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Financial Risk & Uncertain Liabilities - PolyMet Copper-Nickel Sulfide Mine

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Financial Assurance & Potential Liabilities

Minnesota Rule 6132.1200 FINANCIAL ASSURANCE
Should cover funds both for **reclamation** and for
corrective action.

PolyMet Supplemental Draft EIS (SDEIS)

“Contingency mitigation measures are feasible options that could be undertaken should engineering controls be unable to ensure compliance with applicable water quality standards . . . **The contingency mitigation measures would not be initially included in the financial assurance package.**” (5-215)

Superfund Liability– Taxpayer Risk

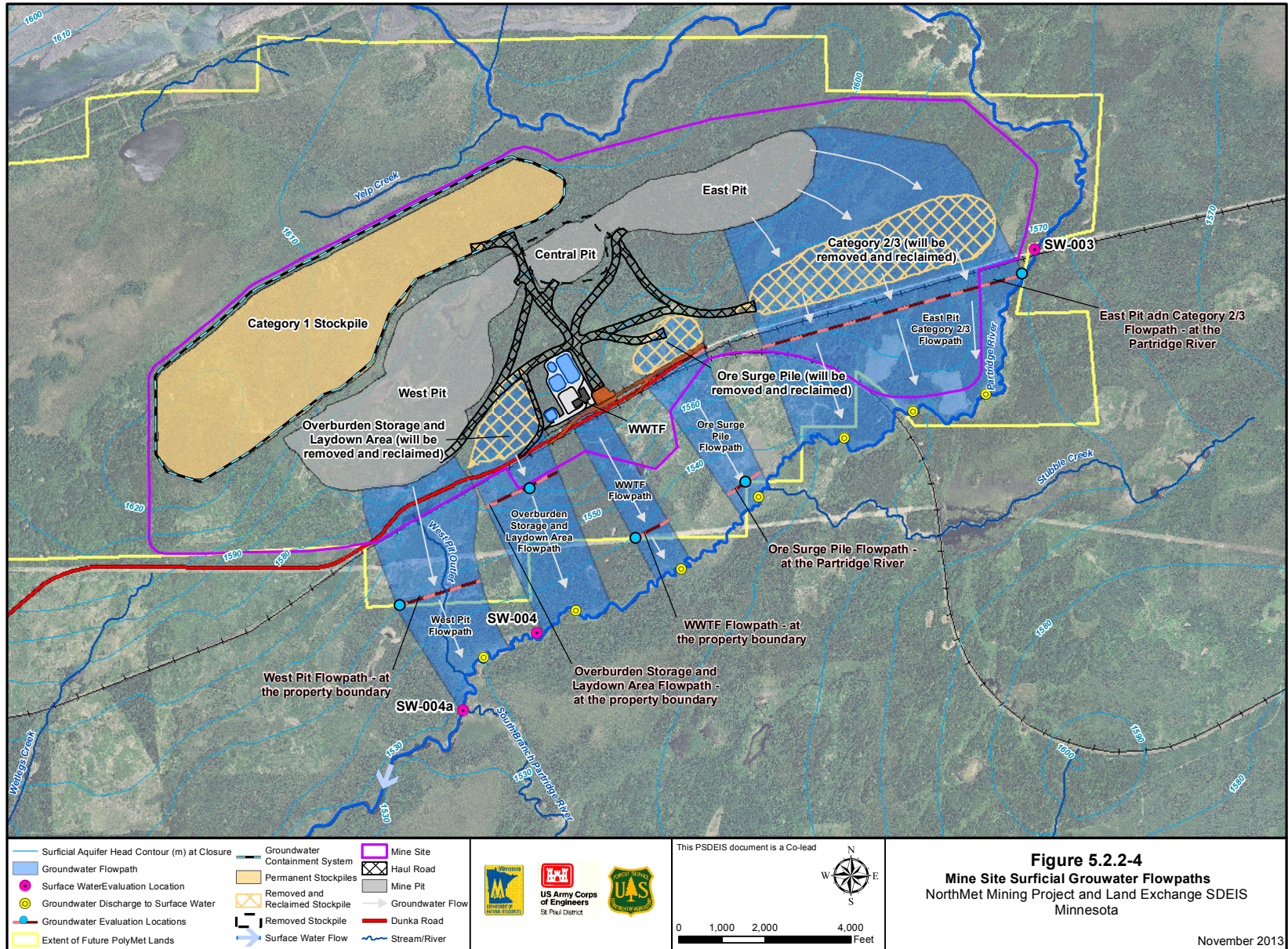


Anaconda Mine
Superfund Site

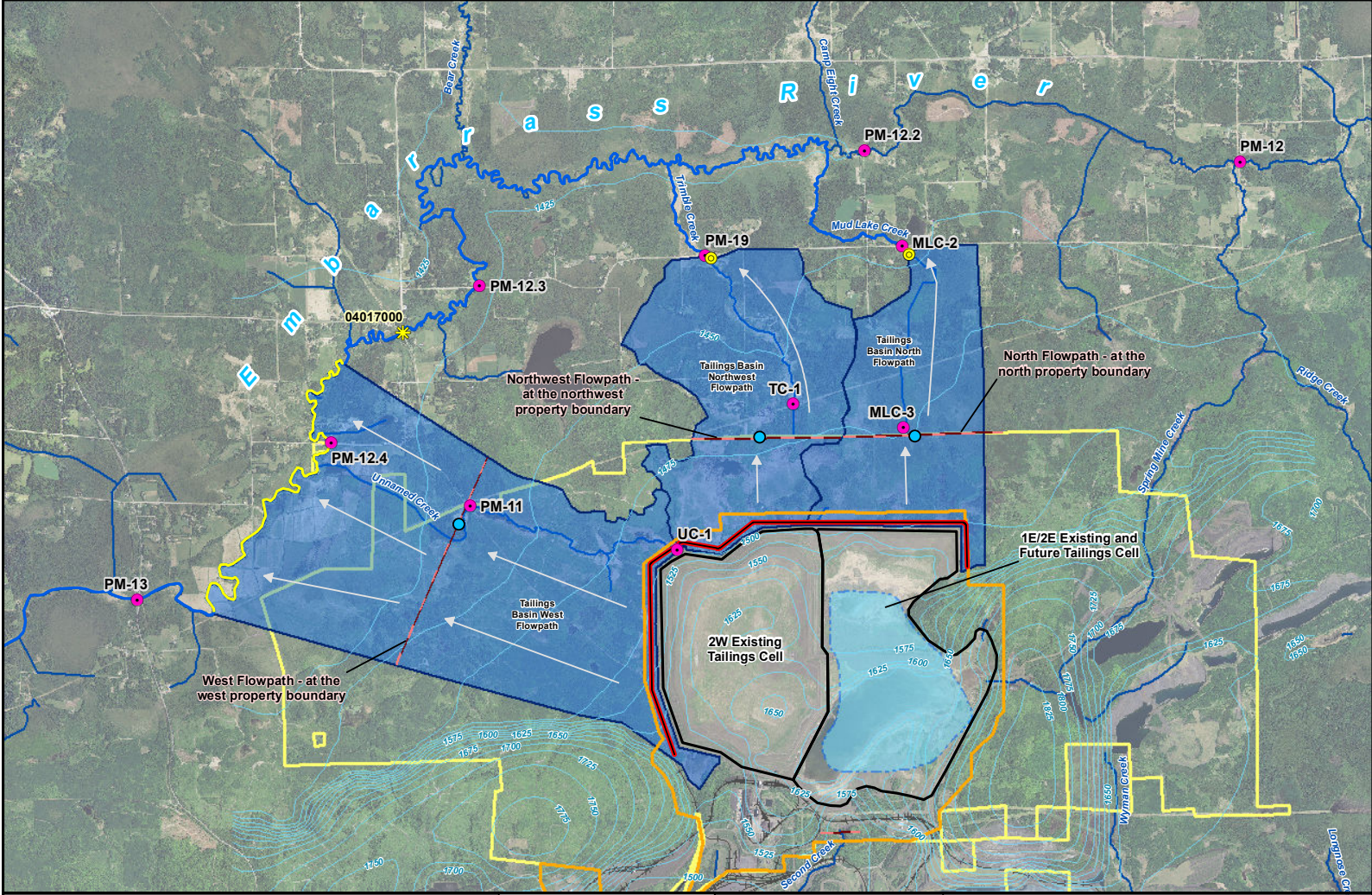
Largest Source of Superfund Taxpayer Liability.
\$2.6 billion so far. EPA estimate up to \$54
billion to clean up existing sulfide mine pollution.

