GROUNDWATER REPLACEMENT

Groundwater Injury
Butte and Anaconda

Montana v. ARCO 1999 Consent Decree

- Montana Received \$144 M in NRD
- \$15 M for Assessment and Litigation Costs
- \$127 M for damages
- \$2 M in real property along Silver Bow Creek
- Plus \$86 M for Silver Bow Creek Remedy

Restoration of "Injured Natural Resources and/or Lost Services"

Natural Resources that:

- are owned, controlled, managed or held in trust by the State of Montana
- were injured by release of hazardous substances from ARCO or predecessor's mining and mineral processing operations
- were subject of Montana v. ARCO lawsuit

Lost Services:

- physical and biological functions performed by a resource
- includes human use of those functions

Lost Drinking Water Services



10 Grant Cycles 2000 - 2010

73 Large Grants approved for \$120 Million

- Anaconda-Deer Lodge = 17 for \$23.7 M
- Granite = 9 for \$1.2 M
- Missoula = 10 for \$7.5 M
- Powell = 14 for \$20.8 M
- Butte-Silver Bow = 23 for \$66.3 M

Grant Projects in Silver Bow County

- 2001 10: Butte Water Lines = \$17.4 M
- **2001 10: Silver Bow Creek Greenway = \$23.6 M**
- 2002 05: German Gulch Watershed = \$926 K
- 2003: Basin Creek Dam = \$503 K
- **2003 05: Duhame Acquisition = \$1.67 M**
- 2004: High Service Tank = \$1.19 M
- 2004 05: Big Butte Acquisition = \$688 K
- **2007 10:** Big Hole Transmission Line = \$8.72 M
- 2007: Thompson Park = \$988 K
- 2008: Big Hole Dam = \$3.71 M
- 2008 10: Children's Fishing Pond = \$1.23 M
- **2010:** Big Hole Pump Station = **\$3.50** M
 - Water = \$35 M in Butte and \$14 M in Anaconda

2012 UCFRB Restoration Plan

Groundwater = \$40 M

- Anaconda-Deer Lodge = \$10 M
- Butte-Silver Bow = \$30 M

Aquatics = \$40 M

- Flow = \$20 M
- Tributary Restoration = \$20 M

Terrestrial = \$18 M

Recreation = \$6.5 M

Montana v. ARCO 2008 Consent Decree

Montana Received \$72.5 Million in Oct. 2008

- \$4.5 M for Assessment and Litigation costs
- \$68.0 M for Natural Resource Damages
 - \$26.7 M for Clark Fork River
 - 13.3 M for Smelter Hill Uplands
 - \$28.0 M for Butte Area One
- Plus \$96.5 M for Clark Fork River Remedy
- Total: \$169 Million

