August 23, 2023

Mr. Eric Dahlgren
Supervisor, Hard Rock Mining Section
MTDEQ: Mining Bureau
P.O. Box 200901
Helena, MT 59019

Submitted by email to: edahlgren@mt.gov; chada@mt.gov

Subject: **Citizen Complaint #1 – ARM 17.24.129: Sibanye-Stillwater Permit #00118 is in violation of the Montana Hard Rock Mining Reclamation Act.**

Dear Mr. Dahlgren:

I, Dusty R. Weber am hereby submitting a citizen complaint pursuant to **ARM 17.24.129** and respectfully requesting the Montana Department of Environmental Quality please complete inspection(s) of Sibanye-Stillwater (Permit #00118) to verify whether or not the following condition exists:

Sibanye-Stillwater (Operator of Permit #00118) is in violation of ARM 17.24.153 of the Montana Hard Rock Mining Reclamation Act.

17.24.153 GENERAL COMPLIANCE

(1) The operator shall comply with all federal and state laws, and such rules and regulations as are promulgated by the department under the Act.

The basis for this complaint includes the following and attached corroborating evidence:

Sibanye-Stillwater is in violation of ARM 17.24.153 because Sibanye-Stillwater is not in compliance with (1) the Montana Hard-Rock Mining Impact Act, (2) the Montana Hard Rock Mining Property Tax Base Sharing Act, (3) the National and Montana Environmental Policy Acts and (4) Operating Permit 00118

1. **Sibanye-Stillwater is in violation of ARM 17.24.153 because Sibanye-Stillwater is not in compliance with the Montana Hard-Rock Mining Impact Act.**

    a. **Exhibit 1**: PCSD March 2, 2023 AM3 Petition – Nye Hard Rock Mining Impact Plan & Attachments (505 total pages) is submitted in its entirety with this complaint as corroborating evidence that Sibanye-Stillwater is not in compliance with the Montana Hard-Rock Mining Impact Act.

b. The Hard Rock Mining Impact Act and the companion Property Tax Base Sharing Act require money be allocated for impacted high school and elementary school districts within the county.

c. Park City Elementary School District and Park City High School District (PCSD) have increased costs resulting from the construction and operation of the Nye Mineral Development.

d. Failure of the 25 year old impact plan to identify <u>all</u> affected government units or failure of the approved impact plan to provide for mitigation of documented and known impacts resulting from the mineral development does not relieve the county, the Mining Impact Board, the Mineral Development or the Mining Impact Plan from meeting the requirements of the of the Hard Rock Mining Impact Act.

e. According to Chapter VI – 4 (pdf page 150) of the <u>Hard Rock Mining Impact Guide</u>, *The Impact Act addresses primarily the initial impacts of development by requiring that the developer prepare an impact plan in which it identifies and commits to pay all increased local government costs resulting from the construction and operation of the new mineral development.*

   The original 1985 plan, the amended 1988 plan, and the amended 1998 plan all *failed* to identify and commit to paying the increased local government costs of Park City Elementary School District and Park City High School District resulting from the construction and operation (and subsequent expansions in employment) of the new mineral development. The approved Impact Plan only contemplates 700 mineral development employees, but Sibanye's own projections forecast over 2,050 mineral development employees for 2024. See pages 1-2 of the cover letter in **Exhibit 1**.

   At the time of the 1998 Amendment and in subsequent years, Annual Employee Surveys (includes students of employees) provided sufficient evidence that PCSD had impact students within its jurisdiction.

   Just because PCSD had/has less impact students than some of the other school districts is not a valid reason to not mitigate impacts.

f. Having an approved Impact Plan or statement that a mine is compliant with an approved Impact Plan from the Mine Impact Board does not equate to compliance with the Montana Hard-Rock Mining Impact Act, when there is overwhelming evidence the Impact Plan out of compliance with the Act.

2. **Sibanye-Stillwater is in violation of ARM 17.24.153 because Sibanye-Stillwater is not in compliance with the Montana Hard-Rock Mining Impact Property Tax Base Sharing Act.**

   Part 4. Hard-Rock Mining Impact Property Tax Base Sharing MCA 90-6-401. Declaration of necessity and purpose. The commencement of new large-scale hard-rock mineral developments often results in revenue disparities among adjacent local government units. This occurs primarily when a mine that locates in one taxing jurisdiction causes population influxes in neighboring jurisdictions. The result can be that some jurisdictions will experience a need to increase expenditures and receive no corresponding increase in revenue, while others will experience an increase in revenue and receive no comparable increase in expenditures. There is therefore a need to allocate the increase in property tax base resulting from the development and operation of new large-scale mines so that property tax revenues will be equitably distributed among affected local government units

   a. **Exhibit 1**: PCSD March 2, 2023 AM3 Petition – Nye Hard Rock Mining Impact Plan & Attachments (505 total pages) is submitted in its entirety with this complaint as corroborating evidence that Sibanye-Stillwater is not in compliance with the Montana Hard-Rock Mining Impact Property Tax Base Sharing Act.

   b. The approved Impact Plan fails to equitably distribute property tax revenues because it arbitrarily distributes revenues for Mineral Development Students to some school districts while ignoring Mineral Development Students at other school districts.

   c. The approved Impact Plan is materially inaccurate because it failed/fails to assess the impacts of stipulations on transportation (forced busing/carpooling) and mine sponsored housing restrictions on outlying communities such as Park City.

   d. PCSD has a property tax revenue disparity because, unlike other school districts, PCSD does not benefit from the additional revenue generated by the property tax of the mineral developer or development (e.g. Nye Surface Facilities and Columbus Smelter).

   e. Just because PCSD had/has less impact and mineral development students than some of the other school districts is not a valid reason to exclude PCSD from Tax Base Sharing.

   f. Having an approved Impact Plan or statement that a mine is compliant with an approved Impact Plan from the Mine Impact Board does not equate to compliance with the Montana Hard-Rock Mining Impact Property Tax Base Sharing Act, when there is overwhelming evidence the Impact Plan out of compliance with the Act.

3. **Sibanye-Stillwater is in violation of ARM 17.24.153 because Sibanye-Stillwater is not in compliance with the National Environmental Policy Act and is not in compliance with the Montana Environmental Policy Act.**

   a. **Exhibit 1**: PCSD March 2, 2023 AM3 Petition – Nye Hard Rock Mining Impact Plan & Attachments (505 total pages) is submitted in its entirety with this complaint as corroborating evidence that Sibanye-Stillwater is not in compliance with the National Environmental Policy Act and the Montana Environmental Policy Act.

   b. The Record of Decision (1985 ROD) December 23, 1985 for SMC's operating permit 00118 includes the following statement in Section IV REASONS FOR THE DECISION, B. Issue Response, 2. Community Services:(**Exhibit 2**, bottom of page 5 of 16)
   "The company is responsible for paying increased net operating and capital costs of units of local government due to the hard rock development (90-6-307(2),MCA)"

   c. The Record of Decision (1998 ROD) November 12, 1998 for Amendment 10 to SMC's operating permit 00118 includes a statement about how *"procedures exist and would be used by Stillwater County if circumstances dictate the need of a change in the approved plan."* (See bottom of page 24 in the 1988 ROD, Attachment 12 of **Exhibit 1**):

   Montana Hard Rock Impact Act
   The Stillwater mine is compliance with the Hard Rock Impact Act. SMC's Hard Rock Impact Plan, approved in 1985 and updated in 1988 and 1998 is in effect. The mitigation of economic impacts has been negotiated between SMC and Stillwater County. The activities proposed under this expansion fall within the limits set in the approved plan. However, procedures exist and would be used by Stillwater County if circumstances dictate the need for a change in the approved plan.

   d. 2010 July Checklist EA - Permit Amendment 012 to Operating Permit 00118 (see Attachment 14 of **Exhibit 1**) did have categories for Impacts on Human Population, but was checked No or Not Applicable for all categories. Amendment 12 was only to add a center pivot to the existing Hertzler Ranch Land Application Disposal (LAD) system, so checking "No" or "Not Applicable" for all categories was probably appropriate in the context of just the Amendment 012 permit action.

   However, by the time of the July 2010 EA, the employment levels discussed in the 1998 EIS and in the 1998 Impact Plan were no longer accurate. In publicly available records, without even including contractors, the Nye Mineral Development reported 1,099 employees all the way back in 2001 and 861 employees in 1999. (See MSHA Records: Attachment 7 of **Exhibit 1**)

e. 2012 May EIS – it does not appear that *socioeconomic effects* or the *Hard Rock Impact Act* were contemplated at all in the May 2012 EIS, SWMC Revised Water Management Plans and Boe Ranch LAD. (e.g. word searches for "socio" and "hard" uncovered no discussion of the socioeconomic effects or the Hard Rock Impact Act) It may be true that the 1998 EIS was incorporated by reference into the 2012 EIS, but exact language "incorporated by reference" could not be found in the May 2012 EIS. Additionally, even if the 1998 EIS was incorporated by reference into the 2012 EIS, socioeconomics was not looked at again in any meaningful way even though 14 years had elapsed and significant changes had occurred to employment and population; and were known to have occurred by the agencies. (e.g. annual reporting)

   By the time of the May 2012 EIS, the employment levels discussed in the 1998 EIS and in the 1998 Impact Plan were no longer accurate. Again, in publicly available records, without even including contractors, the Nye Mineral Development reported 1,099 employees all the way back in 2001 and 861 employees in 1999. (See MSHA Records: Attachment 7 of **Exhibit 1**)

   The total Mineral Development Employees contemplated in the 1998 EIS and the 1998 Impact Plan was 700. It seems reasonable that a substantial increase in the number of employees than contemplated in the previous EIS probably should have warranted some additional analysis or at least a cursory review of socioeconomics in the 2012 EIS.

f. The NEPA and MEPA documents reinforce a fallacy that all is well with the Impact Plan because the Impact Plan commits to mitigating impacts and has built-in measures that would trigger an amendment when needed. For the last 25 years, the reality for PCSD is that the Impact Plan only mitigates other school's impacts and an amendment to the Impact Plan is little more than misleading fluff discussed in Nye Record of Decision documents.

4. Sibanye-Stillwater is in violation of ARM 17.24.153 because Sibanye-Stillwater is not in compliance with its operating Permit 00118.

a. Table 1-3 Regulatory Agencies and Required Permits in Sibanye-Stillwater's operating **Permit 00118** includes the following:(**Exhibit 3**)

   "Hard Rock Impact Plan - To ensure that local government services and facilities will be available when and where needed as a result of new large-scale hard rock mineral developments and that the increased cost of these services will not burden the local taxpayer. The developer identifies and commits to pay all increased capital and net operating costs to local government units that will result from the mineral development. Performed in cooperation with Stillwater County, and Town of Columbus, Absarokee

School Districts, Nye and Fishtail School Districts and the Absarokee Rural Fire District.

b. By excluding PCSD from the 1998 Impact Plan and denying subsequent requests to revise the plan, PCSD has never been compensated for "impact costs" incurred for providing services as a result of the impact population and mineral development, while other school districts have already been compensated accordingly. See Pages 13-1 through 14-4 of Attachment 5 of **Exhibit 1** (pdf pages **365 through 372** of the 505 total pages in **Exhibit 1**) for demonstration of some of the impacts.

   13. PARK CITY ELEMENTARY SCHOOL, Background and Projections, Impact Needs and Costs, Impact Revenues, Impact of SMC In-migrating Students.

   14. PARK CITY HIGH SCHOOL, Background and Projections, Impact Needs and Costs, Impact Revenues, Impact of SMC In-migrating Students.

   In addition to the impact costs demonstrated in Sections 13 and 14 of Attachment 5 of **Exhibit 1**, PCSD has also incurred other impact costs not yet tabulated/calculated (e.g. in 2023 PCSD was forced to move from Class C sports to Class B sports as a direct result of student population; which included increased costs without corresponding increased revenues).

   PCSD should be given the same opportunity to demonstrate impacts and should have the same standard of impact evaluation the Impact Plan has previously applied to other school districts.

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For more than 25 years, PCSD has incorrectly been excluded from the Impact Plan. Approximately 10-15% of the Impact Students and the Mineral Development Students in Stillwater County attend Park City Schools. Each year, tax revenue is shared amongst school districts identified in the plan based on their percentage of Mine Development Students, while PCSD's percentage of Mine Development Students is ignored.

In order for Sibanye-Stillwater to be in compliance with **ARM 17.24.153,** a much overdue amendment to the Nye Hard-Rock Mine Impact Plan needs to be completed that truthfully *"…commits to pay all increased capital and net operating costs to local government units that will result from the mineral development."*

Thank you for your time. I do not request that my name be kept confidential. Please contact me, with any questions about this complaint.

Sincerely,

Dusty R. Weber

Dusty R. Weber
7 Pinto Place
Park City, MT 59063
dustyrweber29@gmail.com

Attached to and included in this complaint:

Exhibit 1 - Nye Impact Plan_AM3 Petition and Attachments PCSD_20230302.pdf
- Figure 1 - Nye Mineral Development Project Site (Stillwater Mine)
- Attachment 1 - PCSD Resolution Authorizing County to Submit the Petition for Amendment 3
- Attachment 2 - Existing (1998, AM2) Nye Impact Plan
- Attachment 3 - Existing (1998, AM2) Nye Impact Plan with Markups of Proposed AM3 Revisions
- Attachment 4- Summary of the Proposed (2023, AM3) changes to Nye Impact Plan by page
- Attachment 5 - Proposed (2023, AM3) Nye Impact Plan with all changes included (clean version)
- Attachment 6 - Sibanye Mineral Development Employee Projections
- Attachment 7 - Sibanye Mineral Development Employees Actual - MSHA LOM Records
- Attachment 8 - Nye Annual Tax Base Sharing Report (2021 Report Year)
- Attachment 9 - PCSD March 2021 Letter Requesting Modification to Receive MMT Revenues
- Attachment 10 - PCSD December 2022 Amendment Notification Letter
- Attachment 11 - OPI - Student Count Rpt -Stillwater County Schools Fall 2021 and Spring 2022
- Attachment 12 - Page 24 of 1998 EIS Record of Decision - AMD 10 to DEQ Permit 00118
- Attachment 13 - Pages 71-76 of May 2012 EIS_Issue 13 and Issue 14
- Attachment 14 - Checklist EA ROD 2010 AMD 12 to DEQ Operating Permit 00118
- Attachment 15 - Pages 30 and 57 of Good Neighbor Agreement 2016
- Attachment 16 - PDF page A49 - SW County- of App A in Dept Rev 2020-22 Biennial Tax Rpt
- Attachment 17 - Pages 7 and 10 and 12 of - SW County 2021 Audited Report

Exhibit 2 - 1985-12-23_ROD Stillwater Mine Project Plan of Ops.pdf

Exhibit 3 - Table 1-3 Showing Hard Rock Impact from pdf page 18 of 94 in SMC_CORP_Tables-All_2020_6-22.pdf

NYE HARD ROCK MINING IMPACT PLAN

AMENDMENT 3 SUBMITTAL

PARK CITY SCHOOLS

MARCH 2023

PARK CITY SCHOOLS

DISTRICT #5 STILLWATER COUNTY
PO BOX 278, 10 2ND AVE SW
PARK CITY, MT 59063
OFFICE 406-633-2350
FAX 406-633-2913

"HOME OF THE PANTHERS"

March 2, 2023

Stillwater County Commissioners
400 E 3rd Ave N
Columbus, MT 59019

Subject: **PCSD Amendment 3 Petition – Nye Hard Rock Mining Impact Plan**

Dear Commissioners:

Park City School District #5 (PCSD) is hereby requesting that the Stillwater County Commissioners (SCC) petition the Hard Rock Mining Impact Board (MIB) to amend the approved 1998 Nye Hard Rock Mining Impact Plan (NIP). PCSD has enclosed a complete amendment application (AM3) for the NIP according to the requirements of **ARM 8.104.217**.

For more than 25 years, PCSD has incorrectly been excluded from the Impact Plan. Approximately 10-15% of the Impact Students and the Mineral Development Students in Stillwater County attend Park City Schools. Each year, tax revenue is shared amongst school districts identified in the plan based on their percentage of Mine Development Students, while PCSD's percentage of Mine Development Students is ignored.

PCSD is requesting that impacts to our school district be evaluated with the same standards that the plan applies to other school districts. The legal basis for this amendment is that, at a minimum, both the requirements of **ARM 8.104.217(1)(j)(i) and (ii)** have been satisfied.

A. Legal Basis for the Petition/Amendment (see A1 thru A6 below)

A1. Employment is forecast to increase by at least 75 person over the employment levels contemplated by the approved plan which satisfies a legal condition that allows for an amendment. (ARM 8.104.217(1)(j)(ii)).

a. The approved NIP contemplates 700 total mineral development employees. See Pages S-1, 1-2 and 2-1 of the approved plan (Attachment 2 in this submittal)

b. Sibanye-Stillwater is forecasting the following employee levels at the Nye Mineral Development:

- 1,940 total mineral development employees for 2023
    - (1,446 employees* + 494 contractors**)
- 2,054 total mineral development employees for 2024
    - (1,560 employees* + 494 contractors**)

*See Manpower Projections on pages 141-143 of the Dec 31, 2021 Sibanye Stillwater Ltd Foreign Issuer Report 6-K. (Attachment 6 in this submittal)

**Since the 6K Report had no projections of contractors; the best available contractor number was used; see page 158 of the Sibanye-Stillwater Integrated Report 2021 (Attachment 7 in this submittal)

c. 2,054 forecasted mineral development employees is 1,354 above the 700 mineral development employees contemplated in the approved NIP, so the legal requirement to submit an amendment is met.

- Put into context, the employee forecast at the mineral development is eighteen (18) times (1,354 divided by 75) the legal requirement that allows for an Amendment. Because this legal requirement is already met, it is immaterial what the plan itself says about amendment requirements. However, PCSD has also included documentation in this submittal that four (4) of the conditions within the approved NIP itself have also been satisfied; each, individually allowing for an amendment.

d. Supporting documentation for a, b and c above.

- According to **MCA 90-6-311(1)(a)** and **ARM 8.104.217(1)(J)(ii)** "*.... if the employment of the large scale mineral development is forecast* <u>*to increase by at least 75 persons,*</u> *as determined under **90-6-302(4)**, over the employment levels contemplated by the approved impact plan the governing body of an affected county* (SW County Commissioners) *may petition the board* (MIB) *for an amendment to an approved impact plan"*
- According to **MCA 90-6-302(4)**, *"large scale mineral development" is defined by "the average number of persons on the payroll of the mineral developer and of contractors at the mineral development"*

e. Employment levels at the Nye Mineral Development have been greater than 75 persons over the employment levels contemplated in the approved impact plan each year since the plan was approved in 1998 (see MSHA records in Attachment 7 of this submittal).

- <u>The legal condition allowing for an amendment under **ARM 8.104.217(1)(j)(ii))** was satisfied every single year since the approval of the Impact Plan 25 years ago.</u>
    - Park City Schools, has repeatedly requested and has been repeatedly told nothing could be done; which was not true at all. An amendment was allowable every year since 1998.

A2. Four conditions (B, C, D, and F) in the 1998 Impact Plan itself have been met that each allow for an amendment. ARM 8.104.217(1)(j)(i)

The conditions for Impact Plan Amendment listed below are found on Page 3-1 of the approved (1998) Impact Plan. Only one condition needs to be met to allow for an amendment.

Condition B. The annual number belonging (ANB) of In-migrating Mineral Development Students enrolled in an affected elementary or high school differs more than 15% from the number projected in this Plan Amendment;

- The "affected units of local government" are listed on page 1-4 of the approved (1998) plan and include: *Stillwater County, Fishtail Elementary School District, Town of Columbus, Nye Elementary School District, Columbus Elementary School District, Absarokee Water and Sewer District, Columbus High School District, Absarokee Elementary School District, Absarokee High School District*
- See Table 2-3 on page 2-6 of the approved (1998) Impact Plan.
    - Absarokee Elementary is projected to have 94 Impact (In-migrating Mineral Development Students).
- See Attachment 8 – Nye Annual Tax Base Sharing Report (2021 Report Year)
    - Absarokee Elementary had 42 total SMC and Contractor Students. Even if 100% of these 42 Mineral Development Students were In-migrating, that differs more than 44% from the number (94) projected in the approved (1998) Impact Plan.
- 44% is more than 15% so Condition B has been met.
    - Even if no other conditions were met, satisfying Condition B alone is sufficient justification for an amendment to the approved plan.

Condition C. The taxable valuation of the SMC mineral development differs more than 15% from that projected in this Plan Amendment;

- The taxable valuation of the SMC mineral development is tabulated on page 2-9 of the approved (1998) plan.
    - The last taxable valuation of the SMC mineral development (just the minesite) that was projected in the approved plan was $6,609,000 in 1999-2000**.**
        - The taxable valuation was calculated by adding the Property/Equipment Taxable valuation to the Gross Proceeds Taxable valuation.
            - P/E Tax ($3,420,000) + GP Tax ($3,189,000)

- Additionally, Table 2-5 included another $1,182,000 of total Taxable valuation for the Smelter/BMR for a total SMC TAXABLE VALUATION of $7,791,000 (Mine + Smelter/BMR) in 1999-2000
- According to a recent report from the Montana Department of Revenue, the Taxable valuation of the Gross Proceeds in Stillwater County in 2022 was $19,503,842. (Attachment 16 in this submittal)
  - It is PCSD's understanding that, no one else, other than Stillwater Mine (Nye) paid gross proceeds taxes in Stillwater County in 2022, therefore this entire Gross Proceeds Taxable valuation must be attributable to the SMC Mineral Development.
- The 2022 Gross Proceeds taxable valuation alone ($19,503,842) is 150% more than the total SMC Taxable valuation ($7,791,000) in the approved 1998 plan.
- 150% is more than 15% so Condition C has been met.
  - Even if no other conditions were met, satisfying Condition C alone is sufficient justification for an amendment to the approved plan.

Condition D. An affected unit of local government or SMC may petition the Hard Rock Mining Impact Board for an amendment to this Plan Amendment if:

D1. Inmigrating employment at the SMC mineral development is forecast to increase or decrease from those levels projected in this Plan Amendment by at least 75 employees;

- In-migrating employment at the SMC mineral development is projected to be 474 in the approved NIP. See Table 2-1 on page 2-4 of the approved plan (Attachment 2 in this submittal)
  - The in-migrating employment projection of 474 at the SMC mineral development is calculated as (700 mineral development employees x 0.60) in the approved NIP. See Assumption 2 at the top of page 2-2 of the approved plan (Attachment 2 in this submittal)
  - Applying this same calculation method used in the approved plan, the in-migrating employment at the Nye Mineral Development is forecast to be 1,232 In-migrating Employees in 2024.
    - (2,054 Min Dev Employees x 0.60) = 1,232
    - 2,054 total mineral development employees projected for 2024 (1,560 employees* + 494 contractors**)

*See Manpower Projections on pages 141-143 of the Dec 31, 2021 Sibanye Stillwater Ltd Foreign Issuer Report 6-K. (Attachment 6 in this submittal)

**Since the 6K Report had no projections of contractors; the best available contractor number was used; see page 158 of the Sibanye-Stillwater Integrated Report 2021 (Attachment 7 in this submittal)

- The forecast of 1,232 In-migrating employees in 2024 is an increase of 758 from the number (474) projected in the approved (1998) Impact Plan.
- 758 is more than 75 employees so Condition D has been met.
- Even if no other conditions were met, satisfying Condition D(1) alone is sufficient justification for an amendment to the approved plan.

D2. This Plan Amendment is materially inaccurate because of errors in assessment or changes in local government budgeting or funding;

D2a. The 1998 Plan Amendment is materially inaccurate because Park City Elementary School District and Park City High School District were excluded from the list of Affected Units of Local Government.

- At the time of the 1998 Amendment and in subsequent years, Annual Employee Surveys (includes students of employees) provided sufficient evidence that PCSD had impact students within its jurisdiction.
- Just because PCSD had/has less impact students than some of the other school districts is not a valid reason to not mitigate impacts.
- There does not appear to be any requirement for an impacted school district to participate in writing an amendment to have impacts mitigated or to be listed in the plan as an Affected Unit of Local Government.

D2b. The 1998 Plan Amendment is materially inaccurate because Park City Elementary School District and Park City High School District were excluded from the Tax Base Sharing.

- At the time of the 1998 Amendment and in subsequent years, Annual Employee Surveys (includes students of employees) provided sufficient evidence that PCSD had impact students and mineral development students within its jurisdiction.
- Just because PCSD had/has less impact and mineral development students than some of the other school districts is not a valid reason to exclude PCSD from Tax Base Sharing.
- PCSD has a property tax revenue disparity because, <u>unlike other school districts, PCSD does not benefit from the additional revenue generated by the property tax of the mineral developer or development</u> (e.g. Nye Surface Facilities and Columbus Smelter).
- There does not appear to be any requirement for a school district to participate in writing an amendment to receive Tax Base Sharing for impact students or mineral development students within its jurisdiction.

D2c. The 1998 Plan Amendment is materially inaccurate because it failed/fails to assess the impacts of Mine Sponsored Housing Restrictions on outlying communities such as Park City.

- The "Good Neighbor Agreement" (GNA) was signed on May 8, 2000. (Attachment 15 in this submittal)
  - The GNA was signed before two years had passed since approval of the Impact Plan.
  - Section 12.1 of the GNA forces SMC to confine all Mine-Sponsored Housing in Stillwater County to within the city limits of Absarokee and Columbus.
    - This stipulation may limit SMC's ability to provide additional employee housing near the mineral development.
    - This stipulation may force employees (especially when almost 3 times as many as predicted in the approved impact plan) to find housing beyond the immediate vicinity of the mineral development.

D2d. The 1998 Plan Amendment is materially inaccurate because it failed/fails to assess the impacts of stipulations on transportation (forced busing/carpooling) on outlying communities such as Park City.

- In the Record of Decision for the 1985 Stillwater Mine Operation Plan, SMC was required to implement an employee busing or van/carpooling program to reduce the mine-related traffic…. The transportation policy required all Stillwater Mine employees to participate in carpooling or busing. (source Section 2.3.1.1 Transportation Policy, page 89 SWM CORP, Permit #00118)
- The "Good Neighbor Agreement" (GNA) was signed on May 8, 2000. (Attachment 15 in this submittal)
  - This was before two years had passed since approval of the 1998 Impact Plan Amendment.
  - Section 1.6 of Appendix G of the GNA says, *"SMC shall require, as a condition of employment, busing and/or carpooling for all employees, contractors, and subcontractors."*
    - This "condition of employment" may contribute to employees finding housing beyond the immediate vicinity of the mineral development.
      - Additionally, employees do not pay for the busing and/or carpooling which may

contribute to employees' willingness to find housing beyond the immediate vicinity of the mineral development.

- Furthermore, Park City, being near to the cities of Laurel and Billings, may provide a location (still not too far away from the Mine) where a Mineral Development Employee's family can readily find additional employment nearby.

- Even if no other conditions were met, satisfying Condition in D(2)(a thru d) are sufficient justification for an amendment to the approved impact plan.

D3. Stillwater County and SMC join in a petition to amend this Plan Amendment.

- Nothing has prevented or is preventing Stillwater County and SMC from joining in a petition to amend the plan.

Condition F. In any given year, the actual inmigrating population or school enrollment creates a demonstrated revenue disparity for a potentially affected unit of local government. In this case, the local government will be included as an affected unit, and SMC and the local government will determine the level and type of assistance needed to pay the net costs.

- At the time of the 1998 Amendment and in subsequent years, Annual Employee Surveys (includes students of employees) provided sufficient evidence that PCSD had impact (i.e. in-migrating) students and mineral development employees within its jurisdiction.
- The 1998 Plan Amendment incorrectly excluded Park City Elementary School District and Park City High School District from receiving revenue to help mitigate increased impact costs and from receiving Tax Base Sharing.
    - Just because PCSD had/has less impact and mineral development students than some of the other school districts is not a valid reason to exclude PCSD from being reimbursed for increased impact costs and from receiving Tax Base Sharing.
    - PCSD has a property tax revenue disparity because, unlike other school districts, PCSD does not benefit from the additional revenue generated by the property tax of the mineral developer or development (e.g. Nye Surface Facilities and Columbus Smelter).
- Even if no other conditions were met, satisfying Condition F alone is sufficient justification for an amendment to the approved plan.

A3. Not Amending the Impact Plan, "if circumstances dictate the need" would contradict the Environmental Impact Statement (EIS). This may be a violation of the Montana Environmental Policy Act and the National Environmental Policy Act.

The Record of Decision (1998 ROD) November 12, 1998 for Amendment 10 to SMC's operating permit 00118 includes a statement about how *"procedures exist and would be used by Stillwater County if circumstances dictate the need of a change in the approved plan."*

- The following section is included at the bottom of page 24 in the 1998 ROD (Attachment 12 in this submittal):

<u>*Montana Hard Rock Impact Act*</u>

The Stillwater mine is compliance with the Hard Rock Impact Act. SMC's Hard Rock Impact Plan, approved in 1985 and updated in 1988 and 1998 is in effect. The mitigation of economic impacts has been negotiated between SMC and Stillwater County. The activities proposed under this expansion fall within the limits set in the approved plan. However, procedures exist and would be used by Stillwater County if circumstances dictate the need for a change in the approved plan.

A4. The two major MEPA (joint with NEPA) approvals completed after the 1998 ROD failed to properly take a look at changes to employment or changes to socioeconomic impacts at the Mineral Development. This may be a violation of the Montana Environmental Policy Act and the National Environmental Policy Act.

---MEPA/NEPA analysis after the 1998 EIS--

- <u>2010 July Checklist EA</u> - Permit Amendment 012 to Operating Permit 00118 (see Attachment 14 in this submittal) did have categories for Impacts on Human Population, but was checked No or Not Applicable for all categories. Amendment 12 was only to add a center pivot to the existing Hertzler Ranch Land Application Disposal (LAD) system, so checking "No" or "Not Applicable" for all categories was probably appropriate in the context of just the Amendment 012 permit action.

  However, by the time of the July 2010 EA, the employment levels discussed in the 1998 EIS and in the 1998 Impact Plan were no longer accurate. In publicly available records, without even including contractors, the Nye Mineral Development reported 1,099 employees all the way back in 2001 and 861 employees in 1999. (See MSHA Records: Attachment 7 in this submittal)

- <u>2012 May EIS</u> – it does not appear that *socioeconomic effects* or the *Hard Rock Impact Act* were contemplated at all in the <u>May 2012 EIS, SWMC Revised Water</u>

Management Plans and Boe Ranch LAD. (e.g. word searches for "socio" and "hard" uncovered no discussion of the socioeconomic effects or the Hard Rock Impact Act) It may be true that the 1998 EIS was incorporated by reference into the 2012 EIS, but exact language "incorporated by reference" could not be found in the May 2012 EIS. Additionally, even if the 1998 EIS was incorporated by reference into the 2012 EIS, socioeconomics was not looked at again in any meaningful way even though 14 years had elapsed and significant changes had occurred to employment and population; and were known to have occurred by the agencies. (e.g. annual reporting)

By the time of the May 2012 EIS, the employment levels discussed in the 1998 EIS and in the 1998 Impact Plan were no longer accurate. Again, in publicly available records, without even including contractors, the Nye Mineral Development reported 1,099 employees all the way back in 2001 and 861 employees in 1999. (See MSHA Records: Attachment 7 in this submittal)

- The total Mineral Development Employees contemplated in the 1998 EIS and the 1998 Impact Plan was 700.
    - It seems reasonable that a substantial increase in the number of employees than contemplated in the previous EIS probably should have warranted some additional analysis or at least a cursory review of socioeconomics in the 2012 EIS.
- It is also noted, there were two potentially relevant issues that were raised by the public; which were subsequently dismissed by the Agencies during the 2012 EIS. See **Issue 13: Public Participation** and **Issue 14: MEPA/NEPA Process.** (Attachment 13 in this submittal)

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A5. The approved 1998 impact plan does not appear to meet the requirements of the Hard Rock Mining Impact Act.

According to Chapter VI – 4 (pdf page 150) of the Hard Rock Mining Impact Guide, *The Impact Act addresses primarily the initial impacts of development by requiring that the developer prepare an impact plan in which it identifies and commits to pay all increased local government costs resulting from the construction and operation of the new mineral development.*

- The original 1985 plan, the amended 1988 plan, and the amended 1998 plan all *failed* to identify and commit to paying the increased local government costs of Park City Elementary School District and Park City High School District resulting from the construction and operation (and subsequent expansions in employment) of the new mineral development.

- At the time of the 1998 Amendment and in subsequent years, Annual Employee Surveys (includes students of employees) provided sufficient evidence that PCSD had impact students within its jurisdiction.
- Just because PCSD had/has less impact students than some of the other school districts is not a valid reason to not mitigate impacts.
- There does not appear to be any requirement for an impacted school district to participate in writing an amendment to have impacts mitigated or to be listed in the plan as an Affected Unit of Local Government.
- "Park City", despite being the second largest community and the second largest school district in the same county as the Mineral Development, is not even identified by name <u>one time</u> in the approved Impact Plan; this cannot be acceptable methodology or practice.

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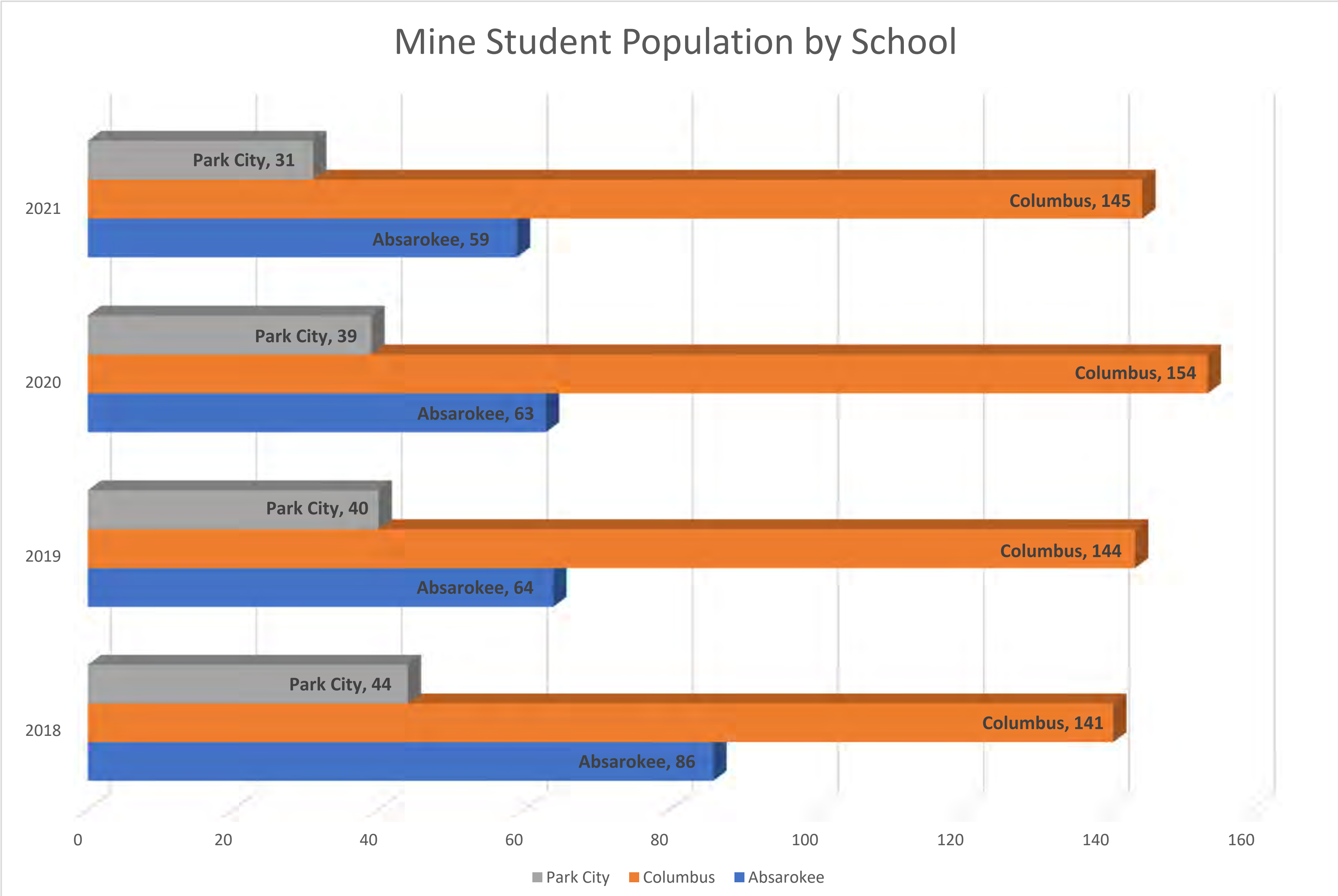
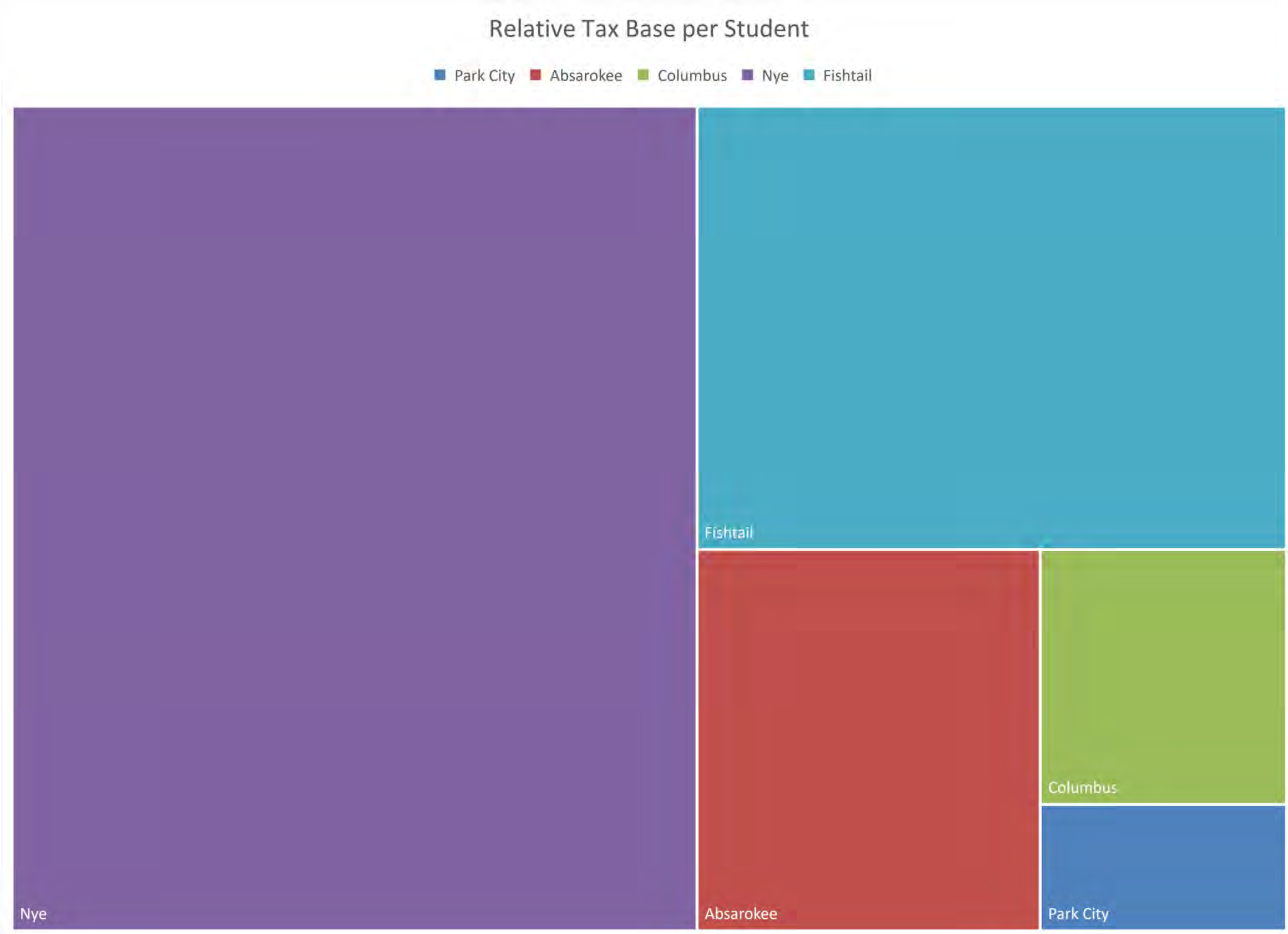


SOURCE OF MINE STUDENT POPULATION: Sybanye-Stillwater correspondence 11/7/2022

A6. The approved 1998 impact plan does not appear to meet the requirements of the Property Tax Base Sharing Act.

> ***Part 4. Hard-Rock Mining Impact Property Tax Base Sharing MCA 90-6-401. Declaration of necessity and purpose.*** *The commencement of new large-scale hard-rock mineral developments often results in revenue disparities among adjacent local government units. This occurs primarily when a mine that locates in one taxing jurisdiction causes population influxes in neighboring jurisdictions. The result can be that some jurisdictions will experience a need to increase expenditures and receive no corresponding increase in revenue, while others will experience an increase in revenue and receive no comparable increase in expenditures. There is therefore a need to allocate the increase in property tax base resulting from the development and operation of new large-scale mines so that property tax revenues will be equitably distributed among affected local government units*

- The approved Impact Plan fails to equitably distribute property tax revenues because it arbitrarily distributes revenues for Mineral Development Students to some school districts while ignoring Mineral Development Students at other school districts.
    - At the time of the 1998 Amendment and in subsequent years, Annual Employee Surveys (includes students of employees) provided sufficient evidence that PCSD had impact students and mineral development students within its jurisdiction.
    - PCSD has a property tax revenue disparity because, unlike other school districts, PCSD does not benefit from the additional revenue generated by the property tax of the mineral developer or development (e.g. Nye Surface Facilities and Columbus Smelter).
    - Just because PCSD had/has less impact and mineral development students than some of the other school districts is not a valid reason to exclude PCSD from Tax Base Sharing.
    - There does not appear to be any requirement for a school district to participate in writing an amendment to receive Tax Base Sharing for impact students or mineral development students within its jurisdiction.


Relative Tax Base per Student
Park City
Absarokee
Columbus
Nye
Fishtail
Fishtail
Columbus
Nye
Absarokee
Park City

B. Explanation of the Need for an Amendment

B1. The 1998 Plan had significant errors in assessment that have profoundly impacted Park City Schools.

- For at least 25 years, PCSD has incorrectly been excluded from the Impact Plan.
  - Approximately 10-15% of the Impact Students and the Mineral Development Students in Stillwater County attend Park City Schools. Each year, tax revenue is shared amongst some school districts identified in the plan based on their percentage of Mine Development Students, while PCSD's percentage of Mine Development Students is ignored.
- Also see preceding Legal Basis for an Amendment Section of this Cover Letter.

B2. The Plan has not been updated for 25 years, making much of the information antiquated or obsolete.

- Much of the plan is very outdated and should be revised.
  - Tax values, home values (avg $70,000 in the plan etc..), school populations, and inflation are all now very inaccurate in the approved plan.
  - Seems reasonable that there should be a mandatory requirement to amend the Plan every 25 years or so, just to update the changes over time.

B3. Actual employment numbers <u>significantly</u> exceed numbers anticipated in the Plan.

- The approved plan **only forecasted 700 total employees** and actual employment will exceed **2,050 total employees in 2024**.
  - Almost tripling the employment levels contemplated in the plan should necessitate an amendment by itself.
  - The employment numbers are highly correlated to revenue distribution amongst affected government units in the plan.
  - A large scale mineral development is defined by MCA as 75 employees, so an increase of over 1,300 employees should be considered significant.

B4. The legal condition allowing for an amendment under ARM 8.104.217(1)(j)(ii)) was satisfied every single year since the approval of the Impact Plan, 25 years ago.

- See MSHA records in Attachment 7 to this cover letter. The approved 1998 Impact Plan contemplates a maximum of 700 mineral development employees.

C. Costs and Commitments Identified in the Approved Plan which will be Changed as a Result of the Proposed Amendment.

C1. Correction to <u>Property Tax Base Sharing</u> (2023 →life of mine)

- Park City Elementary School District and Park City High School District will correctly be included as "affected units of local government".
- PCSD will receive an equitable portion (based on % Mineral Development Students) of the Property Tax Sharing revenue.
- This change will ensure that the other school districts will no longer receive this portion of PCSD's impact revenue.

<u>Justification for a correction to the Impact Plan Tax Base Sharing:</u>

- Table 2-3 (page 2-6 of the plan) includes a category "other" with 37 students for Impact Elementary Students that are not projected to reside in Columbus, Absarokee, Fishtail or Nye School Districts. (i.e. un-named school districts)
- Table 2-3 (page 2-6 of the plan) also includes a category "other" with 23 students for Impact High School Students that are not projected to reside in Columbus and Absarokee School Districts. (i.e. un-named school districts)
- So 60 of the 301 or **20% of the total Impact Students are not projected to be in the jurisdiction of any of the school districts the plan authors have determined to be the "affected" school districts.**
- Furthermore, Table 2-4 (page 2-8 of the plan) omits any language about "other" category students that were previously identified in Table 2-3.
    - If the plan itself identifies 20% of the impact students as in the jurisdiction of un-named school districts then a similar percentage of the Mineral Development Students must also be in the jurisdiction of un-named school districts.
    - **Table 2-4 incorrectly and arbitrarily awards revenue that should go to the 20% of other/un-named school districts to the Absarokee, Columbus, Nye and Fishtail School districts.**
- See following Table C in this cover letter for approximate change in Property Tax Base Sharing (and MMT sharing) of Impacted School Districts going forward:

C2. Correction to <u>Property Tax Base Sharing</u> (1994→2022)

Since, PCSD was incorrectly excluded from the 1998 Impact Plan and denied subsequent requests for revision to the plan, other school districts received substantial Property Tax Sharing revenue that should have been allocated to PCSD. Reference discussion in C1 for Justification for a correction to the Impact Plan Tax Base Sharing:

- At the time of the 1998 Amendment and in subsequent years, Annual Employee Surveys (includes students of employees) provided sufficient evidence that PCSD had impact students and mineral development students within its jurisdiction. Additionally, since 1998 PCSD has been repeatedly denied requests to revise the Impact Plan.
- In order for PCSD to be reimbursed for the past 25+ years of Property Tax Base Sharing revenue that was inequitably distributed, <u>PCSD will receive an additional 7% of the Property Tax Sharing allocated for Elementary and High School Districts for the next 25 years.</u> *PCSD would also be open to discussing other possible methods to mitigate past wrongful distributions of Property Tax Revenues.*
  - This is a conservative approach that provides the least impact to other schools, but ensures equitable distribution as defined by the Act.
    - Total Impact Plan Payments paid from Property Tax Sharing from only the years 1986-2002 to Stillwater County Schools was $5,433,744. (see Table S-1. Some of the Historical Tax Distribution to Stillwater County Schools)
      - 12.5% of $5,433,744 = $679,218 (with inflation adj)
    - **$679,218 is the estimated amount required to mitigate PCSD's percentage of just the Impact Plan Payments portion of the Property Tax Sharing that was awarded to other school districts from 1986-2002; using value of money in Jan 2023.**
- See Table C on the following page for approximate change in Property Tax Base Sharing of Impacted School Districts going forward:

Stillwater County School District Comparison
2021

	General Fund	Tax Base (Mills)	Students	$ spent per Student	Student:Mill Ratio	$ Tax Base supporting each student
Park City	$ 2,522,218	$10,332	321	$ 7,857	1:32	$32,186.41
Absarokee	$ 2,442,098	$31,411	231	$ 10,572	1:135	$135,978.74
Columbus	$ 5,765,325	$50,211	768	$ 7,507	1:65	$65,378.44
Nye	$ 83,086	$2,353	4	$ 20,772	1:588	$588,232.25
Fishtail	$ 155,316	$4,361	16	$ 9,707	1:272	$272,578.38

Table C - 2022 Tax Base Sharing (Example)

Stillwater Mine (Nye) 2021 Report Year

2022 Tax Base Sharing Rpt (90-6-405 MCA) - as submitted by Sibanye to Dept of Revenue

SCHOOLS	SMC STUDENTS	RESIDENT CONTRACTORS	TOTAL	%
	Students Residing In District	*Students Residing In District*	SMC & Contractors Students	
HIGH SCHOOL DISTRICTS				
Absarokee	18	5	23	27.1%
Columbus	56	6	62	72.9%
Total	**74**	**11**	**85**	100.0%
ELEM. SCHOOL DISTRICTS				
Absarokee	38	4	42	30.2%
Columbus	84	8	92	66.2%
Fishtail	3	2	5	3.6%
Nye	0	0	0	0.0%
Total	**125**	**14**	**139**	100.0%

Table C - 2022 Tax Base Sharing (After including Park City)

Stillwater Mine (Nye) 2021 Report Year

SCHOOLS	SMC STUDENTS	RESIDENT CONTRACTORS**	TOTAL	%	% Diff
	Students Residing In District	*Students Residing In District*	SMC & Contractors Students		
HIGH SCHOOL DISTRICTS					
Park City*	10	1	11	11.5%	11.5%
Absarokee	18	5	23	24.0%	-3.1%
Columbus	56	6	62	64.6%	-8.4%
Total	**84**	**12**	**96**	100.0%	
ELEM. SCHOOL DISTRICTS					
Park City*	21	2	23	14.2%	14.2%
Absarokee	38	4	42	25.9%	-4.3%
Columbus	84	8	92	56.8%	-9.4%
Fishtail	3	2	5	3.1%	-0.5%
Nye	0	0	0	0.0%	0.0%
Total	**146**	**16**	**162**	100.0%	

* An estimate of 31 (2021) total SMC students was provided by Sibanye to PCSD in a Nov 7, 2022 email

* used the ratio of Fall 2021 PCSD Elem Students (206) to HS Students (102) to assign 10 to HS and 21 to Elem of the 31 total

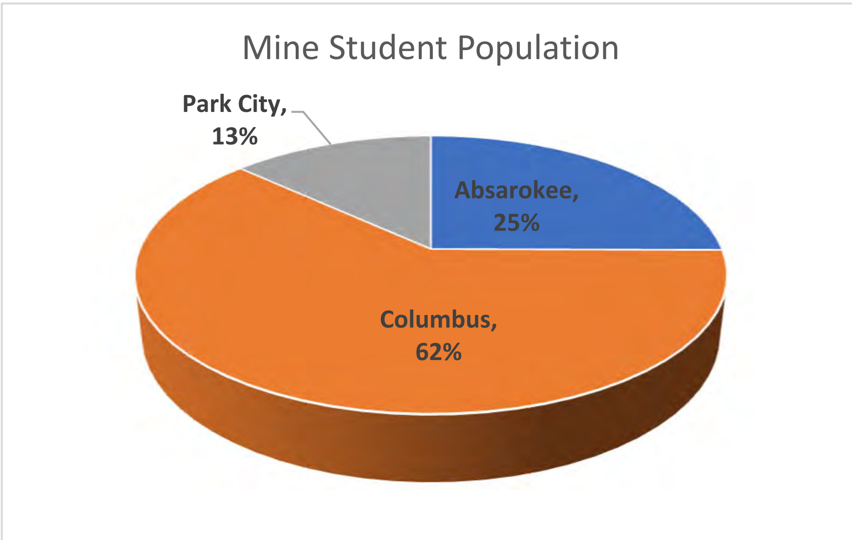
**Used ratio of resident contractors to SMC students of Absarokee and Columbus to estimate/assign 3 total resident contractors to PCSD

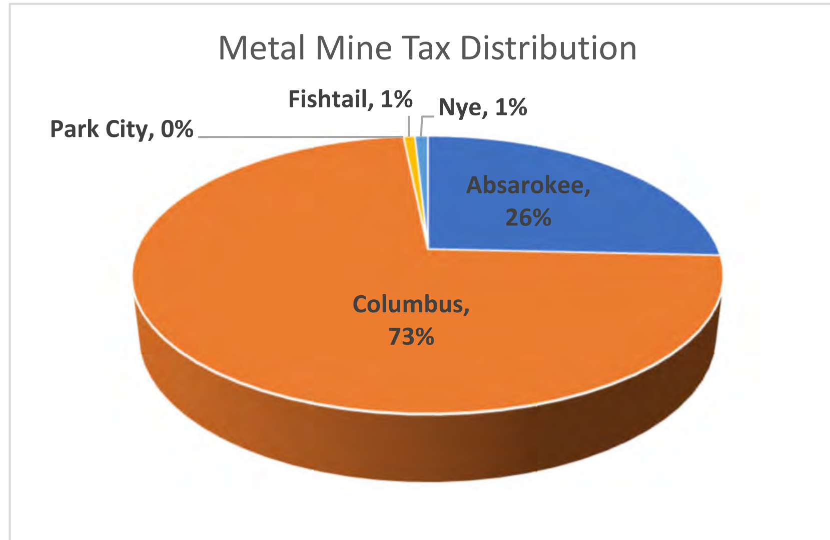
C3. Correction to <u>Metal Mines License Tax</u> revenue distribution (2023 →life of mine)

- Park City Elementary School District and Park City High School District will be included as "affected units of local government".
- PCSD will receive an equitable percentage of the annual distribution of Metal Mines License Tax revenue.
- This change will ensure that the other school districts will no longer receive PCSD's percentage of the annual distribution of Metal Mines License Tax revenue.
  - In 2022 Stillwater County Schools Received $1,632,989 in Metal Mine Tax Revenue (source https://gems.opi.mt.gov/finance-data#districts)
    - Of the $1,632,989 MMT revenue that was paid to school districts named in the NIP in 2022, PCSD should have received approximately 12.5% of the total, or;
      - 12.5% of $1,632,989 = **$204,124**
    - **$204,124 is the estimated amount of 2022 MMT revenue that was incorrectly awarded to other school districts that should have been allocated to PCSD based on percentages of Mineral Development Students.**
    - Also see Table – Some of the Historical Tax Distribution to Stillwater County Schools (later in this cover letter)
- Correcting the MMT distribution percentages will also ensure that Park City Schools will receive an appropriate percent of the Hard Rock Mine <u>Trust</u> Reserve Account following the mine closure or a 50% reduction in the mine workforce.
  - <u>Trust Reserve Account on June 30, 2021 = $16,335,713</u> (see attachment 17)
    - A small percentage of the Trust Reserve Account must be from the East Boulder MMT payments
      - East Boulder MMT payments to Stillwater County was 7.2665% for CY 2021, PCSD could not locate the amount. So, due to lack of information, PCSD assumed the East Boulder Portion of the Total Stillwater Trust Fund was half of the 7.2665% or 3.6332%.
      - 16,335,713 – (16,335,713 x 3.6332%) = $15,742,204
    - Of the $15,742,204, 1/3 is earmarked for schools districts in the NIP
      - 33.3% of $15,742,204 = $5,242,154
    - Of the amount set aside for schools districts in the Trust Reserve Account, PCSD should account for approximately 12.5% of the total, proportionally as of 2021.
      - 12.5% of $5,242,154 = $655,269
      - **$655,269 is the estimated amount of the Stillwater County Metal Mine Trust Reserve Account (June 30, 2021) total that should be set aside for PCSD following a mine closure or a 50% reduction in the mine workforce.**

Mine Student Population vs. Metal Mine Tax $ Distribution

Stillwater County Schools





SOURCE OF MINE STUDENT POPULATION: Sybanye-Stillwater correspondence 11/7/2022

SOURCE OF TAX INFORMATION - https://gems.opi.mt.gov/finance-data#districts

C4. Correction to mitigate 25+ years of PCSD's annual percentage of the <u>Metal Mines License Tax</u> Revenue being distributed to other school districts (1994→2022)

Since, PCSD was incorrectly excluded from the 1998 Impact Plan and denied subsequent requests to revise the Impact Plan, other school districts have received 25 years of Metal Mines License Tax revenue that should have been allocated to PCSD.

- At the time of the 1998 Amendment and in subsequent years, Annual Employee Surveys (includes students of employees) provided sufficient evidence that PCSD had impact students and mineral development students within its jurisdiction.
- In order for PCSD to be reimbursed for the past 25+ years of Metal Mines License Tax revenue that was wrongfully distributed, <u>PCSD will receive an additional 7% of the Metal Mines License Tax revenue allocated for Elementary and High School District for the next 25 years.</u> *PCSD would also be open to discussing other possible methods to mitigate past wrongful distributions of MMT.*
    - This is a conservative approach that provides the least impact to other schools, but ensures a more equitable distribution.
        - Total MMT paid 1994-2022 to Stillwater County Schools was $15,076,196. (see following Table – Some of the Historical Tax Distribution to Stillwater County Schools)
            - 12.5% of $15,076,196 = $1,884,525
            - After adjusting for inflation = $2,303,747
        - **$2,303,747 is the estimated amount required to mitigate PCSD's percentage of just the annual MMT revenue that was incorrectly awarded to other school districts over the past 25+ years; using the value of money in January 2023.**

TABLE S-1. SOME OF THE HISTORICAL TAX DOLLARS DISTRIBUTED TO STILLWATER COUNTY SCHOOLS

MMT (1994-2022) AND NYE IMPACT PLAN PAYMENTS (1986-2002)

IN JANUARY 2023 US DOLLARS

MMT ACTUAL	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	TOTAL
ABSAROKEE HS	28,768	36,683	45,940	52,816	53,947	66,202	68,276	113,485	128,364	73,737	159,643	8,773	204,525	121,661	123,004	76,070	67,667	121,083	218,658	116,087	105,539	104,388	70,407	83,663	108,847	123,033	179,437	230,316	399,752	**3,290,772**
ABSAROKEE ELEM	25,058	31,504	38,198	46,079	40,690	50,696	55,158	70,649	79,713	53,583	128,627	5,280	158,340	92,467	85,308	43,434	58,312	99,796	202,953	92,688	79,566	76,277	55,358	49,492	46,605	92,195	140,457	166,444	210,382	**2,375,309**
MMT ACTUAL ABSAROKEE SCHOOLS	53,826	68,187	84,138	98,895	94,637	116,898	123,434	184,134	208,077	127,320	288,270	14,053	362,865	214,129	208,311	119,503	125,979	220,879	421,612	208,776	185,105	180,665	125,764	133,156	155,451	215,228	319,894	396,761	610,134	**5,666,081**
MMT WITH 3.5% YEARLY INFLATION ADJ	106,575	132,624	160,704	185,428	174,132	211,001	218,478	319,472	353,730	211,987	469,881	22,415	566,070	326,546	310,384	173,877	178,890	305,917	569,176	274,540	236,935	224,928	152,175	156,458	177,214	237,827	342,287	410,647	610,134	**7,820,434**

MMT ACTUAL	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	TOTAL
COLUMBUS HS	7,984	10,374	7,544	11,154	12,343	20,418	34,826	57,666	78,340	54,795	140,831	3,696	109,539	142,290	114,745	71,973	88,970	170,489	139,759	126,593	129,380	159,623	137,748	153,996	204,935	289,146	382,482	542,212	455,053	**4,824,190**
COLUMBUS ELEM	7,837	11,231	15,115	11,170	17,677	26,014	35,129	57,666	78,340	61,447	150,929	4,814	130,411	170,243	128,525	103,256	90,614	185,800	191,514	140,336	148,681	173,206	133,980	158,290	225,855	296,311	397,203	579,514	508,292	**4,239,401**
MMT ACTUAL COLUMBUS SCHOOLS	15,821	21,605	22,659	22,324	30,020	46,432	69,955	115,332	156,680	116,242	291,760	8,510	239,951	312,533	243,270	175,229	179,584	356,289	331,273	266,929	278,061	332,829	271,729	312,287	430,789	585,458	779,685	1,121,726	963,345	**9,063,590**
MMT WITH 3.5% YEARLY INFLATION ADJ	31,326	42,022	43,279	41,858	55,237	83,810	123,820	200,101	266,356	193,543	475,568	13,574	374,323	476,613	362,472	254,958	255,009	493,460	447,219	351,011	355,918	414,373	328,792	366,937	491,100	646,931	834,263	1,160,986	963,345	**10,148,201**

MMT ACTUAL	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	TOTAL
MMT ACTUAL FISHTAIL ELEM	2,036	2,092	2,089	2,053	882	1,658	3,844	7,022	15,500	7,551	13,525	466	6,834	5,353	3,986	2,685	1,760	736	178	134	55	1,537	2,677	17,047	9,028	2,786	12,825	11,364	44,360	**182,064**
MMT WITH 3.5% YEARLY INFLATION ADJ	4,032	4,069	3,990	3,849	1,622	2,992	6,804	12,183	26,350	12,572	22,045	744	10,661	8,164	5,939	3,907	2,499	1,019	240	176	70	1,913	3,239	20,031	10,292	3,078	13,723	11,762	44,360	**242,327**

MMT ACTUAL	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	TOTAL
MMT ACTUAL NYE ELEM	1,423	1,194	1,538	1,138	2,934	3,381	3,990	4,710	5,362	3,333	8,799	656	4,935	8,491	5,909	2,050	1,097	728	193	7,728	3,501	13,292	10,185	8,283	11,279	12,953	7,044	13,184	15,150	**164,461**
MMT WITH 3.5% YEARLY INFLATION ADJ	2,818	2,323	2,938	2,134	5,399	6,103	7,061	8,172	9,116	5,549	14,342	1,046	7,699	12,949	8,805	2,983	1,558	1,008	260	10,162	4,481	16,548	12,324	9,732	12,858	14,313	7,537	13,646	15,150	**219,016**

ABSAROKEE SCHOOLS - MMT RECEIVED	$5,666,081	MMT ADJ FOR INFLATION	$7,820,434	OTHER IMPACT PAYMENTS RECEIVED BY ABSAROKEE SCHOOLS (ADJ INFLATION)	$3,971,775	ABSAROKEE SCHOOLS PARTIAL TOTAL COMPENSATION RECEIVED SO FAR	$11,792,209
COLUMBUS SCHOOLS - MMT RECEIVED	$9,063,590	MMT ADJ FOR INFLATION	$10,148,201	OTHER IMPACT PAYMENTS RECEIVED BY COLUMBUS SCHOOLS (ADJ INFLATION)	$1,064,877	COLUMBUS SCHOOLS PARTIAL TOTAL COMPENSATION RECEIVED SO FAR	$11,213,077
NYE & FISHTAIL SCHOOLS - MMT RECEIVED	$346,524	MMT ADJ FOR INFLATION	$461,343	OTHER IMPACT PAYMENTS RECEIVED BY NYE AND FISHTAIL SCHOOLS (ADJ INFLATION)	$397,092	NYE & FISHTAIL SCHOOLS PARTIAL TOTAL COMPENSATION RECEIVED SO FAR	$858,435
STILLWATER COUNTY SCHOOLS - MMT	**$15,076,196**	**MMT ADJ FOR INFLATION**	**$18,429,977**	**TOTAL OTHER IMPACT PAYMENTS RECEIVED BY SCHOOLS (1986-2002) (ADJ INFLATION)**	**$5,433,744**	**PARTIAL TOTAL COMPENSATION PAID TO SWC SCHOOLS**	**$23,863,721**
PARK CITY SCHOOLS - MMT RECEIVED	$0	MMT ADJ FOR INFLATION	$0	OTHER IMPACT PAYMENTS RECEIVED BY PARK CITY SCHOOLS	$0	TOTAL COMPENSATION PAID TO PARK CITY SCHOOLS	$0
PARK CITY SCHOOL'S PERCENTAGE (12.5%) OF MMT REVENUE DISTRIBUTED TO COLUMBUS, ABSAROKEE, FISHTAIL & NYE SCHOOLS OVER 28 YEARS (1994-2022)	$1,884,525	MMT ADJ FOR INFLATION	$2,303,747	FUTURE IMPACT PAYMENTS TO PARK CITY SCHOOLS	SEE THE REVISED AM3 IMPACT PLAN		

NOTES:
1. INFLATION ADJUSTMENT TO ACCOUNT FOR CURRENT VALUE AFTER YEARS OF PAYMENTS - https://www.bls.gov/data/inflation_calculator.htm - July 1994 to July 2022 = 99.65% so used (99.65%/28 years) 3.5% per year
2. MMT TAX DATA only available back to 1994; Absarokee, Columbus, Nye & Fishtail Schools also received Metal Mines Tax Revenues before 1994 that is not included in these totals
3. SOURCE OF TAX INFORMATION - https://gems.opi.mt.gov/finance-data#districts
4. SOURCE OF PARK CITY PERCENTAGE USED - estimated from a total of 31 (2021) Mineral Development students that was provided by Sibanye to PCSD in a Nov 7, 2022 email
5. IMPACT PAYMENTS TO SCHOOLS - Tables S1 and S2 of the Impact Plan show the Impact Payments made to Schools (e.g. Tax Prepayment and Grants)

6. IMPORTANT NOTE: THIS TABLE DOES NOT INCLUDE ALL THE MINERAL DEVELOPMENT PROPERTY TAXES SHARED BY ABSAROKEE, COLUMBUS, NYE AND FISHTAIL SCHOOL DISTRICTS; THE IMPACT PAYMENTS JUST INCLUDE THE PREPAID PROPERTY TAXES FROM 1986-2002

C5. PCSD Reimbursement for Actual Impact Costs (Tax Prepayment)

By excluding PCSD from the 1998 Impact Plan and denying subsequent requests to revise the plan, PCSD has never been compensated for "impact costs" incurred for providing services as a result of the impact population and mineral development, while other school districts have already been compensated accordingly. See the following new sections that have been included in the Impact Plan:

13. PARK CITY ELEMENTARY SCHOOL, Background and Projections, Impact Needs and Costs, Impact Revenues, Impact of SMC In-migrating Students.

14. PARK CITY HIGH SCHOOL, Background and Projections, Impact Needs and Costs, Impact Revenues, Impact of SMC In-migrating Students.

PCSD should be afforded the same standard of impact evaluation the plan has previously applied to other school districts.

D. Other/Additional Discussion:

- PCSD would consider rescinding this application if the Mineral Development and the SCC join together to amend (re-write) the entire plan and warrant in writing to PCSD that:

  (1) Park City Elementary School District and Park City High School District will both be included as "affected units of local government" in the amended plan; and

  (2) A reasonable timeline for preparation of the amendment will be established; and

  (3) The arguments set forth by PCSD in this application, including attachments, will be considered in good faith and integrated into the amended plan; where appropriate.

  (4) The 1998 East Boulder Impact Plan has similar deficiencies to those identified in this Nye Impact Plan submittal that will be addressed in an amendment to the East Boulder Impact Plan in the near future.

- While all data presented in this cover letter and the attached materials are accurate to the best of PCSD's knowledge, errors may be identified and corrected in future correspondence.

Thank you for your time. Please contact Dan Grabowska, Superintendent, if you have any questions or concerns with this submittal.

Sincerely,

Park City School District #5 Board of Trustees:

Kevin Hoffman	Amber Tilzey	Breann Streck
Lindsay Witt	Jonathan Alegria	

PCSD//drw

Cc: Dan Grabowska, Dusty Weber, Elizabeth Kaleva, Hard Rock Mining Impact Board, Sibanye-Stillwater, MTDEQ-Mining Bureau, Town of Columbus, Columbus Elem & HS SD, Absarokee Elem & HS SD, Fishtail Elem SD, Nye Elem SD, Absarokee Water and Sewer District

Attached to this Cover Letter:
Figure 1 – Nye Mineral Development Project Site (Stillwater Mine)
Attachment 1 – PCSD Resolution Authorizing County to Submit the Petition for Amendment 3
Attachment 2 – **Existing (1998, AM2) Nye Impact Plan**
Attachment 3 – Existing (1998, AM2) Nye Impact Plan with Markups of Proposed AM3 Revisions
Attachment 4 – Summary of the Proposed (2023, AM3) changes to Nye Impact Plan by page
Attachment 5 – **Proposed (2023, AM3) Nye Impact Plan with all changes included (clean version)**
Attachment 6 – Sibanye Mineral Development Employee Projections
Attachment 7 – Sibanye Mineral Development Employees Actual – MSHA LOM Records
Attachment 8 – Nye Annual Tax Base Sharing Report (2021 Report Year)
Attachment 9 – PCSD March 2021 Letter Requesting Modification to Receive MMT Revenues
Attachment 10 – PCSD December 2022 Amendment Notification Letter
Attachment 11 – OPI - Student Count Rpt –Stillwater County Schools Fall 2021 and Spring 2022
Attachment 12 – Page 24 of 1998 EIS Record of Decision – AMD 10 to DEQ Operating Permit 00118
Attachment 13 – Pages 71-76 of May 2012 EIS_Issue 13 and Issue 14
Attachment 14 – Checklist EA ROD 2010 AMD 12 to DEQ Operating Permit 00118
Attachment 15 – Pages 30 and 57 of Good Neighbor Agreement 2016
Attachment 16 – PDF page A49 - SW County - of App A in Dept Rev 2020-22 Biennial Tax Rpt
Attachment 17 – Pages 7 and 10 and 12 of – SW County 2021 Audited Report
Attachment 18 – USB Drive – with pdf copy of this entire AM3 submittal

NYE MINERAL DEVELOPMENT
STILLWATER MINE

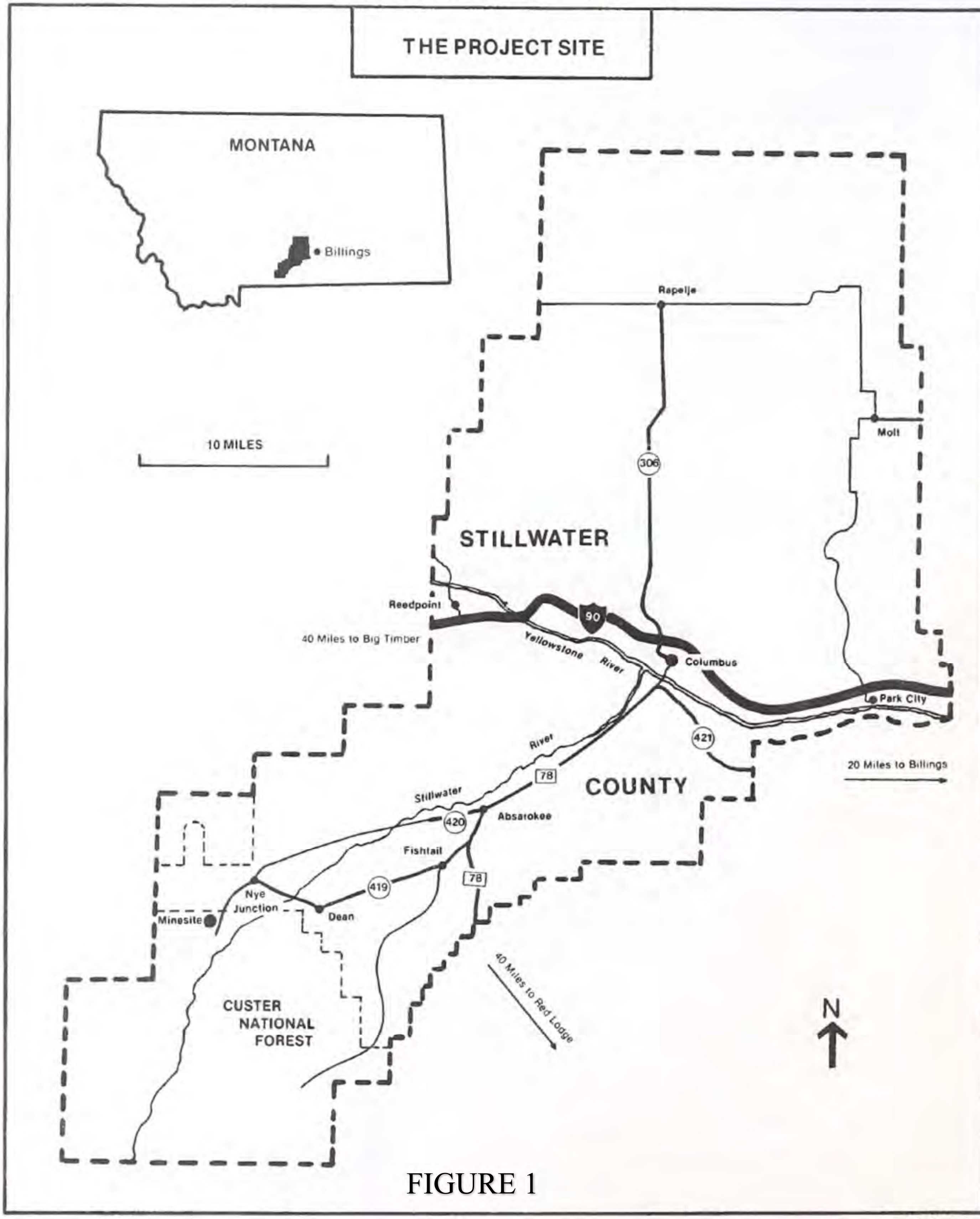


FIGURE 1

Source: 1985 STILLWATER PROJECT - EIS

Attachment 1 – PCSD Resolution Authorizing County to Submit the Petition for Amendment 3

BE IT RESOLVED, THE BOARD OF TRUSTEES FOR SCHOOL DISTRICT NO. 5, STILLWATER COUNTY, STATE OF MONTANA, AUTHORIZE THE STILLWATER COUNTY BOARD OF COMMISSIONERS TO PETITION THE HARD ROCK MINING IMPACT BOARD TO AMEND THE NYE IMPACT PLAN, RESOLUTION NUMBER 20230214

WHEREAS, the Hard Rock Mining Impact Plan at the Nye Mineral Development was approved in 1985, amended in 1988 and amended again in 1998. However, twenty-five (25) years have now elapsed since the last update of any kind to the Impact Plan;

WHEREAS, the Park City School District #5 Board of Trustees is the governing body of Park City Elementary School District #5 and Park City High School District #5;

WHEREAS, Park City Elementary School District #5 and Park City High School District #5 are both "affected local government units" that have been impacted and will be impacted by the Nye Mineral Development;

WHEREAS, certain legal and plan specific requirements have been met to allow for an amendment to the Impact Plan;

NOW, THEREFORE, BE IT RESOLVED, Park City School District #5 of Stillwater County, Montana, formally authorizes the Stillwater County Board of Commissioners to petition the Hard Rock Mining Impact Board for an amendment to the Impact Plan, according to ARM 8.104.217(1)(a);

AND BE IT FURTHER RESOLVED, Park City School District #5 has prepared a complete amendment application package that addresses all applicable MCA and ARM requirements and has prepared all the documents reasonably necessary for the Commissioners to petition the Impact Board for an amendment to the Impact Plan; without delay.

Voted on and approved by Park City School District #5 Board of Trustees at the February 14, 2023 regular meeting:

Kevin Hoffman

Amber Tilzey

Breann Streck

Lindsay Witt

Jonathan Alegria

Attachment 2 – Existing (1998, AM2) Nye Impact Plan

STILLWATER MINING COMPANY

HARD ROCK MINING IMPACT PLAN AMENDMENT

NYE EXPANSION PROJECT

Prepared by:

Stillwater Mining Company
Box 365
Nye, Montana 59061

Assisted by:

Jim E. Richard, Consultant
White Sulphur Springs, MT 59645

Submitted to Montana Hard Rock Mining Impact Board and Affected Units of Local Government:

June 3, 1998

TABLE OF CONTENTS

TABLES

August 10, 1998

TO: HARD ROCK MINING IMPACT BOARD

FR: STILLWATER MINING COMPANY; STILLWATER COUNTY

RE: Letter of Modification to Stillwater Mining Company's June 3, 1998, Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project

This letter of Modification is the formal modification of the June 3, 1998 Hard Rock Mining Impact Plan Amendment for the Stillwater Mining Company's Nye Expansion Project. This Letter is submitted and agreed to by Stillwater Mining Company and Stillwater County. The attached pages show, by shading, the provisions that supercede the reference provisions in the June 3, 1998, Plan Amendment. By their signatures below, each of the parties indicates agreement to and approval of this Letter of Modification.

Upon approval of this Letter of Modification by the Hard Rock Mining Impact Board, Stillwater Mining Company will provide colored replacement pages to each affected unit of local government for insertion into copies of the June 3, 1998, Plan Amendment.

The following modifications are made to the June 3, 1998, Plan Amendment:

1. Pages 2-9 and 2-10, TABLE 2-5 SMC TAXABLE VALUATION ($000's): Actual 1998-99 taxable valuations for Stillwater Mining Company and each of the affected units of local government will replace the respective taxable valuations projected in the June 3, 1998, draft for Year 3, 1998-99. The actual 1998-99 SMC taxable valuation was approximately 15% less than projected in the June 3, 1998, Plan Amendment and Stillwater Mining Company believes a modification is appropriate. The revised data for that year are shaded in the replacement TABLE 2-5.

2. Pages 4-6 through 4-8, TABLE 4-2: Actual 1998-99 taxable valuations for SMC are used in the replacement pages. Shaded data show the actual 1998-99 taxable valuations and the resulting budget changes that occur as a result using actual data.

The parties below accept and approve this August 10, 1998, Letter of Modification to Stillwater Mining Company's Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project.

Edward Blatter, Chair
STILLWATER COUNTY

Charles E. Egan
Clifford A. Bare

STILLWATER MINING COMPANY

August 10, 1998

TO: HARD ROCK MINING IMPACT BOARD

FR: STILLWATER MINING COMPANY; TOWN OF COLUMBUS

RE: Letter of Modification to Stillwater Mining Company's June 3, 1998, Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project

This letter of Modification is the formal modification of the June 3, 1998 Hard Rock Mining Impact Plan Amendment for the Stillwater Mining Company's Nye Expansion Project. This Letter is submitted and agreed to by Stillwater Mining Company and the Town of Columbus. The attached pages show, by shading, the provisions that supercede the reference provisions in the June 3, 1998, Plan Amendment. By their signatures below, each of the parties indicates agreement to and approval of this Letter of Modification.

Upon approval of this Letter of Modification by the Hard Rock Mining Impact Board, Stillwater Mining Company will provide colored replacement pages to each affected unit of local government for insertion into copies of the June 3, 1998, Plan Amendment.

The following modifications are made to the June 3, 1998, Plan Amendment:

1. Pages 2-9 and 2-10, TABLE 2-5 SMC TAXABLE VALUATION ($000's): Actual 1998-99 taxable valuations for Stillwater Mining Company and each of the affected units of local government will replace the respective taxable valuations projected in the June 3, 1998, draft for Year 3, 1998-99. The actual 1998-99 SMC taxable valuation was approximately 15% less than projected in the June 3, 1998, Plan Amendment and Stillwater Mining Company believes a modification is appropriate. The revised data for that year are shaded in the replacement TABLE 2-5.

2. Page 5-6, TABLE 5-1: Actual 1998-99 taxable valuations for SMC are used in the replacement pages. Shaded data show the actual 1998-99 taxable valuations and the resulting budget changes that occur as a result using actual data.

The parties below accept and approve this August 10, 1998, Letter of Modification to Stillwater Mining Company's Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project.

TOWN OF COLUMBUS

STILLWATER MINING COMPANY

August 10, 1998

TO: HARD ROCK MINING IMPACT BOARD

FR: STILLWATER MINING COMPANY; COLUMBUS HIGH SCHOOL DISTRICT

RE: Letter of Modification to Stillwater Mining Company's June 3, 1998, Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project

This letter of Modification is the formal modification of the June 3, 1998 Hard Rock Mining Impact Plan Amendment for the Stillwater Mining Company's Nye Expansion Project. This Letter is submitted and agreed to by Stillwater Mining Company and Columbus High School District. The attached pages show, by shading, the provisions that supercede the reference provisions in the June 3, 1998, Plan Amendment. By their signatures below, each of the parties indicates agreement to and approval of this Letter of Modification.

Upon approval of this Letter of Modification by the Hard Rock Mining Impact Board, Stillwater Mining Company will provide colored replacement pages to all affected units of local government for insertion into copies of the June 3, 1998, Plan Amendment.

The following modifications are made to the June 3, 1998, Plan Amendment:

1. Pages 2-9 and 2-10, TABLE 2-5 SMC TAXABLE VALUATION ($000's): Actual 1998-99 taxable valuations for Stillwater Mining Company and each of the affected units of local government will replace the respective taxable valuations projected in the June 3, 1998, draft for Year 3, 1998-99. The actual 1998-99 SMC taxable valuation was approximately 15% less than projected in the June 3, 1998, Plan Amendment and Stillwater Mining Company believes a modification is appropriate. The revised data for that year are shaded in the replacement TABLE 2-5.

2. Pages 9-4 and 9-5, TABLES 9-1 and 9-2: Actual 1998-99 Annual Number Belonging (ANB) and actual taxable valuations for SMC and the total District are used in the replacement pages. Shaded data show the actual ANB and taxable valuations and the resulting budget changes that occur as a result using actual data.

3. Page 9-6, TABLE 9-3: The $37,100 funding from Stillwater Mining Company for counseling and tutoring will be placed in the school's Hard Rock Mining Impact Fund.

The parties below accept and approve this August 10, 1998, Letter of Modification to Stillwater Mining Company's Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project.

COLUMBUS HIGH SCHOOL DISTRICT

STILLWATER MINING COMPANY

August 10, 1998

TO: HARD ROCK MINING IMPACT BOARD

FR: STILLWATER MINING COMPANY; COLUMBUS ELEMENTARY SCHOOL

RE: Letter of Modification to Stillwater Mining Company's June 3, 1998, Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project

This letter of Modification is the formal modification of the June 3, 1998 Hard Rock Mining Impact Plan Amendment for the Stillwater Mining Company's Nye Expansion Project. This Letter is submitted and agreed to by Stillwater Mining Company and Columbus Elementary School District. The attached pages show, by shading, the provisions that supercede the reference provisions in the June 3, 1998, Plan Amendment. By their signatures below, each of the parties indicates agreement to and approval of this Letter of Modification.

Upon approval of this Letter of Modification by the Hard Rock Mining Impact Board, Stillwater Mining Company will provide colored replacement pages to all affected units of local government for insertion into copies of the June 3, 1998, Plan Amendment.

The following modifications are made to the June 3, 1998, Plan Amendment:

1. Pages 2-9 and 2-10, TABLE 2-5 SMC TAXABLE VALUATION ($000's): Actual 1998-99 taxable valuations for Stillwater Mining Company and each of the affected units of local government will replace the respective taxable valuations projected in the June 3, 1998, draft for Year 3, 1998-99. The actual 1998-99 SMC taxable valuation was approximately 15% less than projected in the June 3, 1998, Plan Amendment and Stillwater Mining Company believes a modification is appropriate. The revised data for that year are shaded in the replacement TABLE 2-5.

2. Pages 8-4 and 8-5, TABLES 8-1 and 8-2: Actual 1998-99 Annual Number Belonging (ANB) and actual taxable valuations for SMC and the total District are used in the replacement pages. Shaded data show the actual ANB and taxable valuations and the resulting budget changes that occur as a result using actual data.

The parties below accept and approve this August 10, 1998, Letter of Modification to Stillwater Mining Company's Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project.

COLUMBUS ELEMENTARY SCHOOL DISTRICT

STILLWATER MINING COMPANY

August 10, 1998

TO: HARD ROCK MINING IMPACT BOARD

FR: STILLWATER MINING COMPANY; NYE ELEMENTARY SCHOOL

RE: Letter of Modification to Stillwater Mining Company's June 3, 1998, Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project

This letter of Modification is the formal modification of the June 3, 1998 Hard Rock Mining Impact Plan Amendment for the Stillwater Mining Company's Nye Expansion Project. This Letter is submitted and agreed to by Stillwater Mining Company and Nye Elementary School District. The attached pages show, by shading, the provisions that supercede the reference provisions in the June 3, 1998, Plan Amendment. By their signatures below, each of the parties indicates agreement to and approval of this Letter of Modification.

Upon approval of this Letter of Modification by the Hard Rock Mining Impact Board, Stillwater Mining Company will provide colored replacement pages to all affected units of local government for insertion into copies of the June 3, 1998, Plan Amendment.

The following modifications are made to the June 3, 1998, Plan Amendment:

1. Pages 2-9 and 2-10, TABLE 2-5 SMC TAXABLE VALUATION ($000's): Actual 1998-99 taxable valuations for Stillwater Mining Company and each of the affected units of local government will replace the respective taxable valuations projected in the June 3, 1998, draft for Year 3, 1998-99. The actual 1998-99 SMC taxable valuation was approximately 15% less than projected in the June 3, 1998, Plan Amendment and Stillwater Mining Company believes a modification is appropriate. The revised data for that year are shaded in the replacement TABLE 2-5.

2. Pages 11-3 and 11-4, TABLES 11-1 and 11-2: Actual 1998-99 Annual Number Belonging (ANB) and actual taxable valuations for SMC and the total District are used in the replacement pages. Shaded data show the actual ANB and taxable valuations and the resulting budget changes that occur as a result using actual data.

The parties below accept and approve this August 10, 1998, Letter of Modification to Stillwater Mining Company's Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project.

NYE ELEMENTARY SCHOOL DISTRICT

STILLWATER MINING COMPANY

August 10, 1998

TO: HARD ROCK MINING IMPACT BOARD

FR: STILLWATER MINING COMPANY; FISHTAIL ELEMENTARY SCHOOL

RE: LETTER OF MODIFICATION TO STILLWATER MINING COMPANY'S JUNE 3, 1998, HARD ROCK MINING IMPACT PLAN AMENDMENT FOR THE NYE EXPANSION PROJECT

This letter of Modification is the formal modification of the June 3, 1998 Hard Rock Mining Impact Plan Amendment for the Stillwater Mining Company's Nye Expansion Project. This Letter is submitted and agreed to by Stillwater Mining Company and Fishtail Elementary School District. The attached pages show, by shading, the provisions that supercede the reference provisions in the June 3, 1998, Plan Amendment. By their signatures below, each of the parties indicates agreement to and approval of the this Letter of Modification.

Upon approval of this Letter of Modification by the Hard Rock Mining Impact Board, Stillwater Mining Company will provide colored replacement pages to all affected units of local government for insertion into copies of the June 3, 1998, Plan Amendment.

The following modifications are made to the June 3, 1998, Plan Amendment:

1. Pages 2-9 and 2-10, TABLE 2-5 SMC TAXABLE VALUATION ($000's): Actual 1998-99 taxable valuations for Stillwater Mining Company and each of the affected units of local government will replace the respective taxable valuations projected in the June 3, 1998, draft for Year 3, 1998-99. The actual 1998-99 SMC taxable valuation was approximately 15% less than projected in the June 3, 1998, Plan Amendment and Stillwater Mining Company believes a modification is appropriate. The revised data for that year are shaded in the replacement TABLE 2-5.

2. Pages 10-3 and 10-4, TABLES 6-1 AND 6-2: Actual 1998-99 Annual Number Belonging (ANB) and actual taxable valuations for SMC and the total District are used in the replacement pages. Shaded data show the actual ANB and taxable valuations and the resulting budget changes that occur as a result using actual data.

The parties below accept and approve this August 10, 1998, Letter of Modification to Stillwater Mining Company's Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project.

FISHTAIL ELEMENTARY SCHOOL DISTRICT

STILLWATER MINING COMPANY

August 10, 1998

TO: HARD ROCK MINING IMPACT BOARD

FR: STILLWATER MINING COMPANY; ABSAROKEE ELEMENTARY SCHOOL

RE: Letter of Modification to Stillwater Mining Company's June 3, 1998, Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project

This letter of Modification is the formal modification of the June 3, 1998 Hard Rock Mining Impact Plan Amendment for the Stillwater Mining Company's Nye Expansion Project. This Letter is submitted and agreed to by Stillwater Mining Company and Absarokee Elementary School District. The attached pages show, by shading, the provisions that supercede the reference provisions in the June 3, 1998, Plan Amendment. By their signatures below, each of the parties indicates agreement to and approval of this Letter of Modification.

Upon approval of this Letter of Modification by the Hard Rock Mining Impact Board, Stillwater Mining Company will provide colored replacement pages to Absarokee Elementary School for insertion into copies of the June 3, 1998, Plan Amendment.

The following modifications are made to the June 3, 1998, Plan Amendment:

1. Pages 2-9 and 2-10, TABLE 2-5 SMC TAXABLE VALUATION ($000's): Actual 1998-99 taxable valuations for Stillwater Mining Company and each of the affected units of local government will replace the respective taxable valuations projected in the June 3, 1998, draft for Year 3, 1998-99. The actual 1998-99 SMC taxable valuation was approximately 15% less than projected in the June 3, 1998, Plan Amendment and Stillwater Mining Company believes a modification is appropriate. The revised data for that year are shaded in the replacement TABLE 2-5.

