

**STATE OF CALIFORNIA, COUNTY OF NEVADA
BOARD OF SUPERVISORS SUMMARY MINUTES,
APRIL 28, 2015**

Meeting held in the Board Chambers, Eric Rood Admin. Center, 950 Maidu Ave., Nevada City, CA

REGULAR MEETING: 9:00 A.M.

STANDING ORDERS:

Chairman Scofield called the meeting to order at 9:00 a.m.

The following Supervisors present:

Nathan H. Beason, 1st District
Ed Scofield, 2nd District
Dan Miller, 3rd District
Richard Anderson, 5th District

Supervisor Weston had an excused absence.

Pledge of Allegiance led by Mr. Lee French, District II resident.

ACTION TAKEN: No corrections and/or deletions to the agenda were noted.

PUBLIC COMMENT: 9:01 A.M.

ACTION TAKEN: Ms. Pat Nelson and Ms. Catherine Ione-Perkins, announced that the 4th Annual Local Heroes Memorial Bridge Tour will occur on Memorial Day, May 25, 2015. Ceremonies will take place at Pioneer Park in Nevada City and at Grass Valley Veterans Memorial Hall. A bike tour and walking tour of Local Heroes Bridges will begin afterwards, as well as a bus tour that will visit all fifteen bridges between Nevada City and Grass Valley. Ms. Ione-Perkins handed out flyers to the Board members and Ms. Nelson invited the public to attend the event and asked members of the Board to volunteer as a bridge docent.

Mr. Richard Ulery, District II resident, commented on implementation of a COIN (Civic Openness in Negotiations) ordinance in Nevada County. He explained that a COIN ordinance would provide direction, as well as increased transparency for County taxpayers during labor contract negotiations. Mr. Ulery urged the Board of Supervisors to adopt a COIN ordinance in Nevada County, and left copies of similar ordinances that have been adopted elsewhere for Board review.

CONSENT CALENDAR: Chairman Scofield introduced the consent calendar.

Interim Health and Human Services Agency Director: Michael Heggarty

1. Resolution authorizing execution of the Golden State Finance Authority (formerly known as the California Home Finance Authority and as the California Rural Home Mortgage Finance Authority Homebuyers Fund) Amended and Restated Joint Exercise of Powers Agreement (Res. 93-447), and directing the Clerk of the Board to transmit a copy of this Resolution to the Executive Director of Golden State Finance Authority. (Housing) (Resolution 15-159 adopted. Supervisor Weston absent.)

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Interim Behavioral Health Director: Rebecca Slade

2. Resolution authorizing execution of Amendment 1 to contract with Auburn Counseling Services, Inc., dba Communicare for a specific treatment program for transitional home clients and daily operation of Odyssey House Transition Home, as well as providing crisis phone triage services and Regional Telephone Triage Services for Placer County's Adult System of Care, and patients' rights and quality assurance services (Res. 14-340), increasing the maximum contract price from \$1,147,748 to \$1,162,748 due to an increase in call volume and demands for services related to the Regional Telephone Triage Services for Placer County's Adult System of Care, for the period of July 1, 2014 through June 30, 2015. (Resolution 15-160 adopted. Supervisor Weston absent.)
3. Resolution authorizing execution of Contract Amendment with the County of Placer pertaining to Nevada County Behavioral Health Department providing telephone triage services for the Placer County Adult System of Care (ASOC) (Res. 14-236), increasing the maximum contract compensation from \$992,160 to \$1,121,160 due to a significant increase in the volume of calls and demands to meet the needs of providing phone triage services for Placer County ASOC, for the period July 1, 2014 through June 30, 2016. (Resolution 15-161 adopted. Supervisor Weston absent.)
4. Resolution authorizing execution of Amendment 1 to the renewal contract with Nevada County Housing Development Corporation (NCHDC) for administrative services related to Behavioral Health's community-based housing projects and reimbursement for lease agreements for authorized program participants of the Supportive Housing Programs (SHP) and Shelter + Care (S+C) Programs (Res. 15-009), amending the Schedule of Services to provide additional rental assistance and other master leasing opportunities to Nevada County mentally-disabled residents, and increasing the maximum contract price from \$142,094 to \$171,564, for the period January 1, 2015 through December 31, 2015. (Resolution 15-162 adopted. Supervisor Weston absent.)

Interim Public Health Director: Jill Blake

5. Resolution authorizing execution of Amendment A01 to the renewal Standard Agreement 14-10525 with the California Department of Public Health (CDPH) pertaining to funding local Public Health Emergency Preparedness (PHEP), Pandemic Influenza (PAN FLU) and Hospital Preparedness Program (HPP) activities (Res. 14-404), increasing the allocated annual amount for Fiscal Year 2014/15 for HPP from \$132,889 to \$190,872, for a revised total agreement maximum of \$1,108,202, for the period July 1, 2014 through June 30, 2017. (Resolution 15-163 adopted. Supervisor Weston absent.)
6. Resolution authorizing execution of Agreement 14-10909 with California Department of Public Health (CDPH), Emergency Preparedness Office, pertaining to providing the Nevada County Public Health Department up to a maximum of \$66,981 for implementing the Supplemental Funding for Ebola Preparedness and Response Project, for the period July 1, 2015, or upon final execution of the Agreement by CDPH, through September 30, 2016. (Resolution 15-164 adopted. Supervisor Weston absent.)

Sheriff-Coroner/Public Administrator: Keith Royal

7. Resolution authorizing execution of Amendment 4 to the Cooperative Law Enforcement Agreement 12-LE-11051360-005 between the Nevada County Sheriff's Office and the U.S. Forest Service, Tahoe National Forest pertaining to law enforcement services on National Forest Service lands (Res. 12-035), adding a new Exhibit A for campground patrol operations in the amount of \$13,000, and a new Exhibit B for controlled substances enforcement in the amount of \$11,000, for the operational period effective from the last signature date, for the estimated period beginning October 1, 2014 and ending September 30, 2015. (Resolution 15-165 adopted. Supervisor Weston absent.)

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Director of Public Works: Steven Castleberry

8. Resolution declaring County Service Area (CSA) 22, Zone 2, inactive and reducing parcel charges to \$0, with any remaining fund balance in Zone 2 to be refunded to the property owners. (Dist. IV) (Resolution 15-166 adopted. Supervisor Weston absent.)
9. Resolution accepting the award of Fiscal Year 2012/13 Proposition (Prop)1B, California Transit Security Grant Program-California Transit Assistance Fund (CTSGP-CTAF) Investment Justifications in the total amount of \$72,167, for multi-phased bus stop improvements and equipment to improve and enhance transit system safety and security. (Transit Services) (Resolution 15-167 adopted. Supervisor Weston absent.)

Human Resources Director: Charlie Wilson

10. Resolution amending Authorized Personnel Staffing Resolution 14-227, adopted June 17, 2014, revising staffing patterns for various County departments for a total 784.075 FTE, effective April 28, 2015. (Resolution 15-168 adopted. Supervisor Weston absent.)
11. Resolution amending Authorized Personnel Salary Resolution 14-317, adopted June 17, 2014, pertaining to staffing changes in various County departments, effective April 28, 2015. (Resolution 15-169 adopted. Supervisor Weston absent.)

