

**IN A SPECIAL MEETING OF THE WHITE PINE COUNTY COMMISSION HELD ON  
FEBRUARY 23, 2021 IN THE COUNTY LIBRARY CONFERENCE ROOM IN ELY, NEVADA**

The Following Were Present:

County Commission  
Richard Howe, Chairman  
Travis Godon, Vice-Chairman  
Shane Bybee, Commissioner  
Laurie L. Carson, Commissioner  
Nichole Baldwin, Clerk of the Board

County Officials:

Tim Bunch, Human Resources Dir (Zoom)  
Sheriff Scott Henriod (Zoom)  
Kristi Rozich, Aquatic Center Dir (Zoom)  
James S. Beecher, District Attorney  
Elizabeth Frances, Finance Director  
Jennifer Farnworth, IT Specialist  
Burton Hilton, Assessor (Zoom)

Also Present:

Shane Cooper, Titan Constructors  
George Chachas, George Town Media  
Luigi Resta, White Pine WaterPower  
Kylie Odgers  
Cody Odgers, Water Advisory Committee  
Kenny Cooper, Titan Constructors  
B.J. Almberg, Basin Engineering  
Matt Shapiro, White Pine WaterPower  
KayLynn McMurray, Ely Times  
William Butts  
Terri Borghoff  
Dr. Clint Henriod  
Gage Hart Zobell, Dorsey & Whitney  
Greg Rivero

Present via Zoom:

Geri Wopschall, Bill Wilson (Water Advisory Committee), Desiree Barnson, (Social Services), WP JPO, Kristi Lynch Rozich (Aquatic Center), and others.

\*\*\*\*\*

Chairman Richard Howe called the meeting to order at 1:00 pm. Commissioner Laurie L. Carson led the Pledge of Allegiance.

**MOMENT OF SILENCE/SILENT INVOCATION**

This was duly observed.

**PUBLIC COMMENT**

Chairman Richard Howe read a letter into the record from Paula Carson regarding her objection to the lease or sale of county-owned water rights. George Chachas complained that he could not hear the Chairman.

District Attorney James S. Beecher advised the Chairman that we don't have to read the public comments into the record as long as copies are made available to the public. With that, the Chairman noted the copies were available in the back of the room and did not read the remaining 4 letters.

Bill Wilson, via Zoom, a member of the Water Advisory Committee, commented about the picture of the lower reservoir appearing to be located on top of the railroad tracks and

he asked if conversations were had with the Railroad in regards to that. He felt that issue would need to be resolved before applications for permits are submitted. He further noted the questions he submitted previously as still standing.

George Chachas addressed the Board regarding the meeting held February 10<sup>th</sup> and Resolution 21-11 to lease water rights at below fair market value; the last “whereas” stated the project would commence in 2024 and 2025 and would require thousands of people to complete. He asked how many thousands of people would be employed and in what time period? He asked again if the developers would build housing or apartments for those employees? He went on to direct the Board to not sell the county’s water rights, instead, lease them or sell them for a small royalty fee as they are for future economic growth for the county as the value of water is growing. The White Pine Waterpower project was on the Regional Planning Commission agenda for February 17<sup>th</sup>, but noted no one showed up to answer questions which resulted in mixed signals being sent out. He is for the project, but needs answers. He mentioned the railroad track right of way potentially needing to be moved and relocated and he asked if it would be put on patented land and when the move would take place? He noted the water agreement on the agenda for tomorrow, page 9 item 13-a, and advised that mixed signals would be sent out if the Board approved that. He reminded the Board that they spent hundreds of thousands of dollars fighting SNWA and here the county is selling our water rights.

Doctor Clint Henriod addressed the Board that his family has been ranching and farming in this area for years. He talked about our water and it being a finite resource. The county already shut down SNWA once, and while the amount of water for this project isn’t as much as was at stake previously, this is like letting a thief in the front door. He admitted to not understanding the big picture, but there is not enough water, he felt. Users of water have to drop their wells to irrigate and he does not know the full impact. He noted that the other side of Duck Creek is sage grouse habitat and added that issue has been creating hardships for the last 30 years locally. He mentioned the change in today’s meeting from its original setting and apologized for being late.

