

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
523 East Capitol Avenue
Pierre, South Dakota

March 17, 2022
10:00 a.m. Central Time

CALL TO ORDER: 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.

BOARD MEMBERS PRESENT: Rex Hagg, Glenn Blumhardt, Gregg Greenfield, Doyle Karpen, Jessica Peterson, Daryl Englund, Dennis Landguth, Bob Morris, and John Scheetz.

BOARD MEMBERS ABSENT: None.

OTHERS PRESENT: Mike Lees, Roberta Hudson, Eric Holm, Bret Graves, DANR Minerals and Mining Program; Matt Zietlow, Wharf and Stephanie Kuntz, Marsh.

APPROVAL OF MINUTES FROM FEBRUARY 17, 2022, MEETING: Motion by Karpen, seconded by Scheetz, to approve the minutes from the February 17, 2022, 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 release of surety, transfer of liability, and releases of liability. (See attachment)

In response to a question from Chairman Hagg regarding the transfer of liability from Don Kriech to Theodore Wasilk, Bret Graves, DANR Minerals and Mining Program, stated that the \$20,000 statewide surety for Don Driech covers multiple sites. The \$2,000 surety for Theodore Wasilk covers his two sites.

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

ACCEPTANCE OF CHANGE RIDER AND ACCEPTANCE OF POST CLOSURE BOND FOR WHARF RESOURCES (USA), INC. PERMITS 356, 434, 435, 464, AND 476: Eric Holm stated that Matt Zietlow was available to answer board questions following his presentation.

Wharf Resources' current post-closure surety bonds are with United States Fire Insurance in the amount of \$26,800,000 and Arch Insurance in the amount of \$11,596,200 for a total of \$38,396,200.

Mr. Holm reported that Wharf Resources submitted a rider to reduce the United States Fire Insurance surety bond by \$10,000,000, from \$26,800,000 to \$16,800,000. The company also submitted a new \$10,000,000 surety bond from Atlantic Specialty Insurance. He noted that the total post-closure bond amount will remain at \$38,396,200.

Staff performed an analysis of Atlantic Specialty Insurance Company, which is a U.S. Treasury certified company. AM Best gave Atlantic Specialty Insurance Company a superior rating. Moody's gave the company an upper medium grade rating. Fitch gave the company a very high credit. The outlook for all of these rating companies is stable.

The department recommended that the board accept Change Rider to Bond No. 612408648, United States Fire Insurance Company, decreasing post-closure bond amount for Bond No. 612408648 to \$16,800,000 and that the board accept post-closure bond No. 800122551, Atlantic Specialty Insurance Company, in the amount of \$10,000,000.

There were no questions from the board.

Motion by Morris, seconded by Englund, to accept Change Rider to Bond No. 612408648, United States Fire Insurance Company, decreasing post-closure bond amount for Bond No. 612408648 to \$16,800,000 and that the board accept post-closure bond No. 800122551, Atlantic Specialty Insurance Company, in the amount of \$10,000,000. A roll call vote was taken, and the motion carried unanimously.

PUBLIC COMMENT PERIOD IN ACCORDANCE WITH SDCL 1-25-1: There were no public comments.

NEXT MEETING: The next meeting will be held in the Foss Building, Matthew Training Center in Pierre on April 21, 2022.

Chairman Hagg stated that he is unable to attend the April meeting, so Vice Chairman Blumhardt will chair that meeting.

ADJOURN: Motion by Scheetz, seconded by Peterson, to adjourn the meeting. A roll call vote was taken, and the motion carried unanimously.

Secretary

Date

Witness

Date

Consent Calendar
South Dakota Board of Minerals & Environment

March 17, 2022

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Release of Surety:</u>					
Teklham Inc. dba Eureka Ready Mix Eureka, SD	03-763		\$3,000	Great Plains Bank, Eureka	Release \$3,000.
<u>Transfer of Liability:</u>					
Don Kriech Waubay, SD	97-607		\$20,000	Nationwide Mutual Insurance Company	Transfer liability.
		607002	E1/2 SW1/4 Section 36;	T124N-R53W, Day County	
Transfer to:					
Theodore Wasilk Waubay, SD	20-1078		\$2,000	Minnwest Bank, Summit	
<u>Release of Liability:</u>					
Opperman Inc. Gregory, SD	83-4		\$20,000	Sun Surety Insurance Company	Release liability.
		4013	S1/2 N1/2 Section 9;	T100N-R73W, Gregory County & Portions of Section 29, 30, 31, 32, & 33; T101N-R72W, Lyman County	

Consent Calendar
South Dakota Board of Minerals & Environment

March 17, 2022

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Release of Liability:</u>					
Banner Township Winner, SD	92-445		EXEMPT	NA	Release liability.
		445001	Lots 1, 2, 3, & 4 S1/2 NE1/4, S1/2 NW1/4 Section 1; T102N-R75W, Tripp County		
Elliston Township Dallas, SD	92-453		EXEMPT	NA	Release liability.
		453001	Lots 1, 2, 3, & 4 S1/2 NE1/4, S1/2 NW1/4 Section 1; T102N-R75W, Tripp County		

South Dakota Board of Minerals & Environment

March 17, 2022

<u>Permit Holder</u>	<u>Permit No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Acceptance of Change Rider to Post Closure Bond for Wharf Resources (USA), Inc.:</u>				
Wharf Resources (USA), Inc. Lead, SD	356, 434, 435, 464, & 476	\$26,800,000	United States Fire Insurance Company	Accept Change Rider to Bond No. 612408648, United States Fire Insurance Company, decreasing Post Closure Bond amount for Bond No. 612408648 to \$16,800,000.
<u>Acceptance of Post Closure Bond for Wharf Resources (USA), Inc.:</u>				
Wharf Resources (USA), Inc. Lead, SD	356, 434, 435, 464, & 476	\$10,000,000	Atlantic Specialty Insurance Company	Accept Post Closure Bond No. 800122551, Atlantic Specialty Insurance Company, in the amount of \$10,000,000.