Child Support Services Director: Tex Ritter

12. Resolution approving and directing the Auditor-Controller to transfer unclaimed victim restitution funds from Collections Trust Fund (\$328.11), District Attorney Restitution Trust Fund (\$2,278.15), and Probation Restitution Trust Fund (\$1,515.14) in the total amount of \$4,121.40, to the Victim/Witness Assistance Center budget, and directing the Auditor-Controller to amend the Victim/Witness Assistance Center 2014/15 Fiscal Year budget. (Collections Division) (4/5 affirmative vote required.) (Resolution 15-170 adopted. Supervisor Weston absent.)

Chief Probation Officer: Michael Ertola

13. (Waive Further Reading/Adopt) An Ordinance adding Sections A-II 13.3 and A-II 13.4 to Article 13 of Chapter II of the Nevada County Administrative Code regarding stipends for members of the Juvenile Justice Commission and defining "Authorized Meetings." (Ordinance 2393 adopted. Supervisor Weston absent.)

Chief Information Officer: Stephen Monaghan

14. Resolution authorizing execution of the Third Amendment to Lease Agreement with the Hansen Trusts Partnership for Nevada County Public Health Women, Infants, and Children (WIC) Program office space located at 471 Sutton Way, Units 203-204 and 209, Grass Valley (Res. 12-381), extending the term of the Agreement for a period of two months beginning July 1, 2015 through August 31, 2015, with an option for one additional month if requested by the County with a 20-day written notice at the same rental rate of \$3,097 per month. (Facilities) (Resolution 15-171 adopted. Supervisor Weston absent.)
15. Resolution authorizing execution of Addendum 3 to Master Lease Agreement with Judith Carleson, Trustee, for CalWORKS office space located at 715 Maltman Drive, Grass Valley (Res. 12-019), extending the term of the Lease Agreement on a month to month basis for a period of up to three months beginning July 1, 2015, with the current monthly rent of \$6,025.64 increasing according to the California Consumer Price Index (CPI), Urban Wage Earners, with operating expenses remaining at the current amount of \$652 per month. (Facilities) (Resolution 15-172 adopted. Supervisor Weston absent.)

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16. Resolution awarding bid and authorizing execution of contract with Hansen Brothers Enterprises for the Wayne Brown Correctional Facility Asphalt Repair Project, including repair of asphalt at the main entrance of the Eric Rood Administration Center Campus, located at 925 and 950 Maidu Avenue, Nevada City (Res. 15-124), in the amount of \$24,403 plus a ten percent contingency of \$2,441, for a total encumbrance of \$26,844. (Facilities) (Resolution 15-173 adopted. Supervisor Weston absent.)
17. Resolution approving a Land Lease Agreement with Sacramento-Valley Limited Partnership dba Verizon Wireless to construct a communications tower at the Nevada County Airport on approximately 700-square feet of land space located at 12740 Loma Rica Drive, Grass Valley, with a lease amount of \$2,000 per month beginning on commencement of construction and continuing for an initial term of five years, with the option to extend the Agreement for four additional five-year terms. (Facilities) (Resolution 15-174 adopted. Supervisor Weston absent.)
18. Resolution declaring certain County property as surplus (various County fleet vehicles, a Dot Matrix printer, and an Autoclave), and authorizing the Nevada County Purchasing Agent to sell, or otherwise dispose of, those certain items listed on "Exhibit A, Assets to be Sold at Auction, May 2015". (Purchasing) (4/5 affirmative vote required.) (Resolution 15-175 adopted. Supervisor Weston absent.)

County Counsel: Alison Barratt-Green

19. Resolution establishing an annual special tax to be collected in Community Facilities District No. 1990-1 (Wildwood Estates), in the amount of \$27,500 for Assessor's Parcel Number 50-410-01 and \$184,536 for Assessor's Parcel Number 50-410-02, for Fiscal Year 2015/16. (Dist. IV) (Resolution 15-176 adopted. Supervisor Weston absent.)

County Executive Officer: Richard Haffey

20. Resolution authorizing execution of Amendment 1 to contract with Peterson Consulting, Inc. and Shaw/Yoder/Antwih, Inc. pertaining to State of California Legislative Advocacy Services (Res. 14-304), reflecting the contractor's business name change to Shaw/Yoder/Antwih, Inc., effective April 28, 2015, with the contract maximum amount of \$36,000 and contract period of July 1, 2014 through June 30, 2015, remaining unchanged. (Resolution 15-177 adopted. Supervisor Weston absent.)

Interim Clerk of the Board: Julie Patterson Hunter

21. Resolution proclaiming May 2015 as "Motorcycle Awareness Month" in Nevada County, and urging both motorcycle riders and automobile drivers to follow the rules of the road so that all citizens remain safe. (American Brotherhood Aimed Toward Education (ABATE) of California) (Resolution 15-178 adopted. Supervisor Weston absent.)
22. Approve reappointments of Ms. Sarah Deardorff, Mr. Pearce 'Terry' Boyer, Ms. Toni Thompson, Mr. Richard Mantle, and Ms. Dena Valin to the Adult & Family Services Commission and approve appointment of Mr. Sidney Salcido, all for two year terms expiring April 30, 2017. (Approved. Supervisor Weston absent.)
23. Approve appointment of Ms. Amanda Wilcox as District III representative to the Nevada County Mental Health Advisory Board for an unexpired 3-year term ending June 30, 2017. (Approved. Supervisor Weston absent.)

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24. Acceptance of Board of Supervisors minutes for April 14, 2015. (Accepted. Supervisor Weston absent.)

MOTION: Motion made by Supervisor Beason, seconded by Supervisor Miller, to approve the consent calendar. On a roll call vote, the motion passed unanimously.

Chairman Scofield recessed as the Board of Supervisors and convened as the Board of Directors of the Nevada County Sanitation District No. 1.

SCHEDULED ITEM: 9:05 A.M.

25. Regular meeting of the Board of Directors of the Nevada County Sanitation District No. 1.

Call meeting to Order. Chairman Scofield called the meeting to order. Director Weston absent.

- a. Consent: Chairman Scofield introduced the consent calendar.

1. Resolution awarding and authorizing execution of contract with HydroScience Engineers, Inc. for design services for the Connection of the Penn Valley Sewer System to the Lake Wildwood Wastewater Treatment Plant Improvement Project, in an amount not to exceed \$603,431, for the period April 28, 2015 through December 31, 2016. (Sanitation) (Dist. IV) (Resolution SD15-005 adopted. Director Weston absent.)
2. Acceptance of Nevada County Sanitation District No. 1 minutes for April 14, 2015. (Clerk of the Board) (Accepted. Director Weston absent.)

MOTION: Motion made by Director Beason, seconded by Director Anderson, to approve the consent calendar. On a roll call vote, the motion passed unanimously. Director Weston absent.

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Public comment. No public comment received.

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Adjournment.

ACTION TAKEN: There being no further business, Chairman Scofield adjourned as the Board of Directors of the Nevada County Sanitation District No. 1 and reconvened as the Nevada County Board of Supervisors.

