



**MEETING SUMMARY – TECHNICAL REVIEW TEAM
GRASSY MOUNTAIN GOLD MINE PROJECT**

March 5, 2018

1:00 pm – 3:00 pm

Teleconference with public access at the DOGAMI Albany Office

Attendance

Committee Members

- Randy Jones, DOGAMI
- Bob Brinkmann, DOGAMI
- Larry Knudsen, DEQ
- Jim Billings, DEQ
- John Dadoly, DEQ
- Rick Hill, DEQ
- Doug Welch, DEQ
- Ken Lucas, DEQ
- Bill Mason, DEQ
- Matt Diederich, State Historic Preservation Office (SHPO)
- Phil Marcy, Water Resources Department (WRD)

Others in Attendance

- Haylee Morse-Miller, Oregon Department of Administrative Services (DAS)
- Andrea Bowen, BLM
- Brent Grasty, BLM
- Jennifer Theisen, BLM
- Adele Crouse, Cardno
- Adam Bonin, Cardno
- Nancy Wolverson, Calico Resources
- Rich DeLong, EM Strategies
- Peggy Lynch, League of Women Voters
- Janet Gillaspie, Environmental Strategies

Randy Jones with DOGAMI chaired the meeting. The meeting was held by phone with public access by phone or at the DOGAMI Albany office.

The group introduced themselves. There were no revisions or changes suggested to the draft agenda.

Developing the Scope of Work for the Environmental Evaluation

Jones opened the discussion by highlighting the Technical Review Team (TRT) development of the scope of work for the State Environmental Evaluation. Jones explained that he had provided the TRT background information on the state Environmental Evaluation and its possible scope.

The Oregon regulations require a state-prepared Environmental Evaluation for the project to address the impacts from the proposed project and to provide information to permitting, cooperating, and commenting State agencies. It is intended to be a full discussion of the environmental impacts, both direct and indirect, along with evaluating the cumulative impacts of the project and an evaluation of the alternatives. The regulations require:

632-037-0085

Environmental Evaluation

(1) The purpose of an environmental evaluation shall be to address specific impacts of a mining operation in order to allow affected agencies to make decisions on whether to issue or deny a permit and develop permit conditions. It shall provide full and fair discussion of significant environmental impacts and shall inform decision makers and the public of reasonable alternatives that would avoid or minimize adverse impacts and/or enhance the quality of the human and natural environment. An environmental evaluation shall focus on significant environmental issues and alternatives.

Under the DOGAMI regulations, the TRT is to develop the scope of work for the Environmental Evaluation. This is the initial discussion of the possible scope. The Project Coordinating Committee (PCC) will also be involved. Jones added that the TRT has the final say on the scope of work for the Environmental Evaluation. The TRT will be spending some time brainstorming on some additional ideas for the Environmental Evaluation in its meeting today.

Jones highlighted that it was important to begin the Environmental Evaluation scope of work now, because under the DOGAMI regulations, the draft Environmental Evaluation must be completed at least 60 days prior to any draft permits.

Jones added it is in the public interest to ensure the Environmental Evaluation is as aligned as possible with the federal Environmental Impact Statement (EIS) process.

Jones asked the TRT for questions prior to the presentations; there were none.

Initial Outline of the Environmental Evaluation Scope

Dr. Adam Bonin with Cardno discussed the initial outline of the Environmental Evaluation and its possible scope.

The purpose of the Environmental Evaluation is to evaluate the impacts of the project and to develop reasonable alternatives to fully inform the permitting agencies and the public.

The scope will be coordinated through the TRT and PCC; the key elements include:

- Existing conditions
- Alternatives analysis
- Impact analysis
- Cumulative impact analysis
- Identify mitigation plans, as needed

He provided a summary outline including:

- Executive Summary
- Chapter 1 – Introduction
- Chapter 2 – Project description and alternatives to be analyzed
- Chapter 3 – Impact analysis, including potential accidents, along with cyanide fate and transport
- Chapter 4 – Cumulative impact analysis
- Chapter 5 – Mitigation, including best management practices and financial assurance requirements

- Chapter 6 – References

A copy of the Cardno presentation is available from the DOGAMI Albany office.

Jones asked if an assessment of the ‘*Best Available Practical and Necessary*’ technology would be included in the scope of work. Bonin indicated that the focus would likely be on the tailings disposal facility, but additional evaluation of other technologies could be added. Bonin stated that the technologies could be evaluated as part of the Alternatives Analysis.

Peggy Lynch asked if the impacts of the project on things like the Vale school system would be evaluated. Bonin responded that these potential impacts would be incorporated into the Socio-Economic Analysis. Lynch questioned if the impact on the water and wastewater systems in Vale would be evaluated; yes, answered Bonin.

Federal National Environmental Policy Act Requirements for Grassy Mountain

Andrea Bowen and Brent Grasty from the Vale District office of the BLM used a presentation to outline the National Environmental Policy Act (NEPA) requirements for permitting the proposed gold mine at Grassy Mountain. Under NEPA, an Environmental Impact Statement (EIS) will need to be prepared.

HDR (Boise office) will be preparing the EIS for the Grassy Mountain project, under the direction of the BLM Vale District staff.

Jones said that the State and BLM are interested in coordinating the EIS and Environmental Evaluation to the fullest extent possible, including the financial assurance portion of the permitting process. The scope of the EIS is informed by the State process, such as the baseline data being provided now. The Calico Grassy Mountain Plan of Operations will be the basis of the federal EIS for the proposed project.

