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TRANSCRIPT OF PROCEEDINGS

Minnesota Steel Industries, LLC Project  
Draft Environmental Impact Statement (EIS)  
Public Information Meeting

March 14, 2007

6:00 p.m.

Nashwauk High School

400 Second Street

Nashwauk, Minnesota

MINNESOTA DEPARTMENT OF NATURAL RESOURCES

and

U. S. ARMY CORPS OF ENGINEERS

REPORTED BY:  
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BRIAN STENQUIST: Ladies and gentlemen,  
welcome to the Minnesota Steel Industries, LLC project  
Draft Environmental Impact Statement public information  
meeting. My name is Brian Stenquist. I work with the  
Minnesota Department of Natural Resources, and I have  
the pleasure of being the master of ceremonies for  
tonight's meeting. What I'd like to do is offer a few  
introductory remarks and then we'll begin with the  
program that you can see projected on the wall behind  
me.

Before I begin, I'd like to say thank you  
very much for taking time out of your busy schedules  
to come and be with us this evening at this very  
important meeting. Citizen engagement is critical,  
and we are very grateful for the quality of citizen  
participation in Minnesota. So thank you very much  
for coming.

Everyone should have on their chairs an agenda  
for this evening's discussion for the public  
information meeting. I'm going to go over a few of  
those details now. The objectives for tonight's  
meeting are to provide you all an opportunity to  
collect the information and get the clarity that you  
want on questions concerning the Draft Environmental

Impact Statement. It's also an opportunity for you to

2 offer your comments to us tonight.

3 We have a number of ways for you to provide  
4 those comments. There are written comment forms that  
5 will be at the tables behind you so you can write down  
6 your thoughts and drop them in the blue folders for us  
7 to collect. We also have two stenographers. If you  
8 would prefer to just offer your comment orally, you  
9 can go and visit with the stenographers at their table,  
10 and they will take down your comments.

11 We also have a moment on the agenda this  
12 evening if you want to come up and make a comment or  
13 offer a question orally to the group at 8 o'clock.

14 There are also opportunities for you to  
15 submit written comments either by mail or e-mail  
16 between now and the closing time, and both Scott and  
17 Steve will talk about that.

18 The process this evening is, again, as it's  
19 displayed up on the wall behind me. We'll have two  
20 presentations, one by Scott Ek and one by Steve  
21 Menden, to give you an overview of what is in the  
22 Draft Environmental Impact Statement and the processes  
23 that they are undergoing with that project.

24 We will then adjourn from this formal sitting  
25 environment, asking you to go back in the back side of

5

1 the room and have one-on-one conversations and  
2 discussions with people knowledgeable about the Draft

3 Environmental Impact Statement so that you can get the  
4 information you want and can provide the comments that  
5 you want to provide on that draft statement. That  
6 will run from 7 to 8 o'clock.

7 At 8 o'clock we'll ask those who are still  
8 with us to come and sit down here, find out if anyone  
9 wants to make an oral remark to the group. We'll find  
10 out how many there are. We'll then say how much time  
11 each of them has, ask them to line up, and you'll be  
12 able to make a formal oral comment. Your oral comments  
13 will be captured by the stenographers so that they can  
14 become a part of the public record of this meeting.

15 This is an important meeting, so we thank you  
16 very much for coming. We do want it to be useful and  
17 effective to you and for you. So if you have any  
18 questions along the way, not only about that Draft  
19 Environmental Impact Statement, but about the process  
20 of the meeting this evening, please don't hesitate to  
21 ask someone. A number of us will be walking around  
22 with name tags, blue, hello, my name is, tags. You can  
23 ask them any questions you have, and we'll try to help  
24 secure the answers for you.

25 As you look around the room, you'll notice

6

1 there are a number of cameras. Folks that are here:  
2 We have people from the Iron Range Resources group,  
3 Channel 10 from Duluth, ICTV from Itasca, Channel 6

4 from Duluth. There may be a few others. So this event  
5 is going to be captured for broadcast news, as well as  
6 for public access. Over the next couple of weeks  
7 you'll be able to view them on those channels.

8 Just a moment about logistics. There are  
9 restrooms up the walkway to the left side of the back  
10 of the room, right around the corner are restrooms.  
11 Obviously, no smoking in the gymnasium. There are some  
12 water fountains for your use.

13 Do you have any questions on the process we're  
14 going to use this evening? Again, if you do have any  
15 questions, don't hesitate to contact one of us with the  
16 name tags. We'll try to help you out. Again, thank  
17 you for coming.

18 Now let me introduce to you Scott Ek from the  
19 Minnesota Department of Natural Resources to give you  
20 an overview of the Draft Environmental Impact Statement  
21 process.

22 SCOTT EK: Hello, my name is Scott Ek. As he  
23 said, I'm with the Minnesota DNR. I'm the principal  
24 planner for this project, essentially that's a project  
25 manager, and my job is to shepherd this EIS through

PRESENTATION BY SCOTT EK

7

1 from start to finish. So tonight I'm going to be  
2 presenting a very short presentation on what the  
3 environmental review process entails.

4 Again, just to clarify, as we all should know,  
Page 6

5 this is for the Minnesota Steel project. This is the  
6 Draft Environmental Impact Statement, and this is your  
7 opportunity to comment on the Draft Environmental  
8 Impact Statement. There will be a Final Environmental  
9 Impact Statement that follows this with responses to  
10 your comments. This will be the only public meeting  
11 from now until final adequacy or non-adequacy of the  
12 EIS. So this is a very important meeting tonight for  
13 the public.

14 The environmental review, process overview.  
15 Project background. The proposed Minnesota Steel  
16 project requires both state and federal environmental  
17 review. That means that we have the DNR, the DNR who  
18 is the responsible government unit for the State of  
19 Minnesota, and we handle the state side of the  
20 environmental review. The U.S. Army Corps of Engineers  
21 is the lead federal agency, and they handle the federal  
22 side of this Draft EIS, so it's considered a Draft  
23 Joint EIS.

24 So we have state environmental review and  
25 federal environmental review. State environmental

PRESENTATION BY SCOTT EK

8

1 review is a process established under the Minnesota  
2 Environmental Protection Act. It's for reviewing  
3 impacts of major development projects, such as the  
4 Minnesota Steel project tonight. Federal  
5 environmental review is for proposed projects

6 requiring a Clean Water Act under the Section 404  
7 permit for this project, and they're reviewed under  
8 the National Environmental Policy Act; and the U.S.  
9 Army Corps, again, as I said, heads that up.

10 The purpose of an EIS. One, the most  
11 important, it identifies potential significant  
12 environmental impacts of the project, along with ways  
13 to lessen or avoid those impacts through mitigation  
14 and alternatives. It provides information to the  
15 public and project decision-makers. One important  
16 note, the EIS is a source of information, it is not a  
17 means to approve or disapprove a project. The EIS  
18 only points out problems and solutions. It does not  
19 enforce them. Enforcement comes with the permitting.

20 Who does environmental review serve? Well,  
21 it serves the general public, citizens groups, project  
22 proposers, permittees, government agencies, tribal  
23 governments and, of course, future generations.

24 There are different types of EIS and  
25 requirements. There's a voluntary EIS where the

PRESENTATION BY SCOTT EK

9

1 proposer and RGU agree that the project is going to  
2 have significant environmental impacts, so they go  
3 ahead and prepare an EIS straightaway.

4 There is a discretionary. The RGU determines  
5 that the project has the potential for significant  
6 impacts through an EAW, which would be an Initial



7 Environmental Review, that is done prior, and if the  
8 EAW is found that the project is to have significant  
9 impacts, it then, therefore, asks for an EIS, and that  
10 is considered discretionary.

11 The Minnesota Steel project, it is a mandatory  
12 EIS. It fits into Minnesota Rules, Minnesota Rules,  
13 Parts 4410, opening a new metallic mineral mining  
14 facility. So when it fits a mandatory category, that  
15 means an EIS is mandatory and is done.

