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Governor

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COMMISSION ON MINERAL RESOURCES  
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**MICHAEL VISHER**  
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Thursday, March 11, 2021

2:00 P.M.

**MINUTES**

Commissioners	Staff	Public
Rich DeLong	Mike Visher	Jim Faulds, NBMG
Mary Korpi	Rob Ghiglieri	
Art Henderson	Sherrie Nuckolls	
Josh Nordquist	Rebecca Ely	
Nigel Bain	Garrett Wake	
Bob Felder	Anthony Walsh, DAG	
Randy Griffin		

**CALL TO ORDER**

2:00 PM by Richard DeLong

**COMMENTS BY THE GENERAL PUBLIC**

None

**AGENDA**

A. Approval of the Agenda

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

**Seconded by:** Randy Griffin

**Unanimously approved**

**II. MINUTES**

A. Approval of the January 14, 2021 quarterly meeting minutes

**Motion to approve the January 14, 2021 minutes made by:** Nigel Bain

**Seconded by:** Bob Felder

**Unanimously approved**

**III. NEW BUSINESS**

**A. Fiscal 2021 Budget Forecast and 2022-2023 Biennial Budget Planning**

Mike Visher went over a PowerPoint presentation on the reserve balance for FY17-FY21, 2020-2023 budgets and forecasts as of 2/28/21 for the fiscal year cumulative mining claim revenue by month.

**Rich DeLong:** My takeaway is if we remain on the projected trajectory, we will have a little over \$100,000 in excess of our reserve guidance, potentially, a little over two years from now.

**Mike Visher:** Correct.

**Nigel Bain:** Are you getting any pressure to cut the budget even more and what's the Legislature stance?

**Mike Visser:** I think the fact that we did not have a budget hearing means that the Legislative budget folks have blessed our budget proposal. Our budget now goes straight to budget close and at that point that is where LCB will make the changes to wholesale allocations across the state for Fleet Services, Mail Services, Personnel, PERS, PEBP, those sorts of things. If there are any changes to what the Governor has proposed, that's where those would come into play.

**Nigel Bain:** Thanks.

## **B. NBMG Special Project**

Jim Faulds went over a PowerPoint presentation pertaining to two proposed projects:

**Project 1:** Publish Geologic Map and Report of Railroad Valley, Nye County with a total cost of \$35,000.

**Project 2:** Publish Report on the 3D Stratigraphy, Structure, and Fluid Flow at the Soda Lake Geothermal Field, Fallon, Nevada with a cost of \$30,000.

**Rich DeLong and Jim Faulds:** Discussion on if the Soda Lake project will require approval for the release of any data from the prior or current holder of the geothermal leases. Jim said that they would not require approval and that they currently cooperate with the current holder of those leases, Cyrq Energy. Jim also mentioned all of the data that would be utilized in this report is public domain.

**Nigel Bain and Jim Faulds:** Discussion on if it's possible for the Bureau to do both projects since some of the same Bureau staff is listed on both projects. Jim mentioned that with staffing, the way it is now, it would be difficult to do both projects in the two-year timeframe. He stated they would request that the Railroad Valley project would probably be more time intensive and would prefer it be done in FY23. The Soda Lake project would be less time intensive and they would like to begin in January 2022 and complete it by the end of the calendar year 2022. For the Railroad Valley project, Jerry Walker and Don French are happy to get started on their part as soon as possible. That work by Jerry and Don could be done in FY22 but the time for the Bureau staff to put together the report that would be in FY23. NBMG took a look at what they could feasibly commit to and they can commit to one more project.

**Rich DeLong:** Mike, we're currently in FY21, can we approve a project in FY21 for work in FY22 at this point or even in FY23?

**Mike Visser:** Yes, this specific project will be a stand-alone contract outside of the other projects that the Bureau's doing; we would treat it as a separate one. We would put together the scope of work that would contain the start and end dates with the contract funding amount and that would go to the Board of Examiners. If it was something that could get started in FY22, July 1, 2021, we would do that as the start date and once our budget is approved, we'd have the money available. It would require a work program to increase the expenditure for this category but not until later in the year. Then the end date of the project is whatever the end date is. Typically, the contracts are two, or not to exceed four years but that is not an issue.

**Rich DeLong:** Mike, based on what Jim outlined, if both these projects were approved, that would take us through June 2023 which coincides with the end of the presentation on the forecast with the \$100,000 above the threshold.

**Mike Visser:** Keep in mind, my intent was to just choose one of the two in this meeting and that's how it's agendized, just one of the two. It doesn't mean we can't come back and revisit this at a later Commission meeting when we feel better about our finances. I don't want to spend down to zero on our excess over the reserve guidance. I want some bit of a buffer and \$100,000 is really not that much of a buffer. I think we can absorb that \$35,000 over two years and still be able to maintain all the other expenditure obligations that we have. I am a little leery about taking on an additional project above and beyond what we've already budgeted for in the two-year cycle.

**Rich DeLong:** What I heard from Jim is his preference would be Soda Lake over Railroad Valley given his overall staff commitments over the next year or so.

