

Evaluation of Impacts of Proposed Mining Operation

April 16, 2009

I have reviewed the concerns of citizens and council members expressed in newspaper articles and visited the site, located on Airport Road northwest of the intersection of SH 317 and SH 36 near Temple, in preparation of these comments and in the formulation of my opinion.

Identification of Main Concerns

- Dust from operations
- Visibility of the mine
- Tracking of residual material onto SH 36
- Truck traffic
- Floodplain and water quality
- Future land use

Dust from Operations

An Air Quality Standard Permit has been issued by the Texas Commission on Environmental Quality (TCEQ) for this site. A Standard Permit is one which has similar requirements for all similar facilities. The requirements of the Rock Crusher Standard Permit include a crusher throughput limit of 200 tons/hr, and a distance limit of 200 feet from the nearest property line to the crusher itself and associated equipment such as engines, conveyors, etc. Work areas and stockpiles must be located at least 100 feet from the property line. Spray bars are required on the equipment, and dust emissions are required to be mitigated by, at a minimum, watering dirt roads. Operating times are limited to daylight hours. The TCEQ, in reviewing the air quality impacts of a crusher meeting these requirements, has performed a "Protectiveness Review" in which air quality modeling was performed to demonstrate that dust from such operations would not exceed property line National Ambient Air Quality Standards. Therefore, a rock crusher that meets the throughput, distance and watering requirements is expected to fully satisfy all State and Federal limits on dust from the site with no adverse health impacts to off-property individuals.

As a further operational enhancement, Mine Service Ltd. intends to operate the crusher on the floor of the mine which will reduce the exposure of the equipment to wind that could generate dust. Based on a review of the proposed equipment, Mine Service Ltd. operating procedures and the availability of water on the site, as well as the site configuration which includes a significant vegetative buffer between mining activities and off-property receptors, dust from the operation is not expected to be a significant issue nor a nuisance condition.

Visibility of the Mine

I have driven past the site and reviewed the mining plan and vegetation plan developed by Mine Service Ltd. From the bridge over Cedar Creek, the floodplain area was evident (due to dead trees caused by a flood event), and the mine was briefly visible. From most areas along SH 36, the mine is not clearly visible due to a prolific vegetative cover of naturally-occurring trees, scrub brush and native grasses. Although not required by any regulation, Mine Service Ltd. has proposed to establish a 200 foot (minimum) vegetative buffer along the frontage of SH 36 and planting of additional vegetation in the areas of the old entrance and other areas to the north along the highway for the purpose of enhancing the visual appearance of the site from the highway. Further, the old entrance road is angled so that there is not a prolonged or clear view of the mine from the highway. The proposal calls for planting of switch grass and green ash trees which were recommended as “fast growing” by a US Army Corps of Engineers (Corps) representative.

Tracking of Residual Material onto SH 36

The TCEQ requires that, at a minimum, roads must be watered to prevent nuisance dust conditions. Although not required, Mine Service Ltd. has proposed to pave the new entrance/exit from SH 36 for approximately 375’ with asphalt to mitigate the tracking of foreign materials from the operating site to the highway. Operating procedures will require that the asphalt be cleaned as buildup occurs and that conditions on the highway are monitored and mitigated.

Truck Traffic

Mine Service Ltd. has estimated a maximum rate of about 50 trucks/day in daylight hours during the work week (Monday through Friday).

The Texas Department of Transportation (TxDOT) has issued a permit for the new driveway access. During the review process, a TxDOT representative visited the site and used standard guidelines to ensure that ingress and egress at the site would provide adequate public safety. Operational limitations preclude night-time operations, further enhancing traffic safety at the site entrance/exit.

Floodplain and Water Quality

A portion of the property is located within a floodplain along Cedar Creek, a tributary to Lake Belton. It is anticipated that further mining will result in greater flood control capacity for Cedar Creek. Mine Service Ltd. will maintain an operational buffer between the mine and adjacent Cedar Creek during mining operations to mitigate the potential for water quality impacts from the mining operation. The crushing equipment is on tracks and can be moved out of the floodplain easily, so the entire area can act as a flood retention pond and alleviate downstream flood potential. When mining is complete, the



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Corps may request that the floodplain be expanded by breaching the buffer and flooding the area. This would be a beneficial flood control strategy.

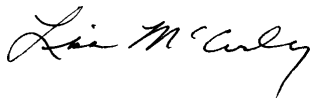
Mine Service Ltd. is subject to State storm water permitting requirements and Federal oil spill prevention and response requirements. Other Mine Service Ltd. sites under the same requirements have a history of maintaining clean conditions and proper management of oils and fuels. During operations, the on-site pits can be used to store storm water until it has been determined that the water is clean. Stockpiles will be placed in an area that has not historically flooded to further minimize the potential of sediment entering Cedar Creek.

Future Land Use

Based on the location of the property partially within a floodplain, there are limitations on current and future land use. The most beneficial land use within the flood plain is additional storage capacity. After mining operations cease, it is intended that the mined area be permanently inundated with water.

Opinion

I understand that the site has been used for mining since about the 1950's. Upon my review of the site, the development plans proposed by Mine Service Ltd. and with knowledge of the proposed activities, I believe that from an engineering and environmental permitting standpoint this is an excellent site selection that affords minimum impact to the surrounding area and maximum future benefits due to the flood mitigation potential. The proposed operation, when properly executed in accordance with the applicable Local, State and Federal regulations, is not expected to cause adverse impacts. Mine Service Ltd. has met the permitting requirements for this site and has proposed additional measures to address the expressed concerns.



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