

Study Session Minutes- October 27, 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 5:32pm on October 27, 2015 at the City Hall Council Chambers

PRESENT: Council members A.Forsman, Kess, Debeltz, Omerza, Polyner, D.Forsman, Mayor Novak (7)
ABSENT: None

ADDITIONS OR OMISSIONS: None

MAYORS REPORT:

Mayor Novak congratulated the Ely Timberwolves on being Section 7 9-Man Football Champions. The State Football Tournament will begin on Friday, October 30, 2015 at Bemidji State University for the Ely Timberwolves the game starts at 7pm versus Stephen-Argyle Central High School.

Mayor Novak also noted that Calendar Parking will start on Sunday, November 1, 2015.

CITY BUDGET: None

OLD BUSINESS: None

NEW BUSINESS

Becky Rom- Ely Business Owners- Northeastern Minnesotans for Wilderness and Campaign to Save the Boundary Waters

Becky Rom showed the video “Drawn to Save the BWCA” which can be found on the savetheboundarywaters.org website.

Steve Piragis from Piragis Northwoods Company stated that we all can agree on one thing we want the best for Ely, we all want the best for our area, we all want prosperity, and we all want the clean water to stay the way it is. This is a serious issue and one that all elected officials need to contemplate and research. The Governor is on tour this week to see several different copper mines around the Midwest and is still trying to make up his mind on what is good for the state. Steve Piragis stated that he and his wife Nancy arrived in Ely in 1975 as young biologists and worked on the Shagawa Lake project and worked on the original copper nickel study as biologists. They started their business in 1979 out of a small garage and now own a half a block in downtown Ely. They have 20 full time employees year round and pay them living wages, and at the peak this last summer they had 53 employees. Piragis Northwoods Company’s contribution to the Ely Economy from payroll is approximately \$1million. In 2015 Piragis Northwoods Company had their best year ever. Piragis Northwoods Company is a wilderness edge business just like all the speakers tonight they depend on the beautiful Boundary Waters. There will be lots of issues brought up by many members of the community. Steve Piragis talked to former Mayor Ross Peterson a couple years ago and asked him how the city would

maintain if a mine came in? What would it do to the downtown businesses? How many more police officers would need to be on duty, how would the city keep up with road maintenance? It would cost the city more to run the city and to maintain the streets and infrastructure. The other issue is pollution; sulfide mines around the world have been termed as the most polluting industry in the country according to the EPA. We saw these things happen all around North America, look at Mt. Polley in Canada where a tailings dam breaks and the polluted water pours into a pristine water shed, it could happen here. The economics in Ely is based on tourism, taconite mining, and retirement. We are the premier economy on the iron range right now, and we are thriving. We don't think that copper/sulfide ore mining is ever sustainable, once the resource is gone; it's over then you have to start over again.

Deborah Kleese from Morse Township about a mile out of Ely spoke and stated that she does all of her shopping, services her vehicles, uses the lumber stores, and hardware stores in Ely. She works in distance learning, the information world will be a future here. She is here because Ely bumps up against a vast area of forest and water. It's the Gateway to the Boundary Waters and Quetico, and that is why she and her husband came to this area. It is one of the significant fresh water wilderness areas on the planet. It is this resource that is the community source of present and future value. People come across the country and from other countries because this place is unique. There are two ecosystem factors that have to be considered in economic analysis one is the costs that follow a proposed project, which others will be discussing this evening. Another thing that is considered in economic analysis is the non-tradable public benefits of an ecosystem, what the present ecological support system provides. This area is rich in ecosystem benefits, benefits that are important for long term sustainable futures. All great cities whether they are large or small need to plan for the future. We should be a leader and plan for sustainable economies. Sustainable jobs are capable of being maintained over the long term, without causing severe ecological, economic, or social damage. All of which are threatened by the mining of copper nickel and sulfide ore bodies in the region and she opposes that.

