

401 Water Quality Certification for PolyMet

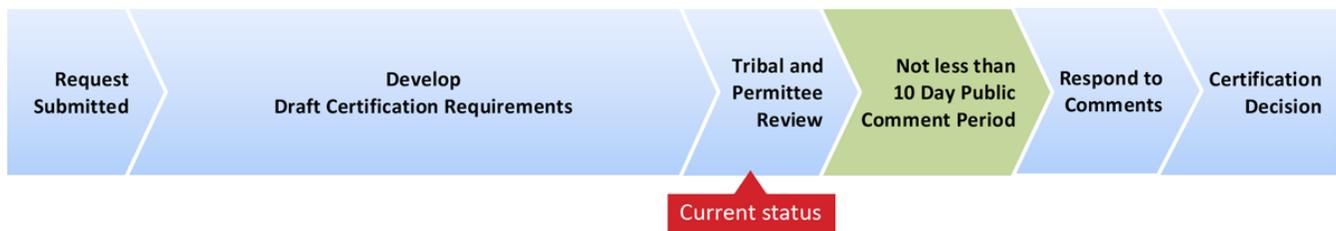
Poly Met Mining, Inc. (PolyMet) is proposing to develop a mine and processing facility to extract copper, nickel, and platinum group elements from the NorthMet deposit in northeastern Minnesota (known as the NorthMet project). The purpose of this fact sheet is to describe the 401 certification process and draft 401 certification for the project.

401 Certification process

Section 401 of the Clean Water Act allows states to review certain federal permits or projects to determine if authorized activities will comply with applicable state water quality standards. These standards are set by states in order to identify and prescribe the conditions that must exist in order to protect beneficial uses, such as drinking water, healthy aquatic communities, or fishing and swimming, in state waters.

A federal agency cannot issue a permit or approve a project until the state has either certified that the project will comply with water quality standards or waived its review. In certifying a project, a state may impose certain conditions to protect water quality, which are then incorporated into the federal permit or authorization.

The MPCA follows the general process below for processing 401 certification requests.



Draft 401 certification for the PolyMet project

In 2013, PolyMet first submitted a request for Clean Water Act (CWA) 401 water quality certification of the project to the Minnesota Pollution Control Agency (MPCA). PolyMet has updated its request and supporting information periodically since 2016.

Why does PolyMet need a 401 certification?

In developing the mine and plant sites and associated utility and transportation corridors, PolyMet proposes to impact approximately 930 acres of wetlands. The project will need a CWA Section 404 permit from the U.S. Army Corps of Engineers before any of these wetland impacts can occur. The 404 permit triggers the need for an MPCA-issued 401 certification.

What's in the draft 401 certification?

The MPCA's draft 401 certification provides a brief description of the proposed NorthMet project and location, and indicates the agency's decision to propose certification of the project, with a number of conditions. With the inclusion of these conditions, the MPCA provides its preliminary determination that the project will be conducted in a manner that will not violate state water quality standards.

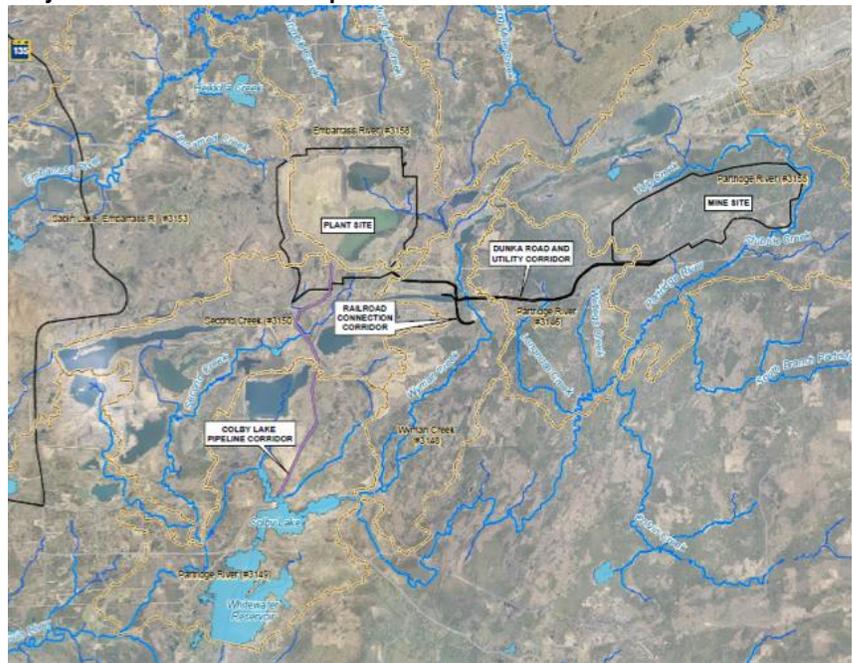
Project information

The project is located near Babbitt and Hoyt Lakes, in St. Louis County, Minnesota.

In developing its proposed mine and processing facilities for the NorthMet project, PolyMet proposes to impact 127 wetlands, covering a total of approximately 930 acres.

The project's excavation and/or fill activities will directly affect approximately 903 acres of wetland, and about an additional 27 acres of wetlands will be indirectly impacted by fragmentation (loss of wetland connectivity). PolyMet has proposed to offset these wetland impacts through purchasing wetland mitigation credits from the Superior Mitigation Bank, which is located in the same watershed (St. Louis River) as the project.

Project area watersheds and public waters



Draft 401 Certification conditions

The MPCA proposes to certify the project, with these conditions:

Water quality and wetland hydrology and vegetation monitoring: Proposed conditions would require stream and wetland water quality monitoring, both before and during the project, to provide data to assess potential effects on water quality that may result from air deposition of sulfur and air emissions of metals associated with the project. Additionally, the MPCA also proposes to require wetland hydrology and vegetation monitoring, both before and during the project, to provide data that will help the agency ensure that wetland functions and values are adequately protected and/or replaced where necessary.

Reporting: The MPCA proposes to require annual monitoring reports (for agency review and approval) that include raw data, analysis and interpretation of data, and recommendations for any needed adaptive management strategies, such as increased monitoring or mitigation methods to protect water quality. If the project is found to result in additional physical changes to wetlands (such as a change in hydrology that results in a change to, or loss of, a wetland), proposals for additional compensatory mitigation are required with the annual report.

Stream hydrology monitoring: The Minnesota Department of Natural Resources expects to require monitoring for certain streams through its water appropriations permits. Proposed conditions in the 401 certification would require that such monitoring data be provided to the MPCA if it shows significant changes in stream hydrology; the MPCA would review the data to determine if compensatory mitigation for stream impacts is needed.

Compensatory mitigation: Proposed conditions require mitigation for all permanent impacts to surface waters and notification of any proposed changes to the mitigation plan.

Standard conditions: These include general requirements that the MPCA is required by rule to incorporate into a 401 certification.