Butte Area One

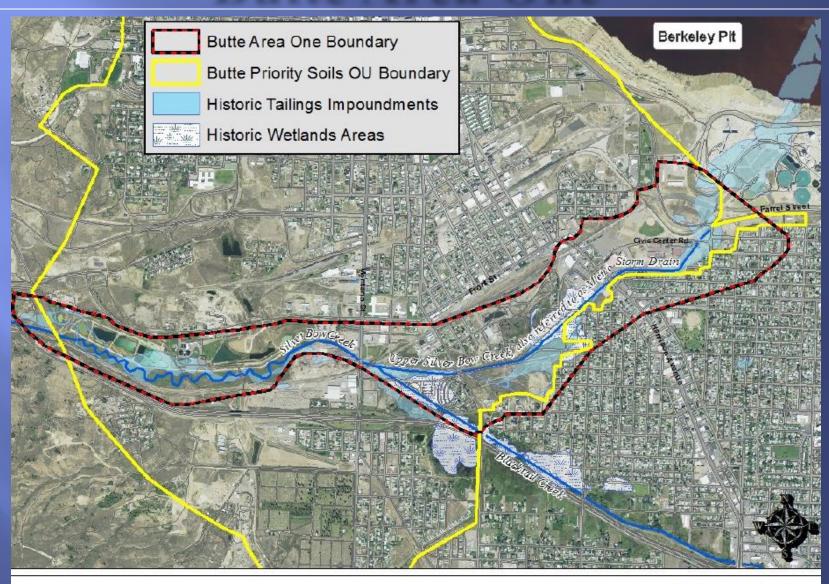


Figure 2. Butte Area One

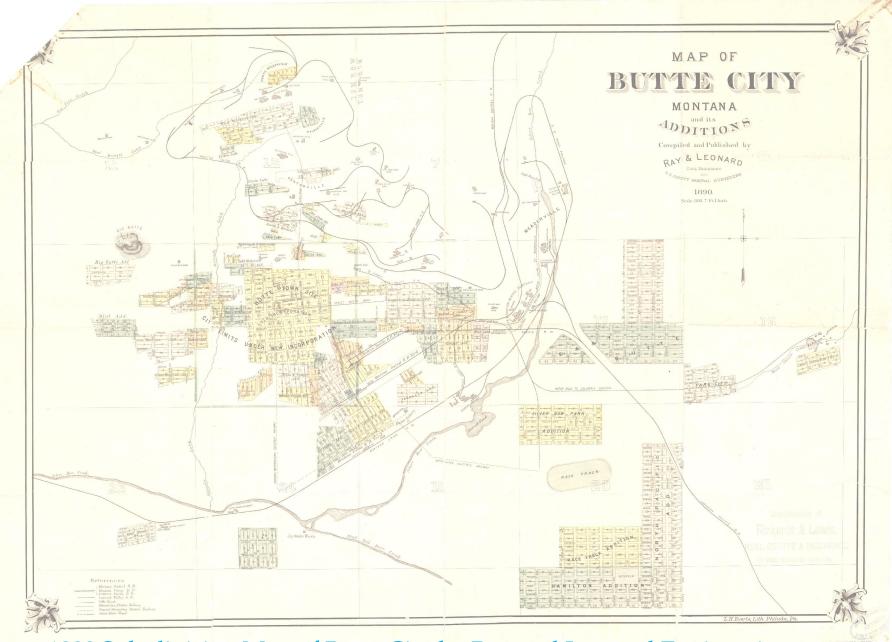
0.25

0.5

* BNRC

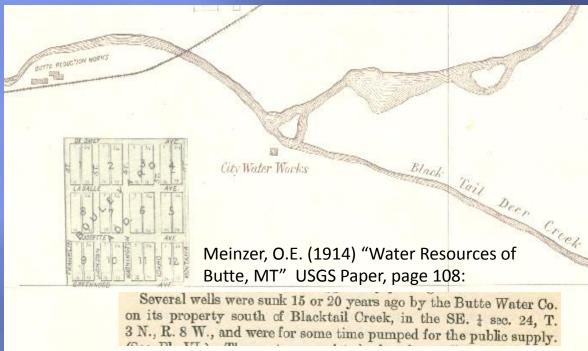
Butte Area One BNRC Recommendation Summary

Project Category	Category Allocation Total (\$)		
Upper SBC Corridor Restoration	10,000,000		
Mine Cap Improvements/Reveg	6,000,000		
Stream Restoration	4,000,000		
Water System Improvements	10,000,000		
Storm Water	0		
Recreation	1,000,000		
Small/Miscellaneous Projects	1,000,000		
Total	32,000,000		

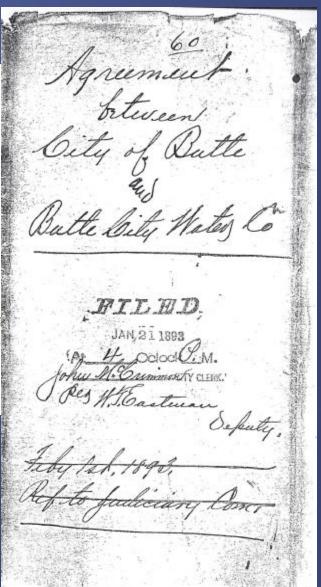


1890 Sub-division Map of Butte City by Ray and Leonard Engineering

Butte drank from its alluvial aquifer until 1893...



