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## Summary of Economic and Demographic Changes

This report is being prepared as part of Mineral County's efforts to establish baseline conditions for the purposes of assessing potential impacts associated with the Yucca Mountain Project. The baseline report is updated annually in order to establish a thorough understanding of local socioeconomic and demographic conditions in Mineral County.

There have been few demographic changes in Mineral County over the last year. Population has remained relatively flat at approximately 4,629 persons countywide in 2005. Since 1990 Mineral County population has declined by nearly 2,000. These declines were attributed to reductions in civilian and military personnel at Hawthorne Army Ammunition Depot and a local downturn in Mining activity.

In the future, population growth could rebound significantly as several new businesses are in the process of moving to the Hawthorne area. These businesses include a waste disposal and recycling operation associated with the reuse of the Rawhide Mine, a new defense and security contractor, Skyview Academy (a private youth correctional facility) and Peninsula Flooring. Collectively, these new business operations could provide more than 500 new jobs in the local economy over the next five years with the potential to expand. Additionally, numerous part-time job opportunities associated with the defense and security contractor will be created as well as increased short-term visitor activity. The total population associated with the increase in employment (direct and indirect) could be as high as 1,353 people. Unlike the mineral industry, the aforementioned new employment opportunities will not be as cyclical in nature. Therefore, Mineral County is likely to benefit from more permanent housing development and the willingness of local businesses to invest long-term to increase the level of goods and services offered locally. Most of the projected 530 new jobs would be created between 2006 and 2010.

Employment in the County has stabilized around 1,770 jobs in 2005. The unemployment rate has declined to about 5.9 percent. Since 1998, Mineral County has lost nearly 700 jobs. With the limited economic base in the County, recent job losses translated directly into population declines in the County. Unemployed workers leave the area in search of employment opportunities elsewhere. With new employment opportunities, the total number of jobs in Mineral County should increase substantially. Total employment in the County could reach 2,300 by 2010, and increase of 30 percent over current levels.

After several years of limited mineral industry activities, a number of new mining projects are slated for Mineral County in 2006. In 2005, the total number of mining jobs in Mineral County increased by 62.

One potential bright spot for Mineral County has been the rebound in taxable sales. For the year ended June 30, 2006, taxable sales in Mineral County appear to be slightly ahead of 2005. Taxable sales for the first 11 months of the 2006 fiscal year are just over \$30 million

Along with the previous job losses in Mineral County, the local housing market had suffered as well. During 2003 and the early part of 2004, a number of foreclosure and tax sales of single-family properties occurred in Mineral County. Based upon recent Mineral County Assessor data, the average single-family sales price was about \$60,000. The median price was approximately \$60,000, and the highest sales price for a single family residential unit in the last 12 months was \$190,000. A large number of single-family structures sell between \$70,000 and \$160,000. Both the average and median price of a single family detached home increased slightly year over year. With increasing local employment, the demand for housing should increase along with the price.

This year's baseline report identified very few changes in other resources in Mineral County. There has been little or no change to traffic counts, health care and public facilities, and natural resources. If new businesses become fully established during the next year, most population gains will probably be made in the Hawthorne area. Such increases will probably lead to greater increases in municipal water demand, traffic counts, and sales and room tax. However, as new employment and job increases take place, more significant changes should occur.

A summary of economic and demographic conditions is shown in Table S-1.

<b>TABLE S-1 SUMMARY OF ECONOMIC AND DEMOGRAPHIC CONDITIONS MINERAL COUNTY: 2000, 2003, 2004, AND 2005</b>				
	<b>2000</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Population	5,071	4,687	4,673	4,629
Employment	1,840	1,740	1,780	1,770
Unemployment Rate	10.1%	6.4%	6.2%	5.9%
Per Capita Income	\$24,306	\$23,495	\$25,341	-
Taxable Sales	\$40,773,806	\$30,867,093	\$36,424,537	\$31,532,336
Assessed Value	\$99,019,648	\$85,078,257	\$73,108,979	\$73,359,340
Median S.F. Home	\$59,500	\$53,000	\$55,000	\$60,000

\* 2002 and 2003 per capita income, respectively, + 2000 Census


## 1.0 INTRODUCTION AND BACKGROUND

Mineral County, Nevada, was created out of the northern portion of Esmeralda County on February 10, 1911. Nevada's earliest maps show the presence of Walker Lake, a prominent feature of Mineral County and a noted landmark to early explorers. Jedediah Smith, first non-native explorer into Nevada, passed near Walker Lake in 1827 during his remarkable trip from west to east across the state. Peter Skene Ogden, another noted earlier explorer of the region now known as The Great Basin, was here in 1829, then Fremont in 1845 with his guides Kit Carson and Joseph Walker, for whom the lake was named.

