

MINUTES OF THE MEETING
NATURAL RESOURCES
MONTANA STATE SENATE

February 3, 1977

The tenth meeting of the Natural Resources Committee was called to order by Senator George Roskie, Vice-Chairman, at 9:30 a. m. on the above date in Room 405 of the State Capitol Building.

ROLL CALL: Upon roll call all members were present except Senator Elmer Flynn.

Mr. Larry Weinberg, Staff Attorney of the Legislative Council and Tala Skari of the Environmental Quality Council were also present.

CONSIDERATION OF SB 268: An Act to further suspend action on solution extraction of uranium until April 1, 1978, unless the Board of Health and Environmental Sciences adopts rules regulating this process before that date.

Senator Carroll Graham, from District 29, and Sponsor of SB 268, said that this bill actually extends the moratorium on solution mining until April of 1978. The Department of Natural Resources has asked to have this moratorium until April of 1978. A letter from Mr. M. K. Motts, of the Water Quality Bureau of the Department of Health and Environmental Sciences, was read by Senator Graham.

DISPOSITION OF SB 268: Motion was made by Senator Jergeson and seconded by Senator Devine that SB 268 DO PASS. Motion carried.

At this time, Senator Roskie asked the Committee members if they were interested in a Joint Meeting with the House Natural Resources Committee members to discuss the energy program. After brief discussion it was decided by the Committee that a Joint Meeting with the House Committee might be a good idea.

CONSIDERATION OF SB 297: An Act to regulate gold-leaching operations involving the cyanide process and to insure protection of the environment from the toxic substances involved in such operations.

Senator Robert Watt, Sponsor of SB 297, spoke briefly on Senate Bill 297.

Mr. Kevin Glace, representing Trout Unlimited, stated that he was in favor of this bill. This bill is a working bill. It is not an obstruction to these types of operation.

Mr. Stan Bradshaw, Attorney from the Legal Division of the Health Department, stated that they had proposed some amendments

to this bill. He said that they were here neither to support the bill nor to oppose it. (See Attachment #1.)

Mr. Ken Knutson, Pollution Control Biologist for the Montana Fish and Game Department, stated that fishermen were not catching any fish below the cyanide leaching mill. (Slide presentation was given by Mr. Knutson.)

At this time opponents of SB 297 were heard.

Mr. Edward C. Schietlins of Virginia City, Montana, and representing the Alder Gulch Trucking, stated that he felt the existing laws were entirely adequate. You are just adding more laws that people can't begin to comply with. The operation on Rock Creek shows that the laws are working. If you do have an accidental spill you can decalcify your cyanide. It is really not much more deadly than salt.

Mr. C. P. Hoover of Philipsburg, Montana, representing the Golden Jubilee Mines, Inc., stated that he was against this bill. He said it is unfair, unwarranted, and absolutely unnecessary. It is an impossibility at this time to fully understand and fully implement the existing laws that are presently on the books. The Golden Jubilee has an investment in excess of \$250,000 and in the mill we have an investment of \$2,000,000. We have 35 - 40 employees with a payroll of \$75,000 per year.

Mr. R. G. Garwood, representing the Northwest Mining Association and the Placer Amex Inc., stated that this bill will add another state agency. We already have enough state and federal agencies overseeing our operations. It is doubtful that the Department of Environmental Sciences has people who understand leaching. The operator will have to spend additional money and additional time before the property is ever brought into production. At Sunlite we have monitored and tested the water and the Jefferson River contained more cyanide than the water around our plant. Mother Nature produces cyanide. If it is only measurable amounts it won't kill a living thing.

Mr. Henry McClernan, representing S. L. Groff, Director of the Montana Bureau of Mines and Geology, stated that they feel that if this bill passes you are going to run into interpretative problems. We don't see that there would be a problem even if there was a spill into the streams. He stated that he was familiar with this Rock Creek property being his field is mining and geology.