DEPARTMENT HEAD MATTERS:

Director of Public Works: Steven Castleberry

26. Resolution authorizing the Director of the Department of Public Works to execute an Agreement with the Town of Truckee to allow Nevada County Transportation Commission (NCTC) to provide Local Transit Funding (LTF) in the amount of \$13,938 for operation of the Donner Summit Winter Shuttle to provide bus service between the Town of Truckee and Donner Summit ski resorts during the winter season. (Transit Services) (Dist. V)

ACTION TAKEN: Mr. Steven Castleberry, Director of Public Works, explained that Local Transit Funding (LTF) is a major source of operating revenue for the Gold Country Stage. Funds are allocated by the Nevada County Transportation Commission based upon total population, to the Town of

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Truckee and Nevada County; Nevada County currently receives approximately \$2.3 million in LTF funding. Mr. Castleberry reported that Truckee is implementing a winter shuttle service to the Donner Summit area and requested the Board allow allocation of \$13,938 to Truckee for the shuttle service.

Board questioning ensued.

MOTION: Motion made by Supervisor Anderson, seconded by Supervisor Beason, to adopt Resolution 15-179. On a roll call vote, the motion passed unanimously. Supervisor Weston absent.

Chief Information Officer: Stephen Monaghan

27. Resolution authorizing execution of a Memorandum of Understanding (MOU) with California Native Plant Society, California Department of Fish and Wildlife, and California Department of Forestry (CAL FIRE), for protection of the Stebbins Morning Glory and development of an Endangered Plant Management Plan for the co-existence of the Stebbins Morning Glory and County operations at the Nevada County Animal Shelter and McCourtney Road Transfer Station, funded through a three-year federal grant obtained by California Department of Fish and Wildlife in the amount of \$108,653, for plant surveys, development of the management plan, signage, and protective plant fencing on 25-acres of County property next to the Animal Shelter for plant habitat. (Facilities) (Resolution 15-180 adopted. Supervisor Weston absent.)
28. Resolution accepting and authorizing the Chief Information Officer to execute a Grant Agreement with California Department of Fish and Wildlife for protection of the Stebbins Morning Glory and the development of an Endangered Plant Management Plan, signage, and protective fencing on 25-acres of County property next to the Nevada County Animal Shelter and McCourtney Road Transfer Station, in the amount of \$39,943 with a matching fund requirement of \$22,500 from the Facilities Management budget for staff time, for the period January 15, 2015 through July 20, 2017. (Facilities) (Resolution 15-181 adopted. Supervisor Weston absent.)

ACTION TAKEN: Chairman Scofield introduced both agenda items, and Mr. Stephen Monaghan, Chief Information Officer, reviewed the staff report. He explained that the Stebbins Morning Glory is an endangered plant species identified by the State of California and the Federal government, which only grows in Nevada and El Dorado counties. The plant was originally discovered in Nevada County in 1992, during construction of the Animal Shelter. At that time there was about 20 plants; currently there are hundreds of plants. As the County works on the property, soil is disturbed, which activates the plant's lifecycle process. Staff has worked with the Department of Fish and Wildlife, California Native Plant Society, and CALFIRE to find a sustainable solution. The resulting Project will be paid by Federal grant funds through the State of California Department of Fish and Wildlife. The County's share is \$22,500 as represented by staff time.

Board questioning ensued.

MOTION: Motion made by Supervisor Anderson, seconded by Supervisor Miller, to adopt Resolution 15-180. On a roll call vote, the motion passed unanimously.

MOTION: Motion made by Supervisor Beason, seconded by Supervisor Anderson, to adopt Resolution 15-181. On a roll call vote, the motion passed unanimously.

***CLOSED SESSIONS:**

Pursuant to Government Code Section 54957.6, a closed session of the Board of Supervisors will be held for the purpose of reviewing its position and instructing its designated representatives regarding employee salaries, salary schedules, fringe benefits, and all other matters within the statutory scope of representation. The designated labor negotiation representatives for Nevada County are: Alison Lehman, Assistant County Executive Officer, Charlie Wilson, Human Resources Director, and Donna Williamson, Labor Attorney. The labor negotiations concern the following bargaining units: Unrepresented Confidential Employees, Local 39 General Employees Unit, Local 39 Professional Employees Unit, Sheriff's Management Association, and Deputy District Attorney/Deputy Public Defenders Association.

Pursuant to Government Code Section 54956.9(d)(4), County Counsel is requesting a closed session to determine whether litigation should be initiated by the County in one matter.

ACTION TAKEN: Ms. Alison Barratt-Green, County Counsel, read the two closed session items into the record, and the Board entered into closed session.

Following the closed session, Ms. Barratt-Green reported that with respect to the closed session regarding labor negotiations, no action was taken in closed session that is required to be reported out by law.

Ms. Barratt-Green reported that with respect to the second closed session regarding potential litigation, the Board of Supervisors acting for the County and as the legislative body for the Wildwood Estate Community Facilities District (CFD) 1990-1, has approved a final settlement agreement as part of a work-out to resolve a long-standing CFD bond default that has plagued the CFD for many years. The CFD is an independent entity from the County, was formed in 1990 to finance certain infrastructure improvements for the original Wildwood Estates development, which failed in the early 1990's. The Settlement Agreement is between the CFD, the County, the current owner of the property and the CFD, and the new purchaser for that property. The general terms of the agreement are that the property will be sold to a new purchaser, proceeds from the property sale, certain surety's bond proceeds that are on deposit with the County, and other miscellaneous monies belonging to the CFD will be deposited into an escrow account. The escrow account will be used to pay at least twenty-eight cents per dollar on the defaulted bonds to bond holders, to pay principal on delinquent taxes and assessments to the County, and to pay all costs associated with implementing the agreement. A special lien will also be placed on the property to ensure that property taxes will remain current through at least Fiscal Year 2016/17. A special lien will also be placed on the property to ensure fire maintenance until all lots are developed. The County will consent to the cancellation of delinquent penalties and interest on the delinquent taxes and assessments. To implement this agreement, the Board has authorized the CFD to commence a voluntary bankruptcy proceeding for the CFD under Chapter 9 of the Bankruptcy Code. The settlement will be implemented through the CFD's plan of adjustment, if approved by the bond holders and confirmed by the Court. The bankruptcy proceeding will not impact County finances or the County's credit rating in any way.

***ANNOUNCEMENTS:**

Pursuant to Government Code Section 54954.2, Board members and County Executive Officer may make a brief announcement or brief report on his or her activities. Board members and County Executive Officer may also provide a reference to staff or other resources for factual information, request staff to report back to the Board at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

ACTION TAKEN: Updates were provided by members of the Board.

Recess for lunch: Chairman Scofield recessed for lunch at 11:35 a.m.

AFTERNOON SESSION: Chairman Scofield called the meeting to order at 1:30 p.m.

