JOE LOMBARDO
*Governor*

STATE OF NEVADA
COMMISSION ON MINERAL RESOURCES
**DIVISION OF MINERALS**
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MICHAEL VISHER
*Administrator*

Wednesday July 12, 2023 2:00 P.M.

**MINUTES**

| Commissioners | Staff | Public |
|---|---|---|
| Mary Korpi | Mike Visher | Jim Faulds (NBMG) |
| Art Henderson | Rob Ghiglieri | Tom Landis (NBMG) |
| Bob Felder | Rebecca Tims | |
| Nigel Bain | Nathan Holland, DAG | |
| Josh Nordquist | | |
| | | |
| | | |

**CALL TO ORDER**
2:04 PM

**ROLL CALL**
All Commissioners were present except Stephanie Hallinan and Randy Griffin, Quorum noted.

**PLEDGE OF ALLEGIANCE**

**COMMENTS BY THE GENERAL PUBLIC**
There were no public comments.

**I. AGENDA**

**A. Approval of the Agenda**

**Motion to approve the agenda made by: Mary Korpi**

**Seconded by: Bob Felder**

**Unanimously approved.**

**II. Minutes**

**A. Approval of the May 30, 2023, meeting minutes**

**Motion To Approve: Mary Korpi**

**Seconded By: Bob Felder**

**Unanimously approved.**

**III. Old Business**

**A. Review of the NBMG Interlocal Contract for Fiscal Years 2024 and 2025**

Administrator Visher announced that there is a new draft Scope of Work provided in the E-Packet. The changes that were made to the Scope of Work are the total amounts, yearly amounts, and the additions of the indirect cost rate of 8%. This current draft has the 8% back in it and includes the FY24 12% COLA. The Board of Regents has not approved the FY25 11% COLA so that is still pending. Jim Faulds and Tom Landis are on this meeting and are available if any of the commissioners have questions for them.

**Arthur Henderson:** I would like to amend the contract for the COLA for FY25, instead of putting in a value that is unknown, that the amount will be the rate actually approved by the Board of Regents at subsequent meetings. 11% for me is just an unknown amount. If you research the projected COLA for next year, it's less than half of that amount projected.

**Josh Nordquist:** Mike, can you give me a summary of where the 11% came from originally?

**Mike Visher:** The COLA adjustments were established as part of the 2023 legislative session. The Governor's budget had included a 10% and 4% respectively for those two years. The pay bill included a 12% and the 4% which was passed but it has a clause in it that says if the other bill (AB 498) was not passed by the legislature or was vetoed by the Governor, then the COLA for FY25 would move from 4% to 11%. That other bill was to raise the amount that the State contributed to the employee's pension plan from 50% to 75%, that was vetoed by the Governor. By default, the FY25 COLA for State employees is 11%. But that actual amount, as it applies to NSHE, is subject to the Board of Regents approval and that remains to be agendized. What we can do is include it as a total amount not to exceed, but the actual amount for FY25 will be based on the amount that is approved by the Board of Regents at a subsequent meeting. We do need to have a "not to exceed amount" in the contract.

**Arthur Henderson:** Our budget for this contract is $194,000.00, is that correct?

**Mike Visher:** Correct. $194,400.00. We are authorized in this biennium to spend up to $194,400.00 that was approved as authority to spend, subject to the approval of this contract. This contract has to be signed by the Division as well as UNR and has to be approved by the Board of Examiners. The timing, if we agree to this, we need to submit this by early August for consideration at their September meeting. Once approved at that meeting, we can move forward with expenditures related to this contract.

**Josh Nordquist:** You mentioned Mike, that having "not to exceed" should we also include not to exceed on the COLA amount?

**Mike Visher:** What we would do is state that the "not to exceed" includes the 11% but the actual expenditure related to the FY25 expenditures that will be based on whatever the Board of Regents decides for the COLAs for the NSHE employees. So, it will be equal to or less than 11%. But all the contracts need to have a "not to exceed" amount. We can change the way this is worded. Whatever you all would like.

**Bob Felder:** That makes sense.

**Mike Visher**: If the Commissioners would like to hear more about the 8% and the indirect costs, Tom Landis is on the meeting and can answer any questions with regards to that.

