVIEW OF AND POSSIBLE ACTION TO APPROVE PARCEL MAP FOR WILLIAM B. SHINE, CATHY T. SHINE AND CHARLES K. COBB AKA CHUCK CORBE, JR. IN SECTION 9, T37N, R62E, MDB&M

Manager Supp explained that there was a quorum vote to approve this Parcel Map at a Planning Commission meeting the previous evening. Upon question of John Riddle,

Jolene Supp explained that the property owners requested a zone change on this property last year and the zoning is R-2, Medium and High Density Residential on the north side and R-1, Single-Family Residential on the south side. The City Manager stated that they desire to use proceeds from the first two parcel sales to develop the rest. Gretchen Hubert asked if the entire goal is to create a subdivision. Paul Bottari stated that they intend to sell two or three parcels and then do the required improvements to Boaz Street and the culdesac and then sell the other parcels. He stated that it is hard to come up with the money upfront to do the necessary road construction. Gretchen Hubert inquired about access and explanation was provided that access to the four parcels along Ventosa Street will be off that street, across from the Golf Course Clubhouse. Lori Bottari added that the electricity will be located in the culdesac behind these properties. Mayor Tybo asked Paul Bottari who the developer is and he responded that the owners are, Shine and Corbe, and that Bottari and Associates Realty is working with them to sell the parcels. He stated that they will use a local contractor to shape the property and get the parcels ready for sale. Cal Stark made a motion to approve Parcel Map for William B. Shine, Cathy T. Shine and Charles K. Cobb in Section 9, T37N, R62E. John Riddle seconded the motion and the vote was unanimous.

*This was Todd's Property
PIMPTON Attorney
(see pg. 9)*

**KATHY OWEN TO ADDRESS THE BOARD OF COUNCILMEN
CONCERNING PAYMENT FOR GALLONS OF WATER NOT USED IN
MONTHLY ALLOTMENT**

Kathy Owen stated that she uses less than the 20,000 gallons each month and asked why she has to pay for it. She stated that there is no incentive for saving water and asked why a gallon credit cannot be forwarded to the next month. Mayor Tybo stated that the base rate is charged to cover the debt retirement. He added that Wells has some of the lowest water rates in the state and the City of Wells continually gets beat up at the state level to increase. Mayor Tybo stated that unfortunately Owen is in the minority as most citizens want enough allotment to keep their lawns green. The Mayor stated that he, too, uses no more than 5,000 gallons in the wintertime and also pays the base rate. Kathy Owen asked if she will be charged more if she plants a field and uses the allotted gallons to water it. Mayor Tybo stated that she will only pay for overage. Jolene Supp added that rate is \$1.30 per 1,000 gallons. Kathy Owen stated that she just does not like to pay for something she is not getting. Jolene Supp stated that there are a number of fixed costs associated with providing water and these are prorated to all users. She stated that the City barely covers costs of debt retirement, operation and maintenance and no money is being set aside for depreciation. Kathy Owen asked how long she can expect the City to offer the same number of gallons if she goes to the expense of developing the field. Mayor Tybo stated that the State of Nevada may mandate an increase but the Board is trying to keep it low as long as possible. Gretchen Hubert stated that she doesn't know if you will ever see lowering the amount of gallons offered and John Riddle responded that it has been done three times since he has been here. He added, however, that there hasn't been recent talk of that. Kathy Owen asked what else she needs to do to develop the field. Paul Bottari stated that a Surface Disturbance Permit is not required unless you do

a minimum of five acres. Kathy Owen stated that she is on an old steel pipeline and Public Works Director David Linge stated that there are a couple of illegal taps out there and Owen may not be paying for all the water she is using. Mayor Tybo stated that he wished the Board had a better answer and suggested that Ms. Owen do a test run and watch the usage.

CITIZENS TO ADDRESS THE COUNCIL

Denny Stanhope asked about the Bishop Creek Dam project. Wells Progress Editor Zach Woodbury stated that he attended a recent tour and the dam is definitely falling apart. Paul Bottari added that he attended the meeting and the water authority made no decision to sign off. He continued that they are generally not supportive of new upstream storage but this dam was part of the original adjudication of water storage rights. Bottari stated that the ranchers can get the dam fixed cheaper but once the government is involved, costs go up. That being said, recreation is a benefit to the community and if public funds are used for restoration, there are conditions.

CONSIDERATION OF RECOMMENDATIONS FROM SWIMMING POOL ADVISORY COMMITTEE, RELATED DISCUSSION AND POSSIBLE ACTION TO SELECT LOCATION FOR SWIMMING POOL

Mayor Tybo stated that the Swimming Pool Advisory Committee recommended that the Board consider two pieces of property for location of the swimming pool. He continued that Sean of TerraFerma came to Wells and gave his opinion. He continued that Sean stated that the Corbe property would not be large enough for the pool without purchasing the entire block across from the Tesoro and Wells Propane Office and suggested that the Kite property on Shoshone Avenue would lend itself better for this development because it would allow ample room for the facility and parking. Mayor Tybo stated that Jolene Supp talked to Ray Reynolds about geothermal potential and it is felt that the heat loss would only be about two to three degrees to pipe it to this location. Gretchen Hubert stated that she feels the Shoshone Avenue location would be safer for the kids. She stated that the pool would have to be built around easements since the City cannot purchase the entire Corbe parcel. John Riddle stated that the Corbe property has good commercial potential.

Paul Bottari stated that the appraisal on the Corbe property is legitimate and he is willing to work with the Board in terms of giving an option or selling on terms. Bottari stated that they represent both properties.

Mayor Tybo asked the Board if they are ready to make a decision concerning the pool location. Cal Stark stated that the City has money and it has been eighteen months. He continued that the Board needs to do something. Gretchen Hubert asked if the City has received the grant award and Jolene Supp responded no but she expects it any day. John Riddle asked if there are any other properties that should be considered and Gretchen

Hubert stated that the Swimming Pool Advisory Committee did due diligence and considered many properties against the criteria outlined. Upon question of John Riddle, Public Works Director David Linge stated that the Kite property cleans up that neighborhood and allows the City to get a portion of Edgewood Avenue back as a bonus. He stated that the down side is that the Public Works Department is spread thin and this is another location to maintain.