2006 BPSOU ROD: Table 12-11 on page 12-57: "Alluvial groundwater has not been used as municipal source in the past."



Water Comparison

Drinking Water - Berkeley Pit - Parrot Tailings

	1				
UNITS = (ug/l)	As	Cd	Cu	Pb	Zn
Drinking Water Standard	10	5	1,300	15	5,000
Berkeley Pit Water (3/14/09)	.80	1,833	71,174	19	551,154
Well GS-418 Water (8/17/09)	103	4,060	1,005,218	93	483,891

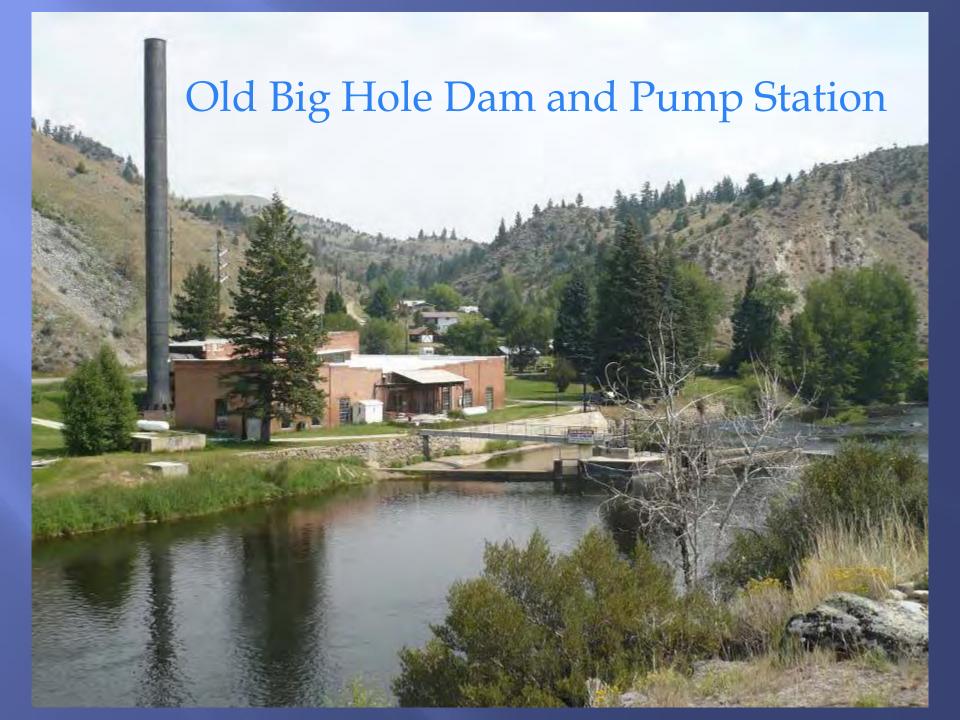
Butte Groundwater Restoration Plans

2012 Master Plan for \$6 M:

Complete Big Hole Transmission Line

2013 Master Plan for \$24.1 M:

- Basin Creek Water Treatment Plant = \$20 M + \$10 M BAO
- Telemetry and Controls = \$467 K
- CO2 Feed at Big Hole WTP = \$182 K
- VFD and Soft Starts at Big Hole WTP = \$275 K
- Basin Creek-Colorado Hill Pump Station = \$1.59 M
- Water Meters = \$1.59 M
- 6 Other Components if funds available = \$8.3 M