SCHEDULED ITEM: 1:30 P.M. Brian Foss, Planning Director

29. Public hearing to consider: 1) an appeal filed by Randy Fuller, et al of the Planning Commission's decision on the Use Permit (U08-021), the Reclamation Plan (RP08-001), and the adoption of the Mitigated Negative Declaration (EIS08-027) as it relates to the approval of the Blue Lead Gold Mine project; and 2) to consider the Planning Commission's recommendations to the Board to adopt the Mitigated Negative Declaration and approve the proposed Rezone (Z08-027) proposing to add the Mineral Extraction (ME) combining district to the three FR-40 zoned parcels. Location: 18272 Red Dog Road, approximately 7 miles east of Nevada City (Assessor's Parcel Numbers 38-390-12, -20, & -21). (Dist. V)
- 29.a. Resolution denying the appeal filed by Randy Fuller, et al (Appellants) of the Planning Commission's actions on the Blue Lead Gold Mine applications (U08-021, RP08-001, EIS08-027) pertaining to mining operations on property located at 18272 Red Dog Road, Grass Valley (Assessor's Parcel Numbers 38-390-12, 38-390-20 and 38-390-21). (Resolution 15-182 adopted, as amended. Supervisor Weston absent.)
- 29b. Resolution adopting the Mitigated Negative Declaration for the Rezone of 74.09-acres to add the Mineral Extraction Combining District to the FR-40 Base Zoning District for property owned by Tucker White and associated with the Blue Lead Gold Mine, located at 18272 Red Dog Road, Grass Valley (EIS08-027). (Resolution 15-183 adopted. Supervisor Weston absent.)
- 29c. (Introduce/Waive Further Reading/Adopt) An Ordinance amending Zoning District Map No. 078 to rezone the 74.09-acre portion of the FR-40 Zoning District to add the Mineral Extraction Combining District, for property owned by Tucker White and associated with the Blue Lead Gold Mine and located at 18272 Red Dog Road, Grass Valley, CA. (Z08-006) (Ordinance 2394 adopted. Supervisor Weston absent.)

BACKGROUND:

Proposed Project: The Blue Lead Gold Mine proposes a Use Permit to extract the placer gold deposits from a 74.09-acre site in a five-phased operation over a 20-year lifespan. A Reclamation Plan (RP08-001) is proposing to reclaim the 74.09-acre site from both the proposed and historic mining activities, converting the property to a timber land use, suitable for rural residential land uses consistent with FR zoning district. A Rezone (Z08-006) is proposed to add the Mineral Extraction (ME) combining district to the three FR-40 zoned parcels in this application.

Project Setting: The 74.09-acre project site is comprised of three parcels located on the eastern side of Greenhorn Creek and north of Red Dog Road, approximately seven miles east of Nevada City and eight miles east of Grass Valley. The project site address is 18272 Red Dog Road. The project site is located within the former Red Dog placer diggings, northwest of the former Red Dog town site.

Application History: On February 13, 2014, the Nevada County Planning Commission voted 4-0 (Commissioner Poulter was absent) to adopt a Mitigated Negative Declaration and approve the Use Permit and Reclamation Plan applications for the Blue Lead Gold Mine project. In addition to those actions, the Planning Commission recommended that the Board of Supervisors adopt the Mitigated Negative Declaration for the proposed Rezone to add the Mineral Extraction (ME) combining district to the project site. Following the Planning Commission's actions, on February 21, 2014, neighbors from the local area filed their appeal concerning all of the actions taken by the Planning Commission.

On April 8, 2014, the Board of Supervisors held the first public hearing to consider this appeal of the Planning Commission's approval of the Blue Lead Gold Mine Mitigated Negative Declaration, Use Permit, and Reclamation Plan. There were three primary areas of focus in the appeal including the area of public notice, the potential for increased noise impacts, and the potential for groundwater impacts to result from the mining operations. Following the public comment portion of the hearing, discussions ensued regarding the supporting information associated with the project's noise impact analysis and potential groundwater impacts on the adjacent properties. As a result, the Board directed the Planning Department to have additional noise and groundwater analysis completed before resuming the appeal hearing for the Blue Lead Gold Mine project.

CONTINUED APPEAL:

This staff report focuses on the two new technical studies, and the Revised Mitigated Negative Declaration. In the event the Board upholds the Planning Commission's approval of the Blue Lead Gold Mine project, the Board should then consider the remaining specifics of the Planning Commission's recommendations on the Rezone component.

Noise Study: The appeal raised the following argument regarding the potential noise impacts from the project.

Noise associated with the mine will be unique and affect residents within at least a mile from the project site. These neighbors have endured ATV and gun noise from this locale in the past. The background noise will not be contained by the existing noise regulations, and the added mine noise will impact the area.

In response to the Board's direction, the Planning Department solicited bids from two noise consulting firms before selecting Bollard Acoustical Consultants, Inc. to perform the noise assessment. The final noise assessment was concluded on December 16, 2014, after which staff updated the previous Initial Study to incorporate the conclusions of the noise study. To establish the existing background noise levels for the area, the noise study includes a continuous noise level measurement survey that was collected between Friday, August 22, 2014 and Monday, August 25, 2014. These continuous samples were collected from three separate locations selected to be generally representative of the noise exposure received at the residences located nearest to the project operations, as well as the project site noise environment. Site 1 was selected south of the project site. Site 2 used a point west of the project site near Greenhorn Creek and in alignment with the closest homes. Finally, Site 3 was located along Red Dog Road at the proposed project entrance. During the four day continuous sample the daily equivalent noise levels (Leq) ranged from 42 to 44 dB at Site 1; 42 to 47 dB at Site 2; and 33 to 37 dB at Site 3. Weather conditions present during the noise survey were typical of the period, with light winds, no precipitation, moderate relative humidity (40-45% avg), high temperatures in the mid 80's, and low temperatures in the mid 60's. There were no unusual weather events which would have adversely affected the integrity of the measured ambient noise levels. The Sunday measurements were the lowest and the Friday and Monday measurements were the highest, likely due to the gravel skimming operations within Greenhorn Creek.

The Noise Assessment was then prepared and established the anticipated noise levels generated by the project. The Noise Assessment utilized the noise levels for each piece and type of equipment in the proposed mining plan and factored those with the Caltrans Roadway Construction Noise Model to quantify the project's noise emissions. The reference noise levels were corrected for the duration of time during a typical hour the equipment would be operating, and were projected to the nearest residences. A sound level decay rate of 6 dB per doubling of distance was applied to the propagation calculations, consistent with industry standards for noise sources which appear as fixed points from the receiver location. Additionally, other factors such as atmospheric absorption and ground attenuation were applied. Finally the study results, which are believed to represent conservative predictions, show that the project noise levels received at the nearest noise-sensitive areas would not exceed the County's 55 dB Leq or 75 dB Lmax daytime noise standards. Specifically, the projected noise levels at Receiver Area "A" (the residence at the north end of Autumn Oak Road) would range between 26 and 38 dB

Leq; at Receiver Area "B" (the residences at Live Oak Drive) the noise would range between 44 and 48 dB Leq; and at Receiver Area "C" (the residences at the western end of Buckeye Road) the noise would range between 41 and 46 dB Leq. The highest Lmax level at any of the three locations did not exceed 53 dB Lmax.

The potential for ground vibrations were also examined and were found to essentially be negligible in the area, and likely non-existent at the nearest residences due to their distances.

Although the projected noise levels were determined to be less than significant at the various sensitive receptors, the previously recommended Mitigation Measure 12A, which limits the project hours from 7 AM to 7 PM are still included in the document and should remain. For a complete review of the Environmental Noise Assessment.

Groundwater Analysis: The appeal raised the following arguments regarding the potential groundwater impacts from the project.

The appellants argue that the mine proposes to pump 625,000 gallons of water from ground well each day; that this use will be detrimental to wells that are already impacted by the drought; and that they believe the mine will actually be more given the wells can be pumped 24 hours a day.