**Arthur Henderson:** The Commission approved the budget without the 8%, and you say it was rejected by who?

**Mike Visher:** By UNR.

**Arthur Henderson:** That means they don't want to contract with us?

**Mike Visher:** They would not accept the terms of the contract without the 8%.

**Arthur Henderson:** Well, then I vote no. Because this is a contract. It's not a one-sided negotiation. If they want to negotiate with us then they can negotiate with us, but they cannot tell us if we don't put the 8%, what are we supposed to do? We voted, we're the Commission, we run this program.

**Mike Visher:** We do have work that we would like to see done.

**Arthur Henderson:** Yes, but the work in attachment A is required by state statutes which requires the Bureau of Mines and Geology to provide services, is that correct?

**Mike Visher:** Let me clarify, Project 1 -the sample curation, is to address an unfunded mandate that the Bureau has with regards to processing the receipt and curation of the cuttings in logs that are provided from the drilling under our fluid minerals programs for both oil and geothermal and making those available to the public to further exploration in the State. But that curation does not have a dedicated funding source, so to address that shortfall, until such time there is a fix for that, we felt it was necessary to provide that money for the curation on an annual basis through this contract mechanism.

**Arthur Henderson:** For the last 10 years we have approved that. 5 years, no negotiations, no discussions and when we come to a point where we have some issues, it now comes back to us and they reject our decision after all of those years that we supported them. This is the kind of reply we get. I read the interagency memo very carefully. I am confused by this 8%. This all-agency memo that was written by James Wells in 2017 says for contracts the indirect costs will be 8%, it says indirect costs rates may be less than those stated above but cannot be more. When I read further down it says this agreement is effective for contracts approved after October 2017 and in 2017 and 2019 biennium there will be a review regarding these costs to determine if these rates are necessary. Did you see any report after 2019?

**Mike Visher:** No, and I reached out to the Governor's Finance Office to see if there was an update, and nothing was provided.

**Arthur Henderson:** The problem that we have is this 8% was not known by the Commission, I am not in favor of adding 8%. If this 8% is required by the Bureau to charge us 8%, then I recommend we approve this budget without the 8% and let them deal with 8% on their own. They can take it out of what we approve, but we are not bound by any type of obligation to add that 8%. So, we can reduce our contract and they can take the 8% out of it. I am not saying that they cannot have 8% or nothing but the contract as it's written, needs to be without us paying an additional 8% to what we approved in May.

**Mike Visher:** If Tom Landis is available can you speak to the origin of the 8% and where it goes?

**Tom Landis:** Absolutely. Our office serves as the back office for the transactions that take place among the faculty and outside sources of funding, such as the State of Nevada.  We do the accounting and bookkeeping for grants and contracts. The 8% is what we call indirect costs. These are costs that are incurred for the work that our office does. What was placed into this agreement is that the 8% for costs of reviewing contracts, maintaining the accounts. This is what the indirect costs are that the University incurs. These costs have been approved by the University and the State of Nevada.

**Arthur Henderson:** Excuse me Mr. Landis, could you read state funds number D, of the memo?

**Tom Landis:** Yes, indirect costs may be less than those stated above but cannot be more. I would say that is theoretically true if all the parties involved agree to take less than those amounts that are stated.

**Arthur Henderson:** Well, that’s why we are here today, to negotiate a contract. Is that correct?

**Tom Landis:** We are here to present what our costs are to do this work. I do not have the ability to negotiate. This rate is what we are entitled to have pursuant to the Governor’s memo. To explain to the Commission what these costs represent and why we have them. They represent part of our actual costs of this contract, not only the salary piece of those individuals involved in the work but also the paperwork involved in setting these contracts up and administering and invoicing. These numbers aren’t pulled out of thin air, these are every 3 of 4 years or so the University as well as every university in the United States compiles information. The cost of doing this work in relation to the actual cost of the projects involved and what results from that is an indirect cost rate agreement that is entered into with the Federal government. In the case of UNR, that agency is the Department of Health and Human Services. We go through this exercise every 3 or 4 years to analyze what it actually costs to perform the activities in general and perform the other work and the use of facilities to come up with the percentages that are involved, and that information is presented to the federal government.