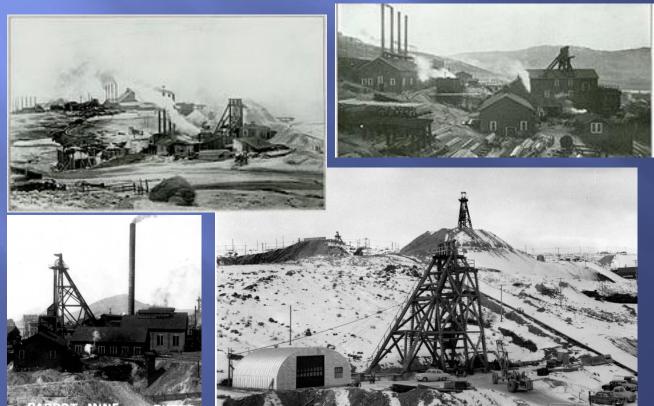
Butte Tour Preview

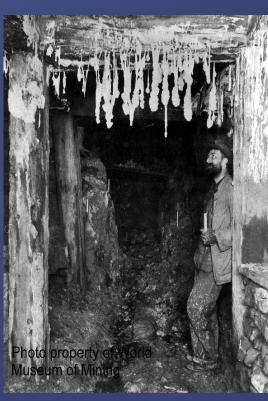
OKAY, so, what happened in Butte, America?



Lots and Lots and Lots of Mining.







Did Butte Really Want a BIG Hole in Its Back Yard?

Protest, Power, and the Pit by Brian Leech





FIGHTING OPEN-PIT MINING IN BUTTE, MONTANA

VINCENT CIABATTARI, a retired machinist for the Anaconda Company, sat in his disintegrating neighborhood talking with an out-of-town reporter. It was early 1974, and the reporter wanted to hear about Ciahattari's experience living in one of the old ethnic communities being devoured by the Berkeley Pit, Like Meaderville, McOueen, and Finn Town before it, Ciabattari's working-class community of East Butte was facing mine expansion, which brought blasting noise, waste dumps, and dust-kicking trucks right next to Ciabattari's small house. The reporter described the East Butte neighborhood as "a moribund suburban wasteland." Of the 260 families who had lived in the area just a few years before, Ciabattari was one of only 70 who hadn't yet sold homes to the Anaconda Company. Although the Company had given these workingclass residents what many considered to be a "fair deal," Ciabattari still wondered why they had accepted Anaconda's offers. Why had they left their tight-knit group of friends and family, losing both their Catholic church and school? "The way this community was, you'd think the people would have got together and fought. People said they'd fight, but then they jumped," Cinhattari mused.1

Children playing in Walkerville among cracks caused by

Open Pit Dilemma: Counterbalance?

CORPORATE VIEW

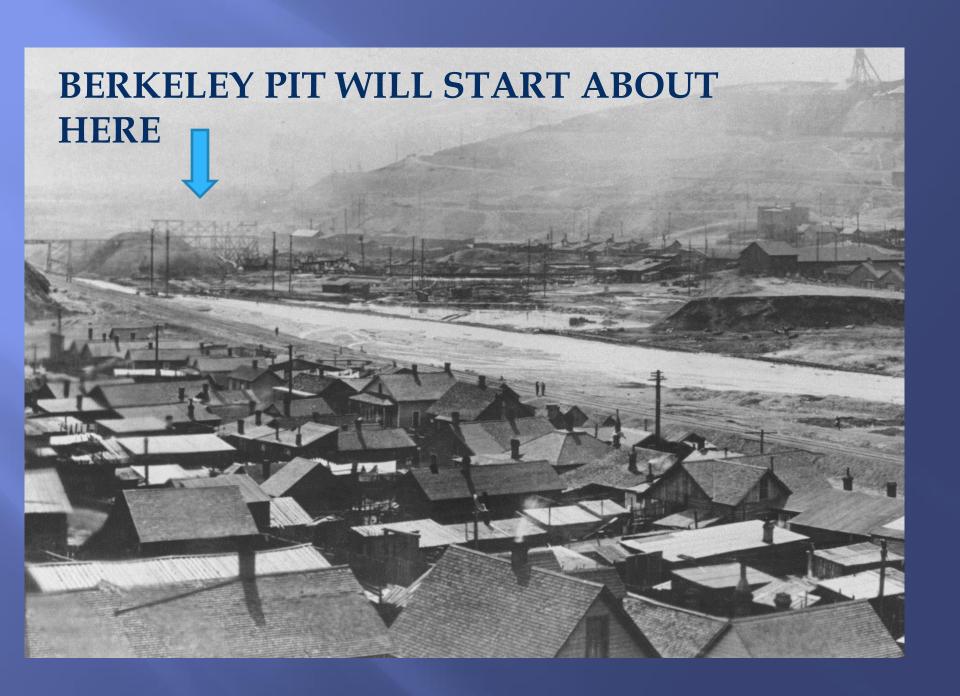
- Lots of low grade ore left (2/3)
- Lower cost of production
- More Production
 (1950: 7,960 vs 1960: 8,430)
- Safer than underground
 (2500 deaths UG vs 5 in Berkeley)

