



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

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July 30, 1998

Mr. Jeff Earnshaw
Flambeau Mining Company
N4100 Highway 27
Ladysmith, WI 54848

Dear Mr. Earnshaw:

The Department has completed its review of the mining permit modification request submitted by Flambeau Mining Company on January 8, 1998 pertaining to various aspects of the Reclamation Plan for the Flambeau mine. As detailed below, Flambeau Mining Company sought to change the final land use for a limited portion of the mining site, retain certain project facilities for future alternative uses, and modify other specific elements of the Reclamation Plan. This letter constitutes approval and issuance of the modification to the Mining Permit.

Findings of Fact

1. Flambeau Mining Company holds a valid Mining Permit and Approval of the Reclamation Plan, which were issued by the Department of Natural Resources on January 14, 1991.
2. The Mining Permit and the approved Reclamation Plan designate the final land use for the mining site as wildlife habitat and passive recreation and specify the manner in which the mining site is to be reclaimed including disposition of project facilities, wetland restoration activities, surface grading plans and revegetation plans. The permit also specifies that if significant changes to the Reclamation Plan are desired, modification to the Mining Permit are necessary.
3. On January 8, 1998 Flambeau Mining Company submitted a request for modification of the Mining Permit and Reclamation Plan. The requested modifications were further detailed in a document titled, *Supplement to the Surface Reclamation Plan for the Flambeau Mining Company, Ladysmith, Wisconsin* (December 1997). The requested modifications as described in the modification request and the supplement include the following elements:
 - Modification of the final land use for 32 acres of the mining site to allow for alternative use of the on-site buildings and related ancillary facilities, railroad spur and a portion of the former Type I waste rock stockpile by the Ladysmith Community Industrial Development Corporation.
 - Retention of the existing "H&H Building" and the nearby visitor center parking lot for future use.
 - Consolidation of the two restored wetland areas into one 8.5 acre wetland to be located near



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EXHIBIT

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the northeast corner of the mining site.

- Modification of the drainage basin for intermittent stream "B" so that the upper portion would become part of the drainage basin for intermittent stream "A" and flow into the reclaimed wetland area. Additionally, the lower part of stream "B" would discharge to the Flambeau River through the existing rip-rapped channel (Outfall 002).
- Retention of the concrete diaphragm wall and reclamation of the diaphragm wall in place.
- Retention of the perimeter fence until after site reclamation has been certified as complete by the Department.
- Retention of the power supply to the mine site including a line to the area adjacent to the west pit wall.
- Changes to the maintenance methods applied to the grassland portions of the reclaimed mining site.
- Changes to the vegetation and wildlife monitoring methods and evaluation criteria.

4. Flambeau Mining Company has entered into a long term lease with the Ladysmith Community Industrial Development Corporation (LCIDC) for occupancy and initiation of acceptable alternate uses of a portion of the mining site. The lease specifies that if acceptable alternative uses have not been initiated prior to the end of 2004, remaining facilities will be removed and the site will be reclaimed to facilitate wildlife habitat and passive recreation in accordance with the Reclamation Plan.

5. The LCIDC is a legally authorized corporation, organized to promote economic development in the area. The plans to seek an alternate use for the site are supported by the local units of government and conversion of a portion of the mining site to an alternative use is consistent with the goals and intent of the Metallic Mining Reclamation Act (Ch. 293, Stats.).

6. The approved Reclamation Plan recognized the potential of developing alternate uses of certain project facilities upon completion of the mining operation.

7. Retention of the H&H building as a storage/maintenance facility and the visitor center parking lot as a future parking area for recreational users of the site are acceptable alternate uses.

8. The proposed consolidation of the two restored wetland areas and the proposed new location for the largest of the wetland areas will provide for a greater chance of long term success of the wetland restoration project.

9. The changes to intermittent stream "B" will add to the stability of the reclaimed mining site by providing a stable outlet for the channel and providing additional surface water to the restored wetland.

10. The requested modifications are permissible under the Local Agreement between the company and the three municipalities and under the conditional land use permit issued to Flambeau Mining Company.

11. The Department has determined that issuance of an approval for the modifications will not result in significant increased environmental impacts. Conversion of a portion of the mining site to an alternate use is consistent with the intent of the Metallic Mining Reclamation Act (Ch. 293, Stats.).