Carol Orban, resident of Ely spoke about the huge foot print that the mine is going to have. She distributed a map from page ninety-nine of the 2014 Twin Metals Feasibility Study. Imagine driving down Highway 1 and seeing and hearing the huge trucks and other equipment plowing down hundreds of acres of trees, creating roads and building a huge concentrator just south of our airport. Highway 1 is not going to be beautiful drive anymore. Would you want to live on Spruce Road right now? Would you want to invest in a home on or near Highway 1? Those people are not going to be able to have their windows open at their home because of the noise. Another thing we have to consider is the man camps. Are we prepared for the infrastructure to house the man camps and all of the temporary workers? Where would the developments be? Where would the water, sewer and electricity come from? Are we prepared for the infrastructure that these camps would need? Then once the mine is built, they are gone.

Betty Firth, resident of Ely moved here 16 years ago because Ely was a small quiet place. She first became aware of copper sulfide mining about seven years ago and started doing research about the copper sulfide mines in Michigan, and was stunned that it was coming here. Two things that struck her were the volume of the waste rock, in the difference between copper/sulfide mining and taconite mining. For every ton, which is two thousand pounds, of rock that is mined you get twelve pounds of minerals in copper sulfide mining. This kind of pollution is forever.

Steve Koschak from the Stony Township and was born and raised in Ely. Steve Koschak stated that when he was in high school he would look across the point where River Point Resort is located and you could see the shaft that International Nickle erected, they were doing bulk sampling at that time. At that time they sunk a shaft one thousand feet down and took the resources, the waste was passed off to the side during the mining process. They also took a surface sample of the rock on the Spruce Road. Koschak showed some samples of the waste rock from Spruce Road. He showed the difference of the rock that was being dissolved in the water and how was disintegrating and running into the watershed. He also showed two samples of rocks from the Spruce Road that if you were to pound them together they would crumble.

Ann Santo lived in Ely for 5 years, but now lives in Town of Morse; they moved here 9 years ago and she currently works at the Department of Revenue. The Department of Revenue, Sato and the VA Clinic are the kinds of jobs we need in Ely. There is room available in the Department of Revenue building, and in the Sato/city owned buildings, we can have more jobs in those buildings. We need more like the current jobs that are housed in these buildings, jobs that are fulltime, provide health benefits, insurance, and retirement, jobs that will be here in the long run.

Wendy Nelson, a City of Ely resident for the last 38 years with her husband Scott. She is retired from a job in Duluth which she worked for over 23 years and commuted back and forth to Ely every week because she wanted to live in Ely. She owns a yoga studio with approximately forty students. A vast majority of her students live outside of the city limits, many of them are retirees that have moved to Ely, many of them are snowbirds, and many of the people she serves do not want copper nickel mining.

Ted Spaulding a City of Ely resident. Copper mining has been going on since 5000BC. Spaulding stated that he bets that each time that people that wanted to mine, they told the people that were concerned about the mining not to worry we have this totally under control, they didn't have it under control. Let's look at copper mining in the last 80-100 years. Each time the governments or government agencies on behalf of mining companies wanted to mine they all brought forth their experts, and stated what they wanted to do was right. Each time there has been environmental problems and environmental disasters. The most recent of which is Mt. Polley in Canada which was a real disaster. A dam broke in a tailings pit and released ten million cubic meters of water and slurry over a period of seven or eight days into Polley Lake. Spaulding read a statement that Mayor Novak made in the paper "My position is well known and I want the permitting process to go through. We have invested millions of dollars in both the federal and state agencies and I have full confidence that they will do what is right." Spaulding's question is then why is Twin Metals going to be different?

Scott Mills a City of Ely Resident on Yukon Drive and husband to Wendy Nelson. Scott thanked everyone for showing up and listening to what we have to say. He has been involved in construction for many years; a lot of his work has been in the townships. In the townships is where a lot of the high value buildings and high value homes are. In these high value lake homes there is obviously more money put into construction and maintenance. He is a citizen of Ely, but works for and depends on the people that come here to invest their money and invest in lake homes and depend on the quality of lakes we have around here. He has worked for people on the South Kawishiwi Cabin Road and has talked with people that have regretted investing in their homes, because the market is questionable with potential impact of mining in that area.

