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 Meeting

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

Held via the Digital Dakota Network

Brookings South Dakota State University

Pierre Capitol Building

Rapid City University Center

Sioux Falls University Center

Spearfish Black Hills State University

Vermillion University of South Dakota

Watertown Department of Environment and Natural Resources

<u>CALL TO ORDER</u>: The meeting was called to order by Chairman Rex Hagg. The roll was called and Chairman Hagg declared that a quorum was present.

Chairman Hagg appointed Gregg Greenfield as secretary pro tem.

<u>BOARD MEMBERS PRESENT</u>: Rex Hagg, Dennis Landguth, Daryl Englund, Pete Bullene, Gregg Greenfield, Glenn Blumhardt, Doyle Karpen, and Bob Morris.

BOARD MEMBER ABSENT: Linda Hilde.

OTHERS PRESENT: See attached attendance sheets.

<u>APPROVAL OF MINUTES FROM MAY 18, 2017, MEETING</u>: Motion by Blumhardt, seconded by Bullene, to approve the minutes from the May 18, 2017, Board of Minerals and Environment meeting. A roll call vote was taken, and the motion carried unanimously.

PUBLIC HEARING TO CONSIDER AMENDMENTS TO ARSD 74:28, HAZARDOUS WASTE RULES: Chairman Hagg opened the hearing at 10:05 a.m. Central Time.

The purpose of the hearing was to consider the adoption and amendment of proposed rules numbered ARSD 74:28:21:01, 74:28:21:02, 74:28:22:01, 74:28:23:01, 74:28:24:01, 74:28:25:01, 74:28:25:03, 74:28:25:04, 74:28:25:05, 74:28:26:01, 74:28:27:01, 74:28:28:01, 74:28:28:03, 74:28:28:04, 74:28:28:05, 74:28:30:01, and 74:28:33:01

The effect of the rules will be to update the state's existing hazardous waste rules by incorporating updated, codified federal regulations by reference. The state's proposed rules reflect changes made to the federal hazardous waste regulations from July 1, 2012 through June 30, 2016. Once these updates are made, the state's rules will be substantially the same as the federal hazardous waste regulations.

Changes to the rules include establishing procedures for identifying and managing certain hazardous secondary materials destined for recycling; management standards for solvent-contaminated wipes; establishing a framework for the use of electronic manifests; revisions to requirements involving imports and exports of hazardous wastes; and incorporating technical and typographical corrections that were made in the federal regulations.

The reason for updating the state's hazardous waste rules is to continue to ensure that companies generating, transporting, treating, storing or disposing of hazardous waste in South Dakota manage those wastes in a way that is protective of human health and the environment.

The proposed rules offer manufacturers the opportunity to recycle materials that might otherwise be considered wastes requiring disposal. The proposed updates also enable the state to keep pace with changes made in the federal hazardous waste regulations.

Notice of the public hearing was published on June 3, 2017, in the Rapid City Journal, and June 6, 2017, in the Pierre Capital Journal, Sioux Falls Argus Leader, and Watertown Public Opinion. Affidavits of Publication are on file at the Department of Environment and Natural Resources.

Notice of the public hearing was sent to the DENR interest parties mailing list and posted on DENR's website and the state public notices website.

Four requests for clarification of the proposed amendments were received either by telephone or email.

No written comments regarding the proposed amendments were received.

The proposed rules were sent to the Bureau of Finance and Management and to the Legislative Research Council (LRC). LRC reviewed and approved the proposed amendments for form, style, and legality, and LRC's changes were incorporated into the final version of the proposed rules.