Gretchen Hubert made a motion to move forward to purchase the Wes Kite property on Shoshone Avenue for location of the swimming pool. John Riddle seconded the motion and the vote was unanimous.

ACTION TO ADOPT RESOLUTION 09 - 06; RESOLUTION APPROVING APPOINTMENTS BY THE MAYOR OF PERSONS TO BE MEMBERS OF THE PLANNING COMMISSION OF THE CITY OF WELLS

Announcement was made that Wells High School Vice Principal Jeff Higgins has expressed desire to serve on the Planning Commission. Mayor Tybo referenced all appointments; Jeffrey Higgins, Gary Jacobucci and Vince Shamblin to terms expiring June 30, 2010, Dori Andrepont and Yvonne Stuart to terms expiring June 30, 2011 and Ted Paulson to a term expiring June 30, 2012.

Gretchen Hubert asked if this will make a full board and it was noted that there is an additional vacancy. John Riddle made a motion to adopt Resolution 09 – 06; Resolution approving appointments by the Mayor of persons to be members of the Planning Commission of the City of Wells. Gretchen Hubert seconded the motion and the vote was unanimous.

Jolene Supp stated that while they are willing, there are two licensed contractors on the Planning Commission which sometimes results in conflict of interest scenarios.

REVIEW OF AGREEMENT WITH SAINT MARY'S HEALTH AND ACTION TO ENTER INTO AGREEMENT FOR HEALTH INSURANCE BENEFITS FOR CITY EMPLOYEEES

The Agreement with Saint Mary's Health Insurance was presented for approval. Jolene Supp informed that they have not contacted the local doctor yet as promised but the doctor intends to approach them. Mayor Tybo asked if this is a problem and the City Manager responded that it better not be. The City Clerk informed that the Agreement was reviewed by legal counsel. Upon question of Cal Stark, explanation was provided that the Board actually voted to select this company so employees would not have a lapse in service but the actual contract documents have not been presented for signature. Cal Stark then made a motion to enter into Agreement with Saint Mary's Health for health insurance benefits for City employees. Gretchen Hubert seconded the motion and the vote was unanimous.

FIRST READING OF ORDINANCE #216; AN ORDINANCE AMENDING CHAPTER 6, TITLE 6 OF THE WELLS CITY CODE ENTITLED "SIGN REGULATIONS" BY ADDING SECTION 6-6-3 ENTITLED "POLITICAL SIGNS"

Mayor Tybo read by title, Ordinance #216; An Ordinance amending Chapter 6, Title 6 of the Wells City Code entitled "Sign Regulations" by adding Section 6-6-3 entitled "Political Signs." He asked the Board to consider any areas where they feel it would be appropriate to post political signs on public property. A final reading of the ordinance and adoption will be placed on the agenda for the next meeting.

FIRST READING OF ORDINANCE #217; AN ORDINANCE AMENDING CHAPTER 7, TITLE 10 OF THE WELLS CITY CODE ENTITLED "ZONING DISTRICTS; ALLOWABLE AND SPECIAL USES" BY AMENDING SECTION 10-7-17 (A) RELATING TO HOME OCCUPATIONS, BY DEFINING YARD SALES INCLUDING CERTAIN YARD SALES AS HOME OCCUPATIONS, AND MAKING OTHER CHANGES APPROPRIATELY RELATED THERETO

Mayor Tybo made a first reading of Ordinance #217; An Ordinance amending Chapter 7, Title 10 of the Wells City Code entitled "Zoning Districts; Allowable and Special Uses" by amending Section 10-7-17 (A) relating to Home Occupations, by defining Yard Sales including certain Yard Sales as Home Occupations. Mayor Tybo stated that this ordinance is result of public request. Explanation was made that if someone has more than a two day sale or more than two yard sales per year, they will be required to obtain a business license. Denny Stanhope asked about a community yard sale where multiple people get together, advertise and have yards sales on the same day. The response was that as long as it is not held for more than two days or more than twice a year, there should not be a problem. John Riddle noted that one of the provisions of the ordinance is that no business can be conducted on public right-of-way. Final reading of the ordinance will be made at the next meeting.

DISCUSSION AND ACTION ON REQUEST FROM JUDGE PATRICIA CALTON TO RETAIN ADMINISTRATIVE ASSESSMENTS AND FACILITY FEES FOR USE BY THE WELLS MUNICIPAL COURT

The Board considered request from Municipal Judge Patricia Calton to retain Administrative Assessments and Facility Fees. It was noted that this request is made twice a year and money will be used for future Court improvements. Upon question of the Board, Manager Supp stated that the amount is approximately \$12,000. John Riddle made a motion to authorize retainage of the Administrative Assessments and Court Facility Fees. Cal Stark seconded the motion and the vote was unanimous.

REVIEW OF LAND SALE APPRAISAL FOR LOT 12, BLOCK C, PACIFIC ADDITION SUBDIVISION, RELATED DISCUSSION AND ACTION TO APPROVE SALE OF LOT

Manager Supp explained that there was some incorrect information on the appraisal for Lot 12, Block C, Pacific Addition Subdivision. She informed that the updated land sale appraisal has not yet been prepared. Gretchen Hubert made a motion to table and John Riddle seconded. The vote was unanimous.

REVIEW AND APPROVAL OF WHISTLE BLOWER FORM

Mayor Tybo informed that the form for Appeal of Alleged Violation of the Whistle Blower Protection Code has been prepared by the City Attorney and he has requested Board review. Cal Stark made a motion to approve the form as prepared. John Riddle seconded the motion. The vote was unanimous.

We haven't talked to Todd again

DISCUSSION AND POSSIBLE ACTION TO ENTER INTO A CONTRACT WITH NAVCO CONSTRUCTION FOR WATERLINE AND BOOSTER STATION DEFINITION OF THE SCOPE OF WORK AND APPROVE OF A CHANGE ORDER REFLECTING SCOPE OF WORK

Jolene Supp asked the Board to approve a contract with Navco Construction for the Water Line and Booster Station project. A Change Order reflecting change in scope of work was also presented. Initial project cost is \$579,000 and Change Order Number 1 reflects a decrease of \$111,050 for a total contract price of \$467,950. Gretchen Hubert stated that it is nice to see a decrease and Manager Supp informed that it is actually a different project as the pump will be placed in the first well that the City drilled. John Riddle stated that the booster station has then been postponed for future and Manager Supp concurred. John Riddle made a motion to approve Change Order Number 1 contingent upon USDA approval and Gretchen Hubert seconded the motion. The Board voted unanimously to approve.

