

Executive Director Report

Greetings:

It's April and spring cannot be far off. It has been a long winter and I can't imagine there is anyone who is not looking forward to longer, warmer days and the ability to cast off the long underwear and winter coat.

Your Association has been humming with activity. Annual meeting planning, the 2014 magazine, committee meetings, legislative interim committee meetings, rules comments, scholarships, career fairs, etc. have consumed the days.

I hope you are making your plans to attend the Annual meeting at Fairmont. While still finalizing the agenda, we are taking in registrations for attendance and trade show booths. It's going to shape up nicely and we are looking forward to seeing a large crowd in May at Fairmont.

As a reminder, if you are still working on a feature story or a committee report for the magazine, the deadline is here. Please get them shipped in. If you need assistance, don't hesitate to call.

Feel free to contact me at any time via email at tjohnson@montanamining.org or by phone at (406) 495-1444 (MMA office) or (406) 287-3012 (Environomics' Whitehall Office).

Tammy Johnson, Executive Director

REGISTER NOW! – 2014 MMA Annual Meeting May 28-29, 2014 at Fairmont Hot Springs Resort

Registration is now open. You should have received a registration form in your mailbox. If you haven't received your packet of forms, please call the office. The registration and sponsorship forms are also available on the MMA website at www.montanamining.org. We expect the trade show to sell out quickly so if you would like to have a booth at the meeting, don't delay!

The 2014 MMA Annual Meeting is shaping up to be a great event. An informative program is being outlined and the golf tournament, long a favorite of members, is being organized. We are adding a skeet shoot for those who may be more interested in "blasting" instead of "hacking" and Deer Lodge attractions, including the Grant Kohrs Ranch Historic Site, the Old Prison, and the Car Museum, will be great stops for this year's tour.

The golf tournament, skeet shooting and the tour are all schedule for May 28 at 10:00 AM. That afternoon the MMA Board of Directors will be meeting as will the MMA Safety and Health Committee. This year, the Annual Meeting will be hosting a candidate meet and greet as part of the reception that evening. The meeting agenda will be full and final details are being coordinated. We will notify you of the final agenda once complete.

Membership Dues

A sincere thank you to our many members who have renewed their membership or joined as a new member in January, February and March.

Please respond as soon as possible with your 2014 dues contribution. Second notices have been sent out to those who needed a little extra time. Get your dues in now so you can continue to receive MMA communications and stay informed. The MMA is a great organization with many members contributing their time and talent to ensure the business of mining not only continues, but to thrive in Montana.

We are always looking for new members as well so if you know of someone who may be interested in joining, please contact us. If you have questions about your membership or your invoice, please contact the office. Laura is ready to assist you with your needs or with answers to your questions so don't hesitate to contact her via email or phone at lifeist@montanamining.org or (406) 495-1444.

A complete listing of our supportive members who renewed in January thru March and newly joining members follows at the end of this newsletter. You can jump to the list by clicking <u>January - March 2014 MMA Members</u>.

MMA Committee Reports

Legislative and Environmental Committee

Committee members remained necessarily focused on the Numeric Nutrient Criteria rulemaking process. Members have attended many meetings and conference calls in an attempt to ensure that whatever rules are promulgated are workable for the mining industry. The Nutrient Numeric Standards package, including proposed standards, rules, variance process and guidance received hearings before the Board of Environmental Review and the MDEQ in on March 24, 2014. The Committees are also giving their attention to the election cycle and the 2015 legislative session.

Membership Committee

The Membership Committee is focusing its 2014 efforts on recruiting new members and the updating of the Membership Directory. The Committee also spearheaded the MMA attendance at the Montana Tech spring Career Days in Butte and are contemplating a calendar for 2015.

Safety and Health Committee

Applications for the 2013 Safety Award (awarded at the 2014 Annual Meeting) went out in January and were reviewed in March. Winners of the awards have been chosen and the awards will be presented at the 2014 Annual Meeting. Of course, the Committee continues its important work of promoting safety and its monthly exchange of critical information which not only informs but assists everyone to operate in the safest manner possible. Don't forget that the Committee has again secured Mark Savit to be this year's Annual Meeting Safety Speaker.