16 The timeline for this project, for the  
17 environmental review project. We started some time  
18 back. It's been a while here. I'll kind of show you  
19 where we're at. We started back in July -- I know this  
20 is probably hard to see. But we started back in July,  
21 and that's when we started the draft scoping, scoping  
22 EAW, as I spoke. And what that is, that determined  
23 what would go into the scoping decision, which is the  
24 blueprint, essentially, for the EIS; what impacts  
25 mitigations and alternatives we will be looking at.

PRESENTATION BY SCOTT EK

10

1 So we get to February here. The Draft EIS  
2 prep was noticed. What that means is we started  
3 preparing the Draft EIS. And if you follow that line  
4 through, from February, the end of February all the  
5 way way up to, it's been a year now, the Draft EIS was  
6 finished, and made available on February 12th for  
7 public comments; and we are here tonight, March, for  
Page 9

8 the public information meeting. There is a 45 day  
9 public comment period, which started February 12th. It  
10 ends April 2nd at 4:30 p.m., to be exact.

11 And from here, from tonight on, we begin the  
12 preparation of the Final EIS, as I said. We will be  
13 responding to your comments, and they will go into the  
14 Final EIS.

15 So moving forward, agencies and the EIS  
16 consultant will be working on responding to comments  
17 and preparing the Final EIS. Once the Final EIS is  
18 complete, there is another 30 day public comment  
19 period where you can submit comments on the Final EIS  
20 and the Draft EIS, because it will be one document.  
21 Upon conclusion of the Final EIS comment period, the  
22 adequacy of the EIS is determined and a record of  
23 decision can be issued by the state, and then state  
24 government approvals and issuance of permits may begin.

25 Just a note. No permits can be issued until

PRESENTATION BY SCOTT EK

11

1 the EIS has been complete; however, applications have  
2 been submitted by the company. However, they cannot be  
3 issued until the EIS has been considered adequate.

4 Also at the conclusion of the Final EIS  
5 comment period, the USACE can issue their federal  
6 record of decision on the EIS. So there's two separate  
7 records of decision. The state's is called the  
8 adequacy of the EIS, and it's a record of decision. On

9 the federal side it's called the record of decision.

10 And that ends my review of the environmental  
11 review process or the overview. We're going to leave  
12 this up here at the end of Steve Menden's presentation  
13 as well. You can send comments to either of us, Scott  
14 Ek, I'm with the DNR again; or Jon Ahlness, who is  
15 with the U.S. Army Corps of Engineers. We're back at  
16 the NEPA/MEPA table. You can submit comments tonight.  
17 As Brian said, there's blue folders with comment forms  
18 which can be submitted tonight, or they can be mailed  
19 in.

20 Another option is, and it should be on the  
21 handouts you have, you can send in e-mail comments to  
22 environmental review at dnr.state.mn.us. You'll want  
23 to be sure that in the subject line to put in Minnesota  
24 Steel, so it's directed to the correct mailbox within  
25 the DNR. So that might be an easier way for you to

PRESENTATION BY SCOTT EK

12

1 submit comments. And you have, again, until April 2nd  
2 at 4:30.

3 And I thank you all for being here, and I  
4 thank you all for being interested in this process.  
5 Any questions I can answer about the environmental  
6 review process really quick? Otherwise I'll hand it  
7 to Steve Menden. He's going to give a presentation on  
8 the project and the Draft EIS itself.

9 BRIAN STENQUIST: Before Steve begins, let me  
Page 11

10 just note, we apologize for the Powerpoint  
11 presentation, but if we turn the lights off in the  
12 gymnasium, it takes a half an hour for them to come  
13 back on again. So we didn't want to leave you all in  
14 the dark after the presentations. So I apologize for  
15 that.

16 STEVE MENDEN: Again, thank you all for being  
17 here this evening. Just the number of people here  
18 confirms to me the interest of this project. Again, I  
19 want to thank you for making yourself available. I  
20 hope my presentation you'll find informative.

21 What I typically like to do is kind of get a  
22 feeling for who's represented in the crowd. If I could  
23 just very quickly get like a show of hands of private  
24 residents who live within a five to ten mile radius of  
25 Nashwauk. (Showing of hands.) Thank you.

PRESENTATION BY STEVE MENDEN

13

1 Could I also see a show of hands of  
2 individuals here who might be representing a business  
3 or private entity of some kind. (Showing of hands.)  
4 Thank you again.

5 I would also like for those private  
6 individuals that are here to also get a feel for the  
7 number of state and regulatory agency personnel who  
8 are here, plus I know they want to participate here as  
9 well. So if I could see a show of hands of state,

10 county, local regulatory individuals who are here.  
11 (Showing of hands.) Thank you all. I much appreciate  
12 it.

13 This evening I'd like to go through a little  
14 bit, very briefly, a little bit about what was looked  
15 at in the Draft Environmental Impact Statement.

16 How many of you here have actually had an  
17 opportunity to see the document from cover to cover,  
18 actually have a copy of the document? It's a  
19 formidable document. I won't kid you, it's a big  
20 document. What I would like to do tonight is at least  
21 try to inform you a little bit about the process we  
22 went through of putting it together, kind of the  
23 purpose behind what is in the document, and then  
24 actually to talk a little bit about a couple of the  
25 key items, and I'll say key items because there's many

PRESENTATION BY STEVE MENDEN

14

1 topics that are covered in the document.

2 For your information, if you have a chance to  
3 pick up the document -- again, like I said, it's a big  
4 document. If you have no time to read anything other  
5 than one part, I would encourage you to read at least  
6 one part. That's called the executive summary. It  
7 might help at least give you a little better  
8 understanding of the project as a whole. I would also  
9 ask you to look through the table of contents. We've  
10 tried to lay this document out by topic headings so

11 that if individuals have a specific area of interest,  
12 hopefully they can go to that part of the document and  
13 read up on that area. Again, we hope you find the  
14 document informative.

15 (Showing slides) A little bit about the  
16 project description. As most of you are probably  
17 aware, it's basically the reactivation of the former  
18 Butler Taconite Mine and tailings basin very nearby  
19 here. It consists of the construction of new  
20 facilities, which is basically a crusher/concentrator,  
21 taconite pellet plant, a direct reduced iron plant and  
22 a steel mill.

23 Basically the taconite ore would be taken out  
24 of the ground through open pit mining processes. The  
25 review period for the Draft Environmental Impact

PRESENTATION BY STEVE MENDEN

15

1 Statement, the Environmental Impact Statement process  
2 as a whole is 20 years. We've tried to project out  
3 potential impacts through a 20-year period.

4 I want to take just a little bit of time, if I  
5 can, to try to orient individuals. You'll also see  
6 that when you get up and walk around to some of the  
7 display booths, the same figure. Just to try to orient  
8 people a little bit -- I'll see if this works. Here's  
9 the City of Nashwauk. Here is basically where the main  
10 plant is proposed. You'll notice it's just kind of  
11 west of Nashwauk.

12           The mining areas would kind of take place  
13 here in what is right now called Pit 5. The  
14 crusher/concentrator would be here. The tailings  
15 would be basically pumped, transferred basically  
16 across to the east side of 169 to what is called the  
17 former Butler tailings basin. The tailings basin  
18 would be here.

19           One item that isn't on this figure that I want  
20 to point out for reference is part of the EIS also  
21 looked at what's called the alternative tailings basin  
22 layout, and that was basically up in this area right  
23 here. So I hope this helps kind of orient you a little  
24 bit to where the project is located and where some of  
25 the main features are.

PRESENTATION BY STEVE MENDEN

16

1           There were several alternatives. As Scott  
2 mentioned in his presentation, one the purposes of the  
3 Environmental Impact Statement is to look at  
4 alternatives. Several alternatives were looked at.  
5 In the next couple of slides I'll try to provide a  
6 little bit of information about what those  
7 alternatives were.

8           The proposed alternative -- and as I speak,  
9 I'll try not to use acronyms, and I'll try to take a  
10 little bit of time to explain some of the terminology.  
11 Proposed alternative is really the project proposer's  
12 idea of the project. It's the project as proposed by

13 Minnesota Steel. That's the proposed alternative.  
14 And again, it kind of deals with an open pit mine,  
15 crusher/concentrator, pelletizer, a direct reduced  
16 iron plant and a steel mill.