William Butts addressed the Board and acknowledged that he probably sounded like a broken record. He noted “the other meeting” and talk of the fear of the State Engineer coming to take our water and added that several years ago, they came and took the Butte Valley water. He felt if the state wanted the water in question, they would have taken it. Conversations were had at Central Nevada Regional Water Authority meetings with the State Water Engineer, and he stated that the engineer was not excited about White Pine County using this water for economic value. Mr. Butts is not against the project, but does not think we should sell the water rights; maybe sell it by the acre foot or the cup full. Per the State Engineer, our water is a little of half of where we should be on recovery from droughts as shown in over 140,000 acre feet of debt in water from existing permits. He advised the Board to take a pulse in town and let people find out what is happening; they might end up being tarred with chicken feathers. He cautioned the Board to be careful and to keep what we’ve got.

Chairman Richard Howe is not concerned about being tarred and feathered. He felt the Commission is doing what they feel is best for White Pine County and they will not to be threatened by anyone. He stated that threats are not welcome, but he does welcome public

comment. This Board is here to get all needed input and to allow the public to speak. He desired to keep the meeting civil and will not be accepting any further threats.

**1) PUBLIC HEARING/Discussion Only: The White Pine County Board of Commissioners will take public comment regarding the matter of the fair market value of County-owned water rights, Water Permit Nos. 72728 & 72729, during its regular meeting held on Wednesday, February 10, 2021. An appraisal of the value of 100.00 +/- AFA of County-owned water rights from Water Permit Nos. 72728 & 72729 has been conducted and is available for review on the White Pine County website at <https://www.whitepinecounty.net/DocumentCenter/View/6621/White-Pine-County-Water-Rights?bidId=>**

Commission Vice Chairman Travis Godon asked IT to pull up a link with a map of the project area near Steptoe Creek. He made a disclosure regarding his parent's property. He directed the room to page 13 and 5 in the packet handed out regarding the pumped storage project and pointed to areas on the map concerning his disclosure. He identified his parent's property and noted it is not adjacent to or connected to the project site and emphasized there is no financial impact that will affect his parents or himself. He told the room that any possible conflict is fake news and ended his disclosure.

District Attorney James S. Beecher stated that this is a public hearing and he asked the Commission to discuss the agenda item and ask questions and allow the public to do so, but cautioned them to have no deliberation for or against this item today.

Matthew Shapiro, CEO of rPlus Hydro and Gridflex Energy, introduced himself and explained his company joined forces with rPlus Energies; rPlus Hydro is name of the developer of the pumped storage project and White Pine WaterPower LLC is the name of the company behind this project. Luigi Resta, president of rPlus Energies, introduced himself next. His company is backed by a family office from Salt Lake City, Utah who does commercial real estate development with offices in Nevada and Idaho. He emphasized that they are out to get community buy-in on projects that are long-term investments. They do utility scale renewable energy with large scale solar, wind energy, and pumped storage hydro. He stated the intention of this meeting is to be transparent and answer questions. Gage Zobell, the water rights attorney with Dorsey and Whitney, introduced himself next. He is a natural resources and energy attorney who has worked with water rights and the transfer of water rights with Kinross Bald Mountain Mine and other mines in Nevada. He is based in Salt Lake City, Utah and is licensed in Colorado, Montana, Utah, Idaho, and Nevada. The next introduction came from Arnie Luther, a principal hydrogeologist with Peedo (sic) Associates who does consulting work with the mining industry to develop water resources or removing water from a mining environment. He's worked for 20 plus years with clients in northern Nevada to develop solutions to groundwater problems. Up next was BJ Almberg with Basin Engineering in Ely who was present to assist with water right change applications to benefit this project. To complete that, he was able to pull together the team at this meeting to perform the studies that the State Engineer may need to act on the applications if the county allows them to proceed.

Matt Shapiro presented a PowerPoint Presentation and addressed the Board regarding a letter of support from the City of Ely in 2014 on this pumped storage project. Last year was first big year of action since geoengineering studies showed that this project