12. The Department determined that, while the environmental impacts of the requested modifications were not significant, the modifications nevertheless constituted a substantial change to the Mining Permit and Reclamation Plan. A public notice describing the requested modifications and the

department's initial opinion concerning the modifications was published in various newspapers in and around the Ladysmith area the weeks of April 22nd and April 28th, 1998.

13. The Department received 12 separate requests for public hearings on the matter within the time period prescribed by the public notice. A public meeting was held in Ladysmith on June 16, 1998 with the petitioners to discuss the proposed modifications. Subsequent to that meeting and as of the date of this approval at least 8 petitioners have withdrawn their requests for hearing, leaving less than 5 outstanding requests.

Conclusions of Law

1. Pursuant to the provisions of s. 293.55, Stats., Flambeau Mining Company is permitted to request modifications to its Mining Permit and the Department is authorized to issue such modifications.
2. In accordance with s. 293.55(1)(c), Stats., the Department is required to determine if a requested modification to a mining permit constitutes a substantial change to the Mining Permit or Mining Plan.
3. In accordance with the provisions of s. 293.55(1)(d), Stats., the modifications may be issued without a public hearing on the matter if the requisite number of individuals (5) have not requested a hearing.

Mining Permit Modification

Flambeau Mining Company is hereby issued a modification, under s. 293.55, Stats., to its Mining Permit for its mining operation in Rusk County. All other provisions of the Mining Permit remain in full force. Under this modification, the proposed changes as outlined in the request from January 8, 1998 and the abovementioned supplement are approved with the following conditions:

1. The perimeter fence shall be removed prior to completion of reclamation activities. Site reclamation will not be considered complete until the fence has been removed.
2. The electrical supply line to the west end of the former pit shall be removed as part of site reclamation. Site reclamation will not be considered complete until the supply line has been removed.
3. The interior workings of the water treatment plant shall be dismantled and removed and the discharge pipeline will be plugged as part of site reclamation. The water treatment building may be left in place for possible alternative use.
4. If the portion of the site covered by the lease agreement with the LCIDC has not been put to an acceptable alternative use by the end of 2004, the site shall be reclaimed in a manner consistent with reclamation of the remainder of the mining site. Any demolition waste resulting from such reclamation shall be disposed of in a properly licensed solid waste facility.
5. The primary method of maintaining grassland vegetation on the site shall be through a program of prescribed burning as provided in the approved Reclamation Plan. Burning shall be conducted on an as needed basis as determined and recommended by Flambeau Mining

Company's ecological consultant. The first burn shall occur no more than four years after planting. Subsequent burns will be conducted as directed by the ecological consultant but, at a minimum shall occur at least every three to five years. The period of prescribed burning shall continue for ten years after the initial burn. Flambeau Mining Company shall notify appropriate Department staff, including fire control staff at the Ladysmith Ranger Station, at least ten days in advance of conducting any prescribed burning activity on the mining site. Burning activity may be subject to additional limitations as determined by the Department at the time of the proposed burning activity. To the extent possible, Flambeau Mining Company shall cooperate with local groups or organizations which express an interest in extending the prescribed burning maintenance activity beyond the ten year period.

6. The proposed changes to the vegetation and wildlife monitoring and evaluation procedures are not approved as part of this modification. The procedures and success criteria specified in the Reclamation Plan and Mining Permit remain in force.

Please contact Larry Lynch of the Bureau of Waste Management if you have any questions or concerns regarding this matter.

Sincerely,



Suzanne Bangert, Director
Bureau of Waste Management

LJL:pc

cc: Thure Osuldsen - Rusk County
Al Christianson - City of Ladysmith
Tom Riegel - Town of Grant
Rep. Martin Reynolds
Petitioners for Hearing
Ken Markart - NOR (Rhineland)
Larry Lynch - WA/3

NOTICE OF APPEAL RIGHTS

If you believe that you have a right to challenge this decision, you should know that Wisconsin Statutes establish time periods within which requests to review Department decisions must be filed.

For judicial review of a decision pursuant to sections 227.52 and 227.53, Stats., you have 30 days after the decision is mailed, or otherwise served by the Department, to file your petition with the appropriate circuit court and serve the petition on the Department. Such a petition for judicial review shall name the Department of Natural Resources as the respondent.

This notice is provided pursuant to section 227.48(2), Stats.