2. Pages 6-3 and 6-4, TABLE 6-1 AND 6-2: Actual 1998-99 Annual Number Belonging (ANB) and actual taxable valuations for SMC and the total District are used in the replacement pages. Shaded data show the actual ANB and taxable valuations and the resulting budget changes that occur as a result using actual data.

The parties below accept and approve this August 10, 1998, Letter of Modification to Stillwater Mining Company's Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project.

ABSAROKEE ELEMENTARY SCHOOL DISTRICT	STILLWATER MINING COMPANY

August 10, 1998

TO: HARD ROCK MINING IMPACT BOARD

FR: STILLWATER MINING COMPANY; ABSAROKEE HIGH SCHOOL DISTRICT

RE: Letter of Modification to Stillwater Mining Company's June 3, 1998, Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project

This letter of Modification is the formal modification of the June 3, 1998 Hard Rock Mining Impact Plan Amendment for the Stillwater Mining Company's Nye Expansion Project. This Letter is submitted and agreed to by Stillwater Mining Company and Absarokee High School District. The attached pages show, by shading, the provisions that supercede the reference provisions in the June 3, 1998, Plan Amendment. By their signatures below, each of the parties indicates agreement to and approval of this Letter of Modification.

Upon approval of this Letter of Modification by the Hard Rock Mining Impact Board, Stillwater Mining Company will provide colored replacement pages to all affected units of local government for insertion into copies of the June 3, 1998, Plan Amendment.

The following modifications are made to the June 3, 1998, Plan Amendment:

1. Pages 2-9 and 2-10, TABLE 2-5 SMC TAXABLE VALUATION ($000's): Actual 1998-99 taxable valuations for Stillwater Mining Company and each of the affected units of local government will replace the respective taxable valuations projected in the June 3, 1998, draft for Year 3, 1998-99. The actual 1998-99 SMC taxable valuation was approximately 15% less than projected in the June 3, 1998, Plan Amendment and Stillwater Mining Company believes a modification is appropriate. The revised data for that year are shaded in the replacement TABLE 2-5.

2. Pages 7-3 and 7-4, TABLES 7-1 AND 7-2: Actual 1998-99 Annual Number Belonging (ANB) and actual taxable valuations for SMC and the total District are used in the replacement pages. Shaded data show the actual ANB and taxable valuations and the resulting budget changes that occur as a result using actual data.

The parties below accept and approve this August 10, 1998, Letter of Modification to Stillwater Mining Company's Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project.

ABSAROKEE HIGH SCHOOL DISTRICT

STILLWATER MINING COMPANY

EXECUTIVE SUMMARY; MITIGATION SUMMARY

Stillwater Mining Company is undertaking an expansion of its mineral development near Nye. The expansion is increasing mine-related employment, population and school enrollments beyond those levels projected in the 1988 Amended Hard Rock Mining Impact Plan. This 1998 Plan Amendment completely revises the 1988 Plan and supercedes both the 1985 Impact Plan and the 1988 Amended Plan, although certain separate agreements contained in the 1988 Plan are still in effect and are attached to this Plan Amendment.

Project Description

Stillwater Mining Company (SMC), in cooperation with affected units of local government, has prepared this Amendment to its Hard Rock Mining Impact Plan for the platinum-palladium mineral development near Nye in Stillwater County. SMC is in the process of expanding its production at the mine from 1,000 tons per day (tpd) to 2,000 tpd. The company expects to reach its fully expanded production during 1998. Metal prices, ore grade, continuity of ore zone and production costs will determine the actual production and development schedule.

Under the Montana Hard Rock Mining Impact Act, a large-scale mineral developer is required to prepare, or amend, a hard rock mining impact plan that describes the fiscal impacts the mineral developer will create for units of local government. The proposed expanded production of the SMC mine at Nye will create increased employment at the mineral operation. Although a shift towards mechanization will be less labor-intensive than the current operation, the expansion is expected to exceed the inmigrating manpower levels projected in the 1988 Plan Amendment by more than 15%. Therefore, under conditions of the 1988 Plan when inmigrating mineral employment exceeds 265, an updated plan amendment is necessitated. The projected total inmigrating mineral employment after expansion would total 440 employees/contractors, which triggers this Plan Amendment Of the employees, approximately 40% are expected to be local residents and 60% would move into the area.

SMC's December 31, 1995, employee monitoring report showed that at that time 468 mineral employees were employed by SMC. After the expansion, a total of 700 mineral employees/contractors are projected to be working for SMC. Of those mineral employees, 440 are expected to inmigrate to the impact area. This workforce includes approximately 50 non-resident contractors who will be working at the mine site at any given time, at least for the first four years of the expansion. Those 50 contractors are considered inmigrating for purposes of determining impacts on Stillwater County services and calculating secondary employment.

Because the contractors will be housed at SMC housing facilities near Nye, and will be without families, they are not included in calculating inmigrating elementary and high school students or inmigrating family dependents. As a result of the expansion, a total of 34 secondary employees will have inmigrated to take jobs in secondary sectors or with firms serving the SMC mineral development. Inmigrating secondary employees are estimated at 7.5% of the total secondary employment generated by the SMC mineral development. Approximately 1,263 total new people will migrate into the mineral development area, including 220 inmigrating elementary students and 81 high school students.

The employment, population and school enrollment projections presented in Section 3, pages 6 and 7 of the 1988 Plan have been revised and are shown in subsection 2.3 Projections, page 2-3 of this Plan Amendment. The assumptions in subsection 14.1, page 57 of the 1988 Plan have been revised as shown in subsection 2.2 Assumptions of this Plan Amendment. Subsection 1.5 of this Plan Amendment sets out a complete set of revised definitions, which supersede the definitions in subsection 1.1 Definitions, page 1, of the 1985 Plan (the 1988 Plan did not contain a definitions section). Section 3.0 Conditions for Impact Plan Modification specifies conditions under which this Plan Amendment may be amended or adjusted. These conditions are somewhat revised from, and replace subsection 14.3, page 62 of the 1988 Plan. Each of sections 4 through 11 of this Plan Amendment addresses the impacts of specific units of local government, and replace and supersede the corresponding section in the 1988 Plan. Section 12 addresses the impacts of the Absarokee Water and Sewer District, a unit of local government that was formed since the 1988 Plan. Appendix A contains a new SMC financial guarantee, which replaces the financial guarantee in Appendix 14.4 of the 1988 Plan. Agreements with the Town of Columbus and Columbus School District are still valid and become a part of this Plan Amendment.

Affected Units of Local Government

The "affected units of local government" include:

- Stillwater County
- Town of Columbus
- Columbus Elementary School District
- Columbus High School District
- Absarokee Elementary School District
- Absarokee High School District
- Fishtail Elementary School District
- Nye Elementary School District
- Absarokee Water and Sewer District

Tax Base Sharing

Under Montana's Property Tax Base Sharing Act, the Impact Plan proposes that, along with Stillwater County, the Town of Columbus, Columbus Elementary School, Columbus High School, Absarokee Elementary, Absarokee High School, Nye Elementary School, and Fishtail Elementary School receive a portion of the mineral development taxable valuation. The SMC taxable valuation is projected to be allocated according to the tax base sharing percentages shown in Table 2-4. The Town of Columbus will receive 20% of the SMC mineral development taxable valuation. Based on the percentage of mineral development students residing within the various school districts, Columbus Elementary is projected to receive 41% of the taxable valuation, Absarokee Elementary 53%, Nye Elementary 5%, and Fishtail Elementary 2%. Columbus High School would receive 29% of the taxable valuation, while the Absarokee High School would receive 71%.

Impact Costs and Impact Revenues

Affected units of local government will experience increased costs to provide services to the inmigrating population and students associated with the expanded mineral development. Most annual operating and maintenance costs have been projected to increase on a per-capita or per-student basis. Certain specific line item costs have been identified as impact costs for Stillwater County and Columbus Public Schools.

Impact revenues are generated by the increased valuation that the SMC mineral development will add to each affected unit of local government, in most cases through tax base sharing. The increase in population is expected to increase non-tax revenues (licenses, fines, user fees) on a per-capita basis. The increased number of students in each of the affected elementary and high schools will generate increased state funding to help meet the increased costs.

For most affected units of local government, the annual total impact revenues will exceed annual total impact costs beginning in Year 1 of the expansion and are expected continue throughout the remaining life of the mineral development. For several affected school districts, the SMC mineral development creates net operating costs in at least one year. These net operating costs will be met through tax prepayments.

Monitoring
SMC will continue to monitor conditions and actual employment, population and enrollment levels. The data relating to levels and distribution of mineral development employees, immigrating population and school enrollments will be presented in yearly employment reports, which will be provided to all affected units of local government and the Hard Rock Mining Impact Board.

Contractors residing (i.e., whose primary domicile is located) in the impact area will be counted as mineral development employees both for purposes of allocating the mineral development taxable valuation under the tax base sharing act and for determining local impacts. These resident contractors, their spouses and elementary or high school students also will be included in determining local impacts. . Contractors who do not reside in the impact area either because they commute or are temporarily housed at SMC housing facilities will not be counted for tax base sharing purposes, but the number of those contractors will be estimated and they will be included in determining local impacts.

Note: SMC reaffirms its obligation under the East Boulder River Hard Rock Mining Impact Plan to provide all affected and potentially affected units of local government identified in the East Boulder River Impact Plan with monitoring reports on a quarterly basis through Year 6 and annually thereafter.

TABLE S-1. MITIGATION SUMMARY UNDER THIS PLAN AMENDMENT

Unit of Local Government	Financing Methods	1997-98 Year 2	1998-99 Year 3	2000-01 Year 4	2001-02 Year 5
		----Amount by Year----			
TOWN OF COLUMBUS					
Wastewater Treatment	Grant (bond)	$196,000			
1st Avenue So.	Tax Prepayment		$250,000 (Estimated)		
STILLWATER COUNTY					
FAS 419	Grant (bond)				$900,000 (Under certain Conditions)
COLUMBUS HIGH SCHOOL					
Special Operating Costs	Tax Prepayments		$37,100	$37,100 (if necessary)	$37,100 (if necessary)
FISHTAIL ELEMENTARY					
Net Operating Costs	Tax Prepayments	$ 9,777	$ 6,942	$ 9,014	$ 9,014
NYE ELEMENTARY					
Net Operating Costs	Tax Prepayments	$ 6,479	$ 6,441	$ 4,055	$ 4,055

TABLE S-2. PREVIOUS STILLWATER MINING COMPANY IMPACT PAYMENTS

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
STILLWATER COUNTY											
Tax Prepayment	183,000										
Absarokee Sewer	200,000										
Tax Prepayments		196,000									
S(A)-1			45,298								
S(A)-2				13,682							
S(A)-3					44,738						
S(A)-4						363,481					
S(A)-5							354,715				
S(A)-6								126,205			
S(A)-7										334,609	
S(A)-8											226,842
TOWN OF COLUMBUS											
Tax Prepayments		5,400									
C(A)-1			2,300								
Tax Prepayment- Sewer					64,388						
Stillwater Excavation					22,950						
ABSAROKEE ELEMENTARY											
Tax Prepayments	70,000										
AE(A)-1			30,000								
AE(A)-2				40,000							
Grant				800,000							
ABSAROKEE HIGH SCHOOL											
Tax Prepayment	9,000										
Tax Prepayment		7,000									
AH(A)-1			20,000								
AH(A)-2				20,000							
Grant			800,000								

TABLE S-2 (continued)

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
COLUMBUS ELEMENTARY											
Tax Prepayment		36,100									
Grant		348,000									
CE(A)-1			36,800								
CE(A)-4				15,700							
CE(A)-6					5,700						
FISHTAIL ELEMENTARY											
Tax Prepayment	1,000										
FE(A)-1			25,200								
FE(A)-2				3,007							
Grant					11,773						
Grant					13,578						
Classroom Lease					7,800						
FE(A)-6					2,000						
NYE ELEMENTARY											
Tax Prepayment	1,000										
Grant			45,000								
NE(A)-1			9,000								
NE(A)-2			4,500								
NE(A)-3			4,200								
NE(A)-4				3,800							
NE(A)-5					1,000						
NE(A)-6						2,000					
ABSAROKEE FIRE DISTRICT											
Grant			26,000								

1. INTRODUCTION

Stillwater Mining Company is undertaking an expansion of its mineral development near Nye. The expansion is increasing mine-related employment, population and school enrollments beyond those levels projected in the 1988 Amended Hard Rock Mining Impact Plan. This 1998 Plan Amendment completely revises the 1988 Plan and supercedes both the 1985 Impact Plan and the 1988 Amended Plan. To facilitate easier distinction between references to the 1988 Plan Amendment and this 1998 Plan Amendment, the 1988 document will be referred to as the "1988 Plan," and this 1998 document will be referred to as "this Plan Amendment."

1.1 Project Description

Stillwater Mining Company (SMC) has prepared this Amendment to its 1988 Hard Rock Mining Impact Plan for the platinum-palladium mineral development near Nye in Stillwater County. SMC is expanding its production at the mine from the current 1,000 tons per day (tpd) to 2,000 tpd. The company expects to reach its fully expanded production during 1998. Metal prices, ore grade, continuity of ore zone and production costs will determine the actual increased production and development schedule.

The expanded production will create increased employment at the mineral operation. Although a shift towards mechanization will be less labor-intensive than the current operation, the expansion is expected to exceed by more than 15% the inmigrating manpower levels projected in the 1988 Plan Amendment. Therefore, under conditions of the 1988 Plan Amendment, when inmigrating mineral employment exceeds 265, an updated plan amendment is necessitated The projected inmigrating mineral development employment is 440 employees/contractors.. The projected total mineral employment after expansion would total 700 employees/contractors. This workforce includes an average of approximately 50 non-resident contractors that will be working at the mine site at any given time at least for the first four years of the expanded mine operation. The contractors will be housed at SMC housing facilities near Nye, without families. SMC does not keep an exact accounting of these non-resident contractors as it does for employees and resident contractors. SMC does estimate the number of non-resident contractors, and they are included in determining impacts on Stillwater County services and calculating secondary employment. However, non-resident contractors will not have dependents and they are not included for calculating inmigrating elementary and high school students or inmigrating family dependents. Of the mineral employees, 40% are expected to be local residents. The other changes in employment, population, school enrollment, and taxable valuation associated with this expansion are shown in Tables 2-1 through 2-5.

1.2 Changes from the 1988 Impact Plan

As shown on Table 2-1 (page 2-3) of this Plan Amendment, the 1988 Plan (page 8) projected the total mineral development employment to reach a high of 460 employees. Of those, 230 were projected to inmigrate to the impact area; 90 secondary workers would inmigrate; the total inmigrating mine-related (mineral and secondary) population would be 830 people, with 186 elementary students and 82 high school students. After the 1996-97 expansion, a total of 700 mineral employees are projected to be working for SMC, of whom 440 are expected to inmigrate to the impact area. As a result of the expansion, a total of 34 secondary employees are projected to inmigrate to take jobs in secondary sectors or with firms serving the SMC mineral development. Inmigrating secondary employees are estimated at 7.5% of the total inmigrating mineral employment generated by the SMC mineral development. Approximately 1,263 people will have inmigrated to the mineral development area, including 220 inmigrating elementary students and 81 high school students.

Tables 2-1, 2-2, and 2-3 of this Plan Amendment show the total inmigrating employment, population, and school enrollments from the 1988 Plan (from pages 8-10 of the 1988 Plan), the 1996 levels, and those levels projected after the mine expansion. Tables 2-4 and 2-5 show the effects the expansion will have on tax base sharing allocations and on taxable valuations of the affected units of local government.

The 1988 Plan (page 9) projected that 177 inmigrating employees would live in Absarokee, and 31 would live in Columbus. However, SMC monitoring reports show that a larger percentage of employees are residing in Columbus than was expected in the 1988 Plan. This Plan Amendment projects that, after the expansion, only 141 inmigrating employees would live in Absarokee, but 100 would live in Columbus. As shown in Table 2-3 of this Amendment, that same trend has occurred for elementary and high school enrollments.

The demographic changes since the 1988 Plan are described above. The employment, population and school enrollment projections presented in Section 3, pages 6 and 7 of the 1988 Plan have been revised and are shown in subsection 2.3 Projections, page 2-3 of this Plan Amendment. The assumptions in subsection 14.1, page 57 of the 1988 Plan have been revised as shown in subsection 2.2 Assumptions of this Plan Amendment. Subsection 1.5 of this Plan Amendment sets out a complete set of revised definitions, which supersede the definitions in subsection 1.1 Definitions, page 1, of the 1985 Plan (the 1988 Plan did not contain a definitions section). Section 3.0 Conditions for Impact Plan Modification specifies conditions under which this Plan Amendment may be amended or adjusted. These conditions are somewhat revised from, and replace subsection 14.3, page 62 of the 1988 Plan. Each of sections 4 through 11 of this Plan Amendment addresses the impacts of specific units of local government, and replace and supersede the corresponding section in the 1988 Plan. Section 12 addresses the impacts of the Absarokee Water and Sewer District, a unit of local government formed since the 1988 Plan. Appendix A contains a new SMC financial guarantee, which replaces the financial guarantee in Appendix 14.4 of the 1988 Plan. Agreements with the Town of Columbus and Columbus School Districts are still valid and are a part of this Plan Amendment.

1.3 Monitoring

SMC will continue to monitor employment, population and school enrollment circumstances and provide, on an annual basis, formal monitoring reports to the affected units of local government and the Hard Rock Mining Impact Board. In preparing these monitoring reports, SMC will work with each affected school district to reconcile the number of mineral development students residing in each district and the number of inmigrating mineral development students enrolled in each affected school. The reconciliation will be conducted after February 1st of each year and will be completed by April 1st.

The annual formal monitoring reports will include:

- The number of mineral development employees, residential contractors and the number of inmigrating mineral development employees and their dependents living in each affected unit of local government.

- The number of elementary and high school students of mineral development employees and inmigrating mineral development employees living in each affected school district.

Contractors residing (i.e., whose primary domicile is located) in the impact area will be counted as mineral development employees both for purposes of allocating the mineral development taxable valuation under the tax base sharing act and for determining local impacts. These resident contractors, their spouses and elementary or high school students also will be included in determining local impacts. . Contractors who do not reside in the impact area either because they commute or are temporarily housed at SMC housing facilities will not be counted for tax base sharing purposes, but the number of those contractors will be estimated and included in determining local impacts.

Twice each year SMC, Stillwater County and the Town of Columbus will meet informally to discuss up-to-date estimates of mineral development employees, contractors and potential local impacts.

SMC reaffirms its obligation under the East Boulder River Hard Rock Mining Impact Plan to provide all affected and potentially affected units of local government identified in the East Boulder River Impact Plan with monitoring reports on a quarterly basis through Year 6 and annually thereafter.

This subsection replaces subsection 14.3 Monitoring, on page 63 of the 1988 Impact Plan.

1.4 Affected Units of Local Government

The "affected units of local government" include:

- Stillwater County
- Town of Columbus
- Columbus Elementary School District
- Columbus High School District
- Absarokee Elementary School District
- Absarokee High School District
- Fishtail Elementary School District
- Nye Elementary School District
- Absarokee Water and Sewer District

1.5 Definitions

The following definitions apply throughout this Plan Amendment, and replace the definition section of the 1985 Impact Plan contained on page 1, subsection 1.1 Definitions, of that Plan. (The 1988 Plan did not provide definitions). Except for the addition of the definition of "contractor" these definitions are the same as those in the 1985 Plan.

"Affected Units of Local Government" means those units of local governments that would experience net impact costs during any one year of the SMC mining operation, or a unit of local government within which the mineral development is located.

"Board" means the state Hard Rock Mining Impact Board, as authorized by 2-15-1822, MCA.

"Impacted Area" means the area within Stillwater County, and nearby counties in which mineral development employees may reside.

"Mineral Development Employee" means an employee of SMC, or an SMC contractor and his employees or subcontractors. This term does not include secondary employees.

"Local Mineral Development Employee" means a mineral development employee who has resided within Stillwater County for at least one year prior to the date of hire or a mineral development employee who resides outside of Stillwater County and commutes to work at the mine site.

"In-migrating Mineral Development Employee" means a mineral development employee who establishes residence in Stillwater County within one year prior to, or anytime after, his date of hire. This term does not include secondary employees.

"In-migrating Secondary Employee" means a person who moves into the county to fill a secondary job created by the new demand for goods and services as a result of the mineral development and in-migrating mineral employees.

"Mine-related Employee" means a mineral development employee or an inmigrating secondary employee whose job results from the SMC mineral development.

"Inmigrating (Impact) Mine-related Employee" means an inmigrating mineral development employee or an inmigrating secondary employee.

"Contractor" means a person contracted by SMC to perform work or service for the company at the mineral development. The term also includes any employees or subcontractors of an SMC contractor.

"Inmigrating (Impact) Mine-related Population" means the new population in the unit of local government generated by "inmigrating mine-related employees.

"Mineral Development Student" means a student whose parent or guardian resides within the jurisdiction of an affected local governmental unit as a result of employment with SMC or its contractors or subcontractors.

"Inmigrating Mineral Development Student" means a student whose parent or guardian is an "Inmigrating Mineral Development Employee."

"Inmigrating Mine-Related Student" means a student whose parent or guardian is an Inmigrating Mine-Related Employee.

"Impact Population" means the total new population in the county or in a unit of local government, generated by "inmigrating mineral development employees" and "inmigrating secondary employees."

"Impact Costs" means those increased capital and operating costs incurred by local units of government for providing services as a result of the impact population and the mineral development.

"Impact Revenues" means those additional tax revenues, user fees, and intergovernmental transfer payments generated by the inmigrating population and the mineral development.

"Jurisdictional Revenue Disparity" means property tax revenues resulting from the SMC mineral development that are inequitably distributed among affected units of local government as finally determined in an approved impact plan.

1.6 Timetable for Development

SMC expects to reach 2,000 tons per day during 1998. Employment will continue to increase throughout 1998 until projected levels are reached. The expected life of the mine is 20 to 30 years.

1.7 Contact Person

The SMC contact person is Bruce Gilbert, SMC, Box 365, Nye, MT, 59061, phone (406) 328-8528.

1.9 Names and Addresses for Affected Units of Local Government

Stillwater County
Harold Blattie, Chairman
Stillwater County Commissioners
Stillwater County Courthouse
Columbus, MT 59019
(406) 322-4546

Absarokee Elementary School
Mike Reynolds, Superintendent
Absarokee Elementary School
Absarokee, MT 59001
(406) 328-4583

Town of Columbus
Webb Mandeville. Mayor
Town Hall, Box 549
Columbus, MT 59019
(406) 322-5313

Columbus Elementary School
Sandra Noland, Superintendent
Columbus Elementary School
Columbus, MT 59019
(406) 322-5373

Columbus High School
Sandra Noland, Superintendent
Columbus High School
Columbus, MT 59019
(406) 322-5373

Absarokee Water and Sewer District
Scott Evans, Chairman
Box 365
Absarokee, MT 59061
(406) 328-4748

Absarokee High School
Mike Reynolds, Superintendent
Absarokee High School
Absarokee, MT 59001
(406) 328-4583

Nye Elementary School
Feldon Oliver, Chairman
Virginia Guthrie, Clerk
Box 472
Nye, MT 59061
(406) 328-6187

Fishtail Elementary School
Dan Bintz, Chairman
Ethel Pelton, Clerk
Box 75
Fishtail, MT 59028
(406) 328-4217

2. ASSUMPTIONS AND PROJECTIONS

2.1 General

This Impact Plan projects the increased costs of services and the increased revenues that each affected unit of local government is expected to realize as a result of the proposed expansion of the SMC mineral development in Stillwater County. These financial projections are based on the number of persons migrating into each local jurisdiction, and on the effects of the mineral development itself. The number of inmigrating persons is dependent on the level of mineral employment planned by SMC and the number of employees hired from outside that will take up permanent residence within Stillwater County. This section replaces subsection 14.1 Assumptions on pages 57-61 of the 1988 Impact Plan and Section 3.0 Employment and Distribution Projections on pages 6 and 7 of the 1988 Impact Plan.

The following assumptions relate to the number of local residents hired, employees commuting from out of the county, in-migrating secondary employment, the number of single workers, average family size, and anticipated distribution of the in-migrating population. These factors constitute the basis for projecting the annual impact costs and revenues over the 20-30 year planning period of the mineral operation. Past experience in hard rock mining indicates that employee numbers and settlement patterns stabilize within approximately three or four years, and thus the impact costs and revenues stabilize as well. Therefore, the projections shown in this Plan Amendment are carried to the fourth year of operation at which time impact costs and revenues are projected to stabilize.

Average annual mineral development employment levels are used in this Plan Amendment, and as a result, average annual impact costs and revenues for each jurisdiction are presented. Cost and revenue projections are based on 1996-97 dollars. No attempt has been made to factor inflation into the projections. The Plan assumes that, for these purposes, inflation will affect costs and revenues equally. Therefore, actual net costs should not vary significantly from the projections.

2.2 Assumptions

2.2.1 Project Development/Employment

1. After the SMC expansion is complete (expected by the end of 1998), total mineral development employment is expected to be 650 employees plus an average of 50 non-resident contractors who

will be housed in SMC housing facilities near Nye, without families. Those non-resident contractors are counted as inmigrating employees and are included in calculating inmigrating secondary employment and impact costs for Stillwater County. Non-resident contractors are not included in calculations of family dependents or elementary and high school students.

2. SMC current employment monitoring reports show that 56% of mineral development employees are inmigrating; for these projections, an inmigrating ratio of 60% for mineral development employees is used.

3. The ratio of secondary jobs generated by the mineral development jobs is estimated to be 65%. Inmigrating secondary employment is projected to be 7.5% of the total secondary employment generated by the SMC mineral development. See subsection 2.4 Determining Inmigrating Secondary Employment, pages 2-11 through 2-14 for a detailed explanation.

2.2.2 Population/School Enrollment

4. SMC employment monitoring reports show that an average of 1.86 dependents accompany each employee. Except for contractors housed in SMC housing facilities near Nye, inmigrating population is calculated at 2.86 times number of the inmigrating employees.

5. SMC employment monitoring reports show that an average of .52 elementary students accompany each employee.

6. SMC employment monitoring reports show that an average of .19 high school students accompany each employee.

2.2.3 Population Distribution

7. Because SMC plans to make housing available for some of its employees in Columbus, it is projected that approximately 20% of the mineral development employees will live in Columbus (compared to the 10% projected in the 1988 Plan). Also, it is assumed that secondary employment will occur in the larger communities of Columbus and Absarokee.

8. The distribution of elementary and high school students is assumed to reflect the distribution of mineral employees.

2.2.4 Taxable Valuation

10. Based on expected production and the prices of platinum-palladium group metals, SMC has projected the taxable valuation of the mineral development and the smelter/base metal refinery in Columbus. Those projections are presented in Table 2-5 SMC Taxable Valuation, page 2-9 of this Plan Amendment.

11. Taxable Valuation of Impact Residences. This Plan Amendment assumes that the average assessed value of new housing units to accommodate inmigrating mine-related employees is $70,000. At a tax rate of 3.838%, the taxable value of the average housing unit would be $2,686. The average taxable value of a housing unit is multiplied by the number of inmigrating mine-related employees to calculate the increase in residential taxable valuation generated by SMC.

12. Taxable Valuation of Impact Commercial Property. The overall ratio between commercial property and residential property in Stillwater County is 13%. On the assumption that that ratio will continue to be valid as new housing units are developed to accommodate mine-related inmigrating employees, increased commercial taxable valuation is calculated at 13% of the increased mine-related residential taxable valuation.

2.3 Projections

2.3.1 Employment, Population School Enrollment

Tables 2-1 through 2-3 on the following pages show the level and distribution of inmigrating mineral development and secondary employees, population, elementary students and high school students, as projected in the 1988 Plan and total impacts after the expansion.

TABLE 2-1. MINERAL AND IMPACT EMPLOYMENT AND POPULATION PROJECTIONS

	1988 Plan	Levels: 12-31-95 Report	Levels: 12-31-97 Report	**Total After Expansion**	(Calculation)	Change: from 1988 Plan through Expansion
Mineral Employment/Contractors	460	468	655	**700**	(650+50)	240
Inmigrating Min Employment/Contractors*	230	304	312	**440**	(.6[650]+50)	210
Inmigrating Secondary Employment**	90	23	20	**34**		(56)
Total Inmigrating Employment	**320**	**327**	**332**	**474**	(424+50)	154
Inmigrating Population	**830**	**935**	**807**	**1,263**	2.86[390+34]+50	433
Inmigrating Elem Students	186	164	169	**220**	424 x .52	34
Inmigrating High School Students	82	82	44	**81**	424 x 0.19	(1)
Additional Housing units	320	327	262	**424**		104

* An average of approximately 50 SMC contractors will be working at the mine site at any time, at least for the first 4 years of the expansion. These contractors, included as inmigrating employees, will be housed at SMC housing facilities near Nye, without families. These contractors are included in calculating secondary employment but not impact population or students.

** Inmigrating secondary employment is estimated at 7.5% of total secondary employment. See pages 2-11 to 2-13 for details.

Assumptions: See pages 2-1 through 2-3 of this Impact Plan Amendment.

6-1-98

TABLE 2-2. DISTRIBUTION OF IMPACT EMPLOYEES AND POPULATION

	1988 Plan	Levels: 12-31-95 Report	Levels: 12-31-97 Report	**Projected Totals After Mine Expansion**	Change: from 1988 Plan through Expansion	Percent: 1988 Plan	Projected Percent After Mine Expansion
Impact Employment	**320**	**327**	**282**	**474**	**154**	**100%**	**100%**
Columbus	31	68	80	**100**	69	10%	21%
Rural Stillwater Co	100	81	80	**135**	35	31%	28%
Absarokee	177	101	122	**141**	-36	55%	30%
Stillwater County Total	*308*	*250*	*282*	*376*	*68*	*96%*	*79%*
Other	12	77		**98**	121	4%	21%
Impact Population	**830**	**935**	**807**	**1,263**	**433**	**100%**	**100%**
Columbus	80	194	229	**286**	206	10%	23%
Rural Stillwater Co	260	232	229	**294**	34	31%	23%
Absarokee	460	289	349	**403**	-57	55%	32%
Stillwater County Total	*800*	*715*	*807*	*983*	*183*	*96%*	*78%*
Other	30	220	0	**280**	250	4%	22%

Assumptions: See pages 2-1 and 2-2 of this Impact Plan Amendment.

5-11-98

TABLE 2-3. DISTRIBUTION OF IMPACT ELEMENTARY AND HIGH SCHOOL STUDENTS

	1988 Plan	Levels: 12-31-95 Report	Levels: 12-31-97 Report	**Projected Totals After Mine Expansion**	Change: from 1988 Plan through Expansion	Percent: 1988 Plan	Projected Percent After Mine Expansion
Impact Elementary Students	**186**	**164**	**169**	**220**	**34**	**100%**	**100%**
Columbus	22	24	70	**77**	55	12%	35%
Absarokee	110	90	86	**94**	-16	59%	43%
Fishtail	33	6	5	**5**	-28	18%	2%
Nye	18	1	8	**8**	-10	10%	4%
Other	3	43		**37**	34	2%	17%
Impact High School Students	**82**	**82**	**44**	**81**	**-1**	**100%**	**100%**
Columbus	12	18	14	**23**	11	15%	28%
Absarokee	68	39	30	**35**	-33	83%	43%
Other	2	19		**23**	21	2%	28%

Assumptions: See pages 2-1 through 2-3 of this Impact Plan Amendment.

"Impact Students" means inmigrating mineral development and secondary students associated with the SMC mineral development.

6-1-98

2.3.2 Tax Base Sharing: Taxable Valuation

Table 2-4 shows how the tax base sharing ratios were derived. *Note: Tax base sharing allocations are based on the percentage of* ***total mineral development employees and total mineral development students****, not just inmigrating mineral development employees and students.* Table 2-4 shows that the current total number of mineral development employees are added to the projected total mineral development employees resulting from the expansion.

The tax base sharing percentages are calculated based on the percentage of total number of mineral development employees in Stillwater County residing in each jurisdiction. Of the mineral development employees living in Stillwater County, 29% live in Columbus, and 71% in the unincorporated area of Stillwater County. Likewise for schools, the tax base sharing percentage for each elementary school (or high school) district is based on the number of mineral development elementary (or high school) students residing in the district as a percentage of the total number of mineral development students residing in Stillwater County.

Table 2-5 shows the projected taxable valuation of the SMC mineral development, and its distribution among units of local government based on tax base sharing. The SMC taxable valuation is allocated according to the tax base sharing percentages shown in Table 2-4.

Section A, Total SMC T.V., of Table 2-5, shows the total SMC taxable valuation in 1996-97, and the projected total SMC taxable valuation resulting after the mine expansion, and includes the taxable valuation of the mine property, equipment, and gross proceeds, (which is allocated under tax base sharing) and the smelter and base metals refinery in Columbus. Because the smelter/base metals refinery is located in Stillwater County, the Town of Columbus, the Columbus Elementary School District and the Columbus High School District, the taxable valuation of those facilities are included as part of the SMC taxable valuation for each of those four taxing jurisdiction. Sections B, C, and D of Table 2-5 show the additional SMC taxable value and total taxable valuation with SMC for each affected unit of local government.

Note: SMC has applied for a permit to construct a new tailings impoundment on the Hertzler Ranch. The market value of the proposed tailings is estimated at approximately $23 million. The impoundment will be classified as property tax class five, air and water pollution control, which carries a tax rate of 6%, unless SMC applies for the 3% rate for pollution control equipment. The taxable valuation of the tailings impoundment is expected to be approximately $690,000. The impoundment is planned for 1999 or 2000 and has not been included in the projected SMC taxable valuation in this Plan Amendment. However, affected units of local government very likely will realize this added taxable valuation in 1999 or 2000 as a result of this planned facility.

TABLE 2-4. TAX BASE SHARING WORKSHEET

Counties/Municipalities

	Total SMC Mineral Employment (12-31-96)	% 1996 Mineral Employment in Stillwater County	Additional Total SMC Min Employ since 1996	Total SMC Mineral Employ. after Expansion	% Mineral Employment Stillwater County
Columbus	109	25%	36	145	29%*
Rural STW County	320	75%	36	356	71%
Total	**429**	**100%**	**72**	**501**	**100%**

* Although 29% of the total mineral employment is projected to reside in the Town of Columbus, the tax base sharing statute limits tax base sharing to 20% for municipalities, unless a modification is needed " ... to ensure a reasonable correspondence between increased costs and ... allocation of taxable valuation." Such a modification is not necessary for the Town of Columbus, so the Town will be allocated 20% of the SMC mine/mill taxable valuation

Elementary Schools

	Total Mineral Development Elem Students (12-31-96)	% 1996 Min Dev Students in Stillwater County	Additional Total SMC Students since 1996	Total SMC Mineral Devel Students after Expansion	% Tax Base Sharing
Columbus	89	39%	20	109	41%
Absarokee	125	55%	16	141	53%
Fishtail	3	1%	1	4	2%
Nye	12	5%	0	12	5%
	229	**100%**	**37**	**266**	**100%**

High Schools

	Total Mineral Development H.S. Students (12-31-96)	% 1996 Min Dev Students in Stillwater County	Additional Total SMC Students since 1996	Total SMC Mineral Devel Students after Expansion	
Columbus	22	25%	7	29	29%
Absarokee	65	75%	7	72	71%
Total	**87**	**100%**	**14**	**101**	**100%**

Note: Tax base sharing is based on the number of mineral development employees, and on the number of mineral development students, not on inmigrating employees or students.

TABLE 2-5. SMC TAXABLE VALUATION ($000's)

A. Total SMC T.V.

	1996-97 SMC Taxable Valuation	SMC Expansion--		
		1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
MINE				
Property/Equipment	3,412	3,480	3,219	3,420
Gross Proceeds	1,494	1,530	2,086	3,189
Total	4,906	5,010	5,305	6,609
SMELTER/BMR	596	1,005	884	1,182
TOTAL SMC TAXABLE VALUE	5,502	6,015	6,189	7,791

B. County/Town

	1996-97 SMC Taxable Valuation	SMC Expansion--		
		1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
Stillwater County				
SMC Total T.V.	5,502	6,015	6,189	7,791
Total County T.V. w/ SMC	25,470	28,802	28,897	30,578
SMC T.V. Road Fund	3,925	4,008	4,244	5,287
Town of Columbus				
SMC Total T.V. (TBS@20%+Smelter)	1,577	2,007	1,945	2,504
Total Town T.V. w/ SMC	3,766	4,222	4,246	4,719

C. Elementary Schools

		SMC Expansion--		
	1996-97 SMC Taxable Valu	1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
Columbus Elementary				
SMC Total T.V. (TBS@41% + Smelter)	1,754	2,909	3,006	3,892
Total District T.V. w/ SMC	7,289	8,528	8,767	9,738
Absarokee Elementary				
SMC Total T.V. (TBS@53%)	3,348	2,705	2,758	3,503
Total District T.V. w/ SMC	7,073	6,293	6,716	7,140
Nye Elementary				
SMC Total T.V. (TBS@7%)	343	350	318	462
Total District T.V. w/ SMC	1,059	1,253	1,208	1,365
Fishtail Elementary				
SMC Total T.V. (TBS@1%)	49	50	106	66
Total District T.V. w/ SMC	2,443	2,613	2,579	2,629

D. High Schools

		SMC Expansion--		
	1996-97 SMC Taxable Valu	1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
Columbus High School				
SMC Total T.V. (TBS@29%+Smelter)	1,705	2,257	2,575	3,099
Total District T.V. w/ SMC	7,354	7,991	8,352	9,064
Absarokee High School				
SMC Total T.V. (TBS@71%)	3,797	3,757	3,713	4,692
Total District T.V. w/ SMC	9,877	10,100	10,035	11,035

2.4 DETERMINING INMIGRATING SECONDARY EMPLOYMENT

Stillwater Mining Company (SMC) recognizes that expanding the number of mineral employees at the Nye Project will generate increased employment in the secondary economic sectors and that some number of people will migrate into Stillwater County to take a portion of those jobs. Estimating the number of secondary jobs that might be filled by inmigrating employees is very difficult without an expensive, complex economic analysis. SMC uses the following method in trying to make an educated estimate of the inmigrating secondary employment generated by the mineral development.

2.4.1 Determining the Ratio of Secondary Jobs to Primary Jobs

The Montana Department of Labor and Industry (DLI) provides employment levels for each economic sector in Stillwater County. The DLI employment data covers only those jobs that are subject to the Montana Unemployment Insurance law. Many employees in agriculture and some in other sectors are not included in these DLI data. To overcome the fact that few agricultural employees are included in DLI employment data, the number of agricultural employees is estimated in this Plan Amendment by prorating the number of agricultural workers estimated by the Bureau of Economic Analysis (BEA) based on the ratio of total BEA jobs to DLI jobs.

Primary employment is considered to be those jobs in sectors that bring income from outside into the county, primarily through the sales of goods or services to out-of-county purchasers. Secondary (or derivative) sectors are those in which jobs are created as a result of subsequent spending of primary income within the county. Secondary industries primarily serve the local population.

Products or services provided by agriculture, mining, manufacturing, heavy construction, public utilities, federal and state government are considered primary sectors because the income to pay the employees is generated from out-of-county. Travel/tourism is considered a primary industry because it brings in income from out-of-county travelers. Jobs in retail and wholesale trade, services, building contractors, finance, insurance, real estate and local government are secondary jobs that serve the local population and are supported by the spending of primary sector income.

Out-of-county travelers, recreationists and tourists are served by employees in the retail and service sectors. In Table 2-6 a portion of retail and service jobs have been deducted from those two secondary sectors and placed in a primary sector - travel/tourism. No clear method exists to estimate the number of retail and service jobs that are generated by travel/tourism. Motels, hotels, guides and outfitters, and guest ranches serve almost exclusively out-of-county persons, and thus clearly are primary industries. Retail stores and eating and drinking establishments receive some portion of their income from out-of-county patrons. This Plan Amendment projects that, in Stillwater County, 120 jobs are in the travel/tourism industry, and 120 jobs have been deducted from the retail and service sectors and placed in the primary category of travel/tourism.

A portion of local government revenues, especially for schools, is provided from state and federal government sources outside Stillwater County. Therefore a portion of local government employees have been included as primary employees.

Table 2-6 on page 2-13 shows the estimated number of employees in each economic sector, and by primary and secondary industries, for 1996 and 1989. The ratio of secondary jobs to primary jobs in 1996 is estimated at .65; that is, each primary job is assumed to generate .65 secondary jobs.

2.4.2 Determining the Number of Inmigrating Secondary Employees Generated by SMC

Table 2-1 of this Plan Amendment shows that 700 mineral development employees are projected after the mine expansion is complete. Based on the estimated secondary/primary job ratio of .65, the 700 inmigrating mineral development workers (primary employees) are projected to generate 455 secondary jobs. The key question is: how many of these secondary positions will be filled by inmigrating persons, and thus increase the level of employment and population impact related to the SMC mineral development?

Most secondary jobs are minimum wage positions, and people rarely move into a county to take a job in retail or services. Rather, secondary jobs are usually filled by spouses or other local residents. However, some secondary jobs are skilled positions - such as law enforcement officers, teachers, or physicians - and persons may move in to a community to take jobs such as these.

The formula used in the 1988 Plan resulted in a projection that 90 inmigrating secondary employees would "follow" 230 inmigrating mineral development employees into the impact area. SMC believes that the 1988 Plan significantly overstates the level of inmigrating secondary employment. In this Plan Amendment, SMC estimates that 7.5% of the total secondary jobs will be filled by inmigrating employees or 34 employees. The following summarizes SMC's calculation:

1) 700 (min empl) x .65 (secondary/primary ratio) = 455 (total secondary employees)
2) 455 (total secondary empl) x 7.5% = 34 inmigrating secondary employees

To assess the reasonableness of the projected 34 inmigrating secondary employees, SMC looked at the number of secondary positions that might be filled by inmigrating employees. Of the four school systems affected by the SMC mineral operation, 24 teaching or administrative positions have been added since 1988. Over the past several years, Columbus and Absarokee schools have been filling teaching positions with out-of-county employees at a rate of approximately 35%. If that percentage is a fair representation of hiring patterns, 9 of the 24 additional education positions would be filled by outside persons. Two additional law enforcement positions in Columbus and Stillwater County could be filled by inmigrating employees. A new physician's assistant in Absarokee is inmigrating. Apparently no other increase in physicians has occurred in the county. An additional county planner is inmigrating. At present, seven of the smelter/BMR employees are inmigrating. Probably as many as four persons have moved into Stillwater County to take additional jobs in finance, insurance, and real estate. These 21 positions probably are approximately one-half of the total inmigrating secondary employees. A total of 40 to 50 persons moving into Stillwater County to take secondary jobs since 1988 appears to be a reasonable estimate.

Primary sectors other than mining also have grown since 1998 in Stillwater County (manufacturing in particular has grown by 181 employees). These growth industries also have contributed to the increase in secondary employment and therefore to the level of inmigrating secondary employees. The estimate that approximately 34 inmigrating secondary employees are related to the SMC mineral development seems to be reasonable.

Table 2-6. STILLWATER COUNTY: PRIMARY AND SECONDARY EMPLOYMENT

PRIMARY EMPLOYMENT

	1996	1988	DIFFERENCE
Agriculture	330	370	-40
Mining	578	370	208
Manufacturing	364	183	181
Heavy Construction	16	14	2
T.C.P.U.*	15	23	-8
Federal Government	33	38	-5
State Government	21	16	5
Travel/Tourism	120	80	40
Local Government+	60	30	30
Total Primary:	**1,537**	**1,124**	**413**

SECONDARY EMPLOYMENT

	1996	1988	DIFFERENCE
Gen/Special Building	60	26	34
Wholesale Trade	25	35	-10
T.C.PU.*	14	22	-8
Retail Trade	343	195	148
Services	242	197	45
F.I.R.E.**	29	48	-19
Local Government	283	244	39
Total Secondary:	**996**	**767**	**229**
TOTAL JOBS:	**2,533**	**1,891**	**642**
Secondary/Primary:	0.65	0.68	

* T.C.P.U. means Transportation, Communications, Public Utilities

** F.I.R.E. means Finance, Insurance, Real Estate

\+ Schools, cities and counties receive some funding from state and federal sources, so a portion of local government employees have been included as primary employment (estimated by Jim Richard).

Sources:
1) Except for Agriculture and Travel/tourism, numbers of employees are from the MT Dept of Labor and Industry;
2) Number of employees in Agriculture are prorated on ratio of Bureau of Economic Analysis employment to Dept. of Labor data.
3) The number of employees in Travel/tourism are estimates by Jim Richard and have been deducted from employees in the Retail trade and Services sectors.

3. CONDITIONS FOR IMPACT PLAN MODIFICATION

The Stillwater Mining Company (SMC) Plan Amendment will be reviewed under the following conditions, and will be amended or adjusted in whole or in part, as appropriate, where the changed condition or circumstance creates a revenue disparity.

3.1 Conditions for Impact Plan Amendment

The Plan Amendment may be amended under any of the following conditions:

A. The annual level of SMC's In-migrating Mineral Employment in any affected unit of local government differs more than 15% from the level projected in this Plan Amendment;

B. The annual number belonging (ANB) of In-migrating Mineral Development Students enrolled in an affected elementary or high school differs more than 15% from the number projected in this Plan Amendment;

C. The taxable valuation of the SMC mineral development differs more than 15% from that projected in this Plan Amendment;

D. An affected unit of local government or SMC may petition the Hard Rock Mining Impact Board for an amendment to this Plan Amendment if:

> 1. Inmigrating employment at the SMC mineral development is forecast to increase or decrease from those levels projected in this Plan Amendment by at least 75 employees;
>
> 2. This Plan Amendment is materially inaccurate because of errors in assessment or changes in local government budgeting or funding;
>
> 3. Stillwater County and SMC join in a petition to amend this Plan Amendment.

E. An affected unit of local government will experience a revenue disparity in a service not identified in this Plan Amendment.

F. In any given year, the actual inmigrating population or school enrollment creates a demonstrated revenue disparity for a potentially affected unit of local government. In this case, the local government will be included as an affected unit, and SMC and the local government will determine the level and type of assistance needed to pay the net costs.

3.2 Conditions for Plan Adjustment

Where an impact need or cost has been identified in this Plan Amendment, SMC and the unit of local government may agree to adjust the Plan to reflect actual circumstances. The Board would be notified of any mutually agreed upon adjustments, and such adjustments would not constitute an "impact plan amendment" as contemplated by Section 90-6-311, MCA. The following are conditions under which the Plan Amendment will be adjusted.

A. Where the magnitude of an impact need, cost, revenue, or net cost differs in actuality from that projected in the Plan Amendment, SMC and the affected unit of local government mutually agree to adjust the Plan to reflect the actual net costs or revenues.

B. Tax prepayments will be adjusted to reflect actual impact costs, revenues and net costs.

C. Tax crediting, where applicable, will be established on a year by year basis as a plan adjustment based on the appropriate tax crediting formula specified for the unit of local government.

D. Where a specific means of addressing an impact need has been identified in this Plan Amendment, SMC and the unit of local government may adjust this Plan Amendment by implementing an alternative means of mitigation that differs from that specified in the Plan.

E. Should legislation or a court decision cause impact revenues or costs to deviate from those projected in this Plan Amendment, SMC and the affected unit of local government may agree to a plan adjustment.

F. "Grant funding" provided by SMC to address capital costs may be handled either through direct grants from SMC or through capital facility impact bonds by plan adjustment.

4. STILLWATER COUNTY

This section, 4. Stillwater County, completely revises and replaces section 4.0 Stillwater County of the 1988 Plan.

4.1 Background and Projections

The 1988 Stillwater Mining Company Hard Rock Impact Plan (page 8) projected that 320 inmigrating mine-related employees (mineral plus secondary) and 830 inmigrating people would reside in Stillwater County as a result of the SMC mineral development at Nye. This Plan Amendment, triggered by a current expansion of the SMC mineral development, shows that after the mine expansion 376 inmigrating employees/contractors and 983 inmigrating persons will live in Stillwater County.

Within Stillwater County the present distribution of inmigrating employees differs from that projected in the 1988 Impact Plan. The 1988 Plan projected that 177 inmigrating employees would live in Absarokee, and 31 would live in Columbus. In contrast, in 1995, only 101 lived in Absarokee, while 68 lived in Columbus. The following summarizes the inmigrating employment and population and the impact taxable valuation for Stillwater County.

Residing in Stillwater County	Projected in 1988 Plan	12/31 1995	12/31 1997	Total after Expansion 1999-2000
Inmigrating Employees*	320	250	282	376
Inmigrating Population**	830	715	807	983
Total Population w/SMC	7,280	7,472	7,979	8,383
SMC Taxable Valuation(000's)++	$5,100	$3,612	$6,015	$7,791

* Includes inmigrating mineral and secondary employees.
** The 50 contractors living near Nye without families are not included in calculating dependents.
++ Includes gross proceeds, property, equipment, and smelter/base metal refinery.

Stillwater County's 1997 estimated population 7,979, of which 2,033 lived in the Town of Columbus. The county budget comprises a number of different and independent fund accounts, each of which receives revenues and allows expenditures of monies for authorized purposes. Stillwater County levies a total of 75.43 mills to generate property tax revenues as part of the funding for its budget. In

addition to property tax revenues, the county receives non-tax revenues in the form of fines, forfeitures, licenses, state and federal government transfers, and service charges.

Because of the community amenities of Columbus and easy access to I-90, this Plan amendment projects that 29% of the mineral employees will live in the Town of Columbus. Inmigrating secondary employees are expected to reside in the larger communities of Columbus and Absarokee.

4.2 Impact Costs

4.2.1 Annual Operating Costs

In the 1988 Impact Plan, Table 4-2 (page 18) shows the projected impact needs and costs, based on the projected inmigrating population of 830. Table 4-2 of this Plan Amendment shows the total inmigrating employees and population, and impact costs and revenues created by the SMC mineral development. This Plan Amendment assumes that, except in the general fund and the road fund, the fund accounts supported in part by local tax revenues will incur increased costs on a per-capita basis. In the general fund and road fund, annual operating impact costs are based on expected increases in specific line items as shown in Table 4-2.

4.2.2 Capital Costs

4.2.2.1 Mine to Hertzler

SMC has submitted a Mine Waste Management Plan to the Montana Department of Environmental Quality and U.S. Forest Service to permit a new tailings impoundment at the Hertzler Ranch approximately seven miles north of the current mine site. Should (1) the regulatory agencies approve SMC's application for a mine waste management permit and (2) the affected agencies agree to the location of four buried pipelines within the right-of-way of Highways 419 and 420 between the mine and the Hertzler Ranch, and (3) SMC proceeds with the development of the Hertzler Ranch property, SMC would negotiate an agreement with Stillwater County under applicable state statutes relevant to pipelines in county road right-of-way to pay for reconstruction of that portion of the highway along the pipeline route.

4.2.2.2 Dean to Nye

Reconstruction of the Dean to Nye section of Highway 419 is estimated to cost approximately $4.5 million. A tri-agency comprising the Federal Highway Administration, U.S. Forest Service, and the Montana Department of Transportation, has indicated that only partial funding for the Dean-Nye section of Highway 419 will be provided, leaving the balance of the construction costs to be funded by local government. SMC and Stillwater County agree to enter into a funding agreement as provided below.

1. A binding agreement between Stillwater County and the Federal highway Administration or Montana Department of Transportation is reached whereby funding is committed for the reconstruction of the Dean to Nye section of FAS 419 (Nye Road).

2. SMC funding shall be in the form of a facility impact bond or grant paid to the Stillwater County Mine Impact Fund.

3. Any unexpended or unencumbered funds (including accrued interest) remaining from previous prepayments shall be credited against future payments and the amounts of payments reduced accordingly.

4. Should the tri-agency provide grant funding for Highway 419 as anticipated in paragraph 1 above, SMC would provide a maximum of 20% funding ($900,000).

4.3 Impact Revenues

Stillwater County receives increased property taxable valuation from the SMC gross proceeds, land and equipment at the mineral development. In addition, the county receives added taxable valuation from the SMC smelter and base metals refinery (BMR) located in Columbus, and increased housing and commercial construction generated by the mineral development. The County also receives non-tax revenues such as license fees, fines, and state government funds. In the 1988 Plan, Table 4-3 (page 19) shows the projected impact revenues expected from the SMC operation.

Table 4-2 of this Plan Amendment shows that the FY 1997-98 SMC taxable valuation was $6,015,000. As a result of the expansion the SMC total taxable valuation is projected to increase to $7.8 million by Year 4 of the expansion. Additional employee housing and expanded commercial development also will increase the county's taxable valuation. Because of state assessment procedures, the increased tax revenues are "lagged" one year. In addition to increased tax revenues, non-tax revenues are assumed to increase on a per-capita basis.

4.4 Net Impact Revenues and Costs

Table 4-2 shows that the total impact revenues exceed total impact costs in each fund account, throughout the life of the mine.

4.5 Methods of Assistance

4.5.1 Net Operating Cost

No net operating costs are projected by this Impact Plan Amendment for the duration of the proposed SMC expansion. Should Stillwater County experience net impact operating costs that exceed $1,000 in any year, SMC would provide the County with tax prepayments to cover the net impact costs. In years where impact revenues exceed impact costs, the County would provide tax credits to SMC to repay any tax prepayments under the terms and formulas in 4.5.2 Tax Crediting below.

4.5.2 Tax Crediting

By agreement between Stillwater County and Stillwater Mining Company, this Impact Plan Amendment is prepared pursuant to the Hard Rock Mining Impact Act as amended by the Legislature in 1985. The germane provision of the 1985 statutory change allows a unit of local government and a mineral developer to determine the terms of tax crediting, (by statute, the tax credit in any one year may not exceed the tax obligation of the mineral developer for that year).

Stillwater County agrees to provide tax crediting to SMC to repay the balance of outstanding tax prepayments accumulated since June 23, 1988. A list of tax credits due under this provision is provided in Appendix 4-B.

Under this Plan Amendment, Stillwater County will provide tax credits to SMC under the following terms:

1. A credit must be made from the fund that corresponds to the service for which the tax prepayment was made.

2. A tax credit may not have the effect of shifting the impact cost over time to non-developer taxpayers.

3. The amount of tax credits allowed in any one year shall not exceed the tax obligation of SMC in any fund.

4. Stillwater County will provide tax crediting throughout the productive life of the mine, or until tax prepayments due have been credited.

5. The following formula will be used to determine the amount of tax credits:

Tax credit = Appropriated county money, by fund, that has not been expended or encumbered each fiscal year x proportion of SMC taxable valuation to total county taxable valuation, by fund.

After a period of three years from the date this Plan Amendment is adopted, SMC and Stillwater County may meet to discuss whether this tax crediting formula is providing satisfactory tax credits and, if necessary, initiate a plan amendment or adjustment to revise the formula.

4.6. Other Means of Assistance

Should (1) the regulatory agencies approve SMC's application for a mine waste management permit and (2) the affected agencies agree to the location of four buried pipelines within the right-of-way of Highways 419 and 420 between the mine and the Hertzler Ranch, and (3) SMC proceeds with the development of the Hertzler Ranch property, SMC would negotiate an agreement with Stillwater County under applicable state statutes relevant to pipelines in county road right-of-way to pay for reconstruction of that portion of the highway along the pipeline route. Reconstruction specifications, preliminary construction plans, and estimated construction costs will be generated in support of this agreement, agreed upon by SMC and Stillwater County, and available prior to the start of construction. It is estimated by SMC that this reconstruction will cost $450,000 per mile.

Reconstruction of the Dean to Nye section of Highway 419 is estimated to cost approximately $4.5 million. The tri-agency has indicated that only partial funding for the Dean-Nye section of Highway 419 will be provided, leaving the balance of the construction costs to be funded by local government. SMC and Stillwater County agree to enter into a funding agreement as provided below.

1. A binding agreement between Stillwater County and the Federal highway Administration or Montana Department of Transportation is reached whereby funding is committed for the reconstruction of the Dean to Nye section of FAS 419 (Nye Road).

2. SMC funding shall be in the form of a facility impact bond or grant paid to the Stillwater County Mine Impact Fund.

3. Any unexpended or unencumbered funds (including accrued interest) remaining from previous prepayments shall be credited against future payments and the amounts of payments reduced accordingly.

4. Should the tri-agency provide grant funding for Highway 419 as provided in paragraph 1 above, SMC would provide a maximum of 20% funding ($900,000).

TABLE 4-2. STILLWATER COUNTY: TOTAL SMC IMPACT COSTS AND REVENUES WITH SMC EXPANSION

	Projections 1988 Plan Year 7-on	Base 1995-96	SMC Expansion 1996-97	1997-98	1998-99	1999-2000
Expansion Impact Population			133	268	268	268
Total SMC Impact Population	830	*715*	848	983	983	983
Total County population w/ SMC	7,280	*7472*	7,653	7,979	8,178	8,383
Total Impact Employees/Households	320	*250*	329	376	376	376
SMC Total T.V. ($000's)	$5,100	*$3,612*	$5,502	$6,015	$6,189	$7,791
Residential/Commercial T.V.($000's)	$324		$999	$1,141	$1,141	$1,141
		1996-97 Rate/Cap	1996-97	1997-98	1998-99	1999-2000
GENERAL FUND						
Co Commissioners: ½ FTE			14,461	14,461	14,461	14,461
Clerk & Recorder: 1 FTE			29,790	29,790	29,790	29,790
Sanitarian: 3/4 FTE			23,854	23,854	23,854	23,854
Treasurer: ½ FTE			12,700	12,700	12,700	12,700
County Attorney: ½ FTE			43,588	43,588	43,588	43,588
Justice Court: ½ FTE			10,673	10,673	10,673	10,673
Planning: ½ FTE			15,782	15,782	15,782	15,782
Other Gen F Depts: Oper			12,440	22,440	22,440	22,440
TOTAL COSTS	$88,884		$163,288	$173,288	$173,288	$173,288
REVENUES	167,912					
Non-Levy		$55	46,640	54,065	54,065	54,065
Taxes (18.5 mills)			120,265	132,395	135,614	165,251
NET REVENUES (COSTS)	79,028		3,617	13,172	16,391	46,028
ROAD FUND						
COSTS						
FAS 419 M&O .5x $71,000			35,500	35,500	35,500	35,500
FAS 420 M&O .25x$35,000			8,750	8,750	8,750	8,750
W.Rosebud Rd M&O .10x$15,000			1,500	1,500	1,500	1,500
Fiddler Cr Rd M&O .10x$11,000			1,100	1,100	1,100	1,100
Equipment:						
Motorgrader .40x$150,000				15,000	15,000	15,000
Snowplow truck .40x$100,000				10,000	10,000	10,000
Maint. vehicle .40x$ 20,000				2,000	2,000	2,000
Personnel 1 FTE			31,200	31,200	31,200	31,200
TOTAL COSTS	765,000		78,050	105,050	105,050	105,050
REVENUES	89,814					
Non-Levy		$25	21,200	24,575	24,575	24,575
Taxes (20.0 mills)(TBS80%)			92,679	96,369	101,089	121,953
NET REVENUES (COSTS)	(675,186)		35,829	15,894	20,614	41,478

	Projections 1988 Plan Year 7-on	FY 1997 Rate/Cap	SMC Expansion 1996-97	1997-98	1998-99	1999-2000
POOR FUND						
COSTS	16,771	$22	18,656	21,626	21,626	21,626
REVENUES	27,740					
Non-Levy		$2	1,696	1,966	1,966	1,966
Taxes (3.7 mills)			24,053	26,479	27,123	33,050
NET REVENUES (COSTS)	10,969		7,093	6,819	7,463	13,390
BRIDGE FUND						
COSTS		$45	38,160	44,235	44,235	44,235
REVENUES						
Non-Levy		$3	2,544	2,949	2,949	2,949
Taxes (8 mills)			52,006	57,252	58,644	71,460
NET REVENUES (COSTS)			16,390	15,966	17,358	30,174
FIRE CONTROL FUND						
COSTS		$3	2,544	2,949	2,949	2,949
REVENUES						
Non-Levy		$0	0	0	0	0
Taxes (.6 mills)			2,780	3,041	3,033	3,659
NET REVENUES (COSTS)			236	92	84	710
DISTRICT COURT						
COSTS	7,678	$23	19,504	22,609	22,609	22,609
REVENUES	22,973					
Non-Levy		$6	5,088	5,898	5,898	5,898
Taxes (3.81 mills)			24,768	27,266	27,929	34,033
NET REVENUES (COSTS)	15,295		10,352	10,555	11,218	17,322
NOXIOUS WEED						
COSTS		$15	12,720	14,745	14,745	14,745
REVENUES						
Non-Levy		$6	5,088	5,898	5,898	5,898
Taxes (1.6 mills)			10,401	11,450	11,729	14,292
NET REVENUES (COSTS)			2,769	2,603	2,882	5,445
LIBRARY						
COSTS	5,329	$12	10,176	11,796	11,796	11,796
REVENUES	11,126					
Non-Levy		$1	848	983	983	983
Taxes (2.5 mills)			16,252	17,891	18,326	22,331
NET REVENUES (COSTS)	5,798		6,924	7,078	7,513	11,518
INSURANCE						
COSTS		$11	9,328	10,813	10,813	10,813
REVENUES						
Non-Levy		$1	848	983	983	983
Taxes (2.24 mills)			14,562	16,031	16,420	20,009
NET REVENUES (COSTS)			6,082	6,201	6,590	10,179

	Projections 1988 Plan Year 7-on	FY 1997 Rate/Cap	SMC Expansion 1996-97	1997-98	1998-99	1999-2000
EXTENSION						
COSTS		$10	8,480	9,830	9,830	9,830
REVENUES						
Non-Levy		$1	848	983	983	983
Tases (2.13 mills)			13,847	15,243	15,614	19,026
NET REVENUES (COSTS)			6,215	6,396	6,767	10,179
MENTAL HEALTH						
COSTS	3,528	$2	1,696	1,966	1,966	1,966
REVENUES	6,827					
Non-Levy		$0	0	0	0	0
Taxes (.34 mills)			2,210	2,433	2,492	3,037
NET REVENUES (COSTS)	3,300		514	467	526	1,071
PUBLIC SAFETY						
COSTS		$78	66,144	76,674	76,674	76,674
REVENUES						
Non-Levy		$21	17,808	20,643	20,643	20,643
Taxes (12.0 mills)			78,010	85,878	87,966	107,190
NET REVENUES (COSTS)			29,674	29,847	31,935	51,159
TOTAL NET REVENUES (COSTS)	$182,141		$125,695	$115,091	$129,341	$238,652

7-7-98

APPENDIX 4-A

DETERMINING TOTAL POPULATION LEVELS AND PER CAPITA OPERATING COSTS FOR STILLWATER COUNTY

DETERMINING TOTAL POPULATION LEVELS

Year	Population	Explanation
1994-95	7,232	DOC Estimate
1995-96	7,472	DOC Estimate
1996-97	7,653	DOC Estimate
1997-98	7,979	7653 x 102.5% +135 (SMC persons inmigrating in 1997-98)
1998-99	8,178	7979 x 102.5%
1999-2000	8,383	8178 x 102.5%

An annual increase of 2.5% is assumed for these projections.

DETERMINING PER CAPITA OPERATING COSTS

The Department of Commerce estimated 1996-97 Stillwater County population of 7,653 was used. The "Total Requirements" (Appropriation plus Cash Reserves) shown on the Tax Levy Requirements Schedule from the 1996-97 budget was used to determine per capita costs. The "Non-Tax Revenue" column was used to determine per capita non-tax revenues.

APPENDIX 4-B

SUMMARY OF TAX CREDITS CURRENTLY DUE (July, 1998)

General Fund

Tax Prepayments Received	$243,704
Tax Credits Provided to Date	$ 0
Credits Expired by July, 1998	$218,189
Tax Credits Currently Due	**$ 25,515**

Road Fund

Tax Prepayments Received	$1,596,630
Tax Credits Provided to Date	$ 0
Credits Expired by July, 1998	$ 136,126
Tax Credits Currently Due	**$1,460,504**

* Note: $109,330.64 remains in Mine Impact Fund (Road) as of March 24, 1998.

Library Fund

Tax Prepayments Received	$ 4,556
Tax Credits Provided to Date	$ 2,875
Credits Expired by July, 1998	$ 145
Tax Credits Currently Due	**$ 1,536**

5. TOWN OF COLUMBUS

This section, 5. Town of Columbus, completely revises and replaces section 5.0 Town of Columbus of the 1988 Plan.

5.1 Background and Projections

The Stillwater Mining Company's approved 1988 Hard Mining Impact Plan (pages 20-23) projected that 31 inmigrating mine-related employees and 80 inmigrating persons would reside in Columbus as a result of the SMC mineral development at Nye. The number of inmigrating employees currently (FY 1997-98) residing in Columbus is 76, with a total inmigrating population of 213. The difference in these levels results from two factors, the total SMC employment has increased, and the percentage of employees living in Columbus has increased. A higher percentage of mine employees are living in Columbus than originally expected largely because of the amenities in the community and the access to Interstate 90. The following summarizes the change in demographics and the taxable valuation of the Town of Columbus from the 1988 Impact Plan through the SMC mine expansion.

Residing in Columbus	Projected in 1988 Plan	12/31 1995	12/31 1997	Total after Expansion 1999-2000
Total Mineral Employees	46	99	127	141
Inmigrating Employees*	31	68	80	100
Inmigrating Population	80	194	229	286
Total Population w/SMC	1,720	1,831	2,033	2,180
SMC Taxable Valuation(000's)**	$ 531	$ 722	$2,007	$2,504

* Includes inmigrating mineral and secondary employees

** Includes Columbus' share of mineral development gross proceeds, property and equipment, plus the smelter/base metals refinery in Columbus.

The 1997-98 population of the Town of Columbus is estimated to be 2,033. Currently the town is growing at approximately 3.5% per year. This Impact Plan Amendment projects that as a result of the proposed SMC expansion, a total of 100 inmigrating employees and 286 inmigrating persons will reside in the Town of Columbus. The total population of Columbus is projected to be 2,180 in 1999-2000 as a result of natural growth and the SMC inmigrating population.

The town operates most of its services from its general fund, supported with tax revenues and non-tax revenues such as fines, fees, forfeitures, service charges, and state and federal government transfers. Columbus operates its water, sewer and solid waste services as "enterprise funds" - supported entirely by user fees.

As part of the 1988 Impact Plan, SMC and the Town of Columbus entered into an agreement under which SMC provided a grant of $46,000 and a tax prepayment of $127,000 to the town for sewage system improvements. Also under that agreement, SMC provided a grant of $6,000 to Columbus for water system improvements. The agreement stipulates that this funding by SMC will provide sufficient water and sewer capacity to serve a total town population of 1,800. Under the agreement, if the total population of Columbus exceeds 1,800 and the SMC inmigrating population is more than 15% greater than the number projected in the 1988 Plan, SMC and the Town of Columbus will modify the Impact Plan to provide that SMC will pay a proportionate share of the actual costs of upgrading the water and sewer systems. With the proposed expansion of the SMC mineral development, Columbus's total projected population of 2,180 will be above the 1,800 population threshold of the 1988 agreement relating to the water and sewer facilities.

5.2 Impact Costs

Table 5-2 shows, for Columbus, current total inmigrating employees, population, costs and revenues created by the SMC mineral development, and the projected total inmigrating employees and population, and impact costs and revenues after the expansion.

5.2.1 Impact Operating Costs

The impact operating costs resulting from the proposed 1998 expansion are expected to affect the general fund, and as shown in Table 5-2, are projected to increase on a per-capita basis. No other fund accounts in Columbus are expected to be impacted by the SMC mine expansion. Because the water, sewer and solid waste systems are enterprise funds supported by user charges, SMC assumes that the new households associated with the mineral development will pay their way through those user charges.

5.2.2 Impact Capital Costs

5.2.2.1 Sewage Treatment Improvements

SMC will provide funding to meet capital costs of sewer treatment improvements under the following terms:

A SMC will convert the 1988 $127,000 tax prepayment to a grant;

B. SMC will provide the Town of Columbus a grant of $196,000 to pay SMC's proportionate share of the cost of improvements to the Town wastewater treatment facility. The grant amount shall be 10.1% of the total cost of the wastewater treatment improvements, estimated to be $1.93 million. SMC's grant share is based on the 206 SMC inmigrating population that

was not accommodated under the 1988 Plan and agreement. The 206 SMC population is 10.1% of the Town's estimated 1997-98 total population of 2,033.

C. The Town and SMC agree that the approximate $196,000 grant provided under Paragraph B above is SMC's proportionate share of the 1998-99 sewer expansion project, which will provide sufficient capacity to serve a total Town population of 2,500. The Town and SMC further agree that the total funding provided by SMC under Paragraphs A and B above meets SMC's obligation for sewer treatment facility capacity for an SMC inmigrating mineral development population up to 286. Should the Town's total population reach or exceed 2,500 and a future upgrade of the sewer treatment facility is necessary, and the SMC inmigrating mineral development population has exceeded 286, the Town and SMC will negotiate SMC's portion of the costs of the future treatment facility upgrade based on the SMC inmigrating mineral development population that exceeds 286.

5.2.2.2 Resurfacing 1st Avenue South.

SMC will provide a tax prepayment to the Town of Columbus to complete the resurfacing and paving of 1st Avenue South. The amount of the tax prepayment will be based on the actual cost to complete the project.

5.3 Impact Revenues

The Hard Rock Mining Tax Base Sharing Act authorizes a portion of the mineral development taxable valuation to be allocated to affected municipalities. The allocation is based on the portion of total mineral employees living in the municipality, not to exceed 20% of the mineral taxable value. The allocation formula may be modified if needed to "... ensure a reasonable correspondence of increased costs...." between increased costs and allocation of mineral taxable valuation. As a result of the SMC mine expansion, approximately 29% of the total mineral employees residing in Stillwater County are projected to live within the Town of Columbus. However, in this case, no modification is necessary to achieve a "reasonable correspondence" between increased costs and revenues, so under this Plan Amendment, 20% of the SMC mineral taxable valuation would be allocated to the Town of Columbus.

Since 1988, the Town of Columbus has received an allocation of the SMC taxable valuation. The 1988 Plan projected that Columbus would receive 10% of the mineral taxable valuation. That percentage has increased since 1988; currently the Town receives 20% of the SMC taxable valuation.

Table 5-2 shows the current SMC total impact costs and revenues and the total costs and revenues after the expansion. Additional employee housing and expanded commercial development also will increase

the Town's taxable valuation. Because of state assessment procedures, actual receipt of increased tax revenues "lags" approximately one year, and thus the revenue projections in this Plan Amendment reflect a one-year lag. In addition to increased tax revenues, non-tax revenues are assumed to increase on a per-capita basis.

5.4 Net Impact Revenues and Costs

Table 5-2 shows that total SMC impact revenues exceed total impact costs throughout the life of mine.

5.5 Method of Assistance

5.5.1 Net Operating Cost

No net operating costs are projected by this Impact Plan Amendment for the duration of the proposed SMC expansion. Should the Town of Columbus experience net impact operating costs that exceed $1,000 in any year, SMC would provide the Town with tax prepayments to cover the net impact costs. In years where impact revenues exceed impact costs, the Town would provide tax credits to SMC to repay any tax prepayments under the terms and formulas in <u>5.5.2 Tax Crediting</u> below.

5.5.2 Tax Crediting

By agreement between the Town of Columbus and Stillwater Mining Company, this Impact Plan Amendment is prepared pursuant to the Hard Rock Mining Impact Act as amended by the Legislature in 1985. The germane provision of the 1985 statutory change allows a unit of local government and a mineral developer to determine the terms of tax crediting, (by statute, the tax credit in any one year may not exceed the tax obligation of the mineral developer for that year).

Under this Impact Plan Amendment, the Town of Columbus will provide tax credits from its general fund to SMC subject to the following terms and contingencies:

1. In each year following adoption of this Plan Amendment, the Town of Columbus will provide a tax credit to SMC equaling 1/10 the total amount of tax credits due under this Plan Amendment, <u>provided</u> (1) that SMC's taxable valuation in the Town of Columbus (that share of mineral development taxable value provided to Columbus under tax base sharing plus the taxable value of the SMC smelter/base metals refinery and any related facilities) is $1.8 million dollars or greater.

2. Total tax credits due will be equal to the total amount of SMC tax prepayments made to the Town general fund since June 23, 1988, plus any tax prepayments required under this Plan Amendment

and subsequent plan adjustments. Appendix 5-B lists the tax credits currently due and those projected under this Plan Amendment.

3. Should SMC's taxable valuation in Columbus drop below $1.8 million in any year before the tax crediting obligation has been fulfilled, the SMC and the Town will negotiate to determine what, if any tax crediting will occur in that year.

4. The Town need not provide a tax credit if the credit will have the effect of shifting the impact cost over time to non-developer taxpayers.

5. In any given year, the tax credits may not exceed SMC's tax obligation for that year.

6. The Town of Columbus will provide tax crediting until the end of the productive life of the mine, or until all present and future tax prepayments have been credited.

7. In the event there are statutory modifications to the tax base sharing formula, changes in municipal classifications that increase service requirements or costs or alter mill levy limits, legislative actions affecting local property taxation, mill levy limits, revenue sources and budgeting, unanticipated emergency expenditures that deplete the Town's budget, or substantial unanticipated expenditures for maintenance and repair of First Avenue South in any year before the tax crediting obligation has been fulfilled, the Town and SMC will negotiate to see what, if any, tax crediting will occur in that year.

TABLE 5-1. TOWN OF COLUMBUS: TOTAL SMC OPERATING IMPACT COSTS AND REVENUES AFTER SMC EXPANSION

	1988 Pla Year 7-o	Base 1995-96	SMC Expansion 1996-97	1997-98	1998-99	1999-2000
SMC IMPACT:						
SMC Expansion Impact Population			15	92	92	92
Total Impact Population	*80*	*194*	209	286	286	286
Total Town Population with SMC	*1720*	*1831*	1897	2033	2100	2180
Total Impact Employees/Households	*31*	*68*	73	100	100	100
TOTAL SMC IMPACT GENERAL FUND COSTS		Rate/capita (FY 1997)	1996-97	1997-98	1998-99	1999-2000
Admin/Legis/Facil/Zoning	*$2,858*	$62	12,958	17,732	17,732	17,732
City Court	*285*	$9	1,881	2,574	2,574	2,574
Legal Services	*658*	$27	5,643	7,722	7,722	7,722
Police/animal control	*4,250*	$93	19,437	26,598	26,598	26,598
Fire Protection	*690*	$15	3,135	4,290	4,290	4,290
Streets/Airport	*13,792*	$83	17,347	23,738	23,738	23,738
Parks/Pool	*1,164*	$54	11,286	15,444	15,444	15,444
Cash Reserves(33%)		$117	24,453	33,462	33,462	33,462
Total Impact Costs:	*23,697*	$460	$96,140	$131,560	$131,560	$131,560
TOTAL SMC IMPACT GENERAL FUND REVENUES						
Tax Revenues:						
SMC Impact T.V. Available for TBS	*5,100*		4906	5,010	5,305	6,609
TaxBaseSharing (20%)[10% 1988 Pla	*510*		981	1,002	1,061	1,322
Smelter			596	1005	884	1,182
Residential/Commercial	*21*		169	232	232	232
Total Taxable Valuation	*531*		1,746	2,239	2,177	2,736
Tax Revenues (@81.36 mills: 1997)			142,076	182132	177,121	222,585
(@79 mills: 1988)	*$51,732*					
Non-tax Revenues (@ $108/cap: 1997)			22,572	30,888	30,888	30,888
(@$57.1/cap:1988)	*$4,571*					
Total Impact Revenues:	*$56,303*		$164,648	$213,020	$208,009	$253,473
NET REVENUES (COSTS)	*$32,607*		$68,6508	$81,460	$76,449	$121,913

7-7-98

5.6.3 Capital Costs

5.6.3.1 Sewage Treatment Facility

SMC will provide funding to meet capital costs of sewer treatment improvements under the following terms:

A SMC will convert the 1988 $127,000 tax prepayment to a grant;

B. SMC will provide the Town of Columbus a grant of $196,000 prior to construction of sewage treatment improvements;

C. The Town and SMC agree that the approximate $196,000 grant provided under Paragraph B above is SMC's proportionate share of the 1998-99 sewer expansion project, which will provide sufficient capacity to serve a total Town population of 2,500. The Town and SMC further agree that the total funding provided by SMC under Paragraphs A and B above meets SMC's obligation for sewer treatment facility capacity for an SMC inmigrating mineral development population up to 286. Should the Town's total population reach or exceed 2,500 and a future upgrade of the sewer treatment facility is necessary, and the SMC inmigrating mineral development population has exceeded 286, the Town and SMC will negotiate SMC's portion of the costs of the future treatment facility upgrade based on the SMC inmigrating mineral development population that exceeds 286.

5.6.3.2 Resurfacing 1st Avenue South.

SMC will provide a tax prepayment to the Town of Columbus to complete the resurfacing and paving of 1st Avenue South. The amount of the tax prepayment will be based on the actual cost to complete the project.

APPENDIX 5-A

METHODS FOR ESTIMATING PER CAPITA OPERATING COSTS AND REVENUES AND ESTIMATING TOTAL TOWN OF COLUMBUS POPULATION

ESTIMATING TOTAL POPULATION OF TOWN OF COLUMBUS

The general method for estimating the total population of the Town of Columbus was to use the Department of Commerce (DOC) estimated populations for the years 1994 through 1996. The 1997-98 population was estimated in proportion to the increased number of residential water connections through 1997, plus the number of SMC mine-related persons (77) expected to move into Columbus during 1997-98.. The populations levels for 1998-99 and 1999-2000 were projected by increasing the previous year's population by 3.5%, the approximate annual increase since 1994. The following table illustrates how the estimates were determined.

Year	Water Connections	Total Town Population	Explanation
1994-95	620	1,766	DOC estimate
1995-96	642	1,831	DOC estimate
1996-97	647	1,897	DOC estimate
1997-98	662	2,033	per hookups (1,941) +92
1998-99		2,100	(2033 x 103.5%)
1999-00		2,180	(2100 x 103.5%)

ESTIMATING PER CAPITA OPERATING COSTS FOR TOWN OF COLUMBUS

The FY 1996-97 Budget for the Town of Columbus and the 1996-97 estimated population of 1,897 were used to determine per capita operating costs:

ADMIN/LEGIS/ FACIL/ZONING		$118,359	$62/capita
General Government	*$5,252*		
Administrative Services	*2,804*		
Administration	*57,380*		
Facilities Administration	*26,026*		
Land Use Inspection	*8,892*		
Transfers: #822, #823	*2,000; 16,000*		
CITY COURT		$17,564	$9 /capita
LEGAL SERVICES		$51,750	$27/capita
POLICE/ANIMAL CONTROL		$176,794	$93/capita
Law Enforcement	*$153,680*		
Animal Control Services	*9,614*		
Transfers: #824, # 825	*12,000; 2,500*		
FIRE PROTECTION		$28,925	$15/capita
Fire Protection	*$21,425*		
Transfer: #826	*5,000*		
STREETS/AIRPORT		$157,444	$83/capita
Road and Street Services	*$152,588*		
Airport	*3,268*		
Transfer: #821	*1,588*		
PARKS/POOL		$102,441	$54/capita
Parks/cemetery	*$53,999*		
Swimming Pool	*31,678*		
Transfers: #827, # 828	*12,690; 4,074*		
CASH RESERVES (33%)		$222,900	$117/capita

APPENDIX 5-B

SUMMARY OF TOWN OF COLUMBUS TAX CREDITS CURRENTLY DUE (July, 1998)

General Fund

Tax Prepayment C (A)-1 (July, 1988)	$ 2,300 (actual)
Tax Prepayment (under February 5, 1990 agreement) (July, 1988)	$ 55,219* (actual)
Tax Prepayment (under February 5, 1990 agreement) (June, 1990)	$ 9,169* (actual)
Tax Prepayment (actual cost of upgrading 1st Avenue South) (1998)	$250,000 (estimated)
Tax Credits Currently Due	**$316,688**
Tax Credits Provided to Date	$ 0
Credits Expired by July, 1998	$ 5,400

* Under a February 5, 1990 agreement between the Town of Columbus and Stillwater Mining Company, SMC agreed to make tax prepayments for any costs in excess of $135,000 for surveying, engineering and construction of water and sewer facilities to the SMC smelter. SMC made two tax payments ($55,219 and $9,169) totaling $64,388 to cover those costs. SMC and the Town agreed to adjust the 1988 Amendment to the Hard Rock Mining Impact Plan. Appendix B of this Plan Amendment contains (1) the February 5, 1990, agreement, (2) a letter from the Town of Columbus to Carol Ferguson informing the Hard Rock Mining Impact Board of the plan adjustment, and (3) the two resolutions adopted by the Town amending its budget to receive and expend the SMC tax prepayments.

6. ABSAROKEE ELEMENTARY SCHOOL

This section, 6. Absarokee Elementary School, completely revises and replaces section 6.0 Absarokee Elementary School of the 1988 Plan.

6.1 Background and Projections

The Stillwater Mining Company's 1988 Impact Plan projected that 270 students would attend Absarokee Elementary School and that the number of SMC inmigrating students enrolled would reach 110. Under the 1988 Plan, SMC met net operating impact costs created by inmigrating mine-related students with tax prepayments to the Absarokee Elementary School. Also under the 1988 Plan, SMC used an educational facility bond to provide grant funding of $800,000 to Absarokee Elementary School District for increasing the capacity of the school facilities.

Table 2-3 of this Plan Amendment (page 2-5) shows the number of SMC inmigrating students projected to attend Absarokee Elementary projected in the 1988 Plan, enrolled in 1995, expected to inmigrate with the SMC expansion, and projected after the expansion. Table 6-1 shows Absarokee Elementary School's 1997-98 K-8 enrollment was 254 and, according to SMC employment report, includes 83 students with at least one parent employed by SMC who moved into the district. In addition to the inmigrating mineral development students, an estimated three secondary students associated with the SMC mineral development migrated into the district. The total SMC inmigrating enrollment in 1997-98 was 86. When the present SMC expansion is completed by Year 4 the total number of inmigrating students is projected to be 94.

6.2 Needs and Costs

6.2.1 Operating Costs

Montana's school budgeting and financing laws set a maximum general fund budget that a school district may adopt, and a minimum, or BASE, budget (by law 80% of the maximum budget). The levels of the maximum and BASE budget limits for each school district are tied primarily to the district's prior year's annual number belonging (ANB). State law allows only a 4% increase each year over the previous year's budget. Table 6-1 shows the total number of SMC inmigrating students after the expansion, the total school enrollment with the SMC inmigrating students, and the total impact school costs and revenues with SMC students. To illustrate the effect of SMC on Absarokee Elementary School, Table 6-2 shows the estimated general fund enrollment and budget without SMC students or SMC taxable valuation.

6.3 Impact Revenues

Under Montana school finance laws, the SMC inmigrating students would generate additional monies as state aid in Direct State Aid and special education funds as shown in Table 6-1.

Under the Montana Tax Base Sharing Act, Absarokee Elementary School is authorized to receive a share of the SMC mineral development taxable valuation, based on the percentage of mineral development elementary students attending Absarokee Elementary. The SMC taxable valuation is available to be allocated according to the tax base sharing percentages shown in Table 2-4. Under this Plan Amendment, 53% of the total SMC elementary mineral development students projected to attend school in Stillwater County are projected to attend Absarokee Elementary School. Therefore, the available portion of SMC taxable valuation to be allocated to the Absarokee Elementary District under the Tax Base Sharing Act would be 53%. SMC properties and gross proceeds will add $3.5 million in taxable valuation in Year 4-on.

Because Absarokee Elementary School District has a lower taxable value per ANB than the state average, the district receives state guaranteed tax base (GTB) funding The GTB funding is designed to stabilize district mill levies by augmenting district tax revenues in districts with low taxable values that would otherwise have to levy excessively high mill levies. As a district's taxable valuation increases in proportion to its ANB, the GTB subsidy is reduced.

6.4 Effect of SMC

The shaded line in Table 6-1 shows the estimated total general fund mills (from Table 6-2) that would be levied by the district without the presence of SMC students or SMC taxable valuation. Table 6-1 shows that the presence of SMC in Absarokee Elementary School has the positive effect of reducing the general fund mill levy. To further measure the effect of SMC on the finances of Absarokee Elementary School, Table 6-1 shows that SMC generates net impact revenues in each year.

6.5 Impact of SMC on Transportation Fund

In the Transportation Fund, state and county monies fund the "on-schedule" portion of the budget. The "on-schedule" portion is the budget amount provided by state law based on the capacities of the school buses and the number of bus miles driven annually. School districts often find that they must budget more money than the on-schedule amount provided by law. The districts must fund the "over-schedule" amount through a property tax mill levy. Table 6-3 shows that the Absarokee Elementary School over-schedule budget was $44,197 in 1997-98. SMC's estimated portion of the over-schedule budget was $13,574, based on a per student ratio. At the 4.47 mills levied in the transportation fund, SMC paid 14,966 in property taxes, providing net revenues of $1,392.

TABLE 6-1. ABSAROKEE ELEMENTARY SCHOOL General Fund Budget
With Stillwater Mining Company

	Actual		Projected	
	1996-97	1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
ANB				
SMC Impact Mineral Students	77	83	85	87
Impact Secondary Students	5	3	7	7
SMC Total Impact Students	82	86	92	94
Total Grades K-6	189	172	176	178
Total Grades 7-8	78	82	72	72
TOTAL ELEMENTARY	267	254	248	250
ADOPTED BUDGET	1,000,000	1,000,000	1,025,197	1,025,197
BASE BUDGET	896,117	877,091	850,879	842,249
AMOUNT BUDGETED OVER-BASE	103,883	122,909	174,318	182,948
Direct State Aid Payment	423,762	415,933	404,119	399,632
District Spec Ed Payment	31,743	29,528	27,709	27,933
GTB Subsidy	92,497	49,556	75,677	40,701
TOTAL STATE AID	548,003	495,017	507,504	468,265
GTB SUBSIDY PER MILL	2,231	953	1,762	911
SMC Taxable Valuation	3,348,000	2,705,000	2,758,000	3,503,000
TOTAL DISTRICT TAXABLE VALUATION	7,073,473	6,293,000	6,716,000	7,140,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	41.46	51.99	42.96	44.69
Over-BASE Levy Mills	14.69	19.53	25.96	25.62
Total General Fund Mill Levy	56.15	71.52	68.92	70.31
Total General Fund Mill Levy without SMC (from Table 6-2)	*67.40*	*74.97*	*70.35*	*74.27*
Positive (Negative) Effect of SMC on Mill Levy	11.25	3.45	1.44	3.96
SMC Impact Costs*	273,235	304,468	359,325	359,325
SMC Impact State Aid**	127,172	112,257	174,953	151,234
SMC Impact Tax Revenues***	187,990	193,465	190,069	246,307
SMC Net Impact Revenues (Costs)	41,927	1,254	5,697	38,215

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 6-1 and Table 6-2.
** "SMC Impact State Aid" is the difference between Total State Aid shown in Tables 6-1 and 6-2.
*** "SMC Impact Tax Revenues" is the SMC taxable valuation x theTotal General Fund Mill Levy.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment. 8-3-98

TABLE 6-2. ABSAROKEE ELEMENTARY SCHOOL General Fund Budget
Without Stillwater Mining Company (Estimated)

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
Total Grades K-6	128	115	119	119
Total Grades 7-8	57	53	37	37
TOTAL ELEMENTARY	185	168	156	156
ADOPTED BUDGET	726,765	671,532	665,872	665,872
BASE BUDGET	637,513	589,063	540,279	540,279
AMOUNT BUDGETED OVER-BASE	89,252	82,469	125,593	125,593
Direct State Aid Payment	301,922	279,569	256,728	256,728
District Spec Ed Payment	21,995	19,530	17,430	17,430
GTB Subsidy	96,915	83,660	58,393	42,873
TOTAL STATE AID	420,831	382,759	332,552	317,031
GTB SUBSIDY PER MILL	1,889	1,982	1,512	1,008
TOTAL DISTRICT TAXABLE VALUATION	3,725,000	3,588,000	3,958,000	3,958,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	43.44	51.99	38.62	42.54
Over-BASE Levy Mills	23.96	22.98	31.73	31.73
Total General Fund Mill Levy	67.40	74.97	70.35	74.27

This Table 6-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

8-3-98

TABLE 6-3. ABSAROKEE ELEMENTARY SCHOOL TRANSPORTATION FUND

TRANSPORTATION FUND 1997-98

Adopted Budget	$79,117
Over Schedule	$44,197
SMC Portion of Over-Schedule	$13,574
District mill levy	4.47
SMC Tax Revenues	$14,966
SMC Net Revenues (Costs)	$1,392

7. ABSAROKEE HIGH SCHOOL

This section, 7. Absarokee High School, completely revises and replaces section 7.0 Absarokee High School of the 1988 Plan.

