

**Community Transition Advisory Committee (CTAC)**  
**Meeting Minutes**  
**April 28, 2011**

CTAC meeting was held on 4/28/11 in the Extension Office conference room in Whitehall. *Attendees* were Tim Dimock, Mark Thompson, Leonard Wortman, Gerry Keogh, Justin Gibson, Paula Johnston, Ann Geiger, Roy McBride, Tara Mastel, Tom Harrington and Nancy Wheeler. *Guests:* Greg Corr, Bill Brown, Ed Simon, Alaska visitors included Bill Bieber, Kurt Parkan, Boise Alexie, Vernon Chimegalrea, Art Heckman, Lloyd Heckman, Marce Simeon, Jerry Peterson, Doug Moffit, Morris Alexie and Robert Golley.

1. Tom called the meeting to order at 8:05 a.m. Tom explained the background and function of CTAC and followed with introductions.

**2. Minutes of Last Meeting**

Gerry made a motion to approve the meeting minutes from 4/14/11; Roy seconded the motion. Minutes were approved as published.

**3. CTAC Sustainability Presentation**

Tom gave an informative sustainability power point presentation that recognized the partnership between Barrick Golden Sunlight Mine (GSM), Jefferson County and the community of Whitehall. Tom informed the group on the history and background of the mine stating GSM is an open pit mine that started operations in 1982 and, at one time, employed over 300 people. The mine presently employs about 208 employees and 82 contractors. GSM initially had a five-year mine life, is still operating and has produced over three million ounces of gold. A major transition of the organization occurred when Barrick Gold Corporation purchased GSM from Placer Dome in 2006. The mine is in the process of doing a pit layback to obtain more ore and mine life is projected through 2015; the mill reopened in January, 2011.

Barrick GSM is committed to making a positive difference and bringing long term benefits to the community, sharing the benefits of GSM's mining activity and contributing to the economic and social development of the community. Tom explained each of Barrick GSM's sustainability core values the mine operates under; environment, social impacts and economic impacts. Environmental protection is key for a mine to remain in operation and reclamation at the mine is an ongoing process that has been happening for 20-25 years and will continue. The mine owns a large ranch property that's in agriculture right now. The ranch is a nice asset that offers recreational opportunities. The Fish, Wildlife & Parks (FWP) started a turkey stocking program a few years ago and, as a result, the area now has a turkey hunting season. The mine has been involved with FWP and Trout Unlimited to improve trout habitat and spawning grounds on the river and sloughs. The mining culture in the area thrives and GSM has second generation miners that work hard, have good work ethics and help educate the non-mining community on operations at the mine.

Montana has a metal mines tax where a portion of the mine's state taxes come back to Jefferson County and the community. Grant funds from the metal mines taxes have helped finance community projects such as upgrades to the rodeo grounds, baseball fields, soccer field, swimming pool, a skateboard park, addition to the library and other infrastructure things to benefit the local citizens. Other community benefits Whitehall and area have gained from the mine include employment opportunities, a family fish pond outside town stocked with trout, 200 acres for a business park and potential wind energy development. 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. A Community Foundation was formed a few years ago and the mine made a sizable initial donation to get the Foundation started and has made a commitment to give an additional \$10,000 per year to that organization. The Foundation gives back quite a few thousand dollars to community projects annually. Whitehall suffered a major fire that burned a good portion of the downtown area. 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. The mine was a contributor for an ambulance barn that is being built to expand our medical services. The economic impact of the mine was almost \$14 million in payroll and benefits in 2010 (about \$301 million over the entire life of the mine), about \$40 million in tax revenues over the life of the mine and is a big part of our county's tax base and about \$33 million in 2010 (\$874 million over the life of the mine) in goods and services the mine needs to operate. This money supports a lot of other businesses in the community and area and the businesses, in turn, hire and support additional families. The mine conducts a periodic Community Survey by a professional firm to be sure what the mine does is in concert with what the community wants.

Safety is a huge part of the culture at Barrick and GSM has won numerous awards for their good safety records. That safety mentality is brought back into the community and activities in town. The mine sponsors a Community Health and Safety Fair annually to educate the public.

CTAC was formed in 2001 when the mine was looking at closure and losing a lot of employment and tax base. 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 individuals who are very visible and in contact with a lot of people in the community and can disseminate information as it comes to them from the mine leadership. CTAC's first priority is to sustain mine operations as there is mutual benefit in continued operations and CTAC's second priority is to mitigate some of the impacts when the mine closes. It would have been very beneficial to have started the CTAC process when the mine started back in 1982.