CLAIMS COMMITTEE REPORT; ACTION TO APPROVE FINANCIAL STATEMENTS

John Riddle made a motion to approve Warrant Register dated July 14, 2009 in the amount of \$87,697.43. Cal Stark seconded the motion and the vote was unanimous.

COUNCILMEN'S REPORTS

Gretchen Hubert announced that Race to the Angel is Saturday, September 12, 2009 and Saturday, July 18, 2009 is the Fishing Derby.

Cal Stark reminded that the Debt Management Report needs to be approved by August. Manager Supp stated that she will put it on the next agenda.

Mayor Tybo announced that he will not be present at the next meeting. He informed that most of the old railroad bridge has been removed.

STAFF REPORTS

Jolene Supp provided copies of banners for placement on Sixth Street and Humboldt Avenue. She asked for opinion of colored banners versus cepatone, old west style look. She informed that the permit to Nevada Department of Transportation (NDOT) is ready for submittal. The City Manager continued that another permit for landscaping the Four Way intersection is requiring additional work and Summit Engineering has agreed to help.

Manager Supp reported that U.S. Pipeline has been in town inventorying motel and RV spaces. She also informed that Jim Bounds, developer of the property south of Flying J, will be meeting with her later in the week to discuss his plans for an RV park and motel. She continued that they have broken ground on the Shell Station convenience store. The City Manager also reported that she has been working with Luther's on their kitchen installation. She stated, however, Nevada Health Division employee Scott Marteney has been hospitalized so there may be a delay with approval and inspections.

Jolene Supp informed that the Union Pacific Railroad has a new real estate agent who contacted her about purchase of the property behind Wells Rural Electric Company. She continued that the previous agent indicated the land was worth \$9,500 an acre and this agent, Renee Robinson, has quoted \$7,500 an acre, which Supp still deemed too high. Jolene Supp asked Robinson to consider quit claimed property versus deeded property values for comparisons. She continued that the benefit to the property would be that it is on the east or "town" side of the tracks. Manager Supp stated that the Public Works Department is finding the commute time and distance to be an issue from their current temporary location in the heavy industrial park. Mayor Tybo suggested that the City Manager continue to negotiate with the railroad.

Manager Supp also informed that there is \$25,000 left in the Community Assessment grant and she would like to see that money used for a downtown development plan. She has prepared a scope of work to submit to CDBG. Mayor Tybo asked who would administer and Manager Supp informed that it would be the normal drawdown process that the City uses to obtain grant funds. The Mayor recommended that this decision be brought back to the Board for consideration at the next meeting. Jolene Supp stated that perhaps this will help with direction for the Reid appropriation in both short term and long term returns.

Jelene Supp informed that Mel Green of State Historic Preservation Office will be in Wells Monday or Tuesday, July 27 or 28 to look at the El Rancho. She also informed that Jeff Hardcastle from the State Demographer's Office will be in Wells on June 30. She continued that it is important that the City's population numbers be accurately reflected as it affects all tax distribution.

*She sold her house to
the owner of El Rancho*

ADJOURNMENT

Cal Stark made a motion to adjourn the meeting and Gretchen Hubert seconded the motion. Mayor Tybo adjourned the meeting at 8:35 P.M.

RUSTY A. TYBO, Mayor

ATTEST:

CATHERINE SUE SMITH, CMC, City Clerk

RUSTY A. TYBO, Mayor
CALVIN S. STARK, Vice Mayor
GRETCHEN A. HUBERT, Councilwoman
KENNY W. HUFF, Councilman
JOHN G. RIDDLE, Councilman



JOLENE M. SUPP, City Manager
C. SUE SMITH, City Clerk

PUBLIC MEETING NOTICE
of the
CITY OF WELLS BOARD OF COUNCILMEN

The Board of Councilmen of the City of Wells, County of Elko, State of Nevada, will meet in regular session on Tuesday, April 28, 2009, in the Meeting Room of the Wells Fire Station, 516 Seventh Street, Wells, Nevada beginning at 7:00 P.M.

Attached with this Notice is the Agenda for said meeting of the Board.

This Notice and Agenda is posted pursuant to N.R.S. 241.022 as amended by the 1997 Legislature.

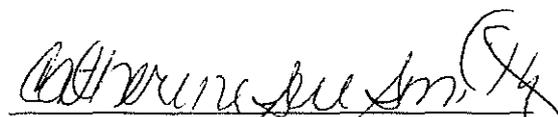
This Notice and Agenda has been posted on or before 9:00 A.M. on the third working day before the meeting at the following locations:

WELLS CITY HALL, 1279 Clover Avenue, Wells, Nevada
WELLS FIRE STATION, 516 Seventh Street, Wells, Nevada
WELLS POST OFFICE, 201 Castle Street, Wells, Nevada
NEVADA STATE BANK, 408 Sixth Street, Wells, Nevada
SILVER SAGE SENIOR CITIZEN CENTER, 213 First Street, Wells, Nevada
ROY'S MARKET, 647 Humboldt Avenue, Wells, Nevada

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NOTICE TO PERSONS WITH DISABILITIES

Reasonable efforts will be made to assist and accommodate physically handicapped persons desiring to attend the meeting. Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the City Manager, City of Wells, in writing at P.O. Box 366, 1279 Clover Avenue, Wells, Nevada 89835-0366, or by calling 775-752-3355 at least two (2) days in advance so that arrangements may be made.


CATHERINE SUE SMITH, City Clerk

City of Wells
P.O. Box 366
Wells, Nevada 89835

775-752-3355
Fax 775-752-3419
wellschityhall@citlink.net

**AGENDA
REGULAR MEETING
CITY OF WELLS BOARD OF COUNCILMEN
TUESDAY, APRIL 28, 2009 7:00 P.M.
MEETING ROOM, WELLS FIRE STATION
516 SEVENTH STREET WELLS, NEVADA**

Breaks and Recess Actions shall be called for at the pleasure of the Board rather than by agenda schedule.