Mr. Garry Preston, of the Alder Gulch Mill, stated that one of the problems of cyanide is the emotional impact. He stated that this bill is totally unnecessary. It is too ambiguous and it is not realistic. I am active in Trout Unlimited and I have yet to see a fish killed by cyanide. It is more likely to be caused by a disturbance

of the ground. There has been no historical proof of fish being killed by cyanide. The Board of Health has no proof and the Fish and Game has no proof.

Mr. John Magnus of Sheridan, Montana, representing the Southwest Mining Association, stated that he was opposing SB 297, especially opposing it in Section 5 and Section 8.

Mr. Norman Rogers, representing Rogers Gold Mining Company, stated that he was opposing the bill and agreed with all of the opposing testimony thoroughly.

Mr. Grant Cook, representing the John H. Banks Laboratory, spoke in opposition to this bill also.

In summary, Senator Watt stated that this bill is intended to stop pollution of small streams by some people. We have people in the mining business who know what they are doing. The point made about "within 1,000 feet of the bank of a perennial stream" is quite impractical I agree.

Senator Smith questioned whether any dead fish had been found.

Mr. Knutson replied that some people said that they had found some dead fish in February of 1976.

Senator Smith said, wouldn't the fish have to swim through this area to get to upper area of stream - this 1,000 feet of the bank of a perennial stream and within flood plain of a perennial stream. Wouldn't this be almost impossible. What are we going to do to the economy for the people of the State of Montana. Don't we now have the protection from the Department of Health and from the Bureau of Mines.

Mr. Bradshaw said that the problem with some cyanide mills is they don't find out until there is a violation. We are just trying to get some kind of a review. The amendments proposed are some of the things people here were concerned about.

Senator Smith asked if we do not have laws now that see to it that they do not construct an operation that doesn't meet the environmental standards.

Mr. Bradshaw said, yes, if there is going to be a discharge.

Senator Manley said I have to agree with the miners. I think there are adequate laws on the books. They have laws to govern mining. I oppose this bill wholeheartedly.

DISPOSITION OF SB 297: Motion was made by Senator Manley that SB 297 DO NOT PASS. Motion was then withheld.

Senator Jergeson said he would like to ask the mining people - are there many problems on this 1,000 feet -

Mr. Preston said that instead of talking about cyanide they should be talking about something that is really dangerous - like strychnine or such.

Senator Jergeson asked if they could take the cyanide with them when they aren't at the mine.

Mr. Preston answered that cyanide starts to deteriorate - basically there would be no cyanide left.

Senator Jergeson asked if fish have a lower tolerance for cyanide than humans.

Mr. Knutson replied, yes.

Senator Roskie asked if .05 is the toxic level.

Mr. Knutson replied, yes, sir.

Senator Galt asked if they have the authority now from the present law if cyanide is being dumped into a stream.

Mr. Jim Brown of the Health Department replied that they can close them up if cyanide is in a stream.

Motion was again made by Senator Manley that SB 297 DO NOT PASS. Motion was seconded by Senator Dover.

Substitute motion was then made by Senator Jergeson that we amend SB 297 by including the new language in the proposed amendments but striking out Section 2 - Sub-Section 1 (a) and (b) and renumbering the other sections. (See Attachment #2.)

Roll call vote was taken. Six members voting against the motion and one member voting in favor of the motion - the motion lost. (See attached roll call vote.)

Motion was then made by Senator Manley and seconded by Senator Dover that SB 297 DO NOT PASS. Roll call vote was taken. Six members voting yes and one member voting no, the motion carried successfully. (See attached roll call vote.)

Senator Smith asked if anyone would put in a plant and then be in a position where the Department of Health could close them down.

Mr. Bradshaw said he really didn't know.

ADJOURNMENT: There being no further business, Senator Roskie adjourned the meeting at 11:10 a. m.



A handwritten signature in black ink, appearing to read "George J. Roskie". Below the signature, the text "SENATOR GEORGE ROSKIE, VICE-CHAIRMAN" is printed in a smaller, sans-serif font.

