

**Community Transition Advisory Committee (CTAC)**  
**Meeting Minutes**  
**October 28, 2009**

CTAC meeting was held on 10/28/09 in the Extension Office conference room in Whitehall. *Attendees* were Tim Dimock, Liz Kidwell, Mark Thompson, Terry Ross, Paula Johnston, Ken Weber, John Brower, Tom Harrington, Nancy Wheeler. *Guests*: Dave Cole, Fred Phillip, David O. David, Bill Bieber, Cy Wilsey, Senator Lyman Hoffman, Lillian Hoffman, Mary Nelson, Alex Felker, Denny Thomas.

1. Tom called the meeting to order at 8:10 a.m. with introductions and welcomed everyone.

**2. Minutes of Last Meeting**

Tim D. made a motion to approve the meeting minutes from 10/8/09; Ken seconded the motion. Minutes were approved as published.

Tom showed a sustainability power point presentation that gave the group an overview of CTAC, informing them CTAC was formed in 2001 when the mine was looking at closure and the mine manager and community were concerned with what the impact would be. CTAC was also formed in part for information flow between the community and the mine and is comprised of key community people who are very visible and in contact with a lot of people in the community to help keep the communication flowing. The focus of CTAC is to sustain the mine's operations as there is mutual benefit in continued operations and to determine how these benefits can be sustained after mine closure.

The presentation recognized the partnership between GSM, Jefferson County and the community of Whitehall. Tom gave a background on the mine stating that the mine started in 1982 and employed over 300 people at their peak. Golden Sunlight Mine (GSM) currently has 148 employees and 12 contractors. In 2006 there was a major change of ownership when Barrick Gold purchased the mine from Placer Dome. GSM is currently doing a pit layback that will extend mining operations through 2015.

Tim talked about the core values at the mine, stating the mine's priorities are safety, protecting the environment, managing their involvement with the community and gold production. Tim said there are a number of vision/policy statements on safety, environment and sustainable development from Barrick at GSM and stated the mine is committed to making a positive difference, sharing the benefits of GSM's mining activity and contributing to the economic and social development of the community.

Tom said the GSM has an environmental commitment to taking care of the land and doing reclamation. They are committed to conservation enhancement of wildlife. The mine has been involved with turkey stocking on their ranch property and are actively involved with trout habitat, financially supporting Trout Unlimited to repair some of the areas on the Jefferson River to restore spawning area for the trout. Other obvious community benefits Whitehall and area have gained from the mine include employment opportunities, hunting grounds, family fish pond, 200 acres for a business park and a potential wind farm. The mine is involved with many of the community's annual events and is very good at coming to the needs of the community. A few years back, the mine helped replace one of the school's roofs. The mine has sponsored a Safety Fair in Whitehall the last couple years that has been a great community activity. A Community Foundation was formed a few years ago and the mine made a sizable donation to get the Foundation started. The Foundation gives back quite a few thousand dollars to community projects annually. In March, Whitehall suffered a major fire that burned a good portion of the downtown area; nine businesses were destroyed that affected about 40 individuals. The community stepped up to the plate through the Chamber and formed the Whitehall Relief Fund to help the businesses and employees affected and the mine was one of the first to step forward and donated generously to the fund. An ambulance barn is being built to expand our medical services and the mine has been a contributor there. A periodic survey is conducted by a professional firm to be sure what the mine does is in concert with what the community wants.

Montana has a metal mines tax where the mine's total state taxes go to the state annually and the state then gives 25 percent of the total tax back to Jefferson County. Sixty percent of that amount is given to the county and the schools by formula and 40 percent is put into a trust account. The 40 percent is held in reserve each year until the mine either closes or a layoff of over 50 percent of their employees occurs, in which case that money becomes available to the county to utilize. The intent of that fund is to mitigate the loss of jobs and taxes. Out of the 60 percent dispersed each year to the county, 33 1/3 percent is given to impacted high schools, 33 1/3 percent to impacted elementary schools, and the other 33 1/3 percent stays with the county. The county can use that money in general fund only if for planning purposes or economic development purposes; a statute gives them specific criteria as to what the money can be used for. Schools can use that money in their general fund however they choose to. A portion of the county's 33 1/3 percent is put into a trust account and a grant and loan program has been established for both the north end and the south end of the county for worthwhile projects. Each end of the county has a committee that meets a couple times a year to review applications submitted to the county for projects. A portion of those funds have helped with community projects such as the rodeo grounds, soccer field, ball fields, swimming pool, skate park, playground equipment at the school, addition to the library and a lot of other infrastructure things. The community wouldn't have this without the mine tax and the mine stepping forward to help with community needs. The tax base increase from the mine for the county over the last 20 plus years has enabled the community to build a state of the art middle school, a nice new gymnasium, a beautiful cafeteria and make improvements throughout the school that would not have occurred without the mine's presence.