The Board of Councilmen reserves the right to change the order of the agenda and if the agenda is not completed, to recess the meeting and continue on another specified date and time.

The Board of Councilmen also reserves the right to limit public comment.

“” Indicates an action item which the Board may vote upon.
An agenda item marked for action may in fact not be acted upon if the Board, for any reason, deems it necessary to defer action.*

1. Call to Order and Roll Call
- *2. Approval of minutes of previous meetings

DELEGATION:

3. Citizens to address the Council
--Pursuant to N.R.S. 241.020,2 (c) (3), this time is devoted to comments by the general public, if any, and discussion of those comments. No action may be taken upon a matter raised under this item on the agenda until the matter itself has been specifically included on a successive agenda and identified to be an action item.
- *4. Explanation of program regulations for first round Community Development Block Grant stimulus funding, public comment period for potential projects to submit, related discussion and action to select project to submit

UNFINISHED BUSINESS:

5. Update on earthquake insurance claim for public damage, report on teleconference meeting, continued review of estimates for repair and related discussion
- *6. Continued discussion concerning ECEDA membership for upcoming fiscal year and possible action to participate and pay dues out of Fiscal Year 2009-2010 budget

- *7. Second and final reading of Ordinance 215; An ordinance entitled "Whistle Blower Protection" which amends the City Code by adding Chapter 10 to Title 1, which sets forth provisions adopting requirements of NRS 281.645, related discussion and action to adopt

8. Continued review of draft contract with Elko County Sheriff's Office and related discussion

Everything is fine Bob's writing it for a year.
Her brother in law in uniform

NEW BUSINESS:

- *9. Continued discussion concerning employee health insurance benefits and action to select plan
- *10. Discussion of new transportation projects to submit to Nevada Department of Transportation and action to rank requests for transportation stimulus funds
11. Discussion of offer from University of Nevada-Las Vegas student landscape architect group for design work and discussion of request for motel and/or meal compensation
12. Review of recommendation from Wells Swimming Pool Advisory Committee to do survey regarding use of swimming pool

OTHER:

- *13. Claims Committee Report; Action to approve financial statements
14. Councilmen's Report
15. Staff Reports
- *16. Adjournment

**MINUTES OF WELLS CITY COUNCIL
MEETING OF MAY 26, 2009**

CALL TO ORDER

Date: Tuesday, May 26, 2009
Time: 7:00 P.M.
Place: Meeting Room, Wells Fire Station
516 Seventh Street Wells, Nevada
Type of Meeting: Regular Meeting of City of Wells Board of Councilmen
Presiding Officer: Rusty A. Tybo, Mayor

ROLL CALL

Present: Gretchen A. Hubert, Councilwoman
Kenny W. Huff, Councilman
John G. Riddle, Councilman
Calvin S. Stark, Vice Mayor
Rusty A. Tybo, Mayor

Absent: None

Quorum: Yes

Staff Present: David L. Linge, Public Works Director
Janet Riddle, Senior Center Program Director
Catherine Sue Smith, City Clerk
Jolene M. Supp, City Manager

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

Gretchen Hubert made a motion to approve minutes of the regular meeting of May 12, 2009 and John Riddle seconded the motion. The vote was unanimous. John Riddle made a motion to approve minutes of the special meeting of May 19, 2009 and Cal Stark seconded the motion. The vote was Huff, Riddle, Stark and Tybo; aye and Hubert abstained as she was not in attendance at that meeting.

CITIZENS TO ADDRESS THE COUNCIL

Marjorie Clark addressed the Board about the Big Pillow Motel utility bill. Upon question of the Mayor, Ms. Clark stated that she is the motel manager and owner Claire Morrow is out of town. She requested an extension of time for payment of the bill, stating that there was a large sewer increase to \$1,600 and Mrs. Morrow can't pay the bill

Minutes of Wells City Council
Meeting of May 26, 2009

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by the deadline. Clark further stated that she has been looking for leaks because the water usage is so high but she cannot find anything. Upon question, City Manager Jolene Supp informed that commercial sewer rates are based upon wintertime (October to March) water usage and recalculated each April. She stated that in the previous two years, the Big Pillow has had large water leaks and it seemed unfair to bill using those numbers so the owner was given concessions. She continued, however, that if the leaks have not been fixed in that period of time and if the consumer chooses to leave the water on during winter months to prevent the motel from freezing, there is a cost associated with that as the water is going directly into the City's sewer system. Supp stated that she must assume that the owner does not care about the leak. Clark stated that seven people live there and if Claire Morrow can't pay the bill and the water is shut off, these people will have to find another place to live and they are low income residents. Kenny Huff asked if \$1,600 is the bill for one month and Manager Supp stated that this large amount is the sewer calculation that will be billed every month based on water usage. Cal Stark asked Marjorie Clerk if she is paying the bill for Claire Morrow and she replied no. Cal Stark stated then that the Board cannot discuss the bill with her. Mayor Tybo asked what Ms. Clark's responsibility is and she stated that people will move if she tells them the water is going to be shut off. Kenny Huff agreed that the owner needs to come to the table and Councilwoman Hubert encouraged Mrs. Clark to talk to Claire Morrow.

UPDATE ON EARTHQUAKE INSURANCE CLAIM FOR PUBLIC DAMAGE, REPORT ON TELECONFERENCE MEETINGS AND VISIT BY INSURANCE REPRESENTATIVES, DISCUSSION OF POTENTIAL FIXES FOR GOLF COURSE CLUBHOUSE BUILDING AND OTHER MATTERS RELATING THERETO

Jolene Supp informed that the insurance company and potential contractors performed another series of walkthroughs of City facilities. With reference to the Golf Course Clubhouse, the post members between the windows are cedar and broken ones will have to be special ordered at an increased cost if they are to match the existing ones. Plywood must be removed from exterior walls and since they are exposed, the City Manager asked if the City wants to apply for weatherization assistance and put in new double paned windows at the same time. The Board agreed that possibility should be considered and weighed against cost. Manager Supp stated that another question for consideration is the siding that goes back on. She stated that vinyl siding would be long term, is less expensive and the money could be used for something else. Question was asked how the vinyl would respond to golf ball hits or if a cart is backed into it. Jolene Supp stated that contractors recommend a heavy back stock of the vinyl for those reasons. She continued that there is the stucco and rock option or solid stucco. The City Manager stated that rock work will take a specialty contractor. Mayor Tybo stated that it is hard to make a decision without actual price comparables. Cal Stark stated that during his tenure at the Post Office, they had two accidents and it was hard to match the vinyl. He added that if you have extra siding then you need a place to store it. Gretchen Hubert stated that you have to paint stucco every few years to make it look good, which is a drawback as well.

