

**Community Transition Advisory Committee (CTAC)**  
**Meeting Minutes**  
**May 20, 2010**

CTAC meeting was held on 5/20/10 in the Extension Office conference room in Whitehall. *Attendees* were Tim Dimock, Mark Thompson, Paula Johnston, Liz Kidwell, Ed Handl, Tim Mulligan, Mary Janacaro Hensleigh, Leonard Wortman, Paul Shaw, Justin Gibson, Tom Harrington and Nancy Wheeler. *Guests:* Bob Brock and Rob Berry.

**1. Welcome and Introductions**

Tom called the meeting to order at 8:02 a.m. Introductions were made.

**2. Minutes of Last Meeting**

Tim D. made a motion to approve the meeting minutes from 4/8/10; Paula seconded the motion. Minutes were approved as published.

**3. Golden Sunlight Mine (GSM) Operations**

**a. Current Operations Update / Pit Lay Back Progress / Mill Status**

Tim D. reported a significant high wall failure in the northwest corner of the pit, in an area the mine has been watching. It has stopped moving and continues to be barricaded while alternatives are evaluated. Production is not being delayed and the mine is operating around it. There have been a number of fallouts from the mine accident in West Virginia where 29 coalminers were killed. One fallout is the mine's contracted operator, Spherion, who is based back east, has decided they would no longer provide contracted operators to GSM. The mine will make the seventeen contracted operators from Spherion temporary employees; they will receive all the benefits of regular employees but their term will be less than 24 months. This changes the number of employees at the mine to 167 and 58 contractors. Another fallout is the politicians have put pressure on MSHA to make the mining industry safer and the mines in Nevada have had a heightened level of citations and Tim D. said they are expecting the same to happen here.

The mill refurbishment is going well; however, as they get into structural work, seems to be more extensive than originally thought. The mill startup date has a potential for being pushed back a month or two but is still projected for January, 2011.

**b. Permit Expansion Update / Concentrator Status**

The mine recently submitted the east area permit and has approval for the crusher modifications. GSM has two permits currently with the DEQ; one for the concentrator project and the other for the small east area pit that will allow the mine to start up early next year. The concentrator engineering is progressing well.

The Whitehall fifth graders toured the mine this past month as did a Rotarian group from Brazil. Walla Walla University will tour the mine next week. Next month the mine will have a new environmental intern student and eight summer students. The mine is spending close to \$1 million on exploration this year and putting in drill roads for the different areas and expect to have drills turning early next month.

**c. Wind Development Update**

Mark said Gamesa was involved with the wind project; however, the contact person said she would be working on other projects and there would be a new contact. The mine has not been able to establish that contact yet. Tom said the PSC hearing to determine Power Purchase Agreement (PPA) was postponed and, until that is resolved, there really isn't much Gamesa can do. Tom will contact Mike Uda, the attorney representing the wind project, to see why the hearing was postponed.

The Montana Mining Association will be held May 25 & 26 at Fairmont Hot Springs. Shane Parrow, past project manager for Elkhorn Goldfields and currently an instructor at Montana Tech will help GSM with construction projects, mainly some of the changes for the east area pit.

Mary commented she appreciates the wildlife minute GSM sponsors on TV and said it's the best minute on TV. Tim D. said the mine plans to continue sponsoring the commercial. Tim D. said the mine is interested in continuing to participate in conservation efforts and has been talking with the watershed group. If there are ideas on conservation projects the mine could get involved with, let Tim D. know. Discussion followed. Tim M. said the watershed group is struggling with funding for the stream gauge monitors and it's an ongoing struggle they deal with every year, chasing grants, as the monitors are critical for river management. Tim D. said the mine would entertain helping with the monitors and said the watershed groups have needed operating funds in the past that the mine has provided and GSM is open to all proposals.