looked good geologically. He mentioned they are a fifth of the way through the process in determining if this project is economically viable on all levels, which is a gradual process of investigating risks. rPlus Hydro is the leading developer of new pumped storage projects in the US. They have 10 projects currently going with this one being the most advanced due to having the best location after screening hundreds of sites. Pumped storage is the most economic form of utility scale energy storage. This project will bring an investment of \$2.2 billion to the community including jobs and tax revenue for 75 plus years for the life of the project. He asserted it would leave a relatively small footprint and use a modest amount of water. He explained how pumped storage works using a diagram on his third slide. The project site is located 7 miles north of Ely in a spot which presented a good vertical drop and a natural lay of the land to minimize the size of dams they have to build. In 2019, the Nevada legislature approved 50% renewable energy sourcing by 2030 and 100% carbon free by 2050 and those laws were approved by voters in 2020. Given these new laws, Nevada will need large amounts of energy storage in order to effectively manage the massive amounts of renewable energy the state intends to rely on and this project can be a cornerstone of Nevada's energy storage portfolio. He talked about a map on his eighth slide that showed the crossroads of transmission lines. In regards to the history of this project; Gridflex applied for their first preliminary FERC permit in 2010, in 2014 for their second permit, and in 2017 for their third permit. In 2019, rPlus Hydro began discussions with BLM and the County Commission, who voted to commit water for this project. 2020 brought the second phase of the engineering study, discussions with Nevada Northern Railroad, and the next steps for FERC licensing. This year, the water agreement will come to a vote, they will make their first presentation to Ely City Council, and are preparing for geotechnical studies for boreholes. Slides 10-12 showed a project conceptual overview, the location of the dam, and an underground profile. The upper reservoir will hold 5,280 acre feet of water and have a 59 acre maximum surface area. The lower reservoir will hold 5,340 acre feet of water and have an 80 acre maximum surface area. He further explained the sizes of the conduit tunnels and powerhouse cavern. The transmission line will be 23 miles long with 345 kV to Robinson Summit in an existing corridor. All of this will take 5 years to build. During the construction phase, 750-1,500 acre feet of water will be needed per year. The initial fill will occur over 6-12 months for the lower reservoir. Make-up water for evaporation at a rate of 10% will lead to the need for an additional 500-750 acre feet of water per year. He explained the reservoirs will be lined to prevent seepage. They will be accessing well sites north of McGill, 10-12 miles from the project site, that will require a pipeline and associated costs of around \$30-40 million. They are currently looking at moving the point of diversion closer to the project site for the lower reservoir. To fill the upper reservoir, they're looking at pumping water up from Duck Creek, otherwise they would have to run a lot of water trucks through Duck Valley, which is not ideal. He noted the purpose of the water agreement is to help the county hold onto their water rights and provide revenue before the water is used. They plan to lease one third of 25,000 acre feet of the county's water at \$50,000 per year and then to purchase 750 acre feet per year for use in the long term for make-up water. If the water is not used, the rights will revert back to the county as they cannot sell or transfer the rights per the agreement. He noted the Water Advisory Committee voted yesterday to support the county to move forward with this. Hydrology studies are planned to take place. Slides 18-20 described his discussions with Nevada Northern Railroad and how they plan to

accommodate Mark Bassett's request to realign the track to a higher location to allow for the riders to view the project. The realignment cannot go onto BLM land, so a land swap was discussed. Slide twenty addressed concerns from the Railroad which encompassed MOU's with the Railroad and the City of Ely. The economic benefits of this project include the employment of local firms, lodging for professionals during the EIS stage, the creation of 300-500 jobs for 5 years during constructions for skilled labor, and long term jobs for 20-25 full time employees. The capital investment is estimated to be \$2.2 billion, which is 6-7 times the investment of the wind farm. From a tax perspective, they will have over \$80 million in personal property that can be taxed with the project resulting in several millions of dollars in tax revenue every year for over 80 years with or without an abatement. Major progress highlights were recapped on slide twenty-two.