In response to Board direction, the Planning Department solicited bids from two hydrogeological firms before selecting EMKO Environmental, Inc. to perform the groundwater analysis. More specifically, the analysis includes an SB 610 Water Supply Assessment as well as a pump test for the two onsite wells, a water balance assessment for the proposed mining project, and an evaluation of any potential changes in the groundwater recharge rates and contamination in the post-mining setting.

As noted above, the SB 610 (2002) Water Supply Assessment includes the pump testing of both onsite and offsite wells, and an evaluation of the groundwater recharge and infiltration rates. EMKO Environmental, Inc. completed this WSA on November 11, 2014 and its conclusions are now used within the Revised Initial Study.

Water Balance. Per the information provided in the mining application, the water will come from both stormwater runoff that will be retained onsite within the ponds, and from groundwater pumped from the wells located on the Project site. Estimates for the amount of stormwater runoff that can be captured and retained have been prepared for the application by Holdrege & Kull (in their 2009 Drainage Study) and as part of the studies prepared to support the EMKO Water Supply Assessment (Technical Memorandum No. 2). The Water Supply Assessment considers the current drought conditions and adjusted the standard rainfall figures accordingly to assess the low rainfall and runoff estimates. The Water Supply Assessment used a 20 percent safety factor for the stormwater runoff that can be captured on site. Under a drought year condition (such as 2013 and 2014) there would only be 13-acre feet of runoff, which is not enough to fill the onsite 15-acre foot fresh water pond. The remaining water needed would then have to come from the groundwater wells.

The Water Supply Assessment notes that the volume of groundwater present beneath the Project site can be calculated based on the area of the site (in acres), the thickness of the bedrock interval with fractures that contain groundwater (based on well log data), and the average fracture porosity (sponginess) of the bedrock. Using the figures of 73 acres for the project size, a fractured bedrock depth of approximately 275 feet, and a five percent porosity rate (consistent with other local well drilling data for dense bedrock) there is approximately 1,000 acre-feet of groundwater beneath the project site. (One acre-foot of water contains 325,851 gallons.)

Based upon a 10-hour work day, the project's water use is 625,000 gallons per day. Much of this water is recycled through the two settling ponds and is not lost altogether. Based upon what water is lost (either through the moisture in the processed rock/tailings, evaporation, or groundwater percolation) it is estimated that the annual volume of water needed for the full production each year is 29 acre-feet. Thus, if only 15 acre-feet of water is available from the ponds in an average year (or 13 acre-feet in a

drought year), then the additional groundwater demand for the project will range between 13 acre-feet and 16 acre-feet each year, depending upon normal or drought conditions.

The Water Supply Assessment concludes that the 13 to 16 acre-feet of groundwater demand from the estimated 1,000 acre feet of groundwater beneath the project site, and factored over a 20-year operational period, would not significantly deplete the available groundwater in the local area. Therefore, water balance will be maintained when factoring the project's demand for water use compared to the available water on site.

Pump Testing. The second part of this groundwater analysis considers the potential impacts of the mine's groundwater use on the neighboring wells. EMKO Environmental, Inc. performed a three-day pumping test using the two onsite project wells. Monitoring of water levels was performed using electronic dataloggers in both of the onsite project wells, and within four of the nearest neighboring wells. Additionally, monitoring was also done at the southern onsite pond on the project site to check for any changes to the pond's water level. The dataloggers were installed within the various wells on October 9, 2014, prior to the beginning of the pumping test. The intent was to register the daily well use trends and establish a background use and the response time for those wells that were actively being used. The pumping test began for the northern Blue Lead well on October 13, 2014 at 2:00 PM. The following day, the wells were checked by EMKO to ensure the dataloggers were functioning properly. The pumping from the north well unexpectedly concluded at 8:30 PM on October 15, 2014 (54.5 hours) due to a failure with the generator (supplying power to the well pump). A temporary pump was then installed in the southern Blue Lead well and the pump test began on that well at 5:00 PM on October 22, 2014. That pumping test concluded at 5:17 PM on October 25, 2014 (75.3 hours). The dataloggers were then collected on October 28, 2014.

During each of the pumping tests conducted for the two onsite project wells, the other onsite well was monitored for changes in groundwater levels. This would represent the closest well to the one being pumped. The data between these wells was used in the overall groundwater analysis. Of note, while the south well was being pumped, the north well was actually recovering from its previous pump test.

The private wells are identified as Wells C, F, J, and Z (correlating to the owner's last name). In Wells C, J, and Z there were numerous short-term drawdown spikes due to the pumping of those private wells, but no consistent drawdown and recovery event that correlates with the timing and duration of the Blue Lead South Well pumping test. In general, the groundwater level in these three private wells increased slightly during the Blue Lead South Well pumping test. In Well F, there was a noticeable drawdown event with a magnitude of about 11 feet that began 12 hours after the pumping of the Blue Lead South Well started. However, this drawdown event only lasted for about eight hours and then the water level in Well F continued to rise for the duration of the Blue Lead South Well pumping test, except for one short pumping event. Because the recovery of that drawdown event occurs during the continued South Well pumping interval it disassociates the two wells as they show they have separate responses and reactions. Section 9b of the Revised Initial Study shows the graphs for each of these wells during the entire monitoring period. It is also important to note that this graph not only plots the various responses from each well, but also the actual groundwater depth (in feet above mean sea level) in those wells.

The conclusions of the Pump Testing shows that the groundwater demands of the project will have less than significant impact on any of the neighboring groundwater wells. This is most likely due to the linear distances between those wells, the existing groundwater elevations in each of those wells, and the specific recovery rates (during the pump tests). Further, the analysis supports there is a lack of a direct hydrological connection between these wells – as was alleged in Well F during the 2014 appeal hearing.

Changes in Groundwater Recharge Rates or Post-Mining Contamination. In response to one Supervisor's concerns regarding potential changes in the groundwater recharge rates and possible contamination issues resulting from the post-mining site conditions, EMKO Environmental, Inc. evaluated the proposed Reclamation Plan and mining cross sections to address these concerns. This

analysis is contained in Technical Memorandum Number 3.

Comparing the existing pre-mining conditions (steep slopes and a high runoff potential from the gravels) of the property to the proposed post-mining conditions (with gradual slopes and the increased permeability of the soil), the conclusions of the groundwater recharge rate is that the final reclamation will actually result in less stormwater runoff and erosion and will enhance the groundwater recharge.

On the question of the potential for heavy metals to enter the groundwater as a result of the mining project, the data refers back to the Report of Waste Characterization that was prepared by Holdrege & Kull in 2009. That report indicates that the gravel samples collected, and were subject to a standard leaching test using deionized water to extract any metals from the samples (referred to as a DI-WET test), show that the metals that are within the gravel material are common to the local area. The highest levels of metals detected include iron and manganese, which are also common within Nevada County. These metals are also consistent with the groundwater quality testing that was performed at the Blue Lead site. The DI-WET test results for the Blue Lead gravels indicate there are also elevated levels of aluminum in the gravels on the property, but not in the bedrock. Both iron and aluminum are not generally considered to be highly toxic heavy metals (based upon the high MCL standards for those metals). Iron was also visibly present in three of the four offsite wells, and manganese was present in the fourth offsite well.