7.1. Background and Impact Projections

The Stillwater Mining Company's 1988 Impact Plan projected that Absarokee High School's enrollment would be 198 students, and that 68 of those would be SMC mine-related students. Under the 1988 Plan, SMC met net operating costs created by inmigrating mine-related students by providing tax prepayments to the district. Also, SMC used an educational facility bond to provide $800,000 in grant funding toward the construction of a new high school.

Absarokee High School had a 1997-98 enrollment of 144 students. According to SMC's employment monitoring report, 28 of the students had at least one parent employed by SMC that migrated into the district. Also, an estimated two immigrating secondary students associated with the SMC mineral development were included in the school's enrollment, bringing the SMC total inmigrating enrollment to 30 students. When the SMC expansion is complete in year 4, the total number of inmigrating students is projected to be 35.

7.2 Impact Needs and Costs

Montana's school budgeting and financing laws set a maximum general fund budget that a school district may adopt, and a minimum, or BASE, budget (By law 80% of the maximum budget). The levels of the maximum and BASE budget limits for each school district are tied primarily to the district's prior year's annual number belonging (ANB). State law allows only a 4% increase each year over the previous year's budget. Table 7-1 shows the number of SMC associated with the expansion, the total number of SMC inmigrating students after the expansion, the total school enrollment with the SMC inmigrating students, and the total school costs and revenues with SMC students. To illustrate the effect of SMC on Absarokee High School, Table 7-2 shows the estimated general fund enrollment and budget without SMC students or SMC taxable valuation.

7.3 Impact Revenues

Under Montana school finance laws, the SMC inmigrating students would generate additional revenues as state aid in Direct State Aid and special education funding, as shown in Table 7-1.

Under the Montana Tax Base Sharing Act, Absarokee High School is authorized to receive a share of the SMC mineral development taxable valuation, based on the percentage of mineral development High students attending Absarokee High. The SMC taxable valuation is allocated according to the tax base sharing percentages shown in Table 2-4. Under this Plan Amendment, 71% of the total SMC

High mineral development students attending school in Stillwater County are projected to attend Absarokee High School. Therefore, the available portion of SMC taxable valuation to be allocated to the Absarokee High District under the Tax Base Sharing Act is 71%. SMC properties and gross proceeds will add $4.7 million in taxable valuation in Year 4.

Because Absarokee High School District has a lower taxable value per ANB than the state average, the district receives state guaranteed tax base (GTB) funding The GTB funding is designed to stabilize district mill levies by augmenting district tax revenues in districts with low taxable values that would otherwise have to levy excessively high mill levies. As a district's taxable valuation increases in proportion to its ANB, the GTB subsidy is reduced.

7.4 Effect of SMC

The shaded line in Table 7-1 shows the estimated total general fund mills (from Table 7-2) that would be levied by the district without the presence of SMC immigrating students or SMC taxable valuation. Table 7-1 shows that the presence of SMC in Absarokee High School has the positive effect of reducing the general fund mill levy in each year. To further measure the effect of SMC on the finances of Absarokee High School, Table 7-1 shows that SMC generates net impact revenues in each year of the expansion.

TABLE 7-1. ABSAROKEE HIGH SCHOOL General Fund Budget
With Stillwater Mining Company

	SMC Expansion			
	Actual		Projected	
	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
SMC Impact Mineral Students	37	28	33	33
Impact Secondary Students	2	2	2	2
SMC Total Impact Students	39	30	35	35
TOTAL HIGH SCHOOL STUDENTS	151	144	136	136
ADOPTED BUDGET	721,025	725,966	745,066	745,066
BASE BUDGET	740,510	725,966	699,015	699,015
AMOUNT BUDGETED OVER-BASE	0	0	46,051	46,051
Direct State Aid Payment	356,807	350,389	337,815	337,815
District Spec Ed Payment	17,554	16,740	15,195	15,195
GTB Subsidy	55,066	32,475	18,629	8,558
TOTAL STATE AID	429,427	399,604	371,639	361,569
GTB SUBSIDY PER MILL	2,119	1,145	650	317
SMC Taxable Valuation	3,797,000	3,757,000	3,713,000	4,692,000
TOTAL DISTRICT TAXABLE VALUATION	9,876,000	10,100,000	10,035,000	11,035,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	25.78	28.55	28.65	26.96
Over-BASE Levy Mills	0.00	0.00	4.59	4.17
Total General Fund Mill Levy	25.78	28.55	33.24	31.13
Total General Fund Mill Levy without SMC (from Table 7-2)	*31.28*	*28.55*	*33.29*	*32.76*
Positive (Negative) Effect of SMC on Mill Levy	5.50	0.00	0.05	1.63
SMC Impact Costs*	126,954	116,860	141,986	141,986
SMC Impact State Aid**	62,532	12,450	18,898	24,024
SMC Impact Tax Revenues***	97,887	107,262	123,417	146,077
SMC Net Impact Revenues (Costs)	33,465	2,852	328	28,115

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 7-1 and Table 7-2.

** "SMC Impact State Aid" is the difference between Total State Aid n Tables 7-1 and 7-2.

*** "SMC Impact Tax Revenues" is the SMC taxable valuation x theTotal General Fund Mill Levy.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment. 8-3-98

TABLE 7-2. ABSAROKEE HIGH SCHOOL General Fund Budget
Without Stillwater Mining Company (Estimated)

ANB

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
TOTAL HIGH SCHOOL STUDENTS	112	114	101	101
ADOPTED BUDGET	594,071	609,106	603,080	603,080
BASE BUDGET	594,071	609,106	561,005	561,005
AMOUNT BUDGETED OVER-BASE	0	0	42,075	42,075
Direct State Aid Payment	287,061	294,400	271,819	271,819
District Spec Ed Payment	13,020	13,253	11,285	11,285
GTB Subsidy	66,814	79,502	69,637	54,441
TOTAL STATE AID	366,895	387,154	352,741	337,545
GTB SUBSIDY PER MILL	6,469	2,770	2,615	2,043
TOTAL DISTRICT TAXABLE VALUATION	6,079,000	6,343,000	6,322,000	6,888,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	31.28	28.55	26.63	26.65
Over-BASE Levy Mills	0.00	0.00	6.66	6.11
Total General Fund Mill Levy	31.28	28.55	33.29	32.76

This Table 7-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

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8. COLUMBUS ELEMENTARY SCHOOL

This section, 8. Columbus Elementary School, completely revises and replaces section 8.0 Columbus Elementary School of the 1988 Plan.

8.1 Background and Projections

The Stillwater Mining Company's 1988 Impact Plan projected that 372 students would attend Columbus Elementary School and that the number of SMC impact students enrolled would reach 22 beginning in the second year of the Plan. Under the 1988 Plan, SMC met net operating impact costs created by inmigrating mine-related students with tax prepayments to the Columbus Elementary School. Also, under a December 3, 1987, agreement, SMC paid for the construction of four additional classrooms. Under that agreement SMC has met its obligation for capital facilities until SMC's total number of **K-12** inmigrating mineral development students exceeds 90.

Table 2-3 of this Plan Amendment (page 2-5) shows the number of SMC impact students expected to inmigrate with the SMC expansion and projected to attend after the expansion. Table 8-1 shows Columbus Elementary School's K-8 annual number belonging (ANB) for FY 1997-98 (Year 2) was 434 and, according to SMC's employment report, included 58 students with at least one parent employed by SMC. In addition to the inmigrating mineral development students, 12 secondary students associated with the SMC mineral operation are estimated have attended Columbus Elementary in 1997-98, a total of 70 SMC impact students. By Year 4, when the present expansion is expected to be complete, a total of 77 mine-related (mineral and secondary) students are projected to attend the school.

In addition to the reconciliation of mineral development students and inmigrating mineral students required under subsection 1.3 Monitoring, SMC and Columbus Elementary School will meet each year after February 1st to reconcile the number of inmigrating students with a parent or guardian employed at the SMC smelter and other facilities located in Columbus. The number of inmigrating SMC students determined through this reconciliation process will be included as inmigrating secondary students enrolled in Columbus Elementary School for purposes of calculating impact costs and revenues.

8.2 Impact Needs and Costs

8.2.1 Operating Costs

Montana's school budgeting and financing laws set a maximum general fund budget that a school district may adopt, and a minimum, or BASE, budget (by law 80% of the maximum budget). The levels of the maximum and BASE budget limits for each school district are tied primarily to the district's prior year's annual number belonging (ANB). State law allows only a 4% increase each year over the previous year's budget. Table 8-1 shows the total number of SMC impact students after the expansion, the total school enrollment with the SMC impact students, and the total school costs and revenues with SMC students. To illustrate the effect of SMC on Columbus Elementary School, Table 8-2 shows the estimated general fund enrollment and budget without SMC impact students or SMC taxable valuation.

8.2.2 School/Home Counseling

Experience has shown that students moving to a new school often need assistance to handle class work, integrate into the school and student body, and participate in school functions and activities. SMC and Columbus Public Schools agree to try a joint program of assistance to SMC-related students. Under this program a School/Home Counselor will be hired to work primarily with SMC parents and their students to deal with student problems regarding studies, attendance, involvement in extra-curricular activities, and deportment. In addition, one FTE tutor would assist with after-school educational and remedial instruction. The tutor would afford students in elementary, middle, and high school an opportunity to obtain specific help with course work. A further part of this program would be the sponsorship of a $2,500 scholarship to an SMC high school student. SMC and Columbus Schools would work together to develop the criteria for selection.

The costs of this program would be met as follows by SMC and Columbus Schools:

SMC		Columbus Public Schools
School/Home Counselor	$20,000	Telephone
Health Benefits	2,600	Car (at least initially)
1 FTE Tutor	10,000	Office and classroom space
1 Scholarship	2,500	
	$35,100	

SMC agrees to ensure the above funding for three years. Columbus Schools commits to work to find a means of funding this program that utilizes the property tax revenues generated for

Columbus Schools by SMC. At the end of the first year, SMC and Columbus Schools will meet to evaluate the program and, if necessary, to make adjustments to improve the effectiveness of the program. At the end of the three-year period, SMC and Columbus Schools will meet to reassess the need for continuing the program, and if there is a need, determine means to fund the program without direct payments from SMC.

8.2.3 Capital Costs

After the SMC expansion, the total inmigrating **K-12** mineral development students is projected to be 75. Under the 1987 agreement, between SMC and Columbus Schools, SMC's expansion is not projected to trigger a need for the company to provide additional capital facilities.

8.3 Impact Revenues

Under Montana school finance laws, the SMC impact students would generate additional monies as state aid in Direct State Aid and special education funding as shown in Table 8-1.

Under the Montana Tax Base Sharing Act, Columbus Elementary School is authorized to receive a share of the SMC mineral development taxable valuation, based on the percentage of mineral development elementary students attending Columbus Elementary. The SMC taxable valuation is allocated according to the tax base sharing percentages shown in Table 2-4. Under this Impact Plan amendment, 41% of the total SMC elementary mineral development students attending school in Stillwater County are projected to attend Columbus Elementary School. Therefore, the available portion of SMC taxable valuation to be allocated to the Columbus Elementary District under the Tax Base Sharing Act is 41%. Columbus Elementary School also receives taxable valuation from the SMC smelter and base metals refinery (BMR) located in Columbus. SMC properties and gross proceeds will add approximately $3.9 million in taxable valuation in Year 4.

Because Columbus Elementary School District has a lower taxable value per ANB than the state average, the district receives state guaranteed tax base (GTB) funding. The GTB funding is designed to stabilize district mill levies by augmenting district tax revenues in districts with low taxable values that would otherwise have to levy excessively high mill levies. As a district's taxable valuation increases in proportion to its ANB, the GTB subsidy is reduced.

TABLE 8-1. COLUMBUS ELEMENTARY SCHOOL General Fund Budget
With Stillwater Mining Company

	Actual		Projected	
	1996-97	1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
ANB				
SMC Impact Mineral Students	48	58	63	65
Impact Secondary Students	7	12	12	12
SMC Total Impact Students	55	70	75	77
Total Grades K-6	320	324	342	336
Total Grades 7-8	99	110	111	119
TOTAL ELEMENTARY	419	434	453	455
ADOPTED BUDGET	1,381,411	1,436,667	1,474,050	1,482,721
BASE BUDGET	1,347,502	1,420,957	1,458,012	1,466,588
AMOUNT BUDGETED OVER-BASE	33,909	15,710	16,038	16,132
Direct State Aid Payment	631,482	665,488	682,324	686,434
District Spec Ed Payment	55,360	59,507	61,715	61,948
GTB Subsidy	250,020	227,892	207,320	196,993
TOTAL STATE AID	936,861	952,887	951,359	945,374
GTB SUBSIDY PER MILL	5,212	4,731	4,138	4,227
SMC Taxable Valuation	1,754,000	2,909,000	3,006,000	3,892,000
TOTAL DISTRICT TAXABLE VALUATION	7,289,053	8,528,386	8,767,000	9,738,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	47.97	47.09	50.10	46.60
Over-BASE Levy Mills	4.65	1.84	1.83	1.66
Total General Fund Mill Levy	52.62	48.93	51.93	48.26
Total General Fund Mill Levy without SMC (from Table 8-2)	*52.71*	*49.41*	*52.32*	*50.72*
Positive (Negative) Effect of SMC on Mill Levy	0.09	0.48	0.39	2.46
SMC Impact Costs*	166,082	239,525	231,523	240,193
SMC Impact State Aid**	74,272	107,593	77,663	66,798
SMC Impact Tax Revenues***	92,295	142,343	156,102	187,828
SMC Net Impact Revenues (Costs)	485	10,411	2,242	14,433

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 8-1 and Table 8-2.

** "SMC Impact State Aid" is the difference between Total State Aid shown in Tables 8-1 and 8-2.

*** "SMC Impact Tax Revenues" is the SMC taxable valuation x the Total General Fund Mill Levy.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

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TABLE 8-2. COLUMBUS ELEMENTARY SCHOOL General Fund
Without Stillwater Mining Company (Estimated)

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
Total Grades K-6	278	274	280	280
Total Grades 7-8	86	90	98	98
TOTAL ELEMENTARY	364	364	378	378
ADOPTED BUDGET	1,215,329	1,197,142	1,242,528	1,242,528
BASE BUDGET	1,180,809	1,184,117	1,229,008	1,229,008
AMOUNT BUDGETED OVER-BASE	34,520	13,025	13,519	13,519
Direct State Aid Payment	551,648	553,302	574,501	574,501
District Spec Ed Payment	51,369	51,369	52,997	52,997
GTB Subsidy	259572.13	240,622	246,198	251,078
TOTAL STATE AID	862,589	845,294	873,696	878,576
GTB SUBSIDY PER MILL	5,586	4,981	4,927	5,186
TOTAL DISTRICT TAXABLE VALUATION	5,535,000	5,619,000	5,761,000	5,846,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	46.47	47.09	49.97	48.41
Over-BASE Levy Mills	6.24	2.32	2.35	2.31
Total General Fund Mill Levy	52.71	49.41	52.32	50.72

This Table 8-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

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TABLE 8-3. COLUMBUS ELEMENTARY SCHOOL SMC IMPACT ON CERTAIN FUNDS

TRANSPORTATION FUND 1997-98

Adopted Budget	$83,878
Over Schedule	$11,683
SMC Portion of Over-Schedule	$1,884
District mill levy	1.37
SMC Tax Revenues	$3,985
SMC Net Revenues (Costs)	$2,101

DEBT SERVICE FUND 1997-98

Adopted Budget	$108,362
SMC Portion	$17,478
District Mill Levy	10.58
SMC Tax Revenues	$30,777
SMC Net Revenues (Costs)	$13,299

BUILDING RESERVE FUND 1997-98

Adopted Budget	$50,000
SMC Portion	$8,065
District Mill Levy	5.86
SMC Tax Revenues	$17,046
SMC Net Revenues (Costs)	$8,981

8.4 Effect of SMC Inmigrating Students

The shaded line in Table 8-1 shows the estimated total general fund mills (from Table 8-2) that would be levied by the district without the presence of SMC impact students or SMC taxable valuation. Table 8-1 shows that the presence of SMC in the Columbus Elementary School District has the positive effect of reducing the general fund mill levy. To further measure the effect of SMC on the finances of Columbus Elementary School, Table 8-1 shows that SMC generates net impact revenues in each year of the expansion.

8.5 SMC Impacts on Other School Funds

Table 8-3 shows the impact of SMC on Columbus Elementary School's Transportation, Debt Service and Building Reserve Funds for the fiscal year 1997-98.

In the Transportation Fund, state and county monies fund the "on-schedule" portion of the budget. The "on-schedule" portion is budget amount provided by state law based on the capacities of the school buses and the number of bus miles driven annually. School districts often find that they must budget more money than the on-schedule amount provided by law. The districts must fund the "over-schedule" amount through a property tax mill levy. Table 8-3 shows that the Columbus Elementary School over-schedule budget was $11,683 in 1997-98. SMC's estimated portion of the over- schedule budget was $1,884, based on a per student ratio. At the 1.37 mills levied in the transportation fund, SMC paid $3,985 in property taxes, providing net revenues of $2,101.

In the Debt Service Fund and the Building Reserve Fund, the SMC impact costs were estimated on a per student portion of the entire adopted budget in each fund. Table 8-3 shows that in both funds the property tax revenues paid by SMC through the respective mill levies exceeded the estimated impact costs.

8.6 Methods of Assistance

Unless a means can be found for paying for the School/Home Counseling program from SMC's "natural" tax revenues, SMC will provide a payment of $17,500 to Columbus Elementary District's hard rock mining impact account (a payment of $17,600 will be made to Columbus High School District). The payment will not be counted as non-levy funds toward the District's general fund budgeting.

9. COLUMBUS HIGH SCHOOL

This section, 9. Columbus High School, completely revises and replaces section 9.0 Columbus High School of the 1988 Plan.

9.1. Background and Impact Projections

The Stillwater Mining Company's 1988 Impact Plan projected that 192 students would attend Columbus High School, and that the number of SMC impact students would reach 12. Under the 1988 Plan, SMC met net operating impact costs created by inmigrating mine-related students with tax prepayments to the Columbus Elementary School. Also, under a December 3, 1987, agreement, SMC paid for the construction of four additional classrooms. Under that agreement SMC has met its obligation for capital facilities until SMC's total K-12 number of inmigrating mineral development students exceeds 90.

Table 9-1 shows Columbus High School had a 1997-98 annual number belonging (ANB) of 192 students. According to SMC's employment monitoring report, 12 of the students with at least one parent employed by SMC moved into the district. In addition to those inmigrating mineral development students, an estimated two secondary students associated with SMC migrated into the district. The total number of impact students attending Columbus High School was 14.

The expansion of the SMC mineral development at Nye is projected to bring the total number of SMC impact students to 23 when the present expansion is complete in Year 4.

In addition to the reconciliation of mineral development students and inmigrating mineral students required under subsection 1.3 Monitoring, SMC and Columbus High School will meet each year after February 1st to reconcile the number of inmigrating students with a parent or guardian employed at the SMC smelter and other facilities located in Columbus. The number of inmigrating SMC students determined through this reconciliation process will be included as inmigrating secondary students enrolled in Columbus High School for purposes of calculating impact costs and revenues.

9.2 Impact Needs and Costs

9.2.1 Operating Costs

Montana's school budgeting and financing laws set a maximum general fund budget that a school district may adopt, and a minimum, or BASE, budget (By law 80% of the maximum budget). The levels of the maximum and BASE budget limits for each school district are tied primarily to

the district's prior year's annual number belonging (ANB). State law allows only a 4% increase each year over the previous year's budget. Table 9-1 shows the total number of SMC impact students after the expansion, the total school enrollment with the SMC impact students, and the total school costs and revenues with SMC students. To illustrate the effect of SMC on Columbus High School, Table 9-2 shows the estimated general fund enrollment and budget without SMC impact students or SMC taxable valuation.

9.2.2 School/Home Counseling

Experience has shown that students moving to a new school often need assistance to handle class work, integrate into the school and student body, and participate in school functions and activities. SMC and Columbus Public Schools agree to try a joint program of assistance to SMC-related students. Under this program a School/Home Counselor will be hired to work primarily with SMC parents and their students to deal with student problems regarding studies, attendance, involvement in extra-curricular activities, and deportment. In addition, one FTE tutor would assist with after-school educational and remedial instruction. The tutor would afford students in elementary, middle, and high school an opportunity to obtain specific help with course work. A further part of this program would be the sponsorship of a $2,500 scholarship to an SMC high school student. SMC and Columbus Schools would work together to develop the criteria for selection.

The costs of this program would be met as follows by SMC and Columbus Schools:

SMC		Columbus Public Schools
School/Home Counselor	$20,000	Telephone
Health Benefits	2,600	Car (at least initially)
1 FTE Tutor	10,000	Office and classroom space
1 Scholarship	2,500	
	$35,100	

SMC agrees to ensure the above funding for three years. Columbus Schools commits to work to find a means of funding this program that utilizes the property tax revenues generated for Columbus Schools by SMC. At the end of the first year, SMC and Columbus Schools will meet to evaluate the program and, if necessary, to make adjustments to improve the effectiveness of the program. At the end of the three-year period, SMC and Columbus Schools will meet to reassess the need for continuing the program, and if there is a need, determine means to fund the program without direct payments from SMC.

9.2.3 Capital Costs

After the SMC expansion, the total inmigrating **K-12** mineral development students is projected to be 75. Under the 1987 agreement between SMC and Columbus Schools, SMC's expansion will not trigger a need for the company to provide any additional capital facilities.

9.3 Impact Revenues

Under Montana school finance laws, the SMC impact students would generate additional monies as state aid in Direct State Aid and special education funding, shown in Table 9-1.

Under the Montana Tax Base Sharing Act, Columbus High School is authorized to receive a share of the SMC mineral development taxable valuation, based on the percentage of mineral development students attending Columbus High. The SMC taxable valuation is allocated according to the tax base sharing percentages shown in Table 2-4. Under this Impact Plan amendment, 29% of the total SMC mineral development high school students attending school in Stillwater County are projected to attend Columbus High School. Therefore, the available portion of SMC taxable valuation to be allocated to the Columbus High District under the Tax Base Sharing Act is 29%. Columbus High School also receives taxable valuation from the SMC smelter and base metals refinery (BMR) located in Columbus. SMC properties and gross proceeds will add approximately $3 million in taxable valuation in Year 4.

Because Columbus High School District has a lower taxable value per ANB than the state average, the district receives state guaranteed tax base (GTB) funding. The GTB funding is designed to stabilize district mill levies by augmenting district tax revenues in districts with low taxable values that would otherwise have to levy excessively high mill levies. As a district's taxable valuation increases in proportion to its ANB, the GTB subsidy is reduced.

9.4 Effect of SMC Inmigrating Students

The shaded line in Table 9-1 shows the estimated total general fund mills (from Table 9-2) that would be levied by the district without the presence of SMC impact students or SMC taxable valuation. Table 9-1 shows that the presence of SMC in Columbus High School has the positive effect of reducing the general fund mill levy. To further measure the effect of SMC on the finances of Columbus High School, Table 9-1 shows that SMC generates net impact revenues in each year of the expansion and thereafter.

TABLE 9-1. COLUMBUS HIGH SCHOOL General Fund Budget
With Stillwater Mining Company

	SMC Expansion			
	Actual		Projected	
	1996-97	1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
ANB				
SMC Impact Mineral Students	16	12	15	19
Impact Secondary Students	2	2	3	4
SMC Total Impact Students	18	14	18	23
TOTAL HIGH SCHOOL	192	192	201	205
ADOPTED BUDGET	946,481	974,875	1,011,052	1,027,353
BASE BUDGET	914,234	927,336	962,907	978,431
AMOUNT BUDGETED OVER-BASE	32,247	47,539	48,145	48,922
Direct State Aid Payment	432,157	439,597	456,272	463,678
District Spec Ed Payment	33,525	32,720	33,766	34,231
GTB Subsidy	191,224	179,443	175,077	172,441
TOTAL STATE AID	656,905	651,760	665,116	670,350
GTB SUBSIDY PER MILL	6,469	6,214	5,723	5,881
SMC Taxable Valuation	1,705,000	2,257,000	2,575,000	3,099,000
TOTAL DISTRICT TAXABLE VALUATION	7,354,000	7,991,305	8,352,000	9,064,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	29.56	28.51	30.59	29.32
Over-BASE Levy Mills	4.38	5.95	5.76	5.40
Total General Fund Mill Levy	33.94	34.46	36.35	34.72
Total General Fund Mill Levy without SMC (from Table 9-2)	*35.12*	*36.13*	*38.32*	*36.90*
Positive (Negative) Effect of SMC on Mill Levy	1.18	1.67	1.97	2.18
SMC Impact Costs*	64,826	57,683	73,436	93,821
SMC Impact State Aid**	13,514	(4,485)	(8,881)	(732)
SMC Impact Tax Revenues***	57,868	77,776	93,601	107,597
SMC Net Impact Revenues (Costs)	6,556	15,608	11,284	13,045

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 9-1 and Table 9-2.

** "SMC Impact State Aid" is the difference between Total State Aid shown in Tables 9-1 and 9-2.

*** "SMC Impact Tax Revenues" is the SMC taxable valuation times the total general fund mill levy.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

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TABLE 9-2. COLUMBUS HIGH SCHOOL

Without Stillwater Mining Company (Estimated)

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
TOTAL HIGH SCHOOL	174	178	183	182
ADOPTED BUDGET	881,655	917,192	937,615	933,532
BASE BUDGET	851,840	873,517	892,967	889,078
AMOUNT BUDGETED OVER-BASE	29,814	43,676	44,648	44,454
Direct State Aid Payment	402,598	413,625	422,905	421,050
District Spec Ed Payment	31,385	31,093	31,674	31,558
GTB Subsidy	209,408	211,528	219,417	218,474
TOTAL STATE AID	643,391	656,246	673,996	671,082
GTB SUBSIDY PER MILL	7,018	6,929	7,173	7,418
TOTAL DISTRICT TAXABLE VALUATION	5,649,000	5,734,000	5,777,000	5,965,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	29.84	28.51	30.59	29.45
Over-BASE Levy Mills	5.28	7.62	7.73	7.45
Total General Fund Mill Levy	35.12	36.13	38.32	36.90

This Table 9-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

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TABLE 9-3. COLUMBUS HIGH SCHOOL
SMC IMPACT ON CERTAIN FUNDS

TRANSPORTATION FUND 1997-98

Adopted Budget	$56,501
Over Schedule	$24,772
SMC Portion of Over-Schedule	$1,806
District mill levy	3.10
SMC Tax Revenues	$6,997
SMC Net Revenues (Costs)	*$5,191*

DEBT SERVICE FUND 1997-98

Adopted Budget	$50,813
SMC Portion	$3,705
District Mill Levy	5.13
SMC Tax Revenues	$11,578
SMC Net Revenues (Costs)	*$7,873*

HARD ROCK MINING IMPACT FUND 1998-99

Revenues	
Stillwater Mining Company	$37,100
Expenditures	
School/Home Counselor	$20,000
Health Benefits	2,600
1 FTE Tutor	10,000
1 Scholarship	2,500
	$35,100

9.5 SMC Impacts on Other School Funds

Table 9-3 shows the impact of SMC on Columbus High School's Transportation and Debt Service Funds for the fiscal year 1997-98.

In the Transportation Fund, state and county monies fund the "on-schedule" portion of the budget. The "on-schedule" portion is budget amount provided by state law based on the capacities of the school buses and the number of bus miles driven annually. School districts often find that they must budget more money than the on-schedule amount provided by law. The districts must fund the "over-schedule" amount through a property tax mill levy. Table 9-3 shows that the Columbus High School over-schedule budget was $24,772 in 1997-98. SMC's estimated portion of the over- schedule budget was $1,806, based on a per student ratio. At the 3.10 mills levied in the transportation fund, SMC paid $6,997 in property taxes, providing net revenues of $5,191.

In the Debt Service Fund, the SMC impact costs were estimated on a per student portion of the entire adopted budget. Table 9-3 shows that the property tax revenues paid by SMC through the 5.13 mill levies exceeded the estimated impact costs.

9.6 Methods of Assistance

Unless a means can be found for paying for the School/Home Counseling program from SMC's "natural" tax revenues, SMC will provide a payment of $17,600 to Columbus High District's hard rock mining impact account (a payment of $17,500 will be made to Columbus Elementary District). The payment will not be counted as non-levy funds toward the District's general fund budgeting.

10. FISHTAIL ELEMENTARY SCHOOL

This section, 10 Fishtail Elementary School, completely revises and replaces section 10.0 Fishtail Elementary School of the 1988 Plan.

10.1 Background and Projections

Fishtail Elementary School serves grades K-6. The enrollment was projected in the Stillwater Mining Company's 1988 Impact Plan to reach 51, with 33 of those SMC inmigrating students. The school's actual Annual Number Belonging (ANB) in 1996-97 was 26; 5 of those were inmigrating mine-related students.

The expansion of the SMC mineral development is projected to generate 5 SMC inmigrating students in the Fishtail School in Years 3 and 4. Table 2-3 of this Plan Amendment shows the number of SMC inmigrating students enrolled in 1995 and projected to attend schools in Stillwater County after the expansion.

10.2 Impact Needs and Costs

Table 10-1 shows the general fund budgets with SMC impact costs and revenues for each year of the mine expansion through Year 4. Table 10-2 shows the general fund budget for Years 1 through 4 without SMC inmigrating students and without SMC taxable valuation. Table 10-1 shows that the 5 SMC inmigrating students projected to attend Fishtail Elementary School after the SMC expansion would create impact costs in the school's general fund by $17,864.

10.3 Impact Revenues

Under the Montana Tax Base Sharing Act, Fishtail Elementary School will receive increased taxable valuation from the expanded SMC mineral development. Fishtail Elementary School will receive 2% of the SMC taxable valuation. In Year 4 and thereafter, SMC would add $66,000 to the District's taxable valuation. At the projected mill levies, SMC would contribute $1,150 in District property tax revenues in Year 4-on. In addition, the projected 5 SMC inmigrating students would increase the state aid to the District by $7,330.

10.4 Effect of SMC Students

Table 10-1 shows that the 5 SMC inmigrating students attending Fishtail Elementary School in 1997-98 will generate net impact costs of $9,777, and that the 5 inmigrating students projected to attend Fishtail in Years 4 and thereafter would create net impact costs of $9,383. Also, Table 10-1 shows that with the 5 SMC students in 1997-98, the general fund mill levy is 15.12 mills, compared to an estimated 11.31 mills without SMC inmigrating students or tax base (i.e.,

a difference of 3.81 mills). In Year 4-on, with the projected 5 inmigrating students, Fishtail's general fund mill levy would be 17.43 mills compared to 13.77 without SMC inmigrating students or taxable value - a difference of 3.66 mills.

10.5 Methods of Assistance

10.5.1 Tax Prepayments to Meet Net Impact Costs

In any year that the number of SMC inmigrating students exceeds 3, and Fishtail Elementary District believes that it may experience a fiscal disparity, the District may contact SMC to meet to determine the amount of the school's net impact operating costs, if any, and SMC will provide the District with a tax prepayment equal to that year's net impact costs. The tax prepayments will be placed in a Fishtail Elementary School hard rock mining impact account, and will not be counted as non-levy funds toward the District's general fund budgeting.

10.5.2 Tax Crediting

Fishtail Elementary School agrees to provide SMC with a tax credit in any year that the SMC impact revenues exceed the SMC impact costs. Under this Plan Amendment, Fishtail Elementary School will provide tax credits to SMC under the following terms:

1. A tax credit may not have the effect of shifting the impact cost over time to non-developer taxpayers.

2. The amount of tax credits allowed in any one year shall not exceed the tax obligation of SMC in any fund.

3. Fishtail Elementary School will provide tax crediting throughout the productive life of the mine, or until all tax prepayments due have been credited.

4. The following formula will be used to determine the amount of tax credits:

> Tax credit = Non-Levy Revenues that have not been expended or encumbered at the end of each fiscal year x proportion of SMC taxable valuation to total district taxable valuation, by fund.

TABLE 10-1. FISHTAIL ELEMENTARY SCHOOL General Fund Budget
With Stillwater Mining Company

	-----------	---------------- SMC Expansion	-----------	
	---------- Actual	-----------	------- Projected	-----
	1996-97	1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
ANB				
SMC Total Impact	4	5	4	5
TOTAL ELEMENTARY	26	16	18	19
ADOPTED BUDGET	100,607	75,164	82,797	86,395
BASE BUDGET	87,966	60,433	66,574	69,472
AMOUNT BUDGETED OVER-BASE	12,641	14,731	16,222	16,923
Direct State Aid Payment	41,617	28,797	31,740	33,102
District Spec Ed Payment	3,091	1,860	2,011	2,123
GTB Subsidy	0	0	0	0
TOTAL STATE AID	44,708	30,657	33,751	35,225
GTB SUBSIDY PER MILL	0	0	0	0
SMC Taxable Valuation	49,000	50,000	106,000	106,000
TOTAL DISTRICT TAXABLE VALUATION	2,443,250	2,613,000	2,579,000	2,629,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	15.00	9.48	10.79	11.12
Over-BASE Levy Mills	5.17	5.64	6.29	6.44
Total General Fund Levy Mills	20.17	15.12	17.08	17.56
Total General Fund Mill Levy without SMC (from Table 10-2)	*22.83*	*11.31*	*14.27*	*13.99*
Positive (Negative) Effect of SMC on Mill Levy	2.66	-3.81	-2.81	-3.57
SMC Impact Costs*	4,723	17,864	14,778	18,376
SMC Impact State Aid**	5,521	7,330	6,026	7,500
SMC Impact Tax Revenues***	988	756	1,810	1,861
SMC Net Impact Revenues (Costs)	1,786	(9,777)	(6,942)	(9,014)

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 10-1 and Table 10-2.
** "SMC Impact State Aid" is the difference between Total State Aid shown in Tables 10-1 and 10-2.
*** "SMC Impact Tax Revenues" is the SMC taxable valuation x the Total General Fund Mill Levy.

Shaded data reflect changes that occurred when the actual 1998-99 SMC taxable valuation and total district taxable valuation were used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

8-7-98

**TABLE 10-2. FISHTAIL ELEMENTARY SCHOOL General Fund Budget
Without Stillwater Mining Company (Estimated)**

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
TOTAL ELEMENTARY	22	11	14	14
ADOPTED BUDGET	95,884	57,300	68,018	68,018
BASE BUDGET	77,147	46,055	54,688	54,688
AMOUNT BUDGETED OVER-BASE	18,737	11,245	13,330	13,330
Direct State Aid Payment	36,572	22,048	26,097	26,097
District Spec Ed Payment	2,616	1,279	1,628	1,628
GTB Subsidy	0	0	0	0
TOTAL STATE AID	39,187	23,327	27,725	27,725
GTB SUBSIDY PER MILL	0	0	0	0
TOTAL DISTRICT TAXABLE VALUATION	2,394,000	2,563,000	2,473,000	2,523,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	15.00	6.92	8.88	8.71
Over-BASE Levy Mills	7.83	4.39	5.39	5.28
Total General Fund Levy Mills	22.83	11.31	14.27	13.99

This Table 10-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation.

Shaded data reflect changes that occurred when the actual 1998-99 SMC taxable valuation and total district taxable valu were used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

8-7-98

11. NYE ELEMENTARY SCHOOL

This section, 11.Nye Elementary School, completely revises and replaces section 11.0 Nye Elementary School of the 1988 Plan.

11.1 Background and Projections

Nye Elementary School serves grades K-6. In Stillwater Mining Company's 1988 Impact Plan the enrollment was projected to reach 30, with 18 of those SMC inmigrating students. The school's actual Annual Number Belonging (ANB) was 8 students in 1996-97, and 11 in 1997-98. Of the total ANB of 11, 8 are SMC inmigrating mine-related students.

The expansion of the SMC mineral development is projected to generate 8 SMC inmigrating students in the Nye School in Years 3 and 4. Table 2-3 of this Plan Amendment shows the number of SMC inmigrating students enrolled in 1995 and projected after the expansion.

11.2. Impact Needs and Costs

Table 11-1 shows the general fund budgets with SMC impact costs and revenues for each year of the mine expansion through Year 4. Table 11-2 shows the general fund budget for Years 1 through 4 without SMC inmigrating students and without SMC taxable valuation. Table 11-1 shows that the 8 SMC inmigrating students projected to attend Nye Elementary School after the SMC expansion would create impact costs in the school's general fund by $23,025..

11.3 Impact Revenues

Under the Montana Tax Base Sharing Act, Nye Elementary School will receive increased taxable valuation from the expanded SMC mineral development. Nye Elementary School will receive 5% of the SMC taxable valuation. In Year 4 and thereafter, SMC would add $462,000 to the District's taxable valuation. At the projected mill levies, SMC would contribute $7267 in District property tax revenues. In Year 4-on. In addition, the projected 8 SMC impact students would increase the state aid to the district by $11,730.

11.4 Effect of SMC Students

Table 11-1 shows that the 8 SMC inmigrating students currently attending Nye Elementary School generate net impact costs of $6,479, and that the 8 inmigrating students projected to attend Nye in Years 4 and thereafter will create net impact costs of $4,028. Also, Table 11-1 shows that with the 8 SMC students in 1997-98, the general fund mill levy is 13.76 mills, compared to an estimated 6.58 mills without SMC inmigrating students or tax base (i.e., a difference of 7.18 mills). In Year 4-on, with the projected 8 inmigrating students, Nye's general fund mill levy

would be 15.73 mills compared to 11.27 without SMC inmigrating students or taxable value - a difference of 4.46 mills.

11.5 Methods of Assistance

11.5.1 Tax Prepayments to Meet Net Impact Costs

In any year that the number of SMC inmigrating students exceeds 3, and Nye Elementary District believes it may experience a fiscal disparity, the District may contact SMC to meet to determine the amount of the school's net impact operating costs, if any, and SMC will provide the District with a tax prepayment equal to that year's net impact costs. The tax prepayments will be placed in a Nye Elementary School hard rock mining impact account, and will not be counted as non-levy funds toward the District's general fund budgeting.

11.5.2 Tax Crediting

Nye Elementary School agrees to provide SMC with a tax credit in any year that the SMC impact revenues exceed the SMC impact costs. Under this Plan Amendment, Nye Elementary School will provide tax credits to SMC under the following terms:

1. A tax credit may not have the effect of shifting the impact cost over time to non-developer taxpayers.

2. The amount of tax credits allowed in any one year shall not exceed the tax obligation of SMC in any fund.

3. Nye Elementary School will provide tax crediting throughout the productive life of the mine, or until all tax prepayments due have been credited.

4. The following formula will be used to determine the amount of tax credits:

   Tax credit = Non-Levy Revenues that have not been expended or encumbered at the end of each fiscal year x proportion of SMC taxable valuation to total district taxable valuation, by fund.

TABLE 11-1. NYE ELEMENTARY SCHOOL General Fund Budget
With Stillwater Mining Company

	---------- Actual -----------		------- Projected ---------	
	1996-97	1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
ANB				
SMC Total Impact Students	6	8	8	8
TOTAL ELEMENTARY	8	11	12	14
ADOPTED BUDGET	38,492	46,059	49,189	54,985
BASE BUDGET	36,598	46,059	49,189	54,985
AMOUNT BUDGETED OVER-BASE	1,893	0	0	0
Direct State Aid Payment	17,571	22,050	23,563	26,289
District Spec Ed Payment	951	1,279	1,341	1,564
GTB Subsidy	0	0	0	0
TOTAL STATE AID	18,522	23,329	24,903	27,853
GTB SUBSIDY PER MILL	0	0	0	0
SMC Taxable Valuation	343,000	350,000	318,000	462,000
TOTAL DISTRICT TAXABLE VALUATION	1,069,221	1,253,000	1,208,000	1,365,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	8.37	13.76	15.56	15.85
Over-BASE Levy Mills	1.77	0.00	0.00	0.00
Total General Fund Levy Mills	10.14	13.76	15.56	15.85
Total General Fund Mill Levy without SMC (from Table 11-2)	*7.13*	*6.58*	*8.32*	*11.36*
Positive (Negative) Effect of SMC on Mill Levy	-3.01	-7.18	-7.24	-4.49
SMC Impact Costs*	18,000	23,025	23,190	23,150
SMC Impact State Aid**	8,708	11,730	11,801	11,773
SMC Impact Tax Revenues***	3,478	4,816	4,948	7,323
SMC Net Impact Revenues (Costs)	(5,814)	(6,479)	(6,441)	(4,055)

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 11-1 and Table 11-2.

** "SMC Impact State Aid" is the difference between Total State Aid shown in Tables 11-1 and 11-2.

*** "SMC Impact Tax Revenues" is the SMC taxable valuation x theTotal General Fund Mill Levy.

Shaded data reflect changes that occurred when the actual 1998-99 SMC taxable valuation and total district taxable valuation were used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

8-7-98

TABLE 11-2. NYE ELEMENTARY SCHOOL General Fund Budget
Without Stillwater Mining Company (Estimated)

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
TOTAL ELEMENTARY	2	3	4	6
ADOPTED BUDGET	20,492	23,034	25,999	31,834
BASE BUDGET	19,516	23,034	25,999	31,834
AMOUNT BUDGETED OVER-BASE	976	0	0	0
Direct State Aid Payment	9,576	11,250	12,656	15,383
District Spec Ed Payment	238	349	447	698
GTB Subsidy	0	0	0	0
TOTAL STATE AID	9,814	11,599	13,102	16,080
GTB SUBSIDY PER MILL	0	0	0	0
TOTAL DISTRICT TAXABLE VALUATION	727,000	903,000	890,000	903,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	5.79	6.58	8.32	11.36
Over-BASE Levy Mills	1.34	0.00	0.00	0.00
Total General Fund Levy Mills	7.13	6.58	8.32	11.36

This Table 11-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation.

Shaded data reflect changes that occurred when the actual 1998-99 SMC taxable valuation and total district taxable valuation were used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

8-7-98

12. ABSAROKEE WATER AND SEWER DISTRICT

12.1 Background and Projections

The Absarokee Water and Sewer District formed in 1996, and thus became an eligible unit of local government under the Hard Rock Mining Impact Act. When the 1988 Plan was prepared and a adopted, the Absarokee water system was owned by a private firm, and so the water system was not eligible assistance as an affected unit of local government.

The Absarokee Water and Sewer District water system has seven wells, five of which are active. Two (developed by Stillwater Mining Company) are located at the Circle T subdivision and three are located in Absarokee. The District has two water storage tanks, a 150,000 gallon tank and a 200,000 gallon tank. The system uses water meters.

The water system is approximately 50 years old and suffers from deterioration. The storage tanks leak, and the water distribution lines have substantial leakage throughout the system. The District has hired an engineering firm to begin designing a renovation of the system costing in the range of 1.5 to 3 million dollars.

Stillwater Mining Company's (SMC) December 31, 1997, monitoring report indicates that 112 inmigrating mineral development employees lived in Absarokee. With an estimated 10 secondary employees, the total number of SMC inmigrating employees is approximately 122. The estimated inmigrating population in Absarokee is 349 people.

SMC projects that after the current expansion is complete, 141 inmigrating employees and 403 inmigrating population will live in Absarokee.

12.2 Impacts

The Absarokee Water and Sewer District, which operates the Absarokee water system, meets the operating and capital costs through user rates charged to residential, commercial and other users of the system. Stillwater Mining Company assumes that inmigrating SMC and secondary employees pay their share of the water system costs through their monthly household water charges.

12.3 Methods of Assistance

Should the District believe that at some point in the future the District experiences a fiscal disparity as a result of the SMC mineral development or impact employees, the District may contact SMC to discuss potential net impact costs and possible means of assistance.

APPENDIX A

SMC Financial Guarantee

APPENDIX B

Agreements Between SMC and the Town of Columbus

AGREEMENT

THIS AGREEMENT made and entered into this 17th day of February, 1988, by and between STILLWATER MINING COMPANY, composed of CHEVRON, U.S.A. INC., AS OPERATOR by and through its agent, CHEVRON RESOURCES COMPANY, a Division of CHEVRON INDUSTRIES, INC., LAC MINERALS (USA), INC., and MANVILLE SALES CORPORATION, hereinafter referred to as "SMC"; and the TOWN OF COLUMBUS, a municipal corporation, hereinafter referred to as "TOWN";

WITNESSETH:

WHEREAS, Section 90-6-307 of the Montana Code Annotated (hereinafter referred to as MCA) requires a Company proposing a large scale hard-rock mining operation to develop an impact plan to assess the economic impact the mining operation would have on local governments; and

WHEREAS, the Montana Hard-Rock Mining Board approved the SMC Hard-Rock Mining Economic Impact Plan (hereinafter referred to as Original Impact Plan) on July 8, 1985; and

WHEREAS, Section 5.4.4 of the Original Impact Plan provided that at such time as Tax Prepayment C-1 became due and payable, SMC would proceed within ninety (90) days towards developing an agreement with the TOWN that would provide appropriate arrangements by which SMC would initially finance water and sewer disposal facility improvements determined to be needed to accommodate the Impact Population residing, or projected to reside, at the time of the agreement, in the TOWN; and

WHEREAS, Tax Prepayment C-1 became due and payable November 23, 1987; and

WHEREAS, the parties have negotiated the required sewer and water agreement and wish to reduce the same to writing;

NOW, THEREFORE, the parties to this agreement for and in consideration of the mutual promises herein contained and of the good and valuable consideration, do hereby agree as follows:

1. SMC shall pay to the TOWN the sum of ONE HUNDRED SEVENTY-NINE THOUSAND DOLLARS ($179,000.00) which sum shall be used by the TOWN for water supply and sewage disposal facility improvements. SMC shall pay said sum to the TOWN on or before July 1, 1988. FORTY-SIX THOUSAND DOLLARS ($46,000.00) of said sum shall be paid as a direct grant and shall be used for sewage disposal improvements. SIX THOUSAND DOLLARS ($6,000.00) of said sum shall be paid as a direct grant and shall be used for water system improvements. The

balance of said sum in the amount of ONE HUNDRED TWENTY-SEVEN THOUSAND DOLLARS ($127,000.00) shall be considered a prepayment of any taxes owed the TOWN under the hard-rock mining impact property tax base sharing statutes set forth under Sections 90-6-401 et seq. MCA, and shall be used for sewage disposal facility improvements.

2. It is anticipated that the improvements made to the TOWN's sewer and water systems with the funds provided by SMC will provide sufficient capacity to serve a population of 1800 people. If the population of the TOWN exceeds 1800 and if the in-migrating Impact Population residing within the TOWN is more than fifteen percent (15%) greater than the number projected in 1988 Amendment to the Original Impact Plan, the parties mutually agree that this Agreement may be modified to provide that SMC would pay a proportionate share of the actual costs of expanding the TOWN'S sewer and water systems to accommodate the additional in-migrating Impact Population.

3. In consideration of receipt of the sums stated in paragraph 1 above, the TOWN agrees to provide SMC with property tax prepayment credits from the general fund calculated according to the procedure set forth under Section 90-6-309(5) (MCA) (1983) and in accordance with the provisions of Section 5.4.3 of the Original Impact Plan and Section 5.5 of the 1988 Amendment. For the purpose of the annual general fund budget determination, the budget shall be the TOWN budget less cash on hand and non-property tax revenues.

The TOWN's obligation to provide SMC with tax prepayment credits shall bear no interest and shall terminate ten (10) years from the date of this Agreement, or at such time as SMC has received tax prepayment credits totaling ONE HUNDRED TWENTY-SEVEN THOUSAND DOLLARS ($127,000.00), whichever occurs first.

TOWN OF COLUMBUS

By Robert C. Kem
ROBERT C. KEM, Mayor

ATTEST:

Ronald D Barndt
RONALD D. BARNDT, Town Clerk

STILLWATER MINING COMPANY

By ______________________

AGREEMENT

This agreement is entered into this 5th day of February, 1990, between the Town of Columbus, acting through its duly elected mayor and Town Council, and Stillwater Mining Company (hereinafter "SMC"), acting through its duly authorized representatives.

In consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. PROPERTY LEASE

SMC agrees to lease Blocks 9, 10, and 11 of the Columbus Industrial Sites Addition, plus 18th Street South and 19th Street South, as further described on plat 179163, Section 27, Township 2 South, Range 20 East and containing 7.81 acres. The lease will contain an option to purchase at an agreed price, with an escalator clause. The initial purchase price will be agreed upon by the parties after reviewing three independent appraisals of the subject property which will be obtained by SMC at its expense.

The term of the lease shall be twenty five years, and may be extended at the option of SMC for an additional 25 years if the conditions of the lease have been duly observed. Lease payments shall be $5,670 per year for the first five years, $6,300 per year for years six through ten, $6,920 per year for years eleven through fifteen, $7,560 per year for years sixteen through twenty and $8,190 per year for years twenty through twenty-five.

Lease payments will be due in advance each year commencing on July 1; provided however that the lease payment for the first half of 1990 will be prorated from the date of signing of said lease through July 1, 1990.

The lease will provide that SMC may use the subject property for any purpose authorized by the Town zoning ordinance, including the construction and operation of a precious metals smelter and associated facilities, provided that all such facilities must comply with all applicable federal, state and local laws, regulations and ordinances. SMC will submit an application for a use permit and, if necessary, a conditional use permit, together with building plans, site plans and review fees to the Town for its review and approval.

The Town will process a use permit and any associated variance or conditional use permits required to accommodate the proposed facility with a 100 foot stack height. The Town will provide assistance from the Public Works Director, Fire Chief, Town Attorney and Planning Director on all permits and applications required by the Town.

2. DOCUMENTS

All legal documents required to effectuate this agreement will be prepared by SMC attorneys and submitted to the Columbus Town Attorney for review. The Mayor of the Town of Columbus, with approval of the Town Council, will have the authority to sign and enter into this and subsequent agreements on behalf of the Town.

3. OFF SITE IMPROVEMENTS

SMC will construct, at its expense, a temporary access road to the site which will run along 3rd Avenue South from Highway 78 to the closed sanitary landfill, and then will turn north and east to the east property line, then north to 1st Avenue South (extended as set forth below), then west to the smelter site. During construction of the temporary road and smelter facility, SMC will maintain 3rd Avenue South in a condition as good as or better than exists at present. The temporary road will become the property of the Town, and the amount expended by the Company to construct the road will constitute a prepayment of future taxes in accordance with the SMC Amended Hard Rock Mining Economic Impact Plan. The Town will permit SMC to use the aforesaid road as its sole means of access to the property until such time as First Avenue South can be extended to the smelter site, and thereafter as a secondary and emergency access route.

SMC will provide the Town with a grant of up to $25,000 to cover the Town's cost of surveying the route for the extension of First Avenue South to the smelter site and obtaining all engineering services necessary to prepare construction plans and specifications. The Town will apply for public works grants from the Economic Development Administration to fund the actual cost of constructing the road.

If the Town is unable to obtain public works grants or other funding by December 1, 1990 to pay for the extension of 1st Avenue South, SMC will, by January 15, 199~~0~~1, enter into a written agreement with the Town to pay for the construction of the road; provided however that if public funding subsequently becomes available any sums advanced by SMC for the road construction will be refunded to SMC, and provided further that any sums advanced by SMC for this purpose and not subsequently refunded will constitute a prepayment of taxes by SMC, and will be processed as a mutually agreed upon adjustment to the SMC Amended Hard Rock Mining Economic Impact Plan.

The Town will construct water and sewer lines to the site. The Town will provide industrial park funds, not to exceed $100,000 and uncommitted/unspent mining impact funds previously provided for sewer system improvements, not to exceed $35,000, to be used to pay the costs of surveying, engineering and constructing the water and sewer systems. SMC agrees to pay any costs of constructing such facilities in excess of $135,000; provided however that any such amounts advanced by SMC will also constitute a prepayment of taxes. This prepayment will be made within 30 days of request by the Town and will be processed a mutually agreed upon adjustment to the SMC Amended Hard Rock Mining Economic Impact Plan.

4. CONNECTION TO WATER AND SEWER SYSTEMS

SMC agrees to pay all applicable hook-up fees and to pretreat all waste discharged into the municipal sewer system in a manner satisfactory to the town. SMC will cooperate with the Town in scheduling peak water use, but cannot agree in advance that its peak water use will never coincide with the Town's peak use schedule.

5. UTILITY INSTALLATION

The Town will allow utility upgrades or extensions to be located in street rights-of-way. SMC will make the necessary arrangements with the utility companies to extend or upgrade the electrical, gas and telephone service to the proposed site. The Town will help coordinate this aspect of the project.

6. SITE IMPROVEMENTS

SMC will pay the cost of all on-site improvements. SMC will have the right to erect buildings, parking areas, labs, offices, landscaping and other improvements required for the smelting and refining of precious or semi-precious metals, together with the right to store material and equipment on the site; provided however that the disposal of toxic, hazardous or other waste material will not be permitted on the site.

SMC agrees to provide an on site parking area of sufficient size to accommodate all employees and visitors and a solid waste collection facility adequate to accommodate anticipated volumes of solid waste.

SMC will, to the extent permitted by law, indemnify and hold harmless the Town of Columbus, its elected officials and its employees from any and all liability resulting from improvements made by SMC to the leased premises.

7. SUPERFUND SITE

The Town agrees to use its best efforts to persuade the Environmental Protection Agency to adhere to its proposed schedule to stabilize and clean up the contaminated ground and groundwater located in the Industrial Sites Addition next to Timberweld during the coming year.

SMC assumes no liability in connection with the Superfund site or related cleanup. To the extent permitted by law, the Town will agree to indemnify and hold harmless SMC and its officers and employees, its respective partners and their affiliated companies for and against any liability in connection with the Superfund Site or contamination resulting therefrom.

8. TAXES

SMC will pay all taxes and assessments against the personal property and improvements which are placed on the property. As long as the property is leased SMC will not be obligated to pay real property taxes.

9. TERMINATION OF USE

At the expiration or earlier termination of the lease, SMC will remove all equipment and material from the site and the Town will decide whether to take possession of any buildings or to require SMC to remove them. This provision will not apply if SMC exercises the option to purchase the site.

SMC shall have the right to terminate the aforesaid lease upon 180 days written notice to the Town, subject to the foregoing provisions of this Section 9.

10. UNFORESEEN CONDITIONS

In the event that SMC is unable to obtain all necessary permits or is otherwise unable to construct or operate the proposed smelter facility, this agreement and any lease or other agreement made pursuant hereto shall be terminable at the option of SMC, but SMC shall be required to restore the subject property to its original condition or to such condition as is satisfactory to the town.

This agreement is subject to the execution by SMC and the Town of Columbus of a mutually acceptable lease incorporating the provisions contained herein.

STILLWATER MINING COMPANY	TOWN OF COLUMBUS
BY [signature] 2/5/90	BY [signature] Mayor 2.5.90

TOWN OF COLUMBUS

COLUMBUS, MONTANA 59019

July 2, 1990

Ms. Carol L. Ferguson
Administrative Officer
Hard-Rock Mining Impact Board
Montana Department of Commerce
Room C-211, Cogswell Building
Helena, MT 59620

RE: SMC Smelter Project

Dear Ms. Ferguson:

I am writing on behalf of the Town of Columbus and Stillwater Mining Company to inform the Hard-Rock Mining Impact Board of an adjustment in the Amended Hard-Rock Mining Economic Impact Plan which has been mutually agreed upon by SMC and the Town. Specifically, on February 5, 1990, the Town and SMC entered into an agreement pertaining to the smelter project. Attached hereto for your reference is a copy of that Agreement.

Under Section 3 of the February 5, 1990, Agreement, the parties agreed that the Town would construct water and sewer lines to the smelter site and that SMC would pay any costs of constructing such facilities in excess of $135,000. The parties further agreed that any such amounts advanced by SMC would constitute a prepayment of taxes. To date the Town has requested and received two (2) payments from SMC of excess costs of surveying, engineering and constructing the sewer and water systems to serve the smelter site. As you are aware, one of the payments was in the amount of $55,219 and was paid directly to the Town of Columbus. The other payment was in the amount of $9,169 and was processed through your office.

It is mutually agreed between the parties that the $55,219 and the $9,169 paid to the Town by SMC shall constitute an adjustment to the Amended Hard Rock Mining Economic Impact Plan. Specifically, the tax prepayments of $55,219 and $9,169 shall constitute new tax prepayments in addition to the tax prepayments identified on page 21 (Section 5.5) and pages 70 and 71 of the Amended Plan.

Ms. Ferguson
July 2, 1990
Page 2

In consideration of receipt of the $55,219 and $9,169 tax prepayments, the Town shall provide SMC with property tax credits calculated according to the procedure set forth under Section 90-6-309(5) MCA (1983) and in accordance with the provisions of Section 5.4.3 of the original Impact Plan and Section 5.5 of the Amended Plan. For the purpose of the annual general fund budget determination, the budget shall be the Town budget less cash on hand and non-property tax revenues. The Town's obligation to provide SMC with tax credits in connection with the $55,219 and $9,169 tax prepayments shall bear no interest and shall terminate ten (10) years from the date of the prepayment, or at such time as SMC has received tax credits totaling $55,219 and $9,169, whichever occurs first.

Also, enclosed for your reference please find a copy of the Resolution adopted by the Town amending the Town's 1989-90 budget to provide for the receipt and expenditure of the $55,219 tax prepayment. I will also be preparing and mailing you a copy of the Resolution adopted by the Town amending the Town's 1989-90 budget to provide for the receipt and expenditure of the $9,169 tax prepayment. This shall also advise you that the parties recognize that the issue of tax prepayment crediting for the life of the mine may be addressed in negotiations regarding future amendments to the Hard-Rock Mining Impact Plan. If you require any additional information concerning these matter, please contact me at your earliest convenience.

Sincerely yours,

Douglas D. Howard

Douglas D. Howard
Town Attorney

TOWN OF COLUMBUS

By Robert C. Allen, Mayor

STILLWATER MINING COMPANY

By ______________________

RESOLUTION

Jess Wilson introduced the following Resolution and moved its adoption:

RESOLUTION NO. 523

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF COLUMBUS, MONTANA, AMENDING ITS 1989-90 BUDGET TO PROVIDE FOR THE RECEIPT AND EXPENDITURE OF SMC MINE IMPACT FUNDS.

WHEREAS, STILLWATER MINING COMPANY and the TOWN OF COLUMBUS mutually agreed on February 5, 1990, to adjust the SMC Amended Hard Rock Mining Impact Plan for any costs in excess of $135,000 paid by STILLWATER MINING COMPANY for surveying, engineering and constructing water and sewer systems to serve the SMC Smelter Site located within the TOWN OF COLUMBUS; and

WHEREAS, the TOWN OF COLUMBUS requested $55,219.00 in tax prepayment from STILLWATER MINING COMPANY on April 6, 1990, to cover said excess costs; and

WHEREAS, STILLWATER MINING COMPANY made a tax prepayment directly to the TOWN OF COLUMBUS in the amount of $55,219.00 on April 6, 1990; and

WHEREAS, Section 90-6-323, MCA, provides local governments with the authority to amend their budgets by majority vote of the governing body to provide for the receipt and expenditure of impact payments;

NOW THEREFORE, BE IT RESOLVED: That the TOWN OF COLUMBUS' 1989-90 budget is hereby amended to provide for the receipt of the $55,219.00 SMC tax prepayment and deposit of said monies into Fund No. 4030 ;

BE IT FURTHER RESOLVED that said monies shall be expended for surveying, engineering and constructing water and sewer systems to serve the SMC Smelter Site.

The motion for the adoption of the foregoing Resolution was seconded by Terry Nystul . Upon being put to a vote, ALL voted for; NONE voted against, and the Mayor declared the motion passed and the Resolution adopted.

DATED this 7th day of May, 1990.

ROBERT C. KEM, Mayor

ATTEST:

RONALD D. BARNDT, Town Clerk

RESOLUTION

Jack Kenyon introduced the following Resolution and moved its adoption:

RESOLUTION NO. 527

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF COLUMBUS, MONTANA, AMENDING ITS 1989-90 BUDGET TO PROVIDE FOR THE RECEIPT AND EXPENDITURE OF SMC MINE IMPACT FUNDS.

WHEREAS, STILLWATER MINING COMPANY and the TOWN OF COLUMBUS mutually agreed on February 5, 1990, to adjust the SMC Amended Hardrock Mining Impact Plan for any costs in excess of $135,000.00 paid by STILLWATER MINING COMPANY for surveying, engineering and constructing water and sewer systems to serve the SMC Smelter site located within the Town of Columbus; and

WHEREAS, the TOWN OF COLUMBUS requested and received $55,219.00 in tax prepayment from STILLWATER MINING COMPANY to cover said excess costs; and

WHEREAS, a change order was necessary in connection with the contract for construction for sewer and water improvements to the SMC Smelter site, which resulted in additional costs of $9,169.00 to the TOWN; and

WHEREAS, the TOWN OF COLUMBUS requested and received a tax prepayment from STILLWATER MINING COMPANY in the amount of $9,169.00 to cover said additional costs; and

WHEREAS, Section 90-6-323, MCA, provides local governments with the authority to amend their budgets by majority vote of the governing body to provide for the receipt and expenditure of impact payments;

NOW THEREFORE, IT IS HEREBY RESOLVED that the TOWN OF COLUMBUS' 1989-1990 budget is hereby amended to provide for the receipt of the $9,169.00 SMC tax prepayment and deposit of said monies into Fund No. 4030;

BE IT FURTHER RESOLVED that said monies shall be expended for surveying, engineering and constructing water and sewer systems to serve the SMC Smelter site.

The motion for the adoption of the foregoing Resolution was seconded by Randy Erickson . Upon being put to a vote, ALL voted for; NONE voted against, and the Mayor declared the motion passed and the Resolution adopted.

DATED this 2nd day of July, 1990.

ROBERT C. KEM, Mayor

TOWN OF COLLINS

RONALD D. BARNDT, Town Clerk

APPENDIX C

Agreement Between SMC and Columbus Public Schools

AGREEMENT BETWEEN
COLUMBUS ELEMENTARY SCHOOL DISTRICT
AND STILLWATER MINING COMPANY

This Agreement is made and entered into as of the 3rd day of December, 1987, between Stillwater Mining Company ("SMC"), a Colorado general partnership among Chevron USA, Inc., Managing Partner; by and through its agent Chevron Resources Company, a division of Chevron Industries, Inc.; Manville Sales Corporation; and LAC Minerals (USA), Inc., and the Columbus, Montana Elementary School District (the District).

RECITALS

A. SMC has prepared an Impact Plan (the Plan) pursuant to the Montana Hard-Rock Mining Impact Act (90-6-301 et seq., MCA), and the Plan was approved by the Hard-Rock Mining Impact Board on July 8, 1985.

B. Article 9 of the Plan outlines certain obligations of SMC for school impact mitigation measures. SMC has an obligation to provide funds for the purpose of accommodating new students entering the Columbus Elementary School as a direct result of SMC operations. The obligations of SMC under the Plan are triggered at such time as certain levels of school enrollment and in-migrating mineral development students are reached.

C. The District has informed SMC that as of August 31, 1987, enrollment has reached the level at which certain obligations are triggered under the Plan, and SMC concurs that in-migrating mineral development student enrollment thresholds have been met under the Plan.

D. Section 9.7 of the Plan requires that SMC and the District enter into an Agreement which "would provide appropriate arrangements by which SMC would finance" its obligations under the Plan.

E. The District is currently analyzing the manner and time frame in which the funds to be provided by SMC will be provided.

F. SMC and the District have analyzed architectural and other information and have determined the amount of funds which will be necessary to provide facilities in accordance with the Plan. In addition, SMC is currently preparing Amendments to the Plan.

G. The parties desire to enter into this Agreement in accordance with the Plan to specify the arrangements for SMC's satisfaction of its obligation to fund school facility improvements under the Plan and to set forth certain agreements as to future funding responsibilities of SMC under the Plan and any amended plan.

NOW THEREFORE, the parties agree as follows:

1. Upon ninety (90) days written notice to SMC (at the address indicated below) SMC shall fund its facility improvement obligation to the District under the Plan. Such obligation shall be as defined in this Agreement.

2. The amount of SMC's obligation has been determined based on architectural and construction cost analysis and shall not exceed $348,000. Any estimates or ceilings previously mentioned in the Plan or elsewhere are expressly superseded.

3. The method of funding the obligation shall be consistent with the provisions of the Plan.

4. SMC may prepare a new or amended impact plan in the future. It is not known presently whether any facility improvement funding will be necessary under a subsequent impact plan or amendments to the existing Plan, but in any case none

shall be required unless and until the total number of in-migrating mineral development students in the Columbus school system (Grades K - 12) exceeds ninety (90).

5. Entry into this Agreement constitutes compliance with Section 9.7 of the Plan.

6. Any notice hereunder shall be mailed to: Mr. Joe R. Dewey, Star Route #2, Box 365, Nye, Montana 59061 and Mr. Les Darling, P. O. Box 5049, San Ramon, CA 94583-0949.

STILLWATER MINING COMPANY
By Chevron Resources Company, a division of Chevron Industries, Inc., as agent for Chevron U.S.A., Inc., Managing Partner

By Joe Dewey

Print Name Joe R Dewey

Title General manager

COLUMBUS ELEMENTARY SCHOOL DISTR

By Conrad D. Robertson

Print Name Conrad D. Robertson

Title Superintendent of Schools

Attachment 3 – Existing (1998, AM2) Nye Impact Plan with Markups of Proposed AM3 Revisions

SIBANYE-STILLWATER

NYE MINERAL DEVELOPMENT
HARD ROCK MINING IMPACT PLAN

AMENDMENT 3

Inclusion of Park City Schools

Prepared for:

Park City School District #5
PO Box 278
Park City, MT 59063

By:

Dusty R. Weber
Park City, MT 59063

March 2, 2023

Original Impact Plan – 1985
Amendment 1 – 1988
Amendment 2 – 1998

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FIGURES

TABLES

Insert Figure 1

EXECUTIVE SUMMARY; MITIGATION SUMMARY

The Nye Mineral Development owned by Sibanye-Stillwater Mining Company (SMC) ~~is undertaking an expansion~~started production in 1986~~.~~. -The original Nye Hard Rock Mining Impact Plan (NIP) was approved in 1985, and subsequent amendments to the plan were approved in 1988 and 1998.~~of its mineral development near Nye.~~ Twenty-~~F~~five years have elapsed since the last time the Nye Hard Rock Mining Impact Plan was amended. ~~The expansion~~Current conditions and future projections reflect ~~is increase~~ed~~ing~~ mine-related employment~~, population~~ and school enrollments beyond those levels ~~projected~~ contemplated in the ~~1988~~ 1998 (~~Amend~~ment 2)~~ed~~ Hard Rock Mining Impact Plan (AM2 Plan). This 2023 ~~Amendment 3~~Amended Nye Hard Rock Mining Impact Plan (AM3 Plan) revises significant portions of the ~~1998 Impact~~AM2 Plan ~~Amendment completely revises~~and superesedes the amended 1988 Impact Plan (~~Amendment 1~~AM1 Plan) and ~~supercedes both~~ the original 1985 Impact Plan~~ and the 1988 Amended Plan~~, although certain previous separate agreements~~ contained in the 1988 Plan~~ -are still in effect and are attached to this ~~Amendment 3~~AM3- ~~to the Impact~~ Plan~~ Amendment~~.

Project Description

Park City School District #5 (PCSD)~~Stillwater Mining Company (SMC), in cooperation with affected units of local government,~~ has prepared this ~~Amendment~~ AM3 Plan to ~~its~~ the Hard Rock

Mining Impact Plan for the platinum-palladium mineral development near Nye in Stillwater County. In 1998, SMC ~~is in the process of expanding its production at the mine from 1,000 tons per day (tpd) to 2,000 tpd,~~ lifted the production limit at the mine of 2,000 tons per day (tpd)~~1998~~ and has~~.~~ ~~The company expects to reach~~generally been at ~~its~~ fully expanded production for the past 25 years. ~~during 1998.~~ Metal prices, ore grade, continuity of ore zone and production costs will determine the actual production and future development schedule.

Under the Montana Hard Rock Mining Impact Act, a large-scale mineral developer is required to prepare, or amend, a hard rock mining impact plan that describes the fiscal impacts the mineral developer will create for units of local government. ~~Since~~The 1998 ~~The proposed~~ expanded production of the SMC mine at Nye ~~will~~ ~~has~~ caused ~~create~~ significant~~ly~~ increased employment at the mineral operation. ~~Although a shift towards mechanization will be less labor-intensive than the current operation, the expansion is expected to exceed the immigrating manpower levels projected in the 1988~~ 1998 ~~Plan Amendment by more than 15%.~~ The 1998 Plan Amendment only projected a maximum of 700 total mineral development employees, however ~~and~~ , by the following year (1999), employment at SMC had already increased to 861. The total site manpower at the Stillwater Mine jumped to over 1,100 employees in 2002 and in 2021 SMC had increased to- 1,713 mineral development employees ~~in 2021~~ .~~and~~ SMC is now projecting ~~anticipating~~ 2,054 mineral development employees in 2024 which ~~. This 2024 projection~~ will be an increase of 1,354 employees ~~or an increase of 293% since~~over the levels contemplated in the 1998 AM2 Plan.

ARM 8.104.217(1)(j)(ii) allows for an amendment if employment is forecast to increase by 75 or more employees than the employment levels contemplated in the approved Impact Plan. Employment levels at the Nye Mineral Development have been greater than 75 persons over the employment levels contemplated in the approved impact plan each year since the plan was approved in 1998, t~~T~~herefore, ~~under conditions~~ARM 8.104.217(1)(j)(ii) ~~of the 1988~~ 1998 ~~Plan when immigrating mineral employment exceeds 265~~560~~, an updated plan amendment is necessitated~~ allows for ~~an~~this amendment and is appropriate. ~~The projected total immigrating mineral employment after expansion would total 440 employees/contractors, which triggers this Plan Amendment Of the employees, approximately 40% are expected to be local residents and 60% would move into the area.~~Additionally, four conditions (B, C, D, and F) in the 1998 Impact Plan itself have also been met that allow for an amendment under ARM 8.104.217(1)(j)(i).

~~SMC's December 31, 1995, employee monitoring report showed that at that time 468 mineral employees were employed by SMC. After the expansion, a total of 700 mineral employees/contractors are projected to be working for SMC. Of those mineral employees, 440 are expected to immigrate to the impact area. This workforce includes approximately 50 non- resident contractors who will be working at the mine site at any given time, at least for the first four years of the expansion. Those 50 contractors are considered immigrating for purposes of determining impacts on Stillwater County services and calculating secondary employment.~~

New information is now included in this 2023 AM3 Impact Plan about how (1) Mandatory Employee Car Pooling/Bussing and (2) Mine Housing Restrictions in the Good Neighbor Agreement (GNA) may impact outlying communities.

Employment, population and school enrollment projections from the 1998 AM2 Plan are now updated in subsection 2.3 Projections.

~~S - 1~~

~~Because the contractors will be housed at SMC housing facilities near Nye, and will be without families, they are not included in calculating inmigrating elementary and high school students or inrriigrating family dependents. As a result of the expansion, a total of 34 secondary employees will have inmigrated to take jobs in secondary sectors or with firms serving the SMC mineral development. InmigratingIn secondary employees are estimated at 7.5 % of the total secondary employment generated by the SMC mineral development. Approximately 1,263 total new people will migrate into the mineral development area, including 220 inmigrating elementary students and 81 high school students.~~

~~The Some of the employment, population and school enrollment projections from the 1998 AM2 Plan are now updated presented in Section 3, pages 6 and 7 of the 1988 Plan. have been revised and are shown in subsection 2.3 Projections, page 2-3 of this Plan Amendment. The assumptions in subsection 14.1, page 57 of the 1988 Plan have been revised as shown in subsection 2.2 Assumptions of this Plan Amendment. Subsection 1.5 of this Plan Amendment sets out a complete set of revised definitions, which supersede the definitions in subsection 1.1 Definitions, page 1, of the 1985 Plan (the 1988 Plan did not contain a definitions section). Section 3.0 Conditions for Impact Plan Modification specifies conditions under which this Plan Amendment may be amended or adjusted. These conditions are somewhat revised from, and replace subsection 14.3, page 62 of the 1988 Plan. Each of sect ions 4 through 11 of this Plan Amendment addresses the impacts of specific units of local government, and replace and supersede the corresponding section in the 1988 Plan. Section 12 addresses the impacts of the Absarokee Water and Sewer District, a unit of local government that was formed since the 1988 Plan. Appendix A contains a new SMC fmancial guarantee, which replaces the fmancial guarantee in Appendix 14.4 of the 1988 Plan. Agreements with the Town of Columbus and Columbus School District are still valid and become a part of this Plan Amendment.~~

Affected Units of Local Government

Approximately 10-15% of the Impact Students and the Mineral Development Students in Stillwater County attend Park City Schools, therefore they are now being included as affected units of local government in this 2023 AM3 Impact Plan.

The "affected units of local government" include:

- Stillwater County
- Town of Columbus
- Columbus Elementary School District
- Columbus High School District
- Absarokee Elementary School District
- Absarokee High School District
- Fishtail Elementary School District
- Nye Elementary School District
- Absarokee Water and Sewer District
- Park City Elementary School District
- Park City High School District

Under Montana's Property Tax Base Sharing Act, ~~the~~ this AM3 Nye Impact Plan proposes that, along with Stillwater County, the Town of Columbus, Columbus Elementary School, Columbus High School, Absarokee Elementary, Absarokee High School, Park City Elementary School, Park City High School, Nye Elementary School, and Fishtail Elementary School receive a portion of the mineral development taxable valuation. The SMC taxable valuation is projected to be allocated according to the tax base sharing percentages shown in Table 2-4. The Town of Columbus will receive 20% of the SMC mineral development taxable valuation. Based on the percentage of mineral development students residing within the various school districts and based on Park City receiving an additional past mitigation percentage, as updated in this AM3 Plan, Columbus Elementary is projected to receive ~~41~~52.5% of the taxable valuation, Absarokee Elementary ~~53~~23.8%, Nye Elementary 0.5%,~~ and~~ Fishtail Elementary ~~2~~2.9% and Park City Elementary 20.3% (7% for past mitigation and 13.3% current). Columbus High School would receive ~~29~~59.8% of the taxable valuation, ~~while the ~~Absarokee High School ~~would receive 71~~22.7% and Park City High School 17.5% (7% for past mitigation and 10.5% current).

This AM3 Plan also distributes the applicable portions of the Metalliferous Mines License Tax (MMT) revenue according to the percentages shown in Table 2-4.

Impact Costs and Impact Revenues

Affected units of local government will experience increased costs to provide services to the ~~inmigrating~~in-migrating population and students associated with the expanded mineral development. Most annual operating and maintenance costs have been projected to increase on a per-capita or per- student basis. Certain specific line item costs ~~have ~~were ~~been ~~identified in the 1998 Plan as projected impact costs for Stillwater County,~~ and~~ Columbus Public Schools.

Impact revenues are generated by the increased valuation that the SMC mineral development will add to each affected unit of local government, in most cases through tax base sharing. The increase in population is expected to increase non-tax revenues (licenses, fines, user fees) on a per-capita basis. The increased number of students in each of the affected elementary and high schools will generate increased state funding to help meet the increased costs.

For most affected units of local government, the annual total impact revenues ~~will ~~exceeded the annual total impact costs beginning in Year 1 of the 1998 AM2 expansion and are expected continue throughout the remaining life of the mineral development (Projected to be Approximately 2055). For several affected school districts, the SMC mineral development ~~creates ~~was projected to create net operating costs in at least one year. These net operating costs ~~will ~~were ~~be ~~met through tax prepayments and other means in previous revisions to the Impact Plan; shown on Tables S-1.1 and S-2.

Monitoring

SMC will continue to monitor conditions and actual employment, population and enrollment levels. The data relating to levels and distribution of mineral development employees, inmigrating population and school enrollments will be presented in yearly employment reports, which will be provided to all affected units of local government and the Hard Rock Mining Impact Board.

Contractors residing (i.e., whose primary domicile is located) in the impact area will be counted as mineral development employees both for purposes of allocating the mineral development taxable valuation under the tax base sharing act and for determining local impacts. These resident contractors, their spouses and elementary or high school students also will be included in determining local impacts. Contractors who do not reside in the impact area either because they commute or are temporarily housed at SMC housing facilities will not be counted for tax base sharing purposes, but the number of those contractors will be estimated and they will be included in determining local impacts.

Note: SMC reaffirms its obligation under the East Boulder River Hard Rock Mining Impact Plan to provide all affected and potentially affected units of local government identified in the East Boulder River Impact Plan with monitoring reports on a quarterly basis through Year 6 and annually thereafter.

Insert Table S-1 Some of the Historical Tax Distribution to Schools

TABLE S-1.1 ~~MITIGATION SUMMARY~~IMPACT PAYMENTS UNDER AMENDMENT 2 (1998)

Unit of Local Government	Financing Methods	-------------------------Amount by Year ----------------------- 1997-98 Year 2	1998-99 Year 3	2000-01 Year 4	2001-02 Year 5
TOWN OF COLUMBUS					
Wastewater Treatment	Grant (bond)	$196,000			
1st Avenue So.	Tax Prepayment		$250,000 (Estimated)		
STILLWATER COUNTY					
FAS 419	Grant (bond)				$900,000 (Under certain Conditions)
COLUMBUS HIGH SCHOOL					
Special Operating Costs	Tax Prepayments		$37,100	$37,100 (if necessary)	$37,100 (if necessary)
FISHTAIL ELEMENTARY					
Net Operating Costs	Tax Prepayments	$ 9,777	$ 6,942	$ 9,014	$ 9,014
NYE ELEMENTARY					
Net Operating Costs	Tax Prepayments	$ 6,479	$ 6,441	$ 4,055	$ 4,055

TABLE S-2. PREVIOUS STILLWATER MINING COMPANY IMPACT PAYMENTS

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
STILLWATER COUNTY											
Tax Prepayment	183,000										
Absarokee Sewer	200,000										
Tax Prepayments		196,000									
S(A)-1			45,298								
S(A)-2				13,682							
S(A)-3					44,738						
S(A)-4						363,481					
S(A)-5							354,715				
S(A)-6								126,205			
S(A)-7										334,609	
S(A)-8											226,842
TOWN OF COLUMBUS											
Tax Prepayments		5,400									
C(A)-1			2,300								
Tax Prepayment- Sewer					64,388						
Stillwater Excavation					22,950						
ABSAROKEE ELEMENTARY											
Tax Prepayments	70,000										
AE(A)-1			30,000								
AE(A)-2				40,000							
Grant				800,000							
ABSAROKEE HIGH SCHOOL											
Tax Prepayment	9,000										
Tax Prepayment		7,000									
AH(A)-1			20,000								
AH(A)-2				20,000							
Grant			800,000								

TABLE S-2 (continued)

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
COLUMBUS ELEMENTARY											
Tax Prepayment		36,100									
Grant		348,000									
CE(A)-1			36,800								
CE(A)-4				15,700							
CE(A)-6					5,700						
FISHTAIL ELEMENTARY											
Tax Prepayment	1,000										
FE(A)-1			25,200								
FE(A)-2				3,007							
Grant					11,773						
Grant					13,578						
Classroom Lease					7,800						
FE(A)-6					2,000						
NYE ELEMENTARY											
Tax Prepayment	1,000										
Grant			45,000								
NE(A)-1			9,000								
NE(A)-2			4,500								
NE(A)-3			4,200								
NE(A)-4				3,800							
NE(A)-5					1,000						
NE(A)-6						2,000					
ABSAROKEE FIRE DISTRICT											
Grant			26,000								

1. INTRODUCTION

The Nye Mineral Development now owned by Sibanye-Stillwater Mining Company (SMC) has continued production since 1986. The original Nye Hard Rock Mining Impact Plan was approved in 1985 and subsequent amendments to the Original Plan were approved in 1988 and 1998. Twenty-five years have now elapsed since the 1998 amendment to the Nye Hard Rock Mining Impact Plan. Current conditions and future projections reflect increased mine-related employment, population and school enrollments beyond those levels projected in the 1998 Hard Rock Mining Impact Plan (AM2 Plan). This 2023 Amended Nye Hard Rock Mining Impact Plan (AM3 Plan) revises significant portions of the AM2 Plan and supersedes the amended 1988 Impact Plan (AM1 Plan) and the original 1985 Impact Plan, although certain previous separate agreements are still in effect and are attached to this AM3 Plan.
~~Stillwater Mining Company is undertaking an expansion of its mineral development near Nye. The expansion is increasing mine-related employment, population and school enrollments beyond those levels projected in the 1988 Amended Hard Rock Mining Impact Plan. This 1998 Plan Amendment completely revises the 1988 Plan and supercedes both the 1985 Impact Plan and the 1988 Amended Plan. To facilitate easier distinction between references to the 1988 Plan Amendment and this 1998 Plan Amendment, the 1988 document will be referred to as the "1988 Plan," and this 1998 document will be referred to as "this Plan Amendment."~~

1.1 Project Description

Park City School District #5 (PCSD)~~Stillwater Mining Company (SMC)~~ has prepared this ~~Amendment~~ AM3 Plan to ~~its 1988~~the Hard Rock Mining Impact Plan for the platinum-palladium mineral development near Nye in Stillwater County. In 1998, SMC lifted the production limit at the mine of 2,000 tons per day (tpd) and has generally been at ~~is expanding its production at the mine from the current 1,000 tons per day (tpd) to 2,000 tpd. The company expects to reach its~~ fully expanded production ~~during 1998~~for the past 25 years. Metal prices, ore grade, continuity of ore zone and production costs will determine the actual increased production and development schedule.

~~The expanded production will create increased employment at the mineral operation. Although a shift towards mechanization will be less labor intensive than the current operation, the expansion is expected to exceed by more than 15% the inmigratingin-migrating manpower levels projected in the 1988 Plan Amendment. Therefore, under conditions of the 1988 Plan Amendment, when inmigratingin-migrating mineral employment exceeds 265, an updated plan amendment is necessitated The projected inmigratingin-migrating mineral development employment is 440 employees/contractors. The projected total mineral employment after expansion would total 700 employees/contractors. This workforce includes an average of approximately 50 non-resident contractors that will be working at the mine site at any given time at least for the first four years of the expanded mine operation. The contractors will be housed at SMC~~

~~housing facilities near Nye, without families. SMC does not keep an exact accounting of these non-resident contractors as it does for employees and resident contractors. SMG does estimate the number of non-resident contractors, and they are included in determining impacts on Stillwater County services and calculating secondary employment. However, non-resident contractors will not have dependents and they are not included for calculating inmigratingin-migrating elementary and high school students or inmigratingin-migrating family dependents. Of the mineral employees, 40% are expected to be local residents. The other changes in employment, population, school enrollment, and taxable valuation associated with this expansion are shown in Tables 2-1 through 2-5.~~

1.2 Changes from the ~~1988~~ 1998 Impact Plan

As shown on Table 2-1 ~~(page 2-3)~~ of this AM3 Plan ~~Amendment~~, the ~~1988~~ 1998 AM2 Plan ~~(page 8)~~ projected the total mineral development employment to reach a high of ~~460~~ 700 employees. Of those, ~~230~~ 440 were projected to ~~inmigrate~~in-migrate to the impact area; ~~90~~ an additional 34 secondary workers would ~~inmigrate~~in-migrate; the total ~~inmigrating~~in-migrating mine-related (mineral and secondary) population ~~would~~ was projected to be ~~830~~ 1,263 people, with ~~186~~ 220 elementary students and ~~82~~ 81 high school students. ~~After the 1996-97 expansion, a total of 700 mineral employees are projected to be working for SMC, of whom 440 are expected to inmigrate~~in-migrate ~~to the impact area~~.

As a result of ~~the expansion~~this AM3 updated Plan, a total of ~~34~~ 24 secondary employees are projected to ~~inmigrate~~in-migrate to take jobs in secondary sectors or with firms serving the SMC mineral development. ~~Inmigrating~~In-migrating secondary employees are estimated at 7.5% of the total ~~inmigrating~~in-migrating mineral employment generated by the SMC mineral development. Approximately ~~1,263~~992 people will ~~have~~ ~~inmigrate~~in-migrate~~d~~ to the mineral development area, including ~~220~~ 116 ~~inmigrating~~in-migrating elementary students and ~~81~~ 70 high school students.

Tables 2-1, 2-2, and 2-3 of this 2023 AM3 Plan ~~Amendment~~ show the total ~~inmigrating~~in-migrating employment, population, and school enrollments from the ~~1988~~ 1998 AM2 Plan ~~(from pages 8-10 of the 1988 Plan), the 1996 levels,~~ and those levels projected after the ~~mine expansion~~increased employment projections through 2024. Table 2-4 ~~and 2-5~~ shows the effects the ~~expansion~~ AM3 Plan will have on tax base sharing allocations and on taxable valuations of the affected units of local government.

The ~~1988~~ 1998 AM~~1~~2 Plan ~~page 9)~~ projected that ~~177~~ 276 ~~inmigrating~~in-migrating employees would live in ~~Absarokee~~Rural Stillwater County (including Absarokee)~~,~~ and ~~31~~ 100 would live in Columbus. ~~However, SMC monitoring reports showed that a larger percentage of employees are residing in Columbus than was expected in the 1988 AM1 Plan~~. This 2023 AM3 Plan ~~Amendment~~ projects that~~, after the expansion, only 141~~ 221 ~~inmigrating~~in-migrating employees would live in ~~Absarokee~~Rural Stillwater County (including Absarokee and Park City), but ~~100~~ 102 would live in Columbus. As shown in Table 2-3 of this Amendment, that same trend has occurred for elementary and high school enrollments.

The demographic changes since the ~~–~~1998 AM2 Plan are described above. The employment, population and school enrollment projections presented in Section 3~~, pages 6 and 7~~ of the ~~1988~~ 1998 AM2 Plan have been revised and are shown in subsection 2.3 Projections, ~~page 2-3~~ of the 1998 AM2~~his~~ Plan~~ Amendment~~. The assumptions in subsection 14.1~~, page 57~~ of the ~~1988~~ 1998 AM2 Plan have been revised as shown in subsection 2.2 Assumptions of this AM3 Plan ~~Amendment~~. ~~Subsection 1.5 of this Plan Amendment sets out a complete set of revised definitions, which supersede the definitions in subsection 1.1 Definitions, page 1, of the 1985 Plan (the 1988 Plan did not contain a definitions section). Sectio n~~

~~3.0 Conditions for Impact Plan Modification specifies conditions under which this Plan Amendment may be amended or adjusted. These conditions are somewhat revised from, and~~

Mandatory Employee Car Pooling/Busing at Mineral Development

The 1998 AM2 Plan did not discuss the potential impacts of stipulations on transportation (forced busing/carpooling) to outlying communities such as Park City.

In the Record of Decision for the 1985 Stillwater Mine Operation Plan, SMC was required to implement an employee busing or van/carpooling program to reduce the mine-related traffic. The transportation policy requires all Stillwater Mine employees to participate in carpooling or busing. (Source Section 2.3.1.1 Transportation Policy, page 89 SWM CORP, Permit #00118)

The "Good Neighbor Agreement" (GNA) was signed on May 8, 2000. Section 1.6 of Appendix G of the GNA says, *"SMC shall require, as a condition of employment, busing and/or carpooling for all employees, contractors, and subcontractors."* This "condition of employment" may contribute to mineral development employees finding housing beyond the immediate vicinity of the mineral development. Additionally, employees do not pay for the busing and/or carpooling which may contribute to employees' willingness to find housing beyond the immediate vicinity of the mineral development. Furthermore, Park City, being near to the cities of Laurel and Billings, may provide a location (still not too far away from the Mine) where a Mineral Development Employee's family can readily find additional employment nearby.

Housing Restrictions in the Good Neighbor Agreement (GNA)

The 1998 AM2 Plan did not discuss the impacts of Mine Sponsored Housing Restrictions on outlying communities such as Park City.

Section 12.1 of the GNA forces SMC to confine all Mine-Sponsored Housing in Stillwater County to within the city limits of Absarokee and Columbus. This stipulation may limit SMC's ability to provide additional employee housing near the mineral development. This stipulation may force employees (especially when almost 3 times as many as predicted in the 1998 Plan) to find housing beyond the immediate vicinity of the mineral development.

