

APPENDIX I

**CUP APPLICATION for the MORGAN
FAMILY GRAVEL PIT**

Gallatin County

July 2008

Agency Correspondence



RECEIVED

SEP 15 2008

DEQ BILLINGS



MINING & CONSTRUCTION

July 8, 2008

Bill Tatarka, President
Farmers Canal Ditch Company
19 Lake Road
Bozeman, MT 59718

Re: Conditional Use Permit Application for the "Morgan Gravel Pit"
MMI #2850.010

Dear Bill:

We are requesting any comments you may have regarding a forthcoming Gallatin County Conditional Use Permit application for the above-referenced project. County review and approval of this conditional use permit would allow for a sand and gravel mining operation on a portion of the Southeast ¼ of Section 35, T2S, R4E.

If there are any potential impacts to the proper operation of the Farmers Canal that we have not discussed and that need consideration, please send us a letter listing those items. Items that we have discussed, and agreed to previously, include: maintaining a 75-foot separation between the ditch and pit operations, the potential for lining the ditch adjacent to the pit to prevent or contain leakage, and a change in water use request from agricultural to industrial. Water demands on the property will not exceed those currently allocated to the property.

Enclosed please find a Vicinity Map, showing the location of the proposed gravel pit and a copy of the overall Development Plan for your reference. If you have any questions or comments, please feel free to call me at 388-6844, extension 5 or Trever McSpadden at 922-6752.