17 It also, from an environmental impact  
18 standpoint, it looks at the proposed water management  
19 strategy that has been presented, which is really a  
20 recycle and re-use type of water program for mining  
21 and process water. It's the collection and re-use of  
22 storm water. It's really using the primary water  
23 sources of what's called Pits 1, 2, 5 and 6. 1 and 2  
24 are existing pits. Pit 5 is what's going to be  
25 expanded upon. Pit 6 is what would be the future pit.

PRESENTATION BY STEVE MENDEN

17

1 Stream augmentation flows. Basically it's  
2 proposed in the Draft EIS to augment flows to both  
3 Oxhide and Snowball Creeks. No surface discharge or  
4 process water from the tailings basin. The proposed  
5 project proposes to collect water from the tailings  
6 basin and pump it back into the tailings basin through  
7 a seepage collection system.

8 Probably more importantly, no discharge of  
9 processed waters to impaired waters. Impaired waters  
10 is a term used to classify waters. That's why that  
11 term is in there.

12 Stationary source air emissions. Best  
13 available control technology, or sometimes if you



14 happen to look in the document, you'll see it referred  
15 to as BACT. It simply means looking at the best  
16 available air pollution control technology that's  
17 available at that point in time. In other words,  
18 what's the best available control technology, air  
19 pollution control technology available at this date.

20 The other aspect is MPCA permitting  
21 requirements. I mean, there's certain standards that  
22 are required to be met by any operating plant, not just  
23 the proposed project.

24 And closure, which is basically the  
25 reclamation plan. How are things going to be restored,

PRESENTATION BY STEVE MENDEN

18

1 those disturbed areas, both ongoing through the project  
2 and upon closure?

3 Draft EIS, evaluated alternatives, modified  
4 designs or layouts. The processing plant itself. We  
5 looked at ways that we could move the  
6 processing plant around within a general area and  
7 reduce the amount of wetland impacts. However, there  
8 are certain limitations there because part of what the  
9 process is proposing is what's called an integrated  
10 system, where material literally flows from the  
11 crusher/concentrator to the pellet plant, to the direct  
12 reduced iron, to the steel mill. There's some  
13 efficiencies that are gained through that process.

14 And in short order, basically no modified

15 designs of the processing plant were carried forward  
16 in the EIS, and it was due to the fact that some of  
17 those efficiencies would be lost.

18 Stockpiling was looked at. Was there a  
19 different way to locate and stockpile the overburden?  
20 We also looked at the possibility of in-pit  
21 stockpiling. And the 50 percent scenario at year 10 of  
22 operation was looked at and carried forward in the  
23 Environmental Impact Statement for analysis.

24 On-site sanitary wastewater treatment. One of  
25 the alternatives that was identified in what was

PRESENTATION BY STEVE MENDEN

19

1 called the final scoping decision document, the  
2 scoping process, was that we should look at an  
3 alternative wastewater treatment plant, on-site  
4 wastewater treatment plant, and that concept was  
5 carried forward in the EIS.

6 Preferred alternative. Now, we talked about  
7 proposed alternative, alternatives looking at modified  
8 design and layouts, alternative technologies. This  
9 one here is what's called the preferred alternative.

10 As part of the Environmental Impact Statement  
11 process, a preferred alternative is required to be  
12 identified. The preferred alternative as identified in  
13 the document is basically the proposed project with  
14 mitigation -- or plus mitigation. And it consists,  
15 again, of the open taconite mine, construction of new

16 facilities, construction of a tailings basin on the  
17 former Butler tailings basin site, not the alternative  
18 site. It includes technology alternatives, and I'll  
19 speak about this in a little bit, straight grate, air  
20 pollution control technologies, and then really the  
21 modified design and layout alternative of in-pit  
22 stockpiling, if feasible. And there is some mineral  
23 right issues that come into play, whether that will be  
24 possible or not at year 10 or not.

25 Physical impacts. I'd like to kind of break

PRESENTATION BY STEVE MENDEN

20

1 away from the alternatives analysis and just touch on  
2 a couple of key topics here. There were several water  
3 resource aspects that were looked at in this document.  
4 One deals with wetlands, and I think it's pretty  
5 obvious. You can read here the number of acres of  
6 wetlands that will be impacted as part of this  
7 proposed project. Total down here, well, 765 acres of  
8 wetland and 398 acres of deep water. The mitigation  
9 for those impacts are basically defined in what's  
10 called the 5-year and the 20-year wetland mitigation  
11 plan. So the project proposed -- or Minnesota Steel  
12 has proposed a strategy to mitigate those wetland  
13 impacts.

14 Water appropriations. I think it's a fair  
15 statement to say that this plant will use a  
16 substantial amount of water. There's several

17 different ways that water appropriations come into  
18 effect here; definite water supply for mining and  
19 plant operations, mine pit dewatering, stream  
20 augmentation for Snowball and Oxhide Creeks. The  
21 water balance, water yield, the overall flow of water  
22 is addressed in what's called the water management  
23 plan and water appropriations request, which have been  
24 included in the permit applications, which were used  
25 to basically try to determine the magnitude and type

PRESENTATION BY STEVE MENDEN

21

1 of impacts that can be expected out of this project.

2 One point I'd like to make here, because  
3 there will be some pit dewatering that occurs, in our  
4 analysis we're not anticipating any adverse impacts to  
5 Nashwauk city wells or to adjacent private wells. And  
6 really the mitigation towards water management overall  
7 on the site is the water management plan.

8 Physical impacts on water resources,  
9 non-wetland related. We had to complete basically an  
10 evaluation of hydrologic and geomorphic impacts.  
11 Those are kind of fancy words for watershed balance  
12 yield. The amount of water that falls within a  
13 certain area is the hydrologic. Geomorphic is the  
14 physical characteristics; in other words, what's the  
15 shape of a stream, you know, does it consist of a lot  
16 of vegetation, is it armored with a lot of natural  
17 rock, those kinds of things; what are the physical

18 characteristics?

19           What we did evaluate was the surface water  
20 flows in O'Brien, Pickerel, Oxhide and Snowball Creeks  
21 and Sucker Brook, and the Draft EIS does provide  
22 information on each of those. There will be potential  
23 water level changes in Little Sucker, Snowball, Swan,  
24 Little McCarthy, O'Brien and Oxhide Lakes. We are not  
25 anticipating that those are going to be huge impacts,

PRESENTATION BY STEVE MENDEN

22

1 by any means. In fact, quite the contrary, we believe  
2 them to be quite minimal. Mitigation, again, is,  
3 we're proposing that it's basically augmentation to  
4 both Oxhide and Snowball Creeks.

5           Surface water runoff. I touched on this a  
6 little bit overall, on a slide a little bit earlier.  
7 Really, the overall strategy on the surface water  
8 runoff is the collection of surface water runoff from  
9 areas affected by the project. The actual surface  
10 water or storm water is going to be collected and used  
11 within the process or the operations of the plant  
12 where possible.

13           Utilize captured runoff in production  
14 processes. Seepage through the tailings basin dams  
15 collected and returned to the basin. I mentioned  
16 before the use of a seepage collection system around  
17 the tailings basin. And really the mitigation is the  
18 surface water management plan, and those management

19 plan aspects will be included in the NPDES/SDS permit  
20 application process. NPDES is the National Pollutant  
21 Discharge Elimination System. That's the federal arm  
22 of this permit. SDS is the State Disposal Permit,  
23 which is the Minnesota side of that permit  
24 application. Again, I apologize if I use acronyms.  
25 I'll try not to.

PRESENTATION BY STEVE MENDEN

23

1 Fisheries and aquatic resources. We also  
2 looked at what were going to be some of the aquatic  
3 resource impacts from this project. We evaluate  
4 potential impacts based on changes in water levels,  
5 water flows and water quality. No potential fisheries  
6 impacts were identified.