Education Committee

Your Education Committee members are hard at work. The Ambassador presentation has been updated and the MMA website is slowly but surely being updated. The committee has worked with the Montana Tech Foundation to ensure MMA Scholarships are awarded to some worthy Montana students. Scholarship recipients will be announced soon and will be included in the 2014 Montana Mining magazine.

Support For Energy Exporting

The Montana Mining Association, along with the Montana Chamber of Commerce, Montana Contractor's Association, Montana Coal Council, Montana Association of Oil, Gas, and Coal Counties and Montanans for Responsible Energy Development, has asked Montana's former US Senator, and now US Ambassador to China, Max Baucus to enhance Montana's presence in the region, leading to new opportunities for job creation and economic growth in Montana. The letter also suggests that Ambassador Baucus convene a summit between Montanan and Asian interests to discuss energy export opportunities. The letter is attached in this email and is available on the Montana Mining Association website, www.montanamining.org.

Waters of the U.S.

U.S. Environmental Protection Agency (EPA) along with the U.S. Army Corps of Engineers (USACE) released the Definition of "Waters of the U.S." Under the Clean Water Act proposed draft rule to clarify which of the nation's waterways fall under the Clean Water Act (CWA) permitting requirements.

The first 8 pages of the document listed below provide a summary of the rule. The following are excerpts from the summary:

The agencies propose to define "waters of the United States" in section (a) of the proposed rule for all sections of the CWA to mean: traditional navigable waters; interstate waters, including interstate wetlands; the territorial seas; impoundments of traditional navigable waters, interstate waters, including interstate wetlands, the territorial seas, and tributaries, as defined, of such waters; tributaries, as defined, of traditional navigable waters, interstate waters, or the territorial seas; and adjacent waters, including adjacent wetlands. Waters in these categories would be jurisdictional "waters of the United States" by rule – no additional analysis would be required. The agencies emphasize that the categorical finding of jurisdiction for tributaries and adjacent waters was not based on the mere connection of a water body to downstream waters, but rather a determination that the nexus, alone or in combination with similarly situated waters in the region, is significant based on data, science, the CWA, and caselaw.

In addition, the agencies propose that "other waters" (those not fitting in any of the above categories) could be determined to be "waters of the United States" through a case-specific showing that, either alone or in combination with similarly situated "other waters" in the region, they have a "significant nexus" to a traditional navigable water, interstate water, or the territorial seas. The rule would also offer a definition of significant nexus and explain how similarly situated "other waters" in the region should be identified.

The rule does not affect longstanding permitting exemptions in the CWA for farming, silviculture, ranching and other specified activities. Where waters would be determined jurisdictional under the proposed rule, applicable exemptions in the CWA would continue to preclude application of CWA permitting requirements.

http://www2.epa.gov/sites/production/files/2014-03/documents/wus_proposed_rule_20140325_prepublication.pdf

Water Policy Interim Committee (WPIC)

The Water Policy Interim Committee met in Helena on March 18, 2014. The primary agenda item of interest to MMA members was the proposed administrative rule package on numeric nutrient standards. Your Association was there and presented testimony covering expressing the a few fundamental tenants as follows:

MMA is of the firm opinion the legislative intent in passing SB 367, which directed the MDEQ to develop the variance process, was that ALL dischargers, current and future, would be eligible for a general variance from the numeric standards.

MMA is concerned about the lack of clarity as to the interplay of Montana's non-degradation statutes which apply to a new or increased source and the numeric standards and variance rulemaking. This concern needs to be resolved through this rulemaking process or through continued conversations with the MDEQ.

If future or current dischargers are disallowed the general variance or another appropriate variance either by the State of Montana, or more likely by the Environmental Protection Act or through litigation, then there must be a way to bring this process to a full stop. We cannot allow numeric standards to remain without an effective variance process available to all dischargers. We stand in firm support of the non-severability language as proposed by the Montana Petroleum Association. Without the inclusion of this language to the rule, the standards would remain in force if EPA rejects a permit with a general variance inclusion.

Although the current general storm water permits and most individual storm water permits are based on BMP compliance, it is not clear how the seasonal nutrient standards will be applied, or if they will be applied, to storm water discharges. This should be clarified.

Montana will have numeric nutrient standards in place when our neighbors do not. We do not want to see companies making a decision to not locate in Montana or to leave our state because of an onerous, costly or potentially unworkable package. This overall package cannot result in a regulatory moratorium on new business in Montana.

