



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



C. HEIDI GRETHER
DIRECTOR

June 4, 2018

VIA E-MAIL and U.S. MAIL

Mr. Barry Hildred
Aquila Resources, Inc.
E 807 Gerue Street
Stephenson, Michigan 49887

Dear Mr. Hildred:

SUBJECT: Wetlands, Lakes, and Streams Permit; Submission Number 2NN-5PE0-MT3W;
County: Menominee; Project Name: Back Forty

The Michigan Department of Environmental Quality (MDEQ) has reviewed the above-referenced application for permit pursuant to Part 31, Water Resources Protection; Part 301, Inland Lakes and Streams; and Part 303, Wetlands Protection, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. The purpose of the project, as depicted in your application, is to construct and operate an open-pit mine with an aboveground tailings disposal and rock management facility, operations and laydown areas, internal access roads, and storm water management facilities to treat and discharge contact water from a proposed treatment plant to the Menominee River.

The MDEQ has considered, among other pertinent concerns, the purpose and intended use of the project in relation to its placement, resource impacts, and site conditions. We have determined that the project as proposed could not be permitted without additional supporting documentation because the hydrologic modeling provided does not define the anticipated impacts to aquatic resources described in the application.

However, based on the United States Environmental Protection Agency's (USEPA) recommendations, the MDEQ can issue a permit with conditions that require revised groundwater and wetland modeling to demonstrate existing and future site conditions and impacts proposed by the project. Revised modeling is required to determine the potential extent of impacts to hydrology and aquatic resources and to determine the effectiveness of adaptive management techniques that may be employed to attenuate those impacts. Enclosed is a permit that conditionally authorizes direct and secondary impacts to regulated wetlands, streams, and the floodplain of the Menominee River upon submission and approval of additional documentation, including but not limited to: revised hydrologic modeling, an adaptive management plan, a comprehensive monitoring plan, and requisite wetland and stream mitigation. The USEPA has reviewed and concurred with this permit; based on the conditions in this permit, the USEPA has removed their objections to permit issuance.

As the permittee, you are responsible for assuring that the project is completed as authorized and in compliance with permit requirements. Construction activity within regulated wetlands and streams is not authorized to begin until all the required data and plans have been submitted and are approved by the MDEQ.

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Please complete the information requested in item number 3 on page 30 of the enclosed permit and return a copy to: MDEQ, Water Resources Division (WRD), Upper Peninsula District Office, 1504 West Washington Street, Marquette, Michigan 49855.

If you have any questions regarding the specifics of this conditional permit, please contact Ms. Kimberly D. Fish, Assistant Director, WRD, at 517-284-6668; fishk@michigan.gov; or MDEQ, P.O. Box 30458, Lansing, Michigan 48909-7958. Please include your submission number, 2NN-5PE0-MT3W, in your response.

Sincerely,



C. Heidi Grether
Director
517-284-6700

Enclosure

cc: Mr. Mark Kleiman, Menominee County Clerk
Menominee County Health Department
Menominee County Enforcing Agency
Ms. Barb Racsek, Lake Township Clerk
Ms. Wendy Melgin, USEPA
Mr. Peter Swenson, USEPA
Ms. Melanie Burdick, USEPA
Mr. Russell Rassmussen, Wisconsin Department of Natural Resources
Ms. Sherry MacKinnon, Michigan Department of Natural Resources (MDNR)
Mr. Darren Kramer, MDNR
Mr. Eric Thompson, MDNR
Mr. Scott Goeman, MDNR
Mr. Dean Anderson, Michigan State Housing Development Authority
Mr. David Anderson, Aquila Resources, Inc.
Mr. Andrew Boushey, Aquila Resources, Inc.
Mr. Kris Baron, Foth, Agent
Mr. Steve Donahue, Foth, Agent
Mr. Jeff King, King & MacGregor Environmental, Agent
Mr. Matt MacGregor, King & MacGregor Environmental, Agent
Ms. Katie Kruse, Environmental Justice and Tribal Liaison, MDEQ
Ms. Teresa Seidel, MDEQ
Ms. Kimberly D. Fish, MDEQ
Mr. Jerrod Sanders, MDEQ
Mr. Steve Casey, MDEQ
Ms. Amy Lounds, MDEQ
Mr. Ryan McCone, MDEQ
Ms. Linda Hansen, MDEQ
Mr. Joe Maki, MDEQ
Ms. Colleen O'Keefe, MDEQ
Mr. Mike Pennington, MDEQ
Ms. Jill Van Dyke, MDEQ
Ms. Kristi Wilson, MDEQ