7 However, mitigation was identified, again, in  
8 the form of augmentation recommended to preserve  
9 stream ecological health. In other words, most  
10 streams don't do very well if they have very high  
11 flows of water for any extended period of time, they  
12 don't do very well if they have very low flows of  
13 water at any one point in time. So we're proposing  
14 augmentation, basically some type of flow over a  
15 period of time to ensure that stream health stays in  
16 place. Additional mitigation includes possible  
17 management of mine pits for fisheries after project  
18 completion.

19 I apologize. One thing I'd like to point

20 out; I believe there's a copy of my Powerpoint  
21 presentation on the chairs there where you're sitting.  
22 If you see a number up here, like I have, it's called  
23 stationary source air emissions, 4.7. That's really  
24 the part of the Draft EIS that you can go to that will  
25 explain and talk specifically about that topic area.

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1 So if you're looking through my Powerpoint  
2 presentation, and it says 4.2 or 4.1, that's really to  
3 try to help direct you to that part of the draft  
4 document, and you can take a look at it.

5 Primary air emission sources: The mining and  
6 crushing operations, the concentrator, pelletizer,  
7 direct reduced iron furnace, steel mill. Controlled  
8 air pollutants, there's a fairly long list here:  
9 Particulate matter, nitrogen oxides, sulfur dioxide,  
10 volatile organic compounds, carbon monoxide, fluorides,  
11 sulfuric acid mist, and lead.

12 Stationary source air emissions. And  
13 actually I think I might have jumped to -- I'd like to  
14 speak just very briefly on Class I areas. Class I  
15 areas, as we looked at in this document, include the  
16 Boundary Waters Canoe Area Wilderness Area, Isle  
17 Royale, National Park, Rainbow Lake Wilderness, which  
18 happens to be in Wisconsin, and the Voyageurs National  
19 Park. And really the impacts from this project were  
20 modeled, and basically sulfur dioxide ambient air

21 concentrations were modeled.  
22 Other pollutants were modeled for what's  
23 called a SIL or significant impact level. Acid  
24 deposition was modeled, and visibility impairment was  
25 modeled. The results of that modeling is not likely

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1 to have adverse impacts on flora and fauna, fancy  
2 words for plants and animals, or terrestrial or  
3 aquatic ecosystems, land or fisheries, in Class I  
4 areas.

5 Class II areas are really just about  
6 everything else. And those, too, were basically looked  
7 at for what's the impact in the immediate area.  
8 Analysis. Again, modeling was done, and it indicates  
9 that PM10 particulate matter, nitrogen oxides, sulfur  
10 dioxide, lead and carbon monoxide emissions would meet  
11 state and federal standards. The plume, however, may  
12 be visible from this facility at the Hill Annex State  
13 Park during certain climatic periods.

14 Can everyone hear me okay? From speaking  
15 into this mike, I get a huge echo back. I almost feel  
16 like I'm at home and my kids are replying to me.

17 Stationary source air emissions, mercury  
18 emissions. We did look at mercury emissions.  
19 Potential estimated emissions range from 61 pounds to  
20 81 pounds per year. For those of you that are maybe  
21 wondering why that difference exists, one is



22 considered a yearly annual average. That's the 61  
23 pounds. 81 pounds is what would be considered the  
24 worst case. In the Draft EIS, the Draft Environmental  
25 Impact Statement, we used the worst case scenario in

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1 our modeling and analysis. So we're trying to stay on  
2 kind of the worst case scenario under that  
3 circumstance.

4 Primary sources of mercury emissions are  
5 really from the pellet plant and the direct reduced  
6 iron plant. All of the other sources have some  
7 sources but very small in relation to those two.

8 Human health risk assessment, screening  
9 assessment, was also completed. We looked at a couple  
10 of different pathways, what's called direct or  
11 inhalation; indirect, which is consumption; exposure,  
12 and they were assessed. The process of analysis really  
13 includes -- again, it's a complicated modeling process  
14 identifying chemicals of potential interest emitted by  
15 the facility. And there was a total of 81 different  
16 compounds that were looked at through this process.  
17 Looked at exposure and toxicity assessment, risk  
18 characterization, and there was a certain factor of  
19 what's called uncertainty analysis that goes into  
20 that, too.

21 I'm not a risk analysis person, so I thought  
22 probably the end of this people might find most

23 helpful. I know I did. Basically what came out of  
24 that study is that the maximum predicted project  
25 impacts are predicted to be below the standard of one;

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1 and one means one occurrence, one increase in  
2 occurrence per 100,000. And the result of this  
3 analysis showed that we should stay below that  
4 standard.

5 Very quickly, mitigation strategies for air  
6 emissions. Integrated process, we talked about that a  
7 little bit. Basically moving the material from the  
8 time it's ored, out of the ground, to the time it's  
9 turned into steel in a continuous process. Use of  
10 natural gas versus coal.

11 Offsets for Class I visibility impacts.  
12 Offsets for impacts of Class I. Again, remember Class  
13 I was like the Boundary Waters Canoe Area, Voyageurs  
14 National Park. Those offsets could consist of either  
15 purchasing green credits or some other mechanism to  
16 help other entities lower their plume or compound  
17 items that are coming out of there.

18 Air pollution controls, again, include best  
19 available control technology and maximum achievable  
20 control technologies. Fugitive dust control plan.  
21 Definitively monitoring and compliance. And basically  
22 the project proposer has committed to evaluate and  
23 implement what's called an innovative technology

24 called LoTOx, if that's feasible. If not, the  
25 mitigation would be that they would have to go back

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1 and redo what's called BACT or best available control  
2 technique analysis.

3 Cumulative impacts analysis. Another part of  
4 the document looked at what's the impact of this  
5 project along with seven or eight other potential or  
6 potentially proposed projects. In other words, what's  
7 the cumulative impact of these projects all together.

8 There were several cumulative impact studies  
9 that were done. I'm just going to list them here. A  
10 whole chapter is designated to this in the Draft  
11 Environmental Impact Statement. Class I area air  
12 quality impacts due to particulate matter. Class I  
13 area air quality impacts due to acid deposition and  
14 ecosystem acidification. Mercury emissions. Loss of  
15 threatened and endangered plant species. Loss of  
16 wetlands and really wildlife habitat and wildlife  
17 corridor fragmentation and obstruction. Again, I  
18 would encourage you, if you have an interest in that,  
19 to look through Chapter 5 of the document.

20 Infrastructure. Just very briefly, this  
21 proposed project to what the Draft Environmental  
22 Impact Statement looks at is really the project as a  
23 whole. What is outside the scope of this document is  
24 what's called connected actions, and that really falls

25 under what's called infrastructure requirements.

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1 There's a fair amount of infrastructure that's going  
2 to have to be constructed or put in place for this  
3 plant to be up and operational.

4 Access road. As some of you may be aware, I  
5 believe it's County Road 58, the one that goes up past  
6 the cemetery, will be closed off kind of on the east  
7 side of the plant, where it's proposed right now. A  
8 railroad spur will have to be constructed. Gas  
9 pipeline will have to be constructed. Water and  
10 sanitary sewer lines will have to be constructed.  
11 Electrical transmission lines will have to be  
12 constructed.

13 I do want to inform you that we've tried to  
14 provide the best available information we can on these  
15 items in the Draft EIS, but that other regulatory  
16 agencies, counties and so forth, will be carrying  
17 those projects forward. But we did try to provide you  
18 at least a good understanding of what the magnitude of  
19 those connected actions are in relation to this  
20 project.

21 Mitigation summary, very briefly. If you  
22 want to get a little better understanding of  
23 mitigation, I believe it covers a couple of different  
24 pages, total pages in the document. I would direct  
25 you to Chapter 3. Towards the end of Chapter 3

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1 there's a mitigation summary table that we tried to  
2 provide in there for individuals to look at.

3           Very briefly, and this is not all inclusive:  
4 Reclamation; best management practices -- that would be  
5 for storm water control, solid waste control, waste  
6 minimization. Water recycling/reuse; we kind of spoke  
7 about the fact that they're going to capture surface  
8 water, recycle process water. Stream flow  
9 rates/augmentation in Oxhide and Snowball Creeks.  
10 Monitoring to basically make sure that the system is  
11 working properly. Wetland restoration. And I  
12 apologize, I also have wetland restoration on the top  
13 of the other column.