The town site of Hawthorne was selected in 1880 by H.M. Yerington, president of the Carson and Colorado Railroad Company as a division and distribution point for the new railroad. Yerington named the new town Hawthorne after a lumberman friend in Carson City. On April 14, 1881, the first train arrived at the town's site, loaded with prospective buyers for the new town. Hawthorne's location, at the southern end of Walker Lake, was adjacent to the important Knapp's Station and Ferry Landing on the busy Esmeralda toll road from Wadsworth to Candelaria. Radiating roads ran to all of the surrounding mining areas, adding importance to this area and its development as distribution point. In its early years the county had many well known mining towns such as Aurora, Belleville, Candelaria, Rawhide and others congregated to exchange merchandise and news. In 1883, Hawthorne took the Esmeralda county seat from declining Aurora, but later lost it to booming Goldfield. In 1911, Hawthorne again became a county seat, this time for the newly formed Mineral County.

In 1926, a destructive munitions explosion in the east caused the United States military to explore alternative, relatively remote sites for the storage of explosives. In 1930, the U.S. Navy selected the Hawthorne-Whiskey Flat portion of the lower Walker Lake Valley as the site for its ammunition depot. The storage facilities grew over the years and became the Navy's largest such munitions facility. The town of Babbitt was subsequently built on the northern edge of the facility to house military personnel. The town of Hawthorne underwent significant growth due to this facility. The County's total population expanded from 1,863 persons in 1930 to 5,560 by 1950 and eventually peaked at 7,051 persons by 1970. During the 1980's and 1990's the





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depot's activities declined. During the first half of 2000, the economic conditions in Mineral County have begun to stabilize.

Presently, Hawthorne is a central point for desert travelers and for the vacation, sporting, and recreational activities on nearby Walker Lake. Walker lake, along with Pyramid Lake located in Washoe County to the north, represents one of two remaining lake remnants of Ice Age Lake Lahontan, which some 12,500 years ago covered approximately 8,600 square miles and a large portion of northwestern Nevada. Due to upstream irrigation diversions and drought, Walker Lake's surface elevation and volume have declined significantly since the early 1900's, increasing the salinity of the lake's waters and jeopardizing its fishery.

Mineral County is also home to the Walker River Paiute Indian Reservation, which occupies over 200,000 acres and is located in the northwestern portion of Mineral County, spilling over to the north into Churchill County and to the west into Lyon County. Although the area around Walker Lake in the Utah Territory was set-aside for "Indian Purposes" in 1859, it was not until 15 years later that President Grant signed the executive order formally establishing the Walker River Indian Reservation on March 19, 1874. In 1906, after many years of pressure from state and federal government officials, and particularly local mining interests, the Walker River Paiute Tribe ceded 268,000 acres of reservation land to the federal government, including all lands surrounding Walker Lake. It was first believed that the ceded lands contained extensive mineral deposits, although later exploration failed to find significant ore bodies. Later, on several occasions the federal government added to the reservation lands, first in 1918 (34,000 acres), then again in 1928 (69,000 acres), and finally in 1936 (171,200 acres), eventually increasing the reservation's total acreage to its current level of 232,902 acres.

Mineral County is located in the west-central portion of Nevada and borders the State of California on the southwest (Figure 1-1). Mineral County is the sixth smallest county in Nevada, covers approximately 4,019 square miles, (9,938 square kilometers) and accounts for approximately 3.5 percent of Nevada's total surface area of 110,540 square miles (285,298 square kilometers).

Of Mineral County's 2,572,160 acres of surface area, 2,091,422 acres, or just over 81.3 percent of the county's total area are controlled and managed by the federal government. Of these federally managed public lands, approximately 382,499 acres are managed by the U.S. Forest Service (USFS). The USFS managed lands include a portion of the Toiyabe National Forest, which covers much of the southernmost portion of Mineral County. Relative to Nevada's seventeen counties, Mineral County ranks as the eighth highest in terms of its percentage of federal land ownership and fifth lowest in terms of the actual area of federal ownership.

