

**Hard Rock Mining Impact Board
Meeting Minutes
April 25, 2014
MT Department of Commerce
Helena, MT**

Board Members Present

Mimi Cremer, Big Timber-Impact Area, District 1; Donna von Nieda, Nye-Impact Area, District 1; Joe Michaletz, Helena-Impact Area, District 2; Marianne Roose, Eureka-Impact Area, District 1; Andrew Werk, Harlem-District 2 was absent.

Montana Department of Commerce Staff Present

Jennifer Olson, Community Grants Bureau Chief, Andy Fjeseth, Hard Rock Mining Impact Board Administrative Officer, Ty Jones, Department of Commerce Attorney, and Amy Alton, Community Development Division Administrative Assistant.

Public present:

John Beaudry	Stillwater Mine	Diana Scolland
Jim Hart	Madison Co Commissioner	Warren McCullough DEQ
Dave Kirsch	Jefferson Co Commissioner	Herb Rolfes DEQ
Maureen Davey	Stillwater Co Commissioner	Susie Mosness Sweet Grass Co Commissioner

Welcome – Call to order

As there is no elected Chairman or Vice Chairman at this time, Mr. Fjeseth begins by welcoming all present at 9:06 am.

Roll call:

Mr. Fjeseth called the roll. The following members were present: Mimi Cremer, Donna von Nieda, Joe Michaletz, and Marianne Roose. Andrew Werk was absent.

Introduction from Department of Commerce Director Meg O’Leary

Ms. O’Leary is thankful all have come. It is time to reintroduce one another as there is a lot going on and there is good cause to meet. She thanked the Board for their support and interest. Introductions were made between the Board and Department of Commerce staff.

Opportunity for Public Comment

The following individuals provided comments:

- Commissioner Maureen Davey – Glad to be here as Hard Rock mining affects her county very much. She inquires if there has been an updated “Guide of the Implementation of The Hard-Rock Mining Impact Act and Property Tax-Base Sharing Act” book. Also, she inquires as to whether the Appendix A form in the Impact Plan is being signed by Board members. She states that there are very important checks and balances that must be maintained.
- John Beaudry – Stillwater Mine paid 17.5 million in taxes. Monitoring done annually is basis for the taxes paid and the Mine takes the monitoring very seriously. He is very pleased to see the Hard Rock Mining Impact Board meeting again as it is very important to the county and thanks the Board.

Functions of the Hard Rock Mining Impact Board

- Board Operations: Mr. Fjeseth begins by speaking about procedure of the Board, forms to fill out etc.

He reads a summary of duties, procedures, and the Act covering operation. Ms. Olson reads the MCA that affects the Board, cites a map that shows Mines that triggered the need for the Board and the MCA that cites the Board's and the Department of Commerce's responsibilities and the processes of each.

- There has been some disparity between the "Guide of the Implementation of The Hard-Rock Mining Impact Act and Property Tax-Base Sharing Act" binder and the process. How would the Board like to handle this? Staff proposes to revisit the binder and report back to Board for a better process and to insure legalities are met. Taxes are being paid out to Counties without the signatures of the Board. The Board may or may not wish to change this. Ms. Olson suggests more regular meetings to have the Board make comment on procedures and to update the binder.
- **Questions and comments from the Board** – Board commented that money is being paid to the counties and that it is important to be on the same page.

Action by the Board: Staff will update the "Guide of the Implementation of The Hard-Rock Mining Impact Act and Property Tax-Base Sharing Act" binder. Motion to update the binder is made by Ms. Cremer. Ms. Roose seconded. Motion passed.

- Mr. Jones, Commerce Attorney: We believe the procedure previously was to have staff carry out these duties in past years. Now we want to be sure we are handling tasks as this Board sees fit.
- Ms. Olson, Grants Bureau Chief: There have been no problems in the past but we do want the Board to clarify the process.
- Stillwater Co Commissioner Davey: Knowledge has been lost about this process. John Beaudry has much historical knowledge.
- John Beaudry: Impact Plans last about 4 – 5 years from implementation of the plan. Payments and tax base sharing and Metal Mine Tax continue being allocated based on statutes.
- **Questions and Comments from the Board** – All have benefitted by Stillwater Mine being so easy to work with. We have become complacent, it is time to re-group.

PowerPoint presentation by Legal Counsel Ty Jones on the Public Process.

