

**Minutes of Meeting  
MINING OVERSIGHT & ACCOUNTABILITY COMMISSION  
May 19, 2022 9:00 a.m.**

The meeting was held via zoom at the Nannini Administrative Building, 540 Court Street, Elko, Nevada, and via zoom.

**MINING OVERSIGHT & ACCOUNTABILITY MEMBERS**

**PRESENT:**

Anthony Ruiz, Chairman  
Pamela Harrington  
Jerry Pfarr  
Melissa Clary

**COUNSEL TO THE COMMISSION PRESENT:**

Henna Rasul, Senior Deputy Attorney General

**DEPT. OF TAXATION STAFF PRESENT:**

Jeffrey Mitchell, Deputy Director  
Cheryl Erskine  
Christina Griffith  
Chali Spurlock  
Jayna Seley

**MEMBERS OF THE PUBLIC PRESENT:**

Christine Saunders, Progressive Leadership Alliance  
Allison Anderson, i80 Gold  
Amanda Hilton  
Brian Korinek  
Christine Erling  
Daniel Atkinson  
Dennis Cisco  
Allen Biaggi  
Drew McGregor  
Greg Lovato, NDEP  
Jay Dixon  
John Laird  
Rusty Bahr, Boys and Girls Club  
Katie Neddenriep, ECVA  
Thaddeus Martinelli, Cyanco  
Nikki Bailey-Lundahl, Nevada Mining Association  
Ralph Sacrison, Sacrison Engineering  
Sheldon Mudd, NNRDA  
Tina Mudd  
Shirley Alen Kellerman, RNDC  
Kris Ashdown, NNRDA  
Tyre Gray, NVMA  
Allen Biaggi  
Tyson Falk  
Paul Young  
Beau Parent  
Miranda Hoover  
Emily Walsh  
Nancy Morris  
Samantha Moreno  
Jim Wadhams  
Jordan Cervalli  
Kyle Davis  
Daniel Rothberg  
Katherine Morales  
Sandra Brewer  
Sarah Wochele  
Eddie Douglas  
Sasha Araujo  
Steve Cochraine  
Paula  
Beau  
Hugh

**1. ROLL CALL, ESTABLISHMENT OF QUORUM AND OPENING REMARKS**

Chairman Ruiz called the meeting to order at 9:03 a.m.

**2. PUBLIC COMMENT**

Chairman Ruiz reminded the participants to keep comments to 3 minutes.

Rusty Bahr, CEO of the Boys and Girls Club, complimented the mining association for all they do for the Boys and Girls Club.

Dennis Bagliati told his story how a career in mining helped him. Member Harrington thanked him, agreeing about the caring in the community.

Amanda Hilton, with the Robinson Mine, stated they employ 600 miners. She invited the members to tour the Robinson Mine. She added they have received two reclamation awards.

Jay Dixon commented on water management in the mining industry.

Christine Saunders, with the Progressive Leadership Alliance of Nevada, commented on mining taxes, outdated regulations, and mining pollutants.

John Laird, with I-80 Gold, noted he has been in the mining industry for about 23 years. He commented on improving environmental standards, safety protocols, and stakeholders so mining can be profitable, without the community suffering. He suggested mining tours to see what mining actually does.

Tina Mudd, with Granite Construction and the Nevada Mining Association, stated she grew up in mining and is proud of the mining community. Noting mining builds strong communities. She thinks the board will be pleasantly surprised with mining's proactive nature.

**3. REVIEW, DISCUSSION AND POSSIBLE ACTION REGARDING FEBRUARY 15, 2022 MEETING MINUTES**

Chairman Ruiz welcomed a motion to approve the minutes. Member Pfarr motioned to approve, second by Member Harrington.

**4. DISCUSSION: DISCLOSURE OF MINING TOUR OBSERVATIONS AND DISCUSSIONS**

Jeffrey Mitchell, with the Department of Taxation (the Department), noted four members and staff from the Department toured the mine.

Member Pfarr expressed gratitude to Nevada Gold for the well-rounded tour.

Member Harrington agreed the tour was good. She noticed each mine was unique and stressed the importance of working together. She thought the tour was a good opportunity.

Member Clary was thankful for the employees at the mine. She found the tour to be eye opening and it was clear they work together. She thinks the Commission will be part of that process.

Chairman Ruiz agreed on the hospitality and suggested doing annual tours. He feels it was useful and hopes to continue them in some way.

**5. DISCUSSION: PRESENTATION FROM THE MINING ASSOCIATION**

Tyre Gray, with the Nevada Mining Association, reviewed Nevada Mining Association and discussed mining taxes.

Allen Biaggia discussed how mining uses water. He explained Nevada's groundwater is necessary and a problem at the same time. He went through his presentation.

Mr. Gray discussed community activities.

Chairman Ruiz thanked them for their presentation, noting it was helpful.

Member Clary thanked them for the overview. She added there is room for improvement on pit lakes. She stated if there is something they can do the committee is willing to help. She also sympathized with the staffing supply as she feels it also.

Member Witt asked about mining's footprint and wildlife spaces and corridors. He asked how that was calculated.

Mr. Biaggi replied that it is actual permitted footprint. Mr. Rick agreed adding it includes those spaces.

Member Witt asked about analysis on pit lakes, and if the mine might take surface water.

Mr. Biaggi stated engineers have been looking at that. He explained there are a lot of wells in Humboldt Basin. He added mining's disturbance is not significant.

Member Witt asked if the pit lakes are fenced and if they could be more wildlife friendly. Mr. Biaggi stated they are fenced for safety. Wildlife access may be made at some pit lakes in the future. Every pit lake is a case by case basis. Mr. Gray added they work with the Nevada Division of Minerals on that.