14           The integrated process. We kind of talked  
15 again about the efficiencies that are gained from  
16 moving this from one end of the process to the other  
17 end of the process as quickly as you can and not  
18 stopping in between. Use of natural gas. A commitment  
19 to evaluate and implement LoTOx. Air pollution  
20 controls; that would be, if it's a filtration system,  
21 wet scrubbers, et cetera. And again, BACT to MACT,  
22 best available control technology.

23           I believe I'm getting pretty close here so I'm  
24 going to try to speed up.

25           Permits. Chapter 2 provides a pretty

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1 extensive list of the types of permits and approvals  
2 that are required for this project. Here I just tried  
3 to summarize some of the key ones. Permit to mine,  
4 Section 404 permit under the U.S. Army Corps of  
5 Engineers. Air emissions facility permit under the  
6 Minnesota Pollution Control Agency.

7 Minnesota Steel EIS process, very much a  
8 tentative schedule, depending upon the number, type  
9 and magnitude of comments we receive on the document.

10 I believe Scott presented this in a little bit  
11 different format or fashion. Comment period runs  
12 through April 2nd, 2007. We're anticipating that it's  
13 going to take a while, a couple months, to basically  
14 address comments, prepare the Final EIS. Anticipating  
15 tentatively, again, at this time final EIS for public  
16 comment period sometime in May and June. That will  
17 give the public another opportunity to comment on that  
18 document, so I want you to be aware of that. Then  
19 basically the records of decision in the June-July  
20 period. And again, this is tentative.

21 Overall Minnesota Steel project schedule.  
22 You'll see a very similar schedule, in fact, I believe  
23 it's identical, in the Draft EIS. I provided this just  
24 because I think as an individual who is sitting out  
25 here, you might want to kind of know what's the overall

1 aspect of this project on me, on you and your life; I  
2 mean, when is it really going to happen? Again, this  
3 is tentative, but we've tried to provide that type of  
4 background information in the Draft EIS.

5 Remaining agenda, if I can just touch on this  
6 very briefly. This kind of wraps up the very first  
7 part, us standing up here talking to you. What we'd  
8 really like, really encourage you to do is take the  
9 time, and there's going to be -- there's a number of  
10 poster boards, individuals from the regulatory  
11 agencies and so forth that are standing in the back  
12 there. We encourage that if you have a question or  
13 comment, that you please try to find one of those  
14 individuals to talk to. If you don't know who to  
15 necessarily walk up to right now, after I'm done,  
16 please feel free to come on up, and I'll try to  
17 redirect you.

18 The tables that are set up are what's called  
19 NEPA/MEPA; I would say that's the overall project.  
20 There's one for wetlands, one for water, one for air,  
21 one for reclamation, and wildlife resources. If you  
22 see a person back there with a blue name tag on, and  
23 you don't know where to go, just grab them and ask.  
24 We're really trying to offer as many different  
25 opportunities, ways for people to get informed on this

1 and provide comments. I would strongly encourage you  
2 to take that time.

3           Basically that open house, one-on-one, goes  
4 from 7:00 to 8:00. We're going to provide an  
5 opportunity for those who want to give an oral  
6 perspective on this starting at 8 o'clock to 8:30.  
7 Then we're also going to be available after that  
8 period again to go back to the one-on-ones. You're  
9 welcome to stay as long as you want. You're welcome  
10 to leave whenever you want. And please, again I  
11 encourage you that if you have a question, gosh, come  
12 grab one of us.

13           I think with that, I just wanted to put up  
14 one other slide here. There's several ways to comment,  
15 to provide comment or thought. One is orally coming  
16 up in about an hour. The other is through written  
17 comment, or where there's a stenographer in the back,  
18 you can do that.

19           But I want to remind you that the comment  
20 period runs through April 2nd, so if you leave here  
21 tonight and all of a sudden you think of something  
22 else and you want to provide another comment, please,  
23 I would say direct it toward Scott Ek or Jon Ahlness  
24 either through this e-mail or you're more than welcome  
25 to mail it in. Thank you much for your attendance

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1 here. Greatly appreciate it.

2 (Applause.)

3 BRIAN STENQUIST: Scott, do you have something  
4 you want to add?

5 SCOTT EK: Real brief. One thing I forgot to  
6 mention, I saw the CDs back there for the Draft EIS  
7 were kind of going like hotcakes. So I wanted to let  
8 people know, and it wasn't on any of the slides, the  
9 Draft EIS is available online, on the DNR website.  
10 Probably one of the easiest ways to get to the website  
11 is type in MN DNR in Google or one the search engines,  
12 and it'll bring you right there, and you can type in  
13 Minnesota Steel. I believe there's a little search  
14 box in the right-hand corner of the DNR website. The  
15 DNR website is [dnr.state.mn.us](http://dnr.state.mn.us), if you want to plug  
16 that in as well. The full document is there for  
17 download if you can't get a CD tonight. In addition,  
18 stop by the NEPA/MEPA booth, I will take down your  
19 name and address, and I can send you out a CD if you'd  
20 like, if they're all gone before the end of the  
21 evening. That was one comment.

22 I also have another comment. I just wanted  
23 to clarify; there was a statement in the Hibbing  
24 News-Tribune that I think was taken a little out of  
25 context, and I just want to make sure -- it likened

1 this process to voting. And this process is not like  
2 voting. It is intended for comment. Again, as I said  
3 during my presentation, it's not a time to approve or  
4 disapprove a project. I guess it was likened to the  
5 voting process for the reason that it allows the people  
6 to give their comments on the project, not a yes or no  
7 to the project. So I just wanted to clarify that if  
8 you read that in the Hibbing News-Tribune.

9 But again, thank you for coming and feel free  
10 again to ask any of us here any questions you'd like,  
11 and we'll see what we can do to answer them.

12 BRIAN STENQUIST: Thank you, Scott; thank  
13 you, Steve. The coffee and cookies have been moved to  
14 the left-hand corner of the room. Go get yourselves  
15 some refreshments and have some interesting  
16 conversations. Thank you very much.

17 (Meeting adjourned to open house.)

18 (Statement given to stenographer:)

19 ALDEN JUDNITSCH: My comment: I live south  
20 of 169, between Oxhide and Snowball; and I'm concerned  
21 about the mercury and the pollution and stuff. Is that  
22 going to be monitored, and how is it going to be  
23 controlled? And that's what I'm concerned of, because  
24 Butler, when they were there running, a lot of times we  
25 had -- our snow would be reddish in the wintertime.

1 I'm just kind of concerned how they're going to control  
2 all that. I'd like to see that pretty well monitored.

3 My address is 17610 County Road 83, Pengilly.  
4 (Continuation of public meeting.)

5 BRIAN STENQUIST: Ladies and gentlemen, if  
6 you're interested in making an oral public comment or  
7 if you're interested in listening to the oral public  
8 comments, please come and take a seat, and we'll begin  
9 that phase of the Draft Environmental Impact Statement  
10 public information meeting. Thank you very much.

11 (Pause)

12 Ladies and gentlemen, we're about to begin the  
13 oral public comment period. If you'll please take your  
14 seats, we can find out how many people are interested  
15 in making those oral comments. Thank you very much.

16 (Pause)

17 Thank you very much, ladies and gentlemen.  
18 We'll now move to the oral public comment segment of  
19 tonight's meeting. Let me explain this process as we  
20 move into it. This is a part of the public record of  
21 comment on the Draft Environmental Impact Statement.  
22 We have two stenographers that will be recording your  
23 oral comments. What we'd like to do, in a few moments  
24 I'll ask how many people would like to make an oral  
25 comment. We'll count those hands. We'll figure out

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1 how to divide up the time that's available to us.

2 Then I'll ask those people who want to make oral  
3 comments to please come up and stand in line here so  
4 we can see who's about to speak. Then I'll invite you  
5 up one at a time, for the allocated time or less if  
6 you don't need to use all the time. You will need to  
7 state your name and your mailing address so that we  
8 can get this material back to you. We will also ask  
9 you to spell your name so that the stenographers will  
10 be able to record it accurately.