The Alaska guests had some questions and concerns for the group. Questions and discussion included information on hiring local employees, hiring for positions where external skills are needed and attracting people from other areas to locate in their region versus commuting. The Alaska region is comprised of 57 villages spread out over the size of Montana so they have a different makeup and their concerns are different from Montana. Roy emphasized what the value of the mine's employees and contractors are to the town as many of the employees' spouses work for town businesses and, in many cases, are key personnel. Tim said for all natural resource jobs, not just mining, three-four jobs are generated in other businesses.

Another concern with the guests is the negative propaganda on TV regarding mines. This affects a lot of people in the region as fishing is a major part of their history and it puts a scare into how much damage mining will do to the region. Tim said Montana also has powerful environmental groups that are very good at telling partial truths and using fear tactics regarding mines to the public. The mining industry, over the past 20 years, has done a good job cleaning its own act up and raising its own standards so it does have the social license to operate, Tim said and, if viewing that type of propaganda in Alaska, should challenge it as most probably the information comes before that time frame and, if not, is probably not 100 percent true. One of the mines Montana's local environmental groups like to use as an example is a gold mining company from the 1980's, the Zortman-Landusky Gold Mine, that was very active in Montana and went bankrupt. In the early 1980's, the government and mining companies were not very good at determining the cost of closure, so when the company went bankrupt, the state was left with about \$10-\$15 million worth of \$50-\$60 million worth of closure liability. The environmental groups like to use this mine as an example of a mining company that came and left the taxpayers with closure costs. The reality is the same mine probably generated four-five times that benefit when it was in operation and Montana actually came out ahead. One of the regulations the government is very good at now is requiring companies to bond their environmental liability. GSM has an \$84 million bond, which is essentially an insurance policy that states if GSM goes bankrupt, the insurance company will pay for the closure of GSM. Tim said there is not a single body of water in the state of Montana that is impacted by cyanide but it's a scary word that's very effective in scaring people. Bill said the Zortman-Landusky Mine issue commercial is currently going on all over Alaska. Tim advised the Alaska group to be aware of partial truth ads the environmental groups use to scare people.

An Alaska guest asked how a community can be more cautious about cyanide. Research she did found GSM had a 19 million gallon cyanide-laced water spill and asked how the community responded and how GSM shared the information with the community. Tim said that was the first tailings dam GSM built that wasn't synthetically lined and the slurry wall did allow 19 million gallons of effluent with cyanide in it to leave the pond. Tim said "spill" would be a stretch as the effluent never left the mine site. The mine was able to manage it quickly by putting in wells below that creating a water sink and closed the wells and pumped it back into another tailings facility to contain it. It was a mistake but it was manageable and was not a permanent mistake. Cyanide doesn't like being cyanide and wants to be something else. High cyanide levels went away quickly and never moved far; started seeing some degradation products and the cyanide ultimately went to nitrates and now they are going away. Nitrates are essentially fertilizer the farmers put on their fields. It is actually very difficult to find evidence that the incident ever happened. That tailings impoundment would never be built today as it would be unacceptable where thirty years ago it was acceptable. CTAC was not developed yet for interaction between the mine and the community when this incident occurred. Bill said GSM communicated with the Town Mayor and regulatory agencies and within a week, everybody understood what the problem was. The community had concerns and, once explained, everyone was in the loop of the process going on and the corrections being taken. EPA also interfaced with the community. Leonard said people in the community are very supportive of the mine. The mine is in the process of obtaining International Cyanide Code certification and Environmental Management System for ISO 14001 certification and expects to become certified under both this year. Since CTAC's inception, an environmental update item is on the agenda and, if anything happens at the mine, it is reported at the CTAC meeting or GSM will send an email out, even when sometimes it's not a reportable incident. Tim said there is new technology with liners and pipes and destroying cyanide used.

Another major challenge in Alaska regions is energy and the Alaskans are looking at alternative energy and asked what other forms of energy have been included at the mine that have benefitted the community. Tom said they are working on a wind generation project at the mine and studies have been done. SBP has some companies potentially interested in having some type of biomass operation located in the park as an alternative energy; however, there is currently no project on hand. A Science & Technology Committee has been formed and is in the process of applying for a grant to look at some opportunities.

Bill said the Donlin Creek Mine in Alaska has completed exploration and is finishing the feasibility study on the natural gas line project. Last time the Alaska contingent was here the mine was just finishing the field activities on the gas line. Some geotechnical drilling is needed this year to reroute some areas of the gas line. The permitting process has been delayed to include the 318 miles of natural gas line and hoping to have both ready for permitting by the end of the year. In bringing the natural gas line up to the region, it will be built with greater access than what the mine needs so there will be some alternative energy possibilities there.

