

Plain Talk



News and Views from the Eureka County Commissioners

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County Commission: We Want Mt. Hope Done Right

“It is no secret that Eureka County supports mining: 94 percent of its valuation is derived from mining,” said Commissioner Jim Ithurralde. It is also no secret that Eureka Moly, LLC (EMLLC) is working hard to obtain permission from federal and state authorities to mine molybdenum from Mt. Hope, 22 miles north of the town of Eureka. The Eureka County Commissioners are working hard too—to make sure that the mine project is done right.

The Commission knows the socioeconomic, housing, and workforce impacts are large.



The mine expects over 900 construction workers and ultimately around 500 permanent workforce with possibly up to 1,000 additional people living in Eureka County. There is no question that a project of this size will have impacts to Eureka County.

What does “done right” mean? It means working to ensure that impacts are identified, quantified, and mitigated to minimize costs to taxpayers and disruption and impacts to County residents and the local way of life.

As a “Cooperating Agency” the County through its volunteer National Environmental Policy Act (NEPA) Committee participates in Bureau of Land Management’s Environmental Impact Statement (EIS) Process. The County has a technical team ready to assist with the review and develop comments. The EIS should include a mitigation plan for impacts from the consumptive use of 11,300 acre feet of water per year for 44+ years. “County citizens know there are other planned mines in Eureka County,” Commission Chair Lenny Fiorenzi said. “It’s worth working toward something to be done right knowing additional deposits are going to be developed in Eureka County. For the Mt. Hope Project to be done right, the project shouldn’t impact ranching and farming interests, wise water use and our way of life,” said Fiorenzi. ♦

Mt. Hope Project will be great for Eureka County... if it is done right.

- Protect water resources
- Minimize costs to taxpayers
- Prepare for impacts
- Housing for workers
- Mine pays for impacts
- No adverse impacts to business including farming, ranching, recreation
- No adverse impacts to way of life
- Protect locally significant recreation areas of Roberts Creek and Tonkin Springs
- Active County participation in 3M Plan to monitor, manage, and mitigate impacts

County Prevails in Lawsuit on Mt. Hope Water

Judge Orders New Hearing

In April, Eureka County prevailed in a lawsuit challenging the State Engineer’s decision to grant water permits to Kobeh Valley Ranch, LLC, holder of water rights to be used in the Mt. Hope Project. Why did Eureka County appeal the decision? “This is part of the County’s effort to make sure that the mine project is done right,” said Leonard Fiorenzi, Commission Chairman. In the water hearing, the most current information about likely impacts of water pumping used in the hearing was not available to all parties, including Eureka County. District Court Judge Dan Papez has sent the decision back to the State Engineer for a new hearing because information used at the hearing and relied on in the State Engineer’s ruling was not made available to all the parties. Commissioner Jim Ithurralde said, “This ruling has nothing to do with Eureka County not wanting Eureka Moly’s business. Eureka County has and will continue to work with the mine as long as the needs and wants of our long term residents and existing industries are first met. This is a long term commitment and we need to get it right for future generations.” ♦

Plain Talk

Water is a primary concern for Eureka County



Water impacts from the Mt. Hope Project are a key concern for the County. The mine is proposing to use 11,300 acre feet of water per year. None of it will be returned to the ground. Because the unprecedented Kobeh Valley pumping could have effects on Eureka's municipal water supply, domestic wells, and Diamond Valley farming, the County protested the mine's water applications.

The best way to make sure the project is done right is to let

the mine know that the County is concerned about water. And that's what happened during the State Engineer hearing, and the County's successful appeal. The County has an expert water modeler and hydrogeologist who review and comment on the mine's hydrology model in an effort to make sure it is as accurate as possible for the many years of the project's life. As an added step to understand and protect our water resources, the County continues to partner

with the USGS in studying the water resources of the Diamond Valley flow system. Water flow from Kobeh Valley and four other basins terminates in Diamond Valley.

The County is also working to protect traditional and historical recreational areas such as Roberts Creek and Tonkin Springs so that future generations can continue to enjoy the area.

Water remains a primary concern for the County. ♦

**3 M =
Monitoring
Management
Mitigation
For 44 +
years**

County must be 3M partner for the long haul

For over a year, the County has been encouraging the BLM and EMLLC to discuss the structure and process for a monitoring, management, and mitigation plan (3M Plan). The purpose of the plan is to establish the procedures and thresholds in case water pumping produces adverse impacts.