Bob Tammen from Soudan, MN, a Breitung Township Resident and a Birch Lake property owner. Bob Tammen used to work on several different mining projects around different states. In the 70s he had an apartment in Mt. Iron by Minntac; there was a grocery store next door and a bar across the street. Recently he has visited some of the places where he used to work. When he and his wife Pat went back to Mt. Iron the bar was still there, but the grocery store is gone. By having the single largest taconite plant in North America right next to the main street does not guarantee you a healthy community, and he does not think that the copper mining industry will guarantee Ely to have a healthy community either. Pat and Bob have gone back to upper Michigan to the where Bob worked at the Empire Mine in the small town of Palmer where the mine is still operating, there is grass growing under the playground swing sets, and the school is closed. He made these points because it is difficult to understand mining economics. Bob stated a lot of people will tell you what a good deal mining is, and as a matter of fact it is, it was good for him and it's good for a lot of individuals. But the fact is mining is not good for communities. Bob stated that we have no examples of where mining made communities prosperous. We have hundreds of mining operations in the United States, but we do not have hundreds of thriving communities. We are lucky to have the economy we have in Ely.

Celia Rolando an Ely native – Tonight we speak of the difference between those who support mining in our area and those who do not. Each side has firm beliefs, and neither side wishes to bend. Her interest is to serve as an advocate for our little part of a very big world. Celia moved back Ely because life in California did not provide her with the necessary quiet and tranquility she had at home in Ely. She longed to be back in the 4-seasons, anticipating each, and not having eight million neighbors and the noise of the freeway in the distance. She would like the people that are here to love it and to have it as it is, indefinitely. If we allow sulfide mining, if we even have a choice in that decision, she believes what we love about Ely will be greatly affected in negative ways. We want proof that sulfide mining can be done without changing our land and waterscapes. With all that is going on in this world it is difficult to be trustful of government or the corporate world. She hopes that we can count on our locally elected government to be thoughtful and thorough in their decision making. She would like the council to look at the bigger picture when representing us.

Jane Koschak was born and raised in Ely; in 2016 she will celebrate 40 years as the owner of River Point Resort along with her husband Steve and their son James which is located in Stony River Township on Birch Lake and the South Kawishiwi River. She is opposed to sulfide ore mining. Why? Because there are simply too many places on this Earth that are too special to allow this type of mining, the watershed of the Boundary Waters, Birch Lake and South Kawishiwi River are one of those special places. The Ely City Council has branded the phrase “Gateway to the Boundary Waters,” the Ely Chamber of Commerce has branded Ely as being “the last great pure experience.” Would anyone ever say “Gateway to the Mining District of Ely?” She doesn't think so. Why were these words chosen to brand Ely? Wilderness is what we are now and it is our future. We cannot risk losing the wilderness. The question is then, why would we place what the EPA calls as the most toxic of industries, hard rock mining, sulfide ore mining, copper nickel mining, or whatever is chosen to call it, next to the most popular wilderness area in the country. The Twin Metals sulfide ore proposed mine is located in Stony River Township. Several years ago Stony River Township passed a resolution unanimously against sulfide ore mining within the township, the Ely Chamber has gone on record several times in support of sulfide mining. There will be no such mine within the Ely city limits, nor will

ore be processes within the city limits. It is time for this board to begin the dialog with the citizens of the greater Ely area, the conversation should begin today and she is hopeful that it will. Mining boosters say that this type of mining can coexist with recreation and recreational tourism; she says that this defies logic and common sense. There is no existing technology to make it safe no matter what the mining, marketing and propaganda attempts to mislead us with. For forty years her family has made a mecca for thousands of people to visit and renew, whether at a stay at their resort or on a canoe trip into the Boundary Waters. Either way they come to be among the beauty of the pines and the birch, the stillness, the peacefulness, the tranquility, the clean air, and the abundant wildlife, they come to find a renewed sense of self. Now imagine, huge earth moving equipment tearing up acre upon acre of the forested wilderness, hundreds of noisy trucks ripping up and down Highway 1, constant blasting, drilling and unbearable auditory pollution, viewing mine shafts across the river instead of an unbroken tree line, tunnels being bulldozed under the waters, toxic waters belching into our wet lands, our streams, our rivers, our lakes and killing our fish. Who in their right mind would choose to vacation here in Ely area? Only the mining booster's propaganda says that this type of mining and recreational tourism can co-exist. Is this the legacy we want to leave for our children and our children's children? There are simply some places that are too special to allow this type of mining and the Kawishiwi watershed is one of those special places, it is the gateway to the Boundary Waters. Sulfide mining will destroy our lives; it will destroy their two successful businesses along with twenty-eight other tourism businesses in this watershed. It will destroy the sanctuary wilderness, the clean water and clean air, the sustainability, the reason why so many people come to this area, and why we choose to live here.

