

SUMMARY
COOPERATIVE MINERAL RESOURCES
ENVIRONMENTAL RESPONSIBILITY COMMITTEE MEETING

Emily City Hall

Wednesday July 8, 2009

Members of the Committee Present: Rian Reed, MN DNR; Linda Van Straaten, RALALA; Steve Stark, MPCA (filling in for Scott Lucas and Christopher Nelson); Kent Rees, homeowner; Mike Zipko, Cooperative Mineral Resources; Brad Moore, Barr Engineering; Mickey Smith, Lake Mary Association; Donna Holmgren, Blue Lake; Van Bialon, Ruth Lake; Steve Blomberg, homeowner; Art Patterson, Ruth Lake; Bill Spiess, Emily Planning and Zoning; George Pepek, Mayor City of Emily; Bob Swanson, City of Emily; John Bergstrom, Planning and Zoning; Char Kinzer, Crow Wing Power; Jim Agre, Cooperative Mineral Resources; Charles Marohn, City of Emily; Alan Cibuzar, A.W. Research Laboratories, Inc.; Sarah Fogderud, A.W. Research Laboratories, Inc.

Members of the Public Present: Susan Blais Jaspersen, Scott Gannaway, Russell Beddow, Bonnie Fairchild, Loren R. Miller, Si Brannan, Elizabeth Heck

Also attending: Ray Wuolo, Barr Engineering; Ken Larson, MN DOT

SUMMARY: The second Environmental Responsibility Committee meeting was held July 8. In-depth information was given on the geology of the area, the anticipated subsidence and potential groundwater impacts of the demonstration project (sample bore-hole extraction process) that would occur perhaps as early as this fall or early spring.

*A review of anticipated equipment that would be needed for the process was also presented and an overview of the acquisition timeline concerning the period leading up to the purchase of the land and presentation to the City Council of Emily. **All three topics' power point presentations are available on the Crow Wing Power website at www.cwpower.com; click on Cooperative Mineral Resources Emily Project.***

I. Ray Wuolo, Vice President and Principal Hydrologist with Barr Engineering gave a presentation and General Discussion on Groundwater Impacts and Subsidence –

- a. The presentation explained what the borehole mine would look like; how land subsidence is projected to take place and how it will be monitored; how much water will be pumped; the aquifer test procedure that's planned for later this month; and general information on groundwater data that's available in the Emily area.
- b. Basic Timeline
 - i. Aquifer Test – July

- ii. Underground Injection Control (UIC) permit application to EPA – August
- iii. EAW
- iv. Water appropriations permit application to the DNR

II. A.W. Research Laboratories Placement of Staff Gauges

- a. A.W. Research Laboratories (AWRL) will be installing staff gauges on Roosevelt, Blue, Anna, Ruth, Andrews, Davis, and Buchite Lakes. Plans are to install them in front of committee member's properties if possible.
- b. AWRL will also have to establish several benchmarks for the locations where they are not already posted. The benchmarks will have to come up to the same 1929 Datum . The DNR's lake levels can also be used as a quality control check for our readings.

III. A Tentative Equipment Design and Overview was presented by Jim Agre, Cooperative Mineral Resources

- a. Jim's presentation gave an overview of the current tentative site plan and equipment design for the demonstration project. The demonstration project will help determine the feasibility and economics of a full-scale commercial project in the future.
- b. MN Department of Transportation brought up several concerns with the proposed traffic plan. An agreement and plan has since been reached between Cooperative Mineral Resources, Barr Engineering and MN DOT.

IV. An Acquisition History Overview was presented by Jim Agre

- a. Cooperative Mineral Resources was looking into new scrubbing technologies for coal plant emissions and this manganese deposit came up.
- b. Cooperative Mineral Resources signed a letter of intent with the property owners on September 15, 2008.
- c. CMR signed a due diligence contract with a mining consulting company out of Colorado on September 17, 2008. The report was issued November 7, 2008.
- d. The purchase agreement was signed on November 20, 2008, and CMR closed on the property in December of 2008.
- e. Initial meetings with the state agencies took place on January 27, 2009.
- f. CMR's first meeting with the City of Emily was on May 4, 2009 when they met with Mayor George Pepek.
- g. CMR met with the city planner on May 11, 2009, the city council on May 12, 2009, and the planning and zoning department on June 3, 2009.

V. A Regulatory Update was presented by Brad Moore, Barr Engineering

- a. The demonstration project will be developing data that is necessary for the EAW. The information collected from the monitoring wells and water pump test will be analyzed and in order for the DNR.

- b. For the next month the work will involve getting ready for the EAW, applying for permits, and working with MN DOT.
 - i. Concerns were aired over traffic, the tourism industry, lake levels and manganese content in drinking water. Monitoring will be conducted in the demonstration project to insure adequate information and protection concerning all.