Bill said their Alaska region is comprised of 57 individual villages spread out over the size of Montana. There are a lot of horror stories out there about mines that are 100 year old projects and, in order for positive attitudes to be developed toward mining in Alaska, it is important to get communication out to all the villages informing them of the modern technologies used in today's mines and today's mining regulations. Wind projects in Montana and Alaska were discussed. Senator Hoffman said grants are available to the villages and communities in Alaska for renewable energy projects.

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

#### **a. Current Operations Update**

Tim D. reported the mine is currently not producing gold, everything being done at the mine is open pit mining to uncover the ore that's left in the mineral hill deposit. GSM is budgeted to mine two million tons per month and are mining about 10 percent over the budget. There may be an opportunity to move the mill startup date forward from the beginning of 2012 to August, 2011 if the mine gains three additional haul trucks and a blast hole drill. The blast hole drill has been purchased and are close to getting approval from Barrick to purchase the three additional haul trucks needed. The mine is also evaluating a low grade resource directly adjacent to the mill site and, if able to permit that in a timely fashion, could start the mill up in January, 2011. One of liabilities at the mine is the sulfide associated with mineralization; causes a lot of added activity to manage that. Barrick has operations in Nevada that can recover gold from GSM's tailings that GSM is unable to recover and the sulfide in our tails will also help reduce their processing costs. It would be an opportunity for GSM to convert a liability to an asset. GSM would need to build a concentrator and concentrate the gold sulfide before shipping it to Nevada. There is a feasibility study currently in process and GSM will know more the end of this year. If the project is a go, Nevada needs the fuel for over 20 years.

#### **b. Chad Hymas visit in November**

Chad is a motivational speaker on safety and what can be achieved. He was in a farm accident that paralyzed him from the chest down and can really inspire in people why safety is so important and also what can be done if a person takes the right risk mitigation steps. Chad will be presenting at the mine and is also scheduled to speak to grades K-6 at the Whitehall Elementary School on Thursday, November 12<sup>th</sup> from 12:00-12:45 p.m. and to grades 7-12 at the Whitehall High School on Friday, November 13<sup>th</sup> at 9:00 a.m.

### **c. Wind Development Update**

Tim said GSM's goal is to make their land available for wind development, not to be the developer themselves and would like a third party to be involved with the development. Tim said he's been in contact over the past month with the wind developer and they have been able to do some modeling. The developer said the economics are looking positive and are looking at trying to correlate their findings with longer history information. Staff provided Tim with some information and websites for the developers to access. The developer is talking about a 20 megawatt, phase 1 facility up on the west ridge and has installed two wind monitoring towers that have been up for awhile and talking about bringing more towers out early next spring. Tim said the developer has a lease on all the mine property to develop wind as long as it doesn't interfere with mining activities. Mark said wind development is emerging as Barrick's greenhouse gas policy requires that a certain amount of power used at the mine will need to be renewable or green power in a specified timeline.

### **4. Golden Sunlight Mine (GSM) Environmental Update**

Mark reported there were no environmental incidents since the last meeting. Mark gave a presentation October 13<sup>th</sup> at the National Summit of Mining Communities in Butte that was very well received. Mark talked with the State recently on the permit amendments and the mine will have at least one round of deficiency questions from the State to respond to. The DEQ did public notice of receipt for the application and will also need to public notice the Environment Assessment. The mine will be submitting another permit revision shortly to expand the south dump on the west side because of the slide in the pit Tim spoke of last month and also having to do with safety issues associated with hauling waste out the east side of the pit; more waste will need to be hauled out of the west side. Mark said it's a minor revision and don't expect any obstacles. Working on collecting data to start permitting on the east pit Tim spoke of. Along with the exploration drilling that's beginning, Mark said the mine will collect a lot of environmental samples for analysis on both the material characterization of the rock types as well as groundwater. As Tim mentioned, the mine is participating in the feasibility of producing a concentrate from both the 5-B Optimized tails as well as reprocessing tailings impoundment 1 and looking at permitting the concentrator. The other big issue associated with the project is that as the tailings are reprocessed from tailings impoundment 1, the mine will only send about 10 percent of the material so will have 90 percent they need to do something with onsite. This is a fabulous opportunity to get that into a more manageable facility and looking at how to get that done and what opportunities exist to improve the long-term storage of those tailings. When the mine gets the go ahead for the project, will most likely have an engagement process with the county and some of the activist groups for their input since there are a lot of options and benefits. Mark said next summer will be putting on a tailings lift about 3 feet higher than what was permitted for the 5-B Optimized expansion so will have another permitting process going for that. Reclamation is going as scheduled and are spreading top soil of the east dump. Reclamation contractors are working on preparing the new dumps. A contractor sprayed about 105 acres of tailings with the same dust suppressant used successfully last year.