Another Golf Course Clubhouse concern, according to the City Manager, is the “spongy” floor by the bathrooms and when they entered the crawlspace it was determined that there is a broken floor joist or one that has come loose. Engineers felt confident that was earthquake damage. They intend to look at that area again when they come out for another building evaluation in June.

Cal Stark asked about the City Shop and Jolene Supp stated that representatives talked about temporary facilities for the City Shop. She continued that the shear tests on the building passed but it was determined that the ceiling is moving and the upper level has collapsed onto the lower ceiling which is not safe. Cal Stark asked why we are still using it. Jolene Supp stated that the Mayor made it clear to insurance representatives that the process needs to be expedited. Gretchen Hubert asked if decisions will be made by June 4, 2009 and the City Manager responded no, that is when they are all coming to Wells again. She informed that additional discussion will be held during the teleconference on Friday. She further informed that they are considering a tent-type building but the Public Works Department needs to be able to weld inside the building. She stated that they also need a permanent floor for jacking up vehicles and doing maintenance. The City Manager stated that she has had a hard time coming up with a suitable rental building and asked the insurance company to contact Bottari Realty to see if they have suggestions. Mayor Tybo stated that Public Works Director David Linge suggested that they put a pole barn on the City’s property for temporary use as they can be installed quickly and would address the safety issue concerning welding. John Riddle stated his recommendation would be to settle the claim and get something permanent going.

CONSIDERATION OF PUBLIC COMMENT IN RELATION TO PUBLICATION OF COMMUNITY DEVELOPMENT BLOCK GRANT STIMULUS FUNDING APPLICATION FOR LAND ACQUISITION AND RELATED DISCUSSION

Mayor Tybo informed that the City of Wells has applied for a Community Development Block Grant (CDBG) for land acquisition for location of a new swimming pool. Public notification has been made and the open comment period scheduled. To date no comments have been received. It was also announced that grant presentation will be made on Monday, June 8, 2009 at 2:45 P.M. in Carson City. The Mayor invited Board members to attend in support of the application. It was noted that if several Council members desire to go, City Staff will hang an agenda. Mayor Tybo informed that there are a large number of applications for the available funding. John Riddle commented that the City’s request might be too large for the amount of grant money offered and Jolene Supp stated that the City has a large match. The City Manager explained that there is a brief presentation about the application, approximately three minutes, and then a short question and answer period. She stated that it is all about emphasizing the benefit to low and moderate individuals.

Judy Widmer asked if a petition of support from the community would be beneficial. Jolene Supp explained that minutes of meetings and results of the swimming pool survey

have already been submitted with the application. Yvonne Stuart asked if the City can do a power point presentation and Manager Supp explained that often times the setup takes longer than allotted time and the group is fairly informal. She added, however, that pictures and maps have been used in the past to illustrate. Upon question of Wells Progress Editor Zach Woodbury, the Mayor explained that an unofficial notification will be made by CDBG Staff very soon after presentations and deliberation. Official notice from the Governor will typically not arrive until beginning of the fiscal year.

**UPDATE OF EMPLOYEE HEALTH INSURANCE INFORMATION,
CONTINUED DISCUSSION ABOUT POTENTIAL PLANS AND POSSIBLE
ACTION TO REVERSE DECISION AND TO SELECT ANOTHER PLAN**

Mayor Tybo stated that during the previous meeting, the Board selected Big Benefits to provide employee health insurance via an Anthem Blue Cross plan. Jolene Supp continued that two days later the company provided final information about rates and it was determined that the proposed plan is a reimbursement type, with gap insurance for the large deductible. She continued that this really changed the decision of employees in support of that plan. Because of this, Jolene Supp stated that City Staff looked harder at the Nevada League of Cities proposal for coverage through Saint Mary's Health Plans. The City Manager informed that this plan is similar to the plan the employees have now. There are several options including a Health Savings Account plan. She stated that this would work well if employees are willing to manage their health care and if they do not end up with expenses immediately because it will take some time to build up the cash reserve that is the benefit of that plan. The City Manager continued that it is proposed that Saint Mary's is a more liberal plan in terms of the "fifty mile rule", allowing employees to see providers in Idaho and Utah and paying at the higher provider rate. Reference was made to the rates. The \$250 deductible plan, which is what employees have now, is \$37.53 more per month and the \$500 deductible plan is \$12.29 more per month with the same coverage for dental and vision. Question was raised about dependent coverage and it was noted that employees pay for any dependent coverage and the amount the Board agrees to pay is deducted from the medical plan they select.

Upon question of Councilwoman Hubert, Jolene Supp explained that the City of Wells currently pays \$596.35 per month per employee for health insurance. John Riddle noted that insurance company, Hometown Health Providers, had a much larger renewal rate amount than Saint Mary's Health Plan. Jolene Supp concurred and added that is why Nevada League of Cities selected Saint Mary's. Kenny Huff asked if each year is a new renewal for health insurance and Jolene Supp concurred. Councilman Huff stated that it is difficult to build up a Health Savings Account with changes being made each year and asked how employees would feel about the \$500 deductible plan. Jolene Supp stated that they would be willing to try it. She stated that the Anthem Blue coverage was enticing because of it is accepted everywhere but she added that the City needs to ask for quote comparisons at an earlier date than a month before open enrollment. John Riddle asked if an increase was budgeted and Jolene Supp stated that this would only be a three percent

(3%) increase and the City would be safe with that. Vice Mayor Stark stated that there was no answer given to the question and asked if employees want the Saint Mary's Health Plan. Jolene Supp stated that the matter was not discussed at length. Mayor Tybo asked what the employees' options are. Kenny Huff asked if it is a cafeteria plan and the response was yes. Jolene Supp stated that the Board can select the amount of money they want to pay for each employee. Gretchen Hubert asked if employees pay the difference if they select another plan and the answer was again yes. John Riddle asked for a plan summary and Jolene Supp explained that it is either a \$250 or \$500 deductible and then the plan pays eighty percent (80%) up to one million dollars. Jolene Supp continued that the annual out-of-pocket expense to employees is a maximum of \$3,000 if they use a preferred provider. Gretchen Hubert asked if employees' physicians are listed as preferred providers and Jolene Supp stated that is the benefit of the Nevada League of Cities to help in making sure the "fifty mile rule" is adhered to. Kenny Huff made a motion to pay \$608.64 per month for employee health insurance for the coming fiscal year; the value of Saint Mary's \$500 deductible health plan, with option that employees are free to choose another plan if they desire. Gretchen Hubert seconded the motion and the vote was unanimous.