**Arthur Henderson:** Mr. Landis, are you aware that we had to eliminate special programs that we thought were important to us to fund this contract with the 8% and the new COLA rate.

**Tom Landis:** I am not aware of any specific projects. I think Jim Faulds did mention to me the overall financial situation of the Commission.

**Arthur Henderson:** But we had to eliminate one special project to make this funding.

**Jim Faulds:** Just to be clear, the Bureau does not have a budget office or a contract office, so we do rely on other departments at the University to process these grants and to ensure that everything is done appropriately on the up and up, These offices act as a good check and balances to ensure that the money is spent where it’s supposed to be and so on and of course we would keep an eye on that and make sure of that ourselves but there are several folks involved in these grants. We don’t have that staffing within the Bureau.

**Arthur Henderson:** Jim, let me ask you a question. Since we removed the one special project, which one of these three projects do you have to write a subcontract to? Are these not all done by your employees?

**Jim Faulds:** Yes, all of these are done by our employees. But we don’t have a budget office, that’s handled by the University. The other point to, Art, is this has not been slipped under the rug, in at least the last two cycles, it has been noted that there is X amount of indirect costs. It’s possible that one wasn’t in the original budget in 2017 and then the office of sponsored projects informed us that we have to include the 8% and we did add that but that was going back to at least the level of Division of Minerals, but we have never just slipped this in.

**Arthur Henderson:** Mr. Landis can you comment on this 8% indirect costs when there are no contracts to be made?

**Tom Landis:** The costs don't only involve contracts; it's administering the grant; we still need to account for the funding involved and account for complying with the terms. Part of our job is to make sure that the work of those individuals is accounted for. This serves the whole University, not just our department. Our office does the bulk of the accounting work.

**Arthur Henderson:** Prior to 2008 when your budget was cut in half Jim, did we provide the funding for these reports?

**Jim Faulds:** No, there was funding for other projects, but not for these reports.

**Arthur Henderson:** In 2008 your budget was cut in half, we have supported you, we have never questioned one time, so I don't want you to feel defensive or hung out to dry with these questions because I think it is important for us because we have been giving you this money every year when you were in a position to not be able to do that. Why can't the University reinstate your funds to do the work that is required? Look at your last budget cycle, you desperately need more, and they just say no forget about it. Is it up to us to continue every year to support these functions? Tell me if I am wrong, but we help keep employees there. Why does the Division of Minerals have to support that? Why can't the University provide you with enough funding for you to do your mission?

**Jim Faulds:** The University has advocated for increased funding for the Bureau, and we have doubled our budget and that is in current dollars, not what we had before. Some of the enhancements have come from part of our budget now being covered on the instructional end. The University went to the Legislature and asked for more funds and was turned down. The University is advocating to the extent I think that they can. The legislature only provided X amount of funding. We do get some funding from the instructional side of things. That comes with the obligation that our academic faculty have to teach one course per year, that was sort of a win-win situation as it helped enhance our budget and meanwhile, we are contributing to the education for the next generation.

I'll just say that by statute, the Division and the Bureau are tied together and in most states the state geological survey does get a portion of the funds from fees for drilling and whatnot, some states like Nevada, does not. I am not saying we should change that but when we set this up, we had some frank discussions about that and the thinking was that this is sort of a natural way to promote how our two agencies are tied closely together and Nevada has chosen to take all of those fees and put them toward the Division and that may make sense because the Bureau does get some state wide funding separate from the University system. This is some of the discussion we had many years ago why it made sense to set something like this up.

**Arthur Henderson:** In other states, these projects we are talking about today are done by sub-contractors.

**Jim Faulds:** The sub-contractors aren't required to state what their overhead is.

**Arthur Henderson:** Of course, they do have overhead.

**Jim Faulds:** But a public institution is required by law to state what that overhead is. A company or sub-contractor, unless they are getting a federal grant, does not have to do that.