## **1.1 Purpose**

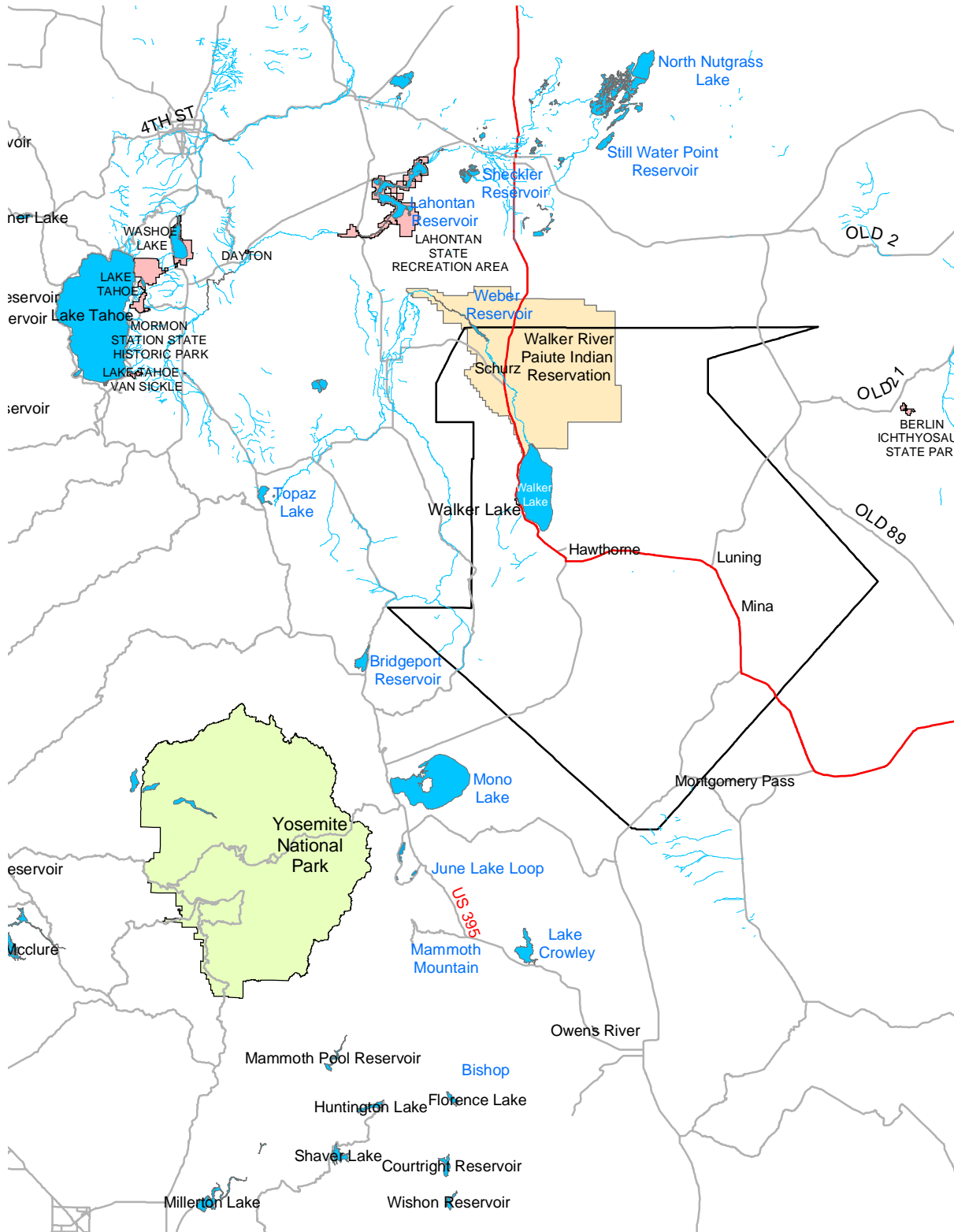
This report provides a baseline description of existing conditions in Mineral County as of 2006. The report provides information on social, economic, public services and facilities,



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and natural resources available in Mineral County and its communities. The report will be used to measure potential socioeconomic changes to Mineral County. Additionally, material presented in the following chapters represents a compilation of previous investigations conducted by Mineral County. The baseline report also contains information about population, labor force, employment, wages, fiscal conditions, natural resources, and land uses.

# Figure 1-1 Mineral County and Surrounding Areas



0 12.5 25 50 Miles

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The scale and configuration of all information shown herein are approximate only and are not intended as a guide for design or survey work. Reproduction is not permitted without prior written permission from the Mineral County Nuclear Projects Office.