~~replace subsection 14.3, page 62 of the 1988 Plan. Each of sections 4 through 11 of this Plan Amendment addresses the impacts of specific units of local government, and replace and supersede the corresponding section in the 1988 Plan. Section 12 addresses the impacts of the Absarokee Water and Sewer District, a unit of local government formed since the 1988 Plan. Appendix A contains a new SMC financial guarantee, which replaces the financial guarantee in Appendix 14.4 of the 1988 Plan. Agreements with the Town of Columbus and Columbus School Districts are still valid and are a part of this Plan Amendment.~~

1.3 Monitoring

SMC will continue to monitor employment, population and school enrollment circumstances and provide, on an annual basis, formal monitoring reports to the affected units of local government and the Hard Rock Mining Impact Board. In preparing these monitoring reports, SMC will work with each affected school district to reconcile the number of mineral development students residing in each district and the number of ~~inmigrating~~in-migrating mineral development students enrolled in each affected school. The reconciliation will be conducted after February 1st of each year and will be completed by April 1st.

The annual formal monitoring reports will include:

- The number of mineral development employees, residential contractors and the number of ~~inmigrating~~in-migrating mineral development employees and their dependents living in each affected unit of local government.

- The number of elementary and high school students of mineral development employees and ~~inmigrating~~in-migrating mineral development employees living in each affected school district.

Contractors residing (i.e., whose primary domicile is located) in the impact area will be counted as mineral development employees both for purposes of allocating the mineral development taxable valuation under the tax base sharing act and for determining local impacts. These resident contractors, their spouses and elementary or high school students also will be included in determining local impacts. ~~.~~ Contractors who do not reside in the impact area either because they commute from outside the impact area or are temporarily housed at SMC housing facilities will not be counted for tax base sharing purposes, but the number of those contractors will be estimated and included in determining local impacts.

Twice each year SMC, Stillwater County and the Town of Columbus will meet informally to

discuss up-to-date estimates of mineral development employees, contractors and potential local impacts.

SMC reaffirms its obligation under the East Boulder River Hard Rock Mining Impact Plan to provide all affected and potentially affected units of local government identified in the East Boulder River Impact Plan with monitoring reports on a quarterly basis through Year 6 and annually thereafter.

~~This subsection replaces subsection 14.3 Monitoring, on page 63 of the 1988 Impact Plan.~~ 1.4 Affected Units of Local Government

The "affected units of local government" include:

- Stillwater County
- Town of Columbus
- Columbus Elementary School District
- Columbus High School District
- Absarokee Elementary School District
- Absarokee High School District
- Fishtail Elementary School District
- Nye Elementary School District
- Absarokee Water and Sewer District
- Park City Elementary School District
- Park City High School District

1.5 Definitions

~~The following definitions apply throughout this Plan Amendment, and replace the definition section of the 1985 Impact Plan contained on page 1, subsection 1.1 Definitions, of that Plan. (The 1988 Plan did not provide definitions). Except for the addition of the definition of "contractor" these definitions are the same as those in the 1985 Plan.~~

"Affected Units of Local Government" means those units of local governments that would experience net impact costs during any one year of the SMC mining operation, or a unit of local government within which the mineral development is located.

"Board" means the state Hard Rock Mining Impact Board, as authorized by 2-15-1822, MCA.

"Impacted Area" means the area within Stillwater County, and nearby counties in which mineral development employees may reside.

"Mineral Development Employee" means an employee of SMC, or an SMC contractor and his employees or subcontractors. This term does not include secondary employees.

"Local Mineral Development Employee" means a mineral development employee who has resided within Stillwater County for at least one year prior to the date of hire or a mineral development employee who resides outside of Stillwater County and commutes to work at the mine site.

"In-migrating Mineral Development Employee" means a mineral development employee who establishes residence in Stillwater County within one year prior to, or any time after, his date of hire. This term does not include secondary employees.

"In-migrating Secondary Employee" means a person who moves into the county to fill a secondary job created by the new demand for goods and services as a result of the mineral development and in-migrating mineral employees.

"Mine-related Employee" means a mineral development employee or an ~~inmigrating~~in-migrating secondary employee whose job results from the SMC mineral development.

"~~Inmigrating~~In-migrating (Impact) Mine-related Employee" means an ~~inmigrating~~in-migrating mineral development employee or an ~~inmigrating~~in-migrating secondary employee.

"Contractor" means a person contracted by SMC to perform work or service for the company at the mineral development. The term also includes any employees or subcontractors of an SMC contractor.

"~~Inmigrating~~In-migrating (Impact) Mine-related Population" means the new population in the unit of local government generated by ~~inmigrating~~in-migrating mine-related employees.

"Mineral Development Student" means a student whose parent or guardian resides within the jurisdiction of an affected local governmental unit as a result of employment with SMC or its contractors or subcontractors.

"In-migrating- Mineral- Development Student" means a student whose parent or guardian is an "ln-migrating Mineral Development Employee."

"~~Inmigrating~~In-migrating Mine-Related Student" means a student whose parent or guardian is an ~~Inmigrating~~in-migrating Mine-Related Employee.

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"Impact Population" means the total new population in the county or in a unit of local government, generated by "~~inmigrating~~in-migrating mineral development employees" and "~~inmigrating~~in-migrating secondary employees."

"Impact Costs" means those increased capital and operating costs incurred by local units of government for providing services as a result of the impact population and the mineral development.

"Impact Revenues" means those additional tax revenues, user fees, and intergovernmental transfer payments generated by the ~~inmigrating~~in-migrating population and the mineral development.

"Jurisdictional Revenue Disparity" means property tax revenues resulting from the SMC mineral development that are inequitably distributed among affected units of local government as finally determined in an approved impact plan.

1.6 Timetable for Development

In 1998, SMC lifted the production limit at the mine of 2,000 tons per day (tpd) and has generally been at fully expanded production for the past 25 years (1998-2023). ~~SMC expects to reach 2,000 tons per day during 1998.~~ Employment is expected to peak in 2024 then to remain relatively constant~~thout~~ ~~1998 until projected levels are reached. The~~throughout the ~~expected~~ anticipated remaining life of the mine ~~is 20 to~~ of approximately 30 more years; ending in approximately 2055.

1.7 Contact Person

The SMC contact person is Bruce Gilbert, SMC, Box 365, Nye, MT, 59061, (406) 328- 8528.

1.8 Names and Addresses for Affected Units of Local Government

Stillwater County Commissioners
PO Box 970
431 Quarry Road
Columbus, MT 59019
(406) 322-4546

Town of Columbus
Mayor
Town Hall, Box 549
Columbus, MT 59019
(406) 322-5313

Columbus Elementary School
Superintendent
433 N 3rd Street
Columbus, MT 59019
(406) 322-5373

Columbus High School
Superintendent
433 N 3rd Street
Columbus, MT 59019
(406) 322-5373

Absarokee Water and Sewer District
Chairman
Box 365
Absarokee, MT 59061
(406) 328-4748

Park City Elementary School
Superintendent
PO Box 278
Park City, MT 59063

Absarokee Elementary School
Superintendent
327 S Woodard Avenue
Absarokee, MT 59001
(406) 328-4583

Absarokee High School
Superintendent
327 Woodard Avenue
Absarokee, MT 59001
(406) 328-4583

Nye Elementary School
Chairman
Box 472
Nye, MT 59061
(406) 328-6187

Fishtail Elementary School
Chairman
Box 75
Fishtail, MT 59028
(406) 328-4217

Park City High School
Superintendent
PO Box 278
Park City, MT 59063
(406) 633-2350

(406) 633-2350

~~Stillwater County~~
~~Harold Blattie, Chairman Mike Reynolds,~~
~~Stillwater County Commissioners~~
~~Stillwater County Courthouse~~
~~Columbus, MT 59019~~
~~(406) 322-4546~~

~~Absarokee Elementary School~~
~~Superintendent~~
~~Absarokee Elementary School~~
~~Absarokee, MT 59001~~
~~(406) 328-4583~~

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~~Town of Columbus~~
~~Webb Mandeville. Mayor~~
~~Town Hall, Box 549~~
~~Columbus, MT 59019~~
~~(406) 322-5313~~

~~Absarokee High School~~
~~Mike Reynolds, Superintendent~~
~~Absarokee High School~~
~~Absarokee, MT 59001~~
~~(406) 328-4583~~

~~Columbus Elementary School~~
~~Sandra Noland, Superintendent~~
~~Columbus Elementary School~~
~~Columbus, MT 59019~~
~~(406) 322-5373~~

~~Nye Elementary School~~
~~Feldon Oliver, Chairman~~
~~Virginia Guthrie, Clerk~~
~~Box 472~~
~~Nye, MT 59061~~
~~(406) 328-6187~~

~~Columbus High School~~
~~Sandra Noland, Superintendent~~
~~Columbus High School~~
~~Columbus, MT 59019~~
~~(406) 322-5373~~

~~Fishtail Elementary School~~
~~Dan Bintz, Chairman~~
~~Ethel Pelton, Clerk~~
~~Box 75~~
~~Fishtail, MT 59028~~
~~(406) 328-4217~~

~~Absarokee Water and Sewer District~~
~~Chairman~~
~~Box 365~~
~~Absarokee, MT 59061~~
~~(406) 328-4748~~

~~Park City High School~~
~~Superintendent~~
~~Park City, MT 59063~~

~~Park City Elementary School~~
~~Superintendent~~

~~Park City, MT 59063~~

2. ASSUMPTIONS AND PROJECTIONS

2.1 General

This Impact Plan projects the increased costs of services and the increased revenues that each affected unit of local government is expected to realize as a result of the proposed expansion of the SMC mineral development in Stillwater County. These financial projections are based on the number of persons migrating into each local jurisdiction, and on the effects of the mineral development itself. The number of ~~inmigrating~~in-migrating persons is dependent on the level of mineral employment planned by SMC and the number of employees hired from outside that will take up permanent residence within Stillwater County. ~~This section replaces subsection 14 .1 Assumptions on pages 57-61 of the 1988 Impact Plan and Section 3.0 Employment and Distribution Projections on pages 6 and 7 of the 1988 Impact Plan.~~

The following assumptions relate to the number of local residents hired, employees commuting from out of the county, in-migrating secondary employment, the number of single workers, average family size, and anticipated distribution of the in-migrating population. These factors constitute the basis for projecting the annual impact costs and revenues over the ~~20~~~~5~~70 ~~30~~ ~~55~~ year planning period (1985-2055) of the mineral operation. Past experience in hard rock mining indicates that employee numbers and settlement patterns stabilize within approximately three or four years, and thus the impact costs and revenues stabilize as well. Therefore, the projections shown in th~~e~~~~is~~ ~~Pia n Amendment~~1998 AM2 Plan ~~are~~ were carried to the fourth year of operation at which time impact costs and revenues ~~are~~ were projected to stabilize. Since Park City was not included in the AM2 Plan, Park City Schools has now been included in the assumptions and projections.

~~Average annual mineral development employment levels are used in this AM3 Plan Amendment, and as a result, average annual impact costs and revenues for each jurisdiction are presented. Cost and revenue projections are based on 1996-97 dollars. No attempt has been made to factor inflation into the projections. The AM3 Plan assumes that, for these purposes, inflation will affect cost s and revenues equally. Therefore, actual net costs should not vary significantly from the projections.~~

2.2 Assumptions

2.2.1 Project Development/Employment

1. After the SMC expansion in the 1998 AM2 Plan was ~~is~~ complete ~~(expected by the end of~~

~~1998)~~, total mineral development employment ~~is~~ was expected to be 650 employees plus an average of 50 non-resident contractors who

will be housed in SMC housing facilities near Nye, without families. Those non-resident contractors ~~are~~ were counted as ~~inmigrating~~in-migrating employees and ~~are~~ were included in calculating ~~inmigrating~~in-migrating secondary employment and impact costs for Stillwater County. Non-resident contractors are not included in calculations of family dependents or elementary and high school students.

Actual mineral development employment greatly exceeded the projections of the 1998 AM2 Plan.

-The 1998 Plan Amendment only projected a maximum of 700 total mineral development employees, however, by the following year (1999), employment at SMC had already increased to 861. The total site manpower at the Stillwater Mine jumped to over 1,100 employees in 2002 and in 2021 SMC had increased to 1,713 mineral development employees. SMC is now projecting 2,054 mineral development employees in 2024 which will be an increase of 1,354 employees over the levels contemplated in the 1998 AM2 Plan.

2. Past SMC ~~current~~ employment monitoring reports showed that 56% of mineral development employees were~~are~~ ~~inmigrating~~in-migrating; for these AM3 projections, an ~~inmigrating~~in-migrating ratio of 60% for mineral development employees is used in accordance with the 1998 AM2 projections.

3. The ratio of secondary jobs generated by the mineral development jobs is estimated to be 65%. ~~Inmigrating~~In-migrating secondary employment is projected to be 7.5% of the total secondary employment generated by the SMC mineral development. See subsection 2.4 Determining ~~Inmigrating~~In-migrating Secondary Employment, ~~pages 2-11 through 2-14~~ for a detailed explanation.

2.2.2 Population/School Enrollment

4. Past SMC employment monitoring reports showed that an average of 1.86 dependents accompanied~~y~~ each employee. Except for contractors housed in SMC housing facilities near Nye, ~~inmigrating~~in-migrating population is calculated at 2.86 times number of the ~~inmigrating~~in-migrating employees.

5. Past SMC employment monitoring reports showed that an average of .52 elementary

students ~~accompany~~ accompanied each employee.

6. Past SMC employment monitoring reports showed that an average of .19 high school students ~~accompany~~ accompanied each employee.

2.2.3 Population Distribution

7. ~~Because SMC plans to make housing available for some of its employees in Columbus, it~~ It is projected that approximately ~~20~~32% of the in-migrating mineral development employees will live in Columbus ~~(compared to the 10% projected in the 1988 Plan)~~. Also, it is assumed that secondary employment will occur in the larger communities of Columbus and Absarokee, but not in Park City because of lack of secondary employment opportunities (not enough business in the community).

8. The distribution of elementary and high school students is assumed to reflect the distribution of mineral employees.

2.2.4 Taxable Valuation

9. Based on expected production and the prices of platinum-palladium group metals, SMC has projected the taxable valuation of the mineral development and the smelter/base metal refinery in Columbus. Those projections remain as they were presented in Table 2-5 SMC Taxable Valuation, of the 1998 AM2 Plan. However, the percentages of taxable valuation being distributed to schools have now changed in this 2023 AM3 Plan; see Table 2-4 Tax Sharing.

~~2.2.4 Taxable Valuation~~

~~10. Based on expected production and the prices of platinum-palladium group metals, SMC has projected the taxable valuation of the mineral development and the smelter/base metal refinery in Columbus. Those projections are presented in Table 2-5 SMC Taxable Valuation, page 2-9 of this Plan Amendment.~~

~~11~~10. Taxable Valuation of Impact Residences. This ~~Plan Amendment~~AM3 Plan does not update the 1998 AM2 Plan assumption ~~assume~~s that the average assessed value of new housing units to accommodate ~~inmigrating~~in-migrating mine-related employees is

$70,000. At a tax rate of 3.838%, the taxable value of the average housing unit would be $2,686. The average taxable value of a housing unit is multiplied by the number of ~~inmigrating~~in-migrating mine-related employees to calculate the increase in residential taxable valuation generated by SMC. However, the percentages of Mineral Development's taxable valuation distributed to school districts have now changed in this 2023 AM3 Plan; see Table 2-4 Tax Base Sharing.

~~12~~11. Taxable Valuation of Impact Commercial Property. The overall ratio between commercial property and residential property in Stillwater County is 13%. On the assumption that that ratio will continue to be valid as new housing units are developed to accommodate mine-related ~~inmigrating~~in-migrating employees, increased commercial taxable valuation is calculated at 13% of the increased mine-related residential taxable valuation. This assumption was continued out of convenience in the AM3 Plan, but it is noted that Park City could not have this high of a ratio because of the shear absence of commercial property in Park City compared to Absarokee and Columbus. Park City's business district consists of 2 bars, 2 gas stations and a post office; while Absarokee and Columbus have substantially more in taxable commercial property.

2.3 Projections

2.3.1 Employment, Population, School Enrollment

Tables 2-1 through 2-3 on the following pages show the level and distribution of ~~inmigrating~~in-migrating mineral development and secondary employees, population, elementary students and high school students, as projected in this 2023 AM3 Plan and as was projected in the ~~1988~~ 1998 AM2 Plan and in the 1988 AM1 Plan for comparison ~~and total impacts after the expansion~~.

Insert Updated Table 2-1

Insert Updated Table 2-2

Insert Updated Table 2-3

2.3.2 Tax Base Sharing: Taxable Valuation

Table 2-4 shows how the tax base sharing ratios were derived. *Note: Tax base sharing allocations are based on the percentage of* ***total, mineral, development employees and total, mineral development students****, not just ~~inmigrating~~in-migrating mineral development employees and students*. Table 2-4 shows that the current total number of mineral development employees are added to the projected total mineral development employees resulting from the expansion.

The tax base sharing percentages are calculated based on the percentage of total number of mineral development employees in Stillwater County residing in each jurisdiction. Of the mineral development employees living in Stillwater County, ~~29~~32% live in Columbus, and ~~71~~68% in the ~~unincorporated~~ remaining area of Stillwater County. Likewise for schools, the tax base sharing percentage for each elementary school (or high school) district is based on the number of mineral development elementary (or high school) students residing in the district as a percentage of the total number of mineral development students residing in Affected School Districts in Stillwater County. Park City Schools was added in this 2023 AM3 Plan.

Table 2-5 shows the 1998 AM2 Plan projected taxable valuation of the SMC mineral development, and its distribution among units of local government based on formerly approved tax base sharing percentages as projected in the 1998 AM2 Plan. IMPORTANT: Table 2-5 has not been updated in this AM3 Plan, however,~~. T~~ the SMC taxable valuation is to be now allocated according to the tax base sharing percentages shown in the updated Table 2-4 as revised in this AM3 Plan. Park City Schools was added to the percentage of the taxable valuation distribution in this 2023 AM3 Plan.

~~Section A, Total SMC T.V., of Table 2-5, shows the total SMC taxable valuation in 1996-97, and the projected total SMC taxable valuation resulting after the mine expansion, and includes the taxable valuation of the mine property, equipment, and gross proceeds, (which is allocated under tax base sharing) and the smelter and base metals refinery in Columbus. Because the smelter/base metals refinery is located in Stillwater County, the Town of Columbus, the Columbus Elementary School District and the Columbus High School District, the taxable valuation of those facilities are included as part of the SMC taxable valuation for each of those four taxing jurisdiction. Sections B, C, and D of Table 2-5 show the additional SMC taxable value and total taxable valuation with SMC for each affected unit of local government.~~

~~Note: SMC has applied for a permit to construct a new tailings impoundment on the Hertzler Ranch. The market value of the proposed tailings is estimated at approximately $23 million. The impoundment will be classified as property tax class five, air and water pollution control, which carries a tax rate of 6%, unless SMC applies for the 3% rate for pollution control equipment. The taxable valuation of the tailings impoundment is expected to be approximately $690,000. The impoundment is planned for 1999 or 2000 and has not been included in the projected SMC taxable valuation in this Plan Amendment. However, affected units of local government very likely will realize this added taxable valuation in 1999 or 2000 as a result of this planned facility.~~

Insert Updated Table 2-4

TABLE 2-5. SMC TAXABLE VALUATION ($000's)

A. Total SMC T.V.

	1996-97 SMC Taxable Valuation	SMC Expansion 1997-98	SMC Expansion 1998-99	SMC Expansion 1999-00
	Year 1	Year 2	Year 3	Year 4
MINE				
Property/Equipment	3,412	3,480	3,219	3,420
Gross Proceeds	1,494	1,530	2,086	3,189
Total	4,906	5,010	5,305	6,609
SMELTER/BMR	596	1,005	884	1,182
TOTAL SMC TAXABLE VALUE	5,502	6,015	6,189	7,791

B. County/Town

	1996-97 SMC Taxable Valuation	SMC Expansion 1997-98	SMC Expansion 1998-99	SMC Expansion 1999-00
	Year 1	Year 2	Year 3	Year 4
Stillwater County				
SMC Total T.V.	5,502	6,015	6,189	7,791
Total County T.V. w/ SMC	25,470	28,802	28,897	30,578
SMC T.V. Road Fund	3,925	4,008	4,244	5,287
Town of Columbus				
SMC Total T.V. (TBS@20%+Smelter)	1,577	2,007	1,945	2,504
Total Town T.V. w/ SMC	3,766	4,222	4,246	4,719

THIS PAGE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

THIS TABLE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

C. Elementary Schools

	1996-97 SMC Taxable Valu	1997-98	1998-99	1999-00
	---	--- SMC Expansion---		
	Year 1	Year 2	Year 3	Year 4
Columbus Elementary				
SMC Total T.V. (TBS@41% + Smelter)	1,754	2,909	3,006	3,892
Total District T.V. w/ SMC	7,289	8,528	8,767	9,738
Absarokee Elementary				
SMC Total T.V. (TBS@53%)	3,348	2,705	2,758	3,503
Total District T.V. w/ SMC	7,073	6,293	6,716	7,140
Nye Elementary				
SMC Total T.V. (TBS@7%)	343	350	318	462
Total District T.V. w/ SMC	1,059	1,253	1,208	1,365
Fishtail Elementary				
SMC Total T.V. (TBS@1%)	49	50	106	66
Total District T.V. w/ SMC	2,443	2,613	2,579	2,629

D. High Schools

	1996-97 SMC Taxable Valu	1997-98	1998-99	1999-00
	---	--- SMC Expansion---		
	Year 1	Year 2	Year 3	Year 4
Columbus High School				
SMC Total T.V. (TBS@29%+Smelter)	1,705	2,257	2,575	3,099
Total District T.V. w/ SMC	7,354	7,991	8,352	9,064
Absarokee High School				
SMC Total T.V. (TBS@71%)	3,797	3,757	3,713	4,692
Total District T.V. w/ SMC	9,877	10,100	10,035	11,035

THIS TABLE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

2.4 DETERMINING ~~INMIGRATING~~IN-MIGRATING SECONDARY EMPLOYMENT

Sibanye--Stillwater Mining Company (SMC) recognizes that expanding the number of mineral employees at the Nye Project ~~will~~ also generates increased employment- in the secondary economic sectors and that some number of people will migrate into Stillwater County to take a portion of those jobs. Estimating the number of secondary jobs that might be filled by ~~inmigrating~~in-migrating employees is very difficult without an expensive, complex economic analysis. SMC uses the following method in trying to make an educated estimate of the ~~inmigrating~~in-migrating secondary employment generated by the mineral development.

2.4.1 Determining the Ratio of Secondary Jobs to Primary Jobs

The Montana Department of Labor and Industry (DLI) provides employment levels for each economic sector in Stillwater County. The DLI employment data covers only those jobs that are subject to the Montana Unemployment Insurance law. Many employees in agriculture and some in other sectors are not included in these DLI data. To overcome the fact that few- agricultural employees are included in DLI employment data, the number of agricultural employees is estimated in this Plan Amendment by prorating the number of agricultural workers estimated by the Bureau of Economic Analysis (BEA) based on the ratio of total BEA jobs to ~~DLi~~ DLI jobs-.

Primary employment is considered to be those jobs in sectors that bring income from outside into the county, primarily through the sales of goods or services to out-of-county purchasers. Secondary (or derivative) sectors are those in which jobs are created as a result of subsequent spending of primary income within the county. Secondary industries primarily serve the local population.

Products or services provided by agriculture, mining, manufacturing, heavy construction, public utilities, federal and state government are considered primary sectors because the income to pay the employees is generated from out-of-county. Travel/tourism is considered a primary industry because it brings -in income from out-of-county travelers. Jobs in retail and wholesale trade, services, building contractors, finance, insurance, real estate and local government are secondary jobs that serve the local population and are supported by the spending of primary sector income.

Out-of-county travelers, recreationists and tourists are served by employees in the retail and service sectors. In Table 2-6 a portion of retail and service jobs have been deducted from those two secondary sectors and placed in a primary sector - travel/tourism. No clear method exists to estimate the number of retail and service jobs that are generated by travel/tourism. Motels, hotels, guides and outfitters, and guest ranches serve almost exclusively out-of-county persons, and thus clearly are primary industries. Retail stores and eating and drinking establishments receive some portion of their income from out-of-county patrons. ~~This~~ The 1998 AM2 Plan- projecte~~ds~~d that, in Stillwater County, 120 jobs- ~~are~~ were in the travel/tourism- industry, and 120 jobs ~~have been~~were deducted from the retail and service sectors and placed in the primary category of travel/tourism.

A portion of local government revenues, especially for schools, ~~is~~ were provided from state and federal government sources outside Stillwater County. Therefore a portion of local government employees ~~have been~~were included as primary employees.

Table 2-6 on page 2-13 shows the estimated number of employees in each economic sector, and by primary and secondary industries, for 1996 and 1989. The ratio of secondary jobs to primary jobs in 1996 ~~is~~ was estimated at .65; that is, each primary job ~~is~~ was assumed to generate .65 secondary jobs.

2.4.2 Determining the Number of ~~Inmigrating~~ In-migrating Secondary Employees Generated by SMC

Table 2-1 of this AM3 Plan ~~Amendment~~ shows that ~~700~~ 2,054 mineral development employees are projected after the mine expansion is complete in 2024. It is projected that 538 of the 2,054 mineral development employees will reside in Stillwater County after the expansion in 2024. Based on the estimated secondary/primary job ratio of .65, the ~~700~~ 2,054 ~~inmigrating~~ mineral development workers (primary employees) are projected to generate ~~455~~ 1,335 secondary jobs in the region. The 538 mineral development employees that are projected to reside in Stillwater County are projected to generate 350 secondary jobs. ~~The key question is: how many of these secondary positions will be filled by inmigrating~~in-migrating ~~persons, and thus increase the level of employment and population impact related to the SMC mineral development?~~

Most secondary jobs are minimum wage positions, and people rarely move into a county to take a job in retail or services. Rather, secondary jobs are usually filled by spouses or other local residents. However, some secondary jobs are skilled positions - such as law enforcement officers, teachers, or physicians - and persons may move in to a community to take jobs such as these.

The formula used in the 1988 Plan resulted in a projection that 90 inmigrating secondary employees would "follow" 230 inmigrating mineral development employees into the impact area. SMC believes that the 1988 Plan significantly overstates the level of inmigrating secondary employment. In ~~this~~ the 1998 AM2 Plan ~~Amendment~~, SMC ~~estimates~~ estimated that 7.5% of the total secondary jobs will be filled by inmigrating employees or 34 employees. The following summarizes SMC's calculation:

1) 700 (min empl) x .65 (secondary/primary ratio) = 455 (total secondary employees)
2) 455 (total secondary empl) x 7.5% = 34 inmigrating secondary employees

To assess the reasonableness of the projected 34 inmigrating secondary employees, SMC looked at the number of secondary positions that might be filled by inmigrating employees. Of the four school systems affected by the SMC mineral operation, 24 teaching or administrative positions have been added since 1988. Over the past several years, Columbus and Absarokee schools have been filling teaching positions with out-of-county employees at a rate of approximately 35%. If that percentage is a fair representation of hiring patterns, 9 of the 24 additional education positions would be filled by outside persons. Two additional law enforcement positions in Columbus and

Stillwater County could be filled by inmigrating employees. A new physician's assistant in Absarokee is inmigrating. Apparently no other increase in physicians has occurred in the county. An additional county planner is inmigrating. At present, seven of the smelter/BMR employees are inmigrating. Probably as many as four persons have moved into Stillwater County to take additional jobs in finance, insurance, and real estate. These 21 positions probably are approximately one-half of the total inmigrating secondary employees. A total of 40 to 50 persons moving into Stillwater County to take secondary jobs since 1988 appears to be a reasonable estimate.

Primary sectors other than mining also have grown since 1998 in Stillwater County (manufacturing in particular has grown by 181 employees). These growth industries also have contributed to the increase in secondary employment and therefore to the level of inmigrating secondary employees. The estimate that approximately 34 inmigrating secondary employees are related to the SMC mineral development seems to be reasonable.

Table 2-6. STILLWATER COUNTY: PRIMARY AND SECONDARY EMPLOYMENT

PRIMARY EMPLOYMENT

	1996	1988	DIFFERENCE
Agriculture	330	370	-40
Mining	578	370	208
Manufacturing	364	183	181
Heavy Construction	16	14	2
T.C.P.U.*	15	23	-8
Federal Government	33	38	-5
State Government	21	16	5
Travel/Tourism	120	80	40
Local Government+	60	30	30
Total Primary:	**1,537**	**1,124**	**413**

SECONDARY EMPLOYMENT

	1996	1988	DIFFERENCE
Gen/Special Building	60	26	34
Wholesale Trade	25	35	-10
T.C.PU.*	14	22	-8
Retail Trade	343	195	148
Services	242	197	45
F.I.R.E.**	29	48	-19
Local Government	283	244	39
Total Secondary:	**996**	**767**	**229**
TOTAL JOBS:	**2,533**	**1,891**	**642**
Secondary/Primary:	0.65	0.68	

* T.C.P.U. means Transportation, Communications, Public Utilities

** F.I.R.E. means Finance, Insurance, Real Estate

\+ Schools, cities and counties receive some funding from state and federal sources, so a portion of local government employees have been included as primary employment (estimated by Jim Richard).

Sources:
1) Except for Agriculture and Travel/tourism, numbers of employees are from the MT Dept of Labor and Industry;
2) Number of employees in Agriculture are prorated on ratio of Bureau of Economic Analysis employment to Dept. of Labor data.
3) The number of employees in Travel/tourism are estimates by Jim Richard and have been deducted from employees in the Retail trade and Services sectors.

3. CONDITIONS FOR IMPACT PLAN MODIFICATION

The approved Stillwater Mining Company (SMC) Impact Plan ~~Amendment~~ will be reviewed under the following conditions, and will be amended or adjusted in whole or in part, as appropriate, where the changed condition or circumstance creates a revenue disparity.

3.1 Conditions for Impact Plan Amendment

The approved Impact Plan ~~Amendment~~ may be amended under any of the following conditions:

A. The annual level of SMC's In-migrating Mineral Employment in any affected unit of local government differs more than 15% from the level projected in the~~is~~ approved Impact Plan ~~Amendment~~;

B. The annual number belonging (ANB) of In-migrating Mineral Development Students enrolled in an affected elementary or high school differs more than 15% from the number projected in ~~this~~ the approved Impact Plan ~~Amendment~~;

C. The taxable valuation of the SMC mineral development differs more than 15% from that projected in ~~this~~ the approved Impact Plan ~~Amendment~~;

D. An affected unit of local government or SMC may petition the Hard Rock Mining Impact Board for an amendment to the approved Impact~~is~~ Plan ~~Amendment~~ if:

   1. ~~Inmigrating~~In-migrating employment at the SMC mineral development is forecast to increase or decrease from those levels projected in the approved~~is~~ Impact Plan ~~Amendment~~ by at least 75 employees;

   2. This approved Impact Plan A~~mendment~~ is materially inaccurate because of errors in assessment or changes in local government budgeting or funding;

   3. Stillwater County and SMC join in a petition to amend the approved Impact~~is~~ Plan ~~Amendment~~.

E. An affected unit of local government will experience a revenue disparity in a service not identified in ~~this~~ the approved Impact Plan ~~Amendment~~.

F. In any given year, the actual ~~inmigrating~~in-migrating population or school enrollment creates a demonstrated revenue disparity for a potentially affected unit of local government. In this case, the local government will be included as an affected unit, and SMC and the local government will determine the level and type of assistance needed to pay the net costs.

3.2 Conditions for Plan Adjustment

Where an impact need or cost has been identified in the approved Impact~~is~~ Plan ~~Amendment~~, SMC and the unit of local government may agree to adjust the Plan to reflect actual circumstances. The Board would be notified of any mutually agreed upon adjustments, and such adjustments would not constitute an "impact plan amendment" as contemplated by Section 90-6-311, MCA. The following are conditions under which the approved Impact Plan ~~Amendment~~ will be adjusted.

A. Where the magnitude of an impact need, cost, revenue, or net cost differs in actuality from that projected in the Plan ~~Amendment~~, SMC and the affected unit of local government mutually agree to adjust the Plan to reflect the actual net costs or revenues.

B. Tax prepayments will be adjusted to reflect actual impact costs, revenues and net costs.

C. Tax crediting, where applicable, will be established on a year by year basis as a plan adjustment based on the appropriate tax crediting formula specified for the unit of local government.

D. Where a specific means of addressing an impact need has been identified in this approved Impact Plan ~~Amendment~~, SMC and the unit of local government may adjust the approved Impact~~is~~ Plan ~~Amendment~~ by implementing an alternative means of mitigation that differs from that specified in the approved Impact Plan.

E. Should legislation or a court decision cause impact revenues or costs to deviate from those projected in the approved Impact~~is~~ Plan ~~Amendment~~, SMC and the affected unit of local government may agree to a plan adjustment.

F. "Grant funding" provided by SMC to address capital costs may be handled either through direct grants from SMC or through capital facility impact bonds by plan adjustment.

4. STILLWATER COUNTY

This section, 4. Stillwater County, completely revises and replaces section 4.0 Stillwater County of the 1988 Plan.

4.1 Background and Projections

The 1988 Stillwater Mining Company Hard Rock Impact Plan (page 8) projected that 320 inmigrating mine-related employees (mineral plus secondary) and 830 inmigrating people would reside in Stillwater County as a result of the SMC mineral development at Nye. This Plan Amendment, triggered by a current expansion of the SMC mineral development, shows that after the mine expansion 376 inmigrating employees/contractors and 983 inmigrating persons will live in Stillwater County.

Within Stillwater County the present distribution of inmigrating employees differs from that projected in the 1988 Impact Plan. The 1988 Plan projected that 177 inmigrating employees would live in Absarokee, and 31 would live in Columbus. In contrast, in 1995, only 101 lived in Absarokee, while 68 lived in Columbus. The following summarizes the inmigrating employment and population and the impact taxable valuation for Stillwater County.

Residing in Stillwater County	Projected in 1988 Plan	12/31 1995	12/31 1997	Total after Expansion 1999-2000
lnmigrating Employees*	320	250	282	376
lnmigrating Population**	830	715	807	983
Total Population w/SMC	7,280	7,472	7,979	8,383
SMC Taxable Valuation(000's) + +	$5,100	$3,612	$6,015	$7,791

* Includes inmigrating mineral and secondary employees.
** The 50 contractors living near Nye without families are not included in calculating dependents.
++ Includes gross proceeds, property, equipment, and smelter/base metal refinery.

Stillwater County's 1997 estimated population 7,979, of which 2,033 lived in the Town of Columbus. The county budget comprises a number of different and independent fund accounts, each of which receives revenues and allows expenditures of monies for authorized purposes. Stillwater County levies a total of 75.43 mills to generate property tax revenues as part of the funding for its budget. In

addition to property tax revenues, the county receives non-tax revenues in the form of fines, forfeitures, licenses, state and federal government transfers, and service charges.

Because of the community amenities of Columbus and easy access to I-90, this Plan amendment projects that 29% of the mineral employees will live in the Town of Columbus. Inmigrating secondary employees are expected to reside in the larger communities of Columbus and Absarokee.

4.2 Impact Costs

4.2.1 Annual Operating Costs

In the 1988 Impact Plan, Table 4-2 (page 18) shows the projected impact needs and costs, based on the projected inmigrating population of 830. Table 4-2 of this Plan Amendment shows the total inmigrating employees and population, and impact costs and revenues created by the SMC mineral development. This Plan Amendment assumes that, except in the general fund and the road fund, the fund accounts supported in part by local tax revenues will incur increased costs on a per-capita basis. In the general ·fund and road fund, annual operating impact costs are based on expected increases in specific line items as shown in Table 4-2.

4.2.2 Capital Costs

4.2.2.1 Mine to Hertzler

SMC has submitted a Mine Waste Management Plan to the Montana Department of Environmental Quality and U.S. Forest Service to permit a new tailings impoundment at the Hertzler Ranch approximately seven miles north of the current mine site. Should (1) the regulatory agencies approve SMC's application for a mine waste management permit and (2) the affected agencies agree to the location of four buried pipelines within the right-of-way of Highways 419 and 420 between the mine and the Hertzler Ranch, and (3) SMC proceeds with the development of the Hertzler Ranch property, SMC would negotiate an agreement with Stillwater County under applicable state statutes relevant to pipelines in county road right-of-way to pay for reconstruction of that portion of the highway along the pipeline route.

4.2.2.2 Dean to Nye

Reconstruction of the Dean to Nye section of Highway 419 is estimated to cost approximately $4.5 million. A tri-agency comprising the Federal Highway Administration, U.S. Forest Service, and the Montana Department of Transportation, has indicated that only partial funding for the Dean-Nye section of Highway 419 will be provided, leaving the balance of the construction costs to be funded

by local government. SMC and Stillwater County agree to enter into a funding agreement as provided below.

1. A binding agreement between Stillwater County and the Federal highway Administration or Montana Department of Transportation is reached whereby funding is committed for the reconstruction of the Dean to Nye section of FAS 419 (Nye Road).

2. SMC funding shall be in the form of a facility impact bond or grant paid to the Stillwater County Mine Impact Fund.

3. Any unexpended or unencumbered funds (including accrued interest) remaining from previous prepayments shall be credited against future payments and the amounts of payments reduced accordingly.

4. Should the tri-agency provide grant funding for Highway 419 as anticipated in paragraph 1 above, SMC would provide a maximum of 20% funding ($900,000).

4.3 Impact Revenues

Stillwater County receives increased property taxable valuation from the SMC gross proceeds, land and equipment at the mineral development. In addition, the county receives added taxable valuation from the SMC smelter and base metals refinery (BMR) located in Columbus, and increased housing and commercial construction generated by the mineral development. The County also receives non-tax revenues such as license fees, fines, and state government funds. In the 1988 Plan, Table 4-3 (page 19) shows the projected impact revenues expected from the SMC operation.

Table 4-2 of this Plan Amendment shows that the FY 1997-98 SMC taxable valuation was $6,015,000. As a result of the expansion the SMC total taxable valuation is projected to increase to $7.8 million by Year 4 of the expansion. Additional employee housing and expanded commercial development also will increase the county's taxable valuation. Because of state assessment procedures, the increased tax revenues are "lagged" one year. In addition to increased tax revenues, non-tax revenues are assumed to increase on a per-capita basis.

4.4 Net Impact Revenues and Costs

Table 4-2 shows that the total impact revenues exceed total impact costs in each fund account, throughout the life of the mine.

4.5 Methods of Assistance

4.5.1 Net Operating Cost

No net operating costs are projected by this Impact Plan Amendment for the duration of the proposed SMC expansion. Should Stillwater County experience net impact operating costs that exceed $1,000 in any year, SMC would provide the County with tax prepayments to cover the net impact costs. In years where impact revenues exceed impact costs, the County would provide tax credits to SMC to repay any tax prepayments under the terms and formulas in 4.5.2 Tax Crediting below.

4.5.2 Tax Crediting

By agreement between Stillwater County and Stillwater Mining Company, this Impact Plan Amendment is prepared pursuant to the Hard Rock Mining Impact Act as amended by the Legislature in 1985. The germane provision of the 1985 statutory change allows a unit of local government and a mineral developer to determine the terms of tax crediting, (by statute, the tax credit in any one year may not exceed the tax obligation of the mineral developer for that year).

Stillwater County agrees to provide tax crediting to SMC to repay the balance of outstanding tax prepayments accumulated since June 23, 1988. A list of tax credits due under this provision is provided in Appendix 4-B.

Under this Plan Amendment, Stillwater County will provide tax credits to SMC under the following terms:

1. A credit must be made from the fund that corresponds to the service for which the tax prepayment was made.

2. A tax credit may not have the effect of shifting the impact cost over time to non-developer taxpayers.

3. The amount of tax credits allowed in any one year shall not exceed the tax obligation of SMC in any fund.

4. Stillwater County will provide tax crediting throughout the productive life of the mine, or until tax prepayments due have been credited.

5. The following formula will be used to determine the amount of tax credits:

> Tax credit = Appropriated county money, by fund, that has not been expended or encumbered each fiscal year x proportion of SMC taxable valuation to total county taxable valuation by fund.

After a period of three years from the date this Plan Amendment is adopted, SMC and Stillwater County may meet to discuss whether this tax crediting formula is providing satisfactory tax credits and, if necessary, initiate a plan amendment or adjustment to revise the formula.

4.6. Other Means of Assistance

Should (1) the regulatory agencies approve SMC's application for a mine waste management permit and (2) the affected agencies agree to the location of four buried pipelines within the right-of-way of Highways 419 and 420 between the mine and the Hertzler Ranch, and (3) SMC proceeds with the development of the Hertzler Ranch property, SMC would negotiate an agreement with Stillwater County under applicable state statutes relevant to pipelines in county road right-of-way to pay for reconstruction of that portion of the highway along the pipeline route. Reconstruction specifications, preliminary construction plans, and estimated construction costs will be generated in support of this agreement, agreed upon by SMC and Stillwater County, and available prior to the start of construction. It is estimated by SMC that this reconstruction will cost $450,000 per mile.

Reconstruction of the Dean to Nye section of Highway 419 is estimated to cost approximately $4.5 million. The tri-agency has indicated that only partial funding for the Dean-Nye section of Highway 419 will be provided, leaving the balance of the construction costs to be funded by local government. SMC and Stillwater County agree to enter into a funding agreement as provided below.

1. A binding agreement between Stillwater County and the Federal highway Administration or Montana Department of Transportation is reached whereby funding is committed for the reconstruction of the Dean to Nye section of FAS 419 (Nye Road).

2. SMC funding shall be in the form of a facility impact bond or grant paid to the Stillwater County Mine Impact Fund.

3. Any unexpended or unencumbered funds (including accrued interest) remaining from previous prepayments shall be credited against future payments and the amounts of payments reduced

accordingly.

4. Should the tri-agency provide grant funding for Highway 419 as provided in paragraph 1 above, SMC would provide a maximum of 20% funding ($900,000).

TABLE 4-2. STILLWATER COUNTY: TOTAL SMC IMPACT COSTS AND REVENUES WITH SMC EXPANSION

		Projections 1988 Plan Year 7-on	Base 1995-96	SMC Expansion 1996-97	1997-98	1998-99	1999-2000
Expansion Impact Population				133	268	268	268
Total SMC Impact Population		830	*715*	848	983	983	983
Total County population w/ SMC		7,280	*7472*	7,653	7,979	8,178	8,383
Total Impact Employees/Households		320	*250*	329	376	376	376
SMC Total T.V. ($000's)		$5,100	*$3,612*	$5,502	$6,015	$6,189	$7,791
Residential/Commercial T.V.($000's)		$324		$999	$1,141	$1,141	$1,141
			1996-97 Rate/Cap	1996-97	1997-98	1998-99	1999-2000
GENERAL FUND							
Co Commissioners:	½ FTE			14,461	14,461	14,461	14,461
Clerk & Recorder:	1 FTE			29,790	29,790	29,790	29,790
Sanitarian:	3/4 FTE			23,854	23,854	23,854	23,854
Treasurer:	½ FTE			12,700	12,700	12,700	12,700
County Attorney:	½ FTE			43,588	43,588	43,588	43,588
Justice Court:	½ FTE			10,673	10,673	10,673	10,673
Planning:	½ FTE			15,782	15,782	15,782	15,782
Other Gen F Depts:	Oper			12,440	22,440	22,440	22,440
TOTAL COSTS		$88,884		$163,288	$173,288	$173,288	$173,288
REVENUES		167,912					
Non-Levy			$55	46,640	54,065	54,065	54,065
Taxes (18.5 mills)				120,265	132,395	135,614	165,251
NET REVENUES (COSTS)		79,028		3,617	13,172	16,391	46,028
ROAD FUND							
COSTS							
FAS 419	M&O .5x $71,000			35,500	35,500	35,500	35,500
FAS 420	M&O .25x$35,000			8,750	8,750	8,750	8,750
W.Rosebud Rd	M&O .10x$15,000			1,500	1,500	1,500	1,500
Fiddler Cr Rd	M&O .10x$11,000			1,100	1,100	1,100	1,100
Equipment:							
Motorgrader	.40x$150,000				15,000	15,000	15,000
Snowplow truck	.40x$100,000				10,000	10,000	10,000
Maint. vehicle	.40x$ 20,000				2,000	2,000	2,000
Personnel	1 FTE			31,200	31,200	31,200	31,200
TOTAL COSTS		765,000		78,050	105,050	105,050	105,050
REVENUES		89,814					
Non-Levy			$25	21,200	24,575	24,575	24,575
Taxes (20.0 mills)(TBS80%)				92,679	96,369	101,089	121,953
NET REVENUES (COSTS)		(675,186)		35,829	15,894	20,614	41,478

	Projections 1988 Plan Year 7-on	FY 1997 Rate/Cap	---------------- ---------SMC Expansion ------------- 1996-97	1997-98	1998-99	1999-2000
POOR FUND						
COSTS	16,771	$22	18,656	21,626	21,626	21,626
REVENUES	27,740					
Non-Levy		$2	1,696	1,966	1,966	1,966
Taxes (3.7 mills)			24,053	26,479	27,123	33,050
NET REVENUES (COSTS)	10,969		7,093	6,819	7,463	13,390
BRIDGE FUND						
COSTS		$45	38,160	44,235	44,235	44,235
REVENUES						
Non-Levy		$3	2,544	2,949	2,949	2,949
Taxes (8 mills)			52,006	57,252	58,644	71,460
NET REVENUES (COSTS)			16,390	15,966	17,358	30,174
FIRE CONTROL FUND						
COSTS		$3	2,544	2,949	2,949	2,949
REVENUES						
Non-Levy		$0	0	0	0	0
Taxes (.6 mills)			2,780	3,041	3,033	3,659
NET REVENUES (COSTS)			236	92	84	710
DISTRICT COURT						
COSTS	7,678	$23	19,504	22,609	22,609	22,609
REVENUES	22,973					
Non-Levy		$6	5,088	5,898	5,898	5,898
Taxes (3.81 mills)			24,768	27,266	27,929	34,033
NET REVENUES (COSTS)	15,295		10,352	10,555	11,218	17,322
NOXIOUS WEED						
COSTS		$15	12,720	14,745	14,745	14,745
REVENUES						
Non-Levy		$6	5,088	5,898	5,898	5,898
Taxes (1.6 mills)			10,401	11,450	11,729	14,292
NET REVENUES (COSTS)			2,769	2,603	2,882	5,445
LIBRARY						
COSTS	5,329	$12	10,176	11,796	11,796	11,796
REVENUES	11,126					
Non-Levy		$1	848	983	983	983
Taxes (2.5 mills)			16,252	17,891	18,326	22,331
NET REVENUES (COSTS)	5,798		6,924	7,078	7,513	11,518
INSURANCE						
COSTS		$11	9,328	10,813	10,813	10,813
REVENUES						
Non-Levy		$1	848	983	983	983
Taxes (2.24 mills)			14,562	16,031	16,420	20,009
NET REVENUES (COSTS)			6,082	6,201	6,590	10,179

	Projections 1988 Plan Year 7-on	FY 1997 Rate/Cap	SMC Expansion 1996-97	1997-98	1998-99	1999-2000
EXTENSION						
COSTS		$10	8,480	9,830	9,830	9,830
REVENUES						
Non-Levy		$1	848	983	983	983
Tases (2.13 mills)			13,847	15,243	15,614	19,026
NET REVENUES (COSTS)			6,215	6,396	6,767	10,179
MENTAL HEALTH						
COSTS	3,528	$2	1,696	1,966	1,966	1,966
REVENUES	6,827					
Non-Levy		$0	0	0	0	0
Taxes (.34 mills)			2,210	2,433	2,492	3,037
NET REVENUES (COSTS)	3,300		514	467	526	1,071
PUBLIC SAFETY						
COSTS		$78	66,144	76,674	76,674	76,674
REVENUES						
Non-Levy		$21	17,808	20,643	20,643	20,643
Taxes (12.0 mills)			78,010	85,878	87,966	107,190
NET REVENUES (COSTS)			29,674	29,847	31,935	51,159
TOTAL NET REVENUES (COSTS)	$182,141		$125,695	$115,091	$129,341	$238,652

7-7-98

APPENDIX 4-A

DETERMINING TOTAL POPULATION LEVELS AND PER CAPITA OPERATING COSTS FOR STILLWATER COUNTY

DETERMINING TOTAL POPULATION LEVELS

Year	Population	Explanation
1994-95	7,232	DOC Estimate
1995-96	7,472	DOC Estimate
1996-97	7,653	DOC Estimate
1997-98	7,979	7653 x 102.5% +135 (SMC persons inmigrating in 1997-98)
1998-99	8,178	7979 x 102.5%
1999-2000	8,383	8178 x 102.5%

An annual increase of 2.5% is assumed for these projections.

DETERMINING PER CAPITA OPERATING COSTS

The Department of Commerce estimated 1996-97 Stillwater County population of 7,653 was used. The "Total Requirements" (Appropriation plus Cash Reserves) shown on the Tax Levy Requirements Schedule from the 1996-97 budget was used to determine per capita costs. The "Non-Tax Revenue" column was used to determine per capita non-tax revenues.

APPENDIX 4-B

SUMMARY OF TAX CREDITS CURRENTLY DUE (July, 1998)

General Fund

Tax Prepayments Received	$243,704
Tax Credits Provided to Date	$ 0
Credits Expired by July, 1998	$218,189
Tax Credits Currently Due	**$ 25,515**

Road Fund

Tax Prepayments Received	$1,596,630
Tax Credits Provided to Date	$ 0
Credits Expired by July, 1998	$ 136,126
Tax Credits Currently Due	**$1,460,504**

* Note: $109,330.64 remains in Mine Impact Fund (Road) as of March 24, 1998.

Library Fund

Tax Prepayments Received	$ 4,556
Tax Credits Provided to Date	$ 2,875
Credits Expired by July, 1998	$ 145
Tax Credits Currently Due	**$ 1,536**

5. TOWN OF COLUMBUS

This section, 5. Town of Columbus, completely revises and replaces section 5.0 Town of Columbus of the 1988 Plan.

5 .1 Background and Projections

The Stillwater Mining Company's approved 1988 Hard Mining Impact Plan (pages 20-23) projected that 31 inmigrating mine-related employees and 80 inmigrating persons would reside in Columbus as a result of the SMC mineral development at Nye. The number of inmigrating employees currently (FY 1997-98) residing in Columbus is 76, with a total inmigrating population of 213. The difference in these levels results from two factors, the total SMC employment has increased, and the percentage of employees living in Columbus has increased. A higher percentage of mine employees are living in Columbus than originally expected largely because of the amenities in the community and the access to Interstate 90. The following summarizes the change in demographics and the taxable valuation of the Town of Columbus from the 1988 Impact Plan through the SMC mine expansion.

Residing in Columbus	Projected in 1988 Plan	12/31 1995	12/31 1997	Total after Expansion 1999-2000
Total Mineral Employees	46	99	127	141
Inmigrating Employees*	31	68	80	100
Inmigrating Population	80	194	229	286
Total Population w/SMC	1,720	1,831	2,033	2,180
SMC Taxable Valuation(000's)**	$ 531	$ 722	$2,007	$2,504

* Includes inmigrating mineral and secondary employees
** Includes Columbus' share of mineral development gross proceeds, property and equipment, plus the smelter/base metals refinery in Columbus.

The 1997-98 population of the Town of Columbus is estimated to be 2,033. Currently the town is growing at approximately 3.5% per year. This Impact Plan Amendment projects that as a result of the proposed SMC expansion, a total of 100 inmigrating employees and 286 inmigrating persons will reside in the Town of Columbus. The total population of Columbus is projected to be 2,180 in 1999-2000 as a result of natural growth and the SMC inmigrating population.

The town operates most of its services from its general fund, supported with tax revenues and non-tax revenues such as fines, fees, forfeitures, service charges, and state and federal government transfers. Columbus operates its water, sewer and solid waste services as "enterprise funds" - supported entirely by user fees.

As part of the 1988 Impact Plan, SMC and the Town of Columbus entered into an agreement under which SMC provided a grant of $46,000 and a tax prepayment of $127,000 to the town for sewage system improvements. Also under that agreement, SMC provided a grant of $6,000 to Columbus for water system improvements. The agreement stipulates that this funding by SMC will provide sufficient water and sewer capacity to serve a total town population of 1,800. Under the agreement, if the total population of Columbus exceeds 1,800 and the SMC inmigrating population is more than 15% greater than the number projected in the 1988 Plan, SMC and the Town of Columbus will modify the Impact Plan to provide that SMC will pay a proportionate share of the actual costs of upgrading the water and sewer systems. With the proposed expansion of the SMC mineral development, Columbus's total projected population of 2,180 will be above the 1,800 population threshold of the 1988 agreement relating to the water and sewer facilities.

5.2 Impact Costs

Table 5-2 shows, for Columbus, current total inmigrating employees, population, costs and revenues created by the SMC mineral development, and the projected total inmigrating employees and population, and impact costs and revenues after the expansion.

5.2.1 Impact Operating Costs

The impact operating costs resulting from the proposed 1998 expansion are expected to affect the general fund, and as shown in Table 5-2, are projected to increase on a per-capita basis. No other fund accounts in Columbus are expected to be impacted by the SMC mine expansion. Because the water, sewer and solid waste systems are enterprise funds supported by user charges, SMC assumes that the new households associated with the mineral development will pay their way through those user charges.

5.2.2 Impact Capital Costs

5.2.2.1 Sewage Treatment Improvements

SMC will provide funding to meet capital costs of sewer treatment improvements under the following terms:

A SMC will convert the 1988 $127,000 tax prepayment to a grant;

B. SMC will provide the Town of Columbus a grant of $196,000 to pay SMC’s proportionate share of the cost of improvements to the Town wastewater treatment facility. The grant amount shall be 10.1% of the total cost of the wastewater treatment improvements, estimated to be $1.93 million. SMC's grant share is based on the 206 SMC inmigrating population that

was not accommodated under the 1988 Plan and agreement. The 206 SMC population is 10.1% of the Town's estimated 1997-98 total population of 2,033.

C. The Town and SMC agree that the approximate $196,000 grant provided under Paragraph B above is SMC's proportionate share of the 1998-99 sewer expansion project, which will provide sufficient capacity to serve a total Town population of 2,500. The Town and SMC further agree that the total funding provided by SMC under Paragraphs A and B above meets SMC's obligation for sewer treatment facility capacity for an SMC inmigrating mineral development population up to 286. Should the Town's total population reach or exceed 2,500 and a future upgrade of the sewer treatment facility is necessary, and the SMC inmigrating mineral development population has exceeded 286, the Town and SMC will negotiate SMC's portion of the costs of the future treatment facility upgrade based on the SMC inmigrating mineral development population that exceeds 286.

5.2.2.2 Resurfacing 1st Avenue South.

SMC will provide a tax prepayment to the Town of Columbus to complete the resurfacing and paving of 1st Avenue South. The amount of the tax prepayment will be based on the actual cost to complete the project.

5.3 Impact Revenues

The Hard Rock Mining Tax Base Sharing Act authorizes a portion of the mineral development taxable valuation to be allocated to affected municipalities. The allocation is based on the portion of total mineral employees living in the municipality, not to exceed 20% of the mineral taxable value. The allocation formula may be modified if needed to"... ensure a reasonable correspondence of increased costs...." between increased costs and allocation of mineral taxable valuation. As a result of the SMC mine expansion, approximately 29% of the total mineral employees residing in Stillwater County are projected to live within the Town of Columbus. However, in this case, no modification is necessary to achieve a "reasonable correspondence" between increased costs and revenues, so under this Plan Amendment, 20% of the SMC mineral taxable valuation would be allocated to the Town of Columbus.

Since 1988, the Town of Columbus has received an allocation of the SMC taxable valuation. The 1988 Plan projected that Columbus would receive 10% of the mineral taxable valuation. That percentage has increased since 1988; currently the Town receives 20% of the SMC taxable valuation.

Table 5-2 shows the current SMC total impact costs and revenues and the total costs and revenues after the expansion. Additional employee housing and expanded commercial development also will increase

the Town's taxable valuation. Because of state assessment procedures, actual receipt of increased tax revenues "lags" approximately one year, and thus the revenue projections in this Plan Amendment reflect a one-year lag. In addition to increased tax revenues, non-tax revenues are assumed to increase on a per-capita basis.

5.4 Net Impact Revenues and Costs

Table 5-2 shows that total SMC impact revenues exceed total impact costs throughout the life of mine.

5.5 Method of Assistance

5.5.1 Net Operating Cost

No net operating costs are projected by this Impact Plan Amendment for the duration of the proposed SMC expansion. Should the Town of Columbus experience net impact operating costs that exceed $1,000 in any year, SMC would provide the Town with tax prepayments to cover the net impact costs. In years where impact revenues exceed impact costs, the Town would provide tax credits to SMC to repay any tax prepayments under the terms and formulas in <u>5.5.2 Tax Crediting</u> below.

5.5.2 Tax Crediting

By agreement between the Town of Columbus and Stillwater Mining Company, this Impact Plan Amendment is prepared pursuant to the Hard Rock Mining Impact Act as amended by the Legislature in 1985. The germane provision of the 1985 statutory change allows a unit of local government and a mineral developer to determine the terms of tax crediting, (by statute, the tax credit in any one year may not exceed the tax obligation of the mineral developer for that year).

Under this Impact Plan Amendment, the Town of Columbus will provide tax credits from its general fund to SMC subject to the following terms and contingencies:

1. In each year following adoption of this Plan Amendment, the Town of Columbus will provide a tax credit to SMC equaling 1/10 the total amount of tax credits due under this Plan Amendment, <u>provided</u> (1) that SMC's taxable valuation in the Town of Columbus (that share of mineral development taxable value provided to Columbus under tax base sharing plus the taxable value of the SMC smelter/base metals refinery and any related facilities) is $1.8 million dollars or greater.

2. Total tax credits due will be equal to the total amount of SMC tax prepayments made to the Town general fund since June 23, 1988, plus any tax prepayments required under this Plan Amendment

and subsequent plan adjustments. Appendix 5-B lists the tax credits currently due and those projected under this Plan Amendment.

3. Should SMC's taxable valuation in Columbus drop below $1.8 million in any year before the tax crediting obligation has been fulfilled, the SMC and the Town will negotiate to determine what, if any tax crediting will occur in that year.

4. The Town need not provide a tax credit if the credit will have the effect of shifting the impact cost over time to non-developer taxpayers.

5. In any given year, the tax credits may not exceed SMC's tax obligation for that year.

6. The Town of Columbus will provide tax crediting until the end of the productive life of the mine, or until all present and future tax prepayments have been credited.

7. In the event there are statutory modifications to the tax base sharing formula, changes in municipal classifications that increase service requirements or costs or alter mill levy limits, legislative actions affecting local property taxation, mill levy limits, revenue sources and budgeting, unanticipated emergency expenditures that deplete the Town's budget, or substantial unanticipated expenditures for maintenance and repair of First Avenue South in any year before the tax crediting obligation has been fulfilled, the Town and SMC will negotiate to see what, if any, tax crediting will occur in that year.

TABLE 5-1. TOWN OF COLUMBUS: TOTAL SMC OPERATING IMPACT COSTS AND REVENUES AFTER SMC EXPANSION

	1988 Pla Year 7-o	*Base 1995-96*	1996-97	1997-98	1998-99	1999-2000
			SMC Expansion			
SMC IMPACT:						
SMC Expansion Impact Population			15	92	92	92
Total Impact Population	*80*	*194*	209	286	286	286
Total Town Population with SMC	*1720*	*1831*	1897	2033	2100	2180
Total Impact Employees/Households	*31*	*68*	73	100	100	100
TOTAL SMC IMPACT GENERAL FUND COSTS		Rate/capita (FY 1997)	1996-97	1997-98	1998-99	1999-2000
Admin/Legis/Facil/Zoning	*$2,858*	$62	12,958	17,732	17,732	17,732
City Court	*285*	$9	1,881	2,574	2,574	2,574
Legal Services	*658*	$27	5,643	7,722	7,722	7,722
Police/animal control	*4,250*	$93	19,437	26,598	26,598	26,598
Fire Protection	*690*	$15	3,135	4,290	4,290	4,290
Streets/Airport	*13,792*	$83	17,347	23,738	23,738	23,738
Parks/Pool	*1,164*	$54	11,286	15,444	15,444	15,444
Cash Reserves(33%)		$117	24,453	33,462	33,462	33,462
Total Impact Costs:	*23,697*	$460	$96,140	$131,560	$131,560	$131,560
TOTAL SMC IMPACT GENERAL FUND REVENUES						
Tax Revenues:						
SMC Impact T.V. Available for TBS	*5,100*		4906	5,010	5,305	6,609
TaxBaseSharing (20%)[10% 1988 Pla	*510*		981	1,002	1,061	1,322
Smelter			596	1005	884	1,182
Residential/Commercial	*21*		169	232	232	232
Total Taxable Valuation	*531*		1,746	2,239	2,177	2,736
Tax Revenues (@81.36 mills: 1997)			142,076	182132	177,121	222,585
(@79 mills: 1988)	*$51,732*					
Non-tax Revenues (@ $108/cap: 1997)			22,572	30,888	30,888	30,888
(@$57.1/cap:1988)	*$4,571*					
Total Impact Revenues:	*$56,303*		$164,648	$213,020	$208,009	$253,473
NET REVENUES (COSTS)	*$32,607*		$68,6508	$81,460	$76,449	$121,913

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5.6.3 Capital Costs

5.6.3.1 Sewage Treatment Facility

SMC will provide funding to meet capital costs of sewer treatment improvements under the following terms:

A SMC will convert the 1988 $127,000 tax prepayment to a grant;

B. SMC will provide the Town of Columbus a grant of $196,000 prior to construction of sewage treatment improvements;

C. The Town and SMC agree that the approximate $196,000 grant provided under Paragraph B above is SMC's proportionate share of the 1998-99 sewer expansion project, which will provide sufficient capacity to serve a total Town population of 2,500. The Town and SMC further agree that the total funding provided by SMC under Paragraphs A and B above meets SMC's obligation for sewer treatment facility capacity for an SMC inmigrating mineral development population up to 286. Should the Town's total population reach or exceed 2,500 and a future upgrade of the sewer treatment facility is necessary, and the SMC inmigrating mineral development population has exceeded 286, the Town and SMC will negotiate SMC's portion of the costs of the future treatment facility upgrade based on the SMC inmigrating mineral development population that exceeds 286.

5.6.3.2 Resurfacing 1st Avenue South.

SMC will provide a tax prepayment to the Town of Columbus to complete the resurfacing and paving of 1st Avenue South. The amount of the tax prepayment will be based on the actual cost to complete the project.

APPENDIX 5-A

METHODS FOR ESTIMATING PER CAPITA OPERATING COSTS AND REVENUES AND ESTIMATING TOTAL TOWN OF COLUMBUS POPULATION

ESTIMATING TOTAL POPULATION OF TOWN OF COLUMBUS

The general method for estimating the total population of the Town of Columbus was to use the Department of Commerce (DOC) estimated populations for the years 1994 through 1996. The 1997-98 population was estimated in proportion to the increased number of residential water connections through 1997, plus the number of SMC mine-related persons (77) expected to move into Columbus during 1997-98. The populations levels for 1998-99 and 1999-2000 were projected by increasing the previous year's population by 3.5%, the approximate annual increase since 1994. The following table illustrates how the estimates were determined.

Year	Water Connections	Total Town Population	Explanation
1994-95	620	1,766	DOC Estimate
1995-96	642	1,831	DOC Estimate
1996-97	647	1,897	DOC Estimate
1997-98	662	2,033	per hookups (1,941) +92
1998-99		2,100	(2033 x 103.5%)
1999-00		2,180	(2100 x 103.5%)

ESTIMATING PER CAPITA OPERATING COSTS FOR TOWN OF COLUMBUS

The FY 1996-97 Budget for the Town of Columbus and the 1996-97 estimated population of 1,897 were used to determine per capita operating costs:

ADMIN/LEGIS/ FACIL/ZONING		$118,359	$62/capita
General Government	*$5,252*		
Administrative Services	*2,804*		
Administration	*57,380*		
Facilities Administration	*26,026*		
Land Use Inspection	*8,892*		
Transfers: #822, #823	*2,000; 16,000*		
CITY COURT		$17,564	$9 /capita
LEGAL SERVICES		$51,750	$27/capita
POLICE/ANIMAL CONTROL		$176,794	$93/capita
Law Enforcement	*$153,680*		
Animal Control Services	*9,614*		
Transfers: #824, # 825	*12,000; 2,500*		
FIRE PROTECTION		$28,925	$15/capita
Fire Protection	*$21,425*		
Transfer: #826	*5,000*		
STREETS/AIRPORT		$157,444	$83/capita
Road and Street Services	*$152,588*		
Airport	*3,268*		
Transfer: #821	*1,588*		
PARKS/POOL		$102,441	$54/capita
Parks/cemetery	*$53,999*		
Swimming Pool	*31,678*		
Transfers: #827, # 828	*12,690; 4,074*		
CASH RESERVES (33%)		$222,900	$117/capita

APPENDIX 5-B

SUMMARY OF TOWN OF COLUMBUS TAX CREDITS CURRENTLY DUE (July, 1998)

General Fund

Tax Prepayment C (A)-1 (July, 1988)	$ 2,300 (actual)
Tax Prepayment (under February 5, 1990 agreement) (July, 1988)	$ 55,219* (actual)
Tax Prepayment (under February 5, 1990 agreement) (June, 1990)	$ 9,169* (actual)
Tax Prepayment (actual cost of upgrading l51 Avenue South) (1998)	$250,000 (estimated)
Tax Credits Currently Due	**$316,688**
Tax Credits Provided to Date	$ 0
Credits Expired by July, 1998	$ 5,400

*Under a February 5, 1990 agreement between the Town of Columbus and Stillwater Mining Company, SMC agreed to make tax prepayments for any costs in excess of $135,000 for surveying, engineering and construction of water and sewer facilities to the SMC smelter. SMC made two tax payments ($55,219 and $9,169) totaling $64,388 to cover those costs. SMC and the Town agreed to adjust the 1988 Amendment to the Hard Rock Mining Impact Plan. Appendix B of this Plan Amendment contains (1) the February 5, 1990, agreement, (2) a letter from the Town of Columbus to Carol Ferguson informing the Hard Rock Mining Impact Board of the plan adjustment, and (3) the two resolutions adopted by the Town amending its budget to receive and expend the SMC tax prepayments.

6. ABSAROKEE ELEMENTARY SCHOOL

This section, 6. Absarokee Elementary School, completely revises and replaces section 6.0 Absarokee Elementary School of the 1988 Plan.

6.1 Background and Projections

The Stillwater Mining Company's 1988 Impact Plan projected that 270 students would attend Absarokee Elementary School and that the number of SMC inmigrating students enrolled would reach 110. Under the 1988 Plan, SMC met net operating impact costs created by inmigrating mine-related students with tax prepayments to the Absarokee Elementary School. Also under the 1988 Plan, SMC used an educational facility bond to provide grant funding of $800,000 to Absarokee Elementary School District for increasing the capacity of the school facilities.

Table 2-3 of this Plan Amendment (page 2-5) shows the number of SMC inmigrating students projected to attend Absarokee Elementary projected in the 1988 Plan, enrolled in 1995, expected to inmigrate with the SMC expansion, and projected after the expansion. Table 6-1 shows Absarokee Elementary School's 1997-98 K-8 enrollment was 254 and, according to SMC employment report, includes 83 students with at least one parent employed by SMC who moved into the district. In addition to the inmigrating mineral development students, an estimated three secondary students associated with the SMC mineral development migrated into the district. The total SMC inmigrating enrollment in 1997-98 was 86. When the present SMC expansion is completed by Year 4 the total number of inmigrating students is projected to be 94.

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SEE TABLE 2-4 TAX BASE SHARING

6.2 Needs and Costs

6.2.1 Operating Costs

Montana's school budgeting and financing laws set a maximum general fund budget that a school district may adopt, and a minimum, or BASE, budget (by law 80% of the maximum budget). The levels of the maximum and BASE budget limits for each school district are tied primarily to the district's prior year's annual number belonging (ANB). State law allows only a 4% increase each year over the previous year's budget. Table 6-1 shows the total number of SMC inmigrating students after the expansion, the total school enrollment with the SMC inmigrating students, and the total impact school costs and revenues with SMC students. To illustrate the effect of SMC on Absarokee Elementary School, Table 6-2 shows the estimated general fund enrollment and budget without SMC students or SMC taxable valuation.

6.3 Impact Revenues

Under Montana school finance laws, the SMC inmigrating students would generate additional monies as state aid in Direct State Aid and special education funds as shown in Table 6-1.

Under the Montana Tax Base Sharing Act, Absarokee Elementary School is authorized to receive a share of the SMC mineral development taxable valuation, based on the percentage of mineral development elementary students attending Absarokee Elementary. The SMC taxable valuation is available to be allocated according to the tax base sharing percentages shown in Table 2-4. Under this Plan Amendment, 53% of the total SMC elementary mineral development students projected to attend school in Stillwater County are projected to attend Absarokee Elementary School. Therefore, the available portion of SMC taxable valuation to be allocated to the Absarokee Elementary District under the Tax Base Sharing Act would be 53%. SMC properties and gross proceeds will add $3.5 million in taxable valuation in Year 4-on.

Because Absarokee Elementary School District has a lower taxable value per ANB than the state average, the district receives state guaranteed tax base (GTB) funding The GTB funding is designed to stabilize district mill levies by augmenting district tax revenues in districts with low taxable values that would otherwise have to levy excessively high mill levies. As a district's taxable valuation increases in proportion to its ANB, the GTB subsidy is reduced.

6.4 Effect of SMC

The shaded line in Table 6-1 shows the estimated total general fund mills (from Table 6-2) that would be levied by the district without the presence of SMC students or SMC taxable valuation. Table 6-1 shows that the presence of SMC in Absarokee Elementary School has the positive effect of reducing the general fund mill levy. To further measure the effect of SMC on the finances of Absarokee Elementary School, Table 6-1 shows that SMC generates net impact revenues in each year.

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THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

6.5 Impact of SMC on Transportation Fund

In the Transportation Fund, state and county monies fund the "on-schedule" portion of the budget. The "on-schedule" portion is the budget amount provided by state law based on the capacities of the school buses and the number of bus miles driven annually. School districts often find that they must budget more money than the on-schedule amount provided by law. The districts must fund the "over - schedule" amount through a property tax mill levy. Table 6-3 shows that the Absarokee Elementary School over-schedule budget was $44,197 in 1997-98. SMC's estimated portion of the over- schedule budget was $13,574, based on a per student ratio. At the 4.47 mills levied in the transportation fund, SMC paid 14,966 in property taxes, providing net revenues of $1,392.

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THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

TABLE 6-1. ABSAROKEE ELEMENTARY SCHOOL General Fund Budget
With Stillwater Mining Company

	Actual		Projected	
	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
SMC Impact Mineral Students	77	83	85	87
Impact Secondary Students	5	3	7	7
SMC Total Impact Students	82	86	92	94
Total Grades K-6	189	172	176	178
Total Grades 7-8	78	82	72	72
TOTAL ELEMENTARY	267	254	248	250
ADOPTED BUDGET	1,000,000	1,000,000	1,025,197	1,025,197
BASE BUDGET	896,117	877,091	850,879	842,249
AMOUNT BUDGETED OVER-BASE	103,883	122,909	174,318	182,948
Direct State Aid Payment	423,762	415,933	404,119	399,632
District Spec Ed Payment	31,743	29,528	27,709	27,933
GTB Subsidy	92,497	49,556	75,677	40,701
TOTAL STATE AID	548,003	495,017	507,504	468,265
GTB SUBSIDY PER MILL	2,231	953	1,762	911
SMC Taxable Valuation	3,348,000	2,705,000	2,758,000	3,503,000
TOTAL DISTRICT TAXABLE VALUATION	7,073,473	6,293,000	6,716,000	7,140,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	41.46	51.99	42.96	44.69
Over-BASE Levy Mills	14.69	19.53	25.96	25.62
Total General Fund Mill Levy	56.15	71.52	68.92	70.31
Total General Fund Mill Levy without SMC (from Table 6-2)	*67.40*	*74.97*	*70.35*	*74.27*
Positive (Negative) Effect of SMC on Mill Levy	11.25	3.45	1.44	3.96
SMC Impact Costs*	273,235	304,468	359,325	359,325
SMC Impact State Aid**	127,172	112,257	174,953	151,234
SMC Impact Tax Revenues***	187,990	193,465	190,069	246,307
SMC Net Impact Revenues (Costs)	41,927	1,254	5,697	38,215

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 6-1 and Table 6-2.
** "SMC Impact State Aid" is the difference between Total State Aid shown in Tables 6-1 and 6-2.
*** "SMC Impact Tax Revenues" is the SMC taxable valuation x theTotal General Fund Mill Levy.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment. 8-3-98

TABLE 6-2. ABSAROKEE ELEMENTARY SCHOOL General Fund Budget
Without Stillwater Mining Company (Estimated)

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
Total Grades K-6	128	115	119	119
Total Grades 7-8	57	53	37	37
TOTAL ELEMENTARY	185	168	156	156
ADOPTED BUDGET	726,765	671,532	665,872	665,872
BASE BUDGET	637,513	589,063	540,279	540,279
AMOUNT BUDGETED OVER-BASE	89,252	82,469	125,593	125,593
Direct State Aid Payment	301,922	279,569	256,728	256,728
District Spec Ed Payment	21,995	19,530	17,430	17,430
GTB Subsidy	96,915	83,660	58,393	42,873
TOTAL STATE AID	420,831	382,759	332,552	317,031
GTB SUBSIDY PER MILL	1,889	1,982	1,512	1,008
TOTAL DISTRICT TAXABLE VALUATION	3,725,000	3,588,000	3,958,000	3,958,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	43.44	51.99	38.62	42.54
Over-BASE Levy Mills	23.96	22.98	31.73	31.73
Total General Fund Mill Levy	67.40	74.97	70.35	74.27

This Table 6-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation. THIS PAGE NO LONGER REFLECTS THE APPROVED PERCENTAGES AFTER AM3 SEE TABLE 2-4 TAX BASE SHARING

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

8-3-98

TABLE 6-3. ABSAROKEE ELEMENTARY SCHOOL TRANSPORTATION FUND

TRANSPORTATION FUND 1997-98

Adopted Budget	$79,117
Over Schedule	$44,197
SMC Portion of Over-Schedule	$13,574
District mill levy	4.47
SMC Tax Revenues	$14,966
SMC Net Revenues (Costs)	$1,392

7. ABSAROKEE HIGH SCHOOL

This section, 7. Absarokee High School, completely revises and replaces section 7.0 Absarokee High School of the 1988 Plan. THIS PAGE NO LONGER REFLECTS THE APPROVED PERCENTAGES AFTER AM3 SEE TABLE 2-4 TAX BASE SHARING

7.1. Background and Impact Projections

The Stillwater Mining Company's 1988 Impact Plan projected that Absarokee High School's enrollment would be 198 students, and that 68 of those would be SMC mine-related students. Under the 1988 Plan, SMC met net operating costs created by inmigrating mine-related students by providing tax prepayments to the district. Also, SMC used an educational facility bond to provide $800,000 in grant funding toward the construction of a new high school.

Absarokee High School had a 1997-98 enrollment of 144 students. According to SMC's employment monitoring report, 28 of the students had at least one parent employed by SMC that migrated into the district. Also, an estimated two immigrating secondary students associated with the SMC mineral development were included in the school's enrollment, bringing the SMC total inmigrating enrollment to 30 students. When the SMC expansion is complete in year 4, the total number of inmigrating students is projected to be 35.

7.2 Impact Needs and Costs

Montana's school budgeting and financing laws set a maximum general fund budget that a school district may adopt, and a minimum, or BASE, budget (By law 80% of the maximum budget). The levels of the maximum and BASE budget limits for each school district are tied primarily to the district's prior year's annual number belonging (ANB). State law allows only a 4% increase each year over the previous year's budget. Table 7-1 shows the number of SMC associated with the expansion, the total number of SMC inmigrating students after the expansion, the total school enrollment with the SMC inmigrating students, and the total school costs and revenues with SMC students. To illustrate the effect of SMC on Absarokee High School, Table 7-2 shows the estimated general fund enrollment and budget without SMC students or SMC taxable valuation.

7.3 Impact Revenues

Under Montana school finance laws, the SMC inmigrating students would generate additional revenues as state aid in Direct State Aid and special education funding, as shown in Table 7-1.

Under the Montana Tax Base Sharing Act, Absarokee High School is authorized to receive a share of the SMC mineral development taxable valuation, based on the percentage of mineral development High students attending Absarokee High. The SMC taxable valuation is allocated according to the tax base sharing percentages shown in Table 2-4. Under this Plan Amendment, 71% of the total SMC

High mineral development students attending school in Stillwater County are projected to attend Absarokee High School. Therefore, the available portion of SMC taxable valuation to be allocated to the Absarokee High District under the Tax Base Sharing Act is 71%. SMC properties and gross proceeds will add $4.7 million in taxable valuation in Year 4.

Because Absarokee High School District has a lower taxable value per ANB than the state average, the district receives state guaranteed tax base (GTB) funding The GTB funding is designed to stabilize district mill levies by augmenting district tax revenues in districts with low taxable values that would otherwise have to levy excessively high mill levies. As a district's taxable valuation increases in proportion to its ANB, the GTB subsidy is reduced.

7.4 Effect of SMC

The shaded line in Table 7-1 shows the estimated total general fund mills (from Table 7 -2) that would be levied by the district without the presence of SMC inmigrating students or SMC taxable valuation. Table 7-1 shows that the presence of SMC in Absarokee High School has the positive effect of reducing the general fund mill levy in each year. To further measure the effect of SMC on the finances of Absarokee High School, Table 7-1 shows that SMC generates net impact revenues in each year of the expansion.

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THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

TABLE 7-1. ABSAROKEE HIGH SCHOOL General Fund Budget
With Stillwater Mining Company

THIS PAGE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

	Actual		SMC Expansion Projected	
	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
SMC Impact Mineral Students	37	28	33	33
Impact Secondary Students	2	2	2	2
SMC Total Impact Students	39	30	35	35
TOTAL HIGH SCHOOL STUDENTS	151	144	136	136
ADOPTED BUDGET	721,025	725,966	745,066	745,066
BASE BUDGET	740,510	725,966	699,015	699,015
AMOUNT BUDGETED OVER-BASE	0	0	46,051	46,051
Direct State Aid Payment	356,807	350,389	337,815	337,815
District Spec Ed Payment	17,554	16,740	15,195	15,195
GTB Subsidy	55,066	32,475	18,629	8,558
TOTAL STATE AID	429,427	399,604	371,639	361,569
GTB SUBSIDY PER MILL	2,119	1,145	650	317
SMC Taxable Valuation	3,797,000	3,757,000	3,713,000	4,692,000
TOTAL DISTRICT TAXABLE VALUATION	9,876,000	10,100,000	10,035,000	11,035,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	25.78	28.55	28.65	26.96
Over-BASE Levy Mills	0.00	0.00	4.59	4.17
Total General Fund Mill Levy	25.78	28.55	33.24	31.13
Total General Fund Mill Levy without SMC (from Table 7-2)	*31.28*	*28.55*	*33.29*	*32.76*
Positive (Negative) Effect of SMC on Mill Levy	5.50	0.00	0.05	1.63
SMC Impact Costs*	126,954	116,860	141,986	141,986
SMC Impact State Aid**	62,532	12,450	18,898	24,024
SMC Impact Tax Revenues***	97,887	107,262	123,417	146,077
SMC Net Impact Revenues (Costs)	33,465	2,852	328	28,115

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 7-1 and Table 7-2.
** "SMC Impact State Aid" is the difference between Total State Aid n Tables 7-1 and 7-2.
*** "SMC Impact Tax Revenues" is the SMC taxable valuation x theTotal General Fund Mill Levy.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment. 8-3-98

TABLE 7-2. ABSAROKEE HIGH SCHOOL General Fund Budget
Without Stillwater Mining Company (Estimated)

THIS PAGE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

ANB

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
TOTAL HIGH SCHOOL STUDENTS	112	114	101	101
ADOPTED BUDGET	594,071	609,106	603,080	603,080
BASE BUDGET	594,071	609,106	561,005	561,005
AMOUNT BUDGETED OVER-BASE	0	0	42,075	42,075
Direct State Aid Payment	287,061	294,400	271,819	271,819
District Spec Ed Payment	13,020	13,253	11,285	11,285
GTB Subsidy	66,814	79,502	69,637	54,441
TOTAL STATE AID	366,895	387,154	352,741	337,545
GTB SUBSIDY PER MILL	6,469	2,770	2,615	2,043
TOTAL DISTRICT TAXABLE VALUATION	6,079,000	6,343,000	6,322,000	6,888,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	31.28	28.55	26.63	26.65
Over-BASE Levy Mills	0.00	0.00	6.66	6.11
Total General Fund Mill Levy	31.28	28.55	33.29	32.76

This Table 7-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

8-3-98

8. COLUMBUS ELEMENTARY SCHOOL

This section, 8. Columbus Elementary School, completely revises and replaces section 8.0 Columbus Elementary School of the 1988 Plan.

8.1 Background and Projections

The Stillwater Mining Company's 1988 Impact Plan projected that 372 students would attend Columbus Elementary School and that the number of SMC impact students enrolled would reach 22 beginning in the second year of the Plan. Under the 1988 Plan, SMC met net operating impact costs created by inmigrating mine-related students with tax prepayments to the Columbus Elementary School. Also, under a December 3, 1987, agreement, SMC paid for the construction of four additional classrooms. Under that agreement SMC has met its obligation for capital facilities until SMC's total number of **K-12** inmigrating mineral development students exceeds 90.

Table 2-3 of this Plan Amendment (page 2-5) shows the number of SMC impact students expected to inmigrate with the SMC expansion and projected to attend after the expansion. Table 8-1 shows Columbus Elementary School's K-8 annual number belonging (ANB) for FY 1997-98 (Year 2) was 434 and, according to SMC's employment report, included 58 students with at least one parent employed by SMC. In addition to the inmigrating mineral development students, 12 secondary students associated with the SMC mineral operation are estimated have attended Columbus Elementary in 1997-98, a total of 70 SMC impact students. By Year 4, when the present expansion is expected to be complete, a total of 77 mine-related (mineral and secondary) students are projected to attend the school.

In addition to the reconciliation of mineral development students and inmigrating mineral students required under subsection 1.3 Monitoring, SMC and Columbus Elementary School will meet each year after February 1st to reconcile the number of inmigrating students with a parent or guardian employed at the SMC smelter and other facilities located in Columbus. The number of inmigrating SMC students determined through this reconciliation process will be included as inmigrating secondary students enrolled in Columbus Elementary School for purposes of calculating impact costs and revenues.

THIS PAGE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

8.2 Impact Needs and Costs

8.2.1 Operating Costs

Montana's school budgeting and financing laws set a maximum general fund budget that a school district may adopt, and a minimum, or BASE, budget (by law 80% of the maximum budget). The levels of the maximum and BASE budget limits for each school district are tied primarily to the district's prior year's annual number belonging (ANB). State law allows only a 4% increase each year over the previous year's budget. Table 8-1 shows the total number of SMC impact students after the expansion, the total school enrollment with the SMC impact students, and the total school costs and revenues with SMC students. To illustrate the effect of SMC on Columbus Elementary School, Table 8-2 shows the estimated general fund enrollment and budget without SMC impact students or SMC taxable valuation.

THIS PAGE NO LONGER REFLECTS
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SEE TABLE 2-4 TAX BASE SHARING

8.2.2 School/Home Counseling

Experience has shown that students moving to a new school often need assistance to handle class work, integrate into the school and student body, and participate in school functions and activities. SMC and Columbus Public Schools agree to try a joint program of assistance to SMC-related students. Under this program a School/Home Counselor will be hired to work primarily with SMC parents and their students to deal with student problems regarding studies, attendance, involvement in extra-curricular activities, and deportment. In addition, one FTE tutor would assist with after-school educational and remedial instruction. The tutor would afford students in elementary, middle, and high school an opportunity to obtain specific help with course work. A further part of this program would be the sponsorship of a $2,500 scholarship to an SMC high school student. SMC and Columbus Schools would work together to develop the criteria for selection.

The costs of this program would be met as follows by SMC and Columbus Schools:

SMC		Columbus Public Schools
School/Home Counselor	$20,000	Telephone
Health Benefits	2,600	Car (at least initially)
1 FTE Tutor	10,000	Office and classroom space
1 Scholarship	2,500	
	$35,100	

SMC agrees to ensure the above funding for three years. Columbus Schools commits to work to find a means of funding this program that utilizes the property tax revenues generated for

Columbus Schools by SMC. At the end of the first year, SMC and Columbus Schools will meet to evaluate the program and, if necessary, to make adjustments to improve the effectiveness of the program. At the end of the three-year period, SMC and Columbus Schools will meet to reassess the need for continuing the program, and if there is a need, determine means to fund the program without direct payments from SMC.

8.2.3 Capital Costs

After the SMC expansion, the total inmigrating **K-12** mineral development students is projected to be 75. Under the 1987 agreement, between SMC and Columbus Schools, SMC's expansion is not projected to trigger a need for the company to provide additional capital facilities.

8.3 Impact Revenues

Under Montana school finance laws, the SMC impact students would generate additional monies as state aid in Direct State Aid and special education funding as shown in Table 8-1.

Under the Montana Tax Base Sharing Act, Columbus Elementary School is authorized to receive a share of the SMC mineral development taxable valuation, based on the percentage of mineral development elementary students attending Columbus Elementary. The SMC taxable valuation is allocated according to the tax base sharing percentages shown in Table 2-4. Under this Impact Plan amendment, 41% of the total SMC elementary mineral development students attending school in Stillwater County are projected to attend Columbus Elementary School. Therefore, the available portion of SMC taxable valuation to be allocated to the Columbus Elementary District under the Tax Base Sharing Act is 41%. Columbus Elementary School also receives taxable valuation from the SMC smelter and base metals refinery (BMR) located in Columbus. SMC properties and gross proceeds will add approximately $3.9 million in taxable valuation in Year 4.

Because Columbus Elementary School District has a lower taxable value per ANB than the state average, the district receives state guaranteed tax base (GTB) funding. The GTB funding is designed to stabilize district mill levies by augmenting district tax revenues in districts with low taxable values that would otherwise have to levy excessively high mill levies. As a district's taxable valuation increases in proportion to its ANB, the GTB subsidy is reduced.

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SEE TABLE 2-4 TAX BASE SHARING

TABLE 8-1. COLUMBUS ELEMENTARY SCHOOL General Fund Budget
With Stillwater Mining Company

THIS PAGE NO LONGER REFLECTS THE APPROVED PERCENTAGES AFTER AM3 SEE TABLE 2-4 TAX BASE SHARING

	------------ Actual --------		--------- Projected --------	
	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
SMC Impact Mineral Students	48	58	63	65
Impact Secondary Students	7	12	12	12
SMC Total Impact Students	55	70	75	77
Total Grades K-6	320	324	342	336
Total Grades 7-8	99	110	111	119
TOTAL ELEMENTARY	419	434	453	455
ADOPTED BUDGET	1,381,411	1,436,667	1,474,050	1,482,721
BASE BUDGET	1,347,502	1,420,957	1,458,012	1,466,588
AMOUNT BUDGETED OVER-BASE	33,909	15,710	16,038	16,132
Direct State Aid Payment	631,482	665,488	682,324	686,434
District Spec Ed Payment	55,360	59,507	61,715	61,948
GTB Subsidy	250,020	227,892	207,320	196,993
TOTAL STATE AID	936,861	952,887	951,359	945,374
GTB SUBSIDY PER MILL	5,212	4,731	4,138	4,227
SMC Taxable Valuation	1,754,000	2,909,000	3,006,000	3,892,000
TOTAL DISTRICT TAXABLE VALUATION	7,289,053	8,528,386	8,767,000	9,738,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	47.97	47.09	50.10	46.60
Over-BASE Levy Mills	4.65	1.84	1.83	1.66
Total General Fund Mill Levy	52.62	48.93	51.93	48.26
Total General Fund Mill Levy without SMC (from Table 8-2)	*52.71*	*49.41*	*52.32*	*50.72*
Positive (Negative) Effect of SMC on Mill Levy	0.09	0.48	0.39	2.46
SMC Impact Costs*	166,082	239,525	231,523	240,193
SMC Impact State Aid**	74,272	107,593	77,663	66,798
SMC Impact Tax Revenues***	92,295	142,343	156,102	187,828
SMC Net Impact Revenues (Costs)	485	10,411	2,242	14,433

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 8-1 and Table 8-2.
** "SMC Impact State Aid" is the difference between Total State Aid shown in Tables 8-1 and 8-2.
*** "SMC Impact Tax Revenues" is the SMC taxable valuation x the Total General Fund Mill Levy.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment 8-7-98

TABLE 8-2. COLUMBUS ELEMENTARY SCHOOL General Fund
Without Stillwater Mining Company (Estimated)

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
Total Grades K-6	278	274	280	280
Total Grades 7-8	86	90	98	98
TOTAL ELEMENTARY	364	364	378	378
ADOPTED BUDGET	1,215,329	1,197,142	1,242,528	1,242,528
BASE BUDGET	1,180,809	1,184,117	1,229,008	1,229,008
AMOUNT BUDGETED OVER-BASE	34,520	13,025	13,519	13,519
Direct State Aid Payment	551,648	553,302	574,501	574,501
District Spec Ed Payment	51,369	51,369	52,997	52,997
GTB Subsidy	259572.13	240,622	246,198	251,078
TOTAL STATE AID	862,589	845,294	873,696	878,576
GTB SUBSIDY PER MILL	5,586	4,981	4,927	5,186
TOTAL DISTRICT TAXABLE VALUATION	5,535,000	5,619,000	5,761,000	5,846,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	46.47	47.09	49.97	48.41
Over-BASE Levy Mills	6.24	2.32	2.35	2.31
Total General Fund Mill Levy	52.71	49.41	52.32	50.72

This Table 8-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

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SEE TABLE 2-4 TAX BASE SHARING

TABLE 8-3. COLUMBUS ELEMENTARY SCHOOL SMC IMPACT ON CERTAIN FUNDS

TRANSPORTATION FUND 1997-98

Adopted Budget	$83,878
Over Schedule	$11,683
SMC Portion of Over-Schedule	$1,884
District mill levy	1.37
SMC Tax Revenues	$3,985
SMC Net Revenues (Costs)	$2,101

DEBT SERVICE FUND 1997-98

Adopted Budget	$108,362
SMC Portion	$17,478
District mill levy	10.56
SMC Tax Revenues	$30,777
SMC Net Revenues (Costs)	$13,299

BUILDING RESERVE FUND 1997-98

Adopted Budget	$50,000
SMC Portion	$8,065
District mill levy	5.86
SMC Tax Revenues	$17,046
SMC Net Revenues (Costs)	$8, 981

8.4 Effect of SMC Inmigrating Students

The shaded line in Table 8-1 shows the estimated total general fund mills (from Table 8-2) that would be levied by the district without the presence of SMC impact students or SMC taxable valuation. Table 8-1 shows that the presence of SMC in the Columbus Elementary School District has the positive effect of reducing the general fund mill levy. To further measure the effect of SMC on the finances of Columbus Elementary School, Table 8-1 shows that SMC generates net impact revenues in each year of the expansion.