Member Pfarr thanked them and asked if the commission had any questions to address. There were none. Mr. Gray noted the Commission has done a wonderful job restarting.

Member Harrington suggested a presentation from the State Engineer in the future.

**6. DISCUSSION: REPORT ON REGULATIONS PASSED BY AGENCY'S UNDER THE CONSTRAINTS OF NRS 514A.110 THAT HAVE PASSED REGULATIONS SINCE 2015**

Chairman Ruiz noted he had asked for a report on the regulations to see what would have come before the Commission had they been meeting and to have this information available.

Mr. Mitchell explained these were agency driven regulations and believes the report is comprehensive. He added that he can not speak to the context.

Member Clary noted she worries MOAC's purpose gets lost. She wanted to read it again.

Member Pfarr noted there was a lot of information in the report, and thanked Mr. Mitchell.

Chairman Ruiz stated he had not realized the amount of work in the report and also thanked Mr. Mitchell.

**7. DISCUSSION: PRESENTATION ON THE NET PROCEEDS OF MINERALS, DEPARTMENT OF TAXATION**

Mr. Mitchell spoke on net proceeds and minerals and provided a presentation. He explained the report is from 2020, 2021 would be available in June. He then explained the net proceeds and minerals tax gets its footing in the Nevada Constitution. The tax has its foundation as a property tax. Mr. Mitchell explained he often refers to it as a tax in lieu of a property tax upon the minerals in the state. He explained how the tax is calculated.

Member Pfarr asked if it has been less than 5% very often. Mr. Mitchell replied that it has.

Member Witt asked about the allowable expenses. Mr. Mitchell replied that those are governed by NRS 362.120 and he gave examples of some available deductions.

He reviewed examples of the net proceeds and minerals tax and how it is distributed. He went over the current prepayment schedule. Member Pfarr asked how that will impact them in the meantime. Mr. Mitchell explained it will impact the state general fund.

Member Clary asked if the April 20<sup>th</sup> deadline has been sufficient. Mr. Mitchell noted they are allowed up to three years to go back and audit. He stated with the audit program they believe they are able to address concerns.

Mr. Mitchell went over the 2020-2021 Net Proceeds and Minerals Bulletin he provided.

Member Clary stated it would be interesting to do a deep dive in a county to find out if the amount for property tax is sufficient and how that is being met in that county. Mr. Mitchell replied there is some

frustrations in the volatility, the mines do not necessarily have control over that. He knows it is frustrating in the budget process. That is one frustration he hears, and also a frustration for the state.

Chairman Ruiz thanked him and noted they are looking forward to a similar presentation on the 2021 Bulletin when it is ready.

**8. AGENCY REPORTS: CONSIDERATION AND POSSIBLE ADOPTION OF RECOMMENDATIONS AND ORDERS**

**(A) For Possible Action: Department of Taxation – Net Proceeds of Minerals Audit Status – presentation pursuant to NRS 514A.070(2):**

- (1) Identification of audits of mining operators to be conducted for the remainder of the 2022 calendar year;**
- (2) A report of the results of each audit of a mining operator or other person completed by the Department during the immediately preceding calendar year;**
- (3) A report of the status of each audit of a mining operator or other person that is currently in process.**

Presentation by:

Jeffrey Mitchell, Deputy Director  
Department of Taxation

Mr. Mitchell explained NRS 514A.070(2) requires the Department to report to the Commission on the mines to be audited and the current status of the audits. He explained due to the confidential nature of the audits, he is unable to provide details, but that information has been provided to the members. He stated he would be happy to answer any general questions and is very proud of his audit staff.

Chairman Ruiz let the members know any detailed questions or comments can be sent to staff.

Member Pfarr commented that he is happy to hear the Department is doing the audits. He asked if there is adequate staff for that. Mr. Mitchell replied that there is.

Member Pfarr moved to approve receiving of the report, Member Clary seconded.

**9. BRIEFING TO AND FROM THE COMMISSION AND DEPARTMENT OF TAXATION STAFF**

Mr. Mitchell noted he has not received any communication on the vacancies for the commission.

**10. FOR POSSIBLE ACTION: SCHEDULE DATE AND REVIEW AGENDA TOPICS FOR THE NEXT MEETING**

Chairman Ruiz noted he would like the 2021 Tax Bulletin when available. He also would like a similar presentation on AB495, as well as Member Harrington's suggestion on a presentation from the State Engineer. He added he thinks it would be helpful to have a presentation on Lithium production in Nevada.

Member Witt mentioned going over the quality of pit lakes.

Member Clary mentioned for a future meeting, Nevada received some interior money for clean up of some legacy mines. She would be interested in a presentation from the lead agency heading up those efforts. Also there are some non profits doing, or pitching work regarding using solar panels over old mine sites as part of the reclamation process. She can give contacts for that.

Member Pfarr wondered about the good Samaritan law if they could get any information. Member Harrington agreed that would be beneficial, adding she is impressed with the Department's presentations, it would be beneficial if they could get reports like this with some of the other agencies

involved with the mining industry. She also would like to get a presentation from the State Engineer, and maybe meet in Carson next time.

Chairman Ruiz noted if there were specifics they would like to see from the State Engineer to provide that to staff.

11. Public Comment

Sheldon Mudd, with Northeast NVR Regional, wanted to piggyback Mr. Gray's presentation. Mining is crucial in rural Nevada. Will have more industry eventually, but mining is needed now.

There were no other comments.

12. **FOR POSSIBLE ACTION: ADJOURNMENT**

Member Pfarr motioned to adjourn, Member Witt seconded. Meeting adjourned at 11:15 a.m.

DRAFT