**REVIEW OF APPLICATIONS FOR DIVISION FOR AGING SERVICES
GRANTS FOR CONGREGATE NUTRITION, HOME DELIVERED MEALS
NUTRITION AND TRANSPORTATION, RELATED DISCUSSION AND
ACTION TO AUTHORIZE THE MAYOR TO SIGN AND TO COMMIT
MATCHING FUNDS**

Senior Center Program Director Janet Riddle presented Nevada Division for Aging grants for Nutrition and Transportation. She continued that these applications are for funding cycle beginning October 1, 2009. The Director continued that she has requested increases in all programs. Upon question of the Mayor, Janet Riddle stated that she will know in September how much funding the Center will receive. Kenny Huff stated the Program Director is an asset to the senior community. Gretchen Hubert made a motion to approve all three grant applications for Division for Aging Services, to authorize the Mayor to sign and to commit matching funds. Kenny Huff seconded the motion and the vote was Hubert, Huff, Stark and Tybo; aye and John Riddle declared conflict of interest and abstained.

**DISCUSSION OF BUILDING CODES AS THEY PERTAIN TO BUILDINGS IN
EXCESS OF FIFTY YEARS OLD, DISCUSSION OF POTENTIAL
APPLICATION PROCESS FOR HISTORIC SIGNIFICANCE AND
ADHERENCE TO SAFETY REQUIREMENTS AS OPPOSED TO BUILDING
CODES AND RAMIFICATIONS TO ENFORCEMENT**

Jolene Supp stated that since the earthquake, construction or renovation of older buildings has been a topic of conversation. She continued that it is a large financial impact on property owners to bring an older building up to code and continued that in some cases,

bringing a building to code would risk historic integrity. Jolene Supp stated that the Planning Commission discussed this at the request of Chairman Yvonne Stuart and tried to come up with a way to create safe buildings. Yvonne Stuart stated that she brought forward the Las Vegas Code, which allows for an application process and committee review to determine historic significance and allowance of exemption from Code. Jolene Supp stated that she spoke with Nevada State Historic Preservation Office and they stated that some communities are flexible in terms of historic buildings and just let it happen but she would like to see something more concrete. The City Manager continued that Las Vegas encompasses the idea of an overlay district but she feels that there may be buildings outside an overlay district that should be included and some inside that shouldn't be. The City Manager stated that she also obtained a copy of the Uniform Building Conservation Code, which the City has not adopted at this time but could in the future and it addresses compliance with minimum standards on basis of occupancy and focuses on life safety issues. She continued that this may be a better alternative.

Cal Stark stated that he thought the Uniform Building Code (UBC) is all about safety. The City Manager used the example that commercial buildings must be wired in conduit per UBC. However, in an older building this may be difficult and could be detrimental to walls or other parts of the building. Therefore if someone was allowed to repair or replace electrical but not necessarily put it in conduit, that would be a way to keep the building safe but it would not meet the Uniform Building Code. Mayor Tybo asked if buildings in the overlay district would have their own standards. Jolene Supp stated that it would be left to the building department for adherence to the Conservation Code. She added that the City of Wells does not have a City Engineer so property owners would be required to provide engineered plans. Yvonne Stuart stated that she now owns the Overland Hotel and she met with the City's building inspector, a structural engineer and contractor and they talked about what was needed to make the building safe so she would be comfortable from a liability standpoint. Jolene Supp stated that her concern with this process is that fifteen years later, after current City Staff is gone, there needs to be some way for others to follow what was transacted during construction and why it was done the way it was. Yvonne Stuart stated that a paper trail is no problem. Realtor Lori Bottari asked what Eureka or Ely do with their older buildings. Jolene Supp stated that the State of Nevada has not adopted a code. The Mayor inquired and Manager Supp informed that Elko County has adopted the Uniform Building Conservation Code. Gretchen Hubert asked if the City of Wells adopts the Conservation Code, will every building down in this area be subject to it. Yvonne Stuart suggested doing an inventory around town, stating that some residences as well as business may want to participate. Mayor Tybo asked if adoption of the Conservation Code will make it simpler for the building inspector. City Clerk Sue Smith stated that there are a couple of concerns from an administration standpoint, the first being public perception. She continued that there needs to be a way to explain to the public why one building is required to adhere to the Uniform Building Code and why a building right next to it or across the street from it is not required to adhere to UBC. A second issue is change of ownership and potential change of occupancy. If someone is using a "conservation" building as a one-man office and then

the property sells and a new owner wants a dance studio with classes for children, there may be different requirements and this may not be declared by the owner or the realtor hoping to make the sale. Even though there is a paper trail in City Hall, the potential buyer or public in general may not be aware of the building's history. Realtor Paul Bottari stated that a sale should not make a difference and Sue Smith agreed if the use remains the same but if a new owner changes the use or desires to live upstairs, for example, or any number of other changes, then the Conservation Code may not be applicable.

Bottari stated that he wants the rule changed that you have to use a licensed contractor to do work on commercial property. Jolene Supp stated that is a Nevada Revised Statute and can only be changed by legislative action. She added that it is not a Wells City Code. Sandie Carter Bell stated that casinos and public entities are exempt from using licensed contractors. Mayor Tybo stated that obviously those groups have more lobby power at the State level.