**Josh Nordquist:** One of our alternatives, is that if we don't agree on this particular contract is to go out and market with a sub-contractor, at this point in time, we don't know what those price differences may be. Jim's point is that we don't know the prices until we get a quote. The projects we have done with NBMG are done at a cost, based on the employees that Jim has or the resources that he uses. To make everyone aware, an 8% overhead is much less than a typical profit margin on a third-party consultant. I am guessing that a third-party consultant doing the same amount of work with the same amount of cost would then charge much more.

**Arthur Henderson:** I am not opposed to going out and doing that, I am just stating a fact like Jim stated about other states. I agree, probably the price to do these studies would be more if we went to a contractor. I just don't understand the perception that we are obligated to give this contract to them.

**Josh Nordquist:** To be clear, we are not obligated. It's our choice.

**Arthur Henderson:** Our choice, our terms. The contract comes back to say to add 8%, according to what we are hearing today it is 8% or nothing. I am not feeling so good about it.

**Josh Nordquist:** From my understanding, are you aware of all of the contracts that are done through UNR?

**Arthur Henderson:** I am not an expert like Mr. Landis, but if we donate equipment, we don't have to pay the 8%. We are funding people that work at the Bureau, and it seems we are obligated to pay the 8%. It states in the all-agency memo that it can be 8% or maybe less. I would think if we were buying equipment, that would be a lot more work than this.

**Tom Landis:** If you are buying equipment, you are buying it in a commercial space.

**Arthur Henderson:** We are giving you money to buy equipment. We give other people contract to purchase equipment that is necessary for their jobs. If we give you money for that, I think the 8% is not required.

**Tom Landis:** The equipment would be exempt from the indirect costs. Because equipment is not an expense which is incurred in full at the time it is spent.

**Arthur Henderson:** But it does create a lot of work for you. You have to negotiate a contract, you have to make a down payment, inspect the equipment. It's a lot more work than us just providing money to pay salaries of the people that work there already. I understand it's the way it is set up and I am not arguing the fact that the 8% is not a valid expense for you and your department, but we don't get money in our Division that falls out of the sky. We are fortunate that our budget is good. We share our budget every time with Jim. I have no idea what Jim's budget is. He'll lose some people there and it is difficult to keep them employed, we are very supportive of that, don't take this discussion wrong, it's just that I cannot and have not had the conversation that I want, hopefully this Friday it will be clear. I am still in the same position I've been since we started talking about this several months ago. I don't have the clarity at this point. All of the other Commissioners are here and they can approve the contract if they would like, but I am still not ready to approve this contract.

**Josh Nordquist:** Tom, are you aware of the contracts at UNR?

**Tom Landis:** I am familiar with a lot of different contracts or grants from many different sources. Both from the State of Nevada and Federal Government.

**Josh Nordquist:** Has this 8% been negotiated in any other contracts that you are aware of?

**Tom Landis:** Not usually, because our rates are much higher than this. This kind of work would normally be 31%, so we have over the course of time with the State of Nevada, tried to negotiate indirect cost rates. This all-agency memo is a result of the parties saying let's stop making this into a long negotiation or a random setting of the rate or one project might be 8% and another project might be 20% and there is no rhyme or reason and I think that is what the intent of this all-agency memo was. We, as the University, are taking a hit by not recovering our full costs for our indirect costs, but in exchange, I think it brings some certainty to the process. With other entities, we don't really negotiate we either apply our full rate or we have to accept a rate that is set by a private foundation.

**Mary Korpi:** This question goes to you Mike, if we were to delay a decision until after Art's meeting Friday, what does that do to any scheduling or deadlines to submit this contract? I am just curious if we delay this decision until next week, what is the impact?

**Mike Visher:** Any delay will likely push it off another month. The one I am concerned about is the mineral industry report which is done every year. The curation is ongoing so that is year-round. It's performed as the stuff comes in and certainly the level of drilling for geothermal is high so they are actively receiving cuttings and logs right now. The delay is in meeting the deadline for the Board of Examiners who meet every month. The contracts need to be submitted a month in advance of that meeting. That is why we are trying to get this done now so meet the September deadline, which is the first full week of August.