The third Technical Memorandum concludes that while the native material on site has the potential to leach iron and aluminum, those metals will also be significantly removed as mining process in the black sand concentrate. It is worth noting that this process (waste discharge) is also subject to the Regional Water Quality Control Board's Waste Discharge Permit and will be subject to meeting their required standards and monitored as part of their reporting requirements. Thus, the project will not result in any changes to the rate or amount of infiltration of heavy metals into the local bedrock groundwater system.

Revised Initial Study/Mitigated Negative Declaration: As noted above, the conclusions of the two new technical studies were incorporated into the Revised Initial Study. On February 3, 2015, staff recirculated the Revised Initial Study/Mitigated Negative Declaration back through the State Clearinghouse, the project appellants, and several of the local agencies and special interest groups for comment. The comment period ran from February 6th through March 9th. As a result of this review, staff has received three comments from the responsible agencies, three comments from individuals (including one of the appellants), and two comments from local special interest groups. Staff will summarize these comments and our responses below.

CalFire Forestry notes that the project site will require a Timber Harvest Permit and Timberland Conversion permit. These comments were already acknowledged within Section 2d-e of the original Initial Study, dealing with Agricultural and Forestry Resources.

California Regional Water Quality Control Board has provided their standard comment letter that indicates the various types of Permits their Board regulates. This is a common letter that is received for most projects and there were no specific comments provided in the letter to address the accuracy or adequacy of the Initial Study. These comments are incorporated into the Geology/Soils Section, and in the Hydrology/Water Quality Section.

Nevada County Department of Public Works has submitted a "no comment" letter on the Initial Study.

The public comments from Lorenz, and Fuller each provides a combination of opinions regarding gold mining and citations regarding the current drought and the importance of groundwater to the neighboring home owners. The issues concerning the current drought conditions are noted in the Hydrology/Water Quality Section of the Initial Study, but staff does not attempt to theorize on the potential duration of the current drought. The aerial photo submitted with the Fuller comments incorrectly cites the date the ESRI photo as being taken from the summer of 2013. The ESRI photo layer is actually a mosaic of multiple photos from multiple years. Some features on the site that can be

seen on photo (including a travel trailer and portions of the processing plant) were removed from the site around 2011, and the water in one of the settling ponds has not been there in several years.

The DeCrow, Sierra Fund, and CLAIM GV comments critique not only the Revised Initial Study, but also portions of the Reclamation Plan itself. The key reoccurring comments in those letters address the adequacy and specifics of the Financial Assurance Cost Estimate (FACE), the proposed end use of the of property (post-mining), the inclusion of the various Regional Water Board permits into the Reclamation Plan document, and the testing of site for hazardous materials (e.g. mercury) as those may impact the local surface water quality.

As with all mining operations under the Surface Mining and Reclamation Act (SMARA), each mine is required to submit a new FACE document each year to the County for review and approval. As part of that process the State Office of Mine Reclamation (OMR) is also required to review and consider the County's comments prior to the FACE approval. This annual process allows for routing changes to occur with the FACE to keep up with the extent of the site disturbance and credit those areas for the success of the ongoing reclamation activities. These ongoing activities also take into account the annual permit and monitoring requirements of other agencies (such as the Regional Water Board, and Department of Fish and Wildlife) but because those permits won't be issued until after the County approves the mining project (and Reclamation Plan) those cost figures cannot be calculated at this time. To be clear, only after the mining operation is approved and after the necessary State permits have been obtained, can the FACE be accurately calculated. No mining may occur until after the FACE is approved and after the Financial Assurance has been posted with the County.

With regard to the end use of property, the Reclamation Plan uses a dual standard of open space (for the majority of the property) and future residential (for those areas adjacent to the two plant sites). The property in question consists of three parcels and two of the parcels would be allowed to be developed in the post mining scenario. Therefore the Reclamation Plan is specific in indicating those specific building sites (which then has a different compaction standard for the development) and allows the remainder of the property to remain as open space (for most likely a timberland forested land use).

In response to the comments regarding the need to include the various Regional Water Board Permits (such as the approved Storm Water Prevention Pollution Plan, Waste Discharge Permits, etc.) those permits will not be issued until the Regional Board approves those documents. In doing so, the Regional Board relies upon the County CEQA document for the project so they cannot issue the permits until after the County has adopted the CEQA document and approved the project. Therefore, it is not possible to include those final permits at this time. They are however incorporated by reference to the Reclamation Plan.

With regard to the testing for hazardous materials (most notably the mercury from the former sluicing activities), as part of the review and approval of the Regional Water Board's Waste Discharge Permit the application requirements call for a Waste Characterization Report. This will occur in stages as the mine progresses through its phasing and heavy metals are absolutely a consideration for that process.

Holdrege & Kull's initial Waste Characterization Report for the Phase 1 operations does take into account the potential for mercury and provides methods for the handling and removal of any mercury encountered as part of the mining operation. Those standards will then be incorporated into the State Permits and will be required to be accounted for in the FACE.

In summary, several of the issues have already been carefully considered by the responsible State agencies and the Mitigation Measures and Conditions of Approval for the project take into account the recommendations from those agencies. Overall, the State concurs with the proposed Reclamation Plan and they are not opposed to the recommended Conditions of Approval.

The applicant's attorney has also provided a written response to those Comments received as part of the Revised Initial Study, which can be found in Attachment 9. Staff has reviewed those responses and generally concurs with the statements made by the applicant's attorney.

APPEAL CONCLUSION:

As reflected in the first appeal meeting minutes, the staff report, and this second portion of the appeal, all of the issues associated with this appeal have been carefully considered. In response, changes were made to the Initial Study and Conditions of Approval to address the noise concerns. The technical analysis included with the Mining Permit and Reclamation Plan has been thoroughly reviewed by several State and local agencies, and required a number of revisions in response to those reviews. All of the project concerns have now been amply considered and are resolved to sufficient levels.

The project site is substantially buffered by large parcels, is in a remote and sparsely populated area, and is compatible for surface mining. The Nevada County Mineral Management Element encourages the County to consider these types of mining projects in the remote and rural areas before they are developed. Notwithstanding, the project will still result in some changes to the local area but only at a limited level. There will be multiple opportunities for the County and other local and State agencies to inspect the operation to ensure its compliance with the required Conditions of Approval, the Surface Mining and Reclamation Act, and other applicable laws to protect the water quality and local wildlife resources. If the operation is not found to be in compliance, the Conditions of Approval provide an opportunity to bring the project back to the Planning Commission for a compliance review. This should provide some relief for those that remain concerned over this operator's ability to comply with the permit.

THE REZONE:

Proposal: The Blue Lead Gold Mine is proposing a Rezone to add the Mineral Extraction (ME) combining district to their three FR-40 zoned parcels totaling 74.09 acres. If the Board denies the appeal, staff recommends that the Board consider and approve the Rezone.

Background: On February 13, 2014 the Planning Commission also considered the proposed rezone application to add the "Mineral Extraction" combining district to the existing FR-40 base-zoning district, pursuant to General Plan Policy 17.15 of the Mineral Management chapter. Combining districts are established to provide specialized consideration of unique or sensitive areas. When added to a base zoning district, such as the FR-40 district with this project, the standards established in the combining district may require more restrictive regulations than those contained without the combining district.

Surface mining operations are only permitted within compatible land use designations (as specified in the Glossary of the General Plan) and on those parcels zoned with the "Mineral Extraction" combining district. The Forest land use designation is considered a "compatible" land use designation for surface mining. The ME zone is intended to provide for public awareness of the potential for surface mining activities to occur on the site.