Carrie Jacobson, DENR Waste Management Program, provided a PowerPoint presentation discussing the history of the Hazardous Waste Program and providing a summary of the proposed amendments. The proposed rules will:

- Revise the 2008 definition of Solid Waste to encourage legitimate recycling of certain hazardous wastes. Some hazardous wastes are amenable to being used as a substitute for a raw product or as a product supplement in some industrial processes. Although the proposed rules establish strict criteria companies must follow to ensure the wastes are not mismanaged, they are not as onerous as the full hazardous waste permitting requirements.
- Allow most solvent-contaminated paper and cloth wipes to be excepted from the hazardous waste rules as long as the generator follows accumulation, container labeling, and recordkeeping requirements.
- Establish a regulatory framework for the development and use of electronic manifests.
- Revise recordkeeping and notice requirements for imports and exports of hazardous waste.
- Incorporate technical and typographical corrections to errors made in the federal rules.

Following her presentation, Ms. Jacobson answered questions from the board.

Chairman Hagg requested public comments on the proposed amendments. There were no public comments.

Chairman Hagg then requested board action.

Motion by Morris, seconded by Englund, to adopt amendments to Hazardous Waste Rules, ARSD 74:28:21:01, 74:28:21:02, 74:28:22:01, 74:28:23:01, 74:28:24:01, 74:28:25:01, 74:28:25:03, 74:28:25:04, 74:28:25:05, 74:28:26:01, 74:28:27:01, 74:28:28:01, 74:28:28:03, 74:28:28:04, 74:28:28:05, 74:28:30:01, and 74:28:33:01, as presented. A roll call vote was taken, and the motion carried unanimously.

<u>PUBLIC HEARING TO CONSIDER AMENDMENTS TO ARSD 74:36</u>, AIR <u>POLLUTION CONTROL PROGRAM RULES</u>: Chairman Hagg opened the hearing at 10:20 a.m. Central Time.

The purpose of the hearing was to consider adoption and amendment of proposed rules numbered ARSD 74:36:01:01, 74:36:01:05, and 74:36:01:20, 74:36:02:02 through 74:36:02:05,

74:36:03, 74:36:04:04, 74:36:05:04, 74:36:05:06, and 74:36:05:16.01, 74:36:06:07, 74:36:07:01 through 74:36:07:07.01, 74:36:07:09, 74:36:07:10, 74:36:07:12 through 74:36:07:28, 74:36:07:31 through 74:36:07:34, 74:36:07:36, 74:36:07:37, 74:36:07:39 through 74:36:07:93, 74:36:08:01through 74:36:08:130, 74:36:09:02 and 74:36:09:03, 74:36:10:02, 74:36:10:03.01, 74:36:10:05, 74:36:10:07, and 74:36:10:08, 74:36:11:01, 74:36:12:01 and 74:36:12:03, 74:36:13:02 through 74:36:13:04, 74:36:13:06 through 74:36:13:08, 74:36:16:01, 74:36:16:02, 74:36:16:04, and 74:36:16:05, 74:36:18:10, 74:36:20:05, and 74:36:21:02, 74:36:21:04, 74:36:21:05, and 74:36:21:09.

The effect of the proposed amendments will be to adopt revisions to federal regulations, clarify the requirements for air pollution dispersion modeling, revise the permit rescission provision in the federal Prevention of Significant Deterioration regulations, and correct a reference to a section that was repealed in 2012. By adopting the proposed amendments, the South Dakota air pollution control program rules will continue to comply with the federal regulations, and South Dakota will maintain approval of its air quality program.

In March 2017, which was prior to public notice, the proposed amendments and additions were sent to several entities including industry, environmental groups, the Environmental Protection Agency, and other interested parties for review and comment. No comments were received during that initial outreach.

Notice of the public hearing was published on June 14, 2017, in the Aberdeen American News, Brookings Register, Huron Plainsman, Madison Daily Leader, Mitchell Daily Republic, Pierre Capital Journal, Sioux Falls Argus Leader, Black Hills Pioneer, Watertown Public Opinion, and Yankton Daily Press & Dakotan, and on June 15, 2017, in the Rapid City Journal. Affidavits of Publication are on file at the Department of Environment and Natural Resources.

Notice of the public hearing was posted on DENR's website and the Open SD public notice website. The notice was also sent to the department's interested parties mailing list, which includes environmental groups, industry and other interested parties. No comments were received.