For further information on the WPIC meeting, including materials, please see the following: http://leg.mt.gov/content/Committees/Interim/2013-2014/Water-Policy/Meetings/March-2014/march-2014.asp

Environmental Quality Council (EQC)

EQC members had two busy days as they covered everything from CSKT (Confederated Kootenai-Salish Tribe) water compact to an update on the Sage Grouse Advisory Council to updates on the Sand and Gravel Deposit Program at its meetings on March 19 and 20, 2014. Also included on the agenda was the proposed administrative rule package on numeric nutrient standards. Your Association was there and presented testimony, Please see the comments in the section on the Water Policy Interim committee above.

For further information on the EQC meeting, including materials, please see the following: http://leg.mt.gov/css/Committees/Interim/2013-2014/EQC/Meetings/March-19-20-2014/march-19-20-2014.asp

Numeric Nutrient Criteria

The Montana Board of Environmental Review (BER) took public comment through April 1, 2014 and held a hearing in Helena on March 24th to accept comment on its proposal to adopt new Department Circular DEQ-12A which contains base numeric nutrient standards for total nitrogen and total phosphorus, and to incorporate new DEQ-12A into surface water quality classifications and nondegredation rules. The board is also proposing rule amendments pertaining to definitions and a low flow for base numeric nutrient standards appropriate for the design of disposal systems.

Concurrently, the Montana Department of Environmental Quality also accepted public comment and held its hearing also on March 24, 2014 on its own rulemaking process on new Department Circular DEQ-12B. The circular contains information about variances from the base numeric nutrient standards and includes details on effluent treatment requirements associated with general nutrient standards variances, as well as effluent treatment requirements for individual nutrient standards variances and to whom they apply.

Information on the proposed rules and DEQ proposed Guidance document can be found at the following: http://deq.mt.gov/wginfo/Standards/default.mcpx.

The Montana Mining Association testified at both hearings and submitted written comments. MMA comments on the proposed five-piece rule package are attached to this email is available on the Montana Mining Association website, www.montanamining.org.

Economic Update seminars

The Montana Chamber Foundation is pleased to sponsor an annual series of economic seminars, called the Montana Economic Update (formerly, the Midyear Update to the Economic Outlook).

2014 Program

The ninth annual series will begin at Noon, Thursday, July 31, 2014 in Kalispell and end after Noon, Thursday, August 7 in Missoula. Registration will open early in the future for the one-hour programs at the following locations:

Jul. 31 Noon - Kalispell Red Lion

Aug. 5, 7 AM - Billings Hilton

Aug. 5, Noon - Bozeman Holiday Inn

Aug. 6, 8 AM - Helena Holiday Inn

Aug. 6, Noon - Butte La Quinta

Aug. 7, 7 AM - Great Falls Hilton

Aug. 7, Noon - Missoula Hilton

Land Board

The Montana State Land Board has unanimously approved the 7,160 acre expansion of the Signal Peak coal mine north of Billings. The approval adds nine years to the mine's life and effectively doubles its size.

Public Service Commission

The Montana Public Service Commission plans to hold 19 listening sessions around the state to gather public comment on NorthWestern Energy's application to purchase 11 hydroelectric dams from PPL Montana for \$900 million. The sessions start on April 9 in Havre and wrap up May 20 in Helena.

Calendar

April 10, 2014 - MMA Safety and Health Committee (Conference Call - 9:00 AM)

April 16, 2014 - MMA Membership Committee (Conference Call - 10:00 AM

April 16, 2014 - MMA Legislative Committee (Conference Call - 1:00 PM)

May 7, 2014 - MMA Education Committee (Conference Call - 10:00 AM)

May 8, 2014 - MMA Safety and Health Committee (Conference Call - 9:00 AM)

May 12 and 13, 2014 - Water Policy Interim Committee (WPIC)

May 14 and 15, 2014 – Environmental Quality Council (EQC)

May 21, 2014 - MMA Membership Committee (Conference Call - 10:00 AM

May 21, 2014 - MMA Legislative Committee (Conference Call - 1:00 PM)

May 28 and 29, 2014 - MMA Annual Meeting, Fairmont Hot Spring

January - March 2014 New and Renewing MMA Members

Producers:

Ash Grove Cement Company Barrick Golden Sunlight Mine Graymont Western US

Holcim U.S. / Trident Cement Minerals Technologies / Barretts Minerals Montana Resources Stillwater Mining Company Revett Minerals / Troy Mine

Small Miners:

Apex Abrasives
Caboose Mining Company
Contact Mining Company
D&S Mining and Exploration
Gold Corp., LLC
Granite Resource Company
GroundHog Mining and Millings

Non-Producing Members:

CR Kendall Corporation
Garnet USA
Golden Rule Placer Mining
Helena Sand and Gravel
Knight Piesold
Ernest K. Lehmann and Associates
Mines Management, Inc.
Northwestern Energy
Tintina Alaska Exploration

MMA NEW AND RENEWING MEMBERS CONTINUED ON THE FOLLOWING PAGES

January – March 2014 New and Renewing MMA Members, Continued:

Associate Members:

AFFCO

All Mechanical Services
All State Fire and Equipment
Ames Construction, Inc.
ANVIL International

Applied Industrial Technologies Arnold Machinery Company

BBG Contractors 👜

Becker Wholesale Mine Supply

Brenntag Pacific

Buckley Powder Company

CDM Smith

Chemical Montana Company

Childs Geoscience Inc.
Continental Supply Inc.
Coppermine Fire Suppression
Cross Petroleum Service
Crowley Fleck, LLP

Cummins Rocky Mountain

DOWL HKM

Energy and Environmental Measurement Corp.

Environomics, Inc.

Express Employment Professionals (1979)

F&H Mine Supply Fairmont Hot Springs Fickler Oil Company GCR Tire Center

Gough, Shanahan, Johnson & Waterman

HD Supply Waterworks HDR Engineering, Inc. Holland and Hart

Industrial Sales and Service Interstate Power Systems Joy Global – Western Ops

Associate Members, Continued:

Metso

Modern Machinery

Newfields Mining & Energy Services

NLC, Inc.

Noble Excavating

Northside Welding & Fabrication

Northwest Parts and Rigging Company

Northwest Pipe Fittings

Pacific Inter-Mountain Distribution

Pacific Steel and Recycling

Payne Machinery Quikrete Companies

Rain for Rent
RDO Equipment
REMA Tip Top NA
Schneider Electric

Smith & Sons Construction

Spencer Fluid Power SWCA, Incorporated Techline Services Tetra Tech, Inc.

The Archibald Company

Titan Inc.

Town Pump, Inc.

Tractor & Equipment Company

TREC, Inc.

Trihydro Corporation

Tri-State Truck and Equipment

Warren Transport 📖

W.E. Dust Control and De-Icing, Inc.

Westate Machinery Company Western States Equipment Whitewood Transport Xylem Dewatering Solutions

January – March 2014 New and Renewing MMA Members, Continued:

Individual Members:

Paul Antonioli Ted Antonioli Carole Armstrong Michael Bailey Hart Baitis

Daniel Banghart
Patrick Beddow
Lisa Boettcher
Jerry Booth
Alan Branham
Mark Briggs
Jeff Choquette
Bruce E. Cox
John Downing
Frank Duval
Mark Ferster
John Fitzpatrick
Christina Gardiner
Rusty Gibson

Terry Grotbo Dan Happel Thomas Harrington

David Harris
John Hinther
Tim Hockenberry
Bob Jacko
Jeff Janacaro
Clint Jensen
Larry M. Johnson
Ranetta Jones

Claude Kaseman Dick Komberec Scott Krauszer

John Junnila

Individual Members, Continued:

Paul Lammers
Tom Larson
Dustin Lewis
Jim Liebetrau
Marko Lucich
Gerald Lukasus
John Marshall
Robert McCullough
John McCurry
Lori McCurry
Rod McElwain

Laurence McGillvray RW "Rich" McKamy

Doug Miller Doug Mitch Dennis Morelock Howard Morkert Tina Nolevanko Brian Park

Douglas C. Parker Shane Parrow Mark Reinsel

Scott Rosenthal, P.E. Robert A. Routa

Josh Savit
Nancy Schlepp
Larry Smith
Paul Smith
Pam Spinelli
Thomas Sullivan
Sharel Uphus
John E. Thompson
Kerry Weightman

Jim Volberding Skyler Willard Matt Wolfe Jerry Zieg