**Bob Felder:** In general**,** I agree with Art's position. I think it comes down to we have a long-standing relationship with the Bureau. Can we absorb that 8% in our budget comfortably? Because on the other hand, we put Jim at a disadvantage in trying to do his projects under budget and that might have implications for staffing etc. So, as much as I agree with Art, it's not a perfect world and I think we have to swallow hard and just agree to it because I don't see a solution on the table.

**Arthur Henderson:** You're in the industry and usually when you come to a contract, there is a compromise. We voted for zero and they come back and said it must be 8. There is a clause in the all-agency memo that it allows for less, but they are not willing to even discuss that. Even if there was a compromise that would be better and at least show some intent to work with us. Even in Mr. Landis's office their budget might be funded by all the 8% that he can gather up or is his office fully funded, I don't know, and I don't understand so that is why I am trying to get some clarity. Unfortunately, every time I am close to getting that clarity it gets pushed off a few more days. Until I get the clarity, I am going to vote no

**Tom Landis:** If I can interject, to my point earlier, the reason for this all-agency memo is so that these negotiations can be done and then completed. So, the agencies of the State of Nevada are to apply these rates to the University so that we don't need to go through negotiations again and again. Some agencies are paying one thing to one person and a different rate to another person. The decision has been made to establish these rates as they are stated here and that's what I am here to explain. Everyone can argue whether the rates are fair or unfair.

**Arthur Henderson:** I have no problem with the 8%. If that's what it requires for you to get $200,000 then that's your business, and if that is what is required to keep me from giving you $200,000 that's my business. You can have your full 8% that Jim and you take your 8% of whatever we give you, then that's fine. If you want to have the same amount of money, reduce some of the other things and then I'll vote yes. Maybe you'll have enough support without me to move forward with a vote. I am fully supportive of Jim and the things that you do, maybe my position will change, but as of today, it remains the same.

**Mary Korpi:** Art, thank you for taking a stand and asking those hard questions. That being said, I look at these three programs, I look at it as what's important to the Division. If it's important to take a vote today, I will vote in support of it with the 8%. I have concerns about going forward, when the costs are reviewed and that is done again and if there is a move that says we need to up it to 10 or 12%, the conversation needs to be had early on so that it is not suddenly a done deal. That is some of our frustration here is that it came out without being really talked about. My position today is that I would support what is presented.

**Arthur Henderson:** Mary**,** if you do vote yes, we should require these reports be good quality and on time. That has not been the case lately.

**Mary Korpi:** I agree

**Jim Faulds:** Again, my apologies for that. So, hopefully this doesn't sound defensive, but we did have some serious problems and several of us all scrambled to get those reports done. The Bottom line is that they were late, and again, my apologies. We will ensure that doesn't happen again.

**Arthur Henderson:** Jim, I am not pointing a finger at that, but we have certain deadlines we want to have them for reasons that Mike knows better.

**Jim Faulds:** Understood Art, but we have worked harder than we ever have this last year. It was a tremendous accomplishment to complete those considering the circumstances. I completely understand the concerns for the tardiness, I don't want to belittle that in any way, but I just want to provide some background.

**Arthur Henderson:** Josh, let me make my final comment. I think we should vote today; I want to go on record to suggest that Jim put in place a program to help solve this problem and not to rely and don't count on the Commission and NDOM every year to fund this program. We have had a good discussion, and I have had time to research and unfortunately my final meeting has been delayed, but today if we insist on keeping the 8% on top of the $145,000, I will vote no, but I don't think any less of Jim and I will continue to support you, Jim. I think we should vote today, Josh.

**Josh Nordquist:** Thank you, Art. Well said.

**Tom Landis:** If there are no further questions, with permission, I will leave the meeting to allow you all to deliberate.

**Arthur Henderson:** Tom, thank you I really appreciate your explanation.

**Tom Landis:** Thank you all very much and I appreciate the opportunity to speak with you and I appreciate what you are doing. Thank you.

**Josh Nordquist:** Commissioners, I apologize, we are beyond our three o'clock time, I am reaching a hard deadline as well so unless there is any other discussion, there is an opportunity to bring up a motion to step forward.