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

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

Tim reported having a good year on the safety environmental front but a challenging year on both the mine and mill production front. At the last meeting, instability in the southwest corner of the pit was reported. The area was isolated, geotechnical consultants brought onsite and a plan was developed to mitigate the instability by building a buttress up to the base which will cause about a 1700 ounce resource loss. The mine is also in the process of mining through old failures on the outside of the benches, going through some really large rocks never drilled or blasted, and is hard on the equipment. Broke sticks on the electric shovel a week ago and the hydraulic shovel is down for a scheduled rebuild, so have one digging unit. Tim said the mine is at a point where the production plan will need to be reforecast as it is about 70 percent on target year to date and won't be able to make up the shortfall.

The mill is gaining some on the recovery issue by increasing the rate the carbon is being reactivated. One of the problems is in the organic material in the east area ore being mined. One impact of the recovery

problem is the delayed acceptance of third party ores as the mine doesn't want to accept or purchase third party ores as can't get the recovery the mine would expect and there is no place to haul and stockpile it right now. Suppliers are anxious and this also impacts some of the local contractors that are contracted to haul the material to the mine.

#### **b. Wind Development Update**

The mine has received no response from the current lease holder regarding extending their lease. The lease has expired so the mine is pro-actively searching a new lease holder and is sending information to a potentially interested party.

Tim sent an invite to the CTAC group for a tour with Rick Hill, Republican Governor candidate, tomorrow. The tour is from 9:30-12:30 with lunch following.

### **5. GSM Environmental Update**

Mark reported no environmental incidents since the last CTAC meeting. The mine did receive the engineering designs for the next tailings impoundment and it will be a two-year project. The mine will do a lot of earthwork this year and next year will finish up the earthwork and do all the liner work. Reclamation on the South Dump continues and getting ready to seed about 30 acres that was prepared at the end of last year.

“Mine Design and Closure Conference” will be held at Fairmont the first week of May. Mark will give a presentation on a water treatment demonstration project the mine finished last year.

Sonny Huckaba, who leases mine farm land, is talking to a local potato farmer who is looking at leasing part of the ranch for growing potatoes. The potato farmer will put in hay the first year, then potatoes for two years and will leave it in alfalfa when finished leasing. The mine is working with Sonny to see if there are different ways to provide irrigation for the potato farmer; possibly looking at some center pivots. The mine would like a better understanding of how many people use the ranch for what purposes; therefore, a sign-in box for people to sign in and tell what they are doing on the ranch should be in place this week to help the mine make management decisions with better information on current uses. The mine is also looking at developing more livestock watering so Sonny can distribute his cattle better around the ranch instead of just the bottom where there is water.

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

#### **a. Construction Status**

Tom said contractors are behind schedule a few days, primarily due to weather delays. Infrastructure is scheduled to be completed the last part of June or beginning of July. The contractors did the mine road crossing this week which was a big part of getting services and utilities across the mine entrance road.

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

Jefferson Local Development Corporation (JLDC) has preliminary plat and, as soon as roads and infrastructure are in, will go for final plat.

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

JLDC is looking at building a natural resource Interpretive Center combined with a Business Assistance Center/Incubator that would be unique with virtual computer links and simulations.

#### **d. Science, Technology and Innovation Committee**

A Science & Technology Committee was formed a couple months ago with people interested in looking at the opportunity for computer simulations and alternative energy. A company out of England is potentially looking at doing a demonstration project on new wind technology and another company is looking at biomass opportunities for the business park. The business park is an approximate \$1.4 million build-out project.

## **7. Safety Fair**

Whitehall's annual Health & Safety Fair, supported by GSM, was held Saturday, April 16<sup>th</sup>, at the Community Center. Twenty-seven vendors from assorted agencies were present. The event had a good turnout and is another example of the safety culture in the community.

## **8. Other Items of Discussion**

a. Mark said he heard the metal mines tax may be put into the State's general fund instead of going to the county. Tom said that is part of HB2 Appropriations and explained that twenty-five percent of the gross proceeds of GSM's state taxes come back to Jefferson County and into their metal mines account and the State is looking at taking one percent of that amount, approximately \$80,000, for the State's general fund; the remaining twenty-four percent would still go to the county. Not sure if this bill has been signed or passed yet, however.

b. Mark gave a Legislature update. SB312, a modification to how a mining permit application is processed, passed the Senate and House, went to the Governor who did an amendatory veto on it and changed it some. The bill's sponsor did some negotiations with the Governor's office, then it went to conference with the House and Senate and the bill was amended to what the negotiations with the Governor's office were. The bill now needs to again go back through the House and Senate and then to the Governor. SB367, the nutrient criteria legislation was signed unamended by the Governor and the MEPA Bill, SB233, is in the Governor's office.

**9. Next Meeting Date/Time** Next meeting is scheduled for **Thursday, June 9<sup>th</sup>, 2011**, 8:00 a.m. at the Extension Office Conference Room. Meeting adjourned at 9:25 a.m.

Respectfully submitted,

Nancy Wheeler