<u>UNION VIEW</u>

- o it will reduce # of jobs (1950: 4,586 1960: 2,159 1980: 1,200 Now: 350)
 - required less skill
- pay lower wages

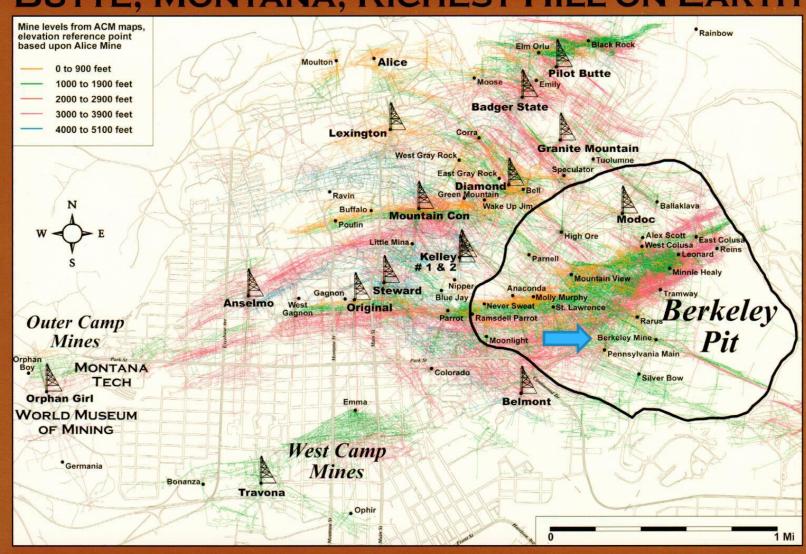
Community View

- ☐ It will eat our neighborhoods
- □ But what would the "Mining City" be without mining?
- ☐ What would a "company town" be without a company?



Why at the Berkeley Mine?