ROLL CALL

NATURAL RESOURCES COMMITTEE

45th LEGISLATIVE SESSION -- 1977

Date 2-3-77

SENATE NATURAL RESOURCES COMMITTEE

BILL SB 268 & SB 297

VISITORS' REGISTER

DATE 2-3-77

Please note bill no.

(check one)

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

NAME: John Smith DATE: 2.4.77

DATE: 2.4.77

ADDRESS: 210 Masonic Hwy Rd

PHONE: 405-357-2320

REPRESENTING WHOM? John H Banks Esq.

APPEARING ON WHICH PROPOSAL: Ball 297

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: If the state will work with mine to assist
us in the much harder on miners. To help the
miners work.

NAME: Gerry L. Preston DATE: 3 Feb 117

ADDRESS: 1034 Wynne Ave Buzz-L

PHONE: 519-444-3385

REPRESENTING WHOM? Alder Gulch Mill

APPEARING ON WHICH PROPOSAL: SB 2907

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENTS: Yes

NAME: John M. Thorpe

DATE: 6/17/74

ADDRESS: U.S. Bureau of Mines & Geology

PHONE: _____

REPRESENTING WHOM? I. S. M., Director, Nat'l Bureau of Mines & Geology

APPEARING ON WHICH PROPOSAL: S.B. 297, Canada Leadings

DO YOU: SUPPORT? _____ AMEND? OPPOSE?

COMMENTS: before question to be asked

100%

NAME: John J. Murphy DATE: Feb 3, 1977

DATE: Feb 3, 1977

ADDRESS: 14322 Division

PHONE: 500 499 2801

REPRESENTING WHOM? Placer Amer Eng
Northwest Mining Association

APPEARING ON WHICH PROPOSAL: 53297

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENTS: _____

NAME: J. P. Hoosier DATE: 3 Feb 77

ADDRESS: 1815 1/2 Long, mt

PHONE: 859-3613

REPRESENTING WHOM? Golden Jubilee Wine Club

APPEARING ON WHICH PROPOSAL: SB 297

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE?

COMMENTS: yes.

NAME: Howard C. Rehmann DATE: 2-3-77

ADDRESS: Box 31 Virginia City, Mont

PHONE: 843-5314

REPRESENTING WHOM? Alder Gulch Trushing

APPEARING ON WHICH PROPOSAL: Senate 297

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? X

COMMENTS: Yes

NAME: Ken Knudson DATE: 2/3/77

ADDRESS: 522 First St

PHONE: 442-7531

REPRESENTING WHOM? Fish and Game (At sponsor's request)

APPEARING ON WHICH PROPOSAL: SB 297

DO YOU: SUPPORT? ✓ AMEND? OPPOSE?

COMMENTS: Testimony will be given concerning
my investigations of two cyanide mills
during the past 6 months.

NAME :

John Magnus

DATE: 2-3-77

ADDRESS: Box 254 Sheridan Mt.

PHONE: 842 5591

REPRESENTING WHOM? Southwest Mining Ass.

APPEARING ON WHICH PROPOSAL: Senate 297

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE?

COMMENTS : _____

NAME: Jessica Rogers DATE: Feb. 3

DATE: Feb 3

ADDRESS: Bx 1719

PHONE: 111-5950

REPRESENTING WHOM? Biggar Gold Mining Co.

APPEARING ON WHICH PROPOSAL: _____

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENTS: _____

STANDING COMMITTEE REPORT

.....February 3..... 1977.....

MR.PRESIDENT.....

We, your committee onNATURAL RESOURCES.....

having had under considerationSENATE..... Bill No.268.....

Respectfully report as follows: That.....SENATE..... Bill No.268.....

DO PASS



SENATE COMMITTEE ON NATURAL RESOURCES

Date 2-3-77

SENATE

Bill No. 297

Time 10:40 a. m.

