



Board of Minerals and Environment

523 East Capitol Avenue
Pierre, South Dakota 57501-3182
(605)773-3151 Fax: (605)773-4068

AGENDA

Board of Minerals and Environment
Telephone Conference Call Meeting

April 20, 2017
10:00 a.m. CDT

Live audio of the meeting can be heard at <http://www.sd.net/mtc>

10:00 a.m. Call meeting to order and roll call

Approval of minutes from the March 16, 2017, meeting

Mining issues:

- Consent Calendar – Tom Cline

Update on Powertech status – Material included in the board packet and online at the following:

- Updated Links to EPA Powertech Webpage - Draft EPA Underground Injection Control (UIC) Permits for the Powertech In Situ Uranium Mine, available for public review on EPA's Region 8 UIC Program webpage at <https://www.epa.gov/uic/administrative-record-dewey-burdock-class-iii-and-class-v-injection-well-draft-area-permits>
- Also available at DENR's Powertech Environmental Permits webpage at <http://denr.sd.gov/powertech.aspx> (under "Links to Federal Applications").

Next meeting

Adjourn

A limited number of phone lines are available for this call. Interested parties who wish to participate in the telephone conference call should contact DENR at (605)773-3886 no later than 3:00 p.m. CDT on Wednesday, April 19, 2017. Interested parties may also participate at the Department of Environment and Natural Resources, Matthew Environmental Education and Training Center, 523 East Capitol Avenue, Pierre, SD.

Notice is given to individuals with disabilities that this meeting is being held in a physically accessible place. Please notify the Department of Environment and Natural Resources at least 48 hours before the meeting if you have a disability for which special arrangements must be made. The telephone number for making special arrangements is (605) 773-4216.

Board members are reminded that effective July 1, 2016, members are subject to SDCL 3-23-1 to 3-23-5 (Disclosure Laws) which address the disclosure of any conflicts of interest a member may have regarding contracts with the State of South Dakota. Board members should report any potential conflicts to the board and seek a waiver where appropriate.

The audio recording for this meeting is available on the South Dakota Boards and Commissions Portal at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=67>

Minutes of the
Board of Minerals and Environment
Telephone Conference Call Meeting

Matthew Environmental Education and Training Center
523 East Capitol Avenue
Pierre, South Dakota

March 16, 2017
10:00 a.m. CDT

CALL TO ORDER AND ROLL CALL: The meeting was called to order by Chairman Rex Hagg. The roll was called and a quorum was present.

Chairman Hagg announced that this meeting was streaming live on SD.net, a service of South Dakota Public Broadcasting.

Chairman Hagg appointed Gregg Greenfield as secretary pro tem.

Mr. Greenfield indicated that due to a conflict of interest, he would not be participating in the adoption of Findings of Fact, Conclusions of Law and Order in the Quartz Operations matter.

Chairman Hagg appointed Dennis Landguth to serve as secretary pro tem during the Quartz Operations matter.

BOARD MEMBERS PARTICIPATING: Rex Hagg, Glenn Blumhardt, Doyle Karpen, Bob Morris, Pete Bullene, Dennis Landguth, Gregg Greenfield, and Daryl Englund.

BOARD MEMBER ABSENT: Linda Hilde.

OTHERS PRESENT: Bob Townsend, Eric Holm, Mike Cepak, Mike Lees, and Tom Cline, DENR Minerals and Mining Program; Lance Shurtleff, attorney for Quartz Operations, LLC; and assistant Attorney General Steve Blair, attorney for the Department of Environment and Natural Resources.

APPROVAL OF MINUTES FROM JANUARY 19, 2017, MEETING: Motion by Karpen, seconded by Bullene, to approve the minutes of the January 19, 2017, Board of Minerals and Environment meeting. A roll call vote was taken, and the motion carried unanimously.

MINING ISSUES:

Consent Calendar: Prior to the meeting, the board received a table listing the department recommendations for transfer of liability and release of surety, transfers of liability, and releases of liability (see attachment).

Tom Cline, DENR Minerals and Mining Program, presented the consent calendar.

Motion by Landguth, seconded by Blumhardt, to accept the department recommendations for transfer of liability and release of surety, transfers of liability, and releases of liability, as listed on the consent calendar. A roll call vote was taken, and the motion carried unanimously.

