

Community Transition Advisory Committee (CTAC)
Meeting Minutes
April 8, 2010

CTAC meeting was held on 4/8/10 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, Tom Harrington and Nancy Wheeler. *Guest:* Jared Brown

1. Welcome and Introductions

Tom called the meeting to order at 8:08 a.m. Introductions were made.

2. Minutes of Last Meeting

Tim D. made a motion to approve the meeting minutes from 3/11/10; Ed 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 the mine currently has 150 employees and 70 contractors. The 5B Optimized stripping is on target despite again losing the electric shovel house rollers. The shovel is expected to be down at least another month. Backhauling soil is expected to be completed this month and the mill refurbishment is going according to plan. The tailings dam construction started this past week; the contract was awarded to Smith Construction.

The state signed a milling contract this past week for the McLaren tails cleanup out of Cooke City and material is expected to be shipped to GSM the middle of next year after the mill is running. Tim D. said the McLaren tailings project has approximately 300,000 tons to be cleaned up and the State is proposing 80,000-100,000 tons be shipped to GSM in 2011. Tim D. hopes that their toll milling efforts will help to grow some underground gold mines in the area and said GSM is not only in the role of trying to encourage small companies to develop their resources and ship GSM their ore, but also considering maybe providing more than just verbal encouragement. Tim D. said he will contact the Ledger for press on the project and will also talk to the Ledger about press on conservation projects and other positive good things that are a result of GSM being in existence. Tim D. heard through the Mining Association that FWP was going to do an article in their magazine on the positive aspects of mining and will follow up on that with FWP personnel.

The mine's backfill litigation judgment hearing is rescheduled for Wednesday, May 5th, in Boulder. There will be no testimony at the hearing; however, the hearing is open to the public.

b. Permit Expansion Update

GSM received the permit for the crusher modification that was required for the east area project. The mine is working through some geotechnical issues for the east pit and plan to submit the permit application for the project by the end of the month.

c. Concentrator Feasibility Status/Permitting

Engineering and plant site geotechnical work is ongoing and should see drills on the T1 tailing stand next month; doing more definition of what would be going through the concentrator and the detail design on the floatation plant. Tim D. said there has been no final decision made on the project because Gold Strike Mine has a backup that has taken the urgency away from the decision.

d. Wind Development Update

Mark said Gamesa gave the mine feedback on the information sent them and GSM is in the process of answering a set of questions received from Gamesa that will help them determine if they are interested in the mine site.

e. School Mine Tour Update

Robyn Smith, fifth grade Whitehall teacher, contacted the mine for a tour. The tour will be held May 10th from 12:30-2:00 p.m. and will include 25 students and five adults.

4. GSM Environmental Update / Public Water System Update

Mark said there were no environmental reportable incidents the last month. The DEQ initiated a no penalty enforcement action on the drinking water plant and the mine is to inform the DEQ as to what their plans are to come into compliance and propose a schedule to come into compliance. Mark said the mine is way ahead of schedule and is putting in a nano filtration plant similar to reverse osmosis. GSM submitted the plans to DEQ for changing the public water supply system. DEQ approved the plans, Barrick approved the project and equipment has been ordered and is four-six weeks out. The parameter the mine is struggling with for compliance is the disinfectant by-products. Mark said the requirement for sampling is once a quarter and compliance is based on a rolling annual average of the previous four quarters. The plan is to get the plant in, running, commissioned and fully functional by the middle of June and the mine is hoping to be back into compliance by the end of the second quarter of 2010; however, since it is an average, it may be the third quarter of 2010.

The mine had a minor revision to the permit to change the conveyor system and is planning to submit an application for revision to the permit for the concentrator into DEQ by tomorrow. The mine's goal is to have the east pit permit in by the end of the month.

There are a couple programs being worked on at the mine that are big projects. One is an Environmental Management System (EMS). There is an international standard criterion to become certified and have a certified EMS. This is a big project for the environmental department. Barrick has their own standards for an EMS and GSM's goal is to be within the criteria set by Barrick the end of this year and to become ISO 14001 certified by the end of next year. There is a lot of public involvement included in an EMS so there may be an opportunity to give a couple presentations on EMS at CTAC over the course of the year.

The other project is a Cyanide Code. The Cyanide Code formed essentially from a group of manufacturers and users of cyanide uniting, acknowledging the bad reputation and name cyanide has and educating the public that cyanide is essentially used in a responsible manner, manufactured in a responsible manner, transported in a responsible manner, etc. Barrick was one of the companies that signed the Cyanide Code. The code is like an international standard that applies internationally. GSM had less than a year left of mine life when Barrick signed the code, so GSM was exempt from being code certified with the caveat that if there was an extension to mine life, GSM would become certified. Part of the code is public involvement and making the public aware that yes, the mine uses cyanide and educating the public on how it's managed in the most responsible manner possible. One of Barrick's regional personnel would like to come and talk to CTAC probably mid to late summer about the International Cyanide Code and being in compliance with that code at GSM.

