

SUMMARY: AK/B.C. Bilateral Working Group

Tuesday, August 21, 2018; 8:00 – 11:00 AM AKST; 9:00 – 12:00 PM PT

Teleconference: Dial-in: 1-877-353-9184 Participant ID: 9873336#

PARTICIPANTS:

Alaska (AK):

- Commissioner Larry Hartig, Department of Environmental Conservation
- Deputy Commissioner Alice Edwards, Department of Environmental Conservation
- Deputy Commissioner Fred Parady, Department of Commerce, Community and Economic Development
- Albert Kookesh, Special Staff Assistant, Office of the Lieutenant Governor
- David Rogers, Director, Department of Fish and Game
- Andrew Sayers-Fay, Director, Department of Environmental Conservation
- Kyle Moselle, Associate Director, Office of Project Management and Permitting, Department of Natural Resources
- Alida Bus, Special Assistant, Department of Environmental Conservation
- Terri Lomax, Department of Environmental Conservation
- Gina Shirey, Department of Environmental Conservation

British Columbia (B.C.):

- Deputy Minister of Environment Mark Zacharias
- Jennifer McGuire, Assistant Deputy Minister, Environmental Sustainability and Strategic Policy Division
- Peter Robb, Assistant Deputy Minister, Mines and Mineral Resources Division
- Jennifer Anthony, Director, Strategic Initiatives
- Tessa Graham, Executive Director, Regional Operations Branch
- Cameron Lewis, Executive Director, Environmental Emergencies and Land Remediation Branch
- Kathy Eichenburger, Executive Director, Alternative Energy
- Nathaniel Amman-Blake, Executive Lead, Compliance and Enforcement
- Ryan Foreman, Director, Strategic Policy and Intergovernmental Relations
- Carly Coccola, Senior Policy Advisor, Intergovernmental and External Relations
- Gabrielle Barwin, Analyst
- Tammy Renyard, Principal School District 61 – Participating as an observer only
- Heather Brown, Vice Principal School District 61 – Participating as an observer only

SUMMARY:

1. Welcome and introduction of Bilateral Working Group (BWG) members and guests
2. Review and approval of agenda

The agenda was approved with no additions.

3. Reports – Updates and planned activities
 - a. Mines and mining projects update in B.C. (including an update on Tulsequah Chief)

Tulsequah Chief

On August 8, 2018 the B.C. Chief Inspector of Mines sent a letter to West Face Capital regarding the deficiencies in the remediation plan that was submitted in February 2018. West Face has until October 8, 2018 to address the deficiencies. Some of the deficiencies relate to 1) sludge handling, 2) cost of water treatment, and 3) remediation scheduling. If West Face doesn't provide the requested information, B.C. has two options: 1) obtain a decree from the court to lift the stay of enforcement or 2) publish an RFP to develop a plan for B.C.

B.C. understands concerns in AK regarding timeliness of actions at the site, B.C. communicated frustration with media coverage and misinformation regarding impacts. The aquatic report confirms that water quality standards are only exceeded in a small area near the mine site, and that any detection of exceedances are limited to 2km from the mine site, well removed from the AK border. B.C. remains sensitive to concerns by AK and by Taku River Tlingit First Nation.

Q: Is Chieftain Metals interested in turning the mine back over to B.C.? A: There is no indication of that yet.

As a final note, B.C. indicated the Taku River Tlingit First Nation are very clear that they're against the reopening of the Tulsequah Chief Mine.

Galore Creek

Galore Creek Mining Corporation has submitted an amendment to their Environmental Assessment Certificate (EAC) for the Galore Creek Project. B.C. anticipates completing the review of the amendment this fall. New owners have invested in the project and are updating a feasibility study.

Brucejack

The Brucejack Mine applied for a production increase and EAC amendment. The review of these applications is underway and is being coordinated through the Mine Development Review Committee (MDRC). Kyle Moselle is participating in the MDRC. B.C. plans to have the review completed this fall.

Red Chris

On June 30, 2018 Red Chris provided a five-year update. The review process will commence this fall and Alaska will be invited to participate. The MDRC process is expected to trigger permit amendments. There have been challenges this year because there is not enough water at the site given the dry conditions this summer.