**Nigel Bain:** I'll make a motion after a lively discussion and support from the Commissioners to approve the contract budget as presented with the 8%.

**Arthur Henderson:** Nigel, do you accept the change for the COLA?

**Nigel Bain:** Yes

**Josh Nordquist:** Nigel, can you repeat your motion to accept with the COLA change?

**Nigel Bain:** Yes, a motion to accept the contract and approve the budget in attachment A.

**Mary Korpi:** I will second that motion

**Josh Nordquist:** With a motion to second, we move to discussion. Art we greatly appreciate the brave discussion brought up here. The questions need to be answered. I appreciate the time you have spent on this and ensuring these questions get answered. Any other discussion points? If there is no more discussion, we move to voting.

**Motion to approve the new contract as proposed made by: Nigel Bain**
**Seconded by: Mary Korpi**
**4 ayes and 1 nay (Henderson)**

**COMMENTS BY THE GENERAL PUBLIC**

Josh Nordquist thanked Arthur Henderson for asking the difficult questions. Jim Faulds thanked the Commissioners and Arthur Henderson for his advice and suggestions. He states he is happy to discuss that further and thanks everyone for their continued support.

**ADJOURNMENT**
**3:14 P.M.**

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**MICHAEL VISHER**
*Administrator*

Tuesday May 30, 2023 2:00 P.M.

**MINUTES**

| Commissioners | Staff | Public |
|---|---|---|
| Mary Korpi | Mike Visher | |
| Art Henderson (via zoom) | Rob Ghiglieri | |
| Randy Griffin (via zoom) | Rebecca Tims | |
| Stephanie Hallinan (via zoom) | Nathan Holland, DAG | |
| | Jim Faulds | |

**CALL TO ORDER**
2:04 PM

**ROLL CALL**
All Commissioners were present except Josh Nordquist, Bob Felder, and Nigel Bain. Quorum noted.

**PLEDGE OF ALLEGIANCE**

**COMMENTS BY THE GENERAL PUBLIC**
There were no public comments.

**I. AGENDA**

Approval of the Agenda

**Motion to approve the agenda made by:** Stephanie Hallinan

**Seconded by:** Randy Griffin

**Unanimously approved.**

**II. Old Business**

**A. Review of the NBMG Interlocal Contract for Fiscal Years 2024 and 2025**

Administrator Visher reviewed Attachment A which is the proposed scope of work for the new 2-year contract with the Nevada Bureau of Mines and Geology (NBMG). Compared to the previous 2-year contract with NBMG, there are now only three projects for the biennium. The first project is sample curation at $20,000 a year. The Minerals Industry (MI) Report is the second project at $35,000 per year. The last project is the Exploration Survey which is every other year to coincide with the legislative session at $35,000. Administrator Visher stated that in the new proposed contract, project 4 has been eliminated. The proposed contract does not include the allowed indirect cost rate of up to 8% to NSHE. NDOM has incorporated the Governor's cost of living adjustments (COLA) for State employees of 10% in fiscal year 2024, and

4% in fiscal year 2025 which is reflected in the table on page 2 of the contract. The pay bill that was associated with the COLA's is Assembly Bill 522 and depending on the outcome, the table will be adjusted. The total proposed contract amount is $163,460. $60,500 in FY 24 and $102,960 in FY 25.

**Mary:** Mike, could you review the reason we want to execute this contract now? Is it to ensure that the proposed contract keeps NBMG projects in the right place at the right time?
**Mike:** The budget authority was included in our budget for this contract, but it was using the prior total amounts as the placeholder. We have that authority if our budget passes. It has passed all the necessary hurdles, but until the end of the legislative session we won't know for sure. I do not expect any changes to this project. We want to make sure that we have the authority to spend that money by getting the contract approved at the Board of Examiners meeting. To meet the deadline for July 14th Board of Examiners meeting, we have to provide the Governor's Finance Office with the signed contract by June 7th. That is what precipitated this special meeting. The Bureau traditionally has started working on the MI Report at the beginning of the fiscal year.
**Jim:** We start work immediately at the beginning of the fiscal year to ensure that the greatest amount of work is met on the MI report. Sample curation is ongoing through the entire year. The critical one to get going is the work on the MI Report.