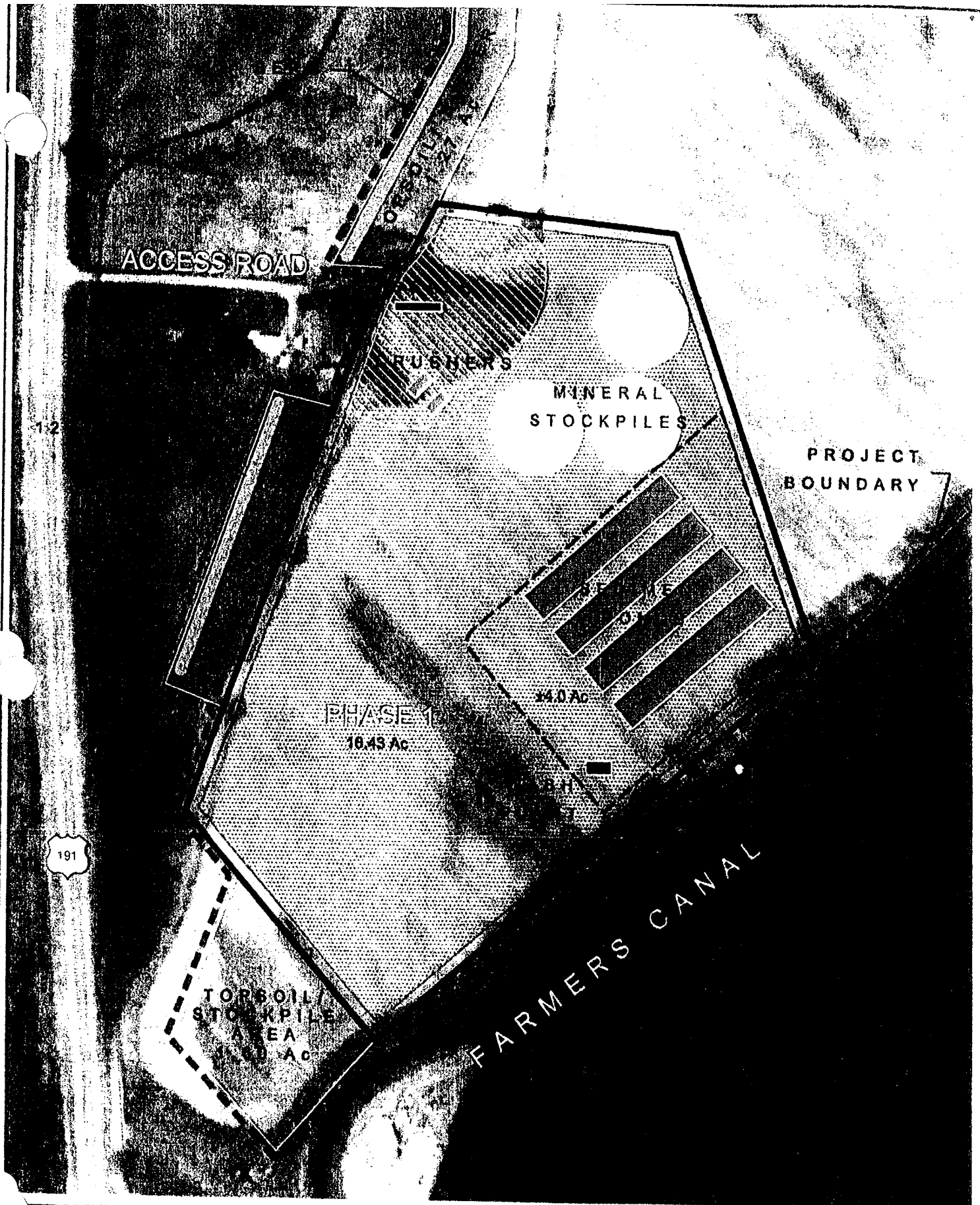
Sincerely,


A handwritten signature in black ink that reads "Jerry Rice". The signature is written in a cursive, flowing style.

Jerry Rice, General Manager
TMC, Inc.

Enclosures

07/08/2008



 MORRISON MAIERLE, INC. An Employee-Owned Company	Engineers 2880 Technology Blvd W Bozeman MT 59718 Surveyors Scientists Planners Phone (406) 581-9721 Fax (406) 522-6702	DRAWN BY <u>JCH</u> CHK'D BY <u>DDKE</u> APP'R BY _____ DATE: <u>6/27/09</u>	MORGAN FAMILY GALLATIN GATEWAY GRAVEL PIT	PROJECT NO XXXX XXX
		PHASE 1	MT	FIGURE NUMBER FIG.4

July 29, 2008

Jerry Rice, General Manager
TMC, Inc.
P.O. BOX 69
Belgrade, MT 59714

Regarding: Conditional Use Permit for the Morgan gravel mine and the Farmers Canal Ditch Company (FCDC) concerns

Dear Jerry:

We have the following comments in response to your July 8, 2008 letter and our meeting at the Sime Construction office convened on July 24, 2008 at 12:00 PM. For the record, those in attendance at the meeting were:

Bill Tatarka, Ray Tatarka & Dan Triemstra, Farmers Canal Ditch Co.
Dick Morgan, Landowner representative
Jerry Rice, Ron Pike, Garth Sime & Shawn Sime, TMC Inc.
Bob Lee, Trever McSpadden & Pat Eller, Morrison-Maierle, Inc.

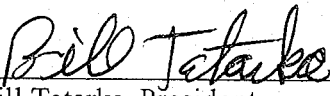
A discussion about the proposed gravel pit and Conditional Use Permit request, by Garth Sime, opened up the meeting. This was followed by a general question and answer session between all parties. As a result of these discussions, we believe that there is agreement on the following items:

- 1) TMC will mine no closer than 75-feet from the center line of the canal.
- 2) TMC does not intend to mine below the water table and would reclaim the pit area for pasture and/or hay crops.
- 3) At this time, the FCDC is not concerned about catastrophic failure of the ditch as a consequence of the proposed gravel mine.
- 4) The primary concern of the FCDC is increased seepage from the ditch and resultant loss of water as a consequence of the gravel mine.
- 5) As a consequence of the FCDC's concerns about increased seepage and loss of water, TMC will institute a monitoring program to estimate the existing loss of water from the canal adjacent to the proposed mine. The method for doing this will be determined at a later date but may consist of measuring ditch flow volumes entering the mine site (on south side near Zachariah Lane) versus those leaving it (on north side).