Section L-II 2.7.3 of the Nevada County Zoning Code sets forth the standards for establishing the ME district onto a property. Essentially, the property in question has to be designated as having significant mineral resources (per the State of California Mineral Land Classification Reports). In this case this project site is designed MRZ-2, on the Mineral Land Classification Report and that designation means it does have known significant mineral resources (for both metals and aggregates).

As noted during the Appeal discussions, this project site is well suited for a potential surface mining operation given its relatively remote location, the prior historic gold mining use on site, its proximity to another surface mining (aggregate) land use, and that it is surrounded by relatively large unoccupied parcels of which many are federally owned. The Planning Commission recommended approval of this Rezone application because this property meets the required criteria for having the ME combining district.

ACTION TAKEN: Chairman Scofield introduced the agenda item.

Mr. Brian Foss, Planning Director, introduced Mr. Tod Herman, Senior Planner. Mr. Herman provided a PowerPoint presentation and reviewed the staff report. He concluded that all of the issues raised in the appeal have been fully addressed, including both the noise and groundwater analysis and support the conclusions of the Initial Study in its revised state. The Project is consistent with the applicable policies as set forth in the Nevada County General Plan, including the Land Use Element, Safety Element, Water Element and Mineral Management Element. The Use Permit and Reclamation Plan Conditions ensure that the Project will conform to the Zoning Codes, Surface Mining and Reclamation Standards. Staff recommends the Board deny the appeal and uphold the Planning Commission's actions for the Project. Additionally, staff recommends the Board approve the Mitigated Negative Declaration for the Rezone portion of the application, and adopt the Ordinance to approve the rezone of Zoning District Map 78 to reflect the 74-acre site, adding the Mineral Extraction Combining District.

Chairman Scofield asked if the Board members had any questions for staff.

Supervisor Anderson referred to the noise analysis, and asked for clarification of the equipment that would be allowed to operate during the 7:00 a.m. to 7:00 p.m. operating hours. Responses from the Applicant's attorney indicate that a generator will run 24 hours per day, 7 days per week. Mr. Herman responded that the 7:00 a.m. to 7:00 p.m. operational period is for heavy equipment that will be extracting and processing the material on site, although maintenance could occur after those hours. He explained that there is a watchman's quarter's onsite, and since there is no electric power to that area it is presumed that generators will be allowed to run past those hours. Supervisor Anderson reviewed the report completed by Bollard Acoustical Consultants, Inc., and noted that the noise levels peak at 39 decibels. He commented that County standards provide for a decibel level of 40, and wondered if there is a hazard there from noise impacts to the residents in the nearby area. Mr. Herman suggested the County's consultant answer questions relating to the noise analysis.

Mr. Paul Bollard, Bollard Acoustical Consultants, Inc., explained that he personally prepared the noise analysis for the Project. They did model a generator on the site, and assumed that it would be in operation at any given hour of the day or night. At the back of the study, they split out all noise sources independently by Phase, as well as the amount of noise each source would make at each receiver. If you review the noise associated with the assumed generator, it would not exceed 35 decibels at any residence, whether it was operating daytime or nighttime. Supervisor Anderson directed Mr. Bollard to page 250 of the staff report, which notes a number of 39 decibels. Mr. Bollard apologized; he thought the highest number was 35. He added that within the range of variation, it was possible the rate could exceed 40 decibels, although there is a lot of topography and distance between the nearest residences and where the equipment will be operating. General assumptions were made regarding how much shielding would occur for the various types of equipment, and he believed the generator could be shielded because it is a fixed piece of equipment.

Supervisor Miller noted that 625,000 gallons of water is expected to be used per day and it was his understanding that the two onsite wells would produce 17 gallons per minute, for a total of 24,000 gallons per day. He asked how the additional water would be provided for operation of the Plant. Mr. Herman replied that the 625,000 gallons of water used by the Plant during a 24-hour period will come from the recycling ponds, supplemented by the fresh-water pond. The wells will be used to keep the fresh-water pond at capacity, which holds 15-acre feet of water or 4.5 million gallons. He added that within the fractured bedrock there is an estimated 1,000 acre-feet of water below the site.

Chairman Scofield provided the Appellant an opportunity to give their presentation.

Mr. Randy Fuller, Appellant, spoke on behalf of the residents of the Red Dog Road/You Bet Road area, and shared their concerns regarding Blue Lead Mine's expected water usage, the possibility that neighbor's wells will run dry, and the current drought that is expected by experts to continue for many years.

Ms. Dara Zimmerman, Environmental Engineer, commented that Blue Lead Gold Mine's wells will not be able to provide enough water during drought years, even if they were to pump 24 hours-per-day,

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7 days-per-week. She disputed the calculations provided in the groundwater analysis as completed by EMKO Environmental, Inc., which she did not believe fulfilled the requirements of Senate Bill (SB) 610 Water Supply Assessments. Ms. Zimmerman reiterated that Blue Lead Gold Mine does not have a sustainable water supply onsite and urged the County not to pursue the Project.

Chairman Scofield provided the Project Proponent an opportunity to give their presentation.

Mr. Braiden Chadwick, Attorney representing Blue Lead Gold Mine, provided comments in support of the proposed Project, as well as the groundwater analysis provided by Dr. Andrew A. Kopania, EMKO Environmental, Inc. He reported that Dr. Kopania is a licensed, certified Hydrogeologist and is an expert recognized throughout the State. Mr. Chadwick stressed that the onsite wells provide only make-up water; the majority of the water will come from onsite ponds and will be recycled.

Dr. Andrew A. Kopania, EMKO Environmental, Inc., explained that he prepared the Groundwater Analysis. He reported that he has prepared environmental documents for over 100 mining projects throughout the State of California, as well as numerous SB 610 Water Supply Assessments. Dr. Kopania reviewed the data supporting his analysis, and concluded that the wells would provide adequate water to run the Project during drought years given limited or reduced surface water runoff and storage in the fresh-water pond.

Board questioning ensued.

Following a short break, Chairman Scofield called the meeting to order and opened the public hearing for public comment.

The following members of the public provided comments in opposition to the proposed Blue Lead Gold Mine Project: Mr. David Hess, District V resident; Ms. Elizabeth Martin, Chief Executive Officer, The Sierra Fund; Mr. Marcelino Calvillo, District V resident; Mr. Ralph Silberstein, CLAIM-GV (Citizens Looking at the Impacts of Mining) representative and District III resident; Ms. Sandra Jansen, District V resident; Mr. Damon DeCrow, District V resident; Mr. Andrew Jennings, District V resident; and Mr. Peter Van Zant, District I resident.

The following members of the public provided comments in support of the Blue Lead Gold Mine Project: Mr. Alfred Bulf, District I resident; Mr. Charles Watson, Geologist and author of the Project's Reclamation Plan; and Mr. Matthew Nicholas, District V resident.

There being no further public comment, Chairman Scofield offered the Project Proponent an opportunity to provide their Summation.