#### **4. GSM Environmental Update / Public Water System Update**

Mark said there were no reportable incidents since the last CTAC meeting. The conveyor modification that allows the east pit area to be all open for mining is completely permitted. An application is at DEQ for the concentrator. Mark said there is always at least one round of deficiency reviews from DEQ and reported the mine had their first round of deficiency reviews, responded and sent them back to DEQ. The mine is expecting to hear back from DEQ soon as they have 30 days to respond. Mark anticipates both the concentrator and the east pit going through as amendments which means public comments.

Mark reported 180+ acres were seeded this spring; 50-60 acres on the west side with remainder on the east side. Mark gave a presentation at the Mine Design Enclosure Conference at Fairmont this past month. EPA, at the federal level, wants to interject themselves in the financial insurance process at mining operations and Mark met a person at the conference who would like a tour of the mine facility. Discussion followed. Mark will attend a meeting in Cooke City on the McLaren Tailings on June 8<sup>th</sup>. Smith Construction is doing an excellent job on the tailings expansion and is ahead of schedule on the dirt movement. The crew on infrastructure improvements is also way ahead of schedule and tailings will be ready to start the mill in January, 2011.

Mark said DEQ initiated a no penalty enforcement action on the potable water system in February or March and enforcement action was for the mine to give DEQ a schedule to come into compliance. The mine had already hired an engineer, submitted designs for the modification, which were approved by DEQ, and ordered equipment when the enforcement action came in so the action was easy to respond to. The mine will upgrade their drinking water plant to nano filtration. The mine schedule to DEQ included what GSM has already done and that they will install the equipment ordered. Mark expects the mine to get a water sample in June that should be in compliance.

#### **5. Safety Fair Report**

Tom said the Safety Fair was held April 24<sup>th</sup> in conjunction with the Jefferson River Watershed. It was a very successful event with over 27 exhibitors at the Safety Fair. Tom said GSM's support for the event is appreciated.

#### **6. Sunlight Business Park Overview**

##### **a. Phase II Grant Status**

Tom said the initial drawings are at the Economic Development Administration (EDA) office in Denver being reviewed by their engineers and, as soon as JLDC receives final approval from EDA, staff will proceed with the bid documents. Still working on the legal review of the title policies; JLDC has a lawyer in Bozeman working with the EDA. Ground breaking is expected in July.

### **b. Subdivision Update**

Still on preliminary plat and, as infrastructure is developed, staff will go to Commission for final plat approval. JLDC is on extension with Commission to have this done by August.

### **c. Tax Increment Finance Industrial District (TIFID) Update**

Two TIFID districts are established; one being in the south end of the county that encompasses the GSM and includes the business park and one in the north end of the county. Tom said paperwork required for the TIFID was submitted to the Department of Revenue (DOR) in December and correspondence was received back from DOR this week. Some issues that need responding to need to go through the Commission. Everything is done by geocodes and there are some section lines in the south end TIFID district that intercept mining claims, the highway and the mill site area and have separate parcel geocodes. The DOR requires a letter from the Commission saying their intent was to include these areas in the TIFID. A TIFID meeting is scheduled for June 2<sup>nd</sup> and will get on Commission agenda to have the required letter sent to DOR.

### **d. Business Assistance Center / Interpretive Center**

Staff has been in discussion with an interested business that needs a facility and Tom said that is part of the business assistance center concept.

## **7. Montana Mining Association Meeting, May 25-26 at Fairmont**

Tim D. said the annual Montana Mining Association Meeting will be held May 25-26 at Fairmont. The focus of this year's session is safety and Barrick's regional safety manager will be giving a presentation on risk assessments and safety systems. More information is available at <http://montanamining.org/>

## **8. Pavilion Status – GSM Assistance**

Tom said the project is continuing to move forward and are still coordinating with other necessary agencies. The goal is to have the pavilion completed for use at Frontier Days this summer.