Annual Update of Post Closure Financial Assurance for LAC Minerals (USA), LLC, Mine Permit 445: Bob Morris announced that he would recuse himself from participating in this matter.

Eric Holm reported that in the post closure conditions, which were approved by the board on January 21, 2016, it states the financial assurance shall be automatically extended for a period of one year. At the time of each annual extension, the face value of the financial assurance shall be adjusted to the bonding schedule set by the board in 2016.

For 2017, the face value of the surety bond that serves as the post closure financial assurance is required to be \$19,906,292. This is an increase from the \$19,667,216, which was submitted last year. LAC Minerals has submitted a rider to its current surety bond, which increases the amount to the new face value. The rider and the status of Fidelity & Deposit Company of Maryland and Zurich American Insurance Company have been reviewed by the department.

The department recommended that the board accept the rider to Surety Bond No. 09177703, Fidelity & Deposit Company of Maryland and Zurich American Insurance Company, increasing the amount to \$19,906,292.

Motion by Karpen, seconded by Englund to accept the rider to Surety Bond No. 09177703, Fidelity & Deposit Company of Maryland and Zurich American Insurance Company, increasing the amount to \$19,906,292 for post closure financial assurance for LAC Minerals (USA), LLC, Mine Permit 445. A roll call vote was taken, and the motion carried with Blumhardt, Bullene, Englund, Greenfield, Hagg, Karpen and Landguth voting yes. Morris abstained.

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER IN THE MATTER OF THE CONTESTED ENFORCEMENT HEARING FOR QUARTZ OPERATIONS, LLC, NORTHERN POINTS 1 WELL; DENR PETITION TO REVOKE PERMIT AND PETITION TO FORFEIT SURETY (O&G PERMIT NO. 2026): Gregg Greenfield recused himself from participating in this matter.

Bob Morris was the hearing chairman for this matter.

Steve Blair, assistant Attorney General, appeared on behalf of the Department of Environment and Natural Resources.

Lance Shurtleff, attorney from Laramie, WY, appeared on behalf of Quartz Operations, LLC.

Mr. Morris stated that he received proposed Findings of Fact, Conclusions of Law and Order prepared by Mr. Blair on behalf of the Department of Environment and Natural Resources.

Mr. Morris noted that he did not receive objections or proposed Findings of Fact, Conclusions of Law and Order from Quartz Operations.

Mr. Morris noted that prior to the meeting he provided the parties and the board members with amendments and additions to the proposed Findings of Fact and Conclusions of Law submitted by Mr. Blair.

Mr. Morris rejected the proposed Finding of Fact, Conclusions of Law and Order submitted by Mr. Blair. Mr. Morris then requested board approval of his proposed Findings of Fact, Conclusions of Law and Order.

Mr. Blair and Mr. Shurtleff had no objections to Hearing Chairman Morris' amendments and additions to the Findings of Fact, Conclusions of Law and Order.

Motion by Hagg, seconded by Landguth, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of the contested enforcement hearing for Quartz Operations, LLC, Northern Points 1 Well regarding the DENR petition to revoke permit and petition to forfeit surety (O&G Permit No. 2026) as prepared by Hearing Chairman Morris. A roll call vote was taken, and the motion carried with Blumhardt, Bullene, Englund, Hagg, Karpen, Landguth, and Morris voting yes. Greenfield abstained.

NEXT MEETING: The next meeting will be April 20, 2017, via telephone conference call.

Chairman Hagg requested that at the April 20, 2017, meeting Chief Deputy Attorney General Charlie McGuigan provide an update regarding the Powertech (USA), Inc. application for Large Scale Mine Permit No. 480 (Dewey-Burdock Project).

ADJOURNMENT: Motion by Englund, seconded by Karpen, that the meeting be adjourned. A roll call vote was taken, and the motion carried unanimously.

A court reporter was present for the Quartz Operations LLC Findings of Fact, Conclusions of Law and Order, and a transcript may be obtained by contacting Carla Bachand, Capital Reporting Services, PO Box 903, Pierre, SD 57501, telephone number 605-224-7611.