Source: EPA-HQ-SFUND-2009-0265-0001, 74 Fed. Reg. 143 (July 28, 2009)

PolyMet Site – Features & Pollution Flowpaths



PolyMet Tailings Waste Site - Flowpaths



Groundwater Elevation Contours (feet)	Groundwater Flowpath	USGS Gaging Station (not active)
Surface Water Evaluation Locations	Plant Site	Groundwater Flow
Groundwater Discharge to Surface Water	Existing Tailings Basin	Stream/River
Groundwater Discharge to Surface Water	Approximate Pond Area	Extent of Future PolyMet Lands
Groundwater Evaluation Locations	Containment System	

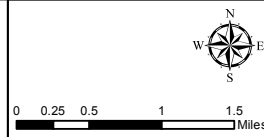
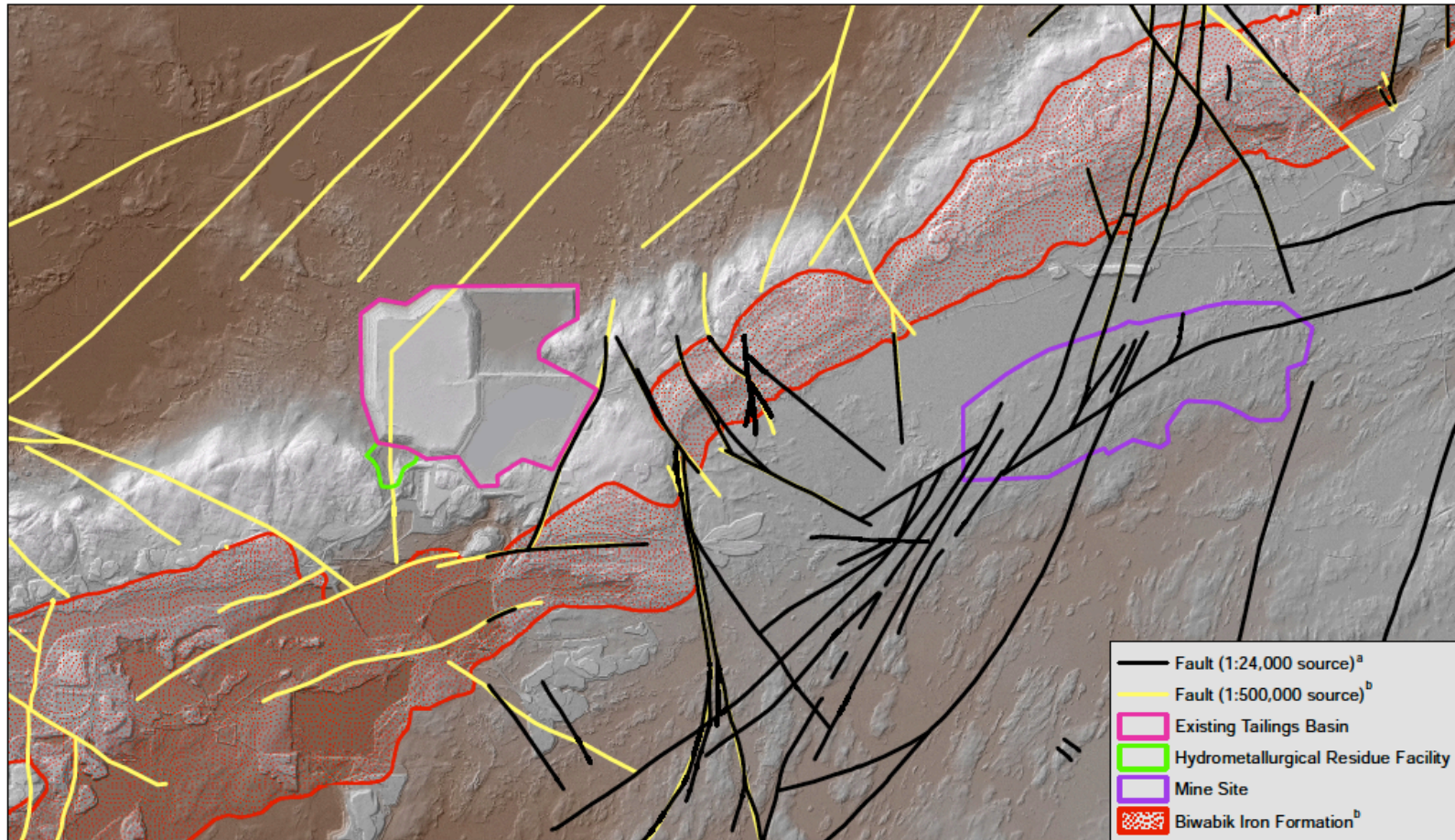
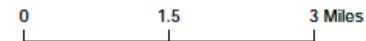


