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ENVIR. APPEALS BOARD

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Attorneys for Hecla Mining Company

**BEFORE THE ENVIRONMENTAL APPEALS BOARD  
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C.**

\_\_\_\_\_  
IN THE MATTER OF )  
HECLA MINING COMPANY - ) NPDES Appeal \_\_\_\_\_  
LUCKY FRIDAY MINE ) AFFIDAVIT OF MIKE DEXTER IN SUPPORT OF  
NPDES Permit No. ID-000017-5 ) HECLA MINING COMPANY'S PETITION FOR  
REVIEW  
\_\_\_\_\_ )

STATE OF IDAHO )  
County of Shoshone ) ss:

I, MIKE DEXTER, being first duly sworn, depose and say:

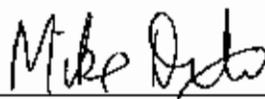
1. I have personal knowledge of the facts contained in this affidavit.
2. I have been employed by Hecla Mining Company ("Hecla") since August 31, 1987.
3. At all times relevant to this matter, I have been employed by Hecla as the Mine manager for the Lucky Friday Mine, located near Mullan, Idaho. My responsibilities include overseeing compliance with NPDES Permit No. ID-000017-5, justifying capital expenses at the Mine and overseeing all operations at the Mine.

4. The Lucky Friday Mine does not use mercury in any of its operations at the Mine.
5. Attached hereto as **Exhibit A** is a true and correct copy of a table that I generated, which represents the estimated compliance costs associated with the Lucky Friday Permit, NPDES Permit No. 000017-5. *See* "Additional NPDES Compliance Costs," Exhibit A.
6. The seepage study and hydrological analysis required by the Lucky Friday Permit will add compliance costs of the permit of approximately \$120,000 over the next five years. *See* Exhibit A.
7. The Lucky Friday Mine cannot comply with the flow proportioned composite sampling of the effluent, continuous effluent flow monitoring and instream flow monitoring at this time. Compliance with these conditions will require Hecla to run electricity to the site, order equipment and install and de-bug equipment.
8. The Lucky Friday Mine has been losing money for many years. Since metals prices are beyond the control of Hecla, Hecla cannot pass on the increase in compliance costs that will result from compliance with NPDES Permit No. 000017-5.
9. Because of the potentially significant economic costs associated with compliance with NPDES Permit No. 000017-5, Hecla requested a variance from EPA in 2001. Each time EPA has requested additional information on the variance, Hecla has timely responded.
10. A final action on Hecla's variance required by EPA is critical to the Mine's evaluation of whether to continue operations. EPA's issuance of the final NPDES Permit without action on the variance has placed the Mine at significant economic risk. As set forth in Exhibit A, compliance with the NPDES Permit will require that Hecla immediately expend significant amounts of money on compliance. Costs could exponentially increase over the course of the compliance to nearly \$7.0 million. Hecla needs to know what the final compliance

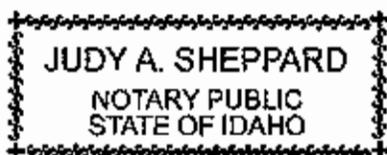
costs will be over the term of the Permit to make sound financial decisions (including closure of the mine) and capital investments. EPA's failure to take action on the variance has placed the continued viability of the Lucky Friday Mine at risk.

11. Hecla did not provide comments to the interim limits because they were not proposed in the 2003 draft Permit. However, in reviewing the Lucky Friday laboratory analysis results over the past few years, Lucky Friday will exceed the interim limits for cadmium 12.5% of the time. Additionally, the implementation of the water recycling requirement in the Permit may result in exceedences of the interim limits because of the possibility of higher concentrations of metals discharges (although corresponding lower loads) to the SFCDA River.

DATED this 10<sup>th</sup> day of September, 2003.

  
\_\_\_\_\_  
MIKE DEXTER

SUBSCRIBED AND SWORN to before me this 10<sup>th</sup> day of September, 2003.



  
NOTARY PUBLIC for the State of Idaho  
residing at: Wallace  
My Commission Expires: 7/16/06

**Additional NPDES Compliance Costs**

<b>Task</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Task Total</b>
New employee	0	70,000	70,000	70,000	70,000	70,000	350,000
Daily South Fork flows (Capital \$3,000 in 2003)	3,000	700	700	700	700	700	6,500
Continuous effluent monitoring (Capital \$24,000 in 2003)	24,000	1000	1000	1000	1000	1000	29,000
Weekly composite for metals/TSS*	*	*	*	*	*	*	0
Weekly silver analysis	500	2,200	2,200	2,200	2,200	2,200	11,500
Weekly temperature readings*	*	*	*	*	*	*	0
Monthly E. Coli analysis	100	300	300	300	300	300	1,600
Monthly hardness analysis	200	500	500	500	500	500	2,700
Develop new DMR	300	0	0	0	0	0	300
Annual bioassessment	16,000	13,000	13,000	13,000	13,000	13,000	81,000
Annual summary report*	*	*	*	*	*	*	0
Annual progress report*	*	*	*	*	*	*	0
WET testing	5,100	15,300	10,300	10,300	10,300	10,300	61,600
Instream water quality monitoring	300	1,000	1,000	1,000	1,000	1,000	5,300
Quality Assurance Plan	1,000	0	0	0	0	0	1,000
Best Management Practices Plan	4,000	0	0	0	0	0	4,000
Water recycling plan ((\$25,000 study & \$175,000 capital & \$5,000 per year O & M)	0	25,000	100,000	80,000	5,000	5,000	215,000
Water treatment system	0	0	0	0	5,500,000	387,000	5,887,000
Seepage study and hydrological analysis	0	0	20,000	100,000	0	0	120,000
Interim limits (lime addition)	5,000	20,000	20,000	20,000	20,000	0	85,000
<b>Total</b>	<b>59,500</b>	<b>149,000</b>	<b>239,000</b>	<b>299,000</b>	<b>5,624,000</b>	<b>491,000</b>	<b>6,861,500</b>

\*It is understood that there will be a cost associated with these tasks. However, it is assumed that the new employee will fulfill these obligations.