The meeting was digitally recorded and a copy of the recording may be obtained by contacting the Department of Environment and Natural Resources, 523 East Capitol Avenue, Pierre, SD 57501; telephone number 605-773-3886. The recording is also available on the South Dakota Boards and Commissions Portal at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=67>

Approved this 20th day of April 2017.

Secretary

Date

Witness

Date

***South Dakota Board of Minerals & Environment
Consent Calendar***

						<i>March 16, 2017</i>
<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Transfer of Liability and Release of Surety:</u>						
Curley & Rose Haisch Charitable Remainder Trust Burke, SD	92-433		\$6,160 \$5,030 \$1,000	2100297 201426 202162	First Fidelity Bank, Bonesteel First Fidelity Bank, Bonesteel First Fidelity Bank, Bonesteel	Transfer liability and release \$12,190.
		433001	Section 16; T97N-R68W, Gregory County			
Transfer to:						
Mulehead Gravel LLC Fairfax, SD	16-1001		\$20,000	RC-0027	Sun Surety Insurance Company	
<u>Transfers of Liability:</u>						
Darrell's Rock Sand & Gravel Inc. Wessington Springs, SD	86-320		\$20,000	RC-0016	Sun Surety Insurance Company	Transfer liability.
		320016	SW1/4 Section 16; T108N-R64W, Jerauld County			
Transfer to:						
Swenson Partnership Wessington Springs, SD	16-1013		\$20,000	41353972	Platte River Insurance Company	

**South Dakota Board of Minerals & Environment
Consent Calendar**

March 16, 2017

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Transfers of Liability:</u>						
Jackson County Highway Department Kadoka, SD	83-79		EXEMPT	NA	NA	Transfer liability.
		79033	NW1/4 Section 10; T43N-R36W, Jackson County			
Transfer to:						
David Vander May Long Valley, SD	16-1014		\$1,000	1050500-20	Black Hills Federal Credit Union, Rapid City	
<u>Releases of Liability:</u>						
Bob Bak Construction Pierre, SD	83-61		\$3,000	4981	American State Bank, Pierre	Release liability.
			\$3,500	7410	American State Bank, Pierre	
			\$1,000	64334	First National Bank, Pierre	
			\$500	65266	First National Bank, Pierre	
			\$500	0621959600	Wells Fargo, White River	
			\$500	7305	American State Bank, Pierre	
			\$500	13751	American State Bank, Pierre	
			\$500	13850	American State Bank, Pierre	
			\$4,000	13871	American State Bank, Pierre	
		61011	N1/2 Section 16; T111N-R79W, Hughes County			

**South Dakota Board of Minerals & Environment
Consent Calendar**

						<i>March 16, 2017</i>
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<u>Releases of Liability:</u>						
Bowes Construction, Inc. Brookings, SD	83-164	164038	\$20,000 NW1/4 Section 20; T108N-R50W, Moody County	HGMW-10- 206-0065	Hudson Insurance Company	Release liability.
C & W Enterprises, Inc. Harrisburg, SD	98-671	671006 671009 671013 671014	\$-0- SW1/4 Section 11; T99N-R79W, Tripp County E1/2 Section 33; T103N-R74W, Tripp County SW1/4 Section 27 & N1/2 NW1/4 Section 34; T103N-R77W, Tripp County S1/2 Section 3; T15N-R26E, Dewey County	NA NA	NA NA	Release liability.
Rechnagel Construction, Inc. Hurley, SD	83-135	135022	\$20,000 NE1/4 Section 9; T99N-R53W, Turner County	55-122632	United Fire & Casualty Company	Release liability.