Red Mountain

The EA suspension was lifted on July 13, 2018, from IDM Mining Ltd.'s Red Mountain Gold Project. Alaska and the US Environmental Protection Agency (EPA) are active participants on the EA working group. It should be referred to the Ministers in the coming weeks.

KSM and Newmont

KSM recently created a subsidiary for the joint venture. They are looking for investors.

Seabridge and Iskut

This is located at the abandoned Johnny Mountain site. They are doing remediation work while also doing new exploratory drilling which to date is looking favorable.

b. Communications

i. Debrief: June 1st Alaska Transboundary Workshop and Dialogue public workshop

The meeting on June 1, 2018 was helpful in getting out information about activities in the transboundary. Everyone was appreciative of the attendance of B.C. officials. The joint monitoring program was not able to be raised at the workshop. AK is looking at scheduling a separate workshop for this in the late fall.

B.C. officials said that they were happy to attend and would be willing to attend future public workshops and dialogues. B.C. hopes to have good news about the Tulsequah Chief Mine for the next stakeholders meeting.

ii. Timing and topics for next joint newsletter

An overview of the final draft of the newsletter was given. There was a focus on four topics: 1) Association for Mineral Exploration Roundup, 2) Summary of B.C. Partnerships with First Nations, 3) Update on Water Quality Monitoring, and 4) Tulsequah Chief Mine Update.

Q: How was the last newsletter received?

A: Generally speaking, it was well-received. One criticism was that it didn't contain enough new information.

The topic of financial assurances remains outstanding and could be addressed in a separate communication on financial assurances.

AK had some procedural questions regarding frequency of newsletter, and how topics are generated for the newsletter.

A discussion ensued over frequency of publication (agreed to as annual), new topics, facts that people want to see (comparison table of water quality standards), links to websites, balance of articles between Alaska and B.C.

ACTION ITEM: B.C. will consider revisions to the newsletter potentially including a side-by-side water quality summary, the June 2018 stakeholder meeting summary, Alaska tribal engagement, BWG meeting summaries, and upcoming events.

c. Technical working group on monitoring

i. Joint public workshop on scope of sustainability and joint monitoring program

AK just wrapped up a successful field season with 36 out of 40 random sites sampled. AK and B.C. developed parameters before the sampling took place to ensure that the data would be comparable. The data from the sampling sites is starting to come back to Department of Environmental Conservation (DEC). A good time for a water quality monitoring workshop would be late fall or early winter so that the data from this past field season would be available to the participants.

B.C. had to postpone some of their sampling planned for August to later this fall due to the forest fires in the area.

ACTION ITEM: Lomax (AK) and Broome (B.C.) to discuss schedules and potential agenda items for a water quality monitoring workshop.

ACTION ITEM: Alaska to share document which compares AK's and B.C.'s water quality standards and conditions with B.C.

ACTION ITEM: Technical Water Group on Monitoring should explore how baseline sampling for specific development projects under B.C. permits may fit into joint monitoring program plans.

ii. Opportunities for additional collaborations and federal resourcing

Commissioner Hartig discussed AK funding sources for monitoring. Currently DEC is using Alaska Monitoring and Assessment Program funding. The program will move on to another area of the state in three more years. DEC is working with Senator Murkowski's Office to get federal funding for monitoring. US Geological Survey received some federal money last year to restart the Unuk River gauge, which is a "super gauge." Funding for long-term monitoring is proposed in the federal budget.

As a note, federal partners need to be involved in any water quality monitoring workshop. Central Council Tlingit and Haida Indian Tribes of Alaska has a monitoring program funded through the US Bureau of Indian Affairs.

d. Reciprocal procedures – updates and planned enhancements to the master projects spreadsheet

An Excel spreadsheet with a comprehensive list of mines in the transboundary watersheds was emailed prior to the meeting. The spreadsheet was created in the context of the Reciprocal Procedures provision in the Statement of Cooperation (SoC). It is intended as an evergreen document that can be updated at least annually and perhaps used for other products, such as maps showing the locations of the mines.