Beverly Braut
Secretary

Elmer Flynn
Chairman

Motion: Substitute Motion was made by Senator Jergeson that we amend SB 297 by including the new language in the proposed amendments but striking out Section 2 - Sub-Section 1 (a) and (b) and renumbering the other sections. 6 voting No and 1 voting yes, motion lost.

(include enough information on motion--put with yellow copy of committee report.)

PROPOSED AMENDMENTS TO SENATE BILL 297

Submitted by The Department of Health and Environmental Sciences

Senate Bill 297 is amended to read as follows:

On page 1, line 4, after the phrase "AN ACT TO" insert "AMEND THE MONTANA
WATER POLLUTION CONTROL ACT, TITLE 69, CHAPTER 48, R.C.M. 1947,"

On page 1, line 5, delete "GOLD-LEACHING" and insert "MINERAL EXTRACTION";

On page 1, line 5, after "CYANIDE" insert "OR MERCURY";

On page 1, line 7, after "OPERATIONS" delete the "." and insert "; AMENDING
SECTION 69-4806, R.C.M. 1947."

On page 1, line 10, after "Section 1." delete all of the language through the end of line 24 on page 3 and insert the following:

Section 69-4806 is amended to read as follows:

"Section 69-4806. Pollution unlawful - permits. It is unlawful to:

(1) cause pollution as defined in Section 69-4802(5), R.C.M. 1947, on any state waters or to place or cause to be placed any waters in a location where they are likely to cause pollution of any state waters;

(2) carry on any of the following activities without a current permit from the department;

(a) construct, modify, or operate a disposal system which discharges to any state water; or

(b) construct or use any outlet for the discharge of sewage, industrial waste, or other waste to any state waters; or

(c) discharge sewage, industrial waste or other wastes into any state waters; or

(d) extract minerals using operations involving cyanide or mercury processes.

(3) violate-any-limitation-imposed-by-a-current-permit: violate any provision set forth in a permit or stipulation, including but not limited to limitations and conditions contained therein;

(4) violate any order issued pursuant to this chapter; or

(5) violate any provision of this chapter."

Section 2. There is a new R.C.M. section which reads as follows:

"Minimum construction requirements for mineral extraction operations involving cyanide or mercury processes. No permit may be granted for the operation of a cyanide or mercury extraction process unless the following requirements are satisfied:

(1) Leaching pads, tailings ponds, or holding ponds must be constructed in a manner and of materials which will prevent the seepage of any cyanide or mercury bearing solution into soil below and adjacent to the extraction site, or into any state waters.

(2) Cyanide or mercury stored at an extraction site must be in containers of sufficient strength to prevent any leakage or spillage.

(3) If the extraction operation is seasonal or intermittent, no cyanide, mercury or other toxic substance may be left at the extraction site when operations are not in progress, unless a full-time caretaker remains at the site."

SENATE COMMITTEE NATURAL RESOURCES

Date 2-3-77 SENATE Bill No. 297 Time 10:45 a. m.

Beverly Braut
Secretary

Elmer Flynn
Chairman

Motion: Motion was made by Senator Manley and seconded by Senator Dover that S. B. 297 Do Not Pass. 6 voting yes and 1 voting no, the motion carried.

(include enough information on motion--put with yellow copy of committee report.)

STANDING COMMITTEE REPORT

.....February 3..... 19 77.....

MR.**PRESIDENT**.....

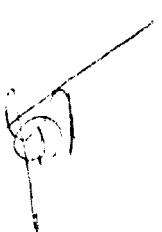
We, your committee on**NATURAL RESOURCES**.....

having had under consideration**SENATE**..... Bill No. **297**.....

Respectfully report as follows: That.....**SENATE**..... Bill No. **297**,.....

DO NOT PASS

DO PASS



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(a) within 1,000 feet of the ordinary high-water mark of any perennial stream; or

(b) within the 100-year flood plain of a perennial stream.

(2) Leaching pads, tailings ponds, or holding ponds must be constructed in a manner and of materials which will prevent the seepage of any cyanide or mercury bearing solution into soil below and adjacent to the extraction site, or into any state waters.

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