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## 2.0 SOCIAL AND ECONOMIC CHARACTERISTICS

### 2.1 Population

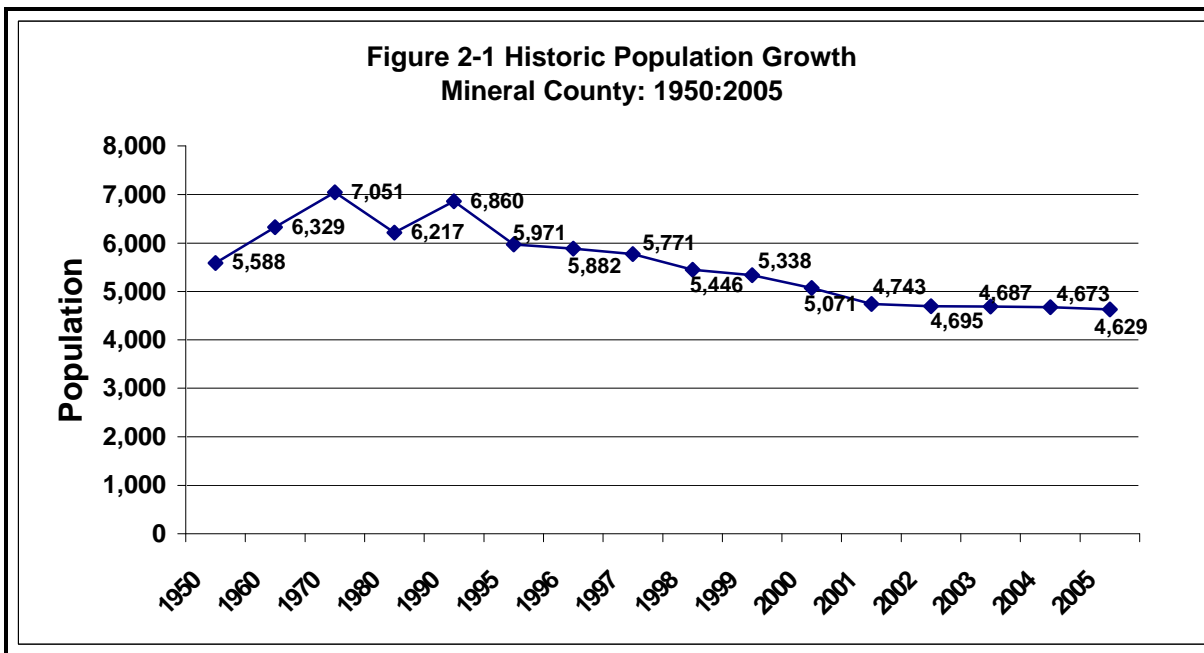
The population of Mineral County has fluctuated significantly. Population swings can largely be attributed to mining and defense related activities. Historically, mining has played an important role in Mineral County along with the build-up of U.S. Army Ammunition Plant at Hawthorne. In recent years the area has experienced some population declines attributed to the downturn in precious metals mining that has resulted in the shutdown of many active sites throughout Mineral County and Nevada. These reductions in the Mineral Industry occurred prior to 2004. Figure 2-1 shows current and historic population patterns for Mineral County. Over the last several years population has remained relatively unchanged. A surge in population growth is likely to occur with new economic development prospects.

In coming years, the population will probably begin to rise based on several factors. Recent efforts to attract new industry and jobs to the area have been successful. Substantial increases in employment are beginning to occur. Major employment increases will be provided by Skyview Academy, Peninsula Flooring, Defense Department related activities, and the mining industry.

Additionally, areas adjacent to Mineral County continue to develop. Churchill County to the north and Lyon County to the north and west continue to experience significant population and employment gains. Even areas to the west of Mineral County in California are showing increases in population. As the population of the region grows more people will visit the area for recreation and other purposes. Employment centers will move closer to Mineral County providing job opportunities for residents who choose to commute. Also, U.S. 95 will play an increasing role in interstate highway transportation and goods movement. Traffic use statistics provided by the Nevada Department of Transportation confirms this trend (See Section 3.4)

The aforementioned conditions could result relatively strong gains in population over the next several years. Table 2-1 provides population forecasts for Mineral County through 2012 based upon recent employment growth. Over the next 5 years, as many as 535 new jobs have a strong probability of coming to Mineral County.

Table 2-2 contains a comparison of population characteristics for Mineral County, the Town of Hawthorne, and Schurz. Most apparent in the population data is the general aging of the population. Mineral County has one of the highest percentages of people age 65 and older. Also, the median age in the County has climbed to 42.9 while the percentage of the population that is age 5 and under has declined from 8.8 percent in 1990 to 5.3 percent in 2000. Nearly 20 percent of the population in Mineral County was age 65 or older in 2000. In comparison the percentage of persons age 65 and older in the State of Nevada is 11 percent and the median age was 35 in 2000. Again, demographic trends in Mineral County are due to the loss of workers and their families.