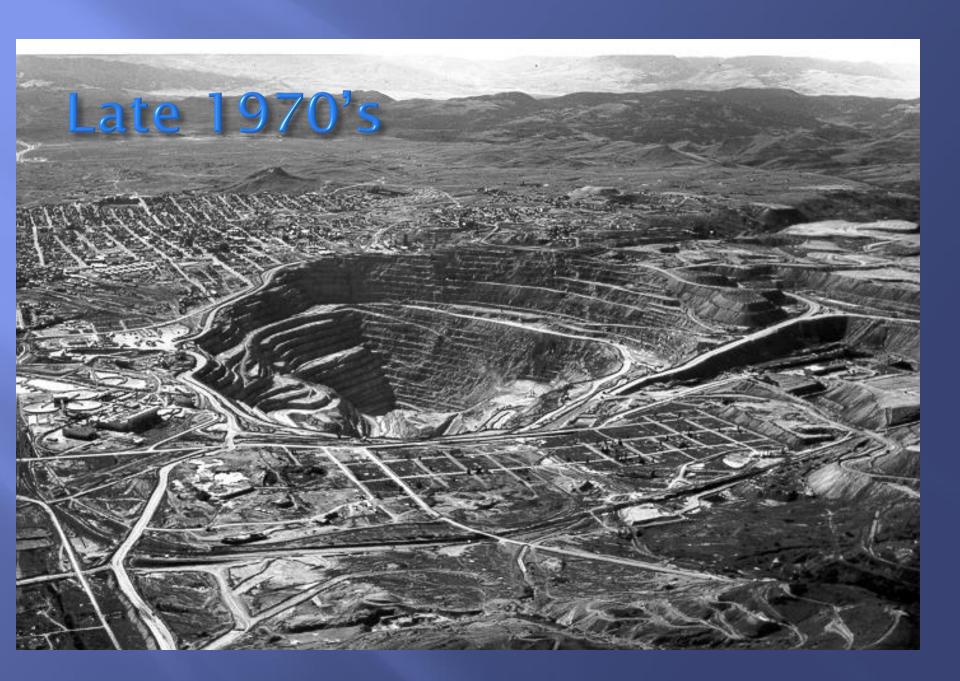
BUTTE, MONTANA, RICHEST HILL ON EARTH



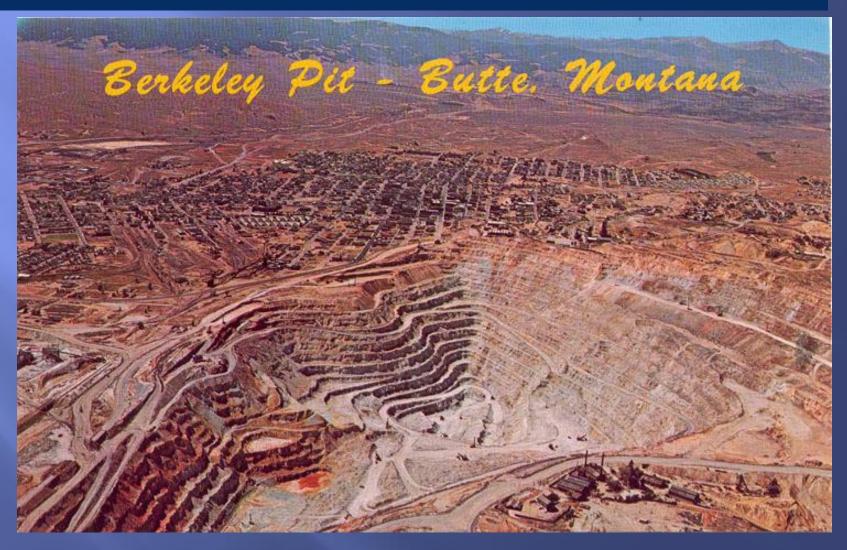
MONTANA BUREAU OF MINES AND GEOLOGY



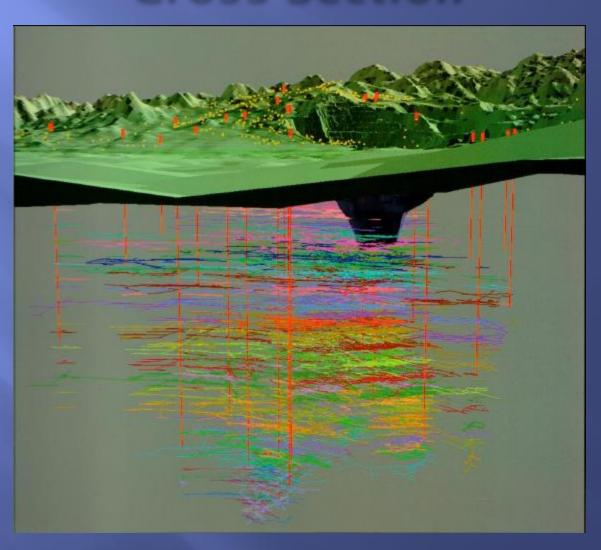




Butte Cold War Joke: Why was Butte a good place to be if the USSR ever attacked the USA?



Berkeley Pit/Butte Hill Cross Section



WHY DID THEY STOP MINING IN THE BERKELEY PIT?