Luigi Resta addressed the Board regarding more detail on questions concerning the project. He addressed the question of the patented land that the railroad track is on and stated they did not want to jeopardize the title of that land in anyway. He explained the process to exchange a work thru with the city and railroad with an MOU that intends to say that the developers incur the costs of undertaking the effort of doing the realignment and that is waiting for legal review. After the MOU, they would first confirm the realignment route, share it with the railroad, survey that section of railroad, study it from an environmental/biological/cultural/historical perspective, and file an SF299 with the BLM for the right of way. Once granted by the BLM, they would build the new railroad on the right of way and once completed and connected, the BLM would then decommission the existing track and start using the upper realigned track and the land swap would take place. It was noted that this would affect SHIPO (sic). On the housing issue, it is still early on the engineering side so they don't know how many crews or shifts or what configuration they might utilize, so they don't have an accurate number of how many people will be employed. Their first objective would be to use resources available here presently. The second step would be to update existing travel camp areas with fifth wheel hookups and if they need to expand, they will, with the creation of a man camp if needed. In regards to the question about the Regional Planning Commission meeting and no one showing up, they put together a conditional use permit (special use permit (SUP)), which outlined the whole project and the impacts at an early stage that was submitted to the RPC with the intent that it will become a public process allowing local officials to weigh in on various items the project needed to adhere to. He added that the SUP was pulled from the RPC agenda because the BLM is the actual land owner at this point and had not signed on the application due to the SF299 not being approved and complete, causing the SUP was deemed incomplete by the RPC. He went on to explain that they submitted a community development agreement to the RPC with the intention to be proactive and to recognize that their actions are creating an impact and the project will be responsible for that impact. That agreement was deemed not necessary and was pulled. He reiterated that they are doing what they can to be good community members. In regards to the assignment of water rights, he restated the contents of the legal agreements pertaining to expressed use concepts for the benefit of the project which has an economic benefit to the entire community. The legal agreement states that they cannot assign the water rights to anyone else.

From the crowd, Shane Cooper asked Mr. Resta if they have the intention of leveraging the water rights and Mr. Resta replied that they do not. Mr. Resta explained that the project

was set up in the beginning with a special purpose vehicle, an LLC, in name of White Pine Pumped Storage which became an asset in the name of the LLC. They are trying to build a financeable project that has value to this community with all assets to be kept in the special purpose vehicle (SPV). The SPV is 100% owned and managed by rPlus Hydro which is owned by rPlus Energies which is owned by the Gardner Company in Utah. Mr. Resta explained, in response to another question by Mr. Cooper, that they have an interconnection agreement, the BLM right of way, the land right of way, environmental engineering studies, and the entire \$2.2 billion investment that all need FERC approval on the license which will take 3 years, and then they have to find someone to buy the benefits of the project. Once that takes place, it is then financeable with no dollar amount associated with the water rights. Mr. Shapiro added that the benefits of this project that need bought is the water power that is generated, which will require a utility customer. Mr. Shapiro explained to Mr. Cooper that his company was created to meet the growing need for power sources like this project, and they are working with engineering firms that have global hydro power experience to build the first project like this in the US for over 30 years. Mr. Resta talked about the licensing of the water rights for the initial fill and the purchase for the 750 acre feet for water loss to occur after construction. He reiterated that this is a 100 year power plant and the need to buy the water is to ensure its availability in the future as the project progresses. Mr. Zobell explained the possibility of a reverter of the water rights in written into the contract, so no matter what happens, the county is protected. The option to buy the 750 acre feet can only be exercised if the project is being constructed or completed, and if that water is not used for intended purposes, the possibility of a reverter is written in the deed and agreement and would revert back to the county. There is no ability to sell these rights anywhere else, they are to be only used in this project. Mr. Zobell responded to a query from Mr. Cooper and stated that if in 10 years, the county decided to exercise an option to change the price structure, they developers would be able to purchase the water at its current value. Mr. Resta answered another question from Mr. Cooper and stated that the lowest cost energy at this time is from solar or wind which have a fixed cost for 20-30 years, however, they are a variable resource that only produces energy at certain times. The use of a pumped storage project is to manage the fluxuation of the grid which will work with the low cost variable power sources to store that power for a long period of time. Mr. Cooper asked if White Pine County residents would see a change in their power bills as a result of this project? Mr. Shapiro explained that Mt. Wheeler Power's peak demand is 50-something MWs, but this project will crank out 1000 MWs and will be operated however the grid needs it to at any given time. It will be tied to the 500 KB transmission system to be used as a statewide balancing resource; they can't use it at a local level, but will be a customer of Mt. Wheeler purchasing 3 MWs to run the project. It could show up in the future of Mt. Wheeler since they rely on coal power from Utah, which will be shut down at some point inevitably.