Presentation by Andy Fieseth regarding Robert's Rules of Order

Update of the current Montana Hard Rock Industry by DEQ

- Mr. Warren McCullough with Montana Department of Environmental Quality (DEQ) – Herb Rolfes is also here with me today. Our office currently oversees 70 mine sites, regulate more than one hundred exploration licenses and many more small mining sites. There are six major metal mines: *Stillwater Mine-Nye*, *Stillwater Mine-Boulder*, *Montana Tunnels* which is currently dormant, *Montana Resources* which is grandfathered and therefore not under Hard Rock Mining Impact, *Golden Sunlight* also grandfathered, and *Troy* also grandfathered.
- Other mines include: *Rock Creek* which is in permitting and will need a HRMI Plan, *Montanore* will need a HRMI Plan – DEQ issued a permit for them in the 1990's but it will need to be updated. They still are dealing with a wetlands issue but the final EIS should be out in September with a decision in early 2015. DEQ is waiting on Federal partners to make decisions.
- DEQ has issued 15-20 permits for much smaller sites.
- *Drumlummon Mine* – At times the mine had enough people for a permit but worked under an Exploration Operation permit. DEQ offered an Operating permit but the Mine applied so poorly that they just ended up drifting away.

- **Questions and Comments from the Board** - Did the Mine just decide that the regulatory burden was too much? DEQ – Cost of production exceeded the amount the Mine was producing. For a time it was high-grade ore, over 9 ounces per ton of gold and silver, but those numbers didn't last.
- *Butte Highlands Joint Venture* – This Mine has potential to be an underground gold mine but has run into water problems. An EIS is being worked on. The Forest Service has some concerns where the ore comes out and the Mine is working to resolve that.
- **Public Comments** – This Mine is right on the county lines between Butte Silver Bow and Jefferson. What happens when the Mine crosses county lines?
 - DEQ – The Department has no control over that situation.
- *Garnet USA* – This operation is extracting garnets from slag piles near Alder. It is starting as an open pit mine. The Board and DEQ need to watch this one. It has 48-60 employees currently and has a 37 year projected project. The garnet extracted is an industrial grade, useful in cleaning, sandblasting and shaping, much like a torch. DEQ just conducted the first inspection and the Mine is exceeding expectations and doing a fine job with the maintaining of roads and such. The pit has not quite developed yet.
- **Public Comments** – Madison County Commissioner Hart thanks DEQ for permitting the mine.
- *Tintina* – This is a proposed copper mine north of White Sulphur Springs. It will be underground. DEQ feels that there has been willful misinformation being circulated. There should be no comparison to the Berkley Pit. DEQ is happy to answer any questions about the mine. Tintina was originally known as Sheep Creek but at the time it started, prices were not favorable and it was put to bed. Tintina has a deposit that is quite rich. They now want to re-open the Exploration Permit and are hoping to do drilling late this year or next and will submit for an Operating Permit. DEQ has done exhaustive analysis and tests to see if any impact on water as required by law. Length of time for this process is unknown.
- *Kennecott* – This is near Garnet and it will be a make or break year for it.
- *US Rare Earth* – This is on the Montana-Idaho border. It remains to be seen what will happen here.

Example of an Impact Plan

- Mr. Fjeseth briefly touched on the example impact plan included in the members' binders.

Chair and Vice-Chair Election

- **Questions and comments from the Board** – Mr. Michaletz requests that each member give a brief overview of his or her background. Each member does so.

Action by the Board

- Ms. Roose makes a motion to nominate Mimi Cremer as the Chair. Seconded by Ms. von Nieda. Motion passes.

Action by the Board

- Chair Cremer makes a motion to nominate Marianne Roose as the Vice-Chair. Seconded by Ms. von Nieda. Motion passes.

Board Matters:

Mr. Fjeseth reported on the Stillwater East Boulder Mine Metal Mines Tax Allocation paperwork that Hard Rock and Community Development receives.

- **Public Comment** – Mr. Beaudry stated that the Mine meets with each County before sending the paperwork to the Hard Rock Board and Community Development. This is a collaborative effort by both the company and each county. After the board concurs with the figures in the letter, it then is sent to the Department of Revenue and the Board will get a copy of it. This follows the process as has been

done but a new process can be established however, the East Boulder Impact Plan has a process in place that is slightly different but cannot be changed.

- Ms. Olson states this is something that can be addressed with the update to the binder.

Mr. Fjeseth then makes a recommendation regarding when the next board meeting will be held. Staff recommends twice per year with the next one in mid-May and then in October.

Action by the Board : A date is agreed upon to meet again May 14th with a conference call and that the October meeting will be established then.

Other Matters:

Mr. Beaudry states there are reports on the table for the public and board to have a copy of Commissioner Davey requests all to attend their board meetings.

Ms. Mosness thanks the Board, staff and Stillwater for all their help.

Adjournment:

With no other business, the meeting was adjourned by Chairman Cremer at 11:48 a.m. The next meeting is scheduled for May 14, 2014 at 9:00 am with a conference call.


Mimi Cremer, Board Chair

6/26/15
Date