- Production slowed as pit got deeper
- Higher Arsenic concentration
- Copper Prices

So, plan was to:

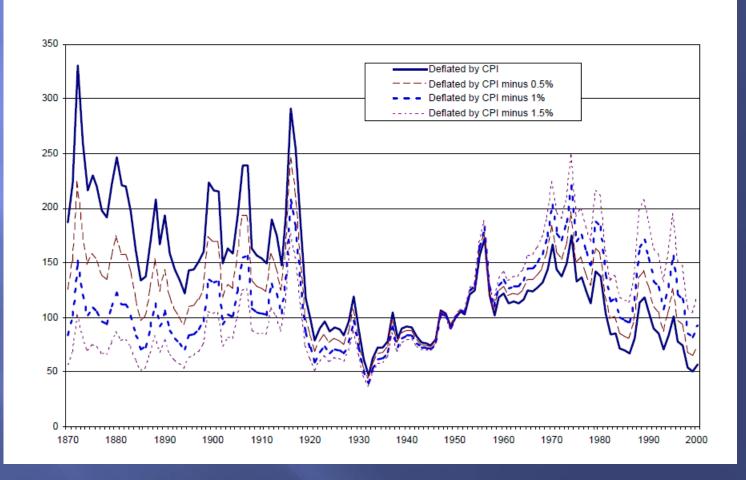
- Expand Berkeley Pit to the West
- Block cave under Berkeley
- And start mining in Continental Pit

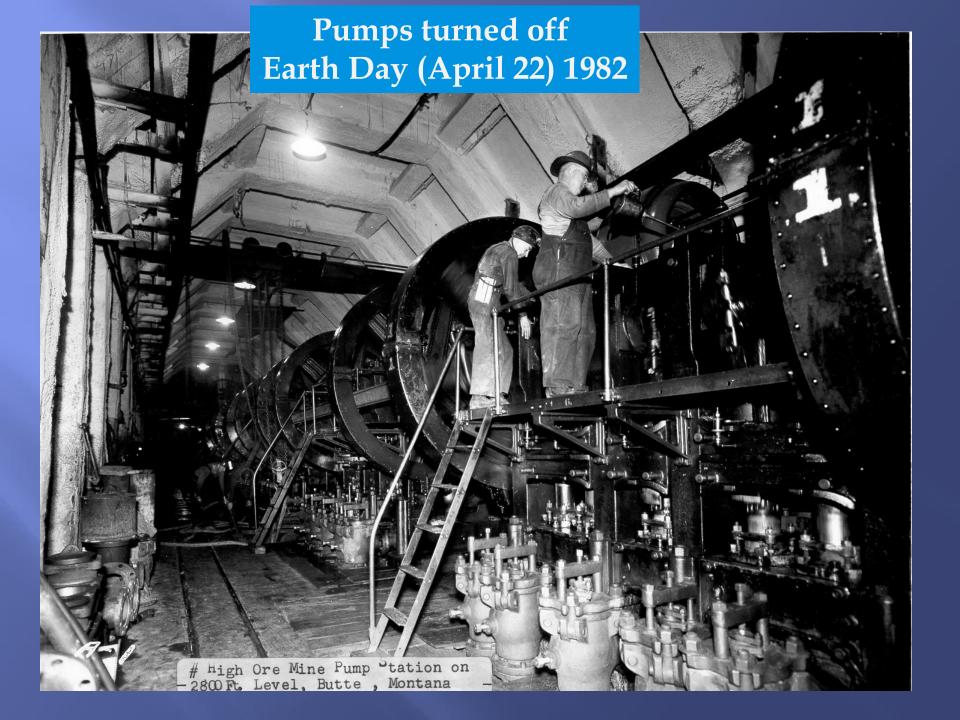
Why did they turn off the pumps?

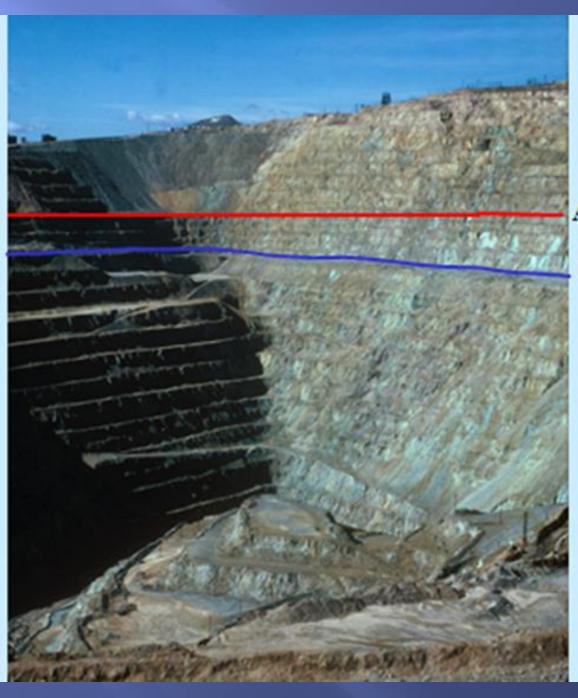
- Economics: price of copper crashed
 - \$10,000,000 per year to run pumps
- Flooding: preserves underground workings
- Reduce Acid-Generating Reaction:
 - Mineral + Water + Atmosphere