### **5. Sunlight Business Park Overview**

#### **a. Phase II Grant Status & HUD Special Grant**

Tom said JLDC is in the process of developing Phase 1 of the park that consists of 13 lots on approximately 48 acres. JLDC has a Phase II grant status waiting on approval with the EDA for about \$1.2 million for project infrastructure of roads, sewer and water lines and street lights. The county will provide the match money required for the grant. JLDC is also waiting on a special Congressional appropriation through Senator Tester's office for \$142,500 to help with the park infrastructure.

#### **b. Subdivision Update**

Tom said subdivision is working through the county. Once grant funds are received, JLDC will move forward on the park infrastructure and will then go to final plat. JLDC has preliminary plat with the county now. One business interested in locating in the park is biomass. There are several investors and individuals interested in doing something positive with the multitude of dead timber from the beetle kill.

### **c. Tax Increment Financing District (TIFD) Update**

Staff is helping work on a TIFD for the business park area and a couple meetings have been held with the county to change their growth policy and do formal State Department of Revenue requirements. The TIFD is in its final stages of getting approval. The purpose of the TIFD would be the incremental taxes that would be increased by development in the district would stay within the park to be used for infrastructure such as roads, sewer, water and lighting. It's a good business incentive for businesses interested in locating at the park.

### **d. Interpretive Center**

Tom said JLDC had an architectural firm design a building to be used for an Interpretive Center that would be located at the entrance to the mine. The educational center would have a history of GSM's mining operation and, as wind development happens, could expand the scope to include wind information and the development of wind. JLDC is looking at fashioning the center after the one located in Salt Lake.

## **6. Pavilion Construction – GSM Assistance**

There is an annual barbeque held during Whitehall's Frontier Days event and the mine supports the barbeque with cooking and setting up. There is a lot of labor involved in hauling picnic tables, tents, etc. and the mine has offered to partner with the town to build a pavilion where the annual event and other events could be held. Tom said the pavilion's location is in its final stages.

## **7. Fire Relief Update**

Tom said Whitehall lost nine businesses downtown to fire in March. A Fire Relief Fund was established and the mine stepped up as one of the major contributors and raised over \$40,000 and a lot of volunteer time to help those businesses and employees affected. As a result, all the businesses except one were able to get back into operation.

## **8. Veterans Home Update**

Last Legislature a 60 bed retirement home for Veterans in Southwest Montana was authorized. The six competing counties were asked to come in with proposals for the location of the home. The mine gave approval for some of their land to be used for the home and Tom said that is one of the three tentative proposal sites for Jefferson County. Timeline is for the committee to make a recommendation to Governor Schweitzer in April-May as to where the home should be located. A portion of the cigarette tax money will be used to build the facility. The home will bring good paying jobs to the county that is awarded the facility.

## **9. Other Items of Discussion**

**a.** Mary asked what type industry would be located in the park. Tom said because of the TIFD, over 51 percent of businesses locating in the park need to be value-added production.

**b.** Bill said the value of these tours to GSM and CTAC meetings has become pretty well known and this particular group and the relationship between the community, the mine and the general public is talked about a lot in organizational meetings throughout the region in Alaska. He again thanked Tom and Ken for coming to AK to see personally what needs to be done there and for their great feedback. Bill also thanked CTAC for interaction with the groups brought down from AK as it's vital to the educational process and also said he's honored to have Senator Lyman Hoffman in this group so he can hear and see what this is about and bring some of these messages back to AK.

Ken said he has thought about how to expand something like this into the Donlin Creek model because the villages are so much more spread out. Ken said Tom and he both went to AK, both have told the sustainable story statewide, the story has been told nationwide and has actually been told worldwide. Ken said keeping communication active is the key.