The proposed rules were sent to the Bureau of Finance and Management (BFM) and to the Legislative Research Council (LRC). BFM reviewed and concurred with DENR's assumptions and fiscal impact calculations. LRC reviewed and approved the proposed amendments for form, style, and legality.

Marlys Heidt, DENR Air Quality Program, provided an overview of the proposed amendments.

Following Ms. Heidt's presentation, Chairman Hagg requested public comments. No one from the public offered comments.

Mr. Rombough answered questions from the board regarding the proposed amendment to 74:36:20:05. He stated that there is not a rule that specifies when modeling would be required.

The intent of the change to this chapter is to clarify that modeling is not a requirement; it is an option and discretionary item.

Chairman Hagg asked that staff check to see that the statute is consistent with the rule.

Motion by Karpen, seconded by Landguth, to adopt amendments to ARSD 74:36:01:01, 74:36:01:05, and 74:36:01:20, 74:36:02:02 through 74:36:02:05, 74:36:03, 74:36:04:04, 74:36:05:04, 74:36:05:06, and 74:36:05:16.01, 74:36:06:07, 74:36:07:01 through 74:36:07:07.01, 74:36:07:09, 74:36:07:10, 74:36:07:12 through 74:36:07:28, 74:36:07:31 through 74:36:07:34, 74:36:07:36, 74:36:07:37, 74:36:07:39 through 74:36:07:93, 74:36:08:01through 74:36:08:130, 74:36:09:02 and 74:36:09:03, 74:36:10:02, 74:36:10:03.01, 74:36:10:05, 74:36:10:07, and 74:36:10:08, 74:36:11:01, 74:36:12:01 and 74:36:12:03, 74:36:13:02 through 74:36:13:04, 74:36:13:06 through 74:36:13:08, 74:36:16:01, 74:36:16:02, 74:36:16:04, and 74:36:16:05, 74:36:18:10, 74:36:20:05, and 74:36:21:02, 74:36:21:04, 74:36:21:05, and 74:36:21:09, as presented. A roll call vote was taken, and the motion carried unanimously.

(Note: There was a technical issue with the microphones at the DDN sites at the time of the roll call vote and Daryl Englund's vote could not be heard at the DDN sites. After the hearing, staff contacted Mr. Englund to confirm that he cast a vote and if he voted against or for to adopt the amendments. He sent an email confirming that he had voted aye during the roll call vote.)

MINING ISSUES

<u>Consent Calendar</u>: Prior to the meeting, the board received a table with the department's recommendations for release of surety, release of liability and surety, transfer of liability and release of surety, transfer of liability, and releases of liability (see attachment).

Tom Cline, DENR Minerals and Mining Program, answered questions from the board.

Motion by Bullene, seconded by Karpen, to accept the department recommendations for release of surety, release of liability and surety, transfer of liability and release of surety, transfer of liability, and releases of liability as listed on the table. A roll call vote was taken, and the motion carried unanimously.

(Note: There was a technical issue with the microphones at the DDN sites so Daryl Englund's vote could not be heard at the DDN sites. After the meeting, staff contacted Mr. Englund to confirm that he voted and what his vote was. He sent an email confirming that he had voted aye during the roll call vote.)

FINANCIAL ASSURANCE INCREASE FOR WHARF RESOURCES (USA), INC.: Eric Holm presented an adjustment of the financial assurance amount for Wharf Resources. This financial assurance, also known as the cyanide spill bond, is required under SDCL 45-6B-20.1 and covers costs to the state for responding to and remediating accidental releases of cyanide and

other leaching agents at the Wharf site. The financial assurance is in addition to Wharf Resources' \$37.4 million reclamation bond and \$26.8 million post-closure bond.

The department adjusted the financial assurance for inflation and calculated a revised amount of \$649,700, which is an increase of \$18,900 from the 2016 update. To cover the increase, Wharf submitted a rider to their surety bond that currently serves as financial assurance, increasing the amount to of the bond to \$649,700.