Mr. Resta addressed the economic impact of the project and admitted that it is still early and they don't know everything. He has engaged a public finance group for an economic impact study. This project and the transmission lines lie in middle of a hub that make up a grid in the western 13 states, so it is unknown who will own and manage the power system. Utilities are always planning in the future trying to mitigate catastrophes like what is happening in Texas. The ownership affects whether the project will be centrally or locally assessed. He noted the Governor's Renewable Energy incentive plan for 3 years of

sales tax relief, but that has obligations and requirements that will have costs. He compared this project to the Gemini solar grid in Clark County that produced \$130 million over 20 years, but this is a 100 year project. Commissioner Laurie L. Carson asked the Finance Director to look at the Spring Valley Wind project that might provide any information as to where they might end up with tax revenues in regards to the tax abatements taking from the county. Mr. Resta noted that Robinson Mine has a closure date. His company is spending millions of dollars and if they are successful, the community will be successful and White Pine County will not be out any money.

Mr. Shane Cooper asked a question about the unused water rights in a currently closed basin absent facts in regards to the benefits that may or may not exist. Mr. Resta explained that they have comparisons from the mine and that had been defined and addressed. Commissioner Carson stated that the big concern was the negative impact to Steptoe Valley that is in drought conditions; the public needs to know and be assured they will do needed studies to address these concerns. Mr. Cooper asked about the geology; are the tunnels lined? and what about fractures or fissures? what happens to aquifer? Mr. Shapiro responded that that is why they are drilling the bore holes to produce the data they need to produce the geological mapping needed to address these concerns. They plan to line the tunnels in the alluvial rock portion in the high pressure locations, which pose the greatest concerns. In regards to economics, he added that if the project costs \$2.2 billion for 100 MWs of 8 hours of power storage, it could be ran at half power and have 16 hours of storage. This projects' advantage is its lifespan; batteries lose life if cycled. Ultimately what is needed is a power purchase agreement from a utility. They are marketing with utility companies with a class 4 cost estimate, which needs to be narrowed with more engineering and details.

Dr. Clint Henriod addressed the developers and asked, on a personal level, if they would put this out their own backdoor, if they would want to look at it and live underneath it? His livelihood depends on water, which is a finite resource. Mr. Resta responded that he would want to live near this project. He added that the construction is a limited period of time and the flexibility on when the fill will occur. They would not fill during irrigation times and would wait for rain. If the initial fill would have an adverse effect, they could include a condition in the conditions precedent (CP) to fill the reservoir in a season were there is more water in February or March. Mr. Zobell stated that he will add that condition in the CP.

Commission Vice Chair Godon noted another water project that took place a year ago where they included some conditions in the SUP that if the project has adverse effects, the county could pull the SUP. If concerns are valid for this project, future Boards will have that tool and can jerk the SUP.

Terri Borghoff addressed the developers about the road to access the job site. Mr. Shapiro stated that they plan to pave a section of an existing road and make improvements to another dirt road. The road is a county road to BLM property. If Duck Creek residents wanted them to pave that dirt road to minimize dust, they would.

Chairman Howe appreciated everyone and commended the presentation. He explained approval of these items are on the agenda tomorrow. He added that the Water Advisory Committee voted to support this unanimously (with conditions, per Commissioner Carson). Chairman Howe added that this Board has a job to do tomorrow at 10:30 am in regards to this project and noted the long process and more to go with several more meetings to be held.

**PUBLIC COMMENT**

George Chachas appreciated the people who presented today that had answered questions that filled informational gaps. He was disappointed that the Regional Planning Commission was not here. He noted his support for this project.

Cody Odgers, Chairman of the Water Advisory Committee, thanked everyone who spoke today who gave the public an idea of where we are at in the stages of this project. He noted the conditions from the Water Advisory Committee that Commissioner Carson promised to speak to at tomorrow’s meeting. He thanked the Commission for holding this meeting.

Commissioner Shane Bybee expressed that he was grateful to have everyone involved and noted that this meeting made a difference in the process. The meeting helped to give the community the big picture. Commissioner Godon echoed what Commissioner Bybee had said and he was glad this took place. Commissioner Carson appreciated the information that was provided today as this community takes having good information and transparency to heart and hopes for more in the future. Chairman Howe thanked everyone again.

**ADJOURNMENT**

Commissioner Carson moved to adjourn the special meeting and Commissioner Bybee seconded the motion. The special meeting was adjourned at 3:08 pm.

**BOARD OF COUNTY COMMISSIONERS**

WHITE PINE COUNTY  
STATE OF NEVADA

BY:

  
CHAIRMAN

ATTEST:

  
WPC CLERK OF THE BOARD