Gretchen Hubert stated that she would like to see the City set criteria for conservation buildings and adopt the Code. Jolene Supp stated that change of occupancy is addressed in the Conservation Code. She added that it is also fairly specific to earthquake loads and unreinforced buildings. John Riddle stated that he is in favor of looking in that direction and suggested that the Planning Commission look at the Uniform Building Conservation Code. Yvonne Stuart stated that the Planning Commission has already talked about a change. Cal Stark stated that buildings fifty years and older need to be identified. Jolene Supp stated that the Code could apply to all existing buildings. Mayor Tybo asked that the Planning Commission consider the Uniform Building Conservation Code and bring back recommendation to the Board. Chairman Stuart stated that she will discuss it with Planning Commission members.

CONSIDERATION OF POTENTIAL GIFTING OF RANCH HOUSE PROPERTY TO CITY, RELATED DISCUSSION AND POTENTIAL ACTION TO PROCEED WITH APPRAISAL FOR TAX DECLARATION

Jolene Supp referenced an e-mail from Larry Hannappel, owner of the Ranch House property stating that he has settled with his insurance company after the earthquake and is prepared to gift the building to the City of Wells in exchange for a tax certificate at market value. John Riddle asked if we are interested in that property. Jolene Supp stated that the Beautification Committee would like to develop the property across the street from the Ranch House into a pull off area for tourists and recreational vehicles. She added that it is all one parcel. Realtor Bottari stated that it is two separate parcels and he did not think the property across the street was included in the gift scenario. Jolene Supp continued that a riparian pond walkway has also been discussed. Kenny Huff asked what would be the benefit to owning that building. John Riddle stated that it may be a liability and need to be torn down. Jolene Supp stated that there is no landfill, which could be an expense. David Linge stated that if it is publically owned, the City may be able to take

care of the disposal. It was stated that the property has had an absentee owner and nothing has been done with the facility since it closed in 1991.

Gretchen Hubert asked if it would make a good location for the swimming pool. Yvonne Stuart stated that she looked at it with Contractor Mike Seech and his estimate to make it usable is \$500,000. Question was asked about the cost and John Riddle stated that the appraisal for worth should include the liability portion. Paul Bottari stated that he looked at the property for the Society of Western Heritage and their board thought it was more than they could take on. Bottari continued that he was the descanting vote and in his opinion it would be worth trying to save the building as it will cost \$2 million to replace it. Paul Bottari suggested that the City of Wells ask the owner to put a new roof on the building to preserve it and prevent any future weather damage. He continued that the sheetrock could then be removed to determine if any additional repairs need to be made. He stated that it should not just be left to sit there. Bottari stated that he thinks a commercial appraiser may be able to get to it by mid-June. He stated that the City of Wells may have a benefit in that they could probably get Honor Camp crews to tear off the sheet rock and do other minor demolition work like cleaning up the front façade. Jolene Supp stated that one option is that the City could sell the building to a contractor and they could do something with it. She stated that if there was a \$20,000 profit, for example, it could be put towards swimming pool construction. Cal Stark stated that the City of Wells probably doesn't want a contractor working on the building for twenty-five years. John Riddle asked if anyone knows if the sprinkler system is still in working order. Cal Stark stated that it was replaced two years in a row and Paul Bottari stated that the plumbing should not be a problem as the fire suppression system was checked. Jolene Supp stated that electrical is on in the building. Gretchen Hubert asked if it is attached to the Super Eight Motel in any way and David Linge responded no, that there is a breezeway that separates the two buildings. Gretchen Hubert made a motion to table this matter for additional information, including clarification if the property across the street is included in the gift offer and Cal Stark seconded the motion. The vote was unanimous.

REQUEST FROM YVONNE STUART FOR WRITE-OFF OR PARTIAL WRITE-OFF OF UTILITY BILL FOR OVERLAND HOTEL, RELATED DISCUSSION AND ACTION

Yvonne Stuart stated that she recently bought the Overland Hotel and when she went to put the utilities in her name she was told there was a past due utility bill for approximately \$2,500. The utility assessment amount was \$534.27 and the balance, in excess of \$1,900, is for penalties. Mayor Tybo explained that utility bills are assessed to the property. He asked if there is a property lien. City Manager Jolene Supp stated that she attempted to lien the estate but it was closed. The City Manager continued that some time ago, following Donald Cooper's death, Christian Gregory was paying the utility bills for his properties and they then went into estate and the unpaid utility bill is for that brief period. She continued that the Board talked about this utility bill in June of 2005 and voted to table action to write the bill off at that time. Cal Stark stated that he does not

remember it being brought back for additional Council consideration. Mayor Tybo asked how the Kaplans, former owners, got utility service. Jolene Supp stated that she was trying to collect the money from the estate. She stated that the estate had no funds to pay the bill. John Riddle stated that obviously the City of Wells was trying to do some good citizen stuff and asked if it was relayed to the Kaplans. Peg Kaplan stated that she did not know there was an outstanding bill. Upon further inquiry by John Riddle, Jolene Supp stated that City Staff told Mr. Kaplan about the bill and that the water would not be transferred until the bill was paid and he spoke with her about it and she made a decision to turn the water on and pursue getting balance owed from the estate. Gretchen Hubert stated that it was obviously a mistake on the City's part and suggested that it be written off. John Riddle asked what the Wells City Code says and what the practice is. Paul Bottari stated that as a realtor, he has had to pay outstanding balance on several properties before the water was turned on. John Riddle stated that he may be comfortable here with a write-off but stated he is more concerned about what will be done going forward. He stated that there needs to be a mechanism in place so this scenario does not happen again. Jolene Supp stated that the Code says the bill goes with the property. Upon question of Gretchen Hubert, it was stated that water is shut off fifteen days after the due date if payment is not made. Following additional discussion, John Riddle made a motion to write off the utility bill for the Overland Hotel based upon finding that the City of Wells did not re-visit the bill as directed. Kenny Huff seconded the motion and the vote was unanimous.

DISCUSSION AND ACTION TO ADOPT FISCAL YEAR 2009-2010 FINAL BUDGET

Mayor Tybo asked the City Manager if there are any other changes in the Final Budget other than the health insurance. Jolene Supp reported that the changes between the Tentative and Final Budgets were a slight decrease in Consolidated, Gasoline and Ad Valorem Tax revenues. Property and liability insurance increased by \$5,000, which she proposed to take out of contingency. Upon additional inquiry by the Mayor, Jolene Supp stated that the projects did not change and she budgeted a three percent (3%) cost of living increase for employees. Kenny Huff made a motion to adopt the Fiscal Year 2009-2010 Final Budget and John Riddle seconded the motion. The Board cast a unanimous vote.