The department recommended the board accept the rider to Bond No. SU27832, Aspen American Insurance Company increasing the financial assurance bond to \$649,700.

(Note: The issue with the microphones at the DDN sites was corrected before the following motion was made, and all roll call votes were heard at the DDN sites from this point forward.)

Motion by Blumhardt, seconded by Morris, to accept the rider to Bond No. SU27832, Aspen American Insurance Company increasing the financial assurance bond to \$649,700. A roll call vote was taken, and the motion carried unanimously.

REQUEST FOR APPROVAL OF DR. MICHAEL K. MADDEN AS AMERICAN COLLOID COMPANY'S SOCIO-ECONOMIC CONTRACTOR FOR A LARGE-SCALE BENTONITE MINE PERMIT: Eric Holm reported that American Colloid requested board approval of Dr. Michael Madden as its socioeconomic contractor.

American Colloid is applying for a large-scale mine permit for its proposed Stateline bentonite mining project located 12 miles northwest of Belle Fourche along the South Dakota/Wyoming border.

Under the mining statutes, an applicant for a large scale mine is required to do a socioeconomic impact study and include it in its mine permit application. The law requires the applicant to get board approval for the contractor to conduct the study.

As part of its decision-making process on a mine permit application, the board can consider the socioeconomic impacts of a mining operation. The board can deny a mine permit application if it finds the adverse socioeconomic impacts of the proposed mining operation outweigh the benefits of the operation.

A copy of Dr. Madden's resume was sent to the board prior to the meeting.

Lyndon Bucher of American Colloid was available at the Spearfish DDN site to answer any questions. There were no questions for Mr. Bucher.

Motion by Englund, seconded by Landguth, to approve Dr. Michael Madden as the socioeconomic contractor for American Colloid Company. A roll call vote was taken, and the motion carried unanimously.

ANNUAL UPDATE OF PRELIMINARY LIST OF SPECIAL, EXCEPTIONAL, CRITICAL, OR UNIQUE LANDS: Mr. Holm reported that under ARSD 74:29:10:19, the board is required to annually hold a hearing to consider any nominating petitions to place areas on the Preliminary List of Special, Exceptional, Critical or Unique Lands.

In accordance with ARSD 74:29:10:17(4), DENR publishes an annual notice to solicit petitions to add areas to the preliminary list. The notice was published in the Capitol Journal, Sioux Falls Argus Leader, Black Hills Pioneer, and Rapid City Journal on January 20, 2017. Affidavits of publication were received from all four newspapers

The deadline for submittal of petitions to nominate areas to the preliminary list was May 1, 2017, and no nominating petitions were submitted.

NEXT MEETING: Chairman Hagg stated that the next meeting is tentatively scheduled for August 17, 2017.

ELECTION OF OFFICERS: Motion by Morris, seconded by Englund, to nominate Rex Hagg as chairman, Glenn Blumhardt as vice chairman, and Gregg Greenfield as secretary, to cease nominations, and to cast a unanimous ballot for the nominated slate of officers. A roll call vote was taken, and the motion carried unanimously.

Chairman Hagg stated that Linda Hilde had been the secretary for many years, but due to health reasons it has been difficult for her to attend the meetings.

ADJOURN: Motion by Landguth, seconded by Greenfield, that the meeting be adjourned. A roll call vote was taken, and the motion carried unanimously.