8.5 SMC Impacts on Other School Funds

Table 8-3 shows the impact of SMC on Columbus Elementary School's Transportation, Debt Service and Building Reserve Funds for the fiscal year 1997-98.

In the Transportation Fund, state and county monies fund the "on-schedule" portion of the budget. The "on-schedule" portion is budget amount provided by state law based on the capacities of the school buses and the number of bus miles driven annually. School districts often find that they must budget more money than the on-schedule amount provided by law. The districts must fund the "over-schedule" amount through a property tax mill levy. Table 8-3 shows that the Columbus Elementary School over-schedule budget was $11,683 in 1997-98. SMC’s estimated portion of the over-schedule budget was $1,884, based on a per student ratio. At the 1.37 mills levied in the transportation fund, SMC paid $3,985 in property taxes, providing net revenues of $2,101.

In the Debt Service Fund and-the Building Reserve Fund, the SMC impact costs were estimated on a per student portion of the entire adopted budget in each fund. Table 8-3 shows that in both funds the property tax revenues paid by SMC through the respective mill levies exceeded the estimated impact costs.

8.6 Methods of Assistance

Unless a means can be found for paying for the School/Home Counseling program from SMC's "natural" tax revenues, SMC will provide a payment of $17,500 to Columbus Elementary District's hard rock mining impact account (a payment of $17,600 will be made to Columbus High School District). The payment will not be counted as non-levy funds toward the District's general fund budgeting.

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SEE TABLE 2-4 TAX BASE SHARING

9. COLUMBUS HIGH SCHOOL

This section, 9. Columbus High School, completely revises and replaces section 9.0 Columbus High School of the 1988 Plan.

9.1. Background and Impact Projections

The Stillwater Mining Company's 1988 Impact Plan projected that 192 students would attend Columbus High School, and that the number of SMC impact students would reach 12. Under the 1988 Plan, SMC met net operating impact costs created by inmigrating mine-related students with tax prepayments to the Columbus Elementary School. Also, under a December 3, 1987, agreement, SMC paid for the construction of four additional classrooms. Under that agreement SMC has met its obligation for capital facilities until SMC's total K-12 number of inmigrating mineral development students exceeds 90.

Table 9-1 shows Columbus High School had a 1997-98 annual number belonging (ANB) of 192 students. According to SMC's employment monitoring report, 12 of the students with at least one parent employed by SMC moved into the district. In addition to those inmigrating mineral development students, an estimated two secondary students associated with SMC migrated into the district. The total number of impact students attending Columbus High School was 14.

The expansion of the SMC mineral development at Nye is projected to bring the total number of SMC impact students to 23 when the present expansion is complete in Year 4.

In addition to the reconciliation of mineral development students and inmigrating mineral students required under subsection 1.3 Monitoring, SMC and Columbus High School will meet each year after February 1st to reconcile the number of inmigrating students with a parent or guardian employed at the SMC smelter and other facilities located in Columbus. The number of inmigrating SMC students determined through this reconciliation process will be included as inmigrating secondary students enrolled in Columbus High School for purposes of calculating impact costs and revenues.

THIS PAGE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

9.2 Impact Needs and Costs

9.2.1 Operating Costs

Montana's school budgeting and financing laws set a maximum general fund budget that a schoo1 district may adopt, and a minimum, or BASE, budget (By law 80% of the maximum budget). The levels of the maximum and BASE budget limits for each school district are tied primarily to

the district's prior year's annual number belonging (ANB). State law allows only a 4% increase each year over the previous year's budget. Table 9-1 shows the total number of SMC impact students after the expansion, the total school enrollment with the SMC impact students, and the total school costs and revenues with SMC students. To illustrate the effect of SMC on Columbus High School, Table 9-2 shows the estimated general fund enrollment and budget without SMC impact students or SMC taxable valuation.

9.2.2 School/Home Counseling

Experience has shown that students moving to a new school often need assistance to handle class work, integrate into the school and student body, and participate in school functions and activities. SMC and Columbus Public Schools agree to try a joint program of assistance to SMC-related students. Under this program a School/Home Counselor will be hired to work primarily with SMC parents and their students to deal with student problems regarding studies, attendance, involvement in extra-curricular activities, and deportment. In addition, one FTE tutor would assist with after-school educational and remedial instruction. The tutor would afford students in elementary, middle, and high school an opportunity to obtain specific help with course work. A further part of this program would be the sponsorship of a $2,500 scholarship to an SMC high school student. SMC and Columbus Schools would work together to develop the criteria for selection.

The costs of this program would be met as follows by SMC and Columbus Schools:

SMC		Columbus Public Schools
School/Home Counselor	$20,000	Telephone
Health Benefits	2,600	Car (at least initially)
1 FTE Tutor	10,000	Office and classroom space
1 Scholarship	2,500	
	$35,100	

SMC agrees to ensure the above funding for three years. Columbus Schools commits to work to find a means of funding this program that utilizes the property tax revenues generated for Columbus Schools by SMC. At the end of the first year, SMC and Columbus Schools will meet to evaluate the program and, if necessary, to make adjustments to improve the effectiveness of the program. At the end of the three-year period, SMC and Columbus Schools will meet to reassess the need for continuing the program, and if there is a need, determine means to fund the program without direct payments from SMC.

THIS PAGE NO LONGER REFLECTS
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SEE TABLE 2-4 TAX BASE SHARING

9.2.3 Capital Costs

After the SMC expansion, the total inmigrating K-12 mineral development students is projected to be 75. Under the 1987 agreement between SMC and Columbus Schools, SMC's expansion will not trigger a need for the company to provide any additional capital facilities.

9.3 Impact Revenues

Under Montana school finance laws, the SMC impact students would generate additional monies as state aid in Direct State Aid and special education funding, shown in Table 9-1.

Under the Montana Tax Base Sharing Act, Columbus High School is authorized to receive a share· of the SMC mineral development taxable valuation, based on the percentage of mineral development students attending Columbus High. The SMC taxable valuation is allocated according to the tax base sharing percentages shown in Table 2-4. Under this Impact Plan amendment, 29% of the total SMC mineral development high school students attending school in Stillwater County are projected to attend Columbus High School. Therefore, the available portion of SMC taxable valuation to be allocated to the Columbus High District under the Tax Base Sharing Act is 29%. Columbus High School also receives taxable valuation from the SMC smelter and base metals refinery (BMR) located in Columbus. SMC properties and gross proceeds will add approximately $3 million in taxable valuation in Year 4.

Because Columbus High School District has a lower taxable value per ANB than the state average, the district receives state guaranteed tax base (GTB) funding. The GTB funding is designed to stabilize district mill levies by augmenting district tax revenues in districts with low taxable values that would otherwise have to levy excessively high mill levies. As a district's taxable valuation increases in proportion to its ANB, the GTB subsidy is reduced.

9.4 Effect of SMC Inmigrating Students

The shaded line in Table 9-1 shows the estimated total general fund mills (from Table 9-2) that would be levied by the district without the presence of SMC impact students or SMC taxable valuation. Table 9-1 shows that the presence of SMC in Columbus High School has the positive effect of reducing the general fund mill levy. To further measure the effect of SMC on the finances of Columbus High School, Table 9-1 shows that SMC generates net impact revenues in each year of the expansion and thereafter.

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SEE TABLE 2-4 TAX BASE SHARING

TABLE 9-1. COLUMBUS HIGH SCHOOL General Fund Budget
With Stillwater Mining Company

	SMC Expansion			
	Actual		Projected	
	1996-97	1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
ANB				
SMC Impact Mineral Students	16	12	15	19
Impact Secondary Students	2	2	3	4
SMC Total Impact Students	18	14	18	23
TOTAL HIGH SCHOOL	192	192	201	205
ADOPTED BUDGET	946,481	974,875	1,011,052	1,027,353
BASE BUDGET	914,234	927,336	962,907	978,431
AMOUNT BUDGETED OVER-BASE	32,247	47,539	48,145	48,922
Direct State Aid Payment	432,157	439,597	456,272	463,678
District Spec Ed Payment	33,525	32,720	33,766	34,231
GTB Subsidy	191,224	179,443	175,077	172,441
TOTAL STATE AID	656,905	651,760	665,116	670,350
GTB SUBSIDY PER MILL	6,469	6,214	5,723	5,881
SMC Taxable Valuation	1,705,000	2,257,000	2,575,000	3,099,000
TOTAL DISTRICT TAXABLE VALUATION	7,354,000	7,991,305	8,352,000	9,064,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	29.56	28.51	30.59	29.32
Over-BASE Levy Mills	4.38	5.95	5.76	5.40
Total General Fund Mill Levy	33.94	34.46	36.35	34.72
Total General Fund Mill Levy without SMC (from Table 9-2)	*35.12*	*36.13*	*38.32*	*36.90*
Positive (Negative) Effect of SMC on Mill Levy	1.18	1.67	1.97	2.18
SMC Impact Costs*	64,826	57,683	73,436	93,821
SMC Impact State Aid**	13,514	(4,485)	(8,881)	(732)
SMC Impact Tax Revenues***	57,868	77,776	93,601	107,597
SMC Net Impact Revenues (Costs)	6,556	15,608	11,284	13,045

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 9-1 and Table 9-2.

** "SMC Impact State Aid" is the difference between Total State Aid shown in Tables 9-1 and 9-2.

*** "SMC Impact Tax Revenues" is the SMC taxable valuation times the total general fund mill levy.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

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SEE TABLE 2-4 TAX BASE SHARING

TABLE 9-2. COLUMBUS HIGH SCHOOL

Without Stillwater Mining Company (Estimated)

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
TOTAL HIGH SCHOOL	174	178	183	182
ADOPTED BUDGET	881,655	917,192	937,615	933,532
BASE BUDGET	851,840	873,517	892,967	889,078
AMOUNT BUDGETED OVER-BASE	29,814	43,676	44,648	44,454
Direct State Aid Payment	402,598	413,625	422,905	421,050
District Spec Ed Payment	31,385	31,093	31,674	31,558
GTB Subsidy	209,408	211,528	219,417	218,474
TOTAL STATE AID	643,391	656,246	673,996	671,082
GTB SUBSIDY PER MILL	7,018	6,929	7,173	7,418
TOTAL DISTRICT TAXABLE VALUATION	5,649,000	5,734,000	5,777,000	5,965,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	29.84	28.51	30.59	29.45
Over-BASE Levy Mills	5.28	7.62	7.73	7.45
Total General Fund Mill Levy	35.12	36.13	38.32	36.90

This Table 9-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

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SEE TABLE 2-4 TAX BASE SHARING

TABLE 9-3. COLUMBUS HIGH SCHOOL
SMC IMPACT ON CERTAIN FUNDS

TRANSPORTATION FUND 1997-98

Adopted Budget	$56,501
Over Schedule	$24,772
SMC Portion of Over-Schedule	$1,806
District mill levy	3.10
SMC Tax Revenues	$6,997
SMC Net Revenues (Costs)	*$5,191*

DEBT SERVICE FUND 1997-98

Adopted Budget	$50,813
SMC Portion	$3,705
District Mill Levy	5.13
SMC Tax Revenues	$11,578
SMC Net Revenues (Costs)	*$7,873*

HARD ROCK MINING IMPACT FUND 1998-99

Revenues	
Stillwater Mining Company	$37,100
Expenditures	
School/Home Counselor	$20,000
Health Benefits	2,600
1 FTE Tutor	10,000
1 Scholarship	2,500
	$35,100

9.5 SMC Impacts on Other School Funds

Table 9-3 shows the impact of SMC on Columbus High School's Transportation and Debt Service Funds for the fiscal year 1997-98.

In the Transportation Fund, state and county monies fund the "on-schedule" portion of the budget. The "on-schedule" portion is budget amount provided by state law based on the capacities of the school buses and the number of bus miles driven annually. School districts often find that they must budget more money than the on-schedule amount provided by law. The districts must fund the "over-schedule" amount through a property tax mill levy. Table 9-3 shows that the Columbus High School over-schedule budget was $24,772 in 1997-98. SMC's estimated portion of the over-schedule budget was $1,806, based on a per student ratio. At the 3.10 mills levied in the transportation fund, SMC paid $6,997 in property taxes, providing net revenues of $5,191.

In the Debt Service Fund, the SMC impact costs were estimated on a per student portion of the entire adopted budget. Table 9-3 shows that the property tax revenues paid by SMC through the 5.13 mill levies exceeded the estimated impact costs.

9.6 Methods of Assistance

Unless a means can be found for paying for the School/Home Counseling program from SMC's "natural" tax revenues, SMC will provide a payment of $17,600 to Columbus High District's hard rock mining impact account (a payment of $17,500 will be made to Columbus Elementary District). The payment will not be counted as non-levy funds toward the District's general fund budgeting.

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SEE TABLE 2-4 TAX BASE SHARING

10. FISHTAIL ELEMENTARY SCHOOL

This section, 10 Fishtail Elementary School, completely revises and replaces section 10.0 Fishtail Elementary School of the 1988 Plan.

10.1 Background and Projections

Fishtail Elementary School serves grades K-6. The enrollment was projected in the Stillwater Mining Company's 1988 Impact Plan to reach 51, with 33 of those SMC inmigrating students. The school's actual Annual Number Belonging (ANB) in 1996-97 was 26; 5 of those were inmigrating mine-related students.

The expansion of the SMC mineral development is projected to generate 5 SMC inmigrating students in the Fishtail School in Years 3 and 4. Table 2-3 of this Plan Amendment shows the number of SMC inmigrating students enrolled in 1995 and projected to attend schools in Stillwater County after the expansion.

THIS PAGE NO LONGER REFLECTS
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SEE TABLE 2-4 TAX BASE SHARING

10.2 Impact Needs and Costs

Table 10-1 shows the general fund budgets with SMC impact costs and revenues for each year of the mine expansion through Year 4. Table 10-2 shows the general fund budget for Years 1 through 4 without SMC inmigrating students and without SMC taxable valuation. Table 10-1 shows that the 5 SMC inmigrating students projected to attend Fishtail Elementary School after the SMC expansion would create impact costs in the school's general fund by $17,864.

10.3 Impact Revenues

Under the Montana Tax Base Sharing Act, Fishtail Elementary School will receive increased taxable valuation from the expanded SMC mineral development. Fishtail Elementary School will receive 2% of the SMC taxable valuation. In Year 4 and thereafter, SMC would add $66,000 to the District's taxable valuation. At the projected mill levies, SMC would contribute $1,150 in District property tax revenues in Year 4-on. In addition, the projected 5 SMC inmigrating students would increase the state aid to the District by $7,330.

10.4 Effect of SMC Students

Table 10-1 shows that the 5 SMC inmigrating students attending Fishtail Elementary School in 1997-98 will generate net impact costs of $9,777, and that the 5 inmigrating students projected to attend Fishtail in Years 4 and thereafter would create net impact costs of $9,383. Also, Table 10-1 shows that with the 5 SMC students in 1997-98, the general fund mill levy is 15.12 mills, compared to an estimated 11.31 mills without SMC inmigrating students or tax base (i.e.,

a difference of 3.81 mills). In Year 4-on, with the projected 5 inmigrating students, Fishtail's general fund mill levy would be 17.43 mills compared to 13.77 without SMC inmigrating students or taxable value - a difference of 3.66 mills.

10.5 Methods of Assistance

10.5.1 Tax Prepayments to Meet Net Impact Costs

In any year that the number of SMC inmigrating students exceeds 3, and Fishtail Elementary District believes that it may experience a fiscal disparity, the District may contact SMC to meet to determine the amount of the school's net impact operating costs, if any, and SMC will provide the District with a tax prepayment equal to that year's net impact costs. The tax prepayment s will be placed in a Fishtail Elementary School hard rock mining impact account, and will not be counted as non-levy funds toward the District's general fund budgeting.

10.5.2 Tax Crediting

Fishtail Elementary School agrees to provide SMC with a tax credit in any year that the SMC impact revenues exceed the SMC impact costs. Under this Plan Amendment, Fishtail Elementary School will provide tax credits to SMC under the following terms:

1. A tax credit may not have the effect of shifting the impact cost over time to non-developer taxpayers.

2. The amount of tax credits allowed in any one year shall not exceed the tax obligation of SMC in any fund.

3. Fishtail Elementary School will provide tax crediting throughout the productive life of the mine, or until all tax prepayments due have been credited.

4. The following formula will be used to determine the amount of tax credits:

> Tax credit = Non-Levy Revenues that have not been expended or encumbered at the end of each fiscal year x proportion of SMC taxable valuation to total district taxable valuation, by fund.

THIS PAGE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

TABLE 10-1. FISHTAIL ELEMENTARY SCHOOL General Fund Budget
With Stillwater Mining Company

	------------ ---------------- SMC Expansion----------			
	---------- Actual -----------		------- Projected -----	
	1996-97	1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
ANB				
SMC Total Impact	4	5	4	5
TOTAL ELEMENTARY	26	16	18	19
ADOPTED BUDGET	100,607	75,164	82,797	86,395
BASE BUDGET	87,966	60,433	66,574	69,472
AMOUNT BUDGETED OVER-BASE	12,641	14,731	16,222	16,923
Direct State Aid Payment	41,617	28,797	31,740	33,102
District Spec Ed Payment	3,091	1,860	2,011	2,123
GTB Subsidy	0	0	0	0
TOTAL STATE AID	44,708	30,657	33,751	35,225
GTB SUBSIDY PER MILL	0	0	0	0
SMC Taxable Valuation	49,000	50,000	106,000	106,000
TOTAL DISTRICT TAXABLE VALUATION	2,443,250	2,613,000	2,579,000	2,629,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	15.00	9.48	10.79	11.12
Over-BASE Levy Mills	5.17	5.64	6.29	6.44
Total General Fund Levy Mills	20.17	15.12	17.08	17.56
Total General Fund Mill Levy without SMC (from Table 10-2)	*22.83*	*11.31*	*14.27*	*13.99*
Positive (Negative) Effect of SMC on Mill Levy	2.66	-3.81	-2.81	-3.57
SMC Impact Costs*	4,723	17,864	14,778	18,376
SMC Impact State Aid**	5,521	7,330	6,026	7,500
SMC Impact Tax Revenues***	988	756	1,810	1,861
SMC Net Impact Revenues (Costs)	1,786	(9,777)	(6,942)	(9,014)

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 10-1 and Table 10-2.
** "SMC Impact State Aid" is the difference between Total State Aid shown in Tables 10-1 and 10-2.
*** "SMC Impact Tax Revenues" is the SMC taxable valuation x the Total General Fund Mill Levy.

Shaded data reflect changes that occurred when the actual 1998-99 SMC taxable valuation and total district taxable valuation were used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment. 8-7-98

THIS PAGE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

TABLE 10-2. FISHTAIL ELEMENTARY SCHOOL General Fund Budget Without Stillwater Mining Company (Estimated)

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
TOTAL ELEMENTARY	22	11	14	14
ADOPTED BUDGET	95,884	57,300	68,018	68,018
BASE BUDGET	77,147	46,055	54,688	54,688
AMOUNT BUDGETED OVER-BASE	18,737	11,245	13,330	13,330
Direct State Aid Payment	36,572	22,048	26,097	26,097
District Spec Ed Payment	2,616	1,279	1,628	1,628
GTB Subsidy	0	0	0	0
TOTAL STATE AID	39,187	23,327	27,725	27,725
GTB SUBSIDY PER MILL	0	0	0	0
TOTAL DISTRICT TAXABLE VALUATION	2,394,000	2,563,000	2,473,000	2,523,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	15.00	6.92	8.88	8.71
Over-BASE Levy Mills	7.83	4.39	5.39	5.28
Total General Fund Levy Mills	22.83	11.31	14.27	13.99

This Table 10-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation.

Shaded data reflect changes that occurred when the actual 1998-99 SMC taxable valuation and total district taxable valu were used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

8-7-98

THIS PAGE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

11. NYE ELEMENTARY SCHOOL

This section, 11.Nye Elementary School, completely revises and replaces section 11.0 Nye Elementary School of the 1988 Plan.

11.1 Background and Projections

Nye Elementary School serves grades K-6. In Stillwater Mining Company's 1988 Impact Plan the enrollment was projected to reach 30, with 18 of those SMC in-migrating students. The school's actual Annual Number Belonging (ANB) was 8 students in 1996-97, and 11 in 1997-98. Of the total ANB of 11, 8 are SMC in-migrating mine-related students.

The expansion of the SMC mineral development is projected to generate 8 SMC in-migrating students in the Nye School in Years 3 and 4. Table 2-3 of this Plan Amendment shows the number of SMC in-migrating students enrolled in 1995 and projected after the expansion.

11.2. Impact Needs and Costs

Table 11-1 shows the general fund budgets with SMC impact costs and revenues for each year of the mine expansion through Year 4. Table 11-2 shows the general fund budget for Years 1 through 4 without SMC in-migrating students and without SMC taxable valuation. Table 11-1 shows that the 8 SMC in-migrating students projected to attend Nye Elementary School after the SMC expansion would create impact costs in the school's general fund by $23,025.

11.3 Impact Revenues

Under the Montana Tax Base Sharing Act, Nye Elementary School will receive increased taxable valuation from the expanded SMC mineral development. Nye Elementary School will receive 5% of the SMC taxable valuation. In Year 4 and thereafter, SMC would add $462,000 to the District's taxable valuation. At the projected mill levies, SMC would contribute $7267 in District property tax revenues. In Year 4-on. In addition, the projected 8 SMC impact students would increase the state aid to the district by $11,730.

THIS PAGE NO LONGER REFLECTS THE APPROVED PERCENTAGES AFTER AM3 SEE TABLE 2-4 TAX BASE SHARING

11.4 Effect of SMC Students

Table 11-1 shows that the 8 SMC in-migrating students currently attending Nye Elementary School generate net impact costs of $6,479, and that the 8 in-migrating students projected to attend Nye in Years 4 and thereafter will create net impact costs of $4,028.Also, Table 11-1 shows that with the 8 SMC students in 1997-98, the general fund mill levy is 13.76 mills, compared to an estimated 6.58 mills without SMC in-migrating students or tax base (i.e., a difference of 7.18 mills). In Year 4-on, with the projected 8 in-migrating students, Nye's general fund mill levy

would be 15.73 mills compared to 11.27 without SMC inmigrating students or taxable value - a difference of 4.46 mills.

11.5 Methods of Assistance

11.5.1 Tax Prepayments to Meet Net Impact Costs

In any year that the number of SMC inmigrating students exceeds 3, and Nye Elementary District believes it may experience a fiscal disparity, the District may contact SMC to meet to determine the amount of the school's net impact operating costs, if any, and SMC will provide the District with a tax prepayment equal to that year's net impact costs. The tax prepayments will be placed in a Nye Elementary School hard rock mining impact account, and will not be counted as non-levy funds toward the District's general fund budgeting.

11.5.2 Tax Crediting

Nye Elementary School agrees to provide SMC with a tax credit in any year that· the SMC impact revenues exceed the SMC impact costs. Under this Plan Amendment, Nye Elementary School will provide tax credits to SMC under the following terms:

1. A tax credit may not have the effect of shifting the impact cost over time to non-developer taxpayers.

2. The amount of tax credits allowed in any one year shall not exceed the tax obligation of SMC in any fund.

3. Nye Elementary School will provide tax crediting throughout the productive life of the mine, or until all tax prepayments due have been credited.

4. The following formula will be used to determine the amount of tax credits:

   Tax credit = Non-Levy Revenues that have not been expended or encumbered at the end of each fiscal year x proportion of SMC taxable valuation to total district taxable valuation, by fund.

THIS PAGE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

TABLE 11-1. NYE ELEMENTARY SCHOOL General Fund Budget
With Stillwater Mining Company

	Actual		Projected	
	1996-97	1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
ANB				
SMC Total Impact Students	6	8	8	8
TOTAL ELEMENTARY	8	11	12	14
ADOPTED BUDGET	38,492	46,059	49,189	54,985
BASE BUDGET	36,598	46,059	49,189	54,985
AMOUNT BUDGETED OVER-BASE	1,893	0	0	0
Direct State Aid Payment	17,571	22,050	23,563	26,289
District Spec Ed Payment	951	1,279	1,341	1,564
GTB Subsidy	0	0	0	0
TOTAL STATE AID	18,522	23,329	24,903	27,853
GTB SUBSIDY PER MILL	0	0	0	0
SMC Taxable Valuation	343,000	350,000	318,000	462,000
TOTAL DISTRICT TAXABLE VALUATION	1,069,221	1,253,000	1,208,000	1,365,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	8.37	13.76	15.56	15.85
Over-BASE Levy Mills	1.77	0.00	0.00	0.00
Total General Fund Levy Mills	10.14	13.76	15.56	15.85
Total General Fund Mill Levy without SMC (from Table 11-2)	*7.13*	*6.58*	*8.32*	*11.36*
Positive (Negative) Effect of SMC on Mill Levy	-3.01	-7.18	-7.24	-4.49
SMC Impact Costs*	18,000	23,025	23,190	23,150
SMC Impact State Aid**	8,708	11,730	11,801	11,773
SMC Impact Tax Revenues***	3,478	4,816	4,948	7,323
SMC Net Impact Revenues (Costs)	(5,814)	(6,479)	(6,441)	(4,055)

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 11-1 and Table 11-2.
** "SMC Impact State Aid" is the difference between Total State Aid shown in Tables 11-1 and 11-2.
*** "SMC Impact Tax Revenues" is the SMC taxable valuation x theTotal General Fund Mill Levy.

Shaded data reflect changes that occurred when the actual 1998-99 SMC taxable valuation and total district taxable valuation were used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment. 8-7-98

THIS PAGE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

TABLE 11-2. NYE ELEMENTARY SCHOOL General Fund Budget
Without Stillwater Mining Company (Estimated)

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
TOTAL ELEMENTARY	2	3	4	6
ADOPTED BUDGET	20,492	23,034	25,999	31,834
BASE BUDGET	19,516	23,034	25,999	31,834
AMOUNT BUDGETED OVER-BASE	976	0	0	0
Direct State Aid Payment	9,576	11,250	12,656	15,383
District Spec Ed Payment	238	349	447	698
GTB Subsidy	0	0	0	0
TOTAL STATE AID	9,814	11,599	13,102	16,080
GTB SUBSIDY PER MILL	0	0	0	0
TOTAL DISTRICT TAXABLE VALUATION	727,000	903,000	890,000	903,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	5.79	6.58	8.32	11.36
Over-BASE Levy Mills	1.34	0.00	0.00	0.00
Total General Fund Levy Mills	7.13	6.58	8.32	11.36

This Table 11-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation.

Shaded data reflect changes that occurred when the actual 1998-99 SMC taxable valuation and total district taxable valuation were used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

8-7-98

THIS PAGE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

12. ABSAROKEE WATER AND SEWER DISTRICT

12.1 Background and Projections

The Absarokee Water and Sewer District formed in 1996, and thus became an eligible unit of local government under the Hard Rock Mining Impact Act. When the 1988 Plan was prepared and a adopted, the Absarokee water system was owned by a private firm, and so the water system was not eligible assistance as an affected unit of local government.

The Absarokee Water and Sewer District water system has seven wells, five of which are active. Two (developed by Stillwater Mining Company) are located at the Circle T subdivision and three are located in Absarokee. The District has two water storage tanks, a 150,000 gallon tank and a 200,000 gallon tank. The system uses water meters.

The water system is approximately 50 years old and suffers from deterioration. The storage tanks leak, and the water distribution lines have substantial leakage throughout the system. The District has hired an engineering firm to begin designing a renovation of the system costing in the range of 1.5 to 3 million dollars.

Stillwater Mining Company's (SMC) December 31, 1997, monitoring report indicates that 112 inmigrating mineral development employees lived in Absarokee. With an estimated 10 secondary employees, the total number of SMC inmigrating employees is approximately 122. The estimated inmigrating population in Absarokee is 349 people.

SMC projects that after the current expansion is complete, 141 inmigrating employees and .403 inmigrating population will live in Absarokee.

12.2 Impacts

The Absarokee Water and Sewer District, which operates the Absarokee water system, meets the operating and capital costs through user rates charged to residential, commercial and other users of the system. Stillwater Mining Company assumes that inmigrating SMC and secondary employees pay their share of the water system costs through their monthly household water charges.

12.3 Methods of Assistance

Should the District believe that at some point in the future the District experiences a fiscal disparity as a result of the SMC mineral development or impact employees, the District may contact SMC to discuss potential net impact costs and possible means of assistance.

13. PARK CITY ELEMENTARY SCHOOL

This section, 13. Park City Elementary School, is new in the 2023 AM3 Plan.

13.1 Background and Projections

Park City Elementary has never been mitigated for increased costs that can be attributed to the Nye Mineral Development, therefore in this AM3 Plan, calculations use 2023 costs and mineral development student populations use zero as a starting point.

Table 13-1 of this AM3 Plan shows the number of SMC impact (in-migrating) students is projected to be 17 in 2024.

In addition to the reconciliation of mineral development students and in-migrating mineral students required under subsection 1.3 Monitoring, SMC and Park City Elementary School will meet each year after February 1st to reconcile the number of in-migrating students with a parent or guardian employed/contracted at the SMC smelter and other Sibanye facilities located in Columbus. The number of in-migrating SMC students determined through this reconciliation process will be included as in-migrating secondary students enrolled in Park City Elementary School for purposes of calculating impact costs and revenues.

Until such time as Park City Elementary School is included as an affected (or potentially affected) unit of local government in the East Boulder Mining Impact Plan, the number of in-migrating students with a parent or guardian employed/contracted at the East Boulder Mineral Development shall also be included in the February 1st reconciliation each year.

13.2 Impact Needs and Costs

13.2.1 Operating Costs

Montana's school budgeting and financing laws set a maximum general fund budget that a school district may adopt, and a minimum, or BASE, budget (by law 80% of the maximum budget). The levels of the maximum and BASE budget limits for each school district are tied primarily to the district's prior year's annual number belonging (ANB). State law allows only a 4% increase each year over the previous year's budget. Table 13-1 shows the total number of SMC impact students after the expansion, the total school enrollment with the SMC impact students, and the total school costs and revenues with SMC students. To illustrate the effect of SMC on Park City Elementary School, Table 13-2 shows the estimated general fund enrollment and budget without SMC impact students or SMC taxable valuation.

13.2.2 Capital Costs

After 2024, the total in-migrating K-12 mineral development students is projected to be 25 with the total mineral development students projected to be 41.

13.3 Impact Revenues

Under Montana school finance laws, the SMC impact students would generate additional monies as state aid in Direct State Aid and special education funding as shown in Table 13-1.

Under the Montana Tax Base Sharing Act, Park City Elementary School is authorized to receive a share of the SMC mineral development taxable valuation, based on the percentage of mineral development elementary students attending Park City Elementary. The SMC taxable valuation is allocated according to the tax base sharing percentages shown in Table 2-4. Under this AM3 Impact Plan, 14.4% of the total SMC elementary mineral development students attending school in Stillwater County are projected to attend Park City Elementary School. Additionally, in order to mitigate more than 25 years of other elementary schools receiving Park City Elementary School's tax base sharing percentage, Park City Elementary District will also receive another 7% for the succeeding 25 years. Therefore, the available portion of SMC taxable valuation to be allocated to the Park City Elementary District under the Tax Base Sharing Act is 20.4% (13.4% + 7%). SMC properties and gross proceeds will add approximately $4.7 million in taxable valuation to Park City Elementary School District in 2023.

Because Park City Elementary School District has a lower taxable value per ANB than the state average, the district receives state guaranteed tax base (GTB) funding. The GTB funding is designed to stabilize district mill levies by augmenting district tax revenues in districts with low taxable values that would otherwise have to levy excessively high mill levies. As a district's taxable valuation increases in proportion to its ANB, the GTB subsidy is reduced.

13.4 Effect of SMC In-migrating Students

Table 13-1 shows that the presence of SMC in the Park City Elementary School District will have a positive effect of reducing the general fund mill levy. To further measure the effect of SMC on the finances of Park City Elementary School, Table 13-1 shows that SMC generates increased net impact revenues in 2023 and 2024. Some of this SMC Impact Revenue is to mitigate for past tax sharing that was not allocated to Park City Elementary School.

Insert New Table 13-1

Insert New Table 13-2

14. PARK CITY HIGH SCHOOL

This section, 14. Park City High School is new in the 2023 AM3 Plan.

14.1. Background and Impact Projections

Park City Elementary has never been mitigated for increased costs that can be attributed to the Nye Mineral Development, therefore in this AM3 Plan, calculations use 2023 costs and mineral development student populations use zero as a starting point.

Table 14-1 of this AM3 Plan shows the number of SMC impact (in-migrating) students is projected to be 8 in 2024.

In addition to the reconciliation of mineral development students and in-migrating mineral students required under subsection 1.3 Monitoring, SMC and Park City High School will meet each year after February 1st to reconcile the number of in-migrating students with a parent or guardian employed/contracted at the SMC smelter and other Sibanye facilities located in Columbus. The number of in-migrating SMC students determined through this reconciliation process will be included as in-migrating secondary students enrolled in Park City High School for purposes of calculating impact costs and revenues.

Until such time as Park City High School is included as an affected (or potentially affected) unit of local government in the East Boulder Mining Impact Plan, the number of in-migrating students with a parent or guardian employed/contracted at the East Boulder Mineral Development shall also be included in the February 1st reconciliation each year.

14.2 Impact Needs and Costs

14.2.1 Operating Costs

Montana's school budgeting and financing laws set a maximum general fund budget that a schoo1 district may adopt, and a minimum, or BASE, budget (By law 80% of the maximum budget). The levels of the maximum and BASE budget limits for each school district are tied primarily to the district's prior year's annual number belonging (ANB). State law allows only a 4% increase each year over the previous year's budget. Table 14-1 shows the total number of SMC impact students after the expansion, the total school enrollment with the SMC impact students, and the total school costs and revenues with SMC students. To illustrate the effect of SMC on Park City High School, Table 14-2 shows the estimated general fund enrollment and budget without SMC impact students or SMC taxable valuation.

14.2.2 Capital Costs

After 2024, the total in-migrating K-12 mineral development students is projected to be 25 with the total mineral development students projected to be 41.

14.3 Impact Revenues

Under Montana school finance laws, the SMC impact students would generate additional monies as state aid in Direct State Aid and special education funding, shown in Table 14-1.

Under the Montana Tax Base Sharing Act, Park City High School is authorized to receive a share of the SMC mineral development taxable valuation, based on the percentage of mineral development students attending Park City High. The SMC taxable valuation is allocated according to the tax base sharing percentages shown in Table 2-4. Under this AM3 Impact Plan, 11.3% of the total SMC high school mineral development students attending school in Stillwater County are projected to attend Park City High School. Additionally, in order to mitigate more than 25 years of Columbus and Absarokee High Schools receiving Park City High School's tax base sharing percentage, Park City High School District will also receive another 7% for the succeeding 25 years. Therefore, the available portion of SMC taxable valuation to be allocated to the Park City High School District under the Tax Base Sharing Act is 17.5% (10.5% + 7%). SMC properties and gross proceeds will add approximately $4 million in taxable valuation to Park City High School

District in 2023.

Because Park City High School District has a lower taxable value per ANB than the state average, the district receives state guaranteed tax base (GTB) funding. The GTB funding is designed to stabilize district mill levies by augmenting district tax revenues in districts with low taxable values that would otherwise have to levy excessively high mill levies. As a district's taxable valuation increases in proportion to its ANB, the GTB subsidy is reduced.

14.4 Effect of SMC In-migrating Students

Table 14-1 shows that the presence of SMC in the Park City High School District will have a positive effect of reducing the general fund mill levy. To further measure the effect of SMC on the finances of Park City High School, Table 14-1 shows that SMC generates increased net impact revenues in 2023 and 2024. Some of this SMC Impact Revenue is to mitigate for past tax sharing that was not allocated to Park City High School.

Insert New Table 14-1

Insert New Table 14-2

APPENDIX A

SMC Financial Guarantee

APPENDIX B

Agreements Between SMC and
the -Town of Columbus

APPENDIX C

Agreement Between SMC and
Columbus Public Schools

APPENDIX D
AMENDMENT 2 PLAN MODIFICATION LETTERS
JUNE 3, 1998

Attachment 4 – Summary of the Proposed (2023, AM3) changes to Nye Impact Plan by page

Summary of Proposed AM3 Revisions to the Nye Impact Plan

Page #	Changes Proposed	Comments
Title	Replace Page	by renaming AM1, AM2 and AM3 think it better differentiates all the revisions so to not confuse the reader in the Impact Plan
i	revised 1.2 to 1998 Impact Plan, added footer	
ii	no revisions, added footer	
iii	added Sections 13 and 14, added Appendix D, added footer	Park City Elementary and Park City High School included
iv	new page, new Figures Heading, new table S-1, revised old table S-1 to S-1.1 and changed title, changed title of table S-2, showed which tables were updated, new tables 13-1,13-2,14-1,14-2, added footer	new page because adding Park City into the table of contents carried into another page
v	new page, Figure 1 Project Area	Impact Plan had no general area map
S-1	substantial revisions to the text, added footer	
S-2	added Park City Elem and HS as "affected units of local government", added footer	this may not be a complete list of "affected units of local government". PCSD used the best information that was provided to PCSD.
S-3	included Park City, revised percentages, other text revisions, added footer	used the 2055 projected number from the 6k report
S-4	no revisions to content of the page, added footer	unsure if the last note could have been just removed, so kept as is.
S-4a	new page, new table S-1, added footer	provides a much needed summary to the actual amounts of money over time that has been distributed to schools. Necessary to put this AM3 Revision into context.
S-5	no revisions to content of the table, added footer and minor change of title	
S-6	no revisions to content of the table, added footer	
S-7	no revisions to content of the table, added footer	
1-1	substantial revisions to the text, added footer	
1-2	substantial revisions to the text, added footer	included discussion about Mandatory Busing/Car Pooling and included discussion about housing restrictions in the Good Neighbor Agreement
1-3	revised to include "from outside the impact area" in the second large paragraph, added footer	
1-4	removed first sentence, added Park City Elem and HS as "affected units of local government", removed first sentence under section 1.5, added footer	did not revise any of the actual definitions
1-5	revised timetable, added footer	used time table in the 6k report
1-6	revised names and addresses, added footer	removed names of contacts; more appropriate to just include titles
2-1	significant revisions to the text, added footer	PCSD used the best information available to complete at the time of the AM3 application.

Summary of Proposed AM3 Revisions to the Nye Impact Plan

Page #	Changes Proposed	Comments
2-2	significant revisions to the text, added footer	assumptions from previous impact plan where applicable. PCSD used the best information available to complete at the time of the AM3 application.
2-3	significant revisions to the text, added footer	assumptions from previous impact plan where applicable. PCSD used the best information available to complete at the time of the AM3 application.
2-4	revised Table 2-1, added footer	assumptions from previous impact plan where applicable. PCSD used the best information available to complete at the time of the AM3 application.
2-5	revised Table 2-2, added footer	assumptions from previous impact plan where applicable. PCSD used the best information available to complete at the time of the AM3 application.
2-6	revised Table 2-3, added footer	assumptions from previous impact plan where applicable. PCSD used the best information available to complete at the time of the AM3 application.
2-7	significant revisions to text, removed last two paragraphs, added footer	The Taxable Value of the Mineral Development due to lack of information could not be updated in this section.
2-8	revised Table 2-4, added footer	This table is the most critical table table tied to revenue disbursement in the entire impact plan. PCSD would also be open to discussing other possible methods to mitigate past wrongful distributions of Property Tax Revenues.
2-9	no revisions to content of the table, just footer & Large Red Disclaimer to see Table 2-4 for approved percentages, added footer	out-dated information, updating this page is not critical for an amendment to include PCSD in the plan, therefore not revised by PCSD. Revisions to all of the out-dated sections of the plan should not be the responsibility or the burden of an affected school district. Information. The Taxable Value of the Mineral Development due to lack of information could not be updated in this section.
2-10	no revisions to content of the table, just footer & Large Red Disclaimer to see Table 2-4 for approved percentages, added footer	out-dated information, updating this page is not critical for an amendment to include PCSD in the plan, therefore not revised by PCSD. Revisions to all of the out-dated sections of the plan should not be the responsibility or the burden of an affected school district.
2-11	minor revisions to text, added footer	text was only revised for clarification on this page
2-12	signicant revisions to text in first paragraph after section 2.4.2 heading, added footer	The employee numbers were updated using the same primary/secondary job ratio of 0.65, updating this entire page is not critical for an amendment to include PCSD in the plan, therefore not revised by PCSD. Revisions to all of the out-dated sections of the plan should not be the responsibility or the burden of an affected school district.
2-13	no change to the content of this page, added footer	out-dated information, updating this page is not critical for an amendment to include PCSD in the plan, therefore not revised by PCSD. Revisions to all of the out-dated sections of the plan should not be the responsibility or the burden of an affected school district.
2-14	no change to the content of this table, added footer	out-dated information, updating this page is not critical for an amendment to include PCSD in the plan, therefore not revised by PCSD. Revisions to all of the out-dated sections of the plan should not be the responsibility or the burden of an affected school district.
3-1	minor revisions to the text, added footer	the revisions are only to clarify the language, rather than to change any of the conditions for an amendment
3-2	minor revisions to the text, added footer	the revisions are only to clarify the language, rather than to change any of the conditions for an adjustment
4-1	no revisions to the text, added footer	out-dated information, updating this page is not critical for an amendment to include PCSD in the plan, therefore not revised by PCSD. Revisions to all of the out-dated sections of the plan should not be the responsibility or the burden of an affected school district.
4-2	no revisions to the text, added footer	out-dated information, updating this page is not critical for an amendment to include PCSD in the plan, therefore not revised by PCSD. Revisions to all of the out-dated sections of the plan should not be the responsibility or the burden of an affected school district.
4-3	no revisions to the text, added footer	out-dated information, updating this page is not critical for an amendment to include PCSD in the plan, therefore not revised by PCSD. Revisions to all of the out-dated sections of the plan should not be the responsibility or the burden of an affected school district.
4-4	no revisions to the text, added footer	out-dated information, updating this page is not critical for an amendment to include PCSD in the plan, therefore not revised by PCSD. Revisions to all of the out-dated sections of the plan should not be the responsibility or the burden of an affected school district.
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Summary of Proposed AM3 Revisions to the Nye Impact Plan

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APPENDIX A	no revisions to content of this Appendix, added footer on cover sheet	PCSD in unsure if all documents were included in the scanned PDF copy that was forwarded to us. PCSD included all documents we received for this Appendix
APPENDIX B	no revisions to content of this Appendix, added footer on cover sheet	PCSD in unsure if all documents were included in the scanned PDF copy that was forwarded to us. PCSD included all documents we received for this Appendix
APPENDIX C	no revisions to content of this Appendix, added footer on cover sheet	PCSD in unsure if all documents were included in the scanned PDF copy that was forwarded to us. PCSD included all documents we received for this Appendix
APPENDIX D	New Appendix just to house the Amendment 2 Plan Modification Letters from June 3, 1998	This were just scanned and included in the beginning of the pdf copy sent to PCSD so included in a new Appendix for better organization

Attachment 5 – Proposed (2023, AM3) Nye Impact Plan with all changes included (clean version)

SIBANYE-STILLWATER

NYE MINERAL DEVELOPMENT HARD ROCK MINING IMPACT PLAN

AMENDMENT 3

Inclusion of Park City Schools

Prepared for:

Park City School District #5
PO Box 278
Park City, MT 59063

By:

Dusty R. Weber
Park City, MT 59063

March 2, 2023

Original Impact Plan – 1985
Amendment 1 – 1988
Amendment 2 – 1998

TABLE OF CONTENTS

FIGURES

TABLES

NYE MINERAL DEVELOPMENT

STILLWATER MINE

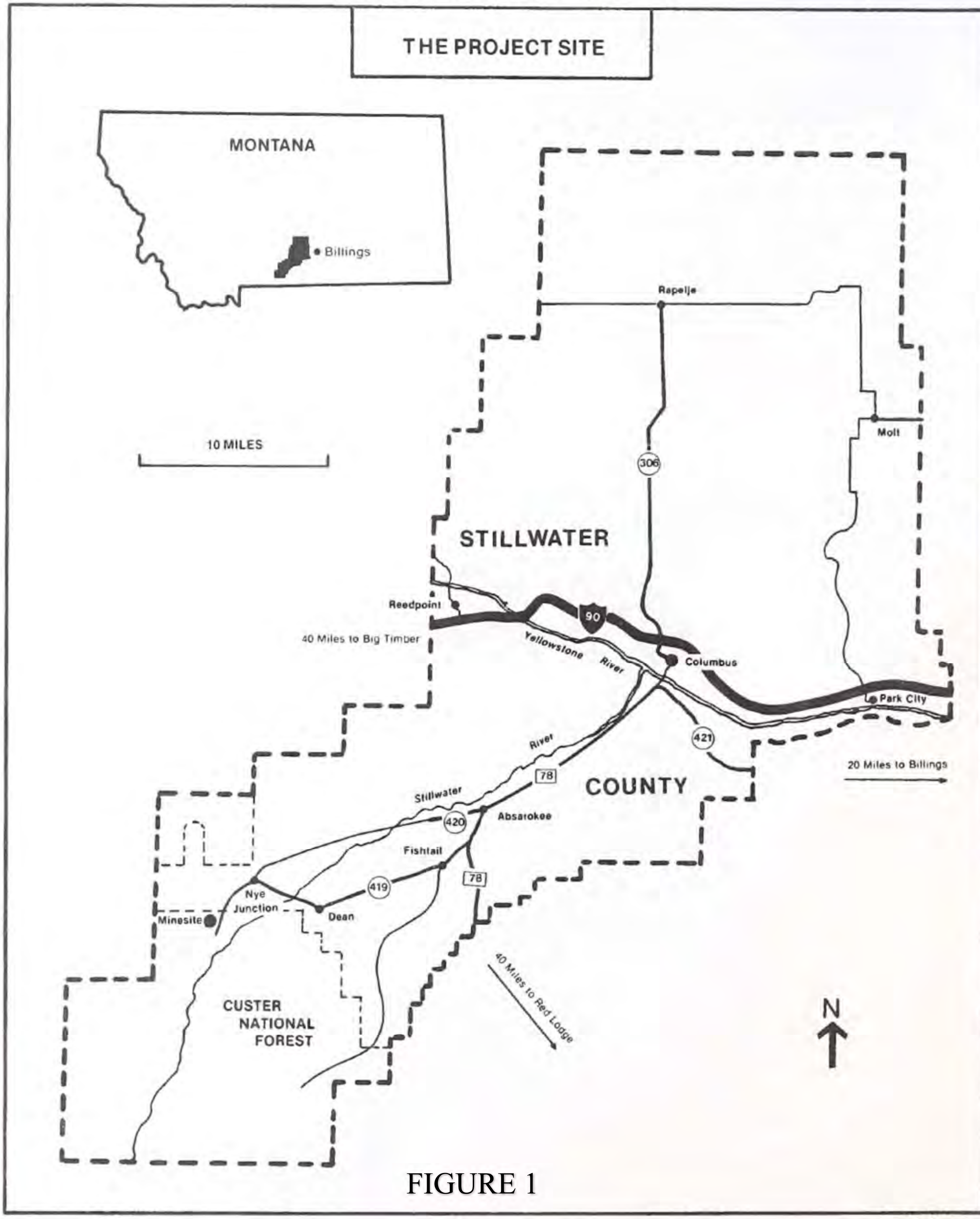

FIGURE 1

Source: 1985 STILLWATER PROJECT - EIS

EXECUTIVE SUMMARY; MITIGATION SUMMARY

The Nye Mineral Development owned by Sibanye-Stillwater Mining Company (SMC) started production in 1986. The original Nye Hard Rock Mining Impact Plan (NIP) was approved in 1985, and subsequent amendments to the plan were approved in 1988 and 1998. Twenty-five years have elapsed since the last time the Nye Hard Rock Mining Impact Plan was amended. Current conditions and future projections reflect mine-related employment and school enrollments beyond those levels contemplated in the 1998 Hard Rock Mining Impact Plan (AM2 Plan). This 2023 Amended Nye Hard Rock Mining Impact Plan (AM3 Plan) revises significant portions of the AM2 Plan and supersedes the amended 1988 Impact Plan (AM1 Plan) and the original 1985 Impact Plan, although certain previous separate agreements are still in effect and are attached to this AM3 Plan.

Project Description

Park City School District #5 (PCSD) has prepared this AM3 Plan to the Hard Rock Mining Impact Plan for the platinum-palladium mineral development near Nye in Stillwater County. In 1998, SMC lifted the production limit at the mine of 2,000 tons per day (tpd) and has generally been at fully expanded production for the past 25 years. Metal prices, ore grade, continuity of ore zone and production costs will determine the actual production and future development schedule.

Under the Montana Hard Rock Mining Impact Act, a large-scale mineral developer is required to prepare, or amend, a hard rock mining impact plan that describes the fiscal impacts the mineral developer will create for units of local government. The 1998 expanded production of the SMC mine at Nye caused significant increased employment at the mineral operation. The 1998 Plan Amendment only projected a maximum of 700 total mineral development employees, however, by the following year (1999), employment at SMC had already increased to 861. The total site manpower at the Stillwater Mine jumped to over 1,100 employees in 2002 and in 2021 SMC had increased to 1,713 mineral development employees. SMC is now projecting 2,054 mineral development employees in 2024 which will be an increase of 1,354 employees over the levels contemplated in the 1998 AM2 Plan.

ARM 8.104.217(1)(j)(ii) allows for an amendment if employment is forecast to increase by 75 or more employees than the employment levels contemplated in the approved Impact Plan. Employment levels at the Nye Mineral Development have been greater than 75 persons over the employment levels contemplated in the approved impact plan each year since the plan was approved in 1998, therefore, ARM 8.104.217(1)(j)(ii) allows for this amendment and is appropriate. Additionally, four conditions (B, C, D, and F) in the 1998 Impact Plan itself have also been met that allow for an amendment under ARM 8.104.217(1)(j)(i).

New information is now included in this 2023 AM3 Impact Plan about how (1) Mandatory Employee Car Pooling/Bussing and (2) Mine Housing Restrictions in the Good Neighbor Agreement (GNA) may impact outlying communities.

Employment, population and school enrollment projections from the 1998 AM2 Plan are now updated in subsection 2.3 Projections.

Affected Units of Local Government

Approximately 10-15% of the Impact Students and the Mineral Development Students in Stillwater County attend Park City Schools, therefore they are now being included as affected units of local government in this 2023 AM3 Impact Plan.

The "affected units of local government" include:

- Stillwater County
- Town of Columbus
- Columbus Elementary School District
- Columbus High School District
- Absarokee Elementary School District
- Absarokee High School District
- Fishtail Elementary School District
- Nye Elementary School District
- Absarokee Water and Sewer District
- Park City Elementary School District
- Park City High School District

Tax Base Sharing

Under Montana's Property Tax Base Sharing Act, this AM3 Nye Impact Plan proposes that, along with Stillwater County, the Town of Columbus, Columbus Elementary School, Columbus High School, Absarokee Elementary, Absarokee High School, Park City Elementary School, Park City High School, Nye Elementary School, and Fishtail Elementary School receive a portion of the mineral development taxable valuation. The SMC taxable valuation is projected to be allocated according to the tax base sharing percentages shown in Table 2-4. The Town of Columbus will receive 20% of the SMC mineral development taxable valuation. Based on the percentage of mineral development students residing within the various school districts and based on Park City receiving an additional past mitigation percentage, as updated in this AM3 Plan, Columbus Elementary is projected to receive 52.5% of the taxable valuation, Absarokee Elementary 23.8%, Nye Elementary 0.5%, Fishtail Elementary 2.9% and Park City Elementary 20.3% (7% for past mitigation and 13.3% current). Columbus High School would receive 59.8% of the taxable valuation, Absarokee High School 22.7% and Park City High School 17.5% (7% for past mitigation and 10.5% current).

This AM3 Plan also distributes the applicable portions of the Metalliferous Mines License Tax (MMT) revenue according to the percentages shown in Table 2-4.

Impact Costs and Impact Revenues

Affected units of local government will experience increased costs to provide services to the in-migrating population and students associated with the expanded mineral development. Most annual operating and maintenance costs have been projected to increase on a per-capita or per-student basis. Certain specific line item costs were identified in the 1998 Plan as projected impact costs for Stillwater County, Columbus Public Schools.

Impact revenues are generated by the increased valuation that the SMC mineral development will add to each affected unit of local government, in most cases through tax base sharing. The increase in population is expected to increase non-tax revenues (licenses, fines, user fees) on a per-capita basis. The increased number of students in each of the affected elementary and high schools will generate increased state funding to help meet the increased costs.

For most affected units of local government, the annual total impact revenues exceeded the annual total impact costs beginning in Year 1 of the 1998 AM2 expansion and are expected continue throughout the remaining life of the mineral development (Projected to be Approximately 2055). For several affected school districts, the SMC mineral development was projected to create net operating costs in at least one year. These net operating costs were met through tax prepayments and other means in previous revisions to the Impact Plan; shown on Tables S-1.1 and S-2.

Monitoring

SMC will continue to monitor conditions and actual employment, population and enrollment levels. The data relating to levels and distribution of mineral development employees, inmigrating population and school enrollments will be presented in yearly employment reports, which will be provided to all affected units of local government and the Hard Rock Mining Impact Board.

Contractors residing (i.e., whose primary domicile is located) in the impact area will be counted as mineral development employees both for purposes of allocating the mineral development taxable valuation under the tax base sharing act and for determining local impacts. These resident contractors, their spouses and elementary or high school students also will be included in determining local impacts. Contractors who do not reside in the impact area either because they commute or are temporarily housed at SMC housing facilities will not be counted for tax base sharing purposes, but the number of those contractors will be estimated and they will be included in determining local impacts.

Note: SMC reaffirms its obligation under the East Boulder River Hard Rock Mining Impact Plan to provide all affected and potentially affected units of local government identified in the East Boulder River Impact Plan with monitoring reports on a quarterly basis through Year 6 and annually thereafter.

TABLE S-1. SOME OF THE HISTORICAL TAX DOLLARS DISTRIBUTED TO STILLWATER COUNTY SCHOOLS

MMT (1994-2022) AND NYE IMPACT PLAN PAYMENTS (1986-2002)

IN JANUARY 2023 US DOLLARS

MMT ACTUAL	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	TOTAL
ABSAROKEE HS	28,768	36,683	45,940	52,816	53,947	66,202	68,276	113,485	128,364	73,737	159,643	8,773	204,525	121,661	123,004	76,070	67,667	121,083	218,658	116,087	105,539	104,388	70,407	83,663	108,847	123,033	179,437	230,316	399,752	**3,290,772**
ABSAROKEE ELEM	25,058	31,504	38,198	46,079	40,690	50,696	55,158	70,649	79,713	53,583	128,627	5,280	158,340	92,467	85,308	43,434	58,312	99,796	202,953	92,688	79,566	76,277	55,358	49,492	46,605	92,195	140,457	166,444	210,382	**2,375,309**
MMT ACTUAL ABSAROKEE SCHOOLS	53,826	68,187	84,138	98,895	94,637	116,898	123,434	184,134	208,077	127,320	288,270	14,053	362,865	214,129	208,311	119,503	125,979	220,879	421,612	208,776	185,105	180,665	125,764	133,156	155,451	215,228	319,894	396,761	610,134	**5,666,081**
MMT WITH 3.5% YEARLY INFLATION ADJ	106,575	132,624	160,704	185,428	174,132	211,001	218,478	319,472	353,730	211,987	469,881	22,415	566,070	326,546	310,384	173,877	178,890	305,917	569,176	274,540	236,935	224,928	152,175	156,458	177,214	237,827	342,287	410,647	610,134	**7,820,434**

MMT ACTUAL	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	TOTAL
COLUMBUS HS	7,984	10,374	7,544	11,154	12,343	20,418	34,826	57,666	78,340	54,795	140,831	3,696	109,539	142,290	114,745	71,973	88,970	170,489	139,759	126,593	129,380	159,623	137,748	153,996	204,935	289,146	382,482	542,212	455,053	**4,824,190**
COLUMBUS ELEM	7,837	11,231	15,115	11,170	17,677	26,014	35,129	57,666	78,340	61,447	150,929	4,814	130,411	170,243	128,525	103,256	90,614	185,800	191,514	140,336	148,681	173,206	133,980	158,290	225,855	296,311	397,203	579,514	508,292	**4,239,401**
MMT ACTUAL COLUMBUS SCHOOLS	15,821	21,605	22,659	22,324	30,020	46,432	69,955	115,332	156,680	116,242	291,760	8,510	239,951	312,533	243,270	175,229	179,584	356,289	331,273	266,929	278,061	332,829	271,729	312,287	430,789	585,458	779,685	1,121,726	963,345	**9,063,590**
MMT WITH 3.5% YEARLY INFLATION ADJ	31,326	42,022	43,279	41,858	55,237	83,810	123,820	200,101	266,356	193,543	475,568	13,574	374,323	476,613	362,472	254,958	255,009	493,460	447,219	351,011	355,918	414,373	328,792	366,937	491,100	646,931	834,263	1,160,986	963,345	**10,148,201**

MMT ACTUAL	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	TOTAL
MMT ACTUAL FISHTAIL ELEM	2,036	2,092	2,089	2,053	882	1,658	3,844	7,022	15,500	7,551	13,525	466	6,834	5,353	3,986	2,685	1,760	736	178	134	55	1,537	2,677	17,047	9,028	2,786	12,825	11,364	44,360	**182,064**
MMT WITH 3.5% YEARLY INFLATION ADJ	4,032	4,069	3,990	3,849	1,622	2,992	6,804	12,183	26,350	12,572	22,045	744	10,661	8,164	5,939	3,907	2,499	1,019	240	176	70	1,913	3,239	20,031	10,292	3,078	13,723	11,762	44,360	**242,327**

MMT ACTUAL	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	TOTAL
MMT ACTUAL NYE ELEM	1,423	1,194	1,538	1,138	2,934	3,381	3,990	4,710	5,362	3,333	8,799	656	4,935	8,491	5,909	2,050	1,097	728	193	7,728	3,501	13,292	10,185	8,283	11,279	12,953	7,044	13,184	15,150	**164,461**
MMT WITH 3.5% YEARLY INFLATION ADJ	2,818	2,323	2,938	2,134	5,399	6,103	7,061	8,172	9,116	5,549	14,342	1,046	7,699	12,949	8,805	2,983	1,558	1,008	260	10,162	4,481	16,548	12,324	9,732	12,858	14,313	7,537	13,646	15,150	**219,016**

ABSAROKEE SCHOOLS - MMT RECEIVED	$5,666,081	MMT ADJ FOR INFLATION	$7,820,434	OTHER IMPACT PAYMENTS RECEIVED BY ABSAROKEE SCHOOLS (ADJ INFLATION)	$3,971,775	ABSAROKEE SCHOOLS PARTIAL TOTAL COMPENSATION RECEIVED SO FAR	$11,792,209
COLUMBUS SCHOOLS - MMT RECEIVED	$9,063,590	MMT ADJ FOR INFLATION	$10,148,201	OTHER IMPACT PAYMENTS RECEIVED BY COLUMBUS SCHOOLS (ADJ INFLATION)	$1,064,877	COLUMBUS SCHOOLS PARTIAL TOTAL COMPENSATION RECEIVED SO FAR	$11,213,077
NYE & FISHTAIL SCHOOLS - MMT RECEIVED	$346,524	MMT ADJ FOR INFLATION	$461,343	OTHER IMPACT PAYMENTS RECEIVED BY NYE AND FISHTAIL SCHOOLS (ADJ INFLATION)	$397,092	NYE & FISHTAIL SCHOOLS PARTIAL TOTAL COMPENSATION RECEIVED SO FAR	$858,435
STILLWATER COUNTY SCHOOLS - MMT	$15,076,196	MMT ADJ FOR INFLATION	$18,429,977	TOTAL OTHER IMPACT PAYMENTS RECEIVED BY SCHOOLS (1986-2002) (ADJ INFLATION)	$5,433,744	PARTIAL TOTAL COMPENSATION PAID TO SWC SCHOOLS	$23,863,721
PARK CITY SCHOOLS - MMT RECEIVED	$0	MMT ADJ FOR INFLATION	$0	OTHER IMPACT PAYMENTS RECEIVED BY PARK CITY SCHOOLS	$0	TOTAL COMPENSATION PAID TO PARK CITY SCHOOLS	$0
PARK CITY SCHOOL'S PERCENTAGE (12.5%) OF MMT REVENUE DISTRIBUTED TO COLUMBUS, ABSAROKEE, FISHTAIL & NYE SCHOOLS OVER 28 YEARS (1994-2022)	$1,884,525	MMT ADJ FOR INFLATION	$2,303,747	FUTURE IMPACT PAYMENTS TO PARK CITY SCHOOLS	SEE THE REVISED AM3 IMPACT PLAN		

NOTES:
1. INFLATION ADJUSTMENT TO ACCOUNT FOR CURRENT VALUE AFTER YEARS OF PAYMENTS - https://www.bls.gov/data/inflation_calculator.htm - July 1994 to July 2022 = 99.65% so used (99.65%/28 years) 3.5% per year
2. MMT TAX DATA only available back to 1994; Absarokee, Columbus, Nye & Fishtail Schools also received Metal Mines Tax Revenues before 1994 that is not included in these totals
3. SOURCE OF TAX INFORMATION - https://gems.opi.mt.gov/finance-data#districts
4. SOURCE OF PARK CITY PERCENTAGE USED - estimated from a total of 31 (2021) Mineral Development students that was provided by Sibanye to PCSD in a Nov 7, 2022 email
5. IMPACT PAYMENTS TO SCHOOLS - Tables S1 and S2 of the Impact Plan show the Impact Payments made to Schools (e.g. Tax Prepayment and Grants)
6. **IMPORTANT NOTE: THIS TABLE DOES NOT INCLUDE ALL THE MINERAL DEVELOPMENT PROPERTY TAXES SHARED BY ABSAROKEE, COLUMBUS, NYE AND FISHTAIL SCHOOL DISTRICTS; THE IMPACT PAYMENTS JUST INCLUDE THE PREPAID PROPERTY TAXES FROM 1986-2002**

TABLE S-1.1 IMPACT PAYMENTS UNDER AMENDMENT 2 (1998)

		-------------------------Amount by Year -----------------------			
Unit of Local Government	Financing Methods	1997-98 Year 2	1998-99 Year 3	2000-01 Year 4	2001-02 Year 5
TOWN OF COLUMBUS					
Wastewater Treatment	Grant (bond)	$196,000			
1st Avenue So.	Tax Prepayment		$250,000 (Estimated)		
STILLWATER COUNTY					
FAS 419	Grant (bond)				$900,000 (Under certain Conditions)
COLUMBUS HIGH SCHOOL					
Special Operating Costs	Tax Prepayments		$37,100	$37,100 (if necessary)	$37,100 (if necessary)
FISHTAIL ELEMENTARY					
Net Operating Costs	Tax Prepayments	$ 9,777	$ 6,942	$ 9,014	$ 9,014
NYE ELEMENTARY					
Net Operating Costs	Tax Prepayments	$ 6,479	$ 6,441	$ 4,055	$ 4,055

TABLE S-2. PREVIOUS STILLWATER MINING COMPANY IMPACT PAYMENTS

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
STILLWATER COUNTY											
Tax Prepayment	183,000										
Absarokee Sewer	200,000										
Tax Prepayments		196,000									
S(A)-1			45,298								
S(A)-2				13,682							
S(A)-3					44,738						
S(A)-4						363,481					
S(A)-5							354,715				
S(A)-6								126,205			
S(A)-7										334,609	
S(A)-8											226,842
TOWN OF COLUMBUS											
Tax Prepayments		5,400									
C(A)-1			2,300								
Tax Prepayment- Sewer					64,388						
Stillwater Excavation					22,950						
ABSAROKEE ELEMENTARY											
Tax Prepayments	70,000										
AE(A)-1			30,000								
AE(A)-2				40,000							
Grant				800,000							
ABSAROKEE HIGH SCHOOL											
Tax Prepayment	9,000										
Tax Prepayment		7,000									
AH(A)-1			20,000								
AH(A)-2				20,000							
Grant			800,000								

TABLE S-2 (continued)

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
COLUMBUS ELEMENTARY											
Tax Prepayment		36,100									
Grant		348,000									
CE(A)-1			36,800								
CE(A)-4				15,700							
CE(A)-6					5,700						
FISHTAIL ELEMENTARY											
Tax Prepayment	1,000										
FE(A)-1			25,200								
FE(A)-2				3,007							
Grant					11,773						
Grant					13,578						
Classroom Lease					7,800						
FE(A)-6					2,000						
NYE ELEMENTARY											
Tax Prepayment	1,000										
Grant			45,000								
NE(A)-1			9,000								
NE(A)-2			4,500								
NE(A)-3			4,200								
NE(A)-4				3,800							
NE(A)-5					1,000						
NE(A)-6						2,000					
ABSAROKEE FIRE DISTRICT											
Grant			26,000								

1. INTRODUCTION

The Nye Mineral Development now owned by Sibanye-Stillwater Mining Company (SMC) has continued production since 1986. The original Nye Hard Rock Mining Impact Plan was approved in 1985 and subsequent amendments to the Original Plan were approved in 1988 and 1998. Twenty-five years have now elapsed since the 1998 amendment to the Nye Hard Rock Mining Impact Plan. Current conditions and future projections reflect increased mine-related employment, population and school enrollments beyond those levels projected in the 1998 Hard Rock Mining Impact Plan (AM2 Plan). This 2023 Amended Nye Hard Rock Mining Impact Plan (AM3 Plan) revises significant portions of the AM2 Plan and supersedes the amended 1988 Impact Plan (AM1 Plan) and the original 1985 Impact Plan, although certain previous separate agreements are still in effect and are attached to this AM3 Plan.

1.1 Project Description

Park City School District #5 (PCSD) has prepared this AM3 Plan to the Hard Rock Mining Impact Plan for the platinum-palladium mineral development near Nye in Stillwater County. In 1998, SMC lifted the production limit at the mine of 2,000 tons per day (tpd) and has generally been at fully expanded production for the past 25 years. Metal prices, ore grade, continuity of ore zone and production costs will determine the actual increased production and development schedule.

1.2 Changes from the 1998 Impact Plan

As shown on Table 2-1 of this AM3 Plan, the 1998 AM2 Plan projected the total mineral development employment to reach a high of 700 employees. Of those, 440 were projected to in-migrate to the impact area; an additional 34 secondary workers would in-migrate; the total in-migrating mine-related (mineral and secondary) population was projected to be 1,263 people, with 220 elementary students and 81 high school students.in-migrate.

As a result of this AM3 updated Plan, a total of 24 secondary employees are projected to in-migrate to take jobs in secondary sectors or with firms serving the SMC mineral development. In-migrating secondary employees are estimated at 7.5% of the total in-migrating mineral employment generated by the SMC mineral development. Approximately 992 people will in-migrate to the mineral development area, including 116 in-migrating elementary students and 70 high school students.

Tables 2-1, 2-2, and 2-3 of this 2023 AM3 Plan show the total in-migrating employment, population, and school enrollments from the 1998 AM2 Plan and those levels projected after the increased employment projections through 2024. Table 2-4 shows the effects the AM3 Plan will have on tax base sharing allocations and on taxable valuations of the affected units of local government.

The 1998 AM2 Plan projected that 276 in-migrating employees would live in Rural Stillwater County (including Absarokee) and 100 would live in Columbus. This 2023 AM3 Plan projects that 221 in-migrating employees would live in Rural Stillwater County (including Absarokee and Park City), but 102 would live in Columbus. As shown in Table 2-3 of this Amendment, that same trend has occurred for elementary and high school enrollments.

The demographic changes since the 1998 AM2 Plan are described above. The employment, population and school enrollment projections presented in Section 3 of the 1998 AM2 Plan have been revised and are shown in subsection 2.3 Projections, of the 1998 AM2 Plan. The assumptions in subsection 14.1 of the 1998 AM2 Plan have been revised as shown in subsection 2.2 Assumptions of this AM3 Plan.

Mandatory Employee Car Pooling/Busing at Mineral Development

The 1998 AM2 Plan did not discuss the potential impacts of stipulations on transportation (forced busing/carpooling) to outlying communities such as Park City.

In the Record of Decision for the 1985 Stillwater Mine Operation Plan, SMC was required to implement an employee busing or van/carpooling program to reduce the mine-related traffic. The transportation policy requires all Stillwater Mine employees to participate in carpooling or busing. (Source Section 2.3.1.1 Transportation Policy, page 89 SWM CORP, Permit #00118)

The "Good Neighbor Agreement" (GNA) was signed on May 8, 2000. Section 1.6 of Appendix G of the GNA says, *"SMC shall require, as a condition of employment, busing and/or carpooling for all employees, contractors, and subcontractors."* This "condition of employment" may contribute to mineral development employees finding housing beyond the immediate vicinity of the mineral development. Additionally, employees do not pay for the busing and/or carpooling which may contribute to employees' willingness to find housing beyond the immediate vicinity of the mineral development. Furthermore, Park City, being near to the cities of Laurel and Billings, may provide a location (still not too far away from the Mine) where a Mineral Development Employee's family can readily find additional employment nearby.

Housing Restrictions in the Good Neighbor Agreement (GNA)

The 1998 AM2 Plan did not discuss the impacts of Mine Sponsored Housing Restrictions on outlying communities such as Park City.

Section 12.1 of the GNA forces SMC to confine all Mine-Sponsored Housing in Stillwater County to within the city limits of Absarokee and Columbus. This stipulation may limit SMC's ability to provide additional employee housing near the mineral development. This stipulation may force employees (especially when almost 3 times as many as predicted in the 1998 Plan) to find housing beyond the immediate vicinity of the mineral development.

1.3 Monitoring

SMC will continue to monitor employment, population and school enrollment circumstances and provide, on an annual basis, formal monitoring reports to the affected units of local government and the Hard Rock Mining Impact Board. In preparing these monitoring reports, SMC will work with each affected school district to reconcile the number of mineral development students residing in each district and the number of in-migrating mineral development students enrolled in each affected school. The reconciliation will be conducted after February 1st of each year and will be completed by April 1st.

The annual formal monitoring reports will include:

- The number of mineral development employees, residential contractors and the number of in-migrating mineral development employees and their dependents living in each affected unit of local government.

- The number of elementary and high school students of mineral development employees and in-migrating mineral development employees living in each affected school district.

Contractors residing (i.e., whose primary domicile is located) in the impact area will be counted as mineral development employees both for purposes of allocating the mineral development taxable valuation under the tax base sharing act and for determining local impacts. These resident contractors, their spouses and elementary or high school students also will be included in determining local impacts. Contractors who do not reside in the impact area either because they commute from outside the impact area or are temporarily housed at SMC housing facilities will not be counted for tax base sharing purposes, but the number of those contractors will be estimated and included in determining local impacts.

Twice each year SMC, Stillwater County and the Town of Columbus will meet informally to discuss up-to-date estimates of mineral development employees, contractors and potential local impacts.

SMC reaffirms its obligation under the East Boulder River Hard Rock Mining Impact Plan to provide all affected and potentially affected units of local government identified in the East Boulder River Impact Plan with monitoring reports on a quarterly basis through Year 6 and annually thereafter.

1.4 Affected Units of Local Government

The "affected units of local government" include:

- Stillwater County
- Town of Columbus
- Columbus Elementary School District
- Columbus High School District
- Absarokee Elementary School District
- Absarokee High School District
- Fishtail Elementary School District
- Nye Elementary School District
- Absarokee Water and Sewer District
- Park City Elementary School District
- Park City High School District

1.5 Definitions

"Affected Units of Local Government" means those units of local governments that would experience net impact costs during any one year of the SMC mining operation, or a unit of local government within which the mineral development is located.

"Board" means the state Hard Rock Mining Impact Board, as authorized by 2-15-1822, MCA.

"Impacted Area" means the area within Stillwater County, and nearby counties in which mineral development employees may reside.

"Mineral Development Employee" means an employee of SMC, or an SMC contractor and his employees or subcontractors. This term does not include secondary employees.

"Local Mineral Development Employee" means a mineral development employee who has resided within Stillwater County for at least one year prior to the date of hire or a mineral development employee who resides outside of Stillwater County and commutes to work at the mine site.

"In-migrating Mineral Development Employee" means a mineral development employee who establishes residence in Stillwater County within one year prior to, or any time after, his date of hire. This term does not include secondary employees.

"In-migrating Secondary Employee" means a person who moves into the county to fill a secondary job created by the new demand for goods and services as a result of the mineral development and in-migrating mineral employees.

"Mine-related Employee" means a mineral development employee or an in-migrating secondary employee whose job results from the SMC mineral development.

"In-migrating (Impact) Mine-related Employee" means an in-migrating mineral development employee or an in-migrating secondary employee.

"Contractor" means a person contracted by SMC to perform work or service for the company at the mineral development. The term also includes any employees or subcontractors of an SMC contractor.

"In-migrating (Impact) Mine-related Population" means the new population in the unit of local government generated by in-migrating mine-related employees.

"Mineral Development Student" means a student whose parent or guardian resides within the jurisdiction of an affected local governmental unit as a result of employment with SMC or its contractors or subcontractors.

"In-migrating Mineral Development Student" means a student whose parent or guardian is an "ln-migrating Mineral Development Employee."

"In-migrating Mine-Related Student" means a student whose parent or guardian is an in-migrating Mine-Related Employee.

"Impact Population" means the total new population in the county or in a unit of local government, generated by "in-migrating mineral development employees" and "in-migrating secondary employees."

"Impact Costs" means those increased capital and operating costs incurred by local units of government for providing services as a result of the impact population and the mineral development.

"Impact Revenues" means those additional tax revenues, user fees, and intergovernmental transfer payments generated by the in-migrating population and the mineral development.

"Jurisdictional Revenue Disparity" means property tax revenues resulting from the SMC mineral development that are inequitably distributed among affected units of local government as finally determined in an approved impact plan.

1.6 Timetable for Development

In 1998, SMC lifted the production limit at the mine of 2,000 tons per day (tpd) and has generally been at fully expanded production for the past 25 years (1998-2023). Employment is expected to peak in 2024 then to remain relatively constant throughout the anticipated remaining life of the mine of approximately 30 more years; ending in approximately 2055.

1.7 Contact Person

The SMC contact person is Bruce Gilbert, SMC, Box 365, Nye, MT, 59061, (406) 328- 8528.

1.8 Names and Addresses for Affected Units of Local Government

Stillwater County Commissioners
PO Box 970
431 Quarry Road
Columbus, MT 59019
(406) 322-4546

Town of Columbus
Mayor
Town Hall, Box 549
Columbus, MT 59019
(406) 322-5313

Columbus Elementary School
Superintendent
433 N 3rd Street
Columbus, MT 59019
(406) 322-5373

Columbus High School
Superintendent
433 N 3rd Street
Columbus, MT 59019
(406) 322-5373

Absarokee Water and Sewer District
Chairman
Box 365
Absarokee, MT 59061
(406) 328-4748

Park City Elementary School
Superintendent
PO Box 278
Park City, MT 59063
(406) 633-2350

Absarokee Elementary School
Superintendent
327 S Woodard Avenue
Absarokee, MT 59001
(406) 328-4583

Absarokee High School
Superintendent
327 Woodard Avenue
Absarokee, MT 59001
(406) 328-4583

Nye Elementary School
Chairman
Box 472
Nye, MT 59061
(406) 328-6187

Fishtail Elementary School
Chairman
Box 75
Fishtail, MT 59028
(406) 328-4217

Park City High School
Superintendent
PO Box 278
Park City, MT 59063
(406) 633-2350

2. ASSUMPTIONS AND PROJECTIONS

2.1 General

This Impact Plan projects the increased costs of services and the increased revenues that each affected unit of local government is expected to realize as a result of the proposed expansion of the SMC mineral development in Stillwater County. These financial projections are based on the number of persons migrating into each local jurisdiction, and on the effects of the mineral development itself. The number of in-migrating persons is dependent on the level of mineral employment planned by SMC and the number of employees hired from outside that will take up permanent residence within Stillwater County.

The following assumptions relate to the number of local residents hired, employees commuting from out of the county, in-migrating secondary employment, the number of single workers, average family size, and anticipated distribution of the in-migrating population. These factors constitute the basis for projecting the annual impact costs and revenues over the 70 year planning period (1985-2055) of the mineral operation. Past experience in hard rock mining indicates that employee numbers and settlement patterns stabilize within approximately three or four years, and thus the impact costs and revenues stabilize as well. Therefore, the projections shown in the 1998 AM2 Plan were carried to the fourth year of operation at which time impact costs and revenues were projected to stabilize. Since Park City was not included in the AM2 Plan, Park City Schools has now been included in the assumptions and projections.

2.2 Assumptions

2.2.1 Project Development/Employment

1. After the SMC expansion in the 1998 AM2 Plan was complete, total mineral development employment was expected to be 650 employees plus an average of 50 non-resident contractors who will be housed in SMC housing facilities near Nye, without families. Those non-resident contractors were counted as in-migrating employees and were included in calculating in-migrating secondary employment and impact costs for Stillwater County. Non-resident contractors are not included in calculations of family dependents or elementary and high school students.

<u>Actual mineral development employment greatly exceeded the projections of the 1998 AM2 Plan</u>.

The 1998 Plan Amendment only projected a maximum of 700 total mineral development employees, however, by the following year (1999), employment at SMC had already increased to 861. The total site manpower at the Stillwater Mine jumped to over 1,100 employees in 2002 and in 2021 SMC had increased to 1,713 mineral development employees. SMC is now projecting 2,054 mineral development employees in 2024 which will be an increase of 1,354 employees over the levels contemplated in the 1998 AM2 Plan.

2. Past SMC employment monitoring reports showed that 56% of mineral development employees were in-migrating; for these AM3 projections, an in-migrating ratio of 60% for mineral development employees is used in accordance with the 1998 AM2 projections.

3. The ratio of secondary jobs generated by the mineral development jobs is estimated to be 65%. In-migrating secondary employment is projected to be 7.5% of the total secondary employment generated by the SMC mineral development. See subsection 2.4 Determining In-migrating Secondary Employment, for a detailed explanation.

2.2.2 Population/School Enrollment

4. Past SMC employment monitoring reports showed that an average of 1.86 dependents accompanied each employee. Except for contractors housed in SMC housing facilities near Nye, in-migrating population is calculated at 2.86 times number of the in-migrating employees.

5. Past SMC employment monitoring reports showed that an average of .52 elementary students accompanied each employee.

6. Past SMC employment monitoring reports showed that an average of .19 high school students accompanied each employee.

2.2.3 Population Distribution

7. It is projected that approximately 32% of the in-migrating mineral development employees will live in Columbus. Also, it is assumed that secondary employment will occur in the larger communities of Columbus and Absarokee, but not in Park City because of lack of secondary employment opportunities (not enough business in the community).

8. The distribution of elementary and high school students is assumed to reflect the distribution of mineral employees.

2.2.4 Taxable Valuation

9. Based on expected production and the prices of platinum-palladium group metals, SMC has projected the taxable valuation of the mineral development and the smelter/base metal refinery in Columbus. Those projections remain as they were presented in Table 2-5 SMC Taxable Valuation, of the 1998 AM2 Plan. However, the percentages of taxable valuation being distributed to schools have now changed in this 2023 AM3 Plan; see Table 2-4 Tax Sharing.

10. Taxable Valuation of Impact Residences. This AM3 Plan does not update the 1998 AM2 Plan assumptions that the average assessed value of new housing units to accommodate in-migrating mine-related employees is $70,000. At a tax rate of 3.838%, the taxable value of the average housing unit would be $2,686. The average taxable value of a housing unit is multiplied by the number of in-migrating mine-related employees to calculate the increase in residential taxable valuation generated by SMC. <u>However, the percentages of Mineral Development's taxable valuation distributed to school districts have now changed in this 2023 AM3 Plan; see Table 2-4 Tax Base Sharing.</u>

11. Taxable Valuation of Impact Commercial Property. The overall ratio between commercial property and residential property in Stillwater County is 13%. On the assumption that that ratio will continue to be valid as new housing units are developed to accommodate mine-related in-migrating employees, increased commercial taxable valuation is calculated at 13% of the increased mine-related residential taxable valuation. This assumption was continued out of convenience in the AM3 Plan, but it is noted that Park City could not have this high of a ratio because of the shear absence of commercial property in Park City compared to Absarokee and Columbus. Park City's business district consists of 2 bars, 2 gas stations and a post office; while Absarokee and Columbus have substantially more in taxable commercial property.

<u>2.3 Projections</u>

<u>2.3.1 Employment, Population, School Enrollment</u>

Tables 2-1 through 2-3 on the following pages show the level and distribution of in-migrating mineral development and secondary employees, population, elementary students and high school students, as projected in this 2023 AM3 Plan and as was projected in the 1998 AM2 Plan and in the 1988 AM1 Plan for comparison.

TABLE 2-1. MINERAL AND IMPACT EMPLOYMENT AND POPULATION PROJECTIONS

	1988 AM1 Plan	Levels 12/31/1995 Report	1998 AM2 Plan	Levels 12/31/2021 Reporting*	**Projected Totals 2023 AM3 Plan*** **	Change: from 1998 AM2 Plan Through 2023 AM3 Plan
Mineral Employment/Contractors	460	468	700	1,713**	2,054****	1,354
Inmigrating Min Employment/Contractors	230	304	440	*Not Included in Reporting, but with assumption (0.6 x 449 rptd employees) = 269*	*[269 x (2054/1713)] = 323*	-117
Inmigrating Secondary Employment	90	23	34	*Not Included in Reporting but with assumption above (0.075 x 269) = 20*	*(0.075 x 323) = 24*	-10
Total In-migrating Employment	**320**	**327**	**474**	*Not Included in Reporting but with assumptions above (269 + 20) = **289***	*(323 + 24) = **347***	-127
In-migrating Population	**830**	**935**	**1,263**	*Not Included in Reporting, but with assumptions above (289 x 2.86) = **827***	*(347 x 2.86) = **992***	-271
In-migrating Elem Students	186	164	220	*Reported 139 Elem Resident Students (not including PCSD's estimated 23) so (162 x 0.60) = 97 In-Migrating Elem Students*	*[97 x (2054/1713)] = 116*	-104
In-migrating HS Students	82	82	81	*Reported 85 HS Resident Students (not including PCSD's estimated 11) so (96 x 0.60) = 58 In-migrating HS Students*	*[58 x (2054/1713)] = 70*	-11
Additional Housing Units	320	327	424	*Not Reported*	*(347 - 50) = 297*	-127

*Source, Stillwater Mine (NYE) 2022 (2021 rpt year) Tax Base Sharing Report

**Source, page 158 of Sibanye-Stillwater Integrated Report 2021

***Source, 2021 report year survey (with PC included) then adjusted to reflect the additional 341 Min Dev Employees projected to be added from 2021 to 2024

****See Manpower Projections on pages 141-143 of the Dec 31, 2021 Sibanye Stillwater Ltd Foreign Issuer Report 6-K. Since the 6K Report had no projections of contractors; the best available contractor number was used; see page 158 of the Sibanye-Stillwater Integrated Report 2021 (1,560 employees + 494 contractors)

Other Assumptions: See Section 2.2 of the Impact Plan

TABLE 2-2. DISTRIBUTION OF IMPACT EMPLOYEES AND POPULATION

	1988 AM1 Plan	Levels 12/31/1995 Report	1998 AM2 Plan	Levels 12/31/2021 Reporting*	**Projected Totals after this 2023 AM3 Plan****	Change: from 1998 AM2 Plan Through 2023 AM3 Plan	Percent 1998 AM2 Plan	Projected % Impact after this 2023 AM3 Plan
Impact Employment	**320**	**327**	**474**	*Not Included in Reporting, but with assumption (0.6 x 449 rptd employees) = **269***	*[269 x (2054/1713)] = **323***	**-151**	**100%**	**100%**
Columbus	31	68	100	*Not Included in Reporting, but with assumption (0.6 x 142 rptd employees) = 85*	*[85 x (2054/1713)] = 102*	2	21%	32%
Rural Stillwater Co***	100	81	135	*Not Included in Reporting, but with assumption (0.6 x 307 rptd employees) = 184*	*[184 x (2054/1713)] = 221*	86	28%	68%
Absarokee	177	101	141	*Included with Rural SWC in Report*	*Not Enough Info to Calc*	*Not Enough Info to Calc*	30%	*Not Enough Info to Calc*
Stillwater County Total	*308*	*250*	*376*	*Not Included in Reporting, but with assumptions above (85 + 184) = 269*	*(102 + 221) = 323*	-53	79%	100%
Other	12	77	98	*Not Included in Reporting*	*Not Enough Info to Calc*	*Not Enough Info to Calc*	21%	*Not Enough Info to Calc*
Impact Population	**830**	**935**	**1,263**	*See Assumptions in Table 2-1, (289 x 2.86) = **827***	*[827 x (2054/1713)] = **992***	**-271**	**100%**	**100%**
Columbus	80	194	286	*Not Included in Reporting, but with assumptions above [(85 x 2.86) x 1.075] = 261*	*[261 x (2054/1713)] = 313*	5	23%	32%
Rural Stillwater Co***	260	232	294	*Not Included in Reporting, but with assumptions above [(184 x 2.86) x 1.075] = 566*	*[566 x (2054/1713)] = 679*	337	23%	68%
Absarokee	460	289	403	*Included with Rural SWC in Report*	*Not Enough Info to Calc*	*Not Enough Info to Calc*	32%	*Not Enough Info to Calc*
Stillwater County Total	*800*	*715*	*983*	*Not Included in Reporting, but with assumptions above [(85+184) x 2.86 x 1.075] = 827*	*[827 x (2054/1713)] = 992*	-61	78%	100%
Other	30	220	280	*Not Included in Report*	*Not Enough Info to Calc*	*Not Enough Info to Calc*	22%	*Not Enough Info to Calc*

*Assumed: 60% of the reported mineral development employees are in-migrating from 2021 report year

**Source, 2021 report year survey (with PC included) then adjusted to reflect the additional 341 Min Dev Employees projected to be added from 2021 to 2024

***The 2021 reporting does not separate out Absarokee from other Rural Stillwater County, so the 2021 reporting and the AM3 projections on this table include Absarokee totals in the Rural Stillwater County Totals

Other Assumptions: See Section 2.2 of the Impact Plan

TABLE 2-3. DISTRIBUTION OF IMPACT ELEMENTARY AND HIGH SCHOOL STUDENTS

Impact Elementary Students	1988 AM1 Plan	Levels 12/31/1995 Report	1998 AM2 Plan	Levels 12/31/2021 Reporting**	Projected Totals after this 2023 AM3 Plan***	Change: from 1998 AM2 Plan Through 2023 AM3 Plan	Percent 1998 AM2 Plan	Projected % Impact Students after this 2023 AM3 Plan***
	186	**164**	**221**	**97**	**118**	**-103**	**100%**	**100%**
Columbus	22	24	77	55	66	-11	35%	56%
Absarokee	110	90	94	25	30	-64	43%	26%
Fishtail	33	6	5	3	4	-1	2%	3%
Nye	18	1	8	0	1	-7	4%	1%
Other	3	43	37	*Not Included in Reporting*	*Not Enough Info to Calc*	*Not Enough Info to Calc*	17%	*Not Enough Info to Calc*
Park City*	*Not Included in Calculation*	*Not Included in Calculation*	*Not Included in Calculation*	14	17	17	*Not Included in Calculation*	14%

Impact High School Students	1988 AM1 Plan	Levels 12/31/1995 Report	Projected 1998 AM2 Plan	Levels 12/31/2021 Report**	Projected Totals after this 2023 AM3 Plan***	Change: from 1998 AM2 Plan Through 2023 AM3 Plan	Percent 1998 AM2 Plan	Projected % Impact Students after this 2023 AM3 Plan***
	82	**76**	**81**	**58**	**69**	**-12**	**100%**	**100%**
Columbus	12	18	23	37	45	22	28%	65%
Absarokee	68	39	35	14	17	-18	43%	24%
Other	2	19	23	*Not Included in Reporting*	*Not Enough Info to Calc*	*Not Enough Info to Calc*	28%	*Not Enough Info to Calc*
Park City*	*Not Included in Calculation*	*Not Included in Calculation*	*Not Included in Calculation*	7	8	8	*Not Included in Calculation*	11%

*Source of Park City Mineral Dev Students: Sibanye email to PCSD Nov 7, 2022

**Assumed: 60% of the reported mineral development students are in-migrating or "Impact" from 2021 report year

***Source of AM3 Projections, 2021 report year survey (with PC included) then adjusted to reflect the additional 341 Min Dev Employees projected to be added from 2021 to 2024
Tax base sharing is based on the number of mineral development employees, and on the number of mineral development students, not on the inmigrating students
Other Assumptions: See Section 2.2 of the Impact Plan

2.3.2 Tax Base Sharing: Taxable Valuation

Table 2-4 shows how the tax base sharing ratios were derived. *Note: Tax base sharing allocations are based on the percentage of **total, mineral, development employees and total, mineral development students**, not just in-migrating mineral development employees and students*. Table 2-4 shows that the current total number of mineral development employees are added to the projected total mineral development employees resulting from the expansion.