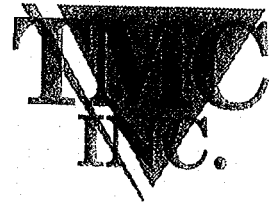
- 6) If needed, TMC will line the canal adjacent to the mine to stop new seepage losses. Several optional lining methods were discussed, but none agreed to.
- 7) If it is determined that decreed water owned by the Morgan Family, LLC can be used for the wash plant operation, additional discussions and agreements between the FCDC and TMC will need to be completed.

We provide you with these comments as a starting point for a more formal and specific agreement should the Conditional Use Permit for the mine be approved. Thank you for the opportunity to discuss our concerns.

Sincerely yours,
Farmers Canal Ditch Company



Bill Tatarka, President



MINING & CONSTRUCTION

July 8, 2008

Salesville Cemetery Board of Directors
P.O. Box 605
Manhattan, MT. 59741

Re: Conditional Use Permit Application for the "Morgan Gravel Pit"
MMI #2850.010

Dear Board:

We are requesting any comments you may have regarding a forthcoming Gallatin County Conditional Use Permit application for the above-referenced project. County review and approval of this conditional use permit would allow for a sand and gravel mining operation on a portion of the Southeast $\frac{1}{4}$ of Section 35, T2S, R4E.

This gravel pit operation will be located adjacent to the north side of the cemetery. A large topsoil stockpile area is proposed on the south side of the gravel pit to buffer the cemetery from its operational activities. This site will be mined in phases, with the first phase being the closest in terms of proximity to the cemetery. Phases 2 and 3 will be located at respectively greater distances from the cemetery.

We understand that there can be conflicts with the operation of the gravel pit when services are being held at the cemetery. As per a recent conversation with Dick Huttinga, we are willing to limit or shut down activities within the pit when given reasonable advance notice. Please let us know how to implement this. If there are any potential impacts to the operation of the cemetery that we have not discussed, please send us a letter listing those items.

Enclosed please find a Vicinity Map, showing the location of the proposed gravel pit and a copy of the overall Development Plan for your reference. If you have any questions or comments, please feel free to call me at 388-6844, extension 5 or Trevor McSpadden at 922-6752.

Sincerely,

Jerry Rice, General Manager
TMC, Inc.

Enclosures

SEP 30 2008

JULY 18, 2008

TMC INC
P.O. Box 69
BELGRADE, MT. 59714

RE. CONDITIONAL USE PERMIT APPLICATION
FOR THE "MORGAN GRAVEL PIT"
MM 17# 2850.010

DEAR SIR:

WE ARE REQUESTING THAT THE
OPERATION OF THE GRAVEL PIT BE LIMITED
OR SHUT DOWN JUST DURING ANY
SERVICE BEING HELD AT THE SALESVILLE
CEMETERY. WE WILL NOTIFY YOU AS SOON
AS WE ARE NOTIFIED, THAT SHOULD
GIVE YOU AT LEAST 2 days NOTICE OF
A SERVICE AT THE CEMETERY.

THIS IS THE ONLY THING THAT
WE HAVE ANY CONCERN ABOUT THE
OPERATION OF THE PIT THAT MIGHT
IMPACT THE SALESVILLE CEMETERY.

YOU CAN CONTACT US ANYTIME
AT 284-3162 ASK FOR STEVE FORTNELL
OR RON PERTWELL.

8/20/08

THANK YOU

SALESVILLE BOARD MEMBER
Steve Portnell
STEVE PORTNELL

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MORRISON MAIERLE, INC.
 An Employee-Owned Company

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 Surveyors Bozeman MT 59715
 Scientists
 Planners Phone (406) 587-0721
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 CHKD BY DDKF
 APPR BY
 DATE: 6/27/08

RECEIVED
 SEP 29 2008
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MORGAN FAMILY
 GRAVEL PIT
 MT

PHASE 1

PROJECT NO
 XXXX XXX

FIGURE NUMBER
FIG.4