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BOARD OF MINERALS AND ENVIRONMENT MEETING

VIA THE DIGITAL DAKOTA NETWORK

JULY 20, 2017

SOUTH DAKOTA STATE UNIVERSITY BROOKINGS

NAME (PLEASE PRINT)	ADDRESS	REPRESENTING
Daryl England Robbin Pagers	1200 Telluridi - Brooking 4305 S. Louise Ave #205-SF	Board of Min. JEn
Dottey Rogers	4 303 5. COURSE AVE 4205 -3F	DENK

BOARD OF MINERALS AND ENVIRONMENT MEETING

VIA THE DIGITAL DAKOTA NETWORK

JULY 20, 2017

STATE CAPITOL BUILDING PIERRE

NAME (PLEASE PRINT)	ADDRESS	REPRESENTING
Brian Gushdson Roberta Hudson Mine Cepah Eric Holm Kyrik Rombogh	Fierre Pierre Pierre Pierre Pierre Pierre	SD DENR-MAM Progra SDDENR SDDENR SD DENR SD DENR SD DENR SD DENR
Marys Heidt Camp Jawtson Bob Mercer	Prem	SD DENR SDDENR.WMP Newspapers

BOARD OF MINERALS AND ENVIRONMENT MEETING

VIA THE DIGITAL DAKOTA NETWORK

JULY 20, 2017

UNIVERSITY CENTER RAPID CITY

NAME (PLEASE PRINT)	ADDRESS	REPRESENTING
Dennis CANdgoth Clint Beck Veryn Christensen		BME BME PETE LIEW & SONS, /NC. JENR DENR
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BOARD OF MINERALS AND ENVIRONMENT MEETING

VIA THE DIGITAL DAKOTA NETWORK

JULY 20, 2017

UNIVERSITY CENTER SIOUX FALLS

NAME (PLEASE PRINT)	ADDRESS	REPRESENTING
Gay Greenfield	2501 S. Popler Dr. Brandon/Sinux Falls	50BM35
JILL Riedel	Brandon/Siaux Falls	SDDENR
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33.33.55		
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BOARD OF MINERALS AND ENVIRONMENT MEETING

VIA THE DIGITAL DAKOTA NETWORK

JULY 20, 2017

BLACK HILLS STATE UNIVERSITY SPEARFISH

NAME (PLEASE PRINT)	ADDRESS	REPRESENTING
Lyndon Bucher	2050 W. Mah R.C. 7.0. Box 2010 Belk Fourt	DENR American Colloid

BOARD OF MINERALS AND ENVIRONMENT MEETING

VIA THE DIGITAL DAKOTA NETWORK

JULY 20, 2017

LAKE AREA TECHNICAL INSTITUTE SO DENR WATERTOWN

NAME (PLEASE PRINT)	ADDRESS	REPRESENTING
PeterBillere	watertow 50	BME
	*	
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<u>License Holder</u>	<u>License</u> <u>No.</u>	Site No.	Surety Amount	Surety No.	Surety Company or Bank	July 20, 2017 DENR Recommendation
Release of Surety:						
Dick Wilde, Jr. Lake Preston, SD	83-208		\$500	1537004350	Wells Fargo Bank, Watertown	Release \$500.
Release of Liability and	Surety:					
Black Hills Environmental Partner, LLC	13-949		\$4,000	1022395	Lexon Insurance Company	Release liability and \$4,000.
Dripping Springs, TX		949001	W1/2 Section	า 32; T3N-R9E, M	eade County	
Transfer of Liability and	Release of S	<u>urety:</u>				
Schleusner Dairy Inc. Watertown, SD	16-1002		\$1,000	234733	Reliabank Dakota, Watertown	Transfer liability and release \$1,000.
·		1002001	SW1/4 Section Codington Co		tion 18; T116N-R51W,	
Transfer to:				-		
Kranzburg Township Watertown, SD	17-1016		EXEMPT	NA	NA	

