

## Local leaders discuss mine impacts

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**By STEVE KADEL**  
**Western News Reporter**

Mines Management Inc. is almost four years away from opening its proposed Montanore Mine south of Libby, even if the permitting process goes smoothly.

But company officials are already talking with Libby and Lincoln County leaders about effects - good and bad - the venture might have locally.

Eric Klepfer, the company's vice president of operations, spent Tuesday morning discussing those issues with 15 civic leaders. The information Mines Management gets for a socioeconomic study it is conducting will be used to write its hard rock impact plan, a document needed to acquire permits.

"If we bring in more jobs, how does that affect your situation?" asked Rob Gaudin, a consultant from Portland, Ore., who will write the impact plan.

Under-sheriff Jerry Rust said his concern is lack of jail space, which already is at a critical level. Noting that some mine employees would work long shifts with as many as four days off in a row, Rust said a few might be "candidates to become our customers."

Mines Management officials are also studying potential impacts to the local water supply, housing market, traffic, hospital and emergency services. Although some specialized jobs probably would be filled by people outside of Lincoln County, Klepfer emphasized that most of the workers would be local hires.

"This will be a non-technical mining operation," Klepfer said. "It's a matter of teaching."

That's where Kootenai Job Service and the Lincoln County Campus of Flathead Valley Community College could play a part. Pat Pezelle, director of the local campus, said he would like to design courses to help local residents qualify as potential mine employees.

Pezelle and Patti McCubbins of Kootenai Job Service plan to follow up with Klepfer to talk about training programs.

"If there's a way we can partner on that it would be good," Klepfer said.

"The community needs this desperately," McCubbins said of jobs the silver and copper mine would provide. "We see people walk into Job Service every day and it's sad if we aren't able to help them."

Many local residents who have lost jobs through declining timber harvests and the closure of

Libby's mill have the basic skills needed for mine work, Klepfer said.

In Lincoln County, for example, nearly one-third of those who were unemployed during 2004 were former logging equipment operators. Construction laborers, operating engineers and other construction equipment operators accounted for the next largest segment of jobless.

Drilling and blasting crews will be needed for underground mine work, Klepfer said, while experience with concrete, electrical, welding and other traditional construction skills will be sought for jobs above ground.

Besides those directly employed at the mine, Klepfer said the company will contract out for many other jobs. That includes security at the mine as well as maintenance of Bear Creek Road, which is the responsibility of Mines Management.

The company has already compiled lots of data about Libby and Lincoln County, but much of it is no more recent than 2000. Several of those attending Tuesday's meeting told Klepfer the city has changed since then, particularly with regard to the housing market, which has fewer houses for sale than four or five years ago.

Ron Wiens, chief financial officer for St. John's Lutheran Hospital, said the hospital faces challenges that medical facilities in the fast-growing Flathead Valley do not. For one thing, he said, Libby has an extremely high percentage of uninsured and under-insured residents.

"We're double the rate of small rural hospitals in terms of uninsured," Wiens said.

Those are patients who pay out of pocket, the so-called "self-pay" customers, he said. Wiens noted that St. John's collects only 35 percent of its total bills from self-pay patients. That financial loss is recovered by raising the price of services, an increase paid by other hospital users, Wiens said.

Lincoln County Commissioner Rita Windom said small businesses have downsized by cutting the number of employees and also cutting health insurance for workers.

"They just can't afford it," she said.

Mines Management's consultant, Guadin, noted the county's average rate of pay is "significantly lower" now than it was in 1969.

"We're talking about bringing higher salaries to the area," he said.

Plans call for 450 to 500 jobs to be created during a two-year construction phase. Employment would start at 250 for initial operations, then increase to 300 to 350 when the mine begins operating at full capacity, Klepfer said.

If things go smoothly, he said, permits could be obtained in 15 to 20 months. When the mine is operating, he added, trucks transporting ore would make 20 round trips from the mine to

railroad loading facilities every 24 hours. That traffic, along with three buses transporting workers to the mine each morning and from the mine each night, would take place on Bear Creek Road.

Mines Management officials estimate 400 tons of material will be taken from the mine each day. Klepfer said it will cost the company between \$12 and \$15 per ton, with labor expenses accounting for much of that.

He said \$5 to \$6 of the price to produce each ton of concentrated product will be "consumable costs" - hoses, belts, hydraulic equipment, and bearings.

"The bulk of that can be purchased locally," Klepfer said. "Bearings, for example. We'll go through those weekly. And we'll go through thousands and thousands of welding rods that can be provided locally.

"It's really going to have a significant effect on the local economy."

The company foresees a 15-year production life for the mine. After that, reclamation of the area will take another five years. Klepfer said reclamation alone will be a \$20-million project, providing a boost to Libby's economy even after the mine closes.

Mines Management also will be looking for other lucrative mining opportunities near the Montanore project.

"Once we have the infrastructure we'll want to use it," Klepfer said.