Historic Price of Copper in USA

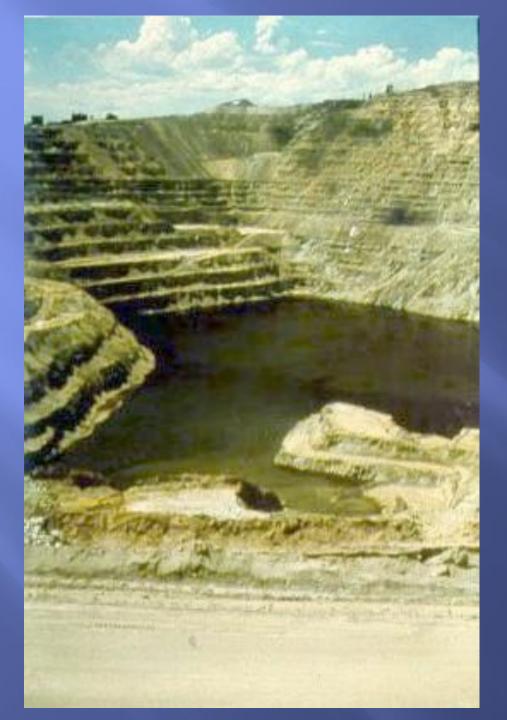
Figure 2. The U.S. Producer Price of Copper Deflated by the CPI from 1870 to 2000 with 1950 = 100







Approx. 5410' level
Fall 2002 water level
5225'



Mid 1980's



2010 — white dot on north shore is pump house





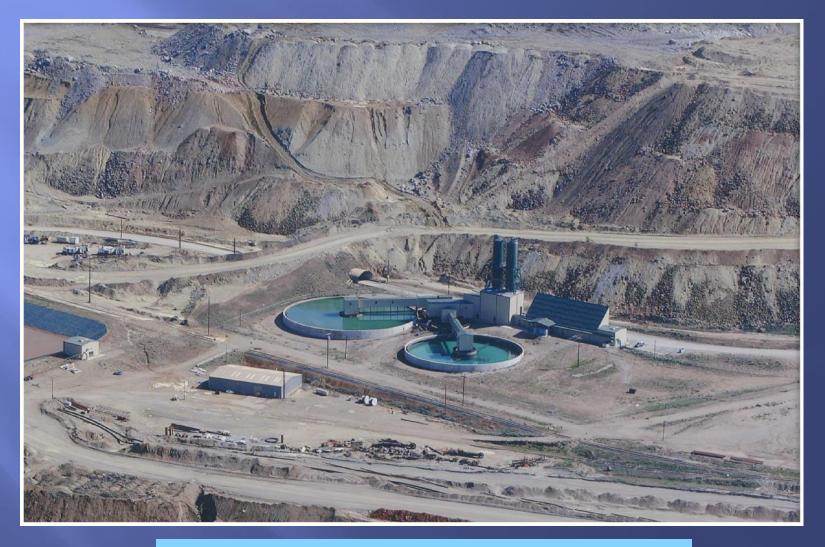
Fritz Daily photo

Lake Berkeley - July 2013

THERE ARE NO "RE-DO'S" FOR THE BERKELEY PIT

... so now what?

"Pump and Treat" in "perpetuity"



Horseshoe Bend Water Treatment Plant