DISCUSSION OF COMMUNITY TRANSFER STATION FEES AND OTHER MATTERS PROPERLY RELATING THEREO

Jolene Supp referenced a letter from the Sanitation Attendant the City of Wells hired. She commented that he lasted two weeks because people were so rude and uncooperative. Cal Stark informed that he was at the site the previous day and it was a mess and that there were eight or nine washing machines and other appliances up there. John Riddle agreed that it is an eyesore. David Linge stated that Elko Sanitation Company is to come this week to pick up the appliances. Manager Supp added that Wells Rural Electric

Company will take refrigerators. She continued to report that Nevada Division of Environmental Protection inspected the transfer site the previous week. With reference to budget, the Sanitation Fund is \$10,000 in the red because there is no revenue being collected at the site and City residents bear the cost of the tipping fee when the community bins are hauled to Elko. Kenny Huff asked why the resolution is not being enforced. Mayor Tybo asked about assistance from Elko County and Jolene Supp stated that they say the City of Wells can do what it wants. Kenny Huff asked about replacing the attendant and Cal Stark stated that there was \$6,000 in the budget for wages. Kenny Huff asked Staff for thoughts on the problem. Jolene Supp stated that we need to talk to Elko County but their Public Works Director commented what happened was his worst fear. Mayor Tybo asked if the resolution in place would generate the necessary dollars if everyone paid. Jolene Supp replied no and referenced that the first load for everyone in the city limits is free. It was noted that a metal recycling bin was put in and people used it but recycling revenues are so low now that the company does not want to do it any longer so metal storage is a problem. It was suggested that all metals be taken to Billy Garcia. Gretchen Hubert stated that it is sad that our citizens are so hostile for a service that is being provided. John Riddle agreed that it is appalling that people gave the attendant such a hard time for doing what he was hired to do. Councilman Riddle stated that a compound fence might help in terms of control. He added, though, if there is no attendant, some people will be inclined to dump outside the gate. He suggested that video surveillance be installed. Cal Stark added that signage is needed. Jolene Supp stated that the attendant had a copy of the resolution authorizing rates. Cal Stark stated it should still be posted. Jolene Supp asked if there is an appetite to raise rates. Mayor Tybo stated that Elko County has to take some of the responsibility as many county residents use the facility. David Linge stated that a card reader system would work if cards are issued through City Hall. Mayor Tybo asked how you bill for County residents. Jolene Supp stated that a card reader was a line item on the original grant but was not funded. Kenny Huff stated that it sounds like the City and County need to set down together and figure out a way to incorporate all these things; card reader, attendant, appropriate rates and surveillance. Mayor Tybo stated that a meeting will be scheduled with the Elko County Public Works Director and the City will have to check resources. David Linge stated that electrical power will be needed at the site.

CLAIMS COMMITTEE REPORT; ACTION TO APPROVE FINANCIAL STATEMENTS

Kenny Huff made a motion to approve Warrant Register dated May 26, 2009 in the amount of \$50,627.46 and Cal Stark seconded the motion. The vote was unanimous.

COUNCILMEN'S REPORTS

Gretchen Hubert informed that the Swimming Pool Advisory Committee is waiting to meet until after word is received about the CDBG land acquisition grant application. Hubert stated that she attended an ECEDA meeting as a business representative and also

served as representative for the City of Wells. Cal Stark stated that she is not eligible to serve as the City's representative. Hubert continued that ECEDA is changing its business lead system to a web-based process.

Kenny Huff provided handouts of summer youth camp activities for the Wells Family Resource Center.

Cal Stark stated that the City has received a sample banner similar to ones the Beautification Committee would like to put up on light poles in the business loop from one exit to the other. He stated that a Nevada Department of Transportation permit is needed for this and to landscape the right-of-way area at the corner of U.S. Highway 40 and U.S. Highway 93. The Vice Mayor stated that the Beautification Committee will be making a presentation of potential projects at the next meeting.

Mayor Tybo informed that criteria has come down for the Heller and Reid appropriations and added that there should be ninety day turn around on the funds. Jolene Supp stated that the City of Wells has ninety day to provide an application and budget before the appropriation is released. After the budget is approved, then the City can proceed with its project.

The Mayor also informed that the Nevada Earthquake Council was in Wells the previous week. Cal Stark added that one of the points that was stressed in the meeting was the need for insurance companies and other agencies to come to the aid of the suffering community quickly, not a year or more after the event. Jolene Supp stated City officials and staff received Awards of Excellence from the Governor for their response to the earthquake.

Rusty Tybo reminded Board members of the June 22 strategic planning meeting. Jolene Supp added that it is critical to determine where the Board wants to use the appropriation money. The Mayor added it is also important to have insurance numbers by that time.

STAFF REPORTS

Jolene Supp stated that the City Cemetery looked good for Memorial Day and a portion of the new black iron fence has been installed on the north side. She added that the pavilion rock, pavers and landscaping has been completed and is ready for the Senior Steak Fry and graduation parties.

The City Manager stated that she received a conceptual plan for property south of Flying J which includes recreational vehicle spaces, a name brand motel and casino. Manager Supp also informed that she is working with a small trailer manufacturer in terms of business relocation.

Jolene Supp stated that she faxed comparable sales to the Union Pacific Railroad for the property behind Wells Rural Electric Company. She stated that they want \$12,000 per acre and she feels that is way too high. Chuck Corbe of Hawaii contacted the City Manager about writing an offer on the property across from the Wells Propane Office and Tesoro Station and she responded that there is no purpose as it would not be binding without Board approval and unless the CDBG grant is approved, there is no funding for land purchase.

The City Manager referenced a letter from Joe Quilici expressing his viewpoint about the City's membership in ECEDA.

ADJOURNMENT

Cal Stark made a motion to adjourn the meeting and Kenny Huff seconded the motion. The meeting was adjourned at 9:23 P.M.

RUSTY A. TYBO, Mayor

ATTEST:

CATHERINE SUE SMITH, CMC, City Clerk