Source: U.S. Census and Nevada State Demographer.

**Table 2-1  
Mineral County Population Forecasts: 2003-2012**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Mineral County (1)	4,734	4,673	4,695	5,075	5,492	5,796	5,922	6,049	6,175	6,236
Hawthorne	2,995	2,968	2,975	3,279	3,633	3,891	3,999	4,107	4,214	4,256
Walker Lake	318	318	310	367	430	475	494	513	532	538
Schrutz	721	725	728	732	736	739	743	747	750	754
Mina	278	318	276	275	273	272	271	269	268	270
Luning	91	97	87	87	87	86	86	86	86	90
Mineral County(2)	4734	4,673	4,695	4,687	4,673	4,720	4,767	4,815	4,863	4,911
Hawthorne	3311	2,968	2,998	3,028	3,058	3,089	3,119	3,151	3,182	3,214
Walker Lake	410	318	350	386	426	469	517	570	628	692
Schrutz	721	725	728	732	736	739	743	747	750	754
Mina	380	318	316	315	313	312	310	309	307	306
Lunning	106	97	97	97	96	96	96	96	96	95

(1) Mineral County forecasts with new employment, and (2) 1% annual growth forecast.

Many older retirees particularly those formerly associated with the U.S Department of Defense have remained in the community. As economic development occurs and new jobs become available in Mineral County, the percentage of persons age 65 and older will become lower. Projected employment gains will bring more working age families which increases the number of school age children.



<b>Table 2-2 Age of Population, Mineral County</b>	<b>1990</b>	<b>2000</b>
<b>Mineral County Population</b>	6,475	5,071
Percentage of Population 5 yrs or younger	8.8%	5.3%
Percent of Population age 65 yrs or Older	13.1%	19.8%
Median age	33.9 yrs	42.9%
<b>Hawthorne Population</b>	4,162	3,311
Percent of Population age 5 yrs or younger	8.6 yrs	5.0%
Percent of Population age 65 yrs or Older	13.8%	20.6%
Median Age	34.2	43.7
<b>Schurz Population</b>	617	721
Percent of Population age 5 yrs or younger	16.4%	8.7 %
Percent of Population age 5 yrs or younger	8.9%	11.9%
Median age	28.0 yrs	34.6 yrs

Source: 1990 and 2000 Census

## 2.2 Economic Activity

### 2.2.1 Labor Force and Unemployment

Economic activity in Mineral County and its communities has been fairly narrow. Population growth and declines have largely been influenced by changes in mining and Department of Defense activities. Traditionally, mining, trade, services and government provide the largest employment sectors (Table 2-3). The services and government sector are strongly influenced by activities at the Hawthorne Army Ammunition Depot. Since 1998 total industrial employment has declined from 2,260 to approximately 1,770. The labor force and employment bottomed in 2002 and appears to have stabilized in 2002, 2003, and 2004. Figure 2-2 shows population growth and total employment in Mineral County. The primary reason unemployment rates tend to decline in Mineral County over time is that unemployed workers seek employment outside Mineral County or relocate after layoffs occur.

Wages in Mineral County are typically lower as compared to wages for industries throughout the State. On average, weekly wages in Mineral County as of the 1<sup>st</sup> quarter of 2005 were \$657 slightly lower than the State average of \$745 (Table 2-4). The differences in wages are also shown in a comparison of per-capita income. On average, annual per capita income in Mineral County is about \$8,000 lower than the average for the State of Nevada (Figure 2-3).

Unemployment rates in Mineral County have been relatively high peaking in 2000 at 10.1 percent and declining to 6.0 percent 2003 and further to 5.9 percent in 2005 (Table 2-5). The current rate is about 2.0 percent above the State's unemployment rate. Just over 120 people remain unemployed in Mineral County. Major employers

are shown in Table 2-6. The largest employer is Day Zimmerman contractor operator for the U.S. Department of Defense facility at Hawthorne.

Sector	1998	1999	2000	2001	2002	2004	2005
Total Employment	2,260	1,880	1,840	1,710	1,790	1,780	1,770
Services	1,070	940	780	670	670	670	660
Government	600	580	580	570	620	610	630
Mining	240	230	190	170	140	0	60
Whole/Retail Trade	230	220	220	210	220	220	220
Construction	40	*	40	20	20	30	30
Manufacturing	*	*	*	*	10	10	10
TCPU	20	20	20	10	20	20	20
Fire	40	40	40	40	40	40	40

Source: Nevada Department of Employment, Training and Rehabilitation.