## **9. Boulder River Ground Water Assessment**

A few years ago the legislature authorized money to do groundwater assessments throughout the state and 23 basin sites were chosen. Jefferson County was not included but, after attending meetings, was moved up to #16 on the list. There was only enough money allocated for the initial groundwater assessments to cover the top five and the larger basins were selected so have been in discussions to figure out a way to get an assessment done on the Boulder Valley. A grant opportunity arose about a month ago to do monitoring systems, water quality issues and quantity issues and group met with Natural Resource Conservation Service (NRCS). The terms of the grant didn't fit into what the watershed group really wanted to do so then met with the lead person for NRCS out of Bozeman and found another grant opportunity called a Conservation Innovation Grant. The group met with Montana Tech individuals that are part of the sub-committee for the legislature working on the groundwater assessments and last week put together a grant application to do some of the monitoring and assessment. The idea is to do an assessment on the availability of the water, if it has an impact on the flow rates and if there are some mitigation measures to keep the flow rates going in the Boulder Valley. The Montana Tech group put together a draft proposal that was submitted to the Bozeman NRCS and will then be sent to the NRCS Washington D.C. office. The NRCS person was supportive of the grant application. The grant is for \$75,000 for three years to do the assessment and a 25 percent match grant is required. The Jefferson County Commission committed to \$37,500 as part of the grant match. Tom said the Bozeman NRCS person thought this would be a great demonstration project to do groundwater monitoring, assessment and analysis to discover what impacts there are and use it for a model for some of the bigger projects. Tim M. would like a copy of the grant. Discussion followed.

## **10. Other Items of Discussion**

Leonard talked about what Jefferson County is doing with the Mountain States Transmission Intertie (MSTI) and said recently the Commission enacted the county ordinance that requires state and federal agencies to coordinate with the county on any type of environmental studies or anything that agencies are doing in Jefferson County. By federal and state statutes, they are required to meet with the county as equal partners in deciding what they need to do. The coordination policy was written in 2008. The issue was put on the Commission Agenda to talk about and, as a result of that meeting, letters were sent to the DEQ and the BLM requesting coordination with them. DEQ responded and basically said this had already been complied with as NorthWest Energy had met with the county a couple times over the last couple years doing presentations and answering questions. Leonard said that doesn't meet the coordination policy that's required so a couple other letters were sent back and forth to DEQ. DEQ does not want to meet with Jefferson County; one reason being it's too late in the game as the EIS is expected out the end of May or early June. Due to the Commission not getting the response that was requested after three letters and numerous phone calls, finally had the county attorney file a suit against DEQ, demanding they meet with Jefferson County in the coordination process required by law and did a restraining order preventing DEQ from releasing the EIS until the Commission had a chance to coordinate with them on it. Hopefully, something good will come out of it. One concern Jefferson County has is personal property rights and feels MSTI needs to be on public ground as much as possible. There have been no guarantees in what the county has looked at that power rates won't increase and, in all likelihood, probably will as their intent is to ship the power created in Montana to the west coast where power rates are significantly higher than in Montana. Also, with the vast amount of opportunity in Montana to create power this may not be the only line and probably intending to create power corridors meaning multiple towers. The positive aspect of MSTI would be the taxes. NorthWest Energy said they would be paying approximately \$1.3 million in taxes per year to Jefferson County but Leonard said some of that is depending on how much green power NW Energy has as there are huge tax breaks if they reach so much green power. Discussion followed. Tim D. said if the issues are resolved, the lines are on public land and some kind of limits or competitive clauses in place so Montana isn't paying California power rates, it would be quite an economic boom for the area from the construction and job perspective. Leonard said the issue will be on the Commission Agenda weekly in case DEQ wants to come and talk with the Commission. An Advisory Committee has also been appointed to look at some of the issues. Leonard said one of the comments made at the last meeting was when the BPA line went through Boulder, very few local people were hired as the company brought most of the workers with them. Jefferson County also had to employ extra deputies. Leonard said an alternative would be to bury the lines. Paula said there will be a public meeting at the school and expects advertising with particulars. Leonard said PSC Commissioner, Brad Molnar, will be at next week's Commission meeting to talk on MSTI.

## **11. Next Meeting Date/Time**

Next meeting is **Thursday, June 10<sup>th</sup>, 2010** at the Extension Office Conference Room in Whitehall at **8:00 a.m.** Meeting adjourned at 9:04 a.m.

Respectfully submitted,

Nancy Wheeler