Paul Shurke and his wife Susan own two businesses in Ely, Wintergreen Northern Wear and The Wintergreen Dogsled Lodge. Paul is really grateful that there is such a wonderful turnout of people attending. Paul stated that he is not anti-mining, if it could be said that sulfide ore mining was tried and true that time and again it brought prosperity to communities and has been proven to be environmental sound, he would be the first to say "bring it on." But unfortunately that cannot be said, and the exact opposite is true as you have heard time and time again here tonight. Not once not anywhere has copper nickel sulfide mines been opened and closed without a legacy of an impoverished community and a damaged ecosystems. Does it make sense for an industry ranked by the EPA as the nation's most toxic to be operating right up against the nations most beloved, protected and heavily visited wilderness area? All they are asking is for some leadership, passing and repeatedly expressing support for resolution that lends Ely and Ely's' full support to a highly controversial industry without asking for any assurances. Why not at least ask some tough questions? What if there is a breach in the proposed tunnels beneath Birch Lake? What happens when the noise, the dust and the trucks drive the tourist away? The council is our civic leaders; we trust them for a lot in this community. Why not at least say like so many other leaders have done, we are going to wait until the science comes in until we are going to sign off on this. Their concern is that the current resolution that is on the books at present is that it reflects the thought and telegraphs to media statewide that Ely is of one mind on this issue. As you can see here we are not a one mind. They ask that the leadership of the council reflects that of the concerned people in this town and the destiny of this community. While sulfide mining proponents find it strategic to contend that Ely is dying, the numbers tell a different story. Small business is alive and growing in Ely. The Chamber of Commerce has nearly 300 business and organization members. In contrast, the Laurentian Chamber of Commerce which covers Eveleth, Gilbert, Mt. Iron, and Virginia (with a combined population nearly five times that of Ely) lists only 266 members. Most tellingly, Ely is benefitting from a recent downtown revitalization surge

the Minneapolis Star Tribune heralded in October 2014 as a “renaissance.” Consider these numbers: A few years ago, MLS real estate listings included nearly two dozen vacant Ely storefronts in the central Sheridan/Chapman Street downtown area. Current MLS listings include only five such listings of vacant downtown storefronts. Business operations or redevelopment efforts are underway in all the rest that had been for sale. He asked do you think that this is all happening because we are all waiting for the world’s largest copper sulfide ore mine to open, no, this is all happening because Ely is proudly the “Gateway to the Boundary Waters” we are just asking for the leadership to help ensure that it stays that way.

Becky Rom spoke and stated that they had more speakers lined up to speak, but they ran out of time, she was also going to do a PowerPoint, the PowerPoint was handed out to the council members. Becky talked about the Twin Metals mine plan map that Carol Orban gave out that was in Twin Metals presentation last month. She said that Twin Metals had blocked out the Spruce Road Deposit, which is the red deposit that’s within ½ mile of the wilderness, it is a shallow mineralization. The only mine plan that exists for that ore body is an open pit mine. Twin Metals talked to the council about an underground mine because they want us to think it is benign and no one will notice that this mine is there. All of this is to say that there you need to dig deep, there are a lot of misrepresentations and we need to understand the facts before a project like this is endorsed. These things cannot co-exist. This is a huge industrial mining facility that starts at South Kawishiwi Lake and Birch Lake and drilling is now on its way to Sawbill. We are going to lose the central swath of the most magnificent national forest in the eastern two-thirds of the United States and that’s what this is about. Thank you.

Mayor Novak stated that we have some information to digest, we will consider this, we have heard both sides of the story, and will work through it.

Mayor Novak Adjourned at 6:40pm

Casey Velcheff
Deputy Clerk