Denny said he'd like to see three-four more tours of other people from different areas come here to visit the mine as it would probably alleviate a lot of the fears the people have. He feels it would be good to promote an actual working mine doing what they should correctly and is environmentally friendly.

c. Senator Lyman asked if there are any comparisons between regulations on the way laws are governed on mines in Montana versus Alaska. Tim said it's not illegal to be an open pit gold mine in AK yet. Some of the special interest groups were able to get laws passed to make open pit mining and cyanide processing illegal in Montana (except open pit mining at GSM). Tom said don't have the county structure in AK as Montana has with the intermediate government and the metal mines tax. The State of AK needs to look at laws and make changes, if necessary. The Senator asked if there are some rules, regulations and laws in Montana that could be duplicated to alleviate some of the suspicions of the mining industry in AK. Ken said that's very valid but will never be able to alleviate all the suspicions as groups exist that are always suspicious and bring up accidents at mines from 100 years ago. The more Alaska is able to do as a state to alleviate their fears ahead of time the less the referendums come forward and the less speed they gain and less mistakes are made out of a sense of ignorance because they don't know what a good mine can do. Senator says what Barrick has done in the concept of safety first is important for people and operations. AK needs to do safety first for the land and resources as they need to know resources are going to be protected. Senator asked about the tax structure regarding the metal mines money and Ken explained the process. The Senator asked if there has been an analysis, if Montana's tax structure in mining is similar to other states and where Montana falls into taxing. John said if you look at all taxes that are paid, Montana is about in the middle and John explained Montana's tax structure. Senator asked if there was a document that shows a comparison of different tax structures for states. John suggested the Senator look at the Fraser Institute website and annual report as they do a comparison of every nation in the world that has mining and every state that does and is a very good report.

d. Mary said one of the bigger concerns from village meetings was about cyanide as Donlin would have cyanide destruction and tailings but would not have the levels of cyanide the GSM has. Tim said GSM will mine the tailings mainly to remove the sulfide. GSM didn't destroy cyanide at one time and there was an issue with water fowl landing on the tailings and potential bird mortality. Now GSM does destroy cyanide. Have a 0 discharge permit and none of the solution is allowed to leave the facility. Mary said the Donlin Donation Committee is developing a donations policy. First would be environmental protection for villages that have concerns with dumps or backhaul issues getting recycled and other hazmat materials out of communities and second issue of concern is cultural things. David O. David is a council member of the Bearing Sea Elders Council and their concern is about maintaining subsistence habitat and gave a donation. Tim said the mine is very concerned with conservation of the area for wildlife and the fisheries and have actively supported these areas financially. Alaska people are concerned with salmon population in Alaska as this is a main source of food for people living in rural Alaska. Tim said any mine built under current regulations and under current practices has about a 0 or very little chance of having any impact on fisheries let alone a significant impact to the fisheries. Mark said there are a lot of concerns over the use of cyanide but one of the benefits of cyanide is it's a compound that does break down rather rapidly and issues like ARD are more sustainable and more long term issues that can have extended impacts. Fred said he heard Mercury would be part of the by-product and, mercury, as he knows it, is not good for the fish. Tim said Mercury is a big issue and GSM doesn't have to deal with it as it isn't in their ore but the mines that do have Mercury have very elaborate scrubber systems on their refineries. Arsenic and Mercury are two high metals in the mountains in AK. Bill said the system designed for Donlin is very elaborate and exceeds all the current standards and also has a patent pending because of the ability to capture back 99 plus percent of the Mercury emission. Mark said for release of Mercury into water, there are very, very stringent standards.

e. Tom said there was a major transition from Placer Dome to Barrick Gold a few years ago. He said to look at the Dow Jones Sustainability Index; there is a North America and International Index; Barrick was added to the North America Index a few years ago and was recently added to the International Index. Three hundred top companies in the world and only seven mining companies are included. Barrick is doing mining right; it has a reputation to maintain as the world's largest gold company. Look at Sustainability Index and

see what the rating criteria is and it will give you comfort knowing we have a company of that quality here that wants to sustain themselves.

Next meeting is scheduled for **Thursday, November 19, 2009**, 8:00 a.m. at the Extension Office Conference Room. Meeting adjourned at 9:55 a.m.

#### **10. Ambulance Donation**

Dave Cole, Captain of the local Search and Rescue, was present to accept an ambulance donation from GSM. Tim said it's a great ambulance with low miles. The mine upgraded to a diesel with four-wheel drive this year. Dave appreciates the donation and thanked the mine on behalf of Search and Rescue and the community. The ambulance was outside so went outside to present Dave with the keys to it.

Respectfully submitted,

Nancy Wheeler, Note taker