**Motion to approve the new contract as proposed made by:** Randy Griffin
**Seconded by:** Stephanie Hallinan
**Unanimously approved.**

**COMMENTS BY THE GENERAL PUBLIC**
Jim Faulds thanked the chair and the commissioners, and stated he greatly appreciates the support.

**ADJOURNMENT**
**2:17 P.M.**

# Attachment A

## Scope of work for the contract between the Nevada Division of Minerals (NDOM) and Nevada Bureau of Mines and Geology (NBMG)

NBMG agrees to complete the following work in fiscal years 2024 and 2025 in cooperation with the Nevada Division of Minerals and Commission on Mineral Resources. NBMG serves as the state geological survey and is a public service unit of the University of Nevada, Reno. State statutes require that NBMG "serve as a bureau of information and exchange on Nevada's mineral industry, mineral resources, and geology". The projects will produce reports or make available data on Nevada's mineral and energy resources, which helps to stimulate exploration and development in Nevada. The total funding request is **$187,367**; $66,528 in fiscal year 2024, and $120,839 in fiscal year 2025. This funding reflects the approved Cost-of-Living Adjustments, resulting from the 2023 Legislative Session, of 12% in FY24 and 11% in FY25. This contract includes an indirect cost rate of 8%. Three continuing projects are proposed. Table 1 provides itemized budgets for the projects in each fiscal year.

**Project 1 – Sample Curation (each year):**
The GBSSRL serves as a repository for oil, gas and geothermal (OGG) well cuttings and well logs. Specific deliverables include:

- Cataloguing and curation of all new OGG well cuttings and core.
- Digitizing oil, gas, and geothermal well logs into a searchable database
- One annual report listing the cuttings and well logs that have been archived and digitized, including any backlog.

Deliverables timeline:
On or before June 30 of each fiscal year, NBMG provides NDOM a list of what sample curation was completed during that fiscal year.

**Project 2 – Publication of the annual Nevada Mineral Industry Report (each year)**:
NBMG produces an annual report on activities of the mining and energy industries in Nevada. Specific deliverables:

Deliverables timeline:
1. Nevada Mineral Industry Report in each fiscal year by December 1 each year.
2. Update the Active Mines and Energy Producer Maps by December 31, 2024 **(every other year)**.

**Project 3 – Exploration Survey ($35,000 in FY 2025):**
This project involves preparing a sixth edition in FY25 of exploration activities conducted in Nevada. Funds will be allocated toward a survey of mineral and geothermal exploration completed by companies in 2023/2024. Periodic assessments are critical for defining industry trends, which will provide insights into future economic impacts on the State. In addition to a traditional survey being distributed to mining and exploration companies, information on exploration activities and expenditures will be compiled from company websites and stock exchange filings.

Deliverable timeline:
Report will be completed prior to the 2025 legislative session (by February 1, 2025) and thus available for consideration of any resource-related legislation.

# Attachment A

**Table 1. Budgets for Proposed Projects**

| | Fiscal 2024 | | | Fiscal 2025 | | | |
|---|---|---|---|---|---|---|---|
| Project | Prior Base Cost | COLA @ 12% | Project Cost with COLA | Prior Base Cost | COLA @ 11% (including FY24 COLA) | Project Cost with COLA (including FY24 COLA) | Totaled 2-year cost Including COLAs |
| **Project 1: Sample Curation** | $20,000 | $2,400 | $22,400 | $20,000 | $4,864 | $24,864 | $47,264 |
| **Project 2: MI Reports** | $35,000 | $4,200 | $39,200 | $35,000 | $8,512 | $43,512 | $82,712 |
| **Project 3: Exploration Survey** | N/A | N/A | N/A | $35,000 | $8,512 | $43,512 | $43,512 |
| **Subtotals** | $55,000 | $6,600 | $61,600 | $90,000 | $21,888 | $111,888 | **$173,488** |
| **8% Indirect Cost** | | | $4,928 | | | $8,951 | **$13,879** |
| **Total** | | | **$66,528** | | | **$120,839** | **$187,367** |