11 We'll take this segment of the meeting until  
12 8:30. At 8:30 we'll move back in for additional  
13 questions at the one-on-one, small group table level.  
14 May I see a show of hands for those people who would  
15 like to make an oral public comment, please? Hold them  
16 up high so I can count them. (Showing of hands).  
17 Thank you.

18 All right. I think we'll have time for four  
19 minutes per oral comment. I hope that will be  
20 adequate. Those who want to come and make an oral  
21 comment, please come up, stand in line over here at  
22 the three point line. Thank you all.

23 If the first gentleman would come and stand  
24 right by the key here, stand up there, I'll hold the  
25 microphone; you can state your name, address and then

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1 spell your name.

2 RONALD RICH: My name is Ronald Rich, I live

3 in Edina and also at 28664 South Highway 65 on Swan  
4 Lake. R-i-c-h is the last name. First name Ronald,  
5 R-o-n-a-l-d.

6 The comments I have I'm adjusting a lot as we  
7 go along. I'm director of the Swan Lake Association,  
8 a group of citizens that live around Swan Lake that  
9 are very concerned about the impact this project would  
10 have on Swan Lake.

11 Before I start any comment, I want to make  
12 sure that everybody understands we're not opposed to  
13 this project going ahead. That's not the issue. The  
14 issue is many of the technologies they're using could  
15 be done better. I've learned quite a bit at this  
16 meeting about some of the aspects and I've addressed  
17 some of the six major concerns that our association  
18 has, so I won't spend a lot of time commenting on  
19 those.

20 I think the biggest single issue that we have  
21 as a Swan Lake Association, as me as an individual --  
22 I'm an engineer, environmental engineer -- is that the  
23 tailings basin issue still is a very big concern to  
24 our lake association. We had Butler Taconite. That  
25 particular operation caused great degrading of quality

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1 of Swan Lake during its operation. It had accidental  
2 discharges. It had things that were promised that  
3 weren't delivered, and then they went bankrupt. And

4 as they went bankrupt, they just left. And they left  
5 and '86 was a very bad year for that lake, and we  
6 don't want this to happen again.

7 This project is very, very dependent on high  
8 steel prices, low natural gas prices and low  
9 electricity prices; and if any one of those change the  
10 wrong way, it goes bankrupt, it has to stop production.  
11 So we have to be very careful what we do because the  
12 impact on our lake will be permanent.

13 They're also proposing very, very large  
14 amounts of tailings compared to Butler, upwards of 85  
15 feet deep, and they could cover, over the total  
16 lifetime of the project, half of Lone Pine Township  
17 roughly as we estimate it. Not the 20 years that's  
18 being evaluated here, but the actual 70 to 100 years  
19 that the project has a life on.

20 So what our concern is, is there, primarily  
21 on that issue, plus the heavy metals that might be in  
22 the tailings that have not been addressed yet, is  
23 there a way to deal with those tailings in a better  
24 way than the Site Alternative 1 and 2? And we made a  
25 comment before that said yes, there is. It is

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1 technically possible, economically possible, and  
2 actually from a water balance standpoint better for  
3 Minnesota Steel to put that tailings back into  
4 abandoned mine pits. Once they're done mining, they

5 can fill that taconite back in -- or the tailings back  
6 in. It not only fits, it supplies water. Because  
7 they're pumping from it, it does not contaminate the  
8 groundwater. It's a much better approach from an  
9 engineering standpoint, and that alternative has not  
10 even been considered.

11 And I learned tonight that we already have a  
12 mine in Minnesota that's doing that. Why aren't we  
13 doing it at this one? Why are we taking out half of  
14 the township, 18 square miles when the project is done?  
15 It's permanently left with tailings and dust that have  
16 to be managed, and that plant may be long gone. I've  
17 lived on the lake, my family has lived on the lake 100  
18 years. We'd like my sons to live there and their  
19 grandsons to live there and have a reasonable  
20 environment.

21 We have many other issues. I think my four  
22 minutes are pretty close to being up, so I want to  
23 make sure that we understand this. But the lake we're  
24 trying to protect, and the tailings are the single  
25 worst thing that can happen to our lake in our view,

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1 and there's an easy solution that actually might help  
2 Minnesota Steel become more economically competitive.

3 That's my comment. I'll be putting some  
4 written comments in on that, and I really, really want  
5 this to be included as an alternative in the Final EIS.

6 Thank you very much.

7 BRIAN STENQUIST: Thank you very much. Next  
8 speaker, please.

9 DICK DEBOLT: Thank you, Brian. My name is  
10 Dick Debolt, D-e-B-o-l-t. I live at 7018 Van Road,  
11 just north of Duluth. I have a Duluth address. I'm  
12 president and owner of Twin Ports Testing, Incorporated  
13 from Duluth. And if I can speak a little bit of  
14 history and get us up to date quickly, in high school I  
15 remember mom and dad and the sticker, the taconite  
16 amendment with a check, and apparently they voted yes  
17 and the taconite plants evolved.

18 As our company started back in 1972, so we're  
19 old-timers, I went to Hibbing Taconite and told them  
20 how great I was, and they threw me out in the dust and  
21 the dirt. And we picked ourselves up, and now at this  
22 point in time we have the opportunity to be a player  
23 in this project. It's overwhelming. It's enormous,  
24 and we're just thrilled to be here, even be considered.

25 I thought the presentation -- I sat through

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1 several of these. I thought the presentation was  
2 stellar. There didn't appear to be any hidden agenda.  
3 I think that as these problems arise, that they're  
4 going to be addressed. We're thinking, after talking  
5 to my friend, Bobby Latvala, if there's a person in the  
6 room here who's enjoying a retirement from the mining



7 industry, here's an opportunity for your children and  
8 your grandchildren, and I wouldn't pass this up for  
9 anything. It's a wonderful thing.

10 It reminds me of the ethanol that we see.  
11 We're making ethanol for gasoline. Is it good? No.  
12 The price of a lowly tortilla is more expensive for  
13 the Hispanic guy. It's more expensive to feed a cow.  
14 Little things like that. For every action there's  
15 another reaction. You go to the pharmacy and buy a  
16 pill, you buy some medicine, isn't there a disclaimer  
17 on it that says, maybe it's bad for your liver. Maybe  
18 something could affect you because of this medication.  
19 We have to keep that in mind. Let's be part of the  
20 solution and not the problem. Thank you.

21 BRIAN STENQUIST: Thank you very much. Next  
22 speaker, please.

23 TOM ANZELC: My name is Tom Anzelc. It's  
24 spelled A-n-z-e-l-c. I live here, 44205 Burrows Lake  
25 Lane, Balsam Township. I went to high school here. I

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1 grew up in Keewatin, and I have the privilege of  
2 representing most of the people here tonight in the  
3 Minnesota House of Representatives. Thank you for  
4 giving me that opportunity, and I want you to know  
5 that I'm doing my best to get state government to do  
6 its part to further this fantastic project; a project  
7 that will literally give a rebirth to the western

8 Mesabi, literally from Hibbing to Arbo Township.

9 I'm also here tonight representing the Iron  
10 Range delegation. They are 100 percent plus committed  
11 to doing their part in furthering this project. In  
12 fact, we are; we are halfway through the process of  
13 getting state dollars committed to Itasca County and  
14 the Community of Nashwauk to provide necessary  
15 infrastructure so that this project can go forward.

16 I especially want to extend to you greetings  
17 from my senator, Tom Saxhaug, and our other  
18 representative, my friend and my mentor, Loren Solberg,  
19 who has done so much already to further this project.

20 Lastly, when we get immersed in government  
21 and working with agencies and expecting things to be  
22 done and trying to move projects of this magnitude  
23 along, we oftentimes forget the people who do the work.  
24 And I'm referring to the great people in the Minnesota  
25 Pollution Control Agency, the great people in the

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1 Minnesota Department of Natural Resources, the great  
2 people at Iron Range Resources, and all of the other  
3 partners who are playing a role in the development of  
4 this fantastic project.