						July 20, 2017
<u>License Holder</u>	<u>License</u> <u>No.</u>	Site No.	<u>Surety</u> Amount	<u>Surety</u> <u>No.</u>	Surety Company or Bank	DENR Recommendation
Transfer of Liability:	<u>140.</u>		<u> Amount</u>	<u>140.</u>		
Mehlhaff Construction Tripp, SD	83-218		\$4,000	57284	The Farmers & Merchants State Bank, Scotland	Transfer liability.
		218020	NW1/4 Sect	tion 31; T100N-R57	W, Hutchinson County	
Transfer to:						
Hutchinson County Highway Department Olivet, SD	83-133		EXEMPT	NA	NA	
Releases of Liability: Bowes Construction, Inc.	83-164		\$20,000	HGMW-10-206-	Hudson Insurance Company	Release liability.
Brookings, SD	03-104		Ψ20,000	0065	riduson insulance company	Neicase hability.
		164026	Section 30;	T104N-R62W, Davi	ison County	
		164038	NW1/4 Sect	tion 20; T108N-R50	W, Moody County	
TF Luke & Sons, Inc.	83-11		\$20,000	92911763	Wastern Surety Company	Dologgo lighility
Kimball, SD	03-11		\$20,000	92911703	Western Surety Company	Release liability.
		11025	S1/2 Section	n 30; T104N-R62W	, Davison County	

<u>License Holder</u>	<u>License</u> No.	Site No.	<u>Surety</u> Amount	Surety No.	Surety Company or Bank	July 20, 2017 DENR Recommendation
Releases of Liability:						
Kory Standy Platte, SD	12-933		\$1,500 \$1,000	607096 607412	First Fidelity Bank, Platte	Release liability.
		933002	S1/2 SE1/4	Section 26; T98N-I	R69W, Charles Mix County	
Vanderpol Dragline, Inc. Mitchell, SD	83-59	59018	\$25,000 NW1/4 Sect	0350 08 069675 ion 32; T100N-R64	Wausau Underwriters Insurance Company IW, Douglas County	Release liability.
Harvey Wall Freeman, SD	99-687	687002	\$1,000 \$2,000 \$1,033 SE1/4 Section	375011767353 375012040214 375012069064 on 4; T99N-R57W,	US Bank, Mitchell Hutchinson County	Release liability.
City of Huron	83-128		EXEMPT	NA	NA	Release liability.
Huron, SD		128001	NE1/4 SE1/4	4 Section 24; T112	N-R63W, Beadle County	

License Holder	<u>License</u> <u>No.</u>	Site No.	Surety Amount	Surety No.	Surety Company or Bank	July 20, 2017 DENR Recommendation
Releases of Liability:						
Day County Highway Department Webster, SD	83-34		EXEMPT	NA	NA	Release liability.
Wobston, OB		34006	NE1/4 NW1/4	Section 3; T12	2N-R53W, Day County	
		34007	E1/2 NE1/4 N ¹ County	1/2 Lot 3; Secti	ion 11; T121N-R56W, Day	
		34008		2; T121N-R56	W, Day County	
Cront County Highway	02 102		CVEMPT	NIA	NA	Dologoo lighility
Grant County Highway Department Milbank, SD	83-183		EXEMPT	NA	NA	Release liability.
Willbarik, 3D		183002	W1/2 NW1/4 S	Section 20; T12	21N-R47W, Grant County	
Lyman County Highway Department Kennebec, SD	83-215		EXEMPT	NA	NA	Release liability.
Kennebee, 3D		215003	N1/2 Section 4	l; T109N-R77W	V, Stanley County	
		215016	N1/2 Section 3	34: T103N-R77	W, Tripp County	

<u>License Holder</u>	<u>License</u>	Site No.	Surety	<u>Surety</u>	Surety Company or Bank	July 20, 2017 DENR Recommendation
Releases of Liability:	<u>No.</u>		<u>Amount</u>	<u>No.</u>		
McCook County Highway Department Salem, SD	83-157		EXEMPT	NA	NA	Release liability.
Calein, CD		157012	N1/2 NE1/4 Se	ection 25; T102	PN-R55W, McCook County	
		157014	S1/2 SW1/4 S	ection 17; T104	4N-R54W, McCook County	
		157016	NW1/4 NW1/4	Section 22; T1	103N-R55W, McCook County	
Miner County Highway Department Howard, SD	83-177	177030	EXEMPT SE1/4 Section	NA 3; T107N-R56\	NA W, Miner County	Release liability.