Figure 5.2.2-6
Plant Site Surface and Groundwater Flowpaths
and Final Tailings Design
 NorthMet Mining Project and Land Exchange SDEIS
 Minnesota
 November 2013

Faulted Bedrock



FAULTED BEDROCK AND SURFACE TOPOGRAPHY VICINITY OF PROPOSED NORTHMET COPPER MINE ST. LOUIS COUNTY, MINNESOTA



data sources

- ^a Severson, M.J., and Miller, J.D., Jr., 1999, *Bedrock geology of the Allen quadrangle, St. Louis County, Minnesota*: Minnesota Geological Survey Miscellaneous Map Series M-001, scale 1:24,000.
Miller, J.D., Jr., and Severson, M.J., 2005, *Bedrock geology of the Babbitt quadrangle, St. Louis and Lake counties, Minnesota*: Minnesota Geological Survey Miscellaneous Map Series M-150, scale 1:24,000.
Miller, J.D., Jr., and Severson, M.J., 2005, *Bedrock geology of the Babbitt northeast quadrangle, St. Louis and Lake counties, Minnesota*: Minnesota Geological Survey Miscellaneous Map Series M-100, scale 1:24,000.
Miller, J.D., Jr., and Severson, M.J., 2005, *Bedrock geology of the Babbitt southwest quadrangle, St. Louis County, Minnesota*: Minnesota Geological Survey Miscellaneous Map Series, M-101, scale, 1:24,000.
Miller, J.D., Jr., and Severson, M.J., 2005, *Bedrock geology of the Babbitt southeast quadrangle, St. Louis and Lake Counties, Minnesota*: Minnesota Geological Survey Miscellaneous Map Series M-102, scale 1:24,000.

- ^b Jirsa, M.A., Boerboom, T.J., Chandler, V.W., Mossler, J.H., Runkel, A.C., and Setterholm, D.R., 2011, *Bedrock geologic map of Minnesota*: Minnesota Geological Survey State Map Series S-21, scale 1:500,000.

Background LIDAR topography images from Minnesota Geospatial Information Office

Policy Considerations

- Require detailed analysis of contingent risk and need for corrective action and inclusion in initial financial assurance under Minn. R. 6132.1200.
- Glencore Xstrata primary finance source and “strategic partner” for PolyMet, exclusive right to production for at least 5 years. \$200 billion annual revenues.
- Include parent companies and joint venturers on permits to mine and pollution discharge permits.
- Report to Legislative Committees on financial assurance and permitting.