Mr. Chadwick addressed issues raised by members of the public; 1) mitigation measures are included as part of the Project for remediation of the mercury left on the site by antiquated gold mining procedures; 2) the Reclamation Plan was carefully vetted by the County and the State Department of Conservation, Office of Mine Reclamation; 3) the mine site will have annual inspections in conformance with the Reclamation Plan; 4) financial assurances will be held jointly by the County and the State; 5) the property owner does have the right to develop their property, build a business, and make that business profitable while ensuring that the neighbors are not harmed; and 6) the Mitigated Negative Declaration is a sufficient environmental document and is compliant with all State and County regulations.

Chairman Scofield offered the Appellant an opportunity to provide a Summation.

Mr. Fuller shared his continued concerns regarding the potential impacts to neighbors relating to the water and noise issues. Ms. Zimmerman clarified her credentials and reiterated her concerns regarding the groundwater analysis and the proposed rate of water usage, especially during drought periods. Ms. Jansen reiterated her concerns regarding the mercury on the property and urged the Board to uphold the appeal.

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Chairman Scofield provided an opportunity for public rebuttal.

The following members of the public provided comments: Mr. Alfred Bulf, District I resident; Mr. Paul Pizziconi, District V resident; and Mr. Solomon Henson, North San Juan Ridge Taxpayers Association representative and District IV resident.

There being no further public comment, Chairman Scofield closed the public hearing.

Board questioning ensued.

Supervisor Beason asked for confirmation that the Blue Lead Gold Mine would need to be permitted by the California Regional Water Quality Control Board (RWQCB) prior to beginning the enterprise. Mr. Herman confirmed that RWQCB would do the monitoring.

Supervisor Beason asked for clarification on how many generators were going to be installed onsite that would run after operation hours. Mr. Chadwick responded that they only anticipate one generator onsite. Mr. Arthur Knadler, Blue Lead Mine Principal, confirmed that there will be one main generator, but at the watchman's living quarters there will be a small generator that will only run the building. Supervisor Beason believed that the generator should be shielded. Mr. Chadwick responded that the Applicant was amicable to that requirement.

Supervisor Beason asked if monitoring requirements were in place for the neighboring wells. Mr. Herman replied that there is no offsite monitoring required as part of the permit. Supervisor Beason suggested that for the first year monitoring should be put into place for protection of the neighbor's wells. Speaking for the Applicant, Mr. Chadwick reported that they were in agreement to add an additional Condition of Approval to provide for monitoring the neighbor's wells to see if there is a water drawdown issue.

Supervisor Beason believed that some of the neighbor's concerns could be alleviated by shielding the generator and adding well-monitoring for the first year to include a plan if the water is shown to be declining. He asked staff if it was possible to add the well-monitoring as part of the permitting process. Ms. Alison Barratt-Green, County Counsel, responded that it was possible and recommended the Board take a brief break if they wanted to add a condition to that effect.

Board questioning and discussion ensued.

Supervisor Anderson thought it would be wise to implement a longer well-monitoring period to last throughout the life of the Project to ensure that the residents are compensated if they lose water as a result.

Ms. Barratt-Green suggested the Board provide a list of concerns to be addressed through potential conditions and then call for a short break to provide time for staff to make the changes.

Supervisor Beason listed the concerns as: 1) shielding of the generator that will run after operational hours; and 2) monitoring of the neighboring wells. Supervisor Anderson requested water-quality testing be added in addition to well-monitoring.

Following a short break, Chairman Scofield called the meeting to order.

Supervisor Anderson was advised that an engineer from California Regional Water Quality Control Board (RWQCB) was in the audience. Supervisor Anderson believed he could provide some perspective, and asked him to come forward and introduce himself.

Mr. Jeff Huggins, Water Resource Control Engineer, California Regional Water Quality Control Board (RWQCB), noted that the Board members were struggling with long-term monitoring and characterization of the waste. He explained that this will be part of the waste discharge requirements

that the Board will prescribe for this Project. Normally, the Reclamation Plan and waste discharge requirements go hand-in-hand as far as the permitting process goes. It is a little unusual in that the Applicant has followed through on the Reclamation Plan but has yet to tackle the waste discharge requirements. RWQCB has had correspondence with the Applicant and they are aware of the process for waste discharge requirements. This can be handled at RWQCB; it is not overly burdensome. They will take what the County and State Department of Conservation, Office of Reclamation, has done and build upon it. RWQCB will prescribe what the requirements are for discharge of mining waste. They do have concerns regarding the waste characterization report completed by Holdrege & Kull; their objective is to have ongoing monitoring and characterization of the waste to address changes in conditions of the geology or mineralogy. He explained that will be a robust monitoring and reporting program, and noted that mercury is not a general concern with native material that has not been processed. Additionally, an Industrial Stormwater Pollution Permit will be required to monitor for offsite discharges. Mr. Huggins reported that RWQCB has the option to impose additional financial assurances to protect the water quality if necessary, and concluded that the process provides an opportunity for public input.

Mr. Herman reviewed Exhibit A as part of the first Resolution in Attachment 1, noting the changes made by staff in Condition A.14., which adds "The fixed generator sites shall be shielded to buffer the noise levels generated during all hours of the day."

Ms. Barratt-Green reported that Condition 16 was revised to read "Prior to approval of the first FACE and commencement of mining operations, the Applicant shall prepare a groundwater monitoring program to provide for monitoring of the existing Zimmerman, Fuller, and Jennings domestic wells to be approved by the Planning Director. The groundwater monitoring program shall provide for installation of Totalizing Flow Meters on all onsite wells and Dataloggers on the offsite wells, and shall include evaluation methodologies and actions to be taken if a correlation is observed. The groundwater monitoring program shall provide for quarterly monitoring for the first full year of mining operations and annual monitoring thereafter, and shall be maintained for ten (10) years from and after the commencement of mining operations."

Supervisor Anderson asked if there was a provision for water-quality testing. Ms. Barratt-Green responded that in light of the information received from RWQCB, staff determined it probably was not necessary as this point, but would defer to the Board's judgment.

MOTION: Motion made by Supervisor Beason, seconded by Supervisor Anderson, to adopt Resolution 15-182, denying the appeal.

Ms. Barratt-Green asked if the motion included the two Conditions.

MOTION: Motion restated by Supervisor Beason, and seconded by Supervisor Anderson, to adopt Resolution 15-182, denying the appeal, as modified, to include the changes to Exhibit A, Sections A.14. and A.16. On a roll call vote, the motion passed unanimously. Supervisor Weston absent.

MOTION: Motion made by Supervisor Miller, seconded by Supervisor Beason, to adopt Resolution 15-183, approving the Mitigated Negative Declaration for the Rezone of 74.09-acres to add the Mineral Extraction Combining District to the FR-40 Base Zoning District for property owned by Tucker White and associated with the Blue Lead Gold Mine. On a roll call vote, the motion passed unanimously. Supervisor Weston absent.

MOTION: Motion made by Supervisor Anderson, seconded by Supervisor Beason, to waive further reading and adopt Ordinance 2394, amending Zoning District Map No. 078 to rezone the 74.09-acre portion of the FR-40 Zoning District to add the Mineral Extraction Combining District, for property owned by Tucker White and associated with the Blue Lead Gold Mine. On a roll call vote, the motion passed unanimously. Supervisor Weston absent.

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ADJOURNMENT: There being no further business, Chairman Scofield adjourned the meeting at 6:02 a.m.

Edward C. Scofield, Chairman

ATTEST;

By: Julie Patterson Hunter, Interim Clerk to the Board

DRAFT