

Study Session Minutes- September 28, 2015 5:30 p.m.
Study Session Meeting – Council Chambers, Ely City Hall

CALL TO ORDER

The Ely City Council Study Session was called to order by Mayor Novak at 5:33pm on September 28, 2015 at the City Hall Council Chambers

PRESENT: Council members Kess, Debeltz, Omerza, Polynier, D.Forsman, Mayor Novak (6)

ABSENT: A.Forsman

ADDITIONS OR OMISSIONS: None

CITY BUDGET: None

OLD BUSINESS: None

NEW BUSINESS

A. Twin Metal Minnesota Project

B. Bob McFarlin, Vice President of Public and Government Affairs for Twin Metals Minnesota gave an update on the status of the Twin Metals Project.

- Twin Metals Minnesota (TMM) is pursuing the development and operation of an underground copper, nickel, and PGM metals mining project.
- The TMM Project is located in the Iron Range region of northeast Minnesota.
- Twin Metals is a wholly-owned subsidiary of Antofagasta plc, one of the world's leading copper mining companies. Antofagasta has operated in Minnesota since 2010.
- Minnesota is the 3rd largest state in the nation for mineral production by value.
- There are more than 4 billion tons of ore containing copper, nickel and other metal resources within Minnesota's Duluth Complex, which represents the largest known undeveloped deposit of strategic metals in the world.
- A TMM Project Prefeasibility Study (PFS) was completed June 2014. PFS Technical Report issued October 2014.
 - The PFS examined a conceptual mine plan to establish a foundation for further engineering, economic and environmental study.
 - Changes to PFS conceptual mine plan are likely based on ongoing analysis.
 - Long-term Goal: develop and submit formal mine plan proposal to state and federal agencies for formal environmental review.
- Based on everything we now know, Twin Metals is taking a critical look at the project to define the optimum configuration to put forth for further technical and environmental studies:
 - Mine Scope, Mine Size & Mining Rate – It will be an Underground Mine.

- Tailings Processing & Storage – Method and location. –Might change in the final proposal
- Transportation Corridors and Facility Locations – Consolidation, wetlands, visual, etc. –Might change in the final proposal
- Water Appropriation and Management. –Might change in the final proposal
- The TMM Project is located within the Superior National Forest (SNF).
- Exploration and development of minerals are listed as a “desired condition” under the 2004 SNF Land and Resource Management Plan.
- Congress has purposely authorized acquisition and development of minerals within the Superior National Forest.
- Mining within the SNF is in the direct interest of the United States.
- 1978 compromise: no mining w/in the BWCA, but mining could and should occur in other areas of SNF.
- Failure to allow federal mineral development w/in SNF would significantly impact state minerals and state school trust lands.
- TMM is committed to protecting Minnesota’s wilderness, natural environment & recreational resources.
 - TMM Project must meet state and federal environmental standards to be approved:
 - Rigorous environmental review by state & federal agencies and tribal governments.
 - State and federal permits protecting water, air, land and wildlife will include stringent environmental standards.
- 2009 UMD Study (long-term impacts):
 - All potential copper-nickel mining projects: > 12,000 MN construction jobs and > 5,000 long-term mining jobs created.
- 2012 UMD Study (focus through 2016):
 - Copper-nickel project construction = \$1.7 billion impact to state; up to 2,000 jobs.
 - Copper-nickel project operations = \$200 million impact to state; > 1,300 jobs.
- MN School Trust Fund Revenues:
 - 2011 DNR analysis: copper-nickel mining has the potential to generate > \$2.5 billion in royalty revenues for the MN School Trust Fund, nearly tripling the size of the trust.
- TMM project could create hundreds of long-term mining jobs, and thousands of construction jobs.
 - Every direct mining job creates another 2.1 to 2.5 indirect jobs (*UMD 2012*)
 - Geologists, engineers, carpenters, safety inspectors, mine designers, mapping experts, mechanics, electricians, miners, truck drivers, business administration, and more.

C. Rams- Steve Georgi- Executive Director for RAMS

Steve Georgi gave an update on RAMS. Georgi also talked about the focus of RAMS which is:

1. Promote economic development and general welfare of the municipalities and school districts within the Iron Range of Northeastern Minnesota.
2. Serve as the primary representative of the collective interests of all Range municipalities and school districts on Range- wide issues and statewide issues with unique Range significance.
3. Provide collaborative problem solving efforts between and among cities and school districts, the State, the Legislature, and private interest which demand area-wide coordination and cooperation.
4. Establish specific prioritized agenda, including legislative proposals, to address member needs.
5. Enhance the quality of life in NE Minnesota by promoting efficient and progressive service delivery for our residents.

Mayor Novak Adjourned at 6:25pm