The tax base sharing percentages are calculated based on the percentage of total number of mineral development employees in Stillwater County residing in each jurisdiction. Of the mineral development employees living in Stillwater County, 32% live in Columbus, and 68% in the remaining area of Stillwater County. Likewise for schools, the tax base sharing percentage for each elementary school (or high school) district is based on the number of mineral development elementary (or high school) students residing in the district as a percentage of the total number of mineral development students residing in Affected School Districts in Stillwater County. Park City Schools was added in this 2023 AM3 Plan.

Table 2-5 shows the 1998 AM2 Plan projected taxable valuation of the SMC mineral development, and its distribution among units of local government based on formerly approved tax base sharing percentages as projected in the 1998 AM2 Plan. IMPORTANT: Table 2-5 has not been updated in this AM3 Plan, however, the SMC taxable valuation is to be now allocated according to the tax base sharing percentages shown in the updated Table 2-4 as revised in this AM3 Plan. Park City Schools was added to the percentage of the taxable valuation distribution in this 2023 AM3 Plan.

Table 2-4. TAX BASE SHARING WORKSHEET

Counties/Municipalities

	Total SMC Mineral Employment (12-31-96)	% 1996 Mineral Employment in Stillwater County	Additional Total SMC Min Employ 1996-98	Total SMC Mineral Employ after AM2 Plan (1998)	% Mineral Employment in Stillwater County (1998)	Projected SMC Mineral Employ*** this AM3 Plan	Proj % Mineral Employment in Stillwater Co this AM3 Plan
Columbus	109	25%	36	145	29%	[142 x (2054/1713)] = 170	31.6%
Rural SW County	320	75%	36	356	71%	[307 x (2054/1713)] = 368	68.4%
Total	429	100%	72	501	100%	**538**	**100%**

Although 32% of the total mineral employment is projected to reside in the Town of Columbus, the tax base sharing statute limits tax base sharing to 20% for municipalities, unless a modification is needed " ... to ensure a reasonable correspondence between increased costs and ... allocation of taxable valuation." Such a modification is not necessary for the Town of Columbus, so the Town will be allocated 20% of the SMC mine/mill taxable valuation

Elementary Schools

	Total Mineral Development Elem Students (12-31-96)	% 1996 Mineral Dev Students in Stillwater County	Additional Total SMC Students 1996-98	Total SMC Mineral Devel Students after AM2 Plan (1998)	% Tax Base Sharing (1998)	Projected SMC Mineral Devel Students*** this AM3 Plan	Projected % Tax Base after this Plan Amendment 3
Park City Elem Past Mitigation*	*Not Included in Calculation**	*Not Included in Calculation**	*Not Included in Calculation**	*Not Included in Calculation**	*Not Included in Calculation**	NA - fixed %	7.00%
Columbus	89	39%	20	109	41%	[92 x (2054/1713)] = 110	52.46%
Absarokee	125	55%	16	141	53%	[42 x (2054/1713)] = 50	23.85%
Fishtail	3	1%	1	4	2%	[5 x (2054/1713)] = 6	2.86%
Nye	12	5%	0	12	5%	Assumed 1	0.48%
Park City**	*Not Included in Calculation**	*Not Included in Calculation**	*Not Included in Calculation**	*Not Included in Calculation**	*Not Included in Calculation**	[23 x (2054/1713)] = 28	13.35%
Total	**229**	**100%**	**37**	**266**	**100%**	**195**	**100%**

High Schools

	Total Mineral Development Elem Students (12-31-96)	% 1996 Mineral Dev Students in Stillwater County	Additional Total SMC Students 1996-98	Total SMC Mineral Devel Students after AM2 Plan (1998)	% Tax Base Sharing (1998)	Projected SMC Mineral Devel Students*** this AM3 Plan	Projected % Tax Base after this Plan Amendment 3
Park City HS Past Mitigation*	*Not Included in Calculation**	*Not Included in Calculation**	*Not Included in Calculation**	*Not Included in Calculation**	*Not Included in Calculation**	NA - fixed %	7.00%
Columbus	22	25%	7	29	29%	[62 x (2054/1713)] = 74	59.84%
Absarokee	65	75%	7	72	71%	[23 x (2054/1713)] = 28	22.64%
Park City**	*Not Included in Calculation**	*Not Included in Calculation**	*Not Included in Calculation**	*Not Included in Calculation**	*Not Included in Calculation**	[11 x (2054/1713)] = 13	10.51%
Total	**87**	**100%**	**14**	**101**	**100%**	**115**	**100%**

*In order to mitigate 25+ years of other schools receiving PCSD's 10-15%, PCSD will receive an additional 7% from year 2023 through year 2047; applied to MMT and Property Tax Sharing

**Source of Park City Mineral Dev Students: Sibanye email to PCSD Nov 7, 2022

***Source 2021 report year survey (with PC included) then adj to reflect the additional 341 Min Dev Employees projected to be added from 2021 to 2024

Tax base sharing is based on the number of mineral development employees, and on the number of mineral development students, not on the inmigrating students
Other Assumptions: See Section 2.2 of the Impact Plan

TABLE 2-5. SMC TAXABLE VALUATION ($000's)

A. Total SMC T.V.

		SMC Expansion		
	1996-97 SMC Taxable Valuation	1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
MINE				
Property/Equipment	3,412	3,480	3,219	3,420
Gross Proceeds	1,494	1,530	2,086	3,189
Total	4,906	5,010	5,305	6,609
SMELTER/BMR	596	1,005	884	1,182
TOTAL SMC TAXABLE VALUE	5,502	6,015	6,189	7,791

B. County/Town

		SMC Expansion		
	1996-97 SMC Taxable Valuation	1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
Stillwater County				
SMC Total T.V.	5,502	6,015	6,189	7,791
Total County T.V. w/ SMC	25,470	28,802	28,897	30,578
SMC T.V. Road Fund	3,925	4,008	4,244	5,287
Town of Columbus				
SMC Total T.V. (TBS@20%+Smelter)	1,577	2,007	1,945	2,504
Total Town T.V. w/ SMC	3,766	4,222	4,246	4,719

THIS PAGE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

THIS TABLE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

C. Elementary Schools

	1996-97 SMC Taxable Valu Year 1	SMC Expansion-- 1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
Columbus Elementary				
SMC Total T.V. (TBS@41% + Smelter)	1,754	2,909	3,006	3,892
Total District T.V. w/ SMC	7,289	8,528	8,767	9,738
Absarokee Elementary				
SMC Total T.V. (TBS@53%)	3,348	2,705	2,758	3,503
Total District T.V. w/ SMC	7,073	6,293	6,716	7,140
Nye Elementary				
SMC Total T.V. (TBS@7%)	343	350	318	462
Total District T.V. w/ SMC	1,059	1,253	1,208	1,365
Fishtail Elementary				
SMC Total T.V. (TBS@1%)	49	50	106	66
Total District T.V. w/ SMC	2,443	2,613	2,579	2,629

D. High Schools

	1996-97 SMC Taxable Valu Year 1	SMC Expansion-- 1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
Columbus High School				
SMC Total T.V. (TBS@29%+Smelter)	1,705	2,257	2,575	3,099
Total District T.V. w/ SMC	7,354	7,991	8,352	9,064
Absarokee High School				
SMC Total T.V. (TBS@71%)	3,797	3,757	3,713	4,692
Total District T.V. w/ SMC	9,877	10,100	10,035	11,035

THIS TABLE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

2.4 DETERMINING IN-MIGRATING SECONDARY EMPLOYMENT

Sibanye-Stillwater Mining Company (SMC) recognizes that expanding the number of mineral employees at the Nye Project also generates increased employment in the secondary economic sectors and that some number of people will migrate into Stillwater County to take a portion of those jobs. Estimating the number of secondary jobs that might be filled by in-migrating employees is very difficult without an expensive, complex economic analysis. SMC uses the following method in trying to make an educated estimate of the in-migrating secondary employment generated by the mineral development.

2.4.1 Determining the Ratio of Secondary Jobs to Primary Jobs

The Montana Department of Labor and Industry (DLI) provides employment levels for each economic sector in Stillwater County. The DLI employment data covers only those jobs that are subject to the Montana Unemployment Insurance law. Many employees in agriculture and some in other sectors are not included in these DLI data. To overcome the fact that few agricultural employees are included in DLI employment data, the number of agricultural employees is estimated in this Plan Amendment by prorating the number of agricultural workers estimated by the Bureau of Economic Analysis (BEA) based on the ratio of total BEA jobs to DLI jobs.

Primary employment is considered to be those jobs in sectors that bring income from outside into the county, primarily through the sales of goods or services to out-of-county purchasers. Secondary (or derivative) sectors are those in which jobs are created as a result of subsequent spending of primary income within the county. Secondary industries primarily serve the local population.

Products or services provided by agriculture, mining, manufacturing, heavy construction, public utilities, federal and state government are considered primary sectors because the income to pay the employees is generated from out-of-county. Travel/tourism is considered a primary industry because it brings in income from out-of-county travelers. Jobs in retail and wholesale trade, services, building contractors, finance, insurance, real estate and local government are secondary jobs that serve the local population and are supported by the spending of primary sector income.

Out-of-county travelers, recreationists and tourists are served by employees in the retail and service sectors. In Table 2-6 a portion of retail and service jobs have been deducted from those two secondary sectors and placed in a primary sector - travel/tourism. No clear method exists to estimate the number of retail and service jobs that are generated by travel/tourism. Motels, hotels, guides and outfitters, and guest ranches serve almost exclusively out-of-county persons, and thus clearly are primary industries. Retail stores and eating and drinking establishments receive some portion of their income from out-of-county patrons. The 1998 AM2 Plan projected that, in Stillwater County, 120 jobs were in the travel/tourism industry, and 120 jobs were deducted from the retail and service sectors and placed in the primary category of travel/tourism.

A portion of local government revenues, especially for schools, were provided from state and federal government sources outside Stillwater County. Therefore a portion of local government employees were included as primary employees.

Table 2-6 on page 2-13 shows the estimated number of employees in each economic sector, and by primary and secondary industries, for 1996 and 1989. The ratio of secondary jobs to primary jobs in 1996 was estimated at .65; that is, each primary job was assumed to generate .65 secondary jobs.

2.4.2 Determining the Number of In-migrating Secondary Employees Generated by SMC

Table 2-1 of this AM3 Plan shows that 2,054 mineral development employees are projected after the mine expansion is complete in 2024. It is projected that 538 of the 2,054 mineral development employees will reside in Stillwater County after the expansion in 2024. Based on the estimated secondary/primary job ratio of .65, the 2,054 mineral development workers (primary employees) are projected to generate 1,335 secondary jobs in the region. The 538 mineral development employees that are projected to reside in Stillwater County are projected to generate 350 secondary jobs.

Most secondary jobs are minimum wage positions, and people rarely move into a county to take a job in retail or services. Rather, secondary jobs are usually filled by spouses or other local residents. However, some secondary jobs are skilled positions - such as law enforcement officers, teachers, or physicians - and persons may move in to a community to take jobs such as these.

The formula used in the 1988 Plan resulted in a projection that 90 inmigrating secondary employees would "follow" 230 inmigrating mineral development employees into the impact area. SMC believes that the 1988 Plan significantly overstates the level of inmigrating secondary employment. In the 1998 AM2 Plan, SMC estimated that 7.5% of the total secondary jobs will be filled by inmigrating employees or 34 employees. The following summarizes SMC's calculation:

1) 700 (min empl) x .65 (secondary/primary ratio) = 455 (total secondary employees)
2) 455 (total secondary empl) x 7.5% = 34 inmigrating secondary employees

To assess the reasonableness of the projected 34 inmigrating secondary employees, SMC looked at the number of secondary positions that might be filled by inmigrating employees. Of the four school systems affected by the SMC mineral operation, 24 teaching or administrative positions have been added since 1988. Over the past several years, Columbus and Absarokee schools have been filling teaching positions with out-of-county employees at a rate of approximately 35%. If that percentage is a fair representation of hiring patterns, 9 of the 24 additional education positions would be filled by outside persons. Two additional law enforcement positions in Columbus and

Stillwater County could be filled by inmigrating employees. A new physician's assistant in Absarokee is inmigrating. Apparently no other increase in physicians has occurred in the county. An additional county planner is inmigrating. At present, seven of the smelter/BMR employees are inmigrating. Probably as many as four persons have moved into Stillwater County to take additional jobs in finance, insurance, and real estate. These 21 positions probably are approximately one-half of the total inmigrating secondary employees. A total of 40 to 50 persons moving into Stillwater County to take secondary jobs since 1988 appears to be a reasonable estimate.

Primary sectors other than mining also have grown since 1998 in Stillwater County (manufacturing in particular has grown by 181 employees). These growth industries also have contributed to the increase in secondary employment and therefore to the level of inmigrating secondary employees. The estimate that approximately 34 inmigrating secondary employees are related to the SMC mineral development seems to be reasonable.

Table 2-6. STILLWATER COUNTY: PRIMARY AND SECONDARY EMPLOYMENT

PRIMARY EMPLOYMENT

	1996	1988	DIFFERENCE
Agriculture	330	370	-40
Mining	578	370	208
Manufacturing	364	183	181
Heavy Construction	16	14	2
T.C.P.U.*	15	23	-8
Federal Government	33	38	-5
State Government	21	16	5
Travel/Tourism	120	80	40
Local Government+	60	30	30
Total Primary:	**1,537**	**1,124**	**413**

SECONDARY EMPLOYMENT

	1996	1988	DIFFERENCE
Gen/Special Building	60	26	34
Wholesale Trade	25	35	-10
T.C.PU.*	14	22	-8
Retail Trade	343	195	148
Services	242	197	45
F.I.R.E.**	29	48	-19
Local Government	283	244	39
Total Secondary:	**996**	**767**	**229**
TOTAL JOBS:	**2,533**	**1,891**	**642**
Secondary/Primary:	0.65	0.68	

* T.C.P.U. means Transportation, Communications, Public Utilities

** F.I.R.E. means Finance, Insurance, Real Estate

+ Schools, cities and counties receive some funding from state and federal sources, so a portion of local government employees have been included as primary employment (estimated by Jim Richard).

Sources:
1) Except for Agriculture and Travel/tourism, numbers of employees are from the MT Dept of Labor and Industry;
2) Number of employees in Agriculture are prorated on ratio of Bureau of Economic Analysis employment to Dept. of Labor data.
3) The number of employees in Travel/tourism are estimates by Jim Richard and have been deducted from employees in the Retail trade and Services sectors.

3. CONDITIONS FOR IMPACT PLAN MODIFICATION

The approved Stillwater Mining Company (SMC) Impact Plan will be reviewed under the following conditions, and will be amended or adjusted in whole or in part, as appropriate, where the changed condition or circumstance creates a revenue disparity.

3.1 Conditions for Impact Plan Amendment

The approved Impact Plan may be amended under any of the following conditions:

A. The annual level of SMC's In-migrating Mineral Employment in any affected unit of local government differs more than 15% from the level projected in the approved Impact Plan;

B. The annual number belonging (ANB) of In-migrating Mineral Development Students enrolled in an affected elementary or high school differs more than 15% from the number projected in the approved Impact Plan;

C. The taxable valuation of the SMC mineral development differs more than 15% from that projected in the approved Impact Plan;

D. An affected unit of local government or SMC may petition the Hard Rock Mining Impact Board for an amendment to the approved Impact Plan if:

    1. In-migrating employment at the SMC mineral development is forecast to increase or decrease from those levels projected in the approved Impact Plan by at least 75 employees;

    2. This approved Impact Plan Ais materially inaccurate because of errors in assessment or changes in local government budgeting or funding;

    3. Stillwater County and SMC join in a petition to amend the approved Impact Plan.

E. An affected unit of local government will experience a revenue disparity in a service not identified in the approved Impact Plan.

F. In any given year, the actual in-migrating population or school enrollment creates a demonstrated revenue disparity for a potentially affected unit of local government. In this case, the local government will be included as an affected unit, and SMC and the local government will determine the level and type of assistance needed to pay the net costs.

3.2 Conditions for Plan Adjustment

Where an impact need or cost has been identified in the approved Impact Plan, SMC and the unit of local government may agree to adjust the Plan to reflect actual circumstances. The Board would be notified of any mutually agreed upon adjustments, and such adjustments would not constitute an "impact plan amendment" as contemplated by Section 90-6-311, MCA. The following are conditions under which the approved Impact Plan will be adjusted.

A. Where the magnitude of an impact need, cost, revenue, or net cost differs in actuality from that projected in the Plan, SMC and the affected unit of local government mutually agree to adjust the Plan to reflect the actual net costs or revenues.

B. Tax prepayments will be adjusted to reflect actual impact costs, revenues and net costs.

C. Tax crediting, where applicable, will be established on a year by year basis as a plan adjustment based on the appropriate tax crediting formula specified for the unit of local government.

D. Where a specific means of addressing an impact need has been identified in this approved Impact Plan, SMC and the unit of local government may adjust the approved Impact Plan by implementing an alternative means of mitigation that differs from that specified in the approved Impact Plan.

E. Should legislation or a court decision cause impact revenues or costs to deviate from those projected in the approved Impact Plan, SMC and the affected unit of local government may agree to a plan adjustment.

F. "Grant funding" provided by SMC to address capital costs may be handled either through direct grants from SMC or through capital facility impact bonds by plan adjustment.

4. STILLWATER COUNTY

This section, 4. Stillwater County, completely revises and replaces section 4.0 Stillwater County of the 1988 Plan.

4.1 Background and Projections

The 1988 Stillwater Mining Company Hard Rock Impact Plan (page 8) projected that 320 inmigrating mine-related employees (mineral plus secondary) and 830 inmigrating people would reside in Stillwater County as a result of the SMC mineral development at Nye. This Plan Amendment, triggered by a current expansion of the SMC mineral development, shows that after the mine expansion 376 inmigrating employees/contractors and 983 inmigrating persons will live in Stillwater County.

Within Stillwater County the present distribution of inmigrating employees differs from that projected in the 1988 Impact Plan. The 1988 Plan projected that 177 inmigrating employees would live in Absarokee, and 31 would live in Columbus. In contrast, in 1995, only 101 lived in Absarokee, while 68 lived in Columbus. The following summarizes the inmigrating employment and population and the impact taxable valuation for Stillwater County.

Residing in Stillwater County	Projected in 1988 Plan	12/31 1995	12/31 1997	Total after Expansion 1999-2000
lnmigrating Employees*	320	250	282	376
lnmigrating Population**	830	715	807	983
Total Population w/SMC	7,280	7,472	7,979	8,383
SMC Taxable Valuation(000's) + +	$5,100	$3,612	$6,015	$7,791

* Includes inmigrating mineral and secondary employees.
** The 50 contractors living near Nye without families are not included in calculating dependents.
++ Includes gross proceeds, property, equipment, and smelter/base metal refinery.

Stillwater County's 1997 estimated population 7,979, of which 2,033 lived in the Town of Columbus. The county budget comprises a number of different and independent fund accounts, each of which receives revenues and allows expenditures of monies for authorized purposes. Stillwater County levies a total of 75.43 mills to generate property tax revenues as part of the funding for its budget. In

addition to property tax revenues, the county receives non-tax revenues in the form of fines, forfeitures, licenses, state and federal government transfers, and service charges.

Because of the community amenities of Columbus and easy access to I-90, this Plan amendment projects that 29% of the mineral employees will live in the Town of Columbus. Inmigrating secondary employees are expected to reside in the larger communities of Columbus and Absarokee.

4.2 Impact Costs

4.2.1 Annual Operating Costs

In the 1988 Impact Plan, Table 4-2 (page 18) shows the projected impact needs and costs, based on the projected inmigrating population of 830. Table 4-2 of this Plan Amendment shows the total inmigrating employees and population, and impact costs and revenues created by the SMC mineral development. This Plan Amendment assumes that, except in the general fund and the road fund, the fund accounts supported in part by local tax revenues will incur increased costs on a per-capita basis. In the general ·fund and road fund, annual operating impact costs are based on expected increases in specific line items as shown in Table 4-2.

4.2.2 Capital Costs

4.2.2.1 Mine to Hertzler

SMC has submitted a Mine Waste Management Plan to the Montana Department of Environmental Quality and U.S. Forest Service to permit a new tailings impoundment at the Hertzler Ranch approximately seven miles north of the current mine site. Should (1) the regulatory agencies approve SMC's application for a mine waste management permit and (2) the affected agencies agree to the location of four buried pipelines within the right-of-way of Highways 419 and 420 between the mine and the Hertzler Ranch, and (3) SMC proceeds with the development of the Hertzler Ranch property, SMC would negotiate an agreement with Stillwater County under applicable state statutes relevant to pipelines in county road right-of-way to pay for reconstruction of that portion of the highway along the pipeline route.

4.2.2.2 Dean to Nye

Reconstruction of the Dean to Nye section of Highway 419 is estimated to cost approximately $4.5 million. A tri-agency comprising the Federal Highway Administration, U.S. Forest Service, and the Montana Department of Transportation, has indicated that only partial funding for the Dean-Nye section of Highway 419 will be provided, leaving the balance of the construction costs to be funded by local government. SMC and Stillwater County agree to enter into a funding agreement as provided below.

1. A binding agreement between Stillwater County and the Federal highway Administration or Montana Department of Transportation is reached whereby funding is committed for the reconstruction of the Dean to Nye section of FAS 419 (Nye Road).

2. SMC funding shall be in the form of a facility impact bond or grant paid to the Stillwater County Mine Impact Fund.

3. Any unexpended or unencumbered funds (including accrued interest) remaining from previous prepayments shall be credited against future payments and the amounts of payments reduced accordingly.

4. Should the tri-agency provide grant funding for Highway 419 as anticipated in paragraph 1 above, SMC would provide a maximum of 20% funding ($900,000).

4.3 Impact Revenues

Stillwater County receives increased property taxable valuation from the SMC gross proceeds, land and equipment at the mineral development. In addition, the county receives added taxable valuation from the SMC smelter and base metals refinery (BMR) located in Columbus, and increased housing and commercial construction generated by the mineral development. The County also receives non-tax revenues such as license fees, fines, and state government funds. In the 1988 Plan, Table 4-3 (page 19) shows the projected impact revenues expected from the SMC operation.

Table 4-2 of this Plan Amendment shows that the FY 1997-98 SMC taxable valuation was $6,015,000. As a result of the expansion the SMC total taxable valuation is projected to increase to $7.8 million by Year 4 of the expansion. Additional employee housing and expanded commercial development also will increase the county's taxable valuation. Because of state assessment procedures, the increased tax revenues are "lagged" one year. In addition to increased tax revenues, non-tax revenues are assumed to increase on a per-capita basis.

4.4 Net Impact Revenues and Costs

Table 4-2 shows that the total impact revenues exceed total impact costs in each fund account, throughout the life of the mine.

4.5 Methods of Assistance

4.5.1 Net Operating Cost

No net operating costs are projected by this Impact Plan Amendment for the duration of the proposed SMC expansion. Should Stillwater County experience net impact operating costs that exceed $1,000 in any year, SMC would provide the County with tax prepayments to cover the net impact costs. In years where impact revenues exceed impact costs, the County would provide tax credits to SMC to repay any tax prepayments under the terms and formulas in 4.5.2 Tax Crediting below.

4.5.2 Tax Crediting

By agreement between Stillwater County and Stillwater Mining Company, this Impact Plan Amendment is prepared pursuant to the Hard Rock Mining Impact Act as amended by the Legislature in 1985. The germane provision of the 1985 statutory change allows a unit of local government and a mineral developer to determine the terms of tax crediting, (by statute, the tax credit in any one year may not exceed the tax obligation of the mineral developer for that year).

Stillwater County agrees to provide tax crediting to SMC to repay the balance of outstanding tax prepayments accumulated since June 23, 1988. A list of tax credits due under this provision is provided in Appendix 4-B.

Under this Plan Amendment, Stillwater County will provide tax credits to SMC under the following terms:

1. A credit must be made from the fund that corresponds to the service for which the tax prepayment was made.

2. A tax credit may not have the effect of shifting the impact cost over time to non-developer taxpayers.

3. The amount of tax credits allowed in any one year shall not exceed the tax obligation of SMC in any fund.

4. Stillwater County will provide tax crediting throughout the productive life of the mine, or until tax prepayments due have been credited.

5. The following formula will be used to determine the amount of tax credits:

> Tax credit = Appropriated county money, by fund, that has not been expended or encumbered each fiscal year x proportion of SMC taxable valuation to total county taxable valuation by fund.

After a period of three years from the date this Plan Amendment is adopted, SMC and Stillwater County may meet to discuss whether this tax crediting formula is providing satisfactory tax credits and, if necessary, initiate a plan amendment or adjustment to revise the formula.

4.6. Other Means of Assistance

Should (1) the regulatory agencies approve SMC's application for a mine waste management permit and (2) the affected agencies agree to the location of four buried pipelines within the right-of-way of Highways 419 and 420 between the mine and the Hertzler Ranch, and (3) SMC proceeds with the development of the Hertzler Ranch property, SMC would negotiate an agreement with Stillwater County under applicable state statutes relevant to pipelines in county road right-of-way to pay for reconstruction of that portion of the highway along the pipeline route. Reconstruction specifications, preliminary construction plans, and estimated construction costs will be generated in support of this agreement, agreed upon by SMC and Stillwater County, and available prior to the start of construction. It is estimated by SMC that this reconstruction will cost $450,000 per mile.

Reconstruction of the Dean to Nye section of Highway 419 is estimated to cost approximately $4.5 million. The tri-agency has indicated that only partial funding for the Dean-Nye section of Highway 419 will be provided, leaving the balance of the construction costs to be funded by local government. SMC and Stillwater County agree to enter into a funding agreement as provided below.

1. A binding agreement between Stillwater County and the Federal highway Administration or Montana Department of Transportation is reached whereby funding is committed for the reconstruction of the Dean to Nye section of FAS 419 (Nye Road).

2. SMC funding shall be in the form of a facility impact bond or grant paid to the Stillwater County Mine Impact Fund.

3. Any unexpended or unencumbered funds (including accrued interest) remaining from previous prepayments shall be credited against future payments and the amounts of payments reduced accordingly.

4. Should the tri-agency provide grant funding for Highway 419 as provided in paragraph 1 above, SMC would provide a maximum of 20% funding ($900,000).

TABLE 4-2. STILLWATER COUNTY: TOTAL SMC IMPACT COSTS AND REVENUES WITH SMC EXPANSION

		Projections 1988 Plan Year 7-on	*Base 1995-96*	SMC Expansion 1996-97	1997-98	1998-99	1999-2000
Expansion Impact Population				133	268	268	268
Total SMC Impact Population		830	*715*	848	983	983	983
Total County population w/ SMC		7,280	*7472*	7,653	7,979	8,178	8,383
Total Impact Employees/Households		320	*250*	329	376	376	376
SMC Total T.V. ($000's)		$5,100	*$3,612*	$5,502	$6,015	$6,189	$7,791
Residential/Commercial T.V.($000's)		$324		$999	$1,141	$1,141	$1,141
			1996-97 Rate/Cap	1996-97	1997-98	1998-99	1999-2000
GENERAL FUND							
Co Commissioners:	½ FTE			14,461	14,461	14,461	14,461
Clerk & Recorder:	1 FTE			29,790	29,790	29,790	29,790
Sanitarian:	3/4 FTE			23,854	23,854	23,854	23,854
Treasurer:	½ FTE			12,700	12,700	12,700	12,700
County Attorney:	½ FTE			43,588	43,588	43,588	43,588
Justice Court:	½ FTE			10,673	10,673	10,673	10,673
Planning:	½ FTE			15,782	15,782	15,782	15,782
Other Gen F Depts:	Oper			12,440	22,440	22,440	22,440
TOTAL COSTS		$88,884		$163,288	$173,288	$173,288	$173,288
REVENUES		167,912					
Non-Levy			$55	46,640	54,065	54,065	54,065
Taxes (18.5 mills)				120,265	132,395	135,614	165,251
NET REVENUES (COSTS)		79,028		3,617	13,172	16,391	46,028
ROAD FUND							
COSTS							
FAS 419	M&O .5x $71,000			35,500	35,500	35,500	35,500
FAS 420	M&O .25x$35,000			8,750	8,750	8,750	8,750
W.Rosebud Rd	M&O .10x$15,000			1,500	1,500	1,500	1,500
Fiddler Cr Rd	M&O .10x$11,000			1,100	1,100	1,100	1,100
Equipment:							
Motorgrader	.40x$150,000				15,000	15,000	15,000
Snowplow truck	.40x$100,000				10,000	10,000	10,000
Maint. vehicle	.40x$ 20,000				2,000	2,000	2,000
Personnel	1 FTE			31,200	31,200	31,200	31,200
TOTAL COSTS		765,000		78,050	105,050	105,050	105,050
REVENUES		89,814					
Non-Levy			$25	21,200	24,575	24,575	24,575
Taxes (20.0 mills)(TBS80%)				92,679	96,369	101,089	121,953
NET REVENUES (COSTS)		(675,186)		35,829	15,894	20,614	41,478

	Projections 1988 Plan Year 7-on	FY 1997 Rate/Cap	SMC Expansion 1996-97	1997-98	1998-99	1999-2000
POOR FUND						
COSTS	16,771	$22	18,656	21,626	21,626	21,626
REVENUES	27,740					
Non-Levy		$2	1,696	1,966	1,966	1,966
Taxes (3.7 mills)			24,053	26,479	27,123	33,050
NET REVENUES (COSTS)	10,969		7,093	6,819	7,463	13,390
BRIDGE FUND						
COSTS		$45	38,160	44,235	44,235	44,235
REVENUES						
Non-Levy		$3	2,544	2,949	2,949	2,949
Taxes (8 mills)			52,006	57,252	58,644	71,460
NET REVENUES (COSTS)			16,390	15,966	17,358	30,174
FIRE CONTROL FUND						
COSTS		$3	2,544	2,949	2,949	2,949
REVENUES						
Non-Levy		$0	0	0	0	0
Taxes (.6 mills)			2,780	3,041	3,033	3,659
NET REVENUES (COSTS)			236	92	84	710
DISTRICT COURT						
COSTS	7,678	$23	19,504	22,609	22,609	22,609
REVENUES	22,973					
Non-Levy		$6	5,088	5,898	5,898	5,898
Taxes (3.81 mills)			24,768	27,266	27,929	34,033
NET REVENUES (COSTS)	15,295		10,352	10,555	11,218	17,322
NOXIOUS WEED						
COSTS		$15	12,720	14,745	14,745	14,745
REVENUES						
Non-Levy		$6	5,088	5,898	5,898	5,898
Taxes (1.6 mills)			10,401	11,450	11,729	14,292
NET REVENUES (COSTS)			2,769	2,603	2,882	5,445
LIBRARY						
COSTS	5,329	$12	10,176	11,796	11,796	11,796
REVENUES	11,126					
Non-Levy		$1	848	983	983	983
Taxes (2.5 mills)			16,252	17,891	18,326	22,331
NET REVENUES (COSTS)	5,798		6,924	7,078	7,513	11,518
INSURANCE						
COSTS		$11	9,328	10,813	10,813	10,813
REVENUES						
Non-Levy		$1	848	983	983	983
Taxes (2.24 mills)			14,562	16,031	16,420	20,009
NET REVENUES (COSTS)			6,082	6,201	6,590	10,179

	Projections 1988 Plan Year 7-on	FY 1997 Rate/Cap	SMC Expansion 1996-97	1997-98	1998-99	1999-2000
EXTENSION						
COSTS		$10	8,480	9,830	9,830	9,830
REVENUES						
Non-Levy		$1	848	983	983	983
Tases (2.13 mills)			13,847	15,243	15,614	19,026
NET REVENUES (COSTS)			6,215	6,396	6,767	10,179
MENTAL HEALTH						
COSTS	3,528	$2	1,696	1,966	1,966	1,966
REVENUES	6,827					
Non-Levy		$0	0	0	0	0
Taxes (.34 mills)			2,210	2,433	2,492	3,037
NET REVENUES (COSTS)	3,300		514	467	526	1,071
PUBLIC SAFETY						
COSTS		$78	66,144	76,674	76,674	76,674
REVENUES						
Non-Levy		$21	17,808	20,643	20,643	20,643
Taxes (12.0 mills)			78,010	85,878	87,966	107,190
NET REVENUES (COSTS)			29,674	29,847	31,935	51,159
TOTAL NET REVENUES (COSTS)	$182,141		$125,695	$115,091	$129,341	$238,652

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APPENDIX 4-A

DETERMINING TOTAL POPULATION LEVELS AND PER CAPITA OPERATING COSTS FOR STILLWATER COUNTY

DETERMINING TOTAL POPULATION LEVELS

Year	Population	Explanation
1994-95	7,232	DOC Estimate
1995-96	7,472	DOC Estimate
1996-97	7,653	DOC Estimate
1997-98	7,979	7653 x 102.5% +135 (SMC persons inmigrating in 1997-98)
1998-99	8,178	7979 x 102.5%
1999-2000	8,383	8178 x 102.5%

An annual increase of 2.5% is assumed for these projections.

DETERMINING PER CAPITA OPERATING COSTS

The Department of Commerce estimated 1996-97 Stillwater County population of 7,653 was used. The "Total Requirements" (Appropriation plus Cash Reserves) shown on the Tax Levy Requirements Schedule from the 1996-97 budget was used to determine per capita costs. The "Non-Tax Revenue" column was used to determine per capita non-tax revenues.

APPENDIX 4-B

SUMMARY OF TAX CREDITS CURRENTLY DUE (July, 1998)

General Fund

Tax Prepayments Received	$243,704
Tax Credits Provided to Date	$ 0
Credits Expired by July, 1998	$218,189
Tax Credits Currently Due	**$ 25,515**

Road Fund

Tax Prepayments Received	$1,596,630
Tax Credits Provided to Date	$ 0
Credits Expired by July, 1998	$ 136,126
Tax Credits Currently Due	**$1,460,504**

* Note: $109,330.64 remains in Mine Impact Fund (Road) as of March 24, 1998.

Library Fund

Tax Prepayments Received	$ 4,556
Tax Credits Provided to Date	$ 2,875
Credits Expired by July, 1998	$ 145
Tax Credits Currently Due	**$ 1,536**

5. TOWN OF COLUMBUS

This section, 5. Town of Columbus, completely revises and replaces section 5.0 Town of Columbus of the 1988 Plan.

5 .1 Background and Projections

The Stillwater Mining Company's approved 1988 Hard Mining Impact Plan (pages 20-23) projected that 31 inmigrating mine-related employees and 80 inmigrating persons would reside in Columbus as a result of the SMC mineral development at Nye. The number of inmigrating employees currently (FY 1997-98) residing in Columbus is 76, with a total inmigrating population of 213. The difference in these levels results from two factors, the total SMC employment has increased, and the percentage of employees living in Columbus has increased. A higher percentage of mine employees are living in Columbus than originally expected largely because of the amenities in the community and the access to Interstate 90. The following summarizes the change in demographics and the taxable valuation of the Town of Columbus from the 1988 Impact Plan through the SMC mine expansion.

Residing in Columbus	Projected in 1988 Plan	12/31 1995	12/31 1997	Total after Expansion 1999-2000
Total Mineral Employees	46	99	127	141
Inmigrating Employees*	31	68	80	100
Inmigrating Population	80	194	229	286
Total Population w/SMC	1,720	1,831	2,033	2,180
SMC Taxable Valuation(000's)**	$ 531	$ 722	$2,007	$2,504

* Includes inmigrating mineral and secondary employees
** Includes Columbus' share of mineral development gross proceeds, property and equipment, plus the smelter/base metals refinery in Columbus.

The 1997-98 population of the Town of Columbus is estimated to be 2,033. Currently the town is growing at approximately 3.5% per year. This Impact Plan Amendment projects that as a result of the proposed SMC expansion, a total of 100 inmigrating employees and 286 inmigrating persons will reside in the Town of Columbus. The total population of Columbus is projected to be 2,180 in 1999-2000 as a result of natural growth and the SMC inmigrating population.

The town operates most of its services from its general fund, supported with tax revenues and non-tax revenues such as fines, fees, forfeitures, service charges, and state and federal government transfers. Columbus operates its water, sewer and solid waste services as "enterprise funds" - supported entirely by user fees.

As part of the 1988 Impact Plan, SMC and the Town of Columbus entered into an agreement under which SMC provided a grant of $46,000 and a tax prepayment of $127,000 to the town for sewage system improvements. Also under that agreement, SMC provided a grant of $6,000 to Columbus for water system improvements. The agreement stipulates that this funding by SMC will provide sufficient water and sewer capacity to serve a total town population of 1,800. Under the agreement, if the total population of Columbus exceeds 1,800 and the SMC inmigrating population is more than 15% greater than the number projected in the 1988 Plan, SMC and the Town of Columbus will modify the Impact Plan to provide that SMC will pay a proportionate share of the actual costs of upgrading the water and sewer systems. With the proposed expansion of the SMC mineral development, Columbus's total projected population of 2,180 will be above the 1,800 population threshold of the 1988 agreement relating to the water and sewer facilities.

5.2 Impact Costs

Table 5-2 shows, for Columbus, current total inmigrating employees, population, costs and revenues created by the SMC mineral development, and the projected total inmigrating employees and population, and impact costs and revenues after the expansion.

5.2.1 Impact Operating Costs

The impact operating costs resulting from the proposed 1998 expansion are expected to affect the general fund, and as shown in Table 5-2, are projected to increase on a per-capita basis. No other fund accounts in Columbus are expected to be impacted by the SMC mine expansion. Because the water, sewer and solid waste systems are enterprise funds supported by user charges, SMC assumes that the new households associated with the mineral development will pay their way through those user charges.

5.2.2 Impact Capital Costs

5.2.2.1 Sewage Treatment Improvements

SMC will provide funding to meet capital costs of sewer treatment improvements under the following terms:

A SMC will convert the 1988 $127,000 tax prepayment to a grant;

B. SMC will provide the Town of Columbus a grant of $196,000 to pay SMC’s proportionate share of the cost of improvements to the Town wastewater treatment facility. The grant amount shall be 10.1% of the total cost of the wastewater treatment improvements, estimated to be $1.93 million. SMC's grant share is based on the 206 SMC inmigrating population that

was not accommodated under the 1988 Plan and agreement. The 206 SMC population is 10.1% of the Town's estimated 1997-98 total population of 2,033.

C. The Town and SMC agree that the approximate $196,000 grant provided under Paragraph B above is SMC's proportionate share of the 1998-99 sewer expansion project, which will provide sufficient capacity to serve a total Town population of 2,500. The Town and SMC further agree that the total funding provided by SMC under Paragraphs A and B above meets SMC's obligation for sewer treatment facility capacity for an SMC inmigrating mineral development population up to 286. Should the Town's total population reach or exceed 2,500 and a future upgrade of the sewer treatment facility is necessary, and the SMC inmigrating mineral development population has exceeded 286, the Town and SMC will negotiate SMC's portion of the costs of the future treatment facility upgrade based on the SMC inmigrating mineral development population that exceeds 286.

5.2.2.2 Resurfacing 1st Avenue South.

SMC will provide a tax prepayment to the Town of Columbus to complete the resurfacing and paving of 1st Avenue South. The amount of the tax prepayment will be based on the actual cost to complete the project.

5.3 Impact Revenues

The Hard Rock Mining Tax Base Sharing Act authorizes a portion of the mineral development taxable valuation to be allocated to affected municipalities. The allocation is based on the portion of total mineral employees living in the municipality, not to exceed 20% of the mineral taxable value. The allocation formula may be modified if needed to"... ensure a reasonable correspondence of increased costs...." between increased costs and allocation of mineral taxable valuation. As a result of the SMC mine expansion, approximately 29% of the total mineral employees residing in Stillwater County are projected to live within the Town of Columbus. However, in this case, no modification is necessary to achieve a "reasonable correspondence" between increased costs and revenues, so under this Plan Amendment, 20% of the SMC mineral taxable valuation would be allocated to the Town of Columbus.

Since 1988, the Town of Columbus has received an allocation of the SMC taxable valuation. The 1988 Plan projected that Columbus would receive 10% of the mineral taxable valuation. That percentage has increased since 1988; currently the Town receives 20% of the SMC taxable valuation.

Table 5-2 shows the current SMC total impact costs and revenues and the total costs and revenues after the expansion. Additional employee housing and expanded commercial development also will increase

the Town's taxable valuation. Because of state assessment procedures, actual receipt of increased tax revenues "lags" approximately one year, and thus the revenue projections in this Plan Amendment reflect a one-year lag. In addition to increased tax revenues, non-tax revenues are assumed to increase on a per-capita basis.

5.4 Net Impact Revenues and Costs

Table 5-2 shows that total SMC impact revenues exceed total impact costs throughout the life of mine.

5.5 Method of Assistance

5.5.1 Net Operating Cost

No net operating costs are projected by this Impact Plan Amendment for the duration of the proposed SMC expansion. Should the Town of Columbus experience net impact operating costs that exceed $1,000 in any year, SMC would provide the Town with tax prepayments to cover the net impact costs. In years where impact revenues exceed impact costs, the Town would provide tax credits to SMC to repay any tax prepayments under the terms and formulas in 5.5.2 Tax Crediting below.

5.5.2 Tax Crediting

By agreement between the Town of Columbus and Stillwater Mining Company, this Impact Plan Amendment is prepared pursuant to the Hard Rock Mining Impact Act as amended by the Legislature in 1985. The germane provision of the 1985 statutory change allows a unit of local government and a mineral developer to determine the terms of tax crediting, (by statute, the tax credit in any one year may not exceed the tax obligation of the mineral developer for that year).

Under this Impact Plan Amendment, the Town of Columbus will provide tax credits from its general fund to SMC subject to the following terms and contingencies:

1. In each year following adoption of this Plan Amendment, the Town of Columbus will provide a tax credit to SMC equaling 1/10 the total amount of tax credits due under this Plan Amendment, provided (1) that SMC's taxable valuation in the Town of Columbus (that share of mineral development taxable value provided to Columbus under tax base sharing plus the taxable value of the SMC smelter/base metals refinery and any related facilities) is $1.8 million dollars or greater.

2. Total tax credits due will be equal to the total amount of SMC tax prepayments made to the Town general fund since June 23, 1988, plus any tax prepayments required under this Plan Amendment

and subsequent plan adjustments. Appendix 5-B lists the tax credits currently due and those projected under this Plan Amendment.

3. Should SMC's taxable valuation in Columbus drop below $1.8 million in any year before the tax crediting obligation has been fulfilled, the SMC and the Town will negotiate to determine what, if any tax crediting will occur in that year.

4. The Town need not provide a tax credit if the credit will have the effect of shifting the impact cost over time to non-developer taxpayers.

5. In any given year, the tax credits may not exceed SMC's tax obligation for that year.

6. The Town of Columbus will provide tax crediting until the end of the productive life of the mine, or until all present and future tax prepayments have been credited.

7. In the event there are statutory modifications to the tax base sharing formula, changes in municipal classifications that increase service requirements or costs or alter mill levy limits, legislative actions affecting local property taxation, mill levy limits, revenue sources and budgeting, unanticipated emergency expenditures that deplete the Town's budget, or substantial unanticipated expenditures for maintenance and repair of First Avenue South in any year before the tax crediting obligation has been fulfilled, the Town and SMC will negotiate to see what, if any, tax crediting will occur in that year.

TABLE 5-1. TOWN OF COLUMBUS: TOTAL SMC OPERATING IMPACT COSTS AND REVENUES AFTER SMC EXPANSION

	1988 Pla Year 7-o	Base 1995-96	1996-97	1997-98	1998-99	1999-2000
			SMC Expansion			
SMC IMPACT:						
SMC Expansion Impact Population			15	92	92	92
Total Impact Population	80	194	209	286	286	286
Total Town Population with SMC	1720	1831	1897	2033	2100	2180
Total Impact Employees/Households	31	68	73	100	100	100
TOTAL SMC IMPACT GENERAL FUND COSTS		Rate/capita (FY 1997)	1996-97	1997-98	1998-99	1999-2000
Admin/Legis/Facil/Zoning	$2,858	$62	12,958	17,732	17,732	17,732
City Court	285	$9	1,881	2,574	2,574	2,574
Legal Services	658	$27	5,643	7,722	7,722	7,722
Police/animal control	4,250	$93	19,437	26,598	26,598	26,598
Fire Protection	690	$15	3,135	4,290	4,290	4,290
Streets/Airport	13,792	$83	17,347	23,738	23,738	23,738
Parks/Pool	1,164	$54	11,286	15,444	15,444	15,444
Cash Reserves(33%)		$117	24,453	33,462	33,462	33,462
Total Impact Costs:	23,697	$460	$96,140	$131,560	$131,560	$131,560
TOTAL SMC IMPACT GENERAL FUND REVENUES						
Tax Revenues:						
SMC Impact T.V. Available for TBS	5,100		4906	5,010	5,305	6,609
TaxBaseSharing (20%)[10% 1988 Pla	510		981	1,002	1,061	1,322
Smelter			596	1005	884	1,182
Residential/Commercial	21		169	232	232	232
Total Taxable Valuation	531		1,746	2,239	2,177	2,736
Tax Revenues (@81.36 mills: 1997)			142,076	182132	177,121	222,585
(@79 mills: 1988)	$51,732					
Non-tax Revenues (@ $108/cap: 1997)			22,572	30,888	30,888	30,888
(@$57.1/cap:1988)	$4,571					
Total Impact Revenues:	$56,303		$164,648	$213,020	$208,009	$253,473
NET REVENUES (COSTS)	$32,607		$68,6508	$81,460	$76,449	$121,913

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5.6.3 Capital Costs

5.6.3.1 Sewage Treatment Facility

SMC will provide funding to meet capital costs of sewer treatment improvements under the following terms:

A SMC will convert the 1988 $127,000 tax prepayment to a grant;

B. SMC will provide the Town of Columbus a grant of $196,000 prior to construction of sewage treatment improvements;

C. The Town and SMC agree that the approximate $196,000 grant provided under Paragraph B above is SMC's proportionate share of the 1998-99 sewer expansion project, which will provide sufficient capacity to serve a total Town population of 2,500. The Town and SMC further agree that the total funding provided by SMC under Paragraphs A and B above meets SMC's obligation for sewer treatment facility capacity for an SMC inmigrating mineral development population up to 286. Should the Town's total population reach or exceed 2,500 and a future upgrade of the sewer treatment facility is necessary, and the SMC inmigrating mineral development population has exceeded 286, the Town and SMC will negotiate SMC's portion of the costs of the future treatment facility upgrade based on the SMC inmigrating mineral development population that exceeds 286.

5.6.3.2 Resurfacing 1st Avenue South.

SMC will provide a tax prepayment to the Town of Columbus to complete the resurfacing and paving of 1st Avenue South. The amount of the tax prepayment will be based on the actual cost to complete the project.

APPENDIX 5-A

METHODS FOR ESTIMATING PER CAPITA OPERATING COSTS AND REVENUES AND ESTIMATING TOTAL TOWN OF COLUMBUS POPULATION

ESTIMATING TOTAL POPULATION OF TOWN OF COLUMBUS

The general method for estimating the total population of the Town of Columbus was to use the Department of Commerce (DOC) estimated populations for the years 1994 through 1996. The 1997-98 population was estimated in proportion to the increased number of residential water connections through 1997, plus the number of SMC mine-related persons (77) expected to move into Columbus during 1997-98. The populations levels for 1998-99 and 1999-2000 were projected by increasing the previous year's population by 3.5%, the approximate annual increase since 1994. The following table illustrates how the estimates were determined.

Year	Water Connections	Total Town Population	Explanation
1994-95	620	1,766	DOC Estimate
1995-96	642	1,831	DOC Estimate
1996-97	647	1,897	DOC Estimate
1997-98	662	2,033	per hookups (1,941) +92
1998-99		2,100	(2033 x 103.5%)
1999-00		2,180	(2100 x 103.5%)

ESTIMATING PER CAPITA OPERATING COSTS FOR TOWN OF COLUMBUS

The FY 1996-97 Budget for the Town of Columbus and the 1996-97 estimated population of 1,897 were used to determine per capita operating costs:

ADMIN/LEGIS/ FACIL/ZONING		$118,359	$62/capita
General Government	*$5,252*		
Administrative Services	*2,804*		
Administration	*57,380*		
Facilities Administration	*26,026*		
Land Use Inspection	*8,892*		
Transfers: #822, #823	*2,000; 16,000*		
CITY COURT		$17,564	$9 /capita
LEGAL SERVICES		$51,750	$27/capita
POLICE/ANIMAL CONTROL		$176,794	$93/capita
Law Enforcement	*$153,680*		
Animal Control Services	*9,614*		
Transfers: #824, # 825	*12,000; 2,500*		
FIRE PROTECTION		$28,925	$15/capita
Fire Protection	*$21,425*		
Transfer: #826	*5,000*		
STREETS/AIRPORT		$157,444	$83/capita
Road and Street Services	*$152,588*		
Airport	*3,268*		
Transfer: #821	*1,588*		
PARKS/POOL		$102,441	$54/capita
Parks/cemetery	*$53,999*		
Swimming Pool	*31,678*		
Transfers: #827, # 828	*12,690; 4,074*		
CASH RESERVES (33%)		$222,900	$117/capita

APPENDIX 5-B

SUMMARY OF TOWN OF COLUMBUS TAX CREDITS CURRENTLY DUE (July, 1998)

General Fund

Tax Prepayment C (A)-1 (July, 1988)	$ 2,300 (actual)
Tax Prepayment (under February 5, 1990 agreement) (July, 1988)	$ 55,219* (actual)
Tax Prepayment (under February 5, 1990 agreement) (June, 1990)	$ 9,169* (actual)
Tax Prepayment (actual cost of upgrading l51 Avenue South) (1998)	$250,000 (estimated)
Tax Credits Currently Due	**$316,688**
Tax Credits Provided to Date	$ 0
Credits Expired by July, 1998	$ 5,400

*Under a February 5, 1990 agreement between the Town of Columbus and Stillwater Mining Company, SMC agreed to make tax prepayments for any costs in excess of $135,000 for surveying, engineering and construction of water and sewer facilities to the SMC smelter. SMC made two tax payments ($55,219 and $9,169) totaling $64,388 to cover those costs. SMC and the Town agreed to adjust the 1988 Amendment to the Hard Rock Mining Impact Plan. Appendix B of this Plan Amendment contains (1) the February 5, 1990, agreement, (2) a letter from the Town of Columbus to Carol Ferguson informing the Hard Rock Mining Impact Board of the plan adjustment, and (3) the two resolutions adopted by the Town amending its budget to receive and expend the SMC tax prepayments.

6. ABSAROKEE ELEMENTARY SCHOOL

This section, 6. Absarokee Elementary School, completely revises and replaces section 6.0 Absarokee Elementary School of the 1988 Plan.

6.1 Background and Projections

The Stillwater Mining Company's 1988 Impact Plan projected that 270 students would attend Absarokee Elementary School and that the number of SMC inmigrating students enrolled would reach 110. Under the 1988 Plan, SMC met net operating impact costs created by inmigrating mine-related students with tax prepayments to the Absarokee Elementary School. Also under the 1988 Plan, SMC used an educational facility bond to provide grant funding of $800,000 to Absarokee Elementary School District for increasing the capacity of the school facilities.

Table 2-3 of this Plan Amendment (page 2-5) shows the number of SMC inmigrating students projected to attend Absarokee Elementary projected in the 1988 Plan, enrolled in 1995, expected to inmigrate with the SMC expansion, and projected after the expansion. Table 6-1 shows Absarokee Elementary School's 1997-98 K-8 enrollment was 254 and, according to SMC employment report, includes 83 students with at least one parent employed by SMC who moved into the district. In addition to the inmigrating mineral development students, an estimated three secondary students associated with the SMC mineral development migrated into the district. The total SMC inmigrating enrollment in 1997-98 was 86. When the present SMC expansion is completed by Year 4 the total number of inmigrating students is projected to be 94.

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SEE TABLE 2-4 TAX BASE SHARING

6.2 Needs and Costs

6.2.1 Operating Costs

Montana's school budgeting and financing laws set a maximum general fund budget that a school district may adopt, and a minimum, or BASE, budget (by law 80% of the maximum budget). The levels of the maximum and BASE budget limits for each school district are tied primarily to the district's prior year's annual number belonging (ANB). State law allows only a 4% increase each year over the previous year's budget. Table 6-1 shows the total number of SMC inmigrating students after the expansion, the total school enrollment with the SMC inmigrating students, and the total impact school costs and revenues with SMC students. To illustrate the effect of SMC on Absarokee Elementary School, Table 6-2 shows the estimated general fund enrollment and budget without SMC students or SMC taxable valuation.

6.3 Impact Revenues

Under Montana school finance laws, the SMC inmigrating students would generate additional monies as state aid in Direct State Aid and special education funds as shown in Table 6-1.

Under the Montana Tax Base Sharing Act, Absarokee Elementary School is authorized to receive a share of the SMC mineral development taxable valuation, based on the percentage of mineral development elementary students attending Absarokee Elementary. The SMC taxable valuation is available to be allocated according to the tax base sharing percentages shown in Table 2-4. Under this Plan Amendment, 53% of the total SMC elementary mineral development students projected to attend school in Stillwater County are projected to attend Absarokee Elementary School. Therefore, the available portion of SMC taxable valuation to be allocated to the Absarokee Elementary District under the Tax Base Sharing Act would be 53%. SMC properties and gross proceeds will add $3.5 million in taxable valuation in Year 4-on.

Because Absarokee Elementary School District has a lower taxable value per ANB than the state average, the district receives state guaranteed tax base (GTB) funding The GTB funding is designed to stabilize district mill levies by augmenting district tax revenues in districts with low taxable values that would otherwise have to levy excessively high mill levies. As a district's taxable valuation increases in proportion to its ANB, the GTB subsidy is reduced.

6.4 Effect of SMC

The shaded line in Table 6-1 shows the estimated total general fund mills (from Table 6-2) that would be levied by the district without the presence of SMC students or SMC taxable valuation. Table 6-1 shows that the presence of SMC in Absarokee Elementary School has the positive effect of reducing the general fund mill levy. To further measure the effect of SMC on the finances of Absarokee Elementary School, Table 6-1 shows that SMC generates net impact revenues in each year.

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SEE TABLE 2-4 TAX BASE SHARING

6.5 Impact of SMC on Transportation Fund

In the Transportation Fund, state and county monies fund the "on-schedule" portion of the budget. The "on-schedule" portion is the budget amount provided by state law based on the capacities of the school buses and the number of bus miles driven annually. School districts often find that they must budget more money than the on-schedule amount provided by law. The districts must fund the "over - schedule" amount through a property tax mill levy. Table 6-3 shows that the Absarokee Elementary School over-schedule budget was $44,197 in 1997-98. SMC's estimated portion of the over- schedule budget was $13,574, based on a per student ratio. At the 4.47 mills levied in the transportation fund, SMC paid 14,966 in property taxes, providing net revenues of $1,392.

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SEE TABLE 2-4 TAX BASE SHARING

TABLE 6-1. ABSAROKEE ELEMENTARY SCHOOL General Fund Budget
With Stillwater Mining Company

	Actual		Projected	
	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
SMC Impact Mineral Students	77	83	85	87
Impact Secondary Students	5	3	7	7
SMC Total Impact Students	82	86	92	94
Total Grades K-6	189	172	176	178
Total Grades 7-8	78	82	72	72
TOTAL ELEMENTARY	267	254	248	250
ADOPTED BUDGET	1,000,000	1,000,000	1,025,197	1,025,197
BASE BUDGET	896,117	877,091	850,879	842,249
AMOUNT BUDGETED OVER-BASE	103,883	122,909	174,318	182,948
Direct State Aid Payment	423,762	415,933	404,119	399,632
District Spec Ed Payment	31,743	29,528	27,709	27,933
GTB Subsidy	92,497	49,556	75,677	40,701
TOTAL STATE AID	548,003	495,017	507,504	468,265
GTB SUBSIDY PER MILL	2,231	953	1,762	911
SMC Taxable Valuation	3,348,000	2,705,000	2,758,000	3,503,000
TOTAL DISTRICT TAXABLE VALUATION	7,073,473	6,293,000	6,716,000	7,140,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	41.46	51.99	42.96	44.69
Over-BASE Levy Mills	14.69	19.53	25.96	25.62
Total General Fund Mill Levy	56.15	71.52	68.92	70.31
Total General Fund Mill Levy without SMC (from Table 6-2)	*67.40*	*74.97*	*70.35*	*74.27*
Positive (Negative) Effect of SMC on Mill Levy	11.25	3.45	1.44	3.96
SMC Impact Costs*	273,235	304,468	359,325	359,325
SMC Impact State Aid**	127,172	112,257	174,953	151,234
SMC Impact Tax Revenues***	187,990	193,465	190,069	246,307
SMC Net Impact Revenues (Costs)	41,927	1,254	5,697	38,215

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 6-1 and Table 6-2.
** "SMC Impact State Aid" is the difference between Total State Aid shown in Tables 6-1 and 6-2.
*** "SMC Impact Tax Revenues" is the SMC taxable valuation x theTotal General Fund Mill Levy.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment. 8-3-98

TABLE 6-2. ABSAROKEE ELEMENTARY SCHOOL General Fund Budget
Without Stillwater Mining Company (Estimated)

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
Total Grades K-6	128	115	119	119
Total Grades 7-8	57	53	37	37
TOTAL ELEMENTARY	185	168	156	156
ADOPTED BUDGET	726,765	671,532	665,872	665,872
BASE BUDGET	637,513	589,063	540,279	540,279
AMOUNT BUDGETED OVER-BASE	89,252	82,469	125,593	125,593
Direct State Aid Payment	301,922	279,569	256,728	256,728
District Spec Ed Payment	21,995	19,530	17,430	17,430
GTB Subsidy	96,915	83,660	58,393	42,873
TOTAL STATE AID	420,831	382,759	332,552	317,031
GTB SUBSIDY PER MILL	1,889	1,982	1,512	1,008
TOTAL DISTRICT TAXABLE VALUATION	3,725,000	3,588,000	3,958,000	3,958,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	43.44	51.99	38.62	42.54
Over-BASE Levy Mills	23.96	22.98	31.73	31.73
Total General Fund Mill Levy	67.40	74.97	70.35	74.27

This Table 6-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation.

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SEE TABLE 2-4 TAX BASE SHARING

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

8-3-98

TABLE 6-3. ABSAROKEE ELEMENTARY SCHOOL TRANSPORTATION FUND

TRANSPORTATION FUND 1997-98

Adopted Budget	$79,117
Over Schedule	$44,197
SMC Portion of Over-Schedule	$13,574
District mill levy	4.47
SMC Tax Revenues	$14,966
SMC Net Revenues (Costs)	$1,392

7. ABSAROKEE HIGH SCHOOL

This section, 7. Absarokee High School, completely revises and replaces section 7.0 Absarokee High School of the 1988 Plan. THIS PAGE NO LONGER REFLECTS THE APPROVED PERCENTAGES AFTER AM3 SEE TABLE 2-4 TAX BASE SHARING

7.1. Background and Impact Projections

The Stillwater Mining Company's 1988 Impact Plan projected that Absarokee High School's enrollment would be 198 students, and that 68 of those would be SMC mine-related students. Under the 1988 Plan, SMC met net operating costs created by inmigrating mine-related students by providing tax prepayments to the district. Also, SMC used an educational facility bond to provide $800,000 in grant funding toward the construction of a new high school.

Absarokee High School had a 1997-98 enrollment of 144 students. According to SMC's employment monitoring report, 28 of the students had at least one parent employed by SMC that migrated into the district. Also, an estimated two immigrating secondary students associated with the SMC mineral development were included in the school's enrollment, bringing the SMC total inmigrating enrollment to 30 students. When the SMC expansion is complete in year 4, the total number of inmigrating students is projected to be 35.

7.2 Impact Needs and Costs

Montana's school budgeting and financing laws set a maximum general fund budget that a school district may adopt, and a minimum, or BASE, budget (By law 80% of the maximum budget). The levels of the maximum and BASE budget limits for each school district are tied primarily to the district's prior year's annual number belonging (ANB). State law allows only a 4% increase each year over the previous year's budget. Table 7-1 shows the number of SMC associated with the expansion, the total number of SMC inmigrating students after the expansion, the total school enrollment with the SMC inmigrating students, and the total school costs and revenues with SMC students. To illustrate the effect of SMC on Absarokee High School, Table 7-2 shows the estimated general fund enrollment and budget without SMC students or SMC taxable valuation.

7.3 Impact Revenues

Under Montana school finance laws, the SMC inmigrating students would generate additional revenues as state aid in Direct State Aid and special education funding, as shown in Table 7-1.

Under the Montana Tax Base Sharing Act, Absarokee High School is authorized to receive a share of the SMC mineral development taxable valuation, based on the percentage of mineral development High students attending Absarokee High. The SMC taxable valuation is allocated according to the tax base sharing percentages shown in Table 2-4. Under this Plan Amendment, 71% of the total SMC

High mineral development students attending school in Stillwater County are projected to attend Absarokee High School. Therefore, the available portion of SMC taxable valuation to be allocated to the Absarokee High District under the Tax Base Sharing Act is 71%. SMC properties and gross proceeds will add $4.7 million in taxable valuation in Year 4.

Because Absarokee High School District has a lower taxable value per ANB than the state average, the district receives state guaranteed tax base (GTB) funding The GTB funding is designed to stabilize district mill levies by augmenting district tax revenues in districts with low taxable values that would otherwise have to levy excessively high mill levies. As a district's taxable valuation increases in proportion to its ANB, the GTB subsidy is reduced.

7.4 Effect of SMC

The shaded line in Table 7-1 shows the estimated total general fund mills (from Table 7 -2) that would be levied by the district without the presence of SMC inmigrating students or SMC taxable valuation. Table 7-1 shows that the presence of SMC in Absarokee High School has the positive effect of reducing the general fund mill levy in each year. To further measure the effect of SMC on the finances of Absarokee High School, Table 7-1 shows that SMC generates net impact revenues in each year of the expansion.

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SEE TABLE 2-4 TAX BASE SHARING

TABLE 7-1. ABSAROKEE HIGH SCHOOL General Fund Budget
With Stillwater Mining Company

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SEE TABLE 2-4 TAX BASE SHARING

	Actual		SMC Expansion Projected	
	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
SMC Impact Mineral Students	37	28	33	33
Impact Secondary Students	2	2	2	2
SMC Total Impact Students	39	30	35	35
TOTAL HIGH SCHOOL STUDENTS	151	144	136	136
ADOPTED BUDGET	721,025	725,966	745,066	745,066
BASE BUDGET	740,510	725,966	699,015	699,015
AMOUNT BUDGETED OVER-BASE	0	0	46,051	46,051
Direct State Aid Payment	356,807	350,389	337,815	337,815
District Spec Ed Payment	17,554	16,740	15,195	15,195
GTB Subsidy	55,066	32,475	18,629	8,558
TOTAL STATE AID	429,427	399,604	371,639	361,569
GTB SUBSIDY PER MILL	2,119	1,145	650	317
SMC Taxable Valuation	3,797,000	3,757,000	3,713,000	4,692,000
TOTAL DISTRICT TAXABLE VALUATION	9,876,000	10,100,000	10,035,000	11,035,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	25.78	28.55	28.65	26.96
Over-BASE Levy Mills	0.00	0.00	4.59	4.17
Total General Fund Mill Levy	25.78	28.55	33.24	31.13
Total General Fund Mill Levy without SMC (from Table 7-2)	*31.28*	*28.55*	*33.29*	*32.76*
Positive (Negative) Effect of SMC on Mill Levy	5.50	0.00	0.05	1.63
SMC Impact Costs*	126,954	116,860	141,986	141,986
SMC Impact State Aid**	62,532	12,450	18,898	24,024
SMC Impact Tax Revenues***	97,887	107,262	123,417	146,077
SMC Net Impact Revenues (Costs)	33,465	2,852	328	28,115

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 7-1 and Table 7-2.
** "SMC Impact State Aid" is the difference between Total State Aid n Tables 7-1 and 7-2.
*** "SMC Impact Tax Revenues" is the SMC taxable valuation x theTotal General Fund Mill Levy.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment. 8-3-98

TABLE 7-2. ABSAROKEE HIGH SCHOOL General Fund Budget
Without Stillwater Mining Company (Estimated)

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THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

ANB

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
TOTAL HIGH SCHOOL STUDENTS	112	114	101	101
ADOPTED BUDGET	594,071	609,106	603,080	603,080
BASE BUDGET	594,071	609,106	561,005	561,005
AMOUNT BUDGETED OVER-BASE	0	0	42,075	42,075
Direct State Aid Payment	287,061	294,400	271,819	271,819
District Spec Ed Payment	13,020	13,253	11,285	11,285
GTB Subsidy	66,814	79,502	69,637	54,441
TOTAL STATE AID	366,895	387,154	352,741	337,545
GTB SUBSIDY PER MILL	6,469	2,770	2,615	2,043
TOTAL DISTRICT TAXABLE VALUATION	6,079,000	6,343,000	6,322,000	6,888,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	31.28	28.55	26.63	26.65
Over-BASE Levy Mills	0.00	0.00	6.66	6.11
Total General Fund Mill Levy	31.28	28.55	33.29	32.76

This Table 7-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

8-3-98

8. COLUMBUS ELEMENTARY SCHOOL

This section, 8. Columbus Elementary School, completely revises and replaces section 8.0 Columbus Elementary School of the 1988 Plan.

8.1 Background and Projections

The Stillwater Mining Company's 1988 Impact Plan projected that 372 students would attend Columbus Elementary School and that the number of SMC impact students enrolled would reach 22 beginning in the second year of the Plan. Under the 1988 Plan, SMC met net operating impact costs created by inmigrating mine-related students with tax prepayments to the Columbus Elementary School. Also, under a December 3, 1987, agreement, SMC paid for the construction of four additional classrooms. Under that agreement SMC has met its obligation for capital facilities until SMC's total number of **K-12** inmigrating mineral development students exceeds 90.

Table 2-3 of this Plan Amendment (page 2-5) shows the number of SMC impact students expected to inmigrate with the SMC expansion and projected to attend after the expansion. Table 8-1 shows Columbus Elementary School's K-8 annual number belonging (ANB) for FY 1997-98 (Year 2) was 434 and, according to SMC's employment report, included 58 students with at least one parent employed by SMC. In addition to the inmigrating mineral development students, 12 secondary students associated with the SMC mineral operation are estimated have attended Columbus Elementary in 1997-98, a total of 70 SMC impact students. By Year 4, when the present expansion is expected to be complete, a total of 77 mine-related (mineral and secondary) students are projected to attend the school.

In addition to the reconciliation of mineral development students and inmigrating mineral students required under subsection 1.3 Monitoring, SMC and Columbus Elementary School will meet each year after February 1st to reconcile the number of inmigrating students with a parent or guardian employed at the SMC smelter and other facilities located in Columbus. The number of inmigrating SMC students determined through this reconciliation process will be included as inmigrating secondary students enrolled in Columbus Elementary School for purposes of calculating impact costs and revenues.

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SEE TABLE 2-4 TAX BASE SHARING

8.2 Impact Needs and Costs

8.2.1 Operating Costs

Montana's school budgeting and financing laws set a maximum general fund budget that a school district may adopt, and a minimum, or BASE, budget (by law 80% of the maximum budget). The levels of the maximum and BASE budget limits for each school district are tied primarily to the district's prior year's annual number belonging (ANB). State law allows only a 4% increase each year over the previous year's budget. Table 8-1 shows the total number of SMC impact students after the expansion, the total school enrollment with the SMC impact students, and the total school costs and revenues with SMC students. To illustrate the effect of SMC on Columbus Elementary School, Table 8-2 shows the estimated general fund enrollment and budget without SMC impact students or SMC taxable valuation.

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8.2.2 School/Home Counseling

Experience has shown that students moving to a new school often need assistance to handle class work, integrate into the school and student body, and participate in school functions and activities. SMC and Columbus Public Schools agree to try a joint program of assistance to SMC-related students. Under this program a School/Home Counselor will be hired to work primarily with SMC parents and their students to deal with student problems regarding studies, attendance, involvement in extra-curricular activities, and deportment. In addition, one FTE tutor would assist with after-school educational and remedial instruction. The tutor would afford students in elementary, middle, and high school an opportunity to obtain specific help with course work. A further part of this program would be the sponsorship of a $2,500 scholarship to an SMC high school student. SMC and Columbus Schools would work together to develop the criteria for selection.

The costs of this program would be met as follows by SMC and Columbus Schools:

SMC		Columbus Public Schools
School/Home Counselor	$20,000	Telephone
Health Benefits	2,600	Car (at least initially)
1 FTE Tutor	10,000	Office and classroom space
1 Scholarship	2,500	
	$35,100	

SMC agrees to ensure the above funding for three years. Columbus Schools commits to work to find a means of funding this program that utilizes the property tax revenues generated for

Columbus Schools by SMC. At the end of the first year, SMC and Columbus Schools will meet to evaluate the program and, if necessary, to make adjustments to improve the effectiveness of the program. At the end of the three-year period, SMC and Columbus Schools will meet to reassess the need for continuing the program, and if there is a need, determine means to fund the program without direct payments from SMC.

8.2.3 Capital Costs

After the SMC expansion, the total inmigrating **K-12** mineral development students is projected to be 75. Under the 1987 agreement, between SMC and Columbus Schools, SMC's expansion is not projected to trigger a need for the company to provide additional capital facilities.

8.3 Impact Revenues

Under Montana school finance laws, the SMC impact students would generate additional monies as state aid in Direct State Aid and special education funding as shown in Table 8-1.

Under the Montana Tax Base Sharing Act, Columbus Elementary School is authorized to receive a share of the SMC mineral development taxable valuation, based on the percentage of mineral development elementary students attending Columbus Elementary. The SMC taxable valuation is allocated according to the tax base sharing percentages shown in Table 2-4. Under this Impact Plan amendment, 41% of the total SMC elementary mineral development students attending school in Stillwater County are projected to attend Columbus Elementary School. Therefore, the available portion of SMC taxable valuation to be allocated to the Columbus Elementary District under the Tax Base Sharing Act is 41%. Columbus Elementary School also receives taxable valuation from the SMC smelter and base metals refinery (BMR) located in Columbus. SMC properties and gross proceeds will add approximately $3.9 million in taxable valuation in Year 4.

Because Columbus Elementary School District has a lower taxable value per ANB than the state average, the district receives state guaranteed tax base (GTB) funding. The GTB funding is designed to stabilize district mill levies by augmenting district tax revenues in districts with low taxable values that would otherwise have to levy excessively high mill levies. As a district's taxable valuation increases in proportion to its ANB, the GTB subsidy is reduced.

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SEE TABLE 2-4 TAX BASE SHARING

TABLE 8-1. COLUMBUS ELEMENTARY SCHOOL General Fund Budget
With Stillwater Mining Company

THIS PAGE NO LONGER REFLECTS THE APPROVED PERCENTAGES AFTER AM3 SEE TABLE 2-4 TAX BASE SHARING

	Actual		Projected	
	1996-97	1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
ANB				
SMC Impact Mineral Students	48	58	63	65
Impact Secondary Students	7	12	12	12
SMC Total Impact Students	55	70	75	77
Total Grades K-6	320	324	342	336
Total Grades 7-8	99	110	111	119
TOTAL ELEMENTARY	419	434	453	455
ADOPTED BUDGET	1,381,411	1,436,667	1,474,050	1,482,721
BASE BUDGET	1,347,502	1,420,957	1,458,012	1,466,588
AMOUNT BUDGETED OVER-BASE	33,909	15,710	16,038	16,132
Direct State Aid Payment	631,482	665,488	682,324	686,434
District Spec Ed Payment	55,360	59,507	61,715	61,948
GTB Subsidy	250,020	227,892	207,320	196,993
TOTAL STATE AID	936,861	952,887	951,359	945,374
GTB SUBSIDY PER MILL	5,212	4,731	4,138	4,227
SMC Taxable Valuation	1,754,000	2,909,000	3,006,000	3,892,000
TOTAL DISTRICT TAXABLE VALUATION	7,289,053	8,528,386	8,767,000	9,738,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	47.97	47.09	50.10	46.60
Over-BASE Levy Mills	4.65	1.84	1.83	1.66
Total General Fund Mill Levy	52.62	48.93	51.93	48.26
Total General Fund Mill Levy without SMC (from Table 8-2)	*52.71*	*49.41*	*52.32*	*50.72*
Positive (Negative) Effect of SMC on Mill Levy	0.09	0.48	0.39	2.46
SMC Impact Costs*	166,082	239,525	231,523	240,193
SMC Impact State Aid**	74,272	107,593	77,663	66,798
SMC Impact Tax Revenues***	92,295	142,343	156,102	187,828
SMC Net Impact Revenues (Costs)	485	10,411	2,242	14,433

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 8-1 and Table 8-2.
** "SMC Impact State Aid" is the difference between Total State Aid shown in Tables 8-1 and 8-2.
*** "SMC Impact Tax Revenues" is the SMC taxable valuation x the Total General Fund Mill Levy.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment. 8-7-98

TABLE 8-2. COLUMBUS ELEMENTARY SCHOOL General Fund
Without Stillwater Mining Company (Estimated)

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
Total Grades K-6	278	274	280	280
Total Grades 7-8	86	90	98	98
TOTAL ELEMENTARY	364	364	378	378
ADOPTED BUDGET	1,215,329	1,197,142	1,242,528	1,242,528
BASE BUDGET	1,180,809	1,184,117	1,229,008	1,229,008
AMOUNT BUDGETED OVER-BASE	34,520	13,025	13,519	13,519
Direct State Aid Payment	551,648	553,302	574,501	574,501
District Spec Ed Payment	51,369	51,369	52,997	52,997
GTB Subsidy	259572.13	240,622	246,198	251,078
TOTAL STATE AID	862,589	845,294	873,696	878,576
GTB SUBSIDY PER MILL	5,586	4,981	4,927	5,186
TOTAL DISTRICT TAXABLE VALUATION	5,535,000	5,619,000	5,761,000	5,846,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	46.47	47.09	49.97	48.41
Over-BASE Levy Mills	6.24	2.32	2.35	2.31
Total General Fund Mill Levy	52.71	49.41	52.32	50.72

This Table 8-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

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SEE TABLE 2-4 TAX BASE SHARING

TABLE 8-3. COLUMBUS ELEMENTARY SCHOOL SMC IMPACT ON CERTAIN FUNDS

TRANSPORTATION FUND 1997-98

Adopted Budget	$83,878
Over Schedule	$11,683
SMC Portion of Over-Schedule	$1,884
District mill levy	1.37
SMC Tax Revenues	$3,985
SMC Net Revenues (Costs)	$2,101

DEBT SERVICE FUND 1997-98

Adopted Budget	$108,362
SMC Portion	$17,478
District mill levy	10.56
SMC Tax Revenues	$30,777
SMC Net Revenues (Costs)	$13,299

BUILDING RESERVE FUND 1997-98

Adopted Budget	$50,000
SMC Portion	$8,065
District mill levy	5.86
SMC Tax Revenues	$17,046
SMC Net Revenues (Costs)	$8, 981

8.4 Effect of SMC Inmigrating Students

The shaded line in Table 8-1 shows the estimated total general fund mills (from Table 8-2) that would be levied by the district without the presence of SMC impact students or SMC taxable valuation. Table 8-1 shows that the presence of SMC in the Columbus Elementary School District has the positive effect of reducing the general fund mill levy. To further measure the effect of SMC on the finances of Columbus Elementary School, Table 8-1 shows that SMC generates net impact revenues in each year of the expansion.

8.5 SMC Impacts on Other School Funds

Table 8-3 shows the impact of SMC on Columbus Elementary School's Transportation, Debt Service and Building Reserve Funds for the fiscal year 1997-98.

In the Transportation Fund, state and county monies fund the "on-schedule" portion of the budget. The "on-schedule" portion is budget amount provided by state law based on the capacities of the school buses and the number of bus miles driven annually. School districts often find that they must budget more money than the on-schedule amount provided by law. The districts must fund the "over-schedule" amount through a property tax mill levy. Table 8-3 shows that the Columbus Elementary School over-schedule budget was $11,683 in 1997-98. SMC’s estimated portion of the over-schedule budget was $1,884, based on a per student ratio. At the 1.37 mills levied in the transportation fund, SMC paid $3,985 in property taxes, providing net revenues of $2,101.

In the Debt Service Fund and-the Building Reserve Fund, the SMC impact costs were estimated on a per student portion of the entire adopted budget in each fund. Table 8-3 shows that in both funds the property tax revenues paid by SMC through the respective mill levies exceeded the estimated impact costs.

8.6 Methods of Assistance

Unless a means can be found for paying for the School/Home Counseling program from SMC's "natural" tax revenues, SMC will provide a payment of $17,500 to Columbus Elementary District's hard rock mining impact account (a payment of $17,600 will be made to Columbus High School District). The payment will not be counted as non-levy funds toward the District's general fund budgeting.

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SEE TABLE 2-4 TAX BASE SHARING

9. COLUMBUS HIGH SCHOOL

This section, 9. Columbus High School, completely revises and replaces section 9.0 Columbus High School of the 1988 Plan.

9.1. Background and Impact Projections

The Stillwater Mining Company's 1988 Impact Plan projected that 192 students would attend Columbus High School, and that the number of SMC impact students would reach 12. Under the 1988 Plan, SMC met net operating impact costs created by inmigrating mine-related students with tax prepayments to the Columbus Elementary School. Also, under a December 3, 1987, agreement, SMC paid for the construction of four additional classrooms. Under that agreement SMC has met its obligation for capital facilities until SMC's total K-12 number of inmigrating mineral development students exceeds 90.

Table 9-1 shows Columbus High School had a 1997-98 annual number belonging (ANB) of 192 students. According to SMC's employment monitoring report, 12 of the students with at least one parent employed by SMC moved into the district. In addition to those inmigrating mineral development students, an estimated two secondary students associated with SMC migrated into the district. The total number of impact students attending Columbus High School was 14.

The expansion of the SMC mineral development at Nye is projected to bring the total number of SMC impact students to 23 when the present expansion is complete in Year 4.

In addition to the reconciliation of mineral development students and inmigrating mineral students required under subsection 1.3 Monitoring, SMC and Columbus High School will meet each year after February 1st to reconcile the number of inmigrating students with a parent or guardian employed at the SMC smelter and other facilities located in Columbus. The number of inmigrating SMC students determined through this reconciliation process will be included as inmigrating secondary students enrolled in Columbus High School for purposes of calculating impact costs and revenues.

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SEE TABLE 2-4 TAX BASE SHARING

9.2 Impact Needs and Costs

9.2.1 Operating Costs

Montana's school budgeting and financing laws set a maximum general fund budget that a schoo1 district may adopt, and a minimum, or BASE, budget (By law 80% of the maximum budget). The levels of the maximum and BASE budget limits for each school district are tied primarily to

the district's prior year's annual number belonging (ANB). State law allows only a 4% increase each year over the previous year's budget. Table 9-1 shows the total number of SMC impact students after the expansion, the total school enrollment with the SMC impact students, and the total school costs and revenues with SMC students. To illustrate the effect of SMC on Columbus High School, Table 9-2 shows the estimated general fund enrollment and budget without SMC impact students or SMC taxable valuation.

9.2.2 School/Home Counseling

Experience has shown that students moving to a new school often need assistance to handle class work, integrate into the school and student body, and participate in school functions and activities. SMC and Columbus Public Schools agree to try a joint program of assistance to SMC-related students. Under this program a School/Home Counselor will be hired to work primarily with SMC parents and their students to deal with student problems regarding studies, attendance, involvement in extra-curricular activities, and deportment. In addition, one FTE tutor would assist with after-school educational and remedial instruction. The tutor would afford students in elementary, middle, and high school an opportunity to obtain specific help with course work. A further part of this program would be the sponsorship of a $2,500 scholarship to an SMC high school student. SMC and Columbus Schools would work together to develop the criteria for selection.

The costs of this program would be met as follows by SMC and Columbus Schools:

SMC		Columbus Public Schools
School/Home Counselor	$20,000	Telephone
Health Benefits	2,600	Car (at least initially)
1 FTE Tutor	10,000	Office and classroom space
1 Scholarship	2,500	
	$35,100	

SMC agrees to ensure the above funding for three years. Columbus Schools commits to work to find a means of funding this program that utilizes the property tax revenues generated for Columbus Schools by SMC. At the end of the first year, SMC and Columbus Schools will meet to evaluate the program and, if necessary, to make adjustments to improve the effectiveness of the program. At the end of the three-year period, SMC and Columbus Schools will meet to reassess the need for continuing the program, and if there is a need, determine means to fund the program without direct payments from SMC.

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SEE TABLE 2-4 TAX BASE SHARING

9.2.3 Capital Costs

After the SMC expansion, the total inmigrating K-12 mineral development students is projected to be 75. Under the 1987 agreement between SMC and Columbus Schools, SMC's expansion will not trigger a need for the company to provide any additional capital facilities.

9.3 Impact Revenues

Under Montana school finance laws, the SMC impact students would generate additional monies as state aid in Direct State Aid and special education funding, shown in Table 9-1.

Under the Montana Tax Base Sharing Act, Columbus High School is authorized to receive a share· of the SMC mineral development taxable valuation, based on the percentage of mineral development students attending Columbus High. The SMC taxable valuation is allocated according to the tax base sharing percentages shown in Table 2-4. Under this Impact Plan amendment, 29% of the total SMC mineral development high school students attending school in Stillwater County are projected to attend Columbus High School. Therefore, the available portion of SMC taxable valuation to be allocated to the Columbus High District under the Tax Base Sharing Act is 29%. Columbus High School also receives taxable valuation from the SMC smelter and base metals refinery (BMR) located in Columbus. SMC properties and gross proceeds will add approximately $3 million in taxable valuation in Year 4.

Because Columbus High School District has a lower taxable value per ANB than the state average, the district receives state guaranteed tax base (GTB) funding. The GTB funding is designed to stabilize district mill levies by augmenting district tax revenues in districts with low taxable values that would otherwise have to levy excessively high mill levies. As a district's taxable valuation increases in proportion to its ANB, the GTB subsidy is reduced.

9.4 Effect of SMC Inmigrating Students

The shaded line in Table 9-1 shows the estimated total general fund mills (from Table 9-2) that would be levied by the district without the presence of SMC impact students or SMC taxable valuation. Table 9-1 shows that the presence of SMC in Columbus High School has the positive effect of reducing the general fund mill levy. To further measure the effect of SMC on the finances of Columbus High School, Table 9-1 shows that SMC generates net impact revenues in each year of the expansion and thereafter.

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SEE TABLE 2-4 TAX BASE SHARING

TABLE 9-1. COLUMBUS HIGH SCHOOL General Fund Budget
With Stillwater Mining Company

	SMC Expansion			
	Actual		Projected	
	1996-97	1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
ANB				
SMC Impact Mineral Students	16	12	15	19
Impact Secondary Students	2	2	3	4
SMC Total Impact Students	18	14	18	23
TOTAL HIGH SCHOOL	192	192	201	205
ADOPTED BUDGET	946,481	974,875	1,011,052	1,027,353
BASE BUDGET	914,234	927,336	962,907	978,431
AMOUNT BUDGETED OVER-BASE	32,247	47,539	48,145	48,922
Direct State Aid Payment	432,157	439,597	456,272	463,678
District Spec Ed Payment	33,525	32,720	33,766	34,231
GTB Subsidy	191,224	179,443	175,077	172,441
TOTAL STATE AID	656,905	651,760	665,116	670,350
GTB SUBSIDY PER MILL	6,469	6,214	5,723	5,881
SMC Taxable Valuation	1,705,000	2,257,000	2,575,000	3,099,000
TOTAL DISTRICT TAXABLE VALUATION	7,354,000	7,991,305	8,352,000	9,064,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	29.56	28.51	30.59	29.32
Over-BASE Levy Mills	4.38	5.95	5.76	5.40
Total General Fund Mill Levy	33.94	34.46	36.35	34.72
Total General Fund Mill Levy without SMC (from Table 9-2)	*35.12*	*36.13*	*38.32*	*36.90*
Positive (Negative) Effect of SMC on Mill Levy	1.18	1.67	1.97	2.18
SMC Impact Costs*	64,826	57,683	73,436	93,821
SMC Impact State Aid**	13,514	(4,485)	(8,881)	(732)
SMC Impact Tax Revenues***	57,868	77,776	93,601	107,597
SMC Net Impact Revenues (Costs)	6,556	15,608	11,284	13,045

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 9-1 and Table 9-2.

** "SMC Impact State Aid" is the difference between Total State Aid shown in Tables 9-1 and 9-2.

*** "SMC Impact Tax Revenues" is the SMC taxable valuation times the total general fund mill levy.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

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SEE TABLE 2-4 TAX BASE SHARING

TABLE 9-2. COLUMBUS HIGH SCHOOL

Without Stillwater Mining Company (Estimated)

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
TOTAL HIGH SCHOOL	174	178	183	182
ADOPTED BUDGET	881,655	917,192	937,615	933,532
BASE BUDGET	851,840	873,517	892,967	889,078
AMOUNT BUDGETED OVER-BASE	29,814	43,676	44,648	44,454
Direct State Aid Payment	402,598	413,625	422,905	421,050
District Spec Ed Payment	31,385	31,093	31,674	31,558
GTB Subsidy	209,408	211,528	219,417	218,474
TOTAL STATE AID	643,391	656,246	673,996	671,082
GTB SUBSIDY PER MILL	7,018	6,929	7,173	7,418
TOTAL DISTRICT TAXABLE VALUATION	5,649,000	5,734,000	5,777,000	5,965,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	29.84	28.51	30.59	29.45
Over-BASE Levy Mills	5.28	7.62	7.73	7.45
Total General Fund Mill Levy	35.12	36.13	38.32	36.90

This Table 9-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation.