5 Most of all, I want to thank the citizenry  
6 for showing their interest, their commitment and their  
7 support for the project all along throughout this  
8 process, but especially for being here tonight. And

9       lastly, to parents and students and kids who live in  
10       the Nashwauk-Keewatin School District, let's build the  
11       steel mill and then let's build a new high school.  
12       Thank you. (Applause)

13               BRIAN STENQUIST: Thank you, sir. Next,  
14       please.

15               CATHERINE McLYNN: Thank you. Catherine  
16       McLynn. I'm speaking as the chair of the Itasca  
17       County Board of Commissioners. Our address is 123  
18       Northeast Fourth Street, Grand Rapids, Minnesota.

19               Yesterday at our board meeting we passed a  
20       letter of comment in support of the Minnesota Steel  
21       project, and specifically addressing the question as  
22       to whether the Environmental Impact Statement was  
23       thorough and complete. Our comments include, and I  
24       will be submitting this letter for the record, the  
25       fact that the proposed location for the project is

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1       primarily zoned industrial, and development of the  
2       project is consistent with the goals of our  
3       comprehensive land use plan. The commercial/industrial  
4       goal is to encourage a sound and diverse economy that  
5       meets the needs of Itasca County residents and  
6       visitors for employment and services.

7               Our mining industry objective is to support  
8       the continuation and expansion of the mining industry.  
9       And third, our industrial location objective is to

10 locate industrial development in areas that minimize  
11 conflict with other land uses and protect natural  
12 resources.

13 We specifically noted items in the  
14 Environmental Impact Statement that deal with water  
15 appropriation, storm water runoff, seepage, protection  
16 of the water quality in the three lakes, emissions,  
17 and the fact that oversight from many regulatory  
18 agencies will address many of the concerns. We  
19 further noted that the no action alternative would  
20 have negative social, economic and even environmental  
21 impacts if the project does not move forward.

22 We concluded that we found the Environmental  
23 Impact Statement to be a very thorough and complete  
24 document upon which decisions can be made to move this  
25 project forward. We'll be sending one more additional

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1 letter noting that the Environmental Impact Statement,  
2 this version, does not include any of the impacts of  
3 the rail and public road, the infrastructure that we,  
4 the county, are responsible for. That is being done  
5 in a separate environmental assessment process. Thank  
6 you.

7 BRIAN STENQUIST: Thank you very much. Next  
8 speaker.

9 PAT KANE: My name is Pat Kane, K-a-n-e. I  
10 am here representing GAVA, which is a Greenway area

11 based community group. The address is P. O. Box 76,  
12 Coleraine. I am here just to let you know that the  
13 GAVA Association will be submitting a letter of  
14 support, 100 percent support of this project.

15 Speaking on behalf of -- I am also owner of a  
16 company called Lefty's Tent & Party Rental in the area.  
17 This is a project that has, I guess, exceeded the  
18 expectations of a lot of people of this community, of  
19 the size and magnitude, that I guess this community has  
20 100 percent been in need of for several years, and we  
21 are in full support also. Thank you.

22 BRIAN STENQUIST: Thank you, sir.

23 TARRY EDINGTON: My name is Tarry Edington,  
24 and that's T-a-r-r-y, E-d-i-n-g-t-o-n. My address is  
25 102 Northeast Third Street, Suite 160, Grand Rapids,

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1 Minnesota. I am a housing development specialist for  
2 the Itasca County Housing & Redevelopment Authority.  
3 My work focuses my attention on housing conditions in  
4 this county. We know that there are issues that arise  
5 from a project like this, but we also know there are  
6 issues that arise when you don't have projects like  
7 this.

8 I want to speak specifically to the  
9 socioeconomic aspect of the EIS. That section of this  
10 EIS addresses quite thoroughly some of the historical  
11 data of income, population trends, unemployment,

12 income levels of persons, and it lays a lot of that  
13 out. It talks about the socioeconomic impacts of a  
14 project like this.

15           What I want to bring to the table here is to  
16 recognize in the housing arena there are two sides to  
17 the equation; one is the cost side, the other is the  
18 income side of those who occupy the housing. And one  
19 of the things that we have experienced in this county  
20 in years past with the declining incomes in the county  
21 and not keeping up with the growth of economics in the  
22 rest of the state and the country, is that there's a  
23 growing disparity between the cost of having housing  
24 available and what folks are able to afford. And what  
25 that leads to is a need for a growth in income.

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1           My work a lot of the time focuses on trying  
2 to reduce the cost of housing through the actual cost  
3 of construction and through the cost of financing for  
4 the home buyer or the project developer. But the  
5 reality is the other side of the equation can have an  
6 equal or greater impact than trying to reduce cost,  
7 and that side is the growth of incomes of the  
8 population who lives here through the jobs that are  
9 available. And the MIS project provides that  
10 opportunity for Itasca County and the region around it  
11 to benefit from jobs, not only directly at the plant,  
12 but service and support jobs that also come about as a

13 result of this project being here, that provide  
14 employment opportunities for people across the whole  
15 spectrum of income.

16 So what I want to say about the socioeconomic  
17 section is, I think it does a very good job of laying  
18 out some of that historical data. The one point I  
19 would make is that when it talks about the no-build  
20 option, it does not place enough emphasis on what that  
21 means for the area. And I would suggest that there be  
22 a very clear extensive statement about the no-build  
23 option and what that means for economics in Itasca  
24 County, because without this project we continue in  
25 the status we're in; whereas we have the opportunity

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1 to change to a growth environment. Thank you.

2 BRIAN STENQUIST: Thank you, sir.

3 RON DICKLI CH: My name is Ron Dicklich,  
4 D-i-c-k-l-i-c-h, and I live 31621 Spruce Drive,  
5 Pengilly, Minnesota. I'm here tonight in my role as  
6 executive director of the Range Association of  
7 Municipalities & Schools, which is 25 cities, 15  
8 school districts and 8 townships, which covers 6  
9 counties in northeastern Minnesota. And I'm here  
10 tonight in support of this EIS and the project on  
11 behalf of the executive board of the Range Association  
12 of Municipalities & School Districts.

13 Their support is based on a couple of things;

14 one being that Minnesota is one of the toughest,  
15 toughest places to get permitting for anything, and  
16 especially for mining, that if this project is  
17 permitted through the Department of Natural Resources  
18 and the Minnesota Pollution Control Agency, we deem it  
19 to be a safe project that we can all prosper under.

20 We also support this project because it is an  
21 opportunity to turn around 26 years of decline, 26  
22 years of declining enrollment, 26 years of population  
23 out migration. At one time we had three full senate  
24 districts here. We've lost close to 70,000 people in  
25 northeastern Minnesota, and we view this as an

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1 opportunity to rebuild that.

2 It's also the excitement of a project like  
3 this. You know, the steel industry is experiencing a  
4 high because of what's going on in the world market.  
5 But if that high is ever over, a lot of those steel  
6 companies aren't going to be able to have the same  
7 advantage as they have today. This project works even  
8 in the low cycle of the industry. It was brought up  
9 by somebody earlier, this project, and I'll repeat,  
10 survives even in the low cycle of the industry.

11 And lastly, I'd just like to leave with this  
12 note, and that is that on June 10th, 1985, in my role  
13 as state senator, I stood in the parking lot of Butler  
14 Taconite, along with Representative Solberg, and



15 watched as the last shift rolled out on a rainy,  
16 drizzly, dreary afternoon. And I shall never forget  
17 the faces of hopelessness and insecurity asking, Ron,  
18 what are we going to do? And I said, I don't have  
19 that answer for you, but we're going to keep trying  
20 and working on this to make sure that something comes  
21 back here. And after 22 years we now have an  
22 opportunity to answer that commitment and that dream.

23 And that, along with this being a safe project  
24 and based on the permitting that it will receive, that  
25 is the basis of our support, and that we will do

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1 whatever we can to help Minnesota Steel make the last  
2 drag here to get their project financed. So I thank  
3 you for your attendance tonight. (Applause)

4 BRIAN STENQUIST: Thank you, sir.

5 TOM PEARSON: My name is Tom Pearson. I was  
6 born and raised in Hibbing. My primary residence is  
7 in St. Paul. We have a lake home on the north shore  
8 of Swan Lake, and we've had the property in our family  
9 for 85 years. My name is spelled P-e-a-r-s-o-n. Our  
10 lake home address is 31641 East Shore Drive.