***South Dakota Board of Minerals & Environment
Consent Calendar***

						<i>March 16, 2017</i>
<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Releases of Liability:</u>						
Dewey County Highway Department Timber Lake, SD	83-25		EXEMPT	NA	NA	Release liability.
		25001	Section 3; T15N-R26E, Dewey County			

***South Dakota Board of Minerals & Environment
Consent Calendar***

						<i>April 20, 2017</i>
<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Release of Surety:</u>						
Virginia Snethen Winner, SD	96-603		\$500 \$1,000 \$500	13741 94830 708037	First National Bank, Pierre First National Bank, Pierre First Fidelity Bank, Winner	Release \$2,000.
<u>Transfer of Liability:</u>						
Concrete Materials Sioux Falls, SD	83-144		\$20,000	55-194372	United Fire & Casualty Company	Transfer liability.
		144009	NW1/4 Section 16; T101N-R50W, Minnehaha County			
Transfer to:						
Crusher Investment Company Sioux Falls, SD	83-24		\$20,000	2135492	North American Specialty Insurance Company	
Crusher Investment Company Sioux Falls, SD	83-24		\$20,000	2135492	North American Specialty Insurance Company	Transfer liability.
		24004	NW1/4 Section 8; T101N-R50W, Minnehaha County			
Transfer to:						
Concrete Materials Sioux Falls, SD	83-144		\$20,000	55-194372	United Fire & Casualty Company	

From: Shea, Valois [mailto:Shea.Valois@epa.gov]
Sent: Monday, March 06, 2017 11:50 AM
To: scott_larson@fws.gov; SDGFPINFO; kfanizzo@achp.gov; sstokely@achp.gov; Olson, Paige; Cepak, Mike; Brandner, Tom; Walsh, Brian; Kellee.Jamerson@nrc.gov; Ronald.Burrows@nrc.gov
Subject: The EPA Region 8 Underground Injection Control Program has issued Draft Permits for the Proposed Dewey-Burdock Uranium In-Situ Recovery Site.

Hello All:

Just wanted to let you know...

The EPA Region 8 Underground Injection Control (UIC) Program has issued Draft Permits and a proposed Aquifer Exemption Record of Decision for the proposed Dewey-Burdock Uranium In-Situ Recovery Site located near Edgemont, South Dakota. Public notices are being published this week in local newspapers.

The EPA has scheduled four public hearings at the dates, times and locations listed below.

The Administrative Record for these UIC Program proposed actions is available for review at the EPA website shown below.

The public comment period begins today, March 6, 2017. The EPA is seeking comments through May 19, 2017.

How to Comment:

You may comment on the proposed actions in writing, using email, fax or mail.

Please submit comments to:

Valois Shea (shea.valois@epa.gov)

Fax: 303-312-6741

U.S. EPA Region 8

Mail Code: 8WP-SUI

1595 Wynkoop Street

Denver, Colorado 80202-1129

Summary

The U.S. Environmental Protection Agency Region 8 is requesting public comment by May 19, 2017, on two Underground Injection Control (UIC) Draft Area Permits and one associated proposed aquifer exemption decision for the Dewey-Burdock uranium in-situ recovery (ISR) site located near Edgemont, South Dakota, under the authority of the Safe Drinking Water Act and UIC program regulations. The Dewey-Burdock site is located in southwestern Custer County and northwestern Fall River County, on the Wyoming/South Dakota border.

The EPA Region 8 UIC Program is issuing two Draft UIC Area Permits to Powertech (USA) Inc., Suite #140, 5575 Denver Technical Center Parkway, Greenwood Village, Colorado 80111, for injection activities related to uranium recovery. One is a UIC Class III Area Permit for injection wells for the ISR of uranium; the second is a UIC Class V Area Permit for deep

injection wells that will be used to dispose of ISR process waste fluids into the Minnelusa Formation after treatment to meet radioactive waste and hazardous waste standards. The EPA is also proposing an aquifer exemption approval in connection with the Class III Area Permit to exempt the uranium-bearing portions of the Inyan Kara Group aquifers.

Written comments must be received by midnight Mountain Time on May 19, 2017.

The EPA will hold the following public hearings:

The public may also provide written and/or verbal comments during the EPA public hearings listed below.

Thursday, April 27, 2017 from 4:00 p.m. to 8:30 p.m.

(with a break from 6:00 p.m. to 6:30 p.m.)

Niobrara Lodge

803 US Highway 20

Valentine, Nebraska 69201

Monday-Tuesday, May 8-9, 2017 from 1:00 p.m. to 8:00 p.m.

(with a break from 5:00 p.m. to 6:00 p.m.)