Mark said the tailings dam construction has started and was awarded to Smith and Sons. Since Smith and Sons does a lot of the mine's reclamation work, reclamation will probably slow down while their equipment is constructing the dam. Mark reported quite a few acres have already been seeded this spring and seeding will cease about the middle of May. One of the big dumps on the west side is getting capped and there is about two months worth of dumping left on the south dump that's visible from town and, after dumping is completed, will start resloping and hope to have that all taken care of and reseeded by fall of next year.

Mark stated the mine is working on close to a million dollar exploration program targeting three areas to submit to DEQ for permitting and said it's encouraging to have the exploration budget as GSM hasn't had a significant exploration budget since late 1990's. Ed commented that with all the negative things going on historically in Montana with mining, he wonders if Whitehall realizes how blessed we are to have a company

like Barrick present in the community to sustain the economy for as long as they have and to have an outlook that is so positive and beneficial to the community. Ed said the mine has revived the mining industry in Montana and it has happened right here in this community and Whitehall should be proud and thankful for the mine.

5. Safety Fair – April 24th

The Safety Fair will be held April 24th in conjunction with the Jefferson River Rally and is an ongoing event the GSM started several years ago as sponsors. This year's event has 26 vendors/displays registered. Tim D. suggested changing the name to "Safety & Health Fair" as many of the booths center around health.

6. Sunlight Business Park Overview

a. Phase II Grant Status

JLDC staff is moving forward on the funding status for EDA who has very prescriptive procedures and guidelines on advertising, etc. The engineer was recently approved and now working with legal personnel on lease agreements to meet EDA requirements. Moving ahead with the HUD grant and finalizing the water system development. Tom said still on track to break ground this summer and as soon as final approval is received from EDA, staff will proceed with the bid documents. JLDC is waiting on one requirement from DEQ on the lot rewrite which reduces the 200 acre project to 48 acres. Have gone through recertification on the subdivision process and are looking again at discharge permits and water, etc. Final approval is expected soon.

b. Subdivision Update

Still on preliminary plat and, as infrastructure is developed, staff will go to Commission for final plat approval.

c. TIFID Update

The TIFID Advisory Board met yesterday. Two TIFID districts are established; one being in the south end that encompasses the GSM and includes the business park. Staff met with the engineer working on the potential concentrator project at the mine and JLDC might be able to help with TIFID dollars. The county engineer looked at the extension of water and sewer lines, roads and whatever else needed for the concentrator if the project is approved. TIFID dollars might also be able to be used on the rail spur even though it's outside the district because if there is no concentrator, wouldn't have the rail spur and Tom explained if there is linkage with the TIFID district to benefit from the rail spur it would qualify for TIFID dollars. TIFID dollars could also be used on Paul Gulch Road for the wind project as it directly relates to activities inside the district.

Cretex, the company building in the north TIFID district, located near Ash Grove Cement in Montana City, has equipment on site, ground tore up and are building a concrete manufacturing plant. Cretex has an initial \$4 million build-out and will be \$12 million within a few years.

7. School Budget

Superintendent Paula Johnston distributed a very informative handout on the 2010-11 Mill Levy and said it's become necessary for several reasons to run mill levies in the Whitehall elementary and high school districts for operating in 2010-11. Paula explained the reasons for the mill levy in detail. The handout included two option scenarios for each the Elementary District and the High School District and the cost for the mill levy to the taxpayer. Discussion followed. Paula plans to talk with other town groups and will submit a news article to the newspaper.

8. Montana Mining Association Meeting

Tom 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 speak on Risk Assessment. More information is available at <http://montanamining.org/>

9. Pavilion Status – GSM Assistance

Tom said the project is moving forward and are in the process of coordinating with other necessary agencies. The pavilion is expected to be completed for use at Frontier Days this summer.

10. Other Items of Discussion

Tom distributed two handouts on the Mountain States Transmission Intertie (MSTI); one from the NorthWestern Energy website, the other article was written by PSC Commissioner, Brad Molnar. Tom said he attended a very informative meeting in Whitehall recently where PSC Commissioner Brad Molnar was present. The handout from the NW Energy website is their take on the MSTI and its potential property tax benefits, wage and job benefits and CO2 emissions and water conservation benefits. The article by Brad Molnar addresses a different take on the MSTI and its negative aspects. NorthWestern Energy is not a utility that produces energy, they transmit energy. California currently pays about \$104 per megawatt for base-load power while Montana pays about \$48. Montana will likely pay market rate for energy making the impact of the MSTI to Montana not only in the aesthetics but also in the energy cost increase to the rate payers. At the meeting held in Whitehall, some of the citizens advocated being able to bury some of the lines for aesthetics. Discussion followed. If interested in more information on MSTI, NorthWestern Energy has a website that includes maps, etc. Groups have been submitting public comments on the MSTI delaying the release of the draft EIS. Once the draft is completed, the public and other parties will have several weeks to comment, after which the agencies will make a final decision on the project.

11. Next Meeting Date/Time

Next meeting is **Thursday, May 20th, 2010** at the Extension Office Conference Room in Whitehall at **8:00 a.m.** Meeting adjourned at 9:37 a.m.

Respectfully submitted,

Nancy Wheeler