The BLM has 30 days to review the *Plan of Operations* for completeness. The federal performance standard is avoiding “Unnecessary or Undue Degradation (UDD)” of the federal land. Federal land managers are required to avoid UUD under the 1872 Mining Law and the Federal Land Policy and Management Act (FLPMA); see 43 CFR 3809.415

The *Plan of Operations* must include:

- Operator information
- Description of operations
- Reclamation plan
- Monitoring plan
- Interim management plan

Calico has submitted a *Plan of Operations* and the BLM has reviewed and provided comments to Calico.

Grasty continued that the BLM office is working with HDR to develop the information package for beginning the formal scoping agreement, and its publication by the Council of Environmental Quality in the Federal Register. Grasty reminded the TRT that the federal and state processes for developing these environmental assessment documents are very similar.

Once the Notice of Intent (NOI) is published, the scoping review and public input will start. BLM is currently considering a 45-day formal scoping period. Grasty added that the local community and others interested in the project are aware of the proposed mine and its many years of different owners and mine plans.

BLM then intends to use a workshop to develop alternatives to evaluate the impact of the Plan of Operations and to develop alternatives to address the impacts that may cause UDD. There are usually three alternatives evaluated including:

- No action
- Using the operators proposed Plan of Operations
- Using the operator's proposed Plan of Operations with BLM-added mitigation to prevent UDD

The BLM will then draft, review, and finalize alternatives in a technical memo with cooperating agencies. BLM will use the Southeast Oregon Resource Advisory Council as part of the review process.

The draft Environmental Impact Statement (EIS) will then be prepared. The draft EIS will analyze the impacts of the alternatives, revise the alternatives to prevent UDD or minimize resource conflict, identify BLM's preferred alternative, and summarize the impacts.

The draft EIS is then available for public comments with a dedicated web site. BLM will also be holding public meetings. The State and Federal process could be designed to share meetings and workshops to use everyone's time wisely, said Grasty.

The comments are then compiled and used to develop a final EIS, with a proposed BLM action.

Grasty emphasized that evaluating the UDDs is critical and tied to state requirements.

The final EIS is then published for availability in the Federal Register and additional comments may be taken, although not required.

BLM will then prepare a Record of Decision, including the financial assurance requirements. Activities may not begin until financial assurance requirements, such as bonding, are accepted. State requirements can be incorporated into the BLM Record of Decision also, added Bowen. Grasty added that analysis of 'connected actions', such as transportation and access or providing power to the site, are similar in both the federal and state evaluation documents.

In response to a question, Bowen indicated that the actions planned on the patented land would be a 'connected action'.

Grasty provided a draft comparison table of the Federal and State permitting processes. A copy will be provided to the TRT for comment.

Jones said that a coordination meeting with BLM, DOGAMI, DEQ, Oregon Department of Fish and Wildlife, Calico, Cardno, and HDR will be held in Vale on March 23, 2018.

A copy of the BLM presentation is available from the DOGAMI Albany office.

TRT Brainstorming – possible areas for focus for State Environmental Evaluation

Jones lead the TRT in a brainstorming session on possible areas for additional focus for the State Environmental Evaluation.

Brainstorming ideas for inclusion in the State Environmental Evaluation included:

- The State is required to certify a 'self-sustaining ecosystem' in Southeast Oregon, and how it compares to undamaged ecosystems in the area. Jones asked if the eco-regions information could be useful in determining the 'undamaged ecoregions.' The State Conservation Strategy

might be a useful document, he said. DeLong added that the mine site will be an altered site, especially regarding soil structure and landscape features.

- Consider the impact of climate change on the mine and its operations. The tailings storage facility is dependent on evaporation for operation. What if a future climate is wetter or cooler, not just for the life of the mine, but the life of the facility, questioned Jones.
- Evaluation of the use of the given technology and the alignment with the '*Best Available Practical and Necessary Technology*' as required in OAR 632-037-0188.
- Regarding air quality issues, evaluating providing on-site electric power or line power would be another area for exploration, said Jones.
- Jones suggested that the TRT members review the environmental standards of ORS 468B.

Larry Knudsen added that there are some additional elements for the State Environmental Evaluation, such as including information needed for State permitting decisions (such as the DEQ water quality, air quality, solid waste permits) and meeting the state requirements through a document similar to a permit evaluation report. The Environmental Evaluation, including the Alternatives Analysis, and the Socio-Economic Analysis can be used to inform and populate the State record to support its permitting decisions.

Grasty asked for additional information on the time-lines under the State permitting process.

Knudsen stressed the role Calico has in aligning the State and Federal permitting processes and the consistency between the *Consolidated Application* and final *Plan of Operations*.

Bowen added that the State, BLM, and Calico should all be working on coordinating schedules. Grasty said that there are additional instructions to federal agencies that set out aggressive time schedules for completing the EIS.

Bob Brinkmann asked about consultants helping in the evaluation on the federal side. Bowen indicated that HDR is completing the EIS; the majority of the federal talent on the project is internal to BLM. Brinkmann suggested that BLM join the TRT Subcommittees focused on water resources, tailings disposal facility, and geochemistry.

Update on Calico Activities at Grassy Mountain

Nancy Wolverson provided an update on Calico activities at the time. There is no activity at the site; the drillers are just starting to plan; there is no date for the drilling to start.

Calico hopes to have the Pre-Feasibility Study completed by the end of March.

Jones indicated that the TRT is in the process of reviewing baseline data that Calico has filed.

Follow up Items

During the meeting, this inventory of 'to do's' was developed:

- Distribute the table comparing the federal and state permitting requirements to TRT members for comment
- Provide the BLM with the outline of the State permitting schedule.

There being no further discussion, Jones adjourned the meeting.