**Jim Faulds:** Really no preference, I just wanted to describe two projects, Soda Lake could be completed probably a little more quickly rather than Railroad Valley, but really no preference. For this period of time, our commitment should be held to one additional project.

**Rich DeLong:** Okay, my concern is making sure we can record the knowledge the two geologists that you described have before they're no longer interested in doing the work.

**Jim Faulds:** I share that concern Rich.

**Art Henderson:** As I recall, we were going to have some people address private funding, did anybody contact any private funding for this project?

**Mike Visser:** No, that hasn't occurred Art. We are going to visit that at the next regular quarterly meeting, and we are still waiting on some additional guidance on the best pathway for that.

**Jim Faulds:** I did have some conversations with Don French and Jerry Walker a while ago, it's possible there could be a small amount of funding that Don can muster for this. If that happens it's probably going to help them in terms of their time dedicated to the report.

**Art Henderson:** Mike, for example, we're not allowed to select Soda Lake Project and then give a small amount of funding to the two geologists so that they can put their thoughts on the paper? That is not part of the agenda today where we cannot do both?

**Mike Visser:** There would be some difficulty in that because we're really looking for one project with one deliverable, that is a package. It would complicate things to fund both of these projects simultaneously especially if we couldn't come back and complete them. I wouldn't like to do that.

**Art Henderson:** How much is the compensation for the two geologists?

**Jim Faulds:** It's on the order of \$5,000 to possibly as much as \$7,000 maximum. If our staffing situation changes for the better, we could then re-evaluate the possibility of a second project. At this time, we can commit to one project but would be hesitant to commit to a second.

**Josh Nordquist:** Just to reiterate, the concern is with the geologists work in Railroad Valley, that's the key piece of work that we're concerned about losing. That is not the whole project but that is a crucial step in being able to keep this project moving before Don and Jerry decide they do not want to do the work, a short period of time from now.

**Jim Faulds:** Correct, they're willing to get going on this quickly. In terms of the Bureau, the part of digitizing the maps, etc., and putting the report together, that has to occur a little later in terms of what the Bureau is already committed to. In particular, Jerry has expressed concern that he doesn't know how much he could dedicate to this kind of project a couple years down the road. This is a nice window for Don and Jerry and their part could be completed up front. Then it would stagger a little but the information would come into the Bureau. We would probably get started on it, maybe a little of it in FY22 but realistically we cannot complete until FY23.

**Bob Felder:** If Jerry and Don do their work early can they just put it on the shelf and have it be a ready product for your staff to take on or does there need to be significant overlap in their efforts to produce the final products?

**Jim Faulds:** Yes, on both sides. They could provide most of the information to us and it could sit on the shelf for three to six months but once we tackle it, there will be a lot of back and forth, so they'll have to be available for that. These are anticipated to be peer-reviewed reports/bulletins, so we want to allow enough time at the end of these projects for that process.

**Bob Felder:** It seems like these are both good projects, but the availability of Don and Jerry might put this one in front of Soda Lake just for practical reasons. Is that a true statement?

**Jim Faulds:** Yes.

**Motion to approve the Railroad Valley Project and add, as an agenda item, for next meeting to review the Soda Lake project made by:** Nigel Bain

**Seconded by:** Josh Nordquist

**Josh Nordquist and Art Henderson:** It was discussed that reviewing the Soda Lake project at the next CMR meeting was not necessary, but they should consider it. Also, as discussed at the last meeting we need to follow through with asking for funding from the industry.

**Nigel Bain:** Withdrew his motion.

**Motion to approve the Railroad Valley Project with a cost of \$35,000 made by:** Mary Korpi

**Seconded by:** Josh Nordquist

**Unanimously approved**

**Jim Faulds:** Thank you Mr. Chairman.

**Bob Felder:** Mike, in looking at the budget forecast noticing the excess above the reserve balance is on a downward trajectory from 20-21, 21-22 and 22-23, is that concerning to you and can you explain why it's happening we went from \$600,000 to \$400,000 to \$100,000 in the last three cycles?

**Mike Visher:** Yes, if you recall we created these targeted bites of the apple to bring down our reserve, but those targeted bites can be removed if we see that trajectory going too fast or being too steep. Those three additional \$50,000 projects were part of those bites of the apple; \$150,000 added each year. We can pump the breaks on those to get a smoother landing and to lessen that curve going downwards. It's really going to be dictated based on the number of mining claims. If the mining claims go down, we'll have to do something to accommodate that. We are just looking at the two-year budget cycle but it's something we'll have to revisit every year. We are not just going to do this exercise again two years from now, we will do this every year and a couple of times each year, just to make sure that we don't create a deficit of our own making. Those discretionary bites, whether it's these additional projects that we fund for the Bureau or enhancements to the AML program, those are discretionary, and we can pull back on those if we have to. I'm not too concerned about that, that was more or less as part of the design.

**Bob Felder:** Thank you.

#### **COMMENTS BY THE GENERAL PUBLIC**

None

#### **ADJOURNMENT**

2:51 p.m.

DRAFT