Shaded data reflect changes that occur when the actual 1998-99 SMC taxable valuation and total district taxable valuations are used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

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TABLE 9-3. COLUMBUS HIGH SCHOOL
SMC IMPACT ON CERTAIN FUNDS

TRANSPORTATION FUND 1997-98

Adopted Budget	$56,501
Over Schedule	$24,772
SMC Portion of Over-Schedule	$1,806
District mill levy	3.10
SMC Tax Revenues	$6,997
SMC Net Revenues (Costs)	*$5,191*

DEBT SERVICE FUND 1997-98

Adopted Budget	$50,813
SMC Portion	$3,705
District Mill Levy	5.13
SMC Tax Revenues	$11,578
SMC Net Revenues (Costs)	*$7,873*

HARD ROCK MINING IMPACT FUND 1998-99

Revenues	
Stillwater Mining Company	$37,100
Expenditures	
School/Home Counselor	$20,000
Health Benefits	2,600
1 FTE Tutor	10,000
1 Scholarship	2,500
	$35,100

9.5 SMC Impacts on Other School Funds

Table 9-3 shows the impact of SMC on Columbus High School's Transportation and Debt Service Funds for the fiscal year 1997-98.

In the Transportation Fund, state and county monies fund the "on-schedule" portion of the budget. The "on-schedule" portion is budget amount provided by state law based on the capacities of the school buses and the number of bus miles driven annually. School districts often find that they must budget more money than the on-schedule amount provided by law. The districts must fund the "over-schedule" amount through a property tax mill levy. Table 9-3 shows that the Columbus High School over-schedule budget was $24,772 in 1997-98. SMC's estimated portion of the over-schedule budget was $1,806, based on a per student ratio. At the 3.10 mills levied in the transportation fund, SMC paid $6,997 in property taxes, providing net revenues of $5,191.

In the Debt Service Fund, the SMC impact costs were estimated on a per student portion of the entire adopted budget. Table 9-3 shows that the property tax revenues paid by SMC through the 5.13 mill levies exceeded the estimated impact costs.

9.6 Methods of Assistance

Unless a means can be found for paying for the School/Home Counseling program from SMC's "natural" tax revenues, SMC will provide a payment of $17,600 to Columbus High District's hard rock mining impact account (a payment of $17,500 will be made to Columbus Elementary District). The payment will not be counted as non-levy funds toward the District's general fund budgeting.

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SEE TABLE 2-4 TAX BASE SHARING

10. FISHTAIL ELEMENTARY SCHOOL

This section, 10 Fishtail Elementary School, completely revises and replaces section 10.0 Fishtail Elementary School of the 1988 Plan.

10.1 Background and Projections

Fishtail Elementary School serves grades K-6. The enrollment was projected in the Stillwater Mining Company's 1988 Impact Plan to reach 51, with 33 of those SMC inmigrating students. The school's actual Annual Number Belonging (ANB) in 1996-97 was 26; 5 of those were inmigrating mine-related students.

The expansion of the SMC mineral development is projected to generate 5 SMC inmigrating students in the Fishtail School in Years 3 and 4. Table 2-3 of this Plan Amendment shows the number of SMC inmigrating students enrolled in 1995 and projected to attend schools in Stillwater County after the expansion.

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SEE TABLE 2-4 TAX BASE SHARING

10.2 Impact Needs and Costs

Table 10-1 shows the general fund budgets with SMC impact costs and revenues for each year of the mine expansion through Year 4. Table 10-2 shows the general fund budget for Years 1 through 4 without SMC inmigrating students and without SMC taxable valuation. Table 10-1 shows that the 5 SMC inmigrating students projected to attend Fishtail Elementary School after the SMC expansion would create impact costs in the school's general fund by $17,864.

10.3 Impact Revenues

Under the Montana Tax Base Sharing Act, Fishtail Elementary School will receive increased taxable valuation from the expanded SMC mineral development. Fishtail Elementary School will receive 2% of the SMC taxable valuation. In Year 4 and thereafter, SMC would add $66,000 to the District's taxable valuation. At the projected mill levies, SMC would contribute $1,150 in District property tax revenues in Year 4-on. In addition, the projected 5 SMC inmigrating students would increase the state aid to the District by $7,330.

10.4 Effect of SMC Students

Table 10-1 shows that the 5 SMC inmigrating students attending Fishtail Elementary School in 1997-98 will generate net impact costs of $9,777, and that the 5 inmigrating students projected to attend Fishtail in Years 4 and thereafter would create net impact costs of $9,383. Also, Table 10-1 shows that with the 5 SMC students in 1997-98, the general fund mill levy is 15.12 mills, compared to an estimated 11.31 mills without SMC inmigrating students or tax base (i.e.,

a difference of 3.81 mills). In Year 4-on, with the projected 5 inmigrating students, Fishtail's general fund mill levy would be 17.43 mills compared to 13.77 without SMC inmigrating students or taxable value - a difference of 3.66 mills.

10.5 Methods of Assistance

10.5.1 Tax Prepayments to Meet Net Impact Costs

In any year that the number of SMC inmigrating students exceeds 3, and Fishtail Elementary District believes that it may experience a fiscal disparity, the District may contact SMC to meet to determine the amount of the school's net impact operating costs, if any, and SMC will provide the District with a tax prepayment equal to that year's net impact costs. The tax prepayment s will be placed in a Fishtail Elementary School hard rock mining impact account, and will not be counted as non-levy funds toward the District's general fund budgeting.

10.5.2 Tax Crediting

Fishtail Elementary School agrees to provide SMC with a tax credit in any year that the SMC impact revenues exceed the SMC impact costs. Under this Plan Amendment, Fishtail Elementary School will provide tax credits to SMC under the following terms:

1. A tax credit may not have the effect of shifting the impact cost over time to non-developer taxpayers.

2. The amount of tax credits allowed in any one year shall not exceed the tax obligation of SMC in any fund.

3. Fishtail Elementary School will provide tax crediting throughout the productive life of the mine, or until all tax prepayments due have been credited.

4. The following formula will be used to determine the amount of tax credits:

> Tax credit = Non-Levy Revenues that have not been expended or encumbered at the end of each fiscal year x proportion of SMC taxable valuation to total district taxable valuation, by fund.

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SEE TABLE 2-4 TAX BASE SHARING

TABLE 10-1. FISHTAIL ELEMENTARY SCHOOL General Fund Budget
With Stillwater Mining Company

	----------- ---------------- SMC Expansion----------			
	---------- Actual -----------		------- Projected -----	
	1996-97	1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
ANB				
SMC Total Impact	4	5	4	5
TOTAL ELEMENTARY	26	16	18	19
ADOPTED BUDGET	100,607	75,164	82,797	86,395
BASE BUDGET	87,966	60,433	66,574	69,472
AMOUNT BUDGETED OVER-BASE	12,641	14,731	16,222	16,923
Direct State Aid Payment	41,617	28,797	31,740	33,102
District Spec Ed Payment	3,091	1,860	2,011	2,123
GTB Subsidy	0	0	0	0
TOTAL STATE AID	44,708	30,657	33,751	35,225
GTB SUBSIDY PER MILL	0	0	0	0
SMC Taxable Valuation	49,000	50,000	106,000	106,000
TOTAL DISTRICT TAXABLE VALUATION	2,443,250	2,613,000	2,579,000	2,629,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	15.00	9.48	10.79	11.12
Over-BASE Levy Mills	5.17	5.64	6.29	6.44
Total General Fund Levy Mills	20.17	15.12	17.08	17.56
Total General Fund Mill Levy without SMC (from Table 10-2)	*22.83*	*11.31*	*14.27*	*13.99*
Positive (Negative) Effect of SMC on Mill Levy	2.66	-3.81	-2.81	-3.57
SMC Impact Costs*	4,723	17,864	14,778	18,376
SMC Impact State Aid**	5,521	7,330	6,026	7,500
SMC Impact Tax Revenues***	988	756	1,810	1,861
SMC Net Impact Revenues (Costs)	1,786	(9,777)	(6,942)	(9,014)

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 10-1 and Table 10-2.
** "SMC Impact State Aid" is the difference between Total State Aid shown in Tables 10-1 and 10-2.
*** "SMC Impact Tax Revenues" is the SMC taxable valuation x the Total General Fund Mill Levy.

Shaded data reflect changes that occurred when the actual 1998-99 SMC taxable valuation and total district taxable valuation were used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment. 8-7-98

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SEE TABLE 2-4 TAX BASE SHARING

TABLE 10-2. FISHTAIL ELEMENTARY SCHOOL General Fund Budget Without Stillwater Mining Company (Estimated)

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB				
TOTAL ELEMENTARY	22	11	14	14
ADOPTED BUDGET	95,884	57,300	68,018	68,018
BASE BUDGET	77,147	46,055	54,688	54,688
AMOUNT BUDGETED OVER-BASE	18,737	11,245	13,330	13,330
Direct State Aid Payment	36,572	22,048	26,097	26,097
District Spec Ed Payment	2,616	1,279	1,628	1,628
GTB Subsidy	0	0	0	0
TOTAL STATE AID	39,187	23,327	27,725	27,725
GTB SUBSIDY PER MILL	0	0	0	0
TOTAL DISTRICT TAXABLE VALUATION	2,394,000	2,563,000	2,473,000	2,523,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	15.00	6.92	8.88	8.71
Over-BASE Levy Mills	7.83	4.39	5.39	5.28
Total General Fund Levy Mills	22.83	11.31	14.27	13.99

This Table 10-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation.

Shaded data reflect changes that occurred when the actual 1998-99 SMC taxable valuation and total district taxable valu were used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

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SEE TABLE 2-4 TAX BASE SHARING

11. NYE ELEMENTARY SCHOOL

This section, 11.Nye Elementary School, completely revises and replaces section 11.0 Nye Elementary School of the 1988 Plan.

11.1 Background and Projections

Nye Elementary School serves grades K-6. In Stillwater Mining Company's 1988 Impact Plan the enrollment was projected to reach 30, with 18 of those SMC in-migrating students. The school's actual Annual Number Belonging (ANB) was 8 students in 1996-97, and 11 in 1997-98. Of the total ANB of 11, 8 are SMC in-migrating mine-related students.

The expansion of the SMC mineral development is projected to generate 8 SMC in-migrating students in the Nye School in Years 3 and 4. Table 2-3 of this Plan Amendment shows the number of SMC in-migrating students enrolled in 1995 and projected after the expansion.

11.2. Impact Needs and Costs

Table 11-1 shows the general fund budgets with SMC impact costs and revenues for each year of the mine expansion through Year 4. Table 11-2 shows the general fund budget for Years 1 through 4 without SMC in-migrating students and without SMC taxable valuation. Table 11-1 shows that the 8 SMC in-migrating students projected to attend Nye Elementary School after the SMC expansion would create impact costs in the school's general fund by $23,025.

11.3 Impact Revenues

Under the Montana Tax Base Sharing Act, Nye Elementary School will receive increased taxable valuation from the expanded SMC mineral development. Nye Elementary School will receive 5% of the SMC taxable valuation. In Year 4 and thereafter, SMC would add $462,000 to the District's taxable valuation. At the projected mill levies, SMC would contribute $7267 in District property tax revenues. In Year 4-on. In addition, the projected 8 SMC impact students would increase the state aid to the district by $11,730.

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SEE TABLE 2-4 TAX BASE SHARING

11.4 Effect of SMC Students

Table 11-1 shows that the 8 SMC in-migrating students currently attending Nye Elementary School generate net impact costs of $6,479, and that the 8 in-migrating students projected to attend Nye in Years 4 and thereafter will create net impact costs of $4,028.Also, Table 11-1 shows that with the 8 SMC students in 1997-98, the general fund mill levy is 13.76 mills, compared to an estimated 6.58 mills without SMC in-migrating students or tax base (i.e., a difference of 7.18 mills). In Year 4-on, with the projected 8 in-migrating students, Nye's general fund mill levy

would be 15.73 mills compared to 11.27 without SMC inmigrating students or taxable value - a difference of 4.46 mills.

11.5 Methods of Assistance

11.5.1 Tax Prepayments to Meet Net Impact Costs

In any year that the number of SMC inmigrating students exceeds 3, and Nye Elementary District believes it may experience a fiscal disparity, the District may contact SMC to meet to determine the amount of the school's net impact operating costs, if any, and SMC will provide the District with a tax prepayment equal to that year's net impact costs. The tax prepayments will be placed in a Nye Elementary School hard rock mining impact account, and will not be counted as non-levy funds toward the District's general fund budgeting.

11.5.2 Tax Crediting

Nye Elementary School agrees to provide SMC with a tax credit in any year that· the SMC impact revenues exceed the SMC impact costs. Under this Plan Amendment, Nye Elementary School will provide tax credits to SMC under the following terms:

1. A tax credit may not have the effect of shifting the impact cost over time to non-developer taxpayers.

2. The amount of tax credits allowed in any one year shall not exceed the tax obligation of SMC in any fund.

3. Nye Elementary School will provide tax crediting throughout the productive life of the mine, or until all tax prepayments due have been credited.

4. The following formula will be used to determine the amount of tax credits:

   Tax credit = Non-Levy Revenues that have not been expended or encumbered at the end of each fiscal year x proportion of SMC taxable valuation to total district taxable valuation, by fund.

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SEE TABLE 2-4 TAX BASE SHARING

TABLE 11-1. NYE ELEMENTARY SCHOOL General Fund Budget
With Stillwater Mining Company

	---------- Actual ----------		------- Projected ---------	
	1996-97	1997-98	1998-99	1999-00
	Year 1	Year 2	Year 3	Year 4
ANB				
SMC Total Impact Students	6	8	8	8
TOTAL ELEMENTARY	8	11	12	14
ADOPTED BUDGET	38,492	46,059	49,189	54,985
BASE BUDGET	36,598	46,059	49,189	54,985
AMOUNT BUDGETED OVER-BASE	1,893	0	0	0
Direct State Aid Payment	17,571	22,050	23,563	26,289
District Spec Ed Payment	951	1,279	1,341	1,564
GTB Subsidy	0	0	0	0
TOTAL STATE AID	18,522	23,329	24,903	27,853
GTB SUBSIDY PER MILL	0	0	0	0
SMC Taxable Valuation	343,000	350,000	318,000	462,000
TOTAL DISTRICT TAXABLE VALUATION	1,069,221	1,253,000	1,208,000	1,365,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	8.37	13.76	15.56	15.85
Over-BASE Levy Mills	1.77	0.00	0.00	0.00
Total General Fund Levy Mills	10.14	13.76	15.56	15.85
Total General Fund Mill Levy without SMC (from Table 11-2)	*7.13*	*6.58*	*8.32*	*11.36*
Positive (Negative) Effect of SMC on Mill Levy	-3.01	-7.18	-7.24	-4.49
SMC Impact Costs*	18,000	23,025	23,190	23,150
SMC Impact State Aid**	8,708	11,730	11,801	11,773
SMC Impact Tax Revenues***	3,478	4,816	4,948	7,323
SMC Net Impact Revenues (Costs)	(5,814)	(6,479)	(6,441)	(4,055)

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 11-1 and Table 11-2.
** "SMC Impact State Aid" is the difference between Total State Aid shown in Tables 11-1 and 11-2.
*** "SMC Impact Tax Revenues" is the SMC taxable valuation x theTotal General Fund Mill Levy.

Shaded data reflect changes that occurred when the actual 1998-99 SMC taxable valuation and total district taxable valuation were used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment. 8-7-98

THIS PAGE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

TABLE 11-2. NYE ELEMENTARY SCHOOL General Fund Budget
Without Stillwater Mining Company (Estimated)

	1996-97 Year 1	1997-98 Year 2	1998-99 Year 3	1999-00 Year 4
ANB TOTAL ELEMENTARY	2	3	4	6
ADOPTED BUDGET	20,492	23,034	25,999	31,834
BASE BUDGET	19,516	23,034	25,999	31,834
AMOUNT BUDGETED OVER-BASE	976	0	0	0
Direct State Aid Payment	9,576	11,250	12,656	15,383
District Spec Ed Payment	238	349	447	698
GTB Subsidy	0	0	0	0
TOTAL STATE AID	9,814	11,599	13,102	16,080
GTB SUBSIDY PER MILL	0	0	0	0
TOTAL DISTRICT TAXABLE VALUATION	727,000	903,000	890,000	903,000
TOTAL GENERAL FUND LEVIES				
BASE Levy Mills	5.79	6.58	8.32	11.36
Over-BASE Levy Mills	1.34	0.00	0.00	0.00
Total General Fund Levy Mills	7.13	6.58	8.32	11.36

This Table 11-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation.

Shaded data reflect changes that occurred when the actual 1998-99 SMC taxable valuation and total district taxable valuation were used rather than the projected taxable valuations used in the June 3, 1998 Plan Amendment.

8-7-98

THIS PAGE NO LONGER REFLECTS
THE APPROVED PERCENTAGES AFTER AM3
SEE TABLE 2-4 TAX BASE SHARING

12. ABSAROKEE WATER AND SEWER DISTRICT

12.1 Background and Projections

The Absarokee Water and Sewer District formed in 1996, and thus became an eligible unit of local government under the Hard Rock Mining Impact Act. When the 1988 Plan was prepared and a adopted, the Absarokee water system was owned by a private firm, and so the water system was not eligible assistance as an affected unit of local government.

The Absarokee Water and Sewer District water system has seven wells, five of which are active. Two (developed by Stillwater Mining Company) are located at the Circle T subdivision and three are located in Absarokee. The District has two water storage tanks, a 150,000 gallon tank and a 200,000 gallon tank. The system uses water meters.

The water system is approximately 50 years old and suffers from deterioration. The storage tanks leak, and the water distribution lines have substantial leakage throughout the system. The District has hired an engineering firm to begin designing a renovation of the system costing in the range of 1.5 to 3 million dollars.

Stillwater Mining Company's (SMC) December 31, 1997, monitoring report indicates that 112 inmigrating mineral development employees lived in Absarokee. With an estimated 10 secondary employees, the total number of SMC inmigrating employees is approximately 122. The estimated inmigrating population in Absarokee is 349 people.

SMC projects that after the current expansion is complete, 141 inmigrating employees and .403 inmigrating population will live in Absarokee.

12.2 Impacts

The Absarokee Water and Sewer District, which operates the Absarokee water system, meets the operating and capital costs through user rates charged to residential, commercial and other users of the system. Stillwater Mining Company assumes that inmigrating SMC and secondary employees pay their share of the water system costs through their monthly household water charges.

12.3 Methods of Assistance

Should the District believe that at some point in the future the District experiences a fiscal disparity as a result of the SMC mineral development or impact employees, the District may contact SMC to discuss potential net impact costs and possible means of assistance.

13. PARK CITY ELEMENTARY SCHOOL

This section, 13. Park City Elementary School, is new in the 2023 AM3 Plan.

13.1 Background and Projections

Park City Elementary has never been mitigated for increased costs that can be attributed to the Nye Mineral Development, therefore in this AM3 Plan, calculations use 2023 costs and mineral development student populations use zero as a starting point.

Table 13-1 of this AM3 Plan shows the number of SMC impact (in-migrating) students is projected to be 17 in 2024.

In addition to the reconciliation of mineral development students and in-migrating mineral students required under subsection 1.3 Monitoring, SMC and Park City Elementary School will meet each year after February 1st to reconcile the number of in-migrating students with a parent or guardian employed/contracted at the SMC smelter and other Sibanye facilities located in Columbus. The number of in-migrating SMC students determined through this reconciliation process will be included as in-migrating secondary students enrolled in Park City Elementary School for purposes of calculating impact costs and revenues.

Until such time as Park City Elementary School is included as an affected (or potentially affected) unit of local government in the East Boulder Mining Impact Plan, the number of in-migrating students with a parent or guardian employed/contracted at the East Boulder Mineral Development shall also be included in the February 1st reconciliation each year.

13.2 Impact Needs and Costs

13.2.1 Operating Costs

Montana's school budgeting and financing laws set a maximum general fund budget that a school district may adopt, and a minimum, or BASE, budget (by law 80% of the maximum budget). The levels of the maximum and BASE budget limits for each school district are tied primarily to the district's prior year's annual number belonging (ANB). State law allows only a 4% increase each year over the previous year's budget. Table 13-1 shows the total number of SMC impact students after the expansion, the total school enrollment with the SMC impact students, and the total school costs and revenues with SMC students. To illustrate the effect of SMC on Park City Elementary School, Table 13-2 shows the estimated general fund enrollment and budget without SMC impact students or SMC taxable valuation.

13.2.2 Capital Costs

After 2024, the total in-migrating K-12 mineral development students is projected to be 25 with the total mineral development students projected to be 41.

13.3 Impact Revenues

Under Montana school finance laws, the SMC impact students would generate additional monies as state aid in Direct State Aid and special education funding as shown in Table 13-1.

Under the Montana Tax Base Sharing Act, Park City Elementary School is authorized to receive a share of the SMC mineral development taxable valuation, based on the percentage of mineral development elementary students attending Park City Elementary. The SMC taxable valuation is allocated according to the tax base sharing percentages shown in Table 2-4. Under this AM3 Impact Plan, 14.4% of the total SMC elementary mineral development students attending school in Stillwater County are projected to attend Park City Elementary School. Additionally, in order to mitigate more than 25 years of other elementary schools receiving Park City Elementary School's tax base sharing percentage, Park City Elementary District will also receive another 7% for the succeeding 25 years. Therefore, the available portion of SMC taxable valuation to be allocated to the Park City Elementary District under the Tax Base Sharing Act is 20.4% (13.4% + 7%). SMC properties and gross proceeds will add approximately $4.7 million in taxable valuation to Park City Elementary School District in 2023.

Because Park City Elementary School District has a lower taxable value per ANB than the state average, the district receives state guaranteed tax base (GTB) funding. The GTB funding is designed to stabilize district mill levies by augmenting district tax revenues in districts with low taxable values that would otherwise have to levy excessively high mill levies. As a district's taxable valuation increases in proportion to its ANB, the GTB subsidy is reduced.

13.4 Effect of SMC In-migrating Students

Table 13-1 shows that the presence of SMC in the Park City Elementary School District will have a positive effect of reducing the general fund mill levy. To further measure the effect of SMC on the finances of Park City Elementary School, Table 13-1 shows that SMC generates increased net impact revenues in 2023 and 2024. Some of this SMC Impact Revenue is to mitigate for past tax sharing that was not allocated to Park City Elementary School.

Table 13-1. PARK CITY ELEMENTARY SCHOOL General Fund Budget

With Stillwater Mining Company

	AM3 Plan Expansion			
	Actual		Projected	
	2020-21	2021-22	2022-23	2023-24
	Year 1	Year 2	Year 3	Year 4
ANB				
SMC Impact Mineral Students	14	13	15	16
Impact Secondary Students	1	1	1	1
SMC Total Impact Students	15	14	16	17
Total Grades K-6	163	163	160	163
Total Grades 7-8	55	55	58	58
TOTAL ELEMENTARY	218	218	218	221
ADOPTED BUDGET	1,508,805	1,538,573	1,571,972	1,606,096
BASE BUDGET	1,361,221	1,390,989	1,424,388	1,458,589
AMOUNT BUDGETED OVER-BASE	147,584	147,584	147,584	147,507
Direct State Aid Payment	669,669	680,475	696,066	712,014
District Spec Ed Payment	53,759	57,866	49,450	42,258
GTB Subsidy	367,388	385,566	367,057	377,402
TOTAL STATE AID	1,090,816	1,123,907	1,112,573	1,131,674
GTB SUBSIDY PER MILL	10,317	11,589	13,519	15,770
Estimated SMC Taxable Valuation****(20.4% x 23,000,000)	Not Received	Not Received	4,692,000	4,692,000
TOTAL DISTRICT TAXABLE VALUATION with SMC	5,171,442	5,348,729	10,253,550	10,909,120
TOTAL GENERAL FUND LEVIES				
BASE Levey Mills	35.61	33.27	27.15	23.93
Over-BASE Levy Mills	28.54	27.59	22.39	19.53
Total General Fund Mill Levy	64.15	60.86	49.55	43.46
Total General Fund Mill Levy without SMC (from Table 13-2)	59.74	56.95	49.93	44.05
Positive (Negative) Effect of SMC on Mill Levy	(4.41)	(3.91)	0.39	0.59
SMC Impact Costs*	103,817	98,807	115,374	132,469
SMC Impact State Aid**	98,596	95,348	81,677	88,685
SMC Impact Tax Revenues*** (includes revenue for past mitigation)	0	0	232,467	203,923
SMC Net Impact Revenues (Costs) (includes revenue for past mitigation)	(5,221)	(3,459)	198,770	160,140

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 13-1 and Table 13-2

** "SMC Impact State Aid" is the difference between Total State Aid shown in this Table 13-1 and Table 13-2

*** "SMC Impact Tax Revenues" is the SMC taxable valuation x the Total General Fund Mill Levy

**** Estimated the Total SMC Mine Taxable Valuation in 2022 at (19.5 Million Gross Proceeds + 3.5 Million Property/Equip) or 23 Million

**** Source of the Gross Proceeds # from PDF page A49 in 2020-22 Biennial-Report-Property-Tax - Dept of Revenue

Table 13-2. PARK CITY ELEMENTARY SCHOOL General Fund Budget

Without Stillwater Mining Company (Estimated)

	AM3 Plan Expansion			
	Actual		Projected	
	2020-21	2021-22	2022-23	2023-24
	Year 1	Year 2	Year 3	Year 4
ANB				
Total Grades K-6	152	153	148	150
Total Grades 7-8	51	52	54	54
TOTAL ELEMENTARY	203	204	202	204
ADOPTED BUDGET	1,404,988	1,439,765	1,456,598	1,473,627
BASE BUDGET	1,267,559	1,301,659	1,319,846	1,346,390
AMOUNT BUDGETED OVER-BASE	137,429	138,106	136,752	127,237
Direct State Aid Payment	623,591	636,775	644,978	657,243
District Spec Ed Payment	50,060	54,150	45,821	39,007
GTB Subsidy	318,570	337,634	340,096	346,738
TOTAL STATE AID	992,220	1,028,559	1,030,895	1,042,988
GTB SUBSIDY PER MILL	9,607	10,845	12,527	14,557
TOTAL DISTRICT TAXABLE VALUATION	4,815,609	5,005,233	5,561,550	6,217,120
TOTAL GENERAL FUND LEVIES				
BASE Levey Mills	33.16	31.13	27.15	23.82
Over-BASE Levy Mills	26.58	25.82	22.79	20.23
Total General Fund Mill Levy	59.74	56.95	49.93	44.05

This Table 13-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation

14. PARK CITY HIGH SCHOOL

This section, 14. Park City High School is new in the 2023 AM3 Plan.

14.1. Background and Impact Projections

Park City Elementary has never been mitigated for increased costs that can be attributed to the Nye Mineral Development, therefore in this AM3 Plan, calculations use 2023 costs and mineral development student populations use zero as a starting point.

Table 14-1 of this AM3 Plan shows the number of SMC impact (in-migrating) students is projected to be 8 in 2024.

In addition to the reconciliation of mineral development students and in-migrating mineral students required under subsection 1.3 Monitoring, SMC and Park City High School will meet each year after February 1st to reconcile the number of in-migrating students with a parent or guardian employed/contracted at the SMC smelter and other Sibanye facilities located in Columbus. The number of in-migrating SMC students determined through this reconciliation process will be included as in-migrating secondary students enrolled in Park City High School for purposes of calculating impact costs and revenues.

Until such time as Park City High School is included as an affected (or potentially affected) unit of local government in the East Boulder Mining Impact Plan, the number of in-migrating students with a parent or guardian employed/contracted at the East Boulder Mineral Development shall also be included in the February 1st reconciliation each year.

14.2 Impact Needs and Costs

14.2.1 Operating Costs

Montana's school budgeting and financing laws set a maximum general fund budget that a schoo1 district may adopt, and a minimum, or BASE, budget (By law 80% of the maximum budget). The levels of the maximum and BASE budget limits for each school district are tied primarily to the district's prior year's annual number belonging (ANB). State law allows only a 4% increase each year over the previous year's budget. Table 14-1 shows the total number of SMC impact students after the expansion, the total school enrollment with the SMC impact students, and the total school costs and revenues with SMC students. To illustrate the effect of SMC on Park City High School, Table 14-2 shows the estimated general fund enrollment and budget without SMC impact students or SMC taxable valuation.

14.2.2 Capital Costs

After 2024, the total in-migrating K-12 mineral development students is projected to be 25 with the total mineral development students projected to be 41.

14.3 Impact Revenues

Under Montana school finance laws, the SMC impact students would generate additional monies as state aid in Direct State Aid and special education funding, shown in Table 14-1.

Under the Montana Tax Base Sharing Act, Park City High School is authorized to receive a share· of the SMC mineral development taxable valuation, based on the percentage of mineral development students attending Park City High. The SMC taxable valuation is allocated according to the tax base sharing percentages shown in Table 2-4. Under this AM3 Impact Plan, 11.3% of the total SMC high school mineral development students attending school in Stillwater County are projected to attend Park City High School. Additionally, in order to mitigate more than 25 years of Columbus and Absarokee High Schools receiving Park City High School’s tax base sharing percentage, Park City High School District will also receive another 7% for the succeeding 25 years. Therefore, the available portion of SMC taxable valuation to be allocated to the Park City High School District under the Tax Base Sharing Act is 17.5% (10.5% + 7%). SMC properties and gross proceeds will add approximately $4 million in taxable valuation to Park City High School District in 2023.

Because Park City High School District has a lower taxable value per ANB than the state average, the district receives state guaranteed tax base (GTB) funding. The GTB funding is designed to stabilize district mill levies by augmenting district tax revenues in districts with low taxable values that would otherwise have to levy excessively high mill levies. As a district's taxable valuation increases in proportion to its ANB, the GTB subsidy is reduced.

14.4 Effect of SMC In-migrating Students

Table 14-1 shows that the presence of SMC in the Park City High School District will have a positive effect of reducing the general fund mill levy. To further measure the effect of SMC on the finances of Park City High School, Table 14-1 shows that SMC generates increased net impact revenues in 2023 and 2024. Some of this SMC Impact Revenue is to mitigate for past tax sharing that was not allocated to Park City High School.

Table 14-1. PARK CITY HIGH SCHOOL General Fund Budget
With Stillwater Mining Company

	AM3 Plan Expansion			
	Actual		Projected	
	2020-21	2021-22	2022-23	2023-24
	Year 1	Year 2	Year 3	Year 4
ANB				
SMC Impact Mineral Students	6	6	6	7
Impact Secondary Students	1	1	1	1
SMC Total Impact Students	7	7	7	8
TOTAL HIGH SCHOOL	102	108	107	108
ADOPTED BUDGET	1,013,412	1,061,864	1,098,522	1,136,445
BASE BUDGET	923,412	971,864	1,008,522	1,046,562
AMOUNT BUDGETED OVER-BASE	90,000	90,000	90,000	89,883
Direct State Aid Payment	476,790	503,782	513,360	523,120
District Spec Ed Payment	20,301	20,989	25,038	29,867
GTB Subsidy	281,011	307,751	298,851	282,599
TOTAL STATE AID	778,102	832,522	837,249	835,586
GTB SUBSIDY PER MILL	15,381	17,270	20,079	23,345
Estimated SMC Taxable Valuation****(17.5% x 23,000,000)	*Not Received*	*Not Received*	4,025,000	4,025,000
TOTAL DISTRICT TAXABLE VALUATION	5,160,396	5,337,553	9,623,359	10,249,767
TOTAL GENERAL FUND LEVIES				
BASE Levey Mills	18.27	17.82	14.88	12.11
Over-BASE Levy Mills	17.44	16.86	13.35	12.78
Total General Fund Mill Levy	35.71	34.68	28.24	24.88
Total General Fund Mill Levy without SMC (from Table 14-2)	33.26	32.43	28.60	25.00
Positive (Negative) Effect of SMC on Mill Levy	(2.45)	(2.25)	0.36	0.12
SMC Impact Costs*	69,548	68,825	71,866	84,181
SMC Impact State Aid**	71,361	72,614	60,835	50,932
SMC Impact Tax Revenues*** (includes revenue for past mitigation)	0	0	113,646	100,156
SMC Net Impact Revenues (Costs) (includes revenue for past mitigation)	1,813	3,789	102,616	66,907

* "SMC Impact Costs" is the difference between Adopted Budgets shown in this Table 14-1 and Table 14-2

** "SMC Impact State Aid" is the difference between Total State Aid shown in this Table 14-1 and Table 14-2

*** "SMC Impact Tax Revenues" is the SMC taxable valuation x the Total General Fund Mill Levy

**** Estimated the Total SMC Mine Taxable Valuation in 2022 at (19.5 Million Gross Proceeds + 3.5 Million Property/Equip) or 23 Million

**** Source of the Gross Proceeds # from PDF page A49 in 2020-22 Biennial-Report-Property-Tax - Dept of Revenue

Table 14-2. PARK CITY HIGH SCHOOL General Fund Budget
Without Stillwater Mining Company (Estimated)

	AM3 Plan Expansion			
	Actual		Projected	
	2020-21	2021-22	2022-23	2023-24
	Year 1	Year 2	Year 3	Year 4
ANB				
TOTAL HIGH SCHOOL	95	101	100	100
ADOPTED BUDGET	943,864	993,039	1,026,656	1,052,264
BASE BUDGET	860,041	908,873	942,544	969,039
AMOUNT BUDGETED OVER-BASE	83,823	84,167	84,112	83,225
Direct State Aid Payment	444,069	471,129	479,775	484,370
District Spec Ed Payment	18,908	19,628	23,400	27,655
GTB Subsidy	243,764	269,151	273,239	272,629
TOTAL STATE AID	706,741	759,908	776,413	784,654
GTB SUBSIDY PER MILL	14,325	16,151	18,765	21,616
TOTAL DISTRICT TAXABLE VALUATION	4,806,251	4,991,600	5,598,359	6,224,767
TOTAL GENERAL FUND LEVIES				
BASE Levey Mills	17.02	16.67	14.56	12.61
Over-BASE Levy Mills	16.24	15.77	14.04	12.39
Total General Fund Mill Levy	33.26	32.43	28.60	25.00

This Table 14-2 shows the estimated budget and mill levies that would occur without SMC impact students or SMC taxable valuation

APPENDIX A

SMC Financial Guarantee

APPENDIX B

Agreements Between SMC and
the -Town of Columbus

AGREEMENT

THIS AGREEMENT made and entered into this 17th day of February, 1988, by and between STILLWATER MINING COMPANY, composed of CHEVRON, U.S.A. INC., AS OPERATOR by and through its agent, CHEVRON RESOURCES COMPANY, a Division of CHEVRON INDUSTRIES, INC., LAC MINERALS (USA), INC., and MANVILLE SALES CORPORATION, hereinafter referred to as "SMC"; and the TOWN OF COLUMBUS, a municipal corporation, hereinafter referred to as "TOWN";

WITNESSETH:

WHEREAS, Section 90-6-307 of the Montana Code Annotated (hereinafter referred to as MCA) requires a Company proposing a large scale hard-rock mining operation to develop an impact plan to assess the economic impact the mining operation would have on local governments; and

WHEREAS, the Montana Hard-Rock Mining Board approved the SMC Hard-Rock Mining Economic Impact Plan (hereinafter referred to as Original Impact Plan) on July 8, 1985; and

WHEREAS, Section 5.4.4 of the Original Impact Plan provided that at such time as Tax Prepayment C-1 became due and payable, SMC would proceed within ninety (90) days towards developing an agreement with the TOWN that would provide appropriate arrangements by which SMC would initially finance water and sewer disposal facility improvements determined to be needed to accommodate the Impact Population residing, or projected to reside, at the time of the agreement, in the TOWN; and

WHEREAS, Tax Prepayment C-1 became due and payable November 23, 1987; and

WHEREAS, the parties have negotiated the required sewer and water agreement and wish to reduce the same to writing;

NOW, THEREFORE, the parties to this agreement for and in consideration of the mutual promises herein contained and of the good and valuable consideration, do hereby agree as follows:

1. SMC shall pay to the TOWN the sum of ONE HUNDRED SEVENTY-NINE THOUSAND DOLLARS ($179,000.00) which sum shall be used by the TOWN for water supply and sewage disposal facility improvements. SMC shall pay said sum to the TOWN on or before July 1, 1988. FORTY-SIX THOUSAND DOLLARS ($46,000.00) of said sum shall be paid as a direct grant and shall be used for sewage disposal improvements. SIX THOUSAND DOLLARS ($6,000.00) of said sum shall be paid as a direct grant and shall be used for water system improvements. The

balance of said sum in the amount of ONE HUNDRED TWENTY-SEVEN THOUSAND DOLLARS ($127,000.00) shall be considered a prepayment of any taxes owed the TOWN under the hard-rock mining impact property tax base sharing statutes set forth under Sections 90-6-401 et seq. MCA, and shall be used for sewage disposal facility improvements.

2. It is anticipated that the improvements made to the TOWN's sewer and water systems with the funds provided by SMC will provide sufficient capacity to serve a population of 1800 people. If the population of the TOWN exceeds 1800 and if the in-migrating Impact Population residing within the TOWN is more than fifteen percent (15%) greater than the number projected in 1988 Amendment to the Original Impact Plan, the parties mutually agree that this Agreement may be modified to provide that SMC would pay a proportionate share of the actual costs of expanding the TOWN'S sewer and water systems to accommodate the additional in-migrating Impact Population.

3. In consideration of receipt of the sums stated in paragraph 1 above, the TOWN agrees to provide SMC with property tax prepayment credits from the general fund calculated according to the procedure set forth under Section 90-6-309(5) (MCA) (1983) and in accordance with the provisions of Section 5.4.3 of the Original Impact Plan and Section 5.5 of the 1988 Amendment. For the purpose of the annual general fund budget determination, the budget shall be the TOWN budget less cash on hand and non-property tax revenues.

The TOWN's obligation to provide SMC with tax prepayment credits shall bear no interest and shall terminate ten (10) years from the date of this Agreement, or at such time as SMC has received tax prepayment credits totaling ONE HUNDRED TWENTY-SEVEN THOUSAND DOLLARS ($127,000.00), whichever occurs first.

TOWN OF COLUMBUS

By Robert C. Kem
ROBERT C. KEM, Mayor

ATTEST:

Ronald D Barndt
RONALD D. BARNDT, Town Clerk

STILLWATER MINING COMPANY

By ________________

AGREEMENT

This agreement is entered into this 5th day of February, 1990, between the Town of Columbus, acting through its duly elected mayor and Town Council, and Stillwater Mining Company (hereinafter "SMC"), acting through its duly authorized representatives.

In consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. PROPERTY LEASE

SMC agrees to lease Blocks 9, 10, and 11 of the Columbus Industrial Sites Addition, plus 18th Street South and 19th Street South, as further described on plat 179163, Section 27, Township 2 South, Range 20 East and containing 7.81 acres. The lease will contain an option to purchase at an agreed price, with an escalator clause. The initial purchase price will be agreed upon by the parties after reviewing three independent appraisals of the subject property which will be obtained by SMC at its expense.

The term of the lease shall be twenty five years, and may be extended at the option of SMC for an additional 25 years if the conditions of the lease have been duly observed. Lease payments shall be $5,670 per year for the first five years, $6,300 per year for years six through ten, $6,920 per year for years eleven through fifteen, $7,560 per year for years sixteen through twenty and $8,190 per year for years twenty through twenty-five.

Lease payments will be due in advance each year commencing on July 1; provided however that the lease payment for the first half of 1990 will be prorated from the date of signing of said lease through July 1, 1990.

The lease will provide that SMC may use the subject property for any purpose authorized by the Town zoning ordinance, including the construction and operation of a precious metals smelter and associated facilities, provided that all such facilities must comply with all applicable federal, state and local laws, regulations and ordinances. SMC will submit an application for a use permit and, if necessary, a conditional use permit, together with building plans, site plans and review fees to the Town for its review and approval.

The Town will process a use permit and any associated variance or conditional use permits required to accommodate the proposed facility with a 100 foot stack height. The Town will provide assistance from the Public Works Director, Fire Chief, Town Attorney and Planning Director on all permits and applications required by the Town.

2. DOCUMENTS

All legal documents required to effectuate this agreement will be prepared by SMC attorneys and submitted to the Columbus Town Attorney for review. The Mayor of the Town of Columbus, with approval of the Town Council, will have the authority to sign and enter into this and subsequent agreements on behalf of the Town.

3. OFF SITE IMPROVEMENTS

SMC will construct, at its expense, a temporary access road to the site which will run along 3rd Avenue South from Highway 78 to the closed sanitary landfill, and then will turn north and east to the east property line, then north to 1st Avenue South (extended as set forth below), then west to the smelter site. During construction of the temporary road and smelter facility, SMC will maintain 3rd Avenue South in a condition as good as or better than exists at present. The temporary road will become the property of the Town, and the amount expended by the Company to construct the road will constitute a prepayment of future taxes in accordance with the SMC Amended Hard Rock Mining Economic Impact Plan. The Town will permit SMC to use the aforesaid road as its sole means of access to the property until such time as First Avenue South can be extended to the smelter site, and thereafter as a secondary and emergency access route.

SMC will provide the Town with a grant of up to $25,000 to cover the Town's cost of surveying the route for the extension of First Avenue South to the smelter site and obtaining all engineering services necessary to prepare construction plans and specifications. The Town will apply for public works grants from the Economic Development Administration to fund the actual cost of constructing the road.

If the Town is unable to obtain public works grants or other funding by December 1, 1990 to pay for the extension of 1st Avenue South, SMC will, by January 15, 1990, enter into a written agreement with the Town to pay for the construction of the road; provided however that if public funding subsequently becomes available any sums advanced by SMC for the road construction will be refunded to SMC, and provided further that any sums advanced by SMC for this purpose and not subsequently refunded will constitute a prepayment of taxes by SMC, and will be processed as a mutually agreed upon adjustment to the SMC Amended Hard Rock Mining Economic Impact Plan.

The Town will construct water and sewer lines to the site. The Town will provide industrial park funds, not to exceed $100,000 and uncommitted/unspent mining impact funds previously provided for sewer system improvements, not to exceed $35,000, to be used to pay the costs of surveying, engineering and constructing the water and sewer systems. SMC agrees to pay any costs of constructing such facilities in excess of $135,000; provided however that any such amounts advanced by SMC will also constitute a prepayment of taxes. This prepayment will be made within 30 days of request by the Town and will be processed a mutually agreed upon adjustment to the SMC Amended Hard Rock Mining Economic Impact Plan.

4. CONNECTION TO WATER AND SEWER SYSTEMS

SMC agrees to pay all applicable hook-up fees and to pretreat all waste discharged into the municipal sewer system in a manner satisfactory to the town. SMC will cooperate with the Town in scheduling peak water use, but cannot agree in advance that its peak water use will never coincide with the Town's peak use schedule.

5. UTILITY INSTALLATION

The Town will allow utility upgrades or extensions to be located in street rights-of-way. SMC will make the necessary arrangements with the utility companies to extend or upgrade the electrical, gas and telephone service to the proposed site. The Town will help coordinate this aspect of the project.

6. SITE IMPROVEMENTS

SMC will pay the cost of all on-site improvements. SMC will have the right to erect buildings, parking areas, labs, offices, landscaping and other improvements required for the smelting and refining of precious or semi-precious metals, together with the right to store material and equipment on the site; provided however that the disposal of toxic, hazardous or other waste material will not be permitted on the site.

SMC agrees to provide an on site parking area of sufficient size to accommodate all employees and visitors and a solid waste collection facility adequate to accommodate anticipated volumes of solid waste.

SMC will, to the extent permitted by law, indemnify and hold harmless the Town of Columbus, its elected officials and its employees from any and all liability resulting from improvements made by SMC to the leased premises.

7. SUPERFUND SITE

The Town agrees to use its best efforts to persuade the Environmental Protection Agency to adhere to its proposed schedule to stabilize and clean up the contaminated ground and groundwater located in the Industrial Sites Addition next to Timberweld during the coming year.

SMC assumes no liability in connection with the Superfund site or related cleanup. To the extent permitted by law, the Town will agree to indemnify and hold harmless SMC and its officers and employees, its respective partners and their affiliated companies for and against any liability in connection with the Superfund Site or contamination resulting therefrom.

8. TAXES

SMC will pay all taxes and assessments against the personal property and improvements which are placed on the property. As long as the property is leased SMC will not be obligated to pay real property taxes.

9. TERMINATION OF USE

At the expiration or earlier termination of the lease, SMC will remove all equipment and material from the site and the Town will decide whether to take possession of any buildings or to require SMC to remove them. This provision will not apply if SMC exercises the option to purchase the site.

SMC shall have the right to terminate the aforesaid lease upon 180 days written notice to the Town, subject to the foregoing provisions of this Section 9.

10. UNFORESEEN CONDITIONS

In the event that SMC is unable to obtain all necessary permits or is otherwise unable to construct or operate the proposed smelter facility, this agreement and any lease or other agreement made pursuant hereto shall be terminable at the option of SMC, but SMC shall be required to restore the subject property to its original condition or to such condition as is satisfactory to the town.

This agreement is subject to the execution by SMC and the Town of Columbus of a mutually acceptable lease incorporating the provisions contained herein.

STILLWATER MINING COMPANY	TOWN OF COLUMBUS
BY [signature] 2/5/90	BY [signature] Mayor 2-5-90

TOWN OF COLUMBUS

COLUMBUS, MONTANA 59019

July 2, 1990

Ms. Carol L. Ferguson
Administrative Officer
Hard-Rock Mining Impact Board
Montana Department of Commerce
Room C-211, Cogswell Building
Helena, MT 59620

RE: SMC Smelter Project

Dear Ms. Ferguson:

I am writing on behalf of the Town of Columbus and Stillwater Mining Company to inform the Hard-Rock Mining Impact Board of an adjustment in the Amended Hard-Rock Mining Economic Impact Plan which has been mutually agreed upon by SMC and the Town. Specifically, on February 5, 1990, the Town and SMC entered into an agreement pertaining to the smelter project. Attached hereto for your reference is a copy of that Agreement.

Under Section 3 of the February 5, 1990, Agreement, the parties agreed that the Town would construct water and sewer lines to the smelter site and that SMC would pay any costs of constructing such facilities in excess of $135,000. The parties further agreed that any such amounts advanced by SMC would constitute a prepayment of taxes. To date the Town has requested and received two (2) payments from SMC of excess costs of surveying, engineering and constructing the sewer and water systems to serve the smelter site. As you are aware, one of the payments was in the amount of $55,219 and was paid directly to the Town of Columbus. The other payment was in the amount of $9,169 and was processed through your office.

It is mutually agreed between the parties that the $55,219 and the $9,169 paid to the Town by SMC shall constitute an adjustment to the Amended Hard Rock Mining Economic Impact Plan. Specifically, the tax prepayments of $55,219 and $9,169 shall constitute new tax prepayments in addition to the tax prepayments identified on page 21 (Section 5.5) and pages 70 and 71 of the Amended Plan.

In consideration of receipt of the $55,219 and $9,169 tax prepayments, the Town shall provide SMC with property tax credits calculated according to the procedure set forth under Section 90-6-309(5) MCA (1983) and in accordance with the provisions of Section 5.4.3 of the original Impact Plan and Section 5.5 of the Amended Plan. For the purpose of the annual general fund budget determination, the budget shall be the Town budget less cash on hand and non-property tax revenues. The Town's obligation to provide SMC with tax credits in connection with the $55,219 and $9,169 tax prepayments shall bear no interest and shall terminate ten (10) years from the date of the prepayment, or at such time as SMC has received tax credits totaling $55,219 and $9,169, whichever occurs first.

Also, enclosed for your reference please find a copy of the Resolution adopted by the Town amending the Town's 1989-90 budget to provide for the receipt and expenditure of the $55,219 tax prepayment. I will also be preparing and mailing you a copy of the Resolution adopted by the Town amending the Town's 1989-90 budget to provide for the receipt and expenditure of the $9,169 tax prepayment. This shall also advise you that the parties recognize that the issue of tax prepayment crediting for the life of the mine may be addressed in negotiations regarding future amendments to the Hard-Rock Mining Impact Plan. If you require any additional information concerning these matter, please contact me at your earliest convenience.

Sincerely yours,

Douglas D. Howard

Douglas D. Howard
Town Attorney

TOWN OF COLUMBUS

By ______________________

STILLWATER MINING COMPANY

By ______________________

RESOLUTION

Jess Wilson introduced the following Resolution and moved its adoption:

RESOLUTION NO. 523

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF COLUMBUS, MONTANA, AMENDING ITS 1989-90 BUDGET TO PROVIDE FOR THE RECEIPT AND EXPENDITURE OF SMC MINE IMPACT FUNDS.

WHEREAS, STILLWATER MINING COMPANY and the TOWN OF COLUMBUS mutually agreed on February 5, 1990, to adjust the SMC Amended Hard Rock Mining Impact Plan for any costs in excess of $135,000 paid by STILLWATER MINING COMPANY for surveying, engineering and constructing water and sewer systems to serve the SMC Smelter Site located within the TOWN OF COLUMBUS; and

WHEREAS, the TOWN OF COLUMBUS requested $55,219.00 in tax prepayment from STILLWATER MINING COMPANY on April 6, 1990, to cover said excess costs; and

WHEREAS, STILLWATER MINING COMPANY made a tax prepayment directly to the TOWN OF COLUMBUS in the amount of $55,219.00 on April 6, 1990; and

WHEREAS, Section 90-6-323, MCA, provides local governments with the authority to amend their budgets by majority vote of the governing body to provide for the receipt and expenditure of impact payments;

NOW THEREFORE, BE IT RESOLVED: That the TOWN OF COLUMBUS' 1989-90 budget is hereby amended to provide for the receipt of the $55,219.00 SMC tax prepayment and deposit of said monies into Fund No. 4030 ;

BE IT FURTHER RESOLVED that said monies shall be expended for surveying, engineering and constructing water and sewer systems to serve the SMC Smelter Site.

The motion for the adoption of the foregoing Resolution was seconded by Terry Nystul . Upon being put to a vote, ALL voted for; NONE voted against, and the Mayor declared the motion passed and the Resolution adopted.

DATED this 7th day of May, 1990.

ROBERT C. KEM, Mayor

RONALD D. BARNDT, Town Clerk

RESOLUTION

Jack Kenyon introduced the following Resolution and moved its adoption:

RESOLUTION NO. 527

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF COLUMBUS, MONTANA, AMENDING ITS 1989-90 BUDGET TO PROVIDE FOR THE RECEIPT AND EXPENDITURE OF SMC MINE IMPACT FUNDS.

WHEREAS, STILLWATER MINING COMPANY and the TOWN OF COLUMBUS mutually agreed on February 5, 1990, to adjust the SMC Amended Hardrock Mining Impact Plan for any costs in excess of $135,000.00 paid by STILLWATER MINING COMPANY for surveying, engineering and constructing water and sewer systems to serve the SMC Smelter site located within the Town of Columbus; and

WHEREAS, the TOWN OF COLUMBUS requested and received $55,219.00 in tax prepayment from STILLWATER MINING COMPANY to cover said excess costs; and

WHEREAS, a change order was necessary in connection with the contract for construction for sewer and water improvements to the SMC Smelter site, which resulted in additional costs of $9,169.00 to the TOWN; and

WHEREAS, the TOWN OF COLUMBUS requested and received a tax prepayment from STILLWATER MINING COMPANY in the amount of $9,169.00 to cover said additional costs; and

WHEREAS, Section 90-6-323, MCA, provides local governments with the authority to amend their budgets by majority vote of the governing body to provide for the receipt and expenditure of impact payments;

NOW THEREFORE, IT IS HEREBY RESOLVED that the TOWN OF COLUMBUS' 1989-1990 budget is hereby amended to provide for the receipt of the $9,169.00 SMC tax prepayment and deposit of said monies into Fund No. 4030;

BE IT FURTHER RESOLVED that said monies shall be expended for surveying, engineering and constructing water and sewer systems to serve the SMC Smelter site.

The motion for the adoption of the foregoing Resolution was seconded by Randy Erickson . Upon being put to a vote, ALL voted for; NONE voted against, and the Mayor declared the motion passed and the Resolution adopted.

DATED this 2nd day of July, 1990.

ROBERT C. KEM, Mayor

RONALD D. BARNDT, Town Clerk

APPENDIX C

Agreement Between SMC and
Columbus Public Schools

AGREEMENT BETWEEN

COLUMBUS ELEMENTARY SCHOOL DISTRICT

AND STILLWATER MINING COMPANY

This Agreement is made and entered into as of the 3rd day of December, 1987, between Stillwater Mining Company ("SMC"), a Colorado general partnership among Chevron USA, Inc., Managing Partner; by and through its agent Chevron Resources Company, a division of Chevron Industries, Inc.; Manville Sales Corporation; and LAC Minerals (USA), Inc., and the Columbus, Montana Elementary School District (the District).

RECITALS

A. SMC has prepared an Impact Plan (the Plan) pursuant to the Montana Hard-Rock Mining Impact Act (90-6-301 et seq., MCA), and the Plan was approved by the Hard-Rock Mining Impact Board on July 8, 1985.

B. Article 9 of the Plan outlines certain obligations of SMC for school impact mitigation measures. SMC has an obligation to provide funds for the purpose of accommodating new students entering the Columbus Elementary School as a direct result of SMC operations. The obligations of SMC under the Plan are triggered at such time as certain levels of school enrollment and in-migrating mineral development students are reached.

C. The District has informed SMC that as of August 31, 1987, enrollment has reached the level at which certain obligations are triggered under the Plan, and SMC concurs that in-migrating mineral development student enrollment thresholds have been met under the Plan.

D. Section 9.7 of the Plan requires that SMC and the District enter into an Agreement which "would provide appropriate arrangements by which SMC would finance" its obligations under the Plan.

E. The District is currently analyzing the manner and time frame in which the funds to be provided by SMC will be provided.

F. SMC and the District have analyzed architectural and other information and have determined the amount of funds which will be necessary to provide facilities in accordance with the Plan. In addition, SMC is currently preparing Amendments to the Plan.

G. The parties desire to enter into this Agreement in accordance with the Plan to specify the arrangements for SMC's satisfaction of its obligation to fund school facility improvements under the Plan and to set forth certain agreements as to future funding responsibilities of SMC under the Plan and any amended plan.

NOW THEREFORE, the parties agree as follows:

1. Upon ninety (90) days written notice to SMC (at the address indicated below) SMC shall fund its facility improvement obligation to the District under the Plan. Such obligation shall be as defined in this Agreement.

2. The amount of SMC's obligation has been determined based on architectural and construction cost analysis and shall not exceed $348,000. Any estimates or ceilings previously mentioned in the Plan or elsewhere are expressly superseded.

3. The method of funding the obligation shall be consistent with the provisions of the Plan.

4. SMC may prepare a new or amended impact plan in the future. It is not known presently whether any facility improvement funding will be necessary under a subsequent impact plan or amendments to the existing Plan, but in any case none

shall be required unless and until the total number of in-migrating mineral development students in the Columbus school system (Grades K - 12) exceeds ninety (90).

5. Entry into this Agreement constitutes compliance with Section 9.7 of the Plan.

6. Any notice hereunder shall be mailed to: Mr. Joe R. Dewey, Star Route #2, Box 365, Nye, Montana 59061 and Mr. Les Darling, P. O. Box 5049, San Ramon, CA 94583-0949.

STILLWATER MINING COMPANY
By Chevron Resources Company, a division of Chevron Industries, Inc., as agent for Chevron U.S.A., Inc., Managing Partner

By ______

Print Name Joe R. Dewey

Title General manager

COLUMBUS ELEMENTARY SCHOOL DISTR

By Conrad D. Robertson

Print Name Conrad D. Robertson

Title Superintendent of Schools

APPENDIX D
AMENDMENT 2 PLAN MODIFICATION LETTERS
JUNE 3, 1998

August 10, 1998

TO: HARD ROCK MINING IMPACT BOARD

FR: STILLWATER MINING COMPANY; STILLWATER COUNTY

RE: Letter of Modification to Stillwater Mining Company's June 3, 1998, Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project

This letter of Modification is the formal modification of the June 3, 1998 Hard Rock Mining Impact Plan Amendment for the Stillwater Mining Company's Nye Expansion Project. This Letter is submitted and agreed to by Stillwater Mining Company and Stillwater County. The attached pages show, by shading, the provisions that supercede the reference provisions in the June 3, 1998, Plan Amendment. By their signatures below, each of the parties indicates agreement to and approval of this Letter of Modification.

Upon approval of this Letter of Modification by the Hard Rock Mining Impact Board, Stillwater Mining Company will provide colored replacement pages to each affected unit of local government for insertion into copies of the June 3, 1998, Plan Amendment.

The following modifications are made to the June 3, 1998, Plan Amendment:

1. Pages 2-9 and 2-10, TABLE 2-5 SMC TAXABLE VALUATION ($000's): Actual 1998-99 taxable valuations for Stillwater Mining Company and each of the affected units of local government will replace the respective taxable valuations projected in the June 3, 1998, draft for Year 3, 1998-99. The actual 1998-99 SMC taxable valuation was approximately 15% less than projected in the June 3, 1998, Plan Amendment and Stillwater Mining Company believes a modification is appropriate. The revised data for that year are shaded in the replacement TABLE 2-5.

2. Pages 4-6 through 4-8, TABLE 4-2: Actual 1998-99 taxable valuations for SMC are used in the replacement pages. Shaded data show the actual 1998-99 taxable valuations and the resulting budget changes that occur as a result using actual data.

The parties below accept and approve this August 10, 1998, Letter of Modification to Stillwater Mining Company's Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project.

Edward Blatter, Chair
STILLWATER COUNTY

Charles E. Egan
Clifford A. Bare

STILLWATER MINING COMPANY

August 10, 1998

TO: HARD ROCK MINING IMPACT BOARD

FR: STILLWATER MINING COMPANY; TOWN OF COLUMBUS

RE: Letter of Modification to Stillwater Mining Company's June 3, 1998, Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project

This letter of Modification is the formal modification of the June 3, 1998 Hard Rock Mining Impact Plan Amendment for the Stillwater Mining Company's Nye Expansion Project. This Letter is submitted and agreed to by Stillwater Mining Company and the Town of Columbus. The attached pages show, by shading, the provisions that supercede the reference provisions in the June 3, 1998, Plan Amendment. By their signatures below, each of the parties indicates agreement to and approval of this Letter of Modification.

Upon approval of this Letter of Modification by the Hard Rock Mining Impact Board, Stillwater Mining Company will provide colored replacement pages to each affected unit of local government for insertion into copies of the June 3, 1998, Plan Amendment.

The following modifications are made to the June 3, 1998, Plan Amendment:

1. Pages 2-9 and 2-10, TABLE 2-5 SMC TAXABLE VALUATION ($000's): Actual 1998-99 taxable valuations for Stillwater Mining Company and each of the affected units of local government will replace the respective taxable valuations projected in the June 3, 1998, draft for Year 3, 1998-99. The actual 1998-99 SMC taxable valuation was approximately 15% less than projected in the June 3, 1998, Plan Amendment and Stillwater Mining Company believes a modification is appropriate. The revised data for that year are shaded in the replacement TABLE 2-5.

2. Page 5-6, TABLE 5-1: Actual 1998-99 taxable valuations for SMC are used in the replacement pages. Shaded data show the actual 1998-99 taxable valuations and the resulting budget changes that occur as a result using actual data.

The parties below accept and approve this August 10, 1998, Letter of Modification to Stillwater Mining Company's Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project.

TOWN OF COLUMBUS

STILLWATER MINING COMPANY

August 10, 1998

TO: HARD ROCK MINING IMPACT BOARD

FR: STILLWATER MINING COMPANY; COLUMBUS HIGH SCHOOL DISTRICT

RE: Letter of Modification to Stillwater Mining Company's June 3, 1998, Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project

This letter of Modification is the formal modification of the June 3, 1998 Hard Rock Mining Impact Plan Amendment for the Stillwater Mining Company's Nye Expansion Project. This Letter is submitted and agreed to by Stillwater Mining Company and Columbus High School District. The attached pages show, by shading, the provisions that supercede the reference provisions in the June 3, 1998, Plan Amendment. By their signatures below, each of the parties indicates agreement to and approval of this Letter of Modification.

Upon approval of this Letter of Modification by the Hard Rock Mining Impact Board, Stillwater Mining Company will provide colored replacement pages to all affected units of local government for insertion into copies of the June 3, 1998, Plan Amendment.

The following modifications are made to the June 3, 1998, Plan Amendment:

1. Pages 2-9 and 2-10, TABLE 2-5 SMC TAXABLE VALUATION ($000's): Actual 1998-99 taxable valuations for Stillwater Mining Company and each of the affected units of local government will replace the respective taxable valuations projected in the June 3, 1998, draft for Year 3, 1998-99. The actual 1998-99 SMC taxable valuation was approximately 15% less than projected in the June 3, 1998, Plan Amendment and Stillwater Mining Company believes a modification is appropriate. The revised data for that year are shaded in the replacement TABLE 2-5.

2. Pages 9-4 and 9-5, TABLES 9-1 and 9-2: Actual 1998-99 Annual Number Belonging (ANB) and actual taxable valuations for SMC and the total District are used in the replacement pages. Shaded data show the actual ANB and taxable valuations and the resulting budget changes that occur as a result using actual data.

3. Page 9-6, TABLE 9-3: The $37,100 funding from Stillwater Mining Company for counseling and tutoring will be placed in the school's Hard Rock Mining Impact Fund.

The parties below accept and approve this August 10, 1998, Letter of Modification to Stillwater Mining Company's Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project.

COLUMBUS HIGH SCHOOL DISTRICT	STILLWATER MINING COMPANY

August 10, 1998

TO: HARD ROCK MINING IMPACT BOARD

FR: STILLWATER MINING COMPANY; COLUMBUS ELEMENTARY SCHOOL

RE: Letter of Modification to Stillwater Mining Company's June 3, 1998, Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project

This letter of Modification is the formal modification of the June 3, 1998 Hard Rock Mining Impact Plan Amendment for the Stillwater Mining Company's Nye Expansion Project. This Letter is submitted and agreed to by Stillwater Mining Company and Columbus Elementary School District. The attached pages show, by shading, the provisions that supercede the reference provisions in the June 3, 1998, Plan Amendment. By their signatures below, each of the parties indicates agreement to and approval of this Letter of Modification.

Upon approval of this Letter of Modification by the Hard Rock Mining Impact Board, Stillwater Mining Company will provide colored replacement pages to all affected units of local government for insertion into copies of the June 3, 1998, Plan Amendment.

The following modifications are made to the June 3, 1998, Plan Amendment:

1. Pages 2-9 and 2-10, TABLE 2-5 SMC TAXABLE VALUATION ($000's): Actual 1998-99 taxable valuations for Stillwater Mining Company and each of the affected units of local government will replace the respective taxable valuations projected in the June 3, 1998, draft for Year 3, 1998-99. The actual 1998-99 SMC taxable valuation was approximately 15% less than projected in the June 3, 1998, Plan Amendment and Stillwater Mining Company believes a modification is appropriate. The revised data for that year are shaded in the replacement TABLE 2-5.

2. Pages 8-4 and 8-5, TABLES 8-1 and 8-2: Actual 1998-99 Annual Number Belonging (ANB) and actual taxable valuations for SMC and the total District are used in the replacement pages. Shaded data show the actual ANB and taxable valuations and the resulting budget changes that occur as a result using actual data.

The parties below accept and approve this August 10, 1998, Letter of Modification to Stillwater Mining Company's Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project.

COLUMBUS ELEMENTARY SCHOOL DISTRICT

STILLWATER MINING COMPANY

August 10, 1998

TO: HARD ROCK MINING IMPACT BOARD

FR: STILLWATER MINING COMPANY; NYE ELEMENTARY SCHOOL

RE: Letter of Modification to Stillwater Mining Company's June 3, 1998, Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project

This letter of Modification is the formal modification of the June 3, 1998 Hard Rock Mining Impact Plan Amendment for the Stillwater Mining Company's Nye Expansion Project. This Letter is submitted and agreed to by Stillwater Mining Company and Nye Elementary School District. The attached pages show, by shading, the provisions that supercede the reference provisions in the June 3, 1998, Plan Amendment. By their signatures below, each of the parties indicates agreement to and approval of this Letter of Modification.

Upon approval of this Letter of Modification by the Hard Rock Mining Impact Board, Stillwater Mining Company will provide colored replacement pages to all affected units of local government for insertion into copies of the June 3, 1998, Plan Amendment.

The following modifications are made to the June 3, 1998, Plan Amendment:

1. Pages 2-9 and 2-10, TABLE 2-5 SMC TAXABLE VALUATION ($000's): Actual 1998-99 taxable valuations for Stillwater Mining Company and each of the affected units of local government will replace the respective taxable valuations projected in the June 3, 1998, draft for Year 3, 1998-99. The actual 1998-99 SMC taxable valuation was approximately 15% less than projected in the June 3, 1998, Plan Amendment and Stillwater Mining Company believes a modification is appropriate. The revised data for that year are shaded in the replacement TABLE 2-5.

2. Pages 11-3 and 11-4, TABLES 11-1 and 11-2: Actual 1998-99 Annual Number Belonging (ANB) and actual taxable valuations for SMC and the total District are used in the replacement pages. Shaded data show the actual ANB and taxable valuations and the resulting budget changes that occur as a result using actual data.

The parties below accept and approve this August 10, 1998, Letter of Modification to Stillwater Mining Company's Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project.

NYE ELEMENTARY SCHOOL DISTRICT

STILLWATER MINING COMPANY

August 10, 1998

TO: HARD ROCK MINING IMPACT BOARD

FR: STILLWATER MINING COMPANY; FISHTAIL ELEMENTARY SCHOOL

RE: LETTER OF MODIFICATION TO STILLWATER MINING COMPANY'S JUNE 3, 1998, HARD ROCK MINING IMPACT PLAN AMENDMENT FOR THE NYE EXPANSION PROJECT

This letter of Modification is the formal modification of the June 3, 1998 Hard Rock Mining Impact Plan Amendment for the Stillwater Mining Company's Nye Expansion Project. This Letter is submitted and agreed to by Stillwater Mining Company and Fishtail Elementary School District. The attached pages show, by shading, the provisions that supercede the reference provisions in the June 3, 1998, Plan Amendment. By their signatures below, each of the parties indicates agreement to and approval of the this Letter of Modification.

Upon approval of this Letter of Modification by the Hard Rock Mining Impact Board, Stillwater Mining Company will provide colored replacement pages to all affected units of local government for insertion into copies of the June 3, 1998, Plan Amendment.

The following modifications are made to the June 3, 1998, Plan Amendment:

1. Pages 2-9 and 2-10, TABLE 2-5 SMC TAXABLE VALUATION ($000's): Actual 1998-99 taxable valuations for Stillwater Mining Company and each of the affected units of local government will replace the respective taxable valuations projected in the June 3, 1998, draft for Year 3, 1998-99. The actual 1998-99 SMC taxable valuation was approximately 15% less than projected in the June 3, 1998, Plan Amendment and Stillwater Mining Company believes a modification is appropriate. The revised data for that year are shaded in the replacement TABLE 2-5.

2. Pages 10-3 and 10-4, TABLES 6-1 AND 6-2: Actual 1998-99 Annual Number Belonging (ANB) and actual taxable valuations for SMC and the total District are used in the replacement pages. Shaded data show the actual ANB and taxable valuations and the resulting budget changes that occur as a result using actual data.

The parties below accept and approve this August 10, 1998, Letter of Modification to Stillwater Mining Company's Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project.

FISHTAIL ELEMENTARY SCHOOL DISTRICT

STILLWATER MINING COMPANY

August 10, 1998

TO: HARD ROCK MINING IMPACT BOARD

FR: STILLWATER MINING COMPANY; ABSAROKEE ELEMENTARY SCHOOL

RE: Letter of Modification to Stillwater Mining Company's June 3, 1998, Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project

This letter of Modification is the formal modification of the June 3, 1998 Hard Rock Mining Impact Plan Amendment for the Stillwater Mining Company's Nye Expansion Project. This Letter is submitted and agreed to by Stillwater Mining Company and Absarokee Elementary School District. The attached pages show, by shading, the provisions that supercede the reference provisions in the June 3, 1998, Plan Amendment. By their signatures below, each of the parties indicates agreement to and approval of this Letter of Modification.

Upon approval of this Letter of Modification by the Hard Rock Mining Impact Board, Stillwater Mining Company will provide colored replacement pages to Absarokee Elementary School for insertion into copies of the June 3, 1998, Plan Amendment.

The following modifications are made to the June 3, 1998, Plan Amendment:

1. Pages 2-9 and 2-10, TABLE 2-5 SMC TAXABLE VALUATION ($000's): Actual 1998-99 taxable valuations for Stillwater Mining Company and each of the affected units of local government will replace the respective taxable valuations projected in the June 3, 1998, draft for Year 3, 1998-99. The actual 1998-99 SMC taxable valuation was approximately 15% less than projected in the June 3, 1998, Plan Amendment and Stillwater Mining Company believes a modification is appropriate. The revised data for that year are shaded in the replacement TABLE 2-5.

2. Pages 6-3 and 6-4, TABLE 6-1 AND 6-2: Actual 1998-99 Annual Number Belonging (ANB) and actual taxable valuations for SMC and the total District are used in the replacement pages. Shaded data show the actual ANB and taxable valuations and the resulting budget changes that occur as a result using actual data.

The parties below accept and approve this August 10, 1998, Letter of Modification to Stillwater Mining Company's Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project.

ABSAROKEE ELEMENTARY SCHOOL DISTRICT

STILLWATER MINING COMPANY

August 10, 1998

TO: HARD ROCK MINING IMPACT BOARD

FR: STILLWATER MINING COMPANY; ABSAROKEE HIGH SCHOOL DISTRICT

RE: Letter of Modification to Stillwater Mining Company's June 3, 1998, Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project

This letter of Modification is the formal modification of the June 3, 1998 Hard Rock Mining Impact Plan Amendment for the Stillwater Mining Company's Nye Expansion Project. This Letter is submitted and agreed to by Stillwater Mining Company and Absarokee High School District. The attached pages show, by shading, the provisions that supercede the reference provisions in the June 3, 1998, Plan Amendment. By their signatures below, each of the parties indicates agreement to and approval of this Letter of Modification.

Upon approval of this Letter of Modification by the Hard Rock Mining Impact Board, Stillwater Mining Company will provide colored replacement pages to all affected units of local government for insertion into copies of the June 3, 1998, Plan Amendment.

The following modifications are made to the June 3, 1998, Plan Amendment:

1. Pages 2-9 and 2-10, TABLE 2-5 SMC TAXABLE VALUATION ($000's): Actual 1998-99 taxable valuations for Stillwater Mining Company and each of the affected units of local government will replace the respective taxable valuations projected in the June 3, 1998, draft for Year 3, 1998-99. The actual 1998-99 SMC taxable valuation was approximately 15% less than projected in the June 3, 1998, Plan Amendment and Stillwater Mining Company believes a modification is appropriate. The revised data for that year are shaded in the replacement TABLE 2-5.

2. Pages 7-3 and 7-4, TABLES 7-1 AND 7-2: Actual 1998-99 Annual Number Belonging (ANB) and actual taxable valuations for SMC and the total District are used in the replacement pages. Shaded data show the actual ANB and taxable valuations and the resulting budget changes that occur as a result using actual data.

The parties below accept and approve this August 10, 1998, Letter of Modification to Stillwater Mining Company's Hard Rock Mining Impact Plan Amendment for the Nye Expansion Project.

ABSAROKEE HIGH SCHOOL DISTRICT

STILLWATER MINING COMPANY

Attachment 6 – Sibanye Mineral Development Employee Projections

commissioned on 6500 Level in early FY2020 to reduce water in the air lines. A 10-inch diameter pipeline loop from the 7500 Level up to the 8200 Level was installed in FY2020 to increase storage capacity above the 7500 Level. A 200 HP satellite compressor was added in FY2021 to service a long hole drilling machine, with three more satellite compressors to be added and installed at long hole drilling locations. In addition, studies on long-term engineering and option planning started in FY2021 and scheduled for completion in FY2022 will which more closely define the long-term compressed air requirements and strategy. As a result, the Qualified Person is satisfied with the compressed air system in place at East Boulder Mine. The compressed air service map for East Boulder Mine is shown in Figure 52. 140 Figure 52: East Boulder Mine Compressed Air Distribution System 15.11.2.5 Service Water The current service water system consists of multiple DWRs situated on each level underground (Figure 53). The DWR system is fed from the riser pump located at the surface clarifier, which receives the return water from the mining activities underground. The clarified water is pumped underground via a pipeline from the clarifier to the 6500 Level DWR from where it is pumped vertically to the DWRs at the higher levels in the mine in a cascading fashion – DWRs are located at the 6500, 6700, 6900, 7200, 7500, 7900, 8200, 8500 and 8800 Levels. Clean Portal Water is also distributed to the 6500 DWR via a pipeline in Tunnel 1 from a sump inside Portal 1. The future water distribution plan provides for one more DWR at the 9100 Level. The DWRs are equipped with pump skids that have two pumps per skid, each pump delivering 300gal per minute at 350ft of head. The 7900, 8200, 8500 and 8800 DWRs are controlled via variable frequency drives (VFDs) and 40hp pumps, whereas the rest of the DWRs have 125hp direct feed pumps. Each system is sufficient and the DWR planned will be constructed with 40hp pumps and VFDs. The Qualified Person is satisfied with the current service water system, which provides sufficient service water to the mining operations, and no major additions are required. The planned upgrades will ensure the mine has sufficient service water for to the expanded operations.

Figure 53: East Boulder Mine Drill Water Reservoir Layout

15.12 Manpower

Table 35 and Table 36 show the LoM manpower plans for Stillwater and East Boulder Mines, respectively. A 13% increase in total manpower is planned in FY2022 to bolster the mining, technical services and administration, surface operations and engineering and maintenance complements for the sustainability of the steady state production levels following the conclusion of the Fill The Mill Project at East Boulder Mine. However, the manpower figures are forecast to remain at the FY2022 levels for the remainder of the LoM. Total manpower increases ranging from 4% to 9% are planned at Stillwater Mine from FY2022 to FY2024 because of the expansion of the mining complement required to achieve the production ramp up at the Stillwater East Section. The manpower levels are forecast to remain relatively stable from FY2025 to FY2046 as the operations approach and attain the steady state production level after which the manpower figures decline in response to declining tonnage planned in the LoM production plan.

Table 35: LoM Manpower Plan for Stillwater Mine

Description	Actual			Budget									
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Mining	761	777	870	772	839	944	918	888	848	816	812	820	822
Engineering Maintenance	169	191	148	209	234	243	243	243	243	243	243	243	243
Technical Services & Admin	99	123	147	228	291	291	291	291	291	291	291	291	291
Concentrator	42	42	43	52	54	54	54	54	54	54	54	54	54
Surface	19	27	28	24	28	28	28	28	28	28	28	28	28
Total Mine Site	1 090	1 159	1 236	1 285	1 446	1 560	1 534	1 504	1 464	1 432	1 428	1 436	1 438

Description	Budget												
	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043	FY2044
Mining	824	821	825	824	823	814	814	814	813	814	770	740	707
Engineering Maintenance	243	243	243	243	243	243	243	243	243	243	243	222	199
Technical Services & Admin	291	291	291	291	291	291	291	291	291	291	291	291	291
Concentrator	54	54	54	54	54	54	54	54	54	54	54	54	54
Surface	28	28	28	28	28	28	28	28	28	28	28	28	28
Total Mine Site	1 440	1 437	1 441	1 440	1 439	1 430	1 430	1 430	1 429	1 430	1 386	1 335	1 279

Description	Budget												
	FY2045	FY2046	FY2047	FY2048	FY2049	FY2050	FY2051	FY2052	FY2053	FY2054	FY2055		
Mining	692	665	576	576	576	559	559	494	361	260	190	-	-
Engineering Maintenance	199	194	194	194	194	194	194	194	194	194	194	-	-
Technical Services & Admin	291	291	291	291	276	276	276	266	256	222	205	-	-
Concentrator	54	54	54	54	54	54	54	54	54	54	54	-	-
Surface	28	28	28	28	28	28	28	28	28	28	28	-	-
Total Mine Site	1 264	1 232	1 143	1 143	1 128	1 111	1 111	1 036	893	758	671	-	-

141 Figure 53: East Boulder

Table 36: LoM Manpower Plan for East Boulder Mine

Description	Actual			Budget											
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
Mining	282	281	294	326	325	327	327	327	327	327	327	327	327	327	327
Engineering Maintenance	64	71	71	79	79	79	79	79	79	79	79	79	79	79	79
Technical Services & Admin	41	44	46	57	57	58	58	58	58	58	58	58	58	58	58
Concentrator	31	29	30	34	34	33	34	34	34	34	34	34	34	34	34
Surface	18	18	16	20	20	20	20	20	20	20	20	20	20	20	20
Total Mine Site	436	443	457	516	515	517	518	518	518	518	518	518	518	518	518

Description	Budget														
	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043	FY2044	FY2045	FY2046	FY2047	FY2048
Mining	327	327	327	327	327	327	327	327	327	327	327	327	327	327	329
Engineering Maintenance	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79
Technical Services & Admin	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58
Concentrator	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34
Surface	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Total Mine Site	518	518	518	518	518	518	518	518	518	516	518	518	518	518	520

Description	Budget														
	FY2049	FY2050	FY2051	FY2052	FY2053	FY2054	FY2055	FY2056	FY2057	FY2058	FY2059	FY2060	FY2061	FY2062	FY2063
Mining	331	333	335	337	339	341	343	345	347	345	348	335	301	303	305
Engineering Maintenance	79	79	79	79	79	79	79	79	79	79	79	79	79	79	79
Technical Services & Admin	58	58	58	58	58	58	58	58	58	58	58	58	58	58	58

Concentrator	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34
Surface	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Total Mine Site	522	524	526	528	530	532	534	536	538	536	539	526	492	494	496

The Qualified Person noted that higher mining productivities are forecast at East Boulder Mine than the steady state productivity levels at Stillwater Mine when viewed in terms of tonnage generated per number of mining employees. However, the planned mining manpower levels for Stillwater and East Boulder Mines are aligned to the actual levels of productivity achieved previously. Accordingly, the Qualified Person is satisfied with the current manpower plans for Stillwater and East Boulder Mines.

16 PROCESSING AND RECOVERY

16.1 Mineral Processing Methods

16.1.1 *Background*

Ore processing plants at Stillwater and East Boulder Mines and the smelter and base metal refinery at the Columbus Metallurgical Complex have been in continuous operation for decades. All metallurgical processes and technology in place at the ore processing, smelting and refining facilities are appropriate, well-proven and aligned to norms and practices in the PGM sectors. The processing methods were selected based on metallurgical testwork carried out as part of feasibility studies at the time of development. However, results of the testwork have been superseded by actual operational data and experience accumulated over several years of continuous successful operation of these facilities. Accordingly, there are no plans to introduce new processing technology at the processing facilities. The plant capacity upgrades at Stillwater Concentrator and the metallurgical complex are based on existing technology and process flowsheets. The plans to maximise installed capacity at the East Boulder Concentrator is similarly based on existing and proven technology.

16.2 Ore Processing

16.2.1 *Stillwater Concentrator*

16.2.1.1 *Plant Capacity*

The PGM concentrator at Stillwater Mine was commissioned in 1987 as a 500-ton per operating day conventional crushing, milling and flotation plant producing a PGM-base metal sulphide concentrate suitable for downstream smelting and refining. Following several process modifications and expansions, the concentrator capacity increased to approximately 3 100 tons per operating day by FY2020. The concentrator has historically operated on a ten-day or eleven-day fortnight basis and has been switched off every second weekend resulting in approximately 75% utilisation. This was required to maintain the balance with mining volumes of 750 000 tons per year at the time, but the concentrator currently operates on a continuous basis with a target utilisation of 92% due to the increased tonnage delivered from the mine in recent years. At the 92% utilisation, the plant capacity before expansion is

Attachment 7 – Sibanye Mineral Development Employees Actual

Empowering our workforce *continued*

OUR WORKFORCE PROFILE

The composition of our workforce is outlined below. There were no forced retrenchments during 2021.

Workforce by operation at December 2021

	2021			2020			2019		
	[1]Employees	[2]Contractors	Total	[1]Employees	Contractors	Total	[1]Employees	Contractors	Total
SA operations									
Beatrix	**6,555**	**1,868**	**8,423**	6,577	1,579	8,156	6,374	735	7,109
Driefontein	**8,481**	**1,690**	**10,171**	8,609	1,537	10,146	8,547	1,164	9,711
Kloof	**9,407**	**1,982**	**11,389**	9,549	2,055	11,604	9,858	1,271	11,129
Burnstone	**168**	**76**	**244**	98	33	131	103	23	126
Cooke	**487**	**428**	**915**	480	426	906	493	353	846
SA gold operations	**25,098**	**6,044**	**31,142**	25,313	5,630	30,943	25,375	3,546	28,921
Kroondal (100%)	**5,397**	**3,139**	**8,536**	5,489	3,155	8,644	5,445	1,904	7,349
Rustenburg[7]	**12,809**	**3,283**	**16,092**	12,378	3,047	15,425	11,458	1,704	13,162
Marikana	**17,963**	**3,413**	**21,376**	18,461	3,855	22,316	20,200	3,385	23,585
SA PGM operations	**36,169**	**9,835**	**46,004**	36,328	10,057	46,385	37,103	6,993	44,096
Group and Integrated services[3]	**2,671**	**2,164**	**4,835**	2,682	1,852	4,534	2,748	2,617	5,365
						0	2,368	1,043	3,411
SA operations – total	**63,938**	**18,043**	**81,981**	64,323	17,539	81,862	67,594	14,199	81,793
US PGM operations									
Stillwater	**1,219**	**494**	**1,713**	1,163	462	1,625	1,090	480	1,570
East Boulder	**454**	**262**	**716**	446	264	710	436	239	675
Columbus Metallurgical Complex	**199**	**177**	**376**	217	233	450	196	149	345
Regional services[4]	**99**	**0**	**99**	55	2	57	67	4	71
Other[5]	**0**	**0**	**0**	0	0	0	0	0	0
US PGM operations – total	**1,971**	**933**	**2,904**	1,881	961	2,842	1,789	872	2,661
Corporate office[6]	**96**	**0**	**96**	71		71	67	0	67
Group – total	**66,005**	**18,976**	**84,981**	66,275	18,500	84,775	69,450	15,071	84,521

[1] Employees include permanent and fixed term employees
[2] Contractors exclude 'fee' contractors (i.e. those paid for work performed as opposed to being paid per head)
[3] Previous years' data (before 2020) was split between Regional services and SA other. As of 2020 figures are combined, with the Property employees incorporated in the operations. Regional services includes executive management of the SA operations and employees providing a service to all SA operations
[4] Regional services in the US includes executive management located in the Columbus and Montana offices
[5] Other represents two employees at Marathon, Canada (no contractors at 31 December 2019)
[6] Blue Ridge included

Workforce by age[3]

	2021				2020				2019			
	[1]Employees	Contractors	Total	%	Employees	Contractors	Total	%	Employees	Contractors	Total	%
SA operations												
18<30 years	2,964	4,614	7,578	9 %	2,823	4,411	7,234	9 %	3,458	3,261	6,719	8 %
30-50 years	45,878	11,328	57,206	70 %	47,187	11,102	58,289	71 %	49,530	9,222	58,752	72 %
>50 years	15,192	2,101	17,293	21 %	14,384	2,026	16,410	20 %	14,606	1,716	16,322	20 %
US PGM operations[2]												
19<30 years	311	0	311	16 %	265		265	14 %	246		246	14 %
30-50 years	1,096	0	1,096	56 %	994		994	53 %	990		990	55 %
>50 years	564	0	564	29 %	622		622	33 %	553		553	31 %

[1] Employees include permanent and fixed term employees
[2] Ages of contractors at US PGM operations not available
[3] Including Corporate

Empowering our workforce *continued*

EMPLOYEE TURNOVER

The annual turnover for management level employees at the SA operations in 2021 was 135 (2021: 0.21%; 2020: 0.20%), including 60 for HDPs (2021: 0.09%; 2020: 0.10%) and 17 for women in management (2021: 0.03%; 2020: 0.03%). The total turnover for the SA operations was 4,982 (2021: 7.7%; 2020: 8.6%), with 2,325 and 2,459 recorded at the SA gold and PGM operations respectively (2021: 9.1% and 6.8%; 2020: 8.1% and 8.8%). Of our total turnover rate,1% were women.

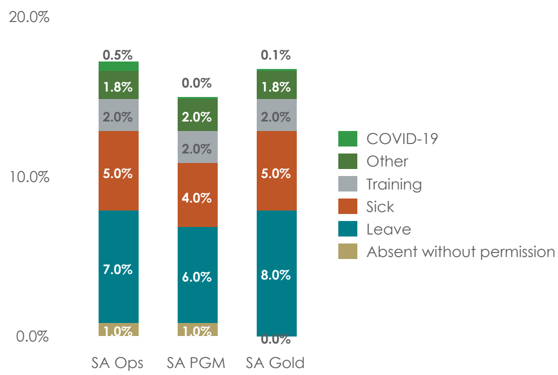
Annualised attrition in the US PGM operations was 13.92%, while the attrition rate among mineworkers was 12.74% (2020: 8.39% and 6.11% respectively).

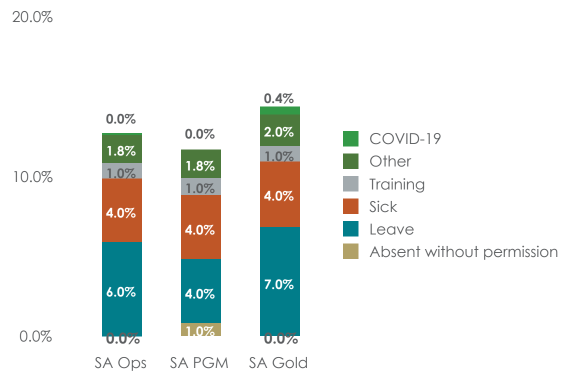
In SA operations a total of 1,279 (27.7%) women were hired out of a total 4,622 hires.

ABSENTEEISM

Absenteeism is monitored monthly via an attendance management programme. Employees who are struggling to get to work can access help through our Employee Assistance Programmes (EAPs).

SA operations: shifts not worked including absenteeism (average %)





PERFORMANCE

Our HR focus has shifted from an emphasis on culture transformation to operational excellence and strategic workforce planning. The Organisational Growth department was split off from HR, allowing HR to focus its efforts on ensuring employees are fit to deliver (operational), leaving Organisational Growth to focus on culture change.

Our SA PGM operations spent R547 million on learning and development in 2021, while our Gold operations spent R422 million. Training spend for our US operations was 6 million.

Group of employees at the SA gold Driefontein 4 shaft

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

Workforce by operation at 31 December

	2018			2017			2016		
	Permanent employees	Contractors[1]	Total	Permanent employees	Contractors[1]	Total	Permanent employees	Contractors[1]	Total
SA operations									
Beatrix	**7,329**	**929**	**8,258**	7,084	925	8,009	7,884	1,671	9,555
Driefontein	**10,576**	**1,072**	**11,648**	10,969	1,495	12,464	10,941	1,648	12,589
Kloof	**9,776**	**1,160**	**10,936**	9,581	1,487	11,068	9,858	1,319	11,177
Burnstone	**114**	**66**	**180**	237	298	535	241	336	577
Cooke	**486**	**260**	**746**	717	542	1,259	3,788	1,624	5,412
Gold (excluding services)	**28,281**	**3,487**	**31,768**	28,588	4,747	33,335	32,712	6,598	39,310
Kroondal (100%)	**5,673**	**2,617**	**8,290**	5,715	2,849	8,564	6,021	4,378	10,399
Rustenburg[3]	**13,023**	**2,354**	**15,377**	13,194	2,049	15,243	14,891	3,114	18,005
SA PGM[2] (excluding services)	**18,696**	**4,971**	**23,667**	18,909	4,898	23,807	20,912	7,492	28,404
Regional Services[3]	**2,251**	**1,239**	**3,490**	2,262	1,349	3,611	3,054	1,018	4,072
SA other[4]	**1,720**	**806**	**2,526**	1,867	1,827	3,694	2,731	190	2,921
SA operations – Total	**50,948**	**10,503**	**61,451**	51,626	12,821	64,447	58,644	15,887	74,531
US operations									
Stillwater	**962**	**280**	**1,242**	863	333	1,196			
East Boulder	**411**	**45**	**456**	409	54	463			
Columbus Metallurgical Complex	**186**	**54**	**240**	179	64	243			
Regional services[5]	**67**	**5**	**72**	54	6	60			
Other[6]	**2**	**0**	**2**	8	0	8			
US operations – Total	**1,628**	**384**	**2,012**	1,513	457	1,970			
Corporate office[7]	**55**	**0**	**55**	55	-	55			
Group – Total	**52,631**	**10,887**	**63,518**	53,194	13,278	66,472	58,644	15,887	74,531

[1] Contractors excludes "free" contractors who receive a fee for service irrespective of the number of contractor employees on site (not compensated on a fee-per-head basis but a fee for the service or work performed)

[2] PGM operations under management: In 2016, Kroondal is included from April to December 2016 and Rustenburg operations from November to December 2016. In 2017, these operations are included for the full year.