11 We love the Iron Range. We love the lake.  
12 We love the people here that I've grown up with and  
13 lived with for many years. We view this project as a  
14 tremendous economic opportunity for the Iron Range and  
15 its people. And I'm not here to oppose the project;

16 rather I'm here to say that this is a project that  
17 should be supported if it can be done in an  
18 environmentally responsible manner.

19           Some concerns have been raised about  
20 environmental issues, and I won't go into detail in  
21 the time that I have, on issues such as noise, odor,  
22 air quality, water quality. But there are two issues  
23 that I am concerned about and I do still have  
24 questions about, notwithstanding what is in the Draft  
25 EIS, and I would like to see them analyzed further,

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1 see if there are alternatives.

2           One is the water availability issue,  
3 particularly the augmentation issue of the area around  
4 Swan Lake. It's my understanding that it will be  
5 necessary to obtain water from some source such as the  
6 Hill Annex pit, and according to the Draft EIS,  
7 potentially from Swan Lake. I've been assured in the  
8 conversations this evening that that is not likely  
9 that it would come from Swan Lake, but it is a  
10 possibility, as expressed in the Draft EIS report.

11           I've also got concerns about the tailings  
12 basin, which, as I understand it from the diagrams and  
13 from the discussions that I've had this evening, is a  
14 20-year, roughly 20- to 30-year projection according to  
15 one MSI official and a 40- to 60-year projection  
16 according to another MSI official. I would like to

17 see further analysis of that, of how long it is before  
18 that area is expanded. I understand that the height  
19 could reach potentially 70 to 75 feet. I have some  
20 concerns about that.

21 So what I'd like to say in conclusion is I  
22 think this is a project that represents a tremendous  
23 opportunity for this area, but I would like to see  
24 further analysis of the environmental issues,  
25 particularly with respect to water availability and to

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1 the tailings basin that is proposed for Lone Pine  
2 Township. Thank you.

3 BRIAN STENQUIST: Thank you, sir. Next.

4 PETER McDERMOTT: My name is Peter McDermott,  
5 M-c-D-e-r-m-o-t-t. I live at 3171 Woodland Drive,  
6 Grand Rapids, Minnesota. I'm here as president of the  
7 Itasca Economic Development Corporation, which is a  
8 non-profit organization and represents the Itasca  
9 County area as far as economic development. We have  
10 the mission of helping create quality jobs, and I have  
11 to say this project is an economic developer's dream.

12 Our support for the project is based on proven  
13 technology and meeting or exceeding all environmental  
14 standards. And as pointed out in the Draft EIS, the  
15 positive socioeconomic effects of this project on the  
16 local community are very substantial. Having said  
17 that, I think they've underestimated them.

18           They talk about in the EIS 1.6 billion  
19 dollars being spent on the project, and with the  
20 indirect and induced effects being another billion  
21 dollars, they computed, by the UMD study, equates to  
22 2.6 billion dollars of total output. During the two  
23 years of construction, at peak, they'll have 2,000  
24 construction jobs, plus another 1500 more spinoff jobs.  
25           As far as the ongoing economic impact, full

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1 operations is measured by total output, that's 1.3  
2 billion dollars, which is huge to the local economy.  
3 And it is anticipated the project will employ up to  
4 700 people in operations in high-paying jobs with good  
5 benefits, and there'll be an additional 1550 jobs in  
6 the area.

7           One thing that's not in the EIS, and I'll put  
8 this in perspective for Itasca County because I happen  
9 to know those numbers, but at peak production, the  
10 output, you know, is 566 million dollars. How relative  
11 is that to our total economy? Well, our total economy  
12 is about 1.9 billion dollars of output, so it's about a  
13 30 percent increase, so it's huge. In a value added  
14 sense it's 197 million versus about a billion in total,  
15 for about 25 percent.

16           On the full ongoing operations, output is  
17 1 billion 230 million. And based on the total for the  
18 economy of 1.9, it's about a 65 percent increase. So

19 this is going to be a huge increase to our local  
20 economy.

21 I'll just paraphrase some of the other  
22 questions. I know everybody wants to get out of here.  
23 But one of the statements that was made in the report,  
24 in the socioeconomic area, was that the average weekly  
25 wage in Itasca and St. Louis Counties has continued to

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1 increase between 1980 and 2000. Well, I think this is  
2 technically correct, but if you take the dollars in  
3 constant dollars and take inflation out, you can see  
4 that actually our wages have stayed flat since 1980 to  
5 2005. And I'll be submitting these for the record, and  
6 they're based from the Bureau of Economic Analysis.  
7 They've stayed flat while the State of Minnesota has  
8 gone up over \$10,000.

9 At one time, in 1980, our wages were higher  
10 than the state average, and today we're \$10,500 less  
11 than the state average. So we've lost ground  
12 significantly, which is supported by Ron's earlier  
13 comments.

14 So we've lost thousands of high-paying jobs  
15 in the mining and wood products industries, and we've  
16 replaced those jobs. We have about the same number of  
17 people employed, but they're employed in retail and  
18 tourism jobs. So we have this \$10,500 difference.

19 Itasca Economic Development has set the goal

20 of increasing our wages back above the state average by  
21 the year 2015. This project alone, with the spinoff  
22 jobs, will be about -- that \$10,000 difference will  
23 increase this about \$1600 per year, so it's a major  
24 step forward.

25 But it should be noted that all of these

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1 numbers and all the numbers that are in the report,  
2 they don't take in the great potential for growth to  
3 the local area by bringing production of steel to the  
4 Iron Range. The follow-along business development  
5 will be unlimited, and that impact has not yet been  
6 included in any of the aforementioned estimates.

7 The local economy is depressed. It is in  
8 dire need of economic boost, as illustrated by the  
9 number of elementary school children that qualify for  
10 free and reduced lunches. During the current school  
11 year, 2006-2007, 46 percent of our children qualify for  
12 free or reduced lunches. This is significantly higher  
13 than the state average of 35 percent. To qualify for  
14 free or reduced lunches, you have to have income above  
15 130 percent or 185 percent of poverty level.

16 I'll just finish it up. I've gotten the 30  
17 second warning.

18 We believe that the management of Minnesota  
19 Steel, who we've worked with since 2004 on this  
20 project, is forthright, focused and community-minded.

21 We also recognize that the Longyear and Bennett  
22 families' commitment to the Mesaba Range since the  
23 early 1890s, and their commitment to reactivate the  
24 former Butler Taconite mine and tailings basin  
25 construction for the new facilities.

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1 Last, but not least, I'd like to thank the  
2 MPCA and all the people involved in the EIS. I think  
3 they've done a great job. It's a comprehensive  
4 approach. We've all seen the book. It's almost 400  
5 pages. We live here, and we want the quality of life,  
6 and so we're happy that they're doing that. But I  
7 happened to ask Scott at the time, I said, please  
8 expedite this project, I know time is of the essence,  
9 and we need to get to the finish line and we need to  
10 get the financial close to this project. Thank you.  
11 (Applause)

12 BRIAN STENQUIST: Thank you, sir. Is there  
13 anyone else? (No response). All right. This brings  
14 to close the oral presentations of public comment. We  
15 still do have staff who are ready to engage you in  
16 particular questions you might have at the individual  
17 tables.

18 On behalf of all of us who were a part of  
19 putting this public information meeting together,  
20 thank you very, very much for your time, energy and  
21 commitment to Minnesota resources, Minnesota's economy

22 and our quality of life. Thank you very much. Drive  
23 carefully when you leave.

24 (Meeting adjourned to open house.)

25 (Meeting concluded at 9:00 p.m.)

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1 REPORTER'S CERTIFICATE

2 I, Kathleen M. Undeland, do hereby certify  
3 that the foregoing pages of typewritten matter to be a  
4 true and correct transcript of my stenotype notes taken  
5 on the date indicated.

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