AK initiated a discussion about including the Palmer Project in the spreadsheet. The mine is located near the Chilkat River, which is a transboundary river, but the mine is completely in Alaska. People want to treat the mine as a transboundary mine. The Reciprocal Procedures could come into play with AK inviting B.C. to participate in the AK permitting process at the appropriate time. The general consensus was to leave the mine on the list.

Additional discussion about the list ensued including adding distinguishers for mine status and adding clean energy power projects. It was noted that there isn't much mining exploration on the Alaska side of the transboundary watersheds. Most of the land is federal land and not open to mineral exploration.

ACTION ITEM: The spreadsheet will continue to be updated and reviewed with a view to posting to the transboundary website once final draft is agreed to. B.C. and AK staff will also look at what, if any, hydro/clean energy projects may be relevant to include. The team will also look at the reciprocal procedures to see if they need any adjusting with respect to clean energy projects. A new version of the spreadsheet will be provided for the next meeting.

4. Update on B.C. Environmental Emergencies Regime

B.C. shared a PowerPoint presentation on Updates to B.C.'s Environmental Emergencies Program. The slides were included in an email that was sent before the meeting. Phase 1 was finished on October 30, 2017 when the Phase 1 regulations regarding spills went into effect. Phase 2 was launched on February 28, 2018 with the release of an Intentions paper that outlined the four proposed areas being considered for enhancing spill management. The four areas include response times, Geographic Response Plans, loss of public and cultural uses, and marine application of regulatory powers. The engagement phase for these topics is ending soon. The next phase will be policy refinement and recommendations to the government.

5. B.C. Reclamation Security Policy

Compliance and oversight of the mining industry in B.C. continues to be a key focus. B.C. is actively working on its reclamation policies and addressing recommendations resulting from the Mt. Polley reviews. This is a work in progress. AK members have provided information on the state's mining reclamation policies and public review processes.

Q: What information does the public get to comment on regarding financial assurances? In AK, there are separate bonding requirements covering: 1) reclamation, 2) waste management, and 3) dam safety. AK generally collects one bond, and it is held by Department of Natural Resources. The public process used is generally the one DEC follows when issuing waste management permits. The public is provided the cost estimates and there is a 30-day minimum public comment period.

A: B.C. commissioned Ernst & Young to review their reclamation securities practices and make recommendations. The recommendations included adding more clarity in describing these practices. B.C. is taking public input on these recommendations. In early 2019, the Ministry of Energy, Mines and Petroleum Resources will be publishing a policy documenting how they implement existing authority.

Concerns from AK regarding the current policy include: the completeness and accuracy of cost estimates, transparency, the need to periodically update the calculations and amounts, and the use of risk-based approach to reduce the amount of the bond. AK requires financial assurances in the full amount of the anticipated cost of reclamation. This takes much of the financial risk off the government/public. B.C. confirmed that these issues are on the table for discussion.

6. Topics for discussion under Section 5 of the SOC

In addition to further discussions on Reclamation Security, AK is interested in discussing: a) B.C. response to emergencies and b) mechanism for addressing cross-border claims for damages caused by a mine, whether related to an on-going pollution problem or a catastrophic event.

ACTION ITEM: B.C. will put together a document describing the current policies and regulations for dealing with catastrophic failures.

ACTION ITEM: After receiving the above document from B.C., AK will refine concerns regarding bonding security, reclamation and catastrophic failure and then the BWG can figure out the best process to work through their concerns.

7. Discussion on whether there is or could be a useful means under the SOC for facilitating US EPA input through AK on B.C. permitting decisions

B.C. noted that US EPA has been participating along with the Canadian federal government in certain aspects of their environmental review process, but that EPA was seeking to provide direct input on B.C.'s provincial permits. The group discussed how AK could work with EPA to bring forward to B.C. any issues for consideration using the SOC framework. In the absence of Canadian federal government participation, B.C. would feel more comfortable with EPA working collaboratively with AK to bring forward project comments.

ACTION ITEM: AK will talk to US EPA counterparts regarding participating in B.C.'s permitting process and report back to the BWG.

8. Other new business

There was no other new business.

9. Plans for next BWG meeting

AK suggested that a meeting occurring adjacent to the Environmental Forum occurring in AK in early 2019 may be an opportunity to bring the BWG together.