The Best Western Ramkota Hotel

2111 North Lacrosse Street

Rapid City, South Dakota 57701

Wednesday, May 10, 2017 from 1:00 p.m. to 8:00 p.m.

(with a break from 5:00 p.m. to 6:00 p.m.)

The Mueller Center

801 South 6th Street

Hot Springs, South Dakota 57747

Thursday, May 11, 2017 from 1:00 p.m. to 8:00 p.m.

(with a break from 5:00 p.m. to 6:00 p.m.)

St. James Catholic Church

310 3rd Avenue

Edgemont, South Dakota 57735

Information Available for Review: All information submitted by the applicant and generated by the EPA during permit application review is available for public review as part of the administrative record and will be available on the EPA Region 8 UIC Program website: <https://www.epa.gov/uic/administrative-record-dewey-burdock-class-iii-and-class-v-injection-well-draft-area-permits>

Available documents include the permit applications, draft permits, fact sheet documents and other supporting documents. A paper version of the administrative record will be available for public viewing in the EPA Region 8 Library located at 1595 Wynkoop Street, Denver, Colorado, 8 a.m. to 4 p.m., Monday through Thursday, excluding federal holidays. All visitors to the Region 8 office must show a picture ID such as a current driver's license. Visitors must also

register at the guard desk in the lobby before proceeding to the Library. The administrative record will be available for public review as of March 6, 2017.

In addition to seeking comments on the Class III and V draft area permits, the EPA is seeking public comment on the identification of traditional cultural properties at the Dewey-Burdock Project Site Area of Potential Effects, on the potential adverse effects of the proposed project, and on measures to avoid, minimize or mitigate potential adverse effects on historic and traditional cultural properties pursuant to Section 106 of the National Historic Preservation Act and 36 CFR § 800.2(d) and § 800.6(a)(4).

The EPA is also seeking comment on two options for approval of the aquifer exemption that Powertech requested related to the Class III permit application. The two options are discussed in the Aquifer Exemption Draft Record of Decision available on the EPA Region 8 UIC Program website.

The EPA has performed an Environmental Justice (EJ) analysis for the Dewey-Burdock UIC permitting actions and is seeking comment on the Draft EJ analysis document.

If you have any questions, please feel free to give me a call.

Valois

Valois Shea
U.S. EPA Region 8
MailCode: 8WP-SUI
1595 Wynkoop Street
Denver, CO 80202-1129
Phone: (303) 312-6276
Fax: (303) 312-6741
Email: shea.valois@epa.gov



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182

denr.sd.gov

April 6, 2017

MEMO TO: Members of the Board of Minerals and Environment
FROM: Vonni Kallemeyn, Administrator, Waste Management Program
SUBJECT: Solid Waste Permit Actions

Listed below are the solid waste permit actions since my last memo dated November 3, 2016.

Individual Permits Public Noticed and Issued

1. Western Dakota Waste Solutions (Belle Fourche) – waste tire processing facility (two-year initial)
2. City of Highmore – restricted use site (five-year renewal)
3. City of Edgemont – restricted use site (five-year renewal)
4. City of Plankinton – restricted use site (five-year renewal)
5. Bon Homme – Yankton Rural Water System – lime sludge disposal (five-year renewal)
6. City of Centerville – restricted use site (five-year renewal)
7. Walworth County – municipal solid waste landfill (five-year renewal)
8. City of Martin – restricted use site (five-year renewal and additional acreage amendment)
9. City of Mitchell – restricted use site and closed municipal solid waste landfill (five-year renewal)
10. Medical Waste Transport (Sioux Falls) – medical waste storage and processing (five-year renewal)
11. Town of Wakonda – restricted use site (five-year renewal)
12. City of Kadoka – restricted use site and solid waste transfer station (five-year renewal)
13. Dahme Construction (Aberdeen) – restricted use site (five-year renewal)
14. City of Colome – restricted use site (five-year renewal)
15. City of Iroquois – restricted use site (five-year renewal)

General Permit Authorizations Issued

1. Town of Alpena – restricted use site (five-year renewal)
2. Town of Frederick – restricted use site (five-year renewal)
3. Wharf Resources (Lead) – construction and demolition debris disposal site (five-year renewal)
4. City of Wilmot – restricted use site (five-year renewal)