

## Excerpts from

### Minutes of the Meeting MINING OVERSIGHT & ACCOUNTABILITY COMMISSION December 20, 2011, 9:30am

The meeting was held at the Legislative Building, located at 401 S Carson St, Room 2134, Carson City, Nevada and by video conference to locations in Las Vegas, Winnemucca, Elko, and Ely.

#### **MINING OVERSIGHT & ACCOUNTABILITY MEMBERS PRESENT:**

**John Restrepo, Elected Chairman**  
**Kyle Davis, Elected Vice Chairman**  
**Roger Bremner, Member**  
**Senator Greg Brower, Member**  
**Robert Campbell, Member**  
**Dennis Neilander, Member**

#### **COUNSEL TO THE COMMISSION PRESENT:** **Henna Rasul, Chief Deputy Attorney General**

#### **MINING OVERSIGHT & ACCOUNTABILITY MEMBERS ON VIDEO CONFERENCE:** **Senator Steven Horsford, Member**

**DEPT OF TAXATION STAFF PRESENT:**  
**Terry Rubald, Chief**  
**Division of Assessment Standards**  
**Donna Proper, Boards & Commissions**  
**Coordinator**  
**Division of Assessment Standards**

#### **1: Opening remarks, roll call, and introduction of the Mining Oversight and Accountability Commission (MOAC) members, Deputy Attorney General, Department of Taxation staff, and reporting agencies.**

Bill Chisel, Executive Director, NV Dept of Taxation, called the December 20, 2011, first Mining Oversight and Accountability Commission (Commission) meeting to order at approximately 9:40 am. He introduced the Commission members: Roger Bremner, Senator Greg Brower, Robert Campbell, Kyle Davis, Dennis Neilander, John Restrepo and Senator Steven Horsford. Providing support for the Commission are Terry Rubald and Donna Proper. Legal counsel for the Commission is Henna Rasul.

Mr. Chisel gave a brief oversight on the roles and responsibilities of the Commission. The Commission was established during the last legislative session pursuant to Senate Bill 493 to oversee various state agencies including the Department of Taxation regarding the taxation of net proceeds; the Division of Industrial Relations regarding safe and healthful work conditions; the Commission on Mineral Resources regarding the conduct of mining operations; the Bureau of Mines and Geology regarding the administration of NRS 514; the Division of Environmental Protection regarding the reclamation of mine lands.

The Commission will meet at least once each calendar quarter; at the meetings, the state agencies have certain responsibilities to provide information to the Commission:

##### ➤ **First Meeting**

**Division of Industrial Relations:** Submit a report on maintenance of safe working conditions of mines during the proceeding calendar year.

##### ➤ **Second Meeting**

**Dept of Taxation:** Provide planned audits for the next calendar year, audit results of the proceeding calendar year; and audit status report on ongoing audits.

##### ➤ **Third Meeting**

**Division of Environmental Protection:** Provide a report on the division's activities regarding reclamation of mine lands and areas of exploration for the immediate proceeding calendar year.

#### **4: Briefing on the role, responsibilities, and authority of the Commission by Commission Counsel, Attorney General's Office**

Ms. Rasul said that the Commission was created during the 2011 legislative session via Senate Bill 493 as an amendment to NRS 362. The purpose is to provide for a single administrative body to oversee the activities of the various state agencies that have responsibility for the taxation, operation, safety and environmental regulations of mines and mining in Nevada. The main function of the Commission is to provide oversight and compliance with Nevada law relating to the activities of each state agency, board, bureau, commission, department or division with respect to the taxation, operation, safety and environmental regulations of mines and mining in the state of Nevada by authority to conduct hearings and investigations, to administer oaths, take depositions, and issue subpoenas.

Senate Bill 493 requires periodic reporting by the Division of Industrial Relations; the Dept of Taxation; the Division of Environmental Protection regarding specified areas of area activity pertaining to mining and mining in the state. The Commission may also request an audit or investigation by the legislative auditor of any state agency board, bureau, commission or political subdivision in connection with mining or mines. The Commission is authorized to review and report findings and recommendations about specified permanent regulations proposed by the Nevada Tax Commission, the administrator of Division of Industrial Relations, the Commission on Mineral Resources, and the state Environmental Commission.

#### **5: Discussion on Agency Reporting Requirements**

##### **a) Division of Industrial Relations, Department of Business and Industry**

Don Jayne, Administrator, Nevada Division of Industrial Relations, addressed the Commission stating that one of the areas his division services is the Mine Safety and Training Section. He introduced Jeff Bixler, Chief Administrative Officer, Mine Safety and Training Section. They are responsible for training and safety inspections at mine sites. They do not have the authority to issue citations, their federal counterparts do that. Mr. Jayne discussed the August annual report referring to the number of fatalities in the mining industry and the recent growth in the amount of employees. A key concern is attracting and retaining qualified people in safety inspector positions. Because the private sector is paying dramatic salaries, the state lost some people.

Mr. Bixler stated that their goal is to ensure the safety and health, and properly train miners. He discussed fatalities. In 2006 there were zero fatalities, first time ever since tracking began in 1909. There was recently a 365 day period (not within one year) without a fatality. The most recent two fatalities were in Elko. Mr. Bixler explained the difference between Nevada and the federal Mine Safety and Health Administration regarding citations. Nevada doesn't fine monetarily, they fine on a series of an order or a notice. An order is an imminent danger situation where the state would shut down a small piece of an operation or the entire mining operation depending on how severe. A notice is used when it does not affect the health and safety, no imminent danger. When a problem is found on a mine site and corrected immediately it is written as condition corrected and no notice or order is issued.

Mr. Jayne closed by stating that they stand ready to perform any task or research the Committee asks. He explained that he had Mr. Bixler speak because there is a balance between the state and federal regulatory authority. For example, white hats vs. black hats – the enforcement side comes out with penalties and fines - tends to be perceived as the black hats. The state gets to be the white hats – they work with the mine sites; they tend to be invited on to the sites and work with them on their training and safety programs to protect those who work in the mining industry. They coordinate with the feds but don't always work exactly in conjunction with them – the operate independent of them. For over 100 years, Nevada has led the United States (U.S.); today it is the 4<sup>th</sup> largest gold producer in the world – 73-75% of the hard rock mining (gold and silver) in U.S.