The County believes that if it is a full partner with the

BLM, the mine, the State Engineer, and other stakeholders in a 3M plan, it will be the most effective mechanism to manage and mitigate impacts from pumping in Kobeh Valley. "The NEPA Committee has been trying and is ready to sit down with the BLM and the mine to work together on a 3M plan that will work for everyone in Eureka County for the life of this project,"

said NEPA Committee chairman Jim Gallagher. "Water impacts of this project are only predicted. The real impacts will occur after pumping starts. This is why it is essential to have all stakeholders involved from the beginning and beyond so there is some confidence in the way the water is managed," Jake Tibbitts, Natural Resources Manager said. ♦



Minimize adverse impacts for businesses and current residents

The Commissioners are monitoring the Mt. Hope Project and its possible negative impacts on the town of Eureka and surrounding area.

The existing housing shortage will become more acute unless more housing is developed. In addition, the Com-

mission is working to ensure that the Mt. Hope Project will not adversely affect existing businesses and services.

"We are already at a point where parking is tight," said County Commission Chair Lenny Fiorenzi.

"We want to make sure that the downtown is able to serve current residents as well as newcomers."

Doing it right means working to minimize bad impacts to existing businesses and residents. ♦

Eureka Moly stalls housing until BLM OKs Mining Permit

Adequate and planned housing for mine construction workers is essential to ensure minimal impacts to southern Eureka County.

The Commissioners entered into a lease agreement with Eureka Moly LLC in 2008 to work together on the development of the County's property within the town site of Eureka to provide housing for construction workers and ultimately

mine employees. The mine has not carried out the terms of the lease, and has not provided the County with a new schedule. Originally the housing sites would have been ready in 2009, so that construction workers would have housing immediately. As it stands now, the mine has indicated that it will not develop the housing property until after it receives a mining permit from BLM, which the

mine now expects in Summer, 2011.

"The need for worker housing in a project of this size is foreseeable and requires preparation and planning," said Ron Damele, the County's public works director. "It is unfortunate that the mine has not fully come to terms with the lack of adequate worker housing." ♦



County prepares for detailed review of impacts in EIS

The NEPA Committee is the County Commission's representative as a Cooperating Agency in the BLM's Environmental Impact Statement (EIS) process for the Mt. Hope Project. The NEPA Committee, supported by Natural Resource Manager Jake Tibbitts and EIS Coordinator Abby Johnson, has lined up an expert technical team to help in the review of the EIS.

The Administrative Draft, an internal document not for public review, is expected this summer. (As a Cooperating Agency, the County is bound by BLM to confidentiality until the public draft is released.) The County has specialists in the areas of water, socioeconomics, air quality, biology, and mine process, as well as experts in EIS law, ready to comment on the 800

page document and its many supporting reports. "As a Cooperating Agency, the County is able to review, comment, give direction and suggest alternatives on baseline information and impact analysis," said Abby Johnson. When the public draft EIS is issued, the BLM plans hearings in Eureka and Battle Mountain to receive the public's input on the project. ♦

The County has specialists in water, air quality, socioeconomics, biology, mining and EIS law to review the 800 page EIS.

Mine should pay for adverse impacts

The Commission believes that the cost of adverse impacts generated by the mine should be borne by the mine.

Representatives of the County and Eureka Moly (and parent company General Moly) have been meeting for over 3 years to discuss areas of potential agreement and concern. The County Commission is apprehensive that the startup impact costs will be significant

and believes the mine should pay for them.

"We want the project done right. The moly resource is in Eureka County, and with the mine's cooperation and support, this could be a successful project. But Eureka County needs assurance that the mine will bear the cost of impacts," said Commissioner Mike Page.

The influx of mine workers and secondary workers will put demands on utilities, emergency services, law enforcement, housing, and social services. The County also expects the landfill, water treatment facility, and municipal water supply will need to be expanded to serve the anticipated added population of 500 residents. ♦



Plain Talk on the Mt. Hope Project

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NEPA Committee Seeks New Member Representing Business

The NEPA Committee advises the Commission and is the County's lead for participating in the Environmental Impact Statement process for the Mt. Hope project. The NEPA Committee reviews and comments on documents, including the EIS when it is ready, and is appointed by the Commission. Jim Gallagher of Diamond Valley is Chair of the Committee.

The Committee is comprised of representatives of agriculture and business. Currently there is a vacancy for a Eureka business person. The Committee meets once or twice a month, and is committed to a thorough review and comment process of the EIS. If you are interested, please contact Jake Tibbitts, Natural Resource Manager at 237-6010. ♦



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**Plain Talk
on the Mt. Hope Project**

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