[3] Regional services includes executive management of the SA operations and employees providing a service to the SA operations and to the gold operations not reflected in other. The number for the Rustenburg employees above includes 1,029 employees who provide regional services to the SA PGM operations

[4] Other includes Protection Services, Shared Services, Sibanye-Stillwater Academy, Health Services and Property (gold and SA PGM operations)

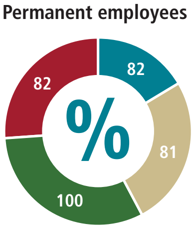
[5] Regional services in the US includes executive management located in Columbus and Montana offices

[6] Other represents two employees at Marathon, Canada (no contractors at 31 December 2018). Altar employees are included with Aldebaran from 2018 (non-managed).

[7] Corporate office includes executive management since September 2017

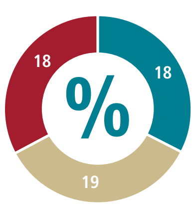
Workforce composition (2018)

Permanent employees



SA operations	50,948
US operations[1]	1,628
Corporate office	55
Group	**52,631**

Contractors



SA operations	18
US operations[1]	19
Corporate office	0
Group	**18**

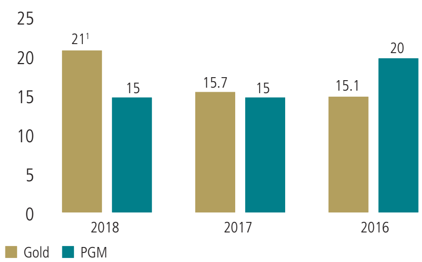
Workforce by age

	2018				2017				2016			
	Permanent employees	Contractors	Total	%	Permanent employees	Contractors	Total	%	Permanent employees	Contractors	Total	%
SA operations												
<30 years	**3,402**	**2,950**	**6,352**	**10**	4,034	3,694	7,728	12	5,913	4,560	10,473	14
30-50 years	**37,230**	**6,492**	**43,722**	**71**	37,275	7,738	45,013	70	41,636	9,536	51,172	69
>50 years	**10,316**	**1,061**	**11,377**	**19**	10,317	1,389	11,706	18	11,095	1,791	12,886	17
US operations [1]												
<30 years	**194**		**194**	**12**	157			10				
30-50 years	**904**		**904**	**55**	848			56				
>50 years	**530**		**530**	**33**	508			34				

[1] *Ages of contractors at US operations not available*

ABSENTEEISM

SA operations: Absenteeism (%)



[1] *The increase is a result of the AMCU wage-related industrial action*

For more about absenteeism, refer to Ensuring safe production, and Occupational health and well-being.

US operations' employees are allotted a specific number of vacation and sick/personal days per year. When these discretionary days off of work have US operations' employees are allotted a specific number of vacation and sick/personal days per year. When these discretionary days off of work have been exhausted, should the employee miss work, employment is terminated.

EMPLOYEE TURNOVER

The annual turnover for management level employees in the SA operations in 2018 was 14%, including 9% HDSAs and 4% women in management. The total turnover in the SA operations was 5% (6% at the gold operations and 3% at the PGM operations).

Annualised attrition in the US operations in 2018 was 8.7%. The attrition rate among miners was 4.8%.

No incidents of discrimination were reported during 2018.

GENDER DIVERSITY

We aim to establish a working environment, and instil a culture, that supports and proactively attracts women at all levels, and which accelerates gender equity through employee development and improved communication, promoting awareness and understanding of gender diversity and equity, and removing gender-related barriers to make the working environment more conducive for women. Every effort has been made to ensure that our HR policies are gender-neutral.

Women representation in our workforce improved to 13% in 2018 with 9% of core mining roles held by women. A particular focus of succession planning is to increase female representation in middle management and in senior/executive management.

Sexual harassment is not tolerated at all as it violates our values and disrupts the workplace. As awareness and understanding of sexual harassment play a pivotal role in preventing sexual harassment in the workplace, regular awareness campaigns are conducted. Sexual harassment is also addressed in employee "return from leave" refresher induction training. Our sexual harassment policy governs procedures to be followed in dealing with sexual harassment. A sexual misconduct unit of Protection Services handles all reported sexual harassment cases, with information from anonymous tip-offs or HR managers, and counselling is provided to affected employees. In 2018, two cases of sexual harassment were reported at our SA PGM operations and one at our SA gold operations.

"Every effort has been made to ensure that our HR policies are gender-neutral"

EMPLOYEES

At December 31, 2016, the Company employed 1,432 people. The following table shows the distribution of Company employees (excluding contractors) involved in each of the Company's activities:

SITE	December 31,		
	2016	2015	2014
Stillwater Mine	791	784	942
East Boulder Mine	402	410	419
Smelter and Refinery Complex	170	178	187
Administrative Support	59	58	61
Canadian Operations	2	2	3
South American Operations	8	7	7
Total	1,432	1,439	1,619

The Company's represented workforce at the Stillwater Mine, the East Boulder Mine, the smelter and the base metal refinery are represented by the United Steel Workers of America (USW) and are covered under two separate collective bargaining agreements. The Stillwater Mine and the Columbus processing facilities are covered by a collective bargaining agreement with the USW Local 11-0001, which expires June 1, 2019, with re-negotiation (for wages only) in 2017. The East Boulder Mine collective bargaining agreement with the USW Local 11-0001, expires December 31, 2019, with re-negotiation (for wages only) in 2017.

MAJOR CUSTOMERS

As previously disclosed, the Company and JM entered into a five-year PGM supply agreement and a refining agreement during 2014. The supply agreement gives JM the right to purchase all of the Company's mine production of palladium and platinum at competitive market prices (with the exception of platinum sales under the Company's sales agreement with Tiffany & Co.) and the right to bid for any recycling volumes the Company has available.

The Company aims to sell forward all recycling material at the time the purchase is made, essentially fixing the sales margin on the material. Forward sales of recycled ounces are customarily offered to any of several counterparties whom the Company believes are able to take future physical delivery of the underlying metal. Such forward sales are regarded as "normal sales" transactions for accounting purposes and therefore are not accounted for as derivatives.

During 2016, JM purchased all of the Company's mined PGM production (excluding the platinum ounces delivered under a separate agreement with Tiffany & Co.). Approximately 56.9% of the Company's total revenues for the year ended December 31, 2016 were derived from mine production.

This significant concentration of business with JM could leave the Company without precious metals refining services should JM experience significant financial or operating difficulties during the contract period. See *"Item 1A -Risk Factors - The Company's sales arrangements concentrate all of the Company's final refining activity and a large portion of its PGM sales from mine production with one entity"* for further information.

PGM SALES AND HEDGING

MINE PRODUCTION

The Company sells its palladium, platinum, rhodium, gold and silver through established trading relationships. Refined PGMs of 99.95% purity (rhodium of 99.9%) in sponge-form are transferred upon sale from the Company's account at the third-party refiner to the account of the purchaser. After final refining, by-product gold, silver and rhodium are normally sold at market prices to customers, brokers or outside refiners. Copper and nickel by-products from the Company's base metal refinery are produced at less than commercial grade, so prices for these metals typically reflect a modest quality discount. By-product sales are included in revenues from mine production. During 2016, 2015 and 2014, total revenues from by-product (copper, nickel, gold, silver and mined rhodium) sales were $23.7 million, $23.1 million and $29.6 million, respectively.

The Company has a market-based platinum supply agreement in place with Tiffany & Co., through the end of 2017. At present the Company sells the remainder of its PGM mine production to JM under a five-year arrangement that commenced in July, 2014. Pricing is based on spot prices.

SAFETY

Mining operations are conducted at the Stillwater Mine and at the East Boulder Mine and involve the use of heavy machinery and drilling and blasting in confined spaces. The pursuit of safety excellence at the Company continues with the utilization since 2001 of the Company's "G.E.T. (Guide, Educate and Train) Safe" safety and health management systems. Efforts are focused on accident prevention, seeking safer methods of mining and increased employee awareness and training. Areas of specific focus include enhanced work place examinations, safety standards implementation and compliance, accident/incident investigations, near miss reporting and use of loss control representatives who are part of the mining workforce. Employee-led focus teams have been successful in proactively solving many safety related challenges. The Company continues to use focus teams to address specific safety and health related issues. The Company has partnered with MSHA on several occasions for purposes of education, training, research, and technology sharing. Several breakthrough results have resulted from this partnership. Most noteworthy are the completion of a jointly created training seminar for MSHA inspectors and Company supervisors and cooperative study and research efforts for reducing employee exposures to noise and diesel particulate matter.

During 2008, continued focus on improving Company safety performance resulted in an overall Company reportable accident incidence rate reduction for employees of 8.3% from 2007. This equates to a 75% reduction in incidence rates for Company employees since the inception of the "G.E.T. Safe" safety management systems in 2001. During 2008, the mill at the East Boulder Mine received the Department of Labor's "Sentinels of Safety" Award for 2007 outstanding safety performance. The metallurgical complex in Columbus, Montana, continued to maintain a low incidence rate while being recognized by the Montana Department of Labor and Occupational Safety and Health Administration (OSHA) as a leader in workplace safety. In May of 2008, the Company's base metal refinery in Columbus, Montana was recognized for twelve years of operation without a lost-time accident; this accident-free record subsequently has continued through the end of 2008. The analytical laboratory achieved seven years of operation without a lost-time accident during 2008.

The smelter, base metal refinery and laboratory continue to participate in and support the Montana Department of Labor's Safety and Health Achievement Recognition Program ("SHARP"). They have all received SHARP recognition numerous times. The smelter received SHARP recognition in December of 2008. The base metal refinery and laboratory have both applied for SHARP recognition.

The SHARP program recognizes employers who have demonstrated exemplary achievements in workplace safety and health. By meeting the SHARP inspection requirements, these facilities may be exempt from general OSHA inspections for one year. During 2008, employee participation and involvement was further enhanced through the continued implementation of internal safety auditing processes.

EMPLOYEES

As of December 31, 2008 and 2007, the Company had 1,364 and 1,625 employees, respectively, in the following areas:

SITE	Number of Employees at December 31,	
	2008	2007
Stillwater Mine	869	845
East Boulder Mine	261	551
Smelter and Refinery Complex	169	161
Administrative Support	65	68
Total	1,364	1,625

In response to sharply lower market prices for the Company's principal products, platinum and palladium, during the fourth quarter of 2008, the Company issued a notice at East Boulder Mine under the WARN Act and restructured its workforce company-wide. Some of the miners at East Boulder Mine were transferred to the Stillwater Mine to bolster operations there, replacing contractors and provisional employees. Staff and support personnel at all Company locations also were reduced. As part of the same effort, in early January 2009 the Company consolidated its corporate functions in Columbus, Montana, and closed the headquarters office in Billings, Montana.

Production and Overall Operations

The Stillwater Mine produced 504,000 ounces of palladium and platinum during 2001, a 17 percent increase over the 430,000 ounces produced in 2000 and a 23 percent increase over the 409,000 ounces produced in 1999.

Mine dilution decreased four percent, the result of improved planning and increased attention from the underground crews. Total production and development tons mined increased nine percent to 1.96 million tons compared to 1.8 million tons in 2000.

The mill processed a total of 912,000 tons of ore and sub-grade material in 2001 with a mill head grade of 0.62 ounce per ton, a 20.6 percent increase over the 756,000 tons processed in 2000, at a head grade of 0.64 ounce per ton. The mill recovery rate was 90.2 percent in 2001 slightly lower than the previous year as a result of processing substantially more sub-grade material.

During 2001, total cash costs per ounce were $264, the same as in 2000. Efficiencies achieved through increased production levels and lower royalties and taxes associated with the lower metal prices were offset by lower byproduct credits.

Development goals continued to be met during 2001 with 64,000 feet of development and 514,000 feet of total diamond drilling completed during the year. As a result proven reserves were increased slightly to 2.8 million tons replacing production during the year.

The Stillwater Mine MSHA (Mine Safety and Health Administration) reportable incident rate improved 38 percent to a 9.33 rate in 2001, from a 15.15 rate in 2000 and a 19.02 rate in 1999. The improvement is a result of employee involvement in safety stand-downs and workplace inspections, as well as safety system improvements. Though these efforts resulted in improved reportable injury incidence rate, the Stillwater Mine suffered three fatalities, two involving Company employees and one involving an independent contractor's employee during the year. Thus, the recognition and elimination of all potentials for workplace fatalities is a highest priority at Stillwater Mining Company.

Total site manpower at the Stillwater Mine is 1,122 employees as compared with 963 at the end of 2000.

2002 Outlook

Improvements in safety, planning, mine infrastructure, ore reserves, development, production, and costs are key focus for operations management during 2002. Planning, both short and long-term continues. Organizational development focused on employee involvement in developing and implementing systems for improved safety, production, and costs are major initiatives for 2002.

Annual Employment Production

Year	Mine ID	Subunit		Coal Production	Annual Hrs.	Avg. Annual Emp.*
2022	2401490	01	UNDERGROUND	0		
2022	2401490	02	SURFACE AT UNDERGROUND	0		
2022	2401490	30	MILL OPERATION/PREPARATION PLANT	0		
2022	2401490	99	OFFICE WORKERS AT MINE SITE	0		
2022	2401490	**Total**		**0**		
2021	2401490	01	UNDERGROUND	0	1,862,670	1,026
2021	2401490	02	SURFACE AT UNDERGROUND	0	218,456	114
2021	2401490	30	MILL OPERATION/PREPARATION PLANT	0	90,375	53
2021	2401490	99	OFFICE WORKERS AT MINE SITE	0	18,733	10
2021	2401490	**Total**		**0**	**2,190,234**	**1,203**
2020	2401490	01	UNDERGROUND	0	1,803,998	963
2020	2401490	02	SURFACE AT UNDERGROUND	0	195,081	105
2020	2401490	30	MILL OPERATION/PREPARATION PLANT	0	94,843	52
2020	2401490	99	OFFICE WORKERS AT MINE SITE	0	15,807	8
2020	2401490	**Total**		**0**	**2,109,729**	**1,128**
2019	2401490	01	UNDERGROUND	0	1,701,180	896
2019	2401490	02	SURFACE AT UNDERGROUND	0	165,914	88
2019	2401490	30	MILL OPERATION/PREPARATION PLANT	0	101,862	53
2019	2401490	99	OFFICE WORKERS AT MINE SITE	0	11,239	7
2019	2401490	**Total**		**0**	**1,980,195**	**1,044**
2018	2401490	01	UNDERGROUND	0	1,497,892	780
2018	2401490	02	SURFACE AT UNDERGROUND	0	155,244	83
2018	2401490	30	MILL OPERATION/PREPARATION PLANT	0	92,483	49
2018	2401490	99	OFFICE WORKERS AT MINE SITE	0	7,701	4
2018	2401490	**Total**		**0**	**1,753,320**	**916**
2017	2401490	01	UNDERGROUND	0	1,328,181	702
2017	2401490	02	SURFACE AT UNDERGROUND	0	137,945	75
2017	2401490	30	MILL OPERATION/PREPARATION PLANT	0	90,189	46
2017	2401490	99	OFFICE WORKERS AT MINE SITE	0	9,266	5
2017	2401490	**Total**		**0**	**1,565,581**	**828**
2016	2401490	01	UNDERGROUND	0	1,238,687	665
2016	2401490	02	SURFACE AT UNDERGROUND	0	129,276	71
2016	2401490	30	MILL OPERATION/PREPARATION PLANT	0	87,576	44
2016	2401490	99	OFFICE WORKERS AT MINE SITE	0	8,746	5
2016	2401490	**Total**		**0**	**1,464,285**	**785**
2015	2401490	01	UNDERGROUND	0	1,386,760	735
2015	2401490	02	SURFACE AT UNDERGROUND	0	145,405	78
2015	2401490	30	MILL OPERATION/PREPARATION PLANT	0	101,543	51
2015	2401490	99	OFFICE WORKERS AT MINE SITE	0	16,535	9
2015	2401490	**Total**		**0**	**1,650,243**	**873**
2014	2401490	01	UNDERGROUND	0	1,602,279	832
2014	2401490	02	SURFACE AT UNDERGROUND	0	156,770	83
2014	2401490	30	MILL OPERATION/PREPARATION PLANT	0	113,381	59
2014	2401490	99	OFFICE WORKERS AT MINE SITE	0	21,367	11
2014	2401490	**Total**		**0**	**1,893,797**	**985**
2013	2401490	01	UNDERGROUND	0	1,675,691	860
2013	2401490	02	SURFACE AT UNDERGROUND	0	177,071	92
2013	2401490	30	MILL OPERATION/PREPARATION PLANT	0	118,827	62
2013	2401490	99	OFFICE WORKERS AT MINE SITE	0	24,147	15
2013	2401490	**Total**		**0**	**1,995,736**	**1,029**
2012	2401490	01	UNDERGROUND	0	1,659,579	789
2012	2401490	02	SURFACE AT UNDERGROUND	0	68,161	94
2012	2401490	30	MILL OPERATION/PREPARATION PLANT	0	130,004	62
2012	2401490	99	OFFICE WORKERS AT MINE SITE	0	23,010	9
2012	2401490	**Total**		**0**	**1,880,754**	**954**
2011	2401490	01	UNDERGROUND	0	1,582,364	797
2011	2401490	02	SURFACE AT UNDERGROUND	0	59,479	30
2011	2401490	30	MILL OPERATION/PREPARATION PLANT	0	132,921	66
2011	2401490	99	OFFICE WORKERS AT MINE SITE	0	23,661	12
2011	2401490	**Total**		**0**	**1,798,425**	**905**
2010	2401490	01	UNDERGROUND	0	1,378,500	708
2010	2401490	02	SURFACE AT UNDERGROUND	0	45,416	24
2010	2401490	30	MILL OPERATION/PREPARATION PLANT	0	127,804	66
2010	2401490	99	OFFICE WORKERS AT MINE SITE	0	21,387	11
2010	2401490	**Total**		**0**	**1,573,107**	**809**
2009	2401490	01	UNDERGROUND	0	1,425,114	731
2009	2401490	02	SURFACE AT UNDERGROUND	0	48,874	26
2009	2401490	30	MILL OPERATION/PREPARATION PLANT	0	133,586	70
2009	2401490	99	OFFICE WORKERS AT MINE SITE	0	20,342	11
2009	2401490	**Total**		**0**	**1,627,916**	**838**
2008	2401490	01	UNDERGROUND	0	1,518,805	732
2008	2401490	02	SURFACE AT UNDERGROUND	0	65,320	33
2008	2401490	30	MILL OPERATION/PREPARATION PLANT	0	149,647	74
2008	2401490	99	OFFICE WORKERS AT MINE SITE	0	16,966	9
2008	2401490	**Total**		**0**	**1,750,738**	**848**
2007	2401490	01	UNDERGROUND	0	1,437,008	721
2007	2401490	02	SURFACE AT UNDERGROUND	0	76,896	45
2007	2401490	30	MILL OPERATION/PREPARATION PLANT	0	140,458	70
2007	2401490	99	OFFICE WORKERS AT MINE SITE	0	16,502	9
2007	2401490	**Total**		**0**	**1,670,864**	**845**
2006	2401490	01	UNDERGROUND	0	1,551,838	829

* DOES NOT INCLUDE CONTRACTORS.
SOURCE OF DATA https://www.msha.gov/data-and-reports/mine-data-retrieval-system

Annual Employment Production

2006	2401490	02	SURFACE AT UNDERGROUND	0	137,028	72
2006	2401490	30	MILL OPERATION/PREPARATION PLANT	0	107,585	53
2006	2401490	99	OFFICE WORKERS AT MINE SITE	0	11,314	7
2006	2401490	**Total**		**0**	**1,807,765**	**961**
2005	2401490	01	UNDERGROUND	0	1,529,770	812
2005	2401490	02	SURFACE AT UNDERGROUND	0	159,395	80
2005	2401490	30	MILL OPERATION/PREPARATION PLANT	0	104,802	51
2005	2401490	99	OFFICE WORKERS AT MINE SITE	0	15,048	8
2005	2401490	**Total**		**0**	**1,809,015**	**951**
2004	2401490	01	UNDERGROUND	0	1,485,923	824
2004	2401490	02	SURFACE AT UNDERGROUND	0	175,928	91
2004	2401490	30	MILL OPERATION/PREPARATION PLANT	0	105,258	54
2004	2401490	99	OFFICE WORKERS AT MINE SITE	0	16,563	9
2004	2401490	**Total**		**0**	**1,783,672**	**978**
2003	2401490	01	UNDERGROUND	0	1,577,630	849
2003	2401490	02	SURFACE AT UNDERGROUND	0	188,523	96
2003	2401490	30	MILL OPERATION/PREPARATION PLANT	0	107,250	55
2003	2401490	99	OFFICE WORKERS AT MINE SITE	0	18,772	10
2003	2401490	**Total**		**0**	**1,892,175**	**1,010**
2002	2401490	01	UNDERGROUND		1,709,752	947
2002	2401490	02	SURFACE AT UNDERGROUND		197,855	101
2002	2401490	30	MILL OPERATION/PREPARATION PLANT		116,164	58
2002	2401490	99	OFFICE WORKERS AT MINE SITE		22,332	12
2002	2401490	**Total**			**2,046,103**	**1,118**
2001	2401490	01	UNDERGROUND		1,778,918	936
2001	2401490	02	SURFACE AT UNDERGROUND		195,127	96
2001	2401490	30	MILL OPERATION/PREPARATION PLANT		113,458	55
2001	2401490	99	OFFICE WORKERS AT MINE SITE		24,341	12
2001	2401490	**Total**			**2,111,844**	**1,099**
2000	2401490	01	UNDERGROUND		1,039,529	580
2000	2401490	02	SURFACE AT UNDERGROUND		331,439	155
2000	2401490	30	MILL OPERATION/PREPARATION PLANT		66,117	37
2000	2401490	99	OFFICE WORKERS AT MINE SITE		173,263	96
2000	2401490	**Total**			**1,610,348**	**868**
1999	2401490	01	UNDERGROUND		1,050,854	566
1999	2401490	02	SURFACE AT UNDERGROUND		325,663	177
1999	2401490	30	MILL OPERATION/PREPARATION PLANT		50,191	27
1999	2401490	99	OFFICE WORKERS AT MINE SITE		161,493	91
1999	2401490	**Total**			**1,588,201**	**861**
1998	2401490	01	UNDERGROUND		886,405	494
1998	2401490	02	SURFACE AT UNDERGROUND		216,515	116
1998	2401490	30	MILL OPERATION/PREPARATION PLANT		43,907	26
1998	2401490	99	OFFICE WORKERS AT MINE SITE		154,808	96
1998	2401490	**Total**			**1,301,635**	**732**
1997	2401490	01	UNDERGROUND		745,820	385
1997	2401490	02	SURFACE AT UNDERGROUND		209,625	105
1997	2401490	30	MILL OPERATION/PREPARATION PLANT		43,441	22
1997	2401490	99	OFFICE WORKERS AT MINE SITE		161,986	81
1997	2401490	**Total**			**1,160,872**	**593**
1996	2401490	01	UNDERGROUND		647,220	337
1996	2401490	02	SURFACE AT UNDERGROUND		194,897	95
1996	2401490	30	MILL OPERATION/PREPARATION PLANT		41,400	20
1996	2401490	99	OFFICE WORKERS AT MINE SITE		172,901	83
1996	2401490	**Total**			**1,056,418**	**535**
1995	2401490	01	UNDERGROUND		504,626	274
1995	2401490	02	SURFACE AT UNDERGROUND		176,487	91
1995	2401490	30	MILL OPERATION/PREPARATION PLANT		34,435	18
1995	2401490	99	OFFICE WORKERS AT MINE SITE		137,272	72
1995	2401490	**Total**			**852,820**	**455**
1994	2401490	01	UNDERGROUND		456,776	254
1994	2401490	02	SURFACE AT UNDERGROUND		143,110	79
1994	2401490	30	MILL OPERATION/PREPARATION PLANT		28,747	16
1994	2401490	99	OFFICE WORKERS AT MINE SITE		147,679	82
1994	2401490	**Total**			**776,312**	**431**
1993	2401490	01	UNDERGROUND		487,005	272
1993	2401490	02	SURFACE AT UNDERGROUND		137,656	74
1993	2401490	30	MILL OPERATION/PREPARATION PLANT		87,030	43
1993	2401490	99	OFFICE WORKERS AT MINE SITE		60,998	35
1993	2401490	**Total**			**772,689**	**424**
1992	2401490	01	UNDERGROUND		438,306	228
1992	2401490	02	SURFACE AT UNDERGROUND		168,334	87
1992	2401490	30	MILL OPERATION/PREPARATION PLANT		67,638	35
1992	2401490	99	OFFICE WORKERS AT MINE SITE		19,791	14
1992	2401490	**Total**			**694,069**	**364**
1991	2401490	01	UNDERGROUND		441,234	231
1991	2401490	02	SURFACE AT UNDERGROUND		201,925	99
1991	2401490	30	MILL OPERATION/PREPARATION PLANT		69,470	35
1991	2401490	99	OFFICE WORKERS AT MINE SITE		16,409	8
1991	2401490	**Total**			**729,038**	**373**
1990	2401490	01	UNDERGROUND		606,849	304
1990	2401490	02	SURFACE AT UNDERGROUND		211,357	92
1990	2401490	30	MILL OPERATION/PREPARATION PLANT		79,884	47
1990	2401490	99	OFFICE WORKERS AT MINE SITE		34,264	26
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]

* DOES NOT INCLUDE CONTRACTORS. SOURCE OF DATA https://www.msha.gov/data-and-reports/mine-data-retrieval-system

					Annual Employment Production	
1990	2401490	**Total**			**932,354**	**469**
1989	2401490	01	UNDERGROUND		556,024	283
1989	2401490	02	SURFACE AT UNDERGROUND		162,696	54
1989	2401490	30	MILL OPERATION/PREPARATION PLANT		80,420	24
1989	2401490	99	OFFICE WORKERS AT MINE SITE		26,075	55
1989	2401490	**Total**			**825,215**	**416**
1988	2401490	01	UNDERGROUND		460,750	235
1988	2401490	02	SURFACE AT UNDERGROUND		124,289	45
1988	2401490	30	MILL OPERATION/PREPARATION PLANT		71,846	26
1988	2401490	99	OFFICE WORKERS AT MINE SITE		56,923	37
1988	2401490	**Total**			**713,808**	**343**
1987	2401490	01	UNDERGROUND		300,590	168
1987	2401490	02	SURFACE AT UNDERGROUND		80,713	27
1987	2401490	30	MILL OPERATION/PREPARATION PLANT		23,368	15
1987	2401490	99	OFFICE WORKERS AT MINE SITE		19,593	13
1987	2401490	**Total**			**424,264**	**223**
1986	2401490	01	UNDERGROUND		68,562	37
1986	2401490	02	SURFACE AT UNDERGROUND		9,699	5
1986	2401490	99	OFFICE WORKERS AT MINE SITE		20,094	10
1986	2401490	**Total**			**98,355**	**52**
1985	2401490	01	UNDERGROUND		8,800	12
1985	2401490	02	SURFACE AT UNDERGROUND		1,550	1
1985	2401490	99	OFFICE WORKERS AT MINE SITE		15,426	9
1985	2401490	**Total**			**25,776**	**22**
1984	2401490	02	SURFACE AT UNDERGROUND		202	1
1984	2401490	99	OFFICE WORKERS AT MINE SITE		42,259	20
1984	2401490	**Total**			**42,461**	**21**
1983	2401490	02	SURFACE AT UNDERGROUND		1,566	3
1983	2401490	99	OFFICE WORKERS AT MINE SITE		13,335	7
1983	2401490	**Total**			**14,901**	**10**

* DOES NOT INCLUDE CONTRACTORS. SOURCE OF DATA https://www.msha.gov/data-and-reports/mine-data-retrieval-system

Attachment 8 – Nye Annual Tax Base Sharing Report (2021 Report Year)

May 24, 2022

Montana Department of Revenue
Appraisal Office
Attn: Cindy Grover
P.O. Box 359
Columbus, MT 59019

RE: Stillwater Mine (Nye) 2022 Tax Base Sharing Report

Dear Ms. Grover:

Enclosed is Sibanye-Stillwater's 2022 Tax Base Sharing Report for the Stillwater Mine - Nye.

The Tax Base Sharing Report is formatted to readily calculate percentages among the affected units of local government. Please remember the allocation for the Town of Columbus is set at 20% in the Impact Plan. See Section 5.3 of the 1998 Hard Rock Mining Impact Plan Amendment.

Sincerely,

Kevin Mitchum
Environmental Compliance Manager

Enclosure

Cc: Stillwater County
Town of Columbus
Absarokee Schools
Columbus Schools
Fishtail Elementary
Nye Elementary

Hard Rock Mining Impact Board

RECEIVED
MAY 26 2022
Department of Commerce
Community Development Division

Stillwater Mining Company - Stillwater Mine(Nye)
2022 Tax Base Sharing Report (90-6-405 MCA)

LOCAL GOVERNMENTS	SMC EMPLOYEES	CONTRACTORS	TOTAL
	Resident Employees	*Resident Contractors*	*Employees & Contractors*
RESIDENCE			
Town of Columbus	113	29	142
Stillwater County	277	30	307
Total	***390***	***59***	***449***

NOTE: Impact Plan specifies Town of Columbus receives 20%.

SCHOOLS	SMC STUDENTS	RESIDENT CONTRACTORS	TOTAL
	Students Residing In District	*Students Residing In District*	SMC & Contractors Students
HIGH SCHOOL DISTRICTS			
Absarokee	18	5	23
Columbus	56	6	62
Total	***74***	***11***	***85***
ELEM. SCHOOL DISTRICTS			
Absarokee	38	4	42
Columbus	84	8	92
Fishtail	3	2	5
Nye	0	0	0
Total	***125***	***14***	***139***

Attachment 9 – PCSD March 2021 Letter Requesting Modification to Receive MMT Revenues

PARK CITY SCHOOLS
DISTRICT #5 STILLWATER COUNTY
PO BOX 278, 10 2ND AVE SW
PARK CITY, MT 59063
OFFICE 406-633-2350
FAX 406-633-2913
"HOME OF THE PANTHERS"

March 12, 2021

Stillwater County Commissioners
400 E 3rd Ave N
Columbus, MT 59019

Hard Rock Mining Impact Board
PO Box 200523
301 S Park Ave
Helena, MT 59620-0523

Subject: **Request for Required Allocation of Metalliferous Mines License Taxes**

Dear Commissioners and Mining Impact Board Members:

The Park City School District #5(PCSD5) is hereby requesting that Metalliferous Mines License Taxes be allocated to Park City Elementary School District and Park City High School District according to the requirements of the Hard Rock Mining Impact Act. The Hard Rock Mining Impact Act and the companion Property Tax Base Sharing Act require money be allocated for affected high school and elementary school districts within the county. The (1) inaccurate predictions of a Mining Impact Plan (even after the initial two years), or (2) the inability to meet requirements that allow for an Amendment to a Mining Impact Plan, or (3) the prescribed allocation of money in the approved Mining Impact Plan do not relieve the County, the Mining Impact Board, or the Mining Impact Plan from meeting the requirements of the Acts.

The Hard Rock Mining Impact Act in MCA 15-37-117(1)(e)(ii)(B) and (C) specifies that affected school districts receive allocated tax revenue. According to the definitions in MCA 90-6-402, PCSD is an "Affected local government unit" and PCSD5 has a long history of and currently has numerous "Mineral development employees" and "Mineral development students" within its jurisdiction. PCSD does understand that MCA 15-37-117(2) allows for a different allocation plan *similar* to sharing under Title 90, chapter 6, part 4. However, the main purpose of Property Tax Base Sharing Act (MCA 90-6-401) is to equitably distribute tax revenues among affected local government units. It seems very reasonable for PCSD5 to conclude that an equitable allocation plan, after three decades of annual mine employee surveys documenting student and parent residency in PCSD5 (MCA 90-6-405), should include some allocation of the tax revenue to PCSD5.

Furthermore, MCA 90-6-405(c) and (d) require Employee Surveys (every year for the life of mine) of school residency. Why would a yearly school residency tally of employee's students be required well after the initial development period, if not to base revised allocations from? Also, the use of the word "initial" in MCA 90-6-405(2) provides additional evidence that Employee Surveys are intended to be used for documentation to revise the "initial" allocation.

* * *

Park City School District #5 looks forward to engaging with the County Commissioners and the Hard Rock Mining Impact Board regarding this issue in order to come to more equitable solution. However, PCSD5 also reserves the right to pursue alternate paths of remedy if necessary.

PCSD5 believes that no change to the Mine Impact Plan is required to mitigate this issue. This matter could be best resolved by creating a Stillwater County Mitigation Plan (or Addendum) that equitably distributes the applicable portion of the revenue already allocated to Stillwater County for schools under the approved Mine Impact Plan.

Thank you for your consideration in this very serious matter. Please contact Dan Grabowska, Superintendent, if you have any questions or concerns with this request.

Sincerely,

Park City School District Board of Trustees:

Kristi Lowell
Kristi Lowell

Kevin Hoffman

Amber Tilzey

Breann Streck
Breann Streck

Attachment 10 – PCSD December 2022 Amendment Notification Letter

PARK CITY SCHOOLS
DISTRICT #5 STILLWATER COUNTY
PO BOX 278, 10 2ND AVE SW
PARK CITY, MT 59063
OFFICE 406-633-2350
FAX 406-633-2913
"HOME OF THE PANTHERS"

December 13, 2022

Stillwater County Commissioners

400 E 3rd Ave N

Columbus, MT 59019

Subject: **Notice – The requirement allowing for an amendment to each of the Sibanye-Stillwater Mine Impact Plans has been met according to MCA 90-6-311(a).**

Dear Commissioners:

Park City School District #5 (PCSD) is notifying the Stillwater County Commissioners that the requirement allowing for an amendment to each of the Sibanye-Stillwater Mine Impact Plans has been met according to MCA 90-6-311(a). PCSD will be submitting amendment packages as soon as they can be properly prepared. Much of the required information to prepare the amendment packages has taken some time to acquire from the Mine Impact Board, state agencies and other sources of public information. We anticipate completing the submittal packages in early 2023. Please include this letter on your next meeting agenda and subsequent minutes.

The Hard Rock Mining Impact Act in MCA 15-37-117(1)(e)(ii)(B) and (C) specifies that affected school districts receive allocated tax revenue. According to the definitions in MCA 90-6-402, PCSD is an "Affected local government unit" and PCSD has a long history of and currently has "Mineral development employees" and "Mineral development students" within its jurisdiction.

Thank you for your time. Please contact Dan Grabowska, Superintendent, if you have any questions or concerns with this notice.

Sincerely,

Park City School District #5 Board of Trustees:

Kevin Hoffman
Amber Tilzey
Breann Streck
Lindsay Witt
Jonathan Alegria

Attachment 11 – OPI - Student Count Rpt – Stillwater Cty Schools Fall 2021 and Spring 2022

Spring Student Count For ANB Summary By School

February 07, 2022 Enrollment

County:	**48 Stillwater**	**School Year:**	**2021-2022**
District:	**0846 Park City Elem**	**Lowest Grade:**	**PK**
School:	**1109 Park City School**	**Highest Grade:**	**6**
		Budget Unit:	**E1**

TOTAL STUDENT COUNT FOR ANB BY GRADE - SCHOOL

Grade	Fall	Spring
Kindergarten Full E1	21	22
1st Grade E1	23	22
2nd Grade E1	20	22
3rd Grade E1	26	25
4th Grade E1	18	20
5th Grade E1	19	18
6th Grade E1	24	25
School Total	151	154

Students who turned 19 on or before September 10, 2021 are included in the total student count for ANB by grade.

STUDENTS COUNTED FOR ANB WHO ATTEND PART-TIME -SCHOOL

Spring	Not Counted For ANB <180	Part-time Count 180-359 hrs/yr	Part-time Count 360-539 hrs/yr	Part-time Count 540-719 hrs/yr
Kindergarten Full E1	0	0	0	1
Transition 1st - 6 Grades E1	0	0	0	1

Students who turned 19 on or before September 10, 2021 are not included in part-time student count for ANB.

Spring Student Count For ANB Summary By School

February 07, 2022 Enrollment

County:	**48 Stillwater**	**School Year:**	**2021-2022**
District:	**0846 Park City Elem**	**Lowest Grade:**	**7**
School:	**1771 Park City 7-8**	**Highest Grade:**	**8**
		Budget Unit:	**M1**

TOTAL STUDENT COUNT FOR ANB BY GRADE - SCHOOL

Grade	Fall	Spring
7th Grade M1	27	27
8th Grade M1	28	28
School Total	55	55

Students who turned 19 on or before September 10, 2021 are included in the total student count for ANB by grade.

Spring Student Count For ANB Summary By School

February 07, 2022 Enrollment

County:	**48 Stillwater**	**School Year:**	**2021-2022**
District:	**0847 Park City H S**	**Lowest Grade:**	**9**
School:	**1110 Park City High School**	**Highest Grade:**	**12**
		Budget Unit:	**H1**

TOTAL STUDENT COUNT FOR ANB BY GRADE - SCHOOL

Grade	Fall	Spring
9th Grade H1	25	25
10th Grade H1	22	23
11th Grade H1	30	30
12th Grade H1	25	25
School Total	102	103

Students who turned 19 on or before September 10, 2021 are included in the total student count for ANB by grade.

Spring Student Count For ANB Summary By School

February 07, 2022 Enrollment

County:	**48 Stillwater**	**School Year:**	**2021-2022**
District:	**0848 Columbus Elem**	**Lowest Grade:**	**PK**
School:	**1111 Columbus Elem School**	**Highest Grade:**	**5**
		Budget Unit:	**E1**

TOTAL STUDENT COUNT FOR ANB BY GRADE - SCHOOL

Grade	Fall	Spring
Kindergarten Full E1	48	50
1st Grade E1	40	39
2nd Grade E1	55	55
3rd Grade E1	49	49
4th Grade E1	48	50
5th Grade E1	55	53
School Total	295	296

Students who turned 19 on or before September 10, 2021 are included in the total student count for ANB by grade.

Spring Student Count For ANB Summary By School

February 07, 2022 Enrollment

County:	**48 Stillwater**	**School Year:**	**2021-2022**
District:	**0848 Columbus Elem**	**Lowest Grade:**	**6**
School:	**1772 Columbus Middle School**	**Highest Grade:**	**8**
		Budget Unit:	**E1, M1**

TOTAL STUDENT COUNT FOR ANB BY GRADE - SCHOOL

Grade	Fall	Spring
6th Grade E1	60	56
7th Grade M1	45	44
8th Grade M1	60	61
School Total	165	161

Students who turned 19 on or before September 10, 2021 are included in the total student count for ANB by grade.

Spring Student Count For ANB Summary By School
February 07, 2022 Enrollment

County:	**48 Stillwater**	**School Year:**	**2021-2022**
District:	**0849 Columbus H S**	**Lowest Grade:**	**9**
School:	**1112 Columbus High School**	**Highest Grade:**	**12**
		Budget Unit:	**H1**

TOTAL STUDENT COUNT FOR ANB BY GRADE - SCHOOL

Grade	Fall	Spring
9th Grade H1	62	61
10th Grade H1	65	63
11th Grade H1	49	48
12th Grade H1	57	56
School Total	233	228

Students who turned 19 on or before September 10, 2021 are included in the total student count for ANB by grade.

Spring Student Count For ANB Summary By School

February 07, 2022 Enrollment

County:	**48 Stillwater**	**School Year:**	**2021-2022**
District:	**0850 Reed Point Elem**	**Lowest Grade:**	**PK**
School:	**1113 Reed Point Elementary**	**Highest Grade:**	**6**
		Budget Unit:	**E1**

TOTAL STUDENT COUNT FOR ANB BY GRADE - SCHOOL

Grade	Fall	Spring
Kindergarten Full E1	6	6
1st Grade E1	3	3
2nd Grade E1	2	2
3rd Grade E1	5	5
4th Grade E1	3	3
5th Grade E1	8	8
6th Grade E1	3	3
School Total	30	30

Students who turned 19 on or before September 10, 2021 are included in the total student count for ANB by grade.

Spring Student Count For ANB Summary By School

February 07, 2022 Enrollment

County:	**48 Stillwater**	**School Year:**	**2021-2022**
District:	**0850 Reed Point Elem**	**Lowest Grade:**	**7**
School:	**1773 Reed Point 7-8**	**Highest Grade:**	**8**
		Budget Unit:	**M1**

TOTAL STUDENT COUNT FOR ANB BY GRADE - SCHOOL

Grade	Fall	Spring
7th Grade M1	3	3
8th Grade M1	6	6
School Total	9	9

Students who turned 19 on or before September 10, 2021 are included in the total student count for ANB by grade.

Spring Student Count For ANB Summary By School

February 07, 2022 Enrollment

County:	**48 Stillwater**	**School Year:**	**2021-2022**
District:	**0851 Reed Point H S**	**Lowest Grade:**	**9**
School:	**1114 Reed Point High School**	**Highest Grade:**	**12**
		Budget Unit:	**H1**

TOTAL STUDENT COUNT FOR ANB BY GRADE - SCHOOL

Grade	Fall	Spring
9th Grade H1	3	3
10th Grade H1	5	5
11th Grade H1	6	6
12th Grade H1	7	5
School Total	21	19

Students who turned 19 on or before September 10, 2021 are included in the total student count for ANB by grade.

STUDENTS COUNTED FOR ANB WHO ATTEND PART-TIME -SCHOOL

	Fall	**Not Counted For ANB <180**	**Part-time Count 180-359 hrs/yr**	**Part-time Count 360-539 hrs/yr**	**Part-time Count 540-719 hrs/yr**
9-12 Grade H1		0	1	0	0

	Spring	**Not Counted For ANB <180**	**Part-time Count 180-359 hrs/yr**	**Part-time Count 360-539 hrs/yr**	**Part-time Count 540-719 hrs/yr**
9-12 Grade H1		0	1	0	0

Students who turned 19 on or before September 10, 2021 are not included in part-time student count for ANB.

Spring Student Count For ANB Summary By School

February 07, 2022 Enrollment

County:	**48**	**Stillwater**	**School Year:**	**2021-2022**
District:	**0853**	**Fishtail Elem**	**Lowest Grade:**	**PK**
School:	**1116**	**Fishtail School**	**Highest Grade:**	**8**
			Budget Unit:	**E1**

TOTAL STUDENT COUNT FOR ANB BY GRADE - SCHOOL

Grade	Fall	Spring
1st Grade E1	1	1
2nd Grade E1	5	5
3rd Grade E1	3	3
4th Grade E1	2	2
5th Grade E1	3	3
School Total	14	14

Students who turned 19 on or before September 10, 2021 are included in the total student count for ANB by grade.

Spring Student Count For ANB Summary By School

February 07, 2022 Enrollment

County:	**48 Stillwater**	**School Year:**	**2021-2022**
District:	**0857 Nye Elem**	**Lowest Grade:**	**PK**
School:	**1121 Nye School**	**Highest Grade:**	**6**
		Budget Unit:	**E1**

TOTAL STUDENT COUNT FOR ANB BY GRADE - SCHOOL

Grade	Fall	Spring
Kindergarten Full E1	2	2
1st Grade E1	2	2
4th Grade E1	1	1
School Total	5	5

Students who turned 19 on or before September 10, 2021 are included in the total student count for ANB by grade.

Spring Student Count For ANB Summary By School

February 07, 2022 Enrollment

County:	**48 Stillwater**	**School Year:**	**2021-2022**
District:	**0858 Rapelje Elem**	**Lowest Grade:**	**PK**
School:	**1122 Rapelje School**	**Highest Grade:**	**6**
		Budget Unit:	**E1**

TOTAL STUDENT COUNT FOR ANB BY GRADE - SCHOOL

Grade	Fall	Spring
Kindergarten Full E1	3	3
1st Grade E1	7	6
2nd Grade E1	4	4
3rd Grade E1	6	5
4th Grade E1	3	3
5th Grade E1	8	8
6th Grade E1	3	3
School Total	34	32

Students who turned 19 on or before September 10, 2021 are included in the total student count for ANB by grade.

Spring Student Count For ANB Summary By School

February 07, 2022 Enrollment

County:	**48 Stillwater**	**School Year:**	**2021-2022**
District:	**0858 Rapelje Elem**	**Lowest Grade:**	**7**
School:	**1774 Rapelje 7-8**	**Highest Grade:**	**8**
		Budget Unit:	**M1**

TOTAL STUDENT COUNT FOR ANB BY GRADE - SCHOOL

Grade	Fall	Spring
7th Grade M1	5	5
8th Grade M1	2	2
School Total	7	7

Students who turned 19 on or before September 10, 2021 are included in the total student count for ANB by grade.

Spring Student Count For ANB Summary By School

February 07, 2022 Enrollment

County:	**48 Stillwater**	**School Year:**	**2021-2022**
District:	**0859 Rapelje H S**	**Lowest Grade:**	**9**
School:	**1123 Rapelje High School**	**Highest Grade:**	**12**
		Budget Unit:	**H1**

TOTAL STUDENT COUNT FOR ANB BY GRADE - SCHOOL

Grade	Fall	Spring
9th Grade H1	2	3
10th Grade H1	6	6
11th Grade H1	7	7
12th Grade H1	1	2
School Total	16	18

Students who turned 19 on or before September 10, 2021 are included in the total student count for ANB by grade.

Spring Student Count For ANB Summary By School

February 07, 2022 Enrollment

County:	**48 Stillwater**	**School Year:**	**2021-2022**
District:	**0861 Absarokee Elem**	**Lowest Grade:**	**PK**
School:	**1125 Absarokee School**	**Highest Grade:**	**5**
		Budget Unit:	**E1**

TOTAL STUDENT COUNT FOR ANB BY GRADE - SCHOOL

Grade	Fall	Spring
Kindergarten Full E1	7	8
1st Grade E1	13	13
2nd Grade E1	9	10
3rd Grade E1	11	11
4th Grade E1	10	9
5th Grade E1	7	6
School Total	57	57

Students who turned 19 on or before September 10, 2021 are included in the total student count for ANB by grade.

Spring Student Count For ANB Summary By School

February 07, 2022 Enrollment

County:	**48 Stillwater**	**School Year:**	**2021-2022**
District:	**0861 Absarokee Elem**	**Lowest Grade:**	**6**
School:	**1775 Absarokee 6-8**	**Highest Grade:**	**8**
		Budget Unit:	**E1, M1**

TOTAL STUDENT COUNT FOR ANB BY GRADE - SCHOOL

Grade	Fall	Spring
6th Grade E1	17	18
7th Grade M1	13	12
8th Grade M1	25	26
School Total	55	56

Students who turned 19 on or before September 10, 2021 are included in the total student count for ANB by grade.

Spring Student Count For ANB Summary By School

February 07, 2022 Enrollment

County:	**48 Stillwater**	**School Year:**	**2021-2022**
District:	**0862 Absarokee H S**	**Lowest Grade:**	**9**
School:	**1126 Absarokee High School**	**Highest Grade:**	**12**
		Budget Unit:	**H1**

TOTAL STUDENT COUNT FOR ANB BY GRADE - SCHOOL

Grade	Fall	Spring
9th Grade H1	14	13
10th Grade H1	22	22
11th Grade H1	8	8
12th Grade H1	14	14
School Total	58	57

Students who turned 19 on or before September 10, 2021 are included in the total student count for ANB by grade.

Attachment 12 – Page 24 of 1998 EIS Record of Decision – AMD 10 to DEQ Operating Permit 00118

Custer National Forest
1310 Main St.
P.O. Box 50760
Billings, MT 59105

Montana Department of
Environmental Quality
P.O. Box 200901
Helena, MT 59620-0901

November 24, 1998

Dear Reader

Enclosed is a copy of the Record of Decision (ROD) for the Stillwater Mine's Hertzler Impoundment Expansion. This document provides you with our decision regarding Stillwater's expansion and the rationale that was applied in making that decision. The ROD also addresses measures that will be applied to mitigate and monitor development effects of implementing our decision.

Our decision was based on the site-specific final environmental impact statement (EIS) prepared for the project. The final EIS provides detailed information about the purpose and need for the action, the issues and concerns derived from the scoping process, the alternatives considered, the environmental consequences of implementing the alternatives and responses to comments on the draft EIS. We considered this information carefully before making our decision. To the best of our ability within the scope of our authority we have responded to concerns and needs in making our decision.

We received valuable feedback as a result of issuing the draft EIS and incorporated that feedback into the preparation of the final EIS and our decision. On November 19, 1998, the Forest Service published the legal "Notice of Decision" in the Billings Gazette. Publication of this notice will initiate the 45-day appeal period for the Federal decision, pursuant to 36 CFR 215.7. Notice of the DEQ decision was released November 17. The appeal period under 82-4-349, MCA, closes February 10, 1999. The processes for administrative review and appeal are outlined at the end of the ROD.

We thank all of you who have participated in the EIS process. Your time and input have been valuable in helping us consider the proposed expansion and in guiding our decision.

Sincerely,

Mark Simonich

MARK SIMONICH, Director
Department of Environmental Quality

Executive Order 12898 on Environmental Justice

On February 11, 1994, President Clinton signed Executive Order 12898 that requires federal agencies to address issues of environmental justice when implementing their respective programs.

Public scoping and public participation throughout the EIS process involving the geographic area and local population impacted by the proposed action did not reveal any issues related to environmental justice. The agencies have considered all public input from persons or groups regardless of age, race, income status, or other social/economic characteristics. The Stillwater mine amendment was evaluated using the appropriate environmental justice criteria, as documented in Section 4.14. No disproportionately high or adverse human health or environmental effects were identified for minority or low-income populations.

Land Use Plan Conformance

The Federal lands included in this analysis are managed by the CNF and are open to mineral entry under the 1872 General Mining Law. Specifically, the area encompassed by the amendment to SMC's plan of operations lies within Management Area E as described in the Custer National Forest Land and Resource Management Plan (Forest Plan). The selected alternative is consistent with Forest Plan goals, objectives, and management area direction. The Forest Plan direction related to this area is discussed in Section 1.4.2.1 of the final EIS. Approval of this amendment to SMC's plan of operations by Forest Service on lands open to mineral entry is not discretionary (i.e., the Forest Service cannot deny such a plan; see 36 CFR 228(A).

Montana Air Quality Act

Emissions from mining activity have been within ambient air quality standards. Predicted emission levels will not exceed air quality standards. SMC's air quality permit number 2459-07 is superseded by permit number 2459-08 issued October 26, 1998, as a part of this decision. Under that permit SMC must ensure dust is not a problem during periods of inactivity at either impoundment, consistent with condition 13 described in Section V above.

Montana Hard Rock Impact Act

The Stillwater mine is compliance with the Hard Rock Impact Act. SMC's Hard Rock Impact Plan, approved in 1985 and updated in 1988 and 1998 is in effect. The mitigation of economic impacts has been negotiated between SMC and Stillwater County. The activities proposed under this expansion fall within the limits set in the approved plan. However, procedures exist and would be used by Stillwater County if circumstances dictate the need for a change in the approved plan.

Attachment 13 – Pages 71-76 of May 2012 EIS_Issue 13 and Issue 14

Final Environmental Impact Statement

Stillwater Mining Company's Revised Water Management Plans and Boe Ranch LAD

May 2012

Montana Department of ENVIRONMENTAL QUALITY

FOREST SERVICE U S DEPARTMENT OF AGRICULTURE

Beartooth Ranger District
Custer National Forest

Yellowstone Ranger District
Gallatin National Forest

pond; and

- Damage to property and effects on water quality and quantity in the East Boulder River if the pond fails during operations, closure, or post-closure.

The following elements were evaluated:

- The Boe Ranch LAD storage pond proposed design criteria;
- Site-specific engineering studies and field data;
- Embankment construction material;
- Risk of failure based on known geologic conditions, anticipated seismic activity, and potential for flooding;
- Potential damage to property and effects on water quality and quantity in the East Boulder River.

2.2.2 Issues Considered But Dismissed

Several preliminary issues identified during project scoping were not relevant to the Proposed Actions. Additional potential issues were identified that were beyond the scope of this environmental analysis or that have been addressed by federal or state law, regulation, or policy. As discussed in Section 2.2, MEPA/NEPA analyses are intended to focus on potentially significant issues. The issues that appear below were identified during public scoping and were considered but dismissed from further analysis because they are not relevant to the three Proposed Actions.

Issue 6: Bonding

The MEPA/NEPA analysis should address the reclamation bond needed to cover closure and post-closure treatment and monitoring. The public indicated that the EIS should present options for providing financial assurance based on the full cost of feasible controls to maintain compliance with water quality standards and nitrogen nondegradation limits. Project scoping also identified that financial contingencies to deal with incorrect assumptions or control failures should be considered.

The Montana Metal Mine Reclamation Act (MMRA) requires DEQ to calculate the costs to the state and USFS for reclaiming a site should SMC default on its reclamation responsibilities (MCA 82–4–338). The state is required to review the bond at least every five years. Furthermore, the law dictates the methods that DEQ must use to compute the reclamation bond. The USFS has established bonding requirements under 36 CFR 228.13. A Memorandum of

Understanding between the USFS and DEQ allows for joint bonding and eliminates duplicate bonds. Because these laws require a reclamation bond, funding for closure and post-closure monitoring and treatment is not an issue for this MEPA/NEPA analysis. The bond amount would be calculated according to the requirements of the selected alternative. Law, regulation, or policy has addressed this issue.

Issue 7: Incorporation of Operational Stipulations/Mitigations

Comments received suggested that the Record of Decision (ROD) for this analysis should include stipulations and mitigation measures that require SMC to reevaluate and amend operating plans when new disposal methods for tailings and waste rock are identified. It was suggested that SMC should be required to review best management practices (BMPs) and new technologies every five years and incorporate them into its Plans of Operations and reclamation plans.

Stipulations and mitigation measures identified from past environmental reviews are currently in place. The MMRA requires the agencies to evaluate and approve any changes to any approved Plan of Operations before implementation. MEPA and NEPA would require supplemental analysis of any new operational methods. In the event that this or any further analyses indicated the need for permit stipulations or mitigations, they could be required and bonds would be adjusted at that time. Law, regulation, or policy has addressed this issue.

Issue 8: Potential Water Quality Impacts from Boe Ranch LAD System Mist into the East Boulder River

Comments received on the Proposed Actions identified a concern related to operation of the Boe Ranch LAD system and possible adverse effects to the East Boulder River from mist blowing from the LAD center pivots into the river.

Proposed center pivots are less than one mile from the East Boulder River. Experience obtained through monitoring SMC's Hertzler Ranch LAD system, which is about one mile from the Stillwater River, indicates that mist from the Boe Ranch LAD pivots would be unlikely to reach the East Boulder River due to distance and evaporation. This issue is beyond the scope of this analysis.

Issue 9: Water Quality Effects Caused by Phosphates in Treated Adit and

Tailings Waters

Comments suggested that implementation of the Boe Ranch LAD system may result in adverse water quality effects through release of phosphates. SMC adds phosphoric acid to treated mine waters to increase the nitrogen removal efficiency of the biological treatment system (BTS). These comments indicated that, if soils under the LAD system contain insufficient calcium to bind phosphates, they may leach to ground water.

Data from water quality monitoring samples collected at both the Stillwater and East Boulder mines' LAD facilities have not identified elevated levels of phosphates in treated mine waters, in monitoring wells and lysimeters associated with existing LAD center pivots, or in percolation ponds. Phosphate levels were addressed in the Montana Pollutant Discharge Elimination System (MPDES) permits for each mine. Monitoring data to-date indicates phosphates would not be a substantive issue at the Boe Ranch LAD area. If the MEPA/NEPA analysis concludes that discharges of phosphates or other water quality parameters may pose a problem, they would be addressed under the *Water Quality and Quantity,* Section 4.1 in Chapter 4.

Issue 10: Storm Water Pollution Prevention Plan (SWPPP)

Project scoping comments indicated that the storm water pollution prevention plan (SWPPP) for the East Boulder Mine should be reviewed and updated to address the proposed Boe Ranch LAD site, pipeline, and new roads. The EIS should discuss or summarize and reference the SWPPP or BMPs that would be employed.

A review of SMC's SWPPP is a standard part of the MEPA/NEPA analysis. There is no need to include this review as a specific issue in the analysis. Law, regulation, or policy has addressed this issue.

Issue 11: Wetlands and Riparian Zones

Scoping comments indicated that the MEPA/NEPA analysis should evaluate the potential effects from construction and operation of the Boe Ranch LAD system on wetlands and riparian zones. Data collected to date indicate that neither wetlands nor riparian zones exist along the pipeline route near the proposed Boe Ranch LAD facilities. There are downslope riparian zones and wetlands approximately one mile northeast in Section 9, Township 3 South, Range 13 East. The Mason Ditch on the Boe Ranch leaks and appears to be a possible source of water for the riparian zones and wetlands. Other wetland resources are located along the East Boulder River. If possible, SMC must apply treated mine waters at Boe Ranch and comply with the 10 milligrams per liter (mg/L) nitrogen ground water standard. The potential for adverse effects to wetlands appears to be low. Impacts to wetlands and riparian zones would not be a substantive issue for the MEPA/NEPA analysis. If analysis of impacts to surface and ground water indicate a potential impact to riparian zones and wetlands, then those impacts would be addressed under Issue 3, *Irrigation Practices* in Chapter 4, Section 4.3. This potential issue is beyond the scope of the analysis.

Issue 12: Tailings Impoundment Stability

Some comments indicated that the MEPA/NEPA analysis should evaluate long-term stability of the tailings impoundments. This evaluation should examine saturated conditions and consider stability during disasters such as floods and seismic events.

The long-term stability of existing tailings impoundments was evaluated as part of previous approval analyses for the tailings impoundment facilities. The analyses of these impoundments are contained in the final EISs for the Stillwater and East Boulder mines and the Hertzler Ranch tailings impoundment. The evaluations documented in those final EISs considered the engineering plans for closing the tailings impoundments. Changes to those approved designs are not part of the Proposed Actions and are not subject to this MEPA/NEPA analysis. Changes to the proposed water management plans being evaluated in this EIS would not affect tailings impoundment stability during operations, closure, and post-closure. This potential issue is beyond the scope of this analysis.

Issue 13: Public Participation

Some scoping participants felt that the MEPA/NEPA analysis process must provide for a higher level of public involvement.

- Concerns were identified about the perceived short notice for the public scoping meetings and the methods used to notify the public of the meetings.

- A few respondents indicated that the scoping document provided too little information on SMC's Proposed Actions. Responses received from the Northern Plains Resource Council and affiliates indicated that participants in the Good Neighbor Agreement with SMC believed that they should be allowed to review and comment on preliminary versions of the draft EIS. The environmental organizations believe that including these participants at this stage of the document's development would be within the spirit of the agreement and could help avoid potentially costly litigation later in the process.

The agencies have met or exceeded all procedural requirements and notification for public involvement embodied within the MEPA/NEPA regulations. As stated at the public meetings held in Big Timber and Absarokee, MT, public scoping comments were accepted beyond the August 20, 2001, date indicated in the scoping document.

The Good Neighbor Agreement is a working contract between SMC and private parties. USFS guidelines and legal requirements preclude selective public involvement. The Federal Advisory Committee Act is intended to provide an equal and open opportunity for public participation in federal decision-making processes. In other words, all non-governmental entities must be afforded the same opportunities to be involved in the MEPA/NEPA process. These opportunities are defined in the USFS regulations as the scoping process and review of the draft EIS. This issue is beyond the scope of this analysis and has been previously addressed by law, regulation, and policy.

Issue 14: MEPA/NEPA Process

Several comments requested that the document comply with various components of MEPA and NEPA.

- ➢ The MEPA/NEPA analysis should rigorously explore and objectively evaluate all reasonable alternatives that meet the purpose and need for the three Proposed Actions. It should include no-action alternatives and identify the agencies' preferred alternatives.
- ➢ The EIS should fully disclose the results of the impact analysis. The discussion should address direct, indirect, and cumulative effects. The analysis should discuss unavoidable adverse environmental effects, short-term and long-term environmental considerations, and irreversible or irretrievable commitments of resources that are involved in the implementation of each alternative.
- ➢ The EIS should include a comprehensive discussion of appropriate mitigation for direct, indirect, and cumulative effects. If possible, the EIS should provide a quantitative or a qualitative description of the site-specific effectiveness of mitigation measures.

The rigorous and objective analysis of reasonable alternatives; the full disclosure of direct, indirect, and cumulative effects, unavoidable adverse environmental effects, and irreversible or irretrievable commitments of resources; and a comprehensive discussion of appropriate mitigation measures for direct, indirect, and cumulative effects are all standard requirements for MEPA/NEPA analyses (ARM 17.4.617 and 40 CFR 1508). This issue has been addressed by state and federal law, regulation, or policy.

Issue 15: Effects of Nitrates and Trace Metal Bioaccumulation on Ruminants

Comments requested that the document address:

- The potential of nitrogen and trace metals (mainly cadmium, chromium, copper, lead, and zinc) accumulation through grazing under the Boe Ranch LAD area center pivots.

Nitrogen can accumulate in vegetation and within animals, including cattle, elk, deer, and pronghorn. In ruminants, the digestion process converts nitrates to nitrite and in turn to ammonia. Bacteria in the rumen then convert ammonia to protein. If ruminants rapidly ingest large quantities of plants that contain high levels of nitrate, nitrite will accumulate in the rumen. Nitrite is absorbed into red blood cells and combines with hemoglobin to form methemoglobin. Methemoglobin cannot transport oxygen as efficiently as hemoglobin and the animal would eventually suffocate.

Research involving livestock suggests that conditions resulting in elevated levels of nitrates in plants are unlikely to occur at the Boe Ranch LAD facility. Nitrates accumulate in plants under stressful conditions when growth of plants slows considerably, such as under drought conditions (Stoltenow and Lardy 1998; Undersander *et al.* 2001). Levels of nitrates in plants that could be toxic for ruminants are listed in Table 2-2. Application of treated mine waters with concentrations of nitrates equal to or lower than 10 mg/L are unlikely to result in the concentrations identified in Table 2-2 as potentially toxic. For example, during the 2005 growing season, SMC applied about 145,000,000 gallons of water to 265 acres through the Hertzler Ranch LAD system (SMC 2006b). With an average nitrogen concentration of less than 5 mg/L, SMC applied about 23 pounds of nitrogen per acre of treatment.

Guidelines for applying nitrogen to low alfalfa grass fields in MT range from 20 to 120 pounds per acre (lbs/ac) per season (Jacobsen

Attachment 14 – Checklist EA ROD 2010 AMD 12 to DEQ Operating Permit 00118

Montana Department of
ENVIRONMENTAL QUALITY

Brian Schweitzer, Governor
Richard H. Opper, Director

P.O. Box 200901 • Helena, MT 59620-0901 • (406) 444-2544 • www.deq.mt.gov

July 23, 2010

Bruce Gilbert
Director of Environmental & Governmental Affairs
Stillwater Mining Company
2562 Nye Road
Nye, MT 59061

Re: Approval of Minor Amendment 012, Stillwater Mining Company (SMC) Operating Permit 00118, for Hertzler LAD Pivot #7

Dear Mr. Gilbert:

The Department of Environmental Quality (DEQ) has reviewed the response to the deficiency letter of May 10, 2010 and finds it acceptable. Minor Amendment 012 is approved. There are no stipulations or bond increases associated with this amendment.

	Proposed Pivot 7	Existing Area	Proposed Total
Hertzler Ranch Permit Area	138 acres	723 acres	861 acres
Total Disturbance Area	67 acres	565 acres	632 acres
Irrigated Area	67 acres	253 acres	320 acres
Total Operating Permit 00118 Area	138 acres	2,475 acres	2,613 acres

Enclosed is a copy of the Environmental Assessment. If you have any questions, please call.

Sincerely,

Herb Rolfes

Herb Rolfes
Operating Permit Section Supervisor
Environmental Management Bureau
(406) 444-3841 or email at hrolfes@mt.gov

Enclosure: Environmental Assessment

cc without attachment:
Warren McCullough, DEQ
Patrick Plantenberg, DEQ
Patrick Pierson, USFS

files 00118.353
OP/OP_Revisions&Amendments/StillwaterNye00118/Amendment 12/ApprpvalLetter

EXPANDED CHECKLIST ENVIRONMENTAL ASSESSMENT

COMPANY NAME: Stillwater Mining Company
LOCATION: Approximately 5 miles southwest of Nye, Montana
PROPERTY OWNERSHIP: [X] Federal [ ] State [X] Private
PERMIT AMENDMENT: 12-2010

Project: Stillwater Mine
County: Stillwater
OPERATING PERMIT No.: 00118

Proposed Amendment 12 to Operating Permit No. 00118, Stillwater Mining Company, Montana

TYPE AND PURPOSE OF ACTION: The Stillwater Mining Company (SMC) proposes to add a center pivot (Pivot 7) to the existing Hertzler Ranch Land Application Disposal (LAD) system. The LAD system is designed and operated to provide secondary nitrogen treatment and land application disposal of treated Stillwater Mine adit water and waters from the Hertzler Ranch tailings impoundment. SMC has operated the existing Hertzler Ranch LAD system for nine years. The system has proven to be a reliable option for secondary nitrogen treatment and agronomic disposal of excess adit and tailings impoundment waters. The additional pivot would allow SMC to dispose of increased volumes of treated mine water over a larger area during periods of optimum evapotranspiration and agronomic uptake.

Amendment 12 would add 138 acres of land to the existing 723 acre Hertzler Ranch permit area (for a total of 861 acres) that includes the LAD storage pond, the land application disposal system, and tailings impoundment. The area that would be added by Amendment 12 is owned by SMC and is located just north of Pivot 2 and across County Road 420. The existing six-pivot LAD system at the Hertzler Ranch irrigates 253 acres with a maximum achievable application rate of 2,900 gpm over a 12-hour day, or 10.9 gpm/acre. Pivot 7 would increase the amount of land irrigated by approximately 67 acres for a total of 320 acres. The proposed seven-pivot LAD system would have a maximum achievable application rate of 3,700 gpm or 11.1 gpm/acre. The proposed pivot would allow secondary nitrogen treatment and disposal of an additional 20 to 25 million gallons of treated mine water annually, or an increase of approximately 15 percent more water to the existing six-pivot system.

The Hertzler Ranch permitted disturbance area would increase from 565 acres to about 632 acres. Water and power for Pivot 7 would be extended from the area of Pivot 2, located across the county road. Only about 0.1 acre of actual land disturbance would occur. The LAD Pivot 7 would remain post-mine as part of the Hertzler Ranch LAD System. All utilities would be buried. A county road easement would be required and secured in advance of starting the project. The area proposed for the additional pivot was included in the initial studies and analysis conducted for the Hertzler Ranch (DEQ and USFS 1998).

The Montana Department of Environmental Quality (DEQ) must review the proposed amendment and decide if it complies with the Montana Metal Mine Reclamation Act requirements for minor or major amendments in sections 82-4-337 and 342 MCA (Montana Code Annotated), and in the Administrative Rules of Montana (ARM) 17.24.119. The US Forest Service (USFS) has reviewed the amendment and finds that it complies with 43 Code of Federal Regulations 3809.

PROPOSED ACTION: SMC submitted a request to the DEQ and the USFS for an additional pivot (Pivot 7). The pivot would allow land application disposal and secondary treatment of an additional 20 to 25 million gallons of treated mine water annually, or an increase of approximately 15 percent per year. The additional pivot would increase the Hertzler Ranch permit area by 138 acres to a total of 861 acres. Approximately 67 acres of the 138 acre addition would receive LAD water. About 0.1 acre of actual land disturbance would occur. The LAD Pivot 7 would remain post-mine as part of the Hertzler Ranch LAD System. Modifications to the ground surface would include the construction of a cement pad, an underground water and power line, and a wheel-type, center pivot irrigation system.

Current employment levels would remain the same, as would the various taxes paid by SMC to local, state, and federal jurisdictions. Goods and services purchased by SMC to operate the mine would also remain the same.

	Proposed Pivot 7	Existing Area	Proposed Total
Hertzler Ranch Permit Area	138 acres	723 acres	861 acres
Total Disturbance Area	67 acres	565 acres	632 acres
Irrigated Area	67 acres	253 acres	320 acres
Total Operating Permit 00118 Area	138 acres	2,475 acres	2,613 acres

N = Not present or No Impact will occur.
Y = Impacts may occur (explain under Potential Impacts).

IMPACTS ON THE PHYSICAL ENVIRONMENT	
RESOURCE	[Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES
1. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: Are soils present which are fragile, erosive, susceptible to compaction, or unstable? Are there unusual or unstable geologic features? Are there special reclamation considerations?	[N] The upper reaches of the Robinson Creek drainage consist of highly erodible volcanic and glacial deposits in a constricted basin. As a result, an active fluvial fan has developed at the mouth of Robinson Creek and is continually affected by annual run-off, flooding, and cloud-bursts. As a result, the residual deposits on the alluvial fan consist of large angular materials deposited when annual run-off rates are high, or from cloud-bursts. Finer alluvial materials are deposited by Robinson Creek and vary by yearly conditions. Remnant periglacial mudflows are also present on the alluvial fan area. This occasional flooding would not affect the operation of the pivot system in the area. There are no unusual or unstable geologic features or special reclamation considerations (Lahren 2010). The soils in the area consist of a fine, sandy, clay loam, which formed as residual materials in dry, meadow-grassland areas. Soils found in the proposed pivot area consist of Lolo cobbly loam (0 to 4% slopes), Nesda gravelly sandy loam (0 to 4% slopes), Absarokee – Sinnigam clay loams (8 to 15% slopes), Sebud stony loam (4 to 50% slopes), Hilger – Castner – rock outcrop complex (25 to 60 % slopes), and Winkler – Hilger – rock outcrop association, found on steep slopes. The area irrigated by Pivot 7 would be located almost entirely in Lolo cobbly loams and Nesda gravelly sandy loams. These soils are similar in nature to the soils found beneath pivots 1, 2 and 3 (Westech 1996 as cited in Lahren 2010). Minimal impacts to soils from LAD were predicted in the Hertzler Ranch 1998 EIS. The DEQ and the USFS have reviewed annual reports submitted by SMC. Minimal soil problems have been identified to date

IMPACTS ON THE PHYSICAL ENVIRONMENT	
	with the existing six-pivot LAD system (Boettcher 2010). Minimal impacts to soils are expected from operation of the proposed Pivot 7 LAD area as it would be located on soils similar to those in the current LAD area.
2. WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality?	[N] The proposed Pivot 7 is located on and adjacent to the Robinson Creek fluvial fan, located about two miles north of Nye, Montana. Robinson Creek is an ephemeral drainage that intermittently flows southwest from its headwaters within an Absaroka-Gallatin volcanic basin intermixed with Pleistocene glacial materials. The finding of driftwood in the midpoint area of the alluvial fan attests to the rapid flooding of Robinson Creek (Lahren 2010). Minimal impacts to ground water from LAD were predicted in the Hertzler Ranch 1998 EIS. The DEQ and the USFS have reviewed annual reports submitted by SMC. No ground water quality problems have been identified to date resulting from use of the existing six-pivot LAD system (Boettcher 2010). The only water quality problems with Hertzler Ranch ground water over the last decade have resulted from leaks in liners in the LAD storage pond, the tailings impoundment, and from a leak in the Hertzler Ranch impoundment underdrain system. These leaks have been repaired. Minimal impacts to ground water are expected from operation of the proposed Pivot 7 LAD area because it would be located on similar soils and operated similarly to the existing six-pivot LAD system. The Stillwater River is southwest of the proposed LAD site, with the existing Hertzler Ranch six-pivot LAD area located between them. Minimal impacts to the Stillwater River from use of the existing LAD system or from the leaks mentioned above have occurred. Minimal impacts to the Stillwater River are expected to occur from use of the proposed Pivot 7 LAD area. Development of the seventh center pivot would reduce the need for percolation of treated adit water at the mine site percolation ponds during wet years. Percolation at the mine site ponds does not provide treatment for nitrates. Development of the seventh center pivot at the Hertzler Ranch would reduce potential impacts to ground water and surface water at the Stillwater Mine where the river is much closer to the disposal site.
3. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I airshed)?	[N]

IMPACTS ON THE PHYSICAL ENVIRONMENT	
4. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be significantly impacted? Are any rare plants or cover types present?	[Y] Vegetation in the proposed pivot area is mostly composed of native grasslands and cultivated hayland. The vegetation types are similar to those found in the area of pivots 1, 2 and 3 (Westech 1996 as cited in Lahren 2010). Minimal impacts to vegetation were predicted in the Hertzler Ranch 1998 EIS. Based on use of the Hertzler Ranch LAD system over nine years, the native vegetation type has been impacted by the application of additional water containing nitrogen. The agencies expect the vegetation to continue to change over the life of the existing LAD system as well as on the new center pivot area. Native drought tolerant species would be outcompeted by native and introduced species that can utilize the additional water and nitrogen. At the conclusion of LAD operations, if the future landowner continued to use the LAD system even without the added nitrogen, these introduced species would persist on the LAD area. If LAD is suspended by a future landowner, production would decline, but the species would persist dependent on the precipitation received. This change in species composition on the LAD is an unavoidable impact of irrigation of native rangeland. There are no rare plants or cover types present. No additional impacts are expected beyond those changes found in the existing LAD areas.
5. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds or fish?	[N] The proposed amendment would not impact any terrestrial, avian, aquatic life or habitats outside of those previously analyzed and approved.
6. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Species of special concern?	[N] The proposed amendment would not impact any threatened, endangered, or sensitive species or habitats outside of those previously analyzed and approved.
7. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?	[N] The proposed amendment would not impact any historical, archaeological, or paleontological resources outside of those previously analyzed and approved. A field cultural resource study was conducted within the proposed Pivot 7 site in March 2010. In addition, a file search was conducted at the Montana State Historic Preservation Office. The site reconnaissance and file search did not result in the finding of any prehistoric or historic cultural resources. There are no historic trails or travel routes within the proposed area (Lahren 2010).

IMPACTS ON THE PHYSICAL ENVIRONMENT	
8. AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light?	[N] The site would have the same appearance as the existing LAD area directly across the county road. The site would consist of an irrigation system similar to those found in the area. Visual impacts would be consistent with those found under normal agricultural practices. There would not be excessive noise or any change in light.
9. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY: Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project?	[N] There would be additional demands on electrical usage when the irrigation system is run. There are no other activities in the area that would be affected.
10. IMPACTS ON OTHER ENVIRONMENTAL RESOURCES: Are there other activities nearby that will affect the project?	[N] There are no other activities in the area that would affect the proposed project.

IMPACTS ON THE HUMAN POPULATION	
11. HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area?	[N] There would be no human health or safety impacts resulting from the proposed change.
12. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?	[N] The proposed amendment would not change the projected life of the mine. The additional irrigation system should increase vegetation productivity.
13. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number.	[N] The proposed amendment would not add to the mine life or extend employment.
14. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?	[N] The proposed amendment would not extend the length of time for the current tax base. The project would be inconsequential to the existing tax revenue.
15. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc.) be needed?	[N] The proposed amendment would not add to traffic or government services already being provided.

IMPACTS ON THE HUMAN POPULATION	
16. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?	[N] The site is on private land owned by SMC. There are no known zoning or management plans. The Proposed Action is consistent with the Stillwater County Weed Management Plan.
17. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract?	[N] The proposed amendment would not impact any wilderness or recreational areas outside of those previously analyzed.
18. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing?	[N] The proposed amendment would not impact the density or distribution of population and housing outside of those previously analyzed.
19. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?	[N] The proposed amendment would not impact social structures and mores outside of those previously analyzed.
20. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?	[N] The proposed amendment would not impact cultural uniqueness and diversity outside of those previously analyzed.
21. PRIVATE PROPERTY IMPACTS: Are we regulating the use of private property under a regulatory statute adopted pursuant to the police power of the state? (Property management, grants of financial assistance, and the exercise of the power of eminent domain are not within this category.) If not, no further analysis is required.	[N] The proposed amendment would not impact private property use.
22. PRIVATE PROPERTY IMPACTS: Does the proposed regulatory action restrict the use of the regulated person's private property? If not, no further analysis is required.	[N] The Proposed Action section above identifies the objectives of this EA. The proposed amendment would enable SMC to implement its proposed use for the property.

IMPACTS ON THE HUMAN POPULATION	
23. PRIVATE PROPERTY IMPACTS: Does the agency have legal discretion to impose or not impose the proposed restriction or discretion as to how the restriction will be imposed? If not, no further analysis is required. If so, the agency must determine if there are alternatives that would reduce, minimize or eliminate the restriction on the use of private property, and analyze such alternatives.	[NA] The Type and Purpose Action section above identifies the objectives of this EA. No modifications are proposed that would restrict private property rights.
24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:	[N]

25. Alternatives Considered:

No Action: The No-Action Alternative would not allow the addition of pivot 7. There would be no changes to current operations. SMC would continue to use the mine site percolation ponds in wet years to dispose of excess water that could not be land applied at the Hertzler Ranch.

Approval: The Proposed Action would allow SMC to dispose of additional water through the proposed LAD Pivot 7. SMC would not have to use the mine site percolation ponds for disposal of excess water in wet years.

Approval with modification: The agencies have not identified any modifications to the proposed plan.

26. Public Involvement: A public news release will be issued on the results of the EA as it has been determined to be a minor amendment to the operating permit.

27. Other Governmental Agencies with Jurisdiction: US Forest Service

28. Magnitude and Significance of Potential Impacts: There would be no significant impacts associated with this proposal. As noted, there would be minimal impacts to soil, ground water, and surface water. The native grassland vegetation type would change over the life of the proposed pivot system. Vegetation production would decline if LAD stops after mine life, but the species composition would be permanently altered. This is an unavoidable impact of irrigation on native rangeland.

29. Cumulative Effects: There are no other proposals in the area that would add to cumulative effects from this proposal.

Recommendation for Further Environmental Analysis:

[ ] EIS [ ] More Detailed EA [X] No Further Analysis

The proposed Pivot 7 is a: [X] Minor Amendment [ ] Major Amendment

The DEQ and USFS have selected the Applicant's Proposed Action as the preferred alternative.

EA Checklist Prepared By:
Herb Rolfes, DEQ Operating Permits Section Supervisor
Patrick Plantenberg, DEQ Reclamation Specialist
Lisa M. Boettcher, DEQ Reclamation Specialist

This EA was reviewed by:
Warren McCullough, DEQ, Environmental Management Bureau, Chief

Approved By:

Warren D. McCullough ______ 7/22/10 ______
Signature Date
Warren D. McCullough, Chief, Environmental Management Bureau, DEQ

REFERENCES:

DEQ and USFS. 1998. Final Environmental Impact Statement for the Stillwater Mine Revised Waste Management Plan and Hertzler Tailings Impoundment. DEQ and USFS, Helena, Montana. 307 pages + appendices.

Lahren, L. 2010. Anthro Research, Inc. Final Report: Cultural Resource Evaluations of the Robinson Flat Pivot Area, Stillwater County, Montana. March 2010. 8 pages + maps.

Boettcher, L. M. 2010. Stillwater Mining Company, Operating Permit 00118, 2009 Hertzler Ranch LAD Annual Report Review. DEQ Interoffice Memorandum. April 28, 2010. 7 pages.

OP\Revisions&Amendments\StillwaterNye00118\Amendments\Amendment12\2010_0629HRPPLBSMCDraftEA

Attachment 15 – Pages 30 and 57 of Good Neighbor Agreement 2016

GOOD NEIGHBOR AGREEMENT

BETWEEN

STILLWATER MINING COMPANY

AND

NORTHERN PLAINS RESOURCE COUNCIL
COTTONWOOD RESOURCE COUNCIL
STILLWATER PROTECTIVE ASSOCIATION

ORIGINALLY SIGNED
MAY 8, 2000

AMENDED
AUGUST 3, 2004

REVISED AND AMENDED
AUGUST 23, 2005

AMENDED
November 11, 2009

AMENDED
May 31, 2014

AMENDED
December 8, 2014

AMENDED
October 19, 2016

SECTION 12. MINE-SPONSORED HOUSING

12.0 Sweet Grass County. SMC shall confine all Mine-Sponsored Housing in Sweet Grass County to the city limits of Big Timber, Montana as extended by annexation or to SMC properties subject to the exceptions provided in Section 12.2.

12.1 Stillwater County. SMC shall confine all Mine-Sponsored Housing in Stillwater County to within the city limits of Absarokee and Columbus, Montana, as extended by annexation or to SMC properties subject to the exceptions provided in Section 12.2.

12.1.1 SMC shall prohibit Mine Sponsored Housing at the Hertzler Ranch Property.

12.2 Exceptions. Subject to the provisions of Section 11.1 or the express limitations of the conservation easements described in Appendix E of the Agreement as amended effective August 3, 2004, routine occupancy for security or maintenance of permanent dwellings on non-industrial properties owned by SMC at the date of the Agreement is allowed under this Agreement.

12.3 Review of Future Proposals. SMC shall provide Councils with Notice regarding, and an opportunity to review and comment on, all future Mine-Sponsored Housing proposals. SMC shall provide such Notice prior to the commencement of construction of or, in the case of existing structures, occupancy of, additional Mine-Sponsored Housing.

SECTION 13. ADDITIONAL SMC COVENANTS

13.0 East Boulder Mine Busing and Traffic Plan. SMC shall develop, implement, and fund a comprehensive busing and traffic reduction plan for the duration of SMC Mining Operations, as described in Appendix F.

13.1 Stillwater Mine Busing and Traffic Plan. SMC shall develop, implement, and fund a comprehensive busing and traffic reduction plan for the duration of SMC Mining Operations, as described in Appendix G.

13.2 Commercial Traffic Reduction Plan. SMC shall develop, implement, and fund a comprehensive commercial traffic reduction plan for the duration of SMC Mining Operations, as described in Appendix H.

13.3 Audits. SMC shall establish, implement, maintain, and fund an environmental audit program, in an amount not to exceed $30,000 per audit year, for the duration of SMC Mining Operations for the East Boulder and Stillwater Mines as described in Appendix I. A Third Party selected by the Parties or the Councils' Consultants shall perform such audits.

13.4 Reclamation Plan Revision and Performance Bond Evaluation. SMC shall participate in and fund, in an amount not to exceed $12,000 per evaluation for the Councils' Consultants to evaluate the Reclamation Plan and Performance Bond for the East Boulder and Stillwater Mines as described in Appendix J. The reviews shall be

(a) Prepare a report explaining why providing bus transportation is no longer affordable and provide an opportunity for NPRC/SPA to review the report.

(b) Discuss the report at the next scheduled SOC meeting.

(c) Develop and implement a carpooling program or other program to meet the limit on vehicle trips noted in Section 1.3.

1.5.2 Re-Establish. SMC shall re-establish the busing program if changes in circumstances make providing bus transportation affordable.

1.6 Condition of Employment. SMC shall require, as a condition of employment, busing and/or carpooling for all employees, contractors, and subcontractors.

1.7 Monitoring Program. SMC shall establish and maintain a daily traffic monitoring program to verify its compliance with this provision. At a minimum, such program shall monitor and record the number of riders in each permitted vehicle measured at the mine-site check-in gate, the number of unpermitted vehicles in the parking lot during each shift, and the disposition of each such vehicles. This monitoring program shall also verify SMC's compliance with the Commercial Traffic Reduction Plan (Appendix H) and shall monitor and record the number of commercial vehicles making deliveries to the mine site per day measured at the mine-site check-in gate. SMC shall provide a report at each regular SOC meeting.

1.8 Inspections. SPA/NPRC shall have the right to conduct unannounced inspections to evaluate SMC's compliance with the Stillwater Traffic Plan and may request more frequent monitoring reports if conditions warrant.

1.9 Staging Areas. SMC shall provide staging areas to maximize access to busing and carpooling for employees, contractors, and subcontractors; to meet the performance requirements of this Plan; and to meet the needs of its expanding work force. SMC shall locate staging areas in Billings, Columbus, Absarokee, Red Lodge and any other areas if necessary.

1.9.1 Prohibition. SMC shall prohibit staging areas closer to the Stillwater Mine than Absarokee, except for staging areas in Dean and Fishtail established for the purpose of providing bus transportation to employees, contractors, and subcontractors with residences within a 10-mile radius of Dean and Fishtail.

1.10 Mitigation Measures. The Oversight Committee shall develop additional mitigation measures to address mine-related traffic issues as they arise and review all shift change proposals, speed limit issues, and construction-related traffic issues.

1.11 Training Sessions. SMC shall provide orientation and training sessions for employees emphasizing the importance of safe and courteous driving on local roads with

Attachment 16 – PDF page A49 - SW County - of Appendix A in 2020-22 Biennial Tax Report

Stillwater County

	TY 2021					TY 2022				
	Acres	Assessed	Taxable	Avg. Mills	Taxes	Acres	Assessed	Taxable	Avg. Mills	Taxes
CLASS 1 Net Proceeds		$0	$0	-	$0		$0	$0	-	$0
CLASS 2 Gross Proceeds		$634,170,235	$19,025,107	468.705	$8,917,160		$650,128,050	$19,503,842	478.275	$9,328,197
CLASS 3 Agricultural Land:										
Tillable Irrigated	19,819	$11,280,919	$243,663	457.770	$111,542	19,809	$11,275,227	$243,540	460.960	$112,262
Tillable Non-Irrigated	138,741	$25,597,630	$552,905	445.667	$246,412	138,726	$25,595,439	$552,858	440.167	$243,350
Grazing	581,992	$31,998,818	$691,260	452.372	$312,706	582,261	$32,027,582	$691,881	448.942	$310,614
Wild Hay	41,142	$10,613,206	$229,248	457.794	$104,948	41,148	$10,627,034	$229,547	450.637	$103,442
Non-Qualified Ag Land	31,583	$1,748,211	$264,394	470.501	$124,398	31,178	$1,725,776	$260,998	466.632	$121,790
Eligible Mining Claims	0	$0	$0	-	$0	0	$0	$0	-	$0
Class 3 Subtotal		$81,238,784	$1,981,470	454.211	$900,006		$81,251,058	$1,978,824	450.499	$891,459
CLASS 4 Land and Improvements:										
Residential		$913,153,366	$12,243,400	483.350	$5,917,852		$934,133,916	$12,519,580	486.020	$6,084,770
Residential Low Income		$38,676,997	$179,890	503.571	$90,587		$39,120,698	$188,005	503.500	$94,661
Mobile Homes		$7,048,560	$95,154	498.338	$47,419		$7,067,820	$95,415	486.933	$46,461
Mobile Homes Low Income		$2,299,607	$2,152	538.100	$1,158		$2,299,131	$2,299	540.082	$1,242
Commercial		$238,875,916	$3,573,705	473.699	$1,692,861		$247,826,879	$3,708,955	476.638	$1,767,827
Industrial		$2,790,780	$52,743	461.573	$24,345		$2,790,780	$52,745	471.366	$24,862
New Manufacturing		$37,777,400	$713,993	529.179	$377,830		$37,887,890	$716,082	538.345	$385,499
Qualified Golf Courses		$744,675	$7,074	497.540	$3,520		$744,675	$7,074	481.243	$3,404
Remodeled Commercial		$0	$0	-	$0		$0	$0	-	$0
Class 4 Subtotal		$1,241,367,301	$16,868,111	483.491	$8,155,572		$1,271,871,789	$17,290,155	486.330	$8,408,726
CLASS 5										
Rural Electric and Telephone Co-Op		$20,703,476	$621,102	448.216	$278,388		$22,635,363	$679,070	448.385	$304,485
Qualified New Industrial		$0	$0	-	$0		$0	$0	-	$0
Pollution Control		$3,413,722	$102,412	468.704	$48,001		$2,931,530	$87,946	478.275	$42,062
Gasohol Related		$0	$0	-	$0		$0	$0	-	$0
Research and Development		$0	$0	-	$0		$0	$0	-	$0
Aluminum Electrolytic Equipment		$0	$0	-	$0		$0	$0	-	$0
Class 5 Subtotal		$24,117,198	$723,514	451.116	$326,389		$25,566,893	$767,016	451.812	$346,547
CLASS 7										
Non-Centrally Assessed Public Util.		$0	$0	-	$0		$175,899	$14,072	497.540	$7,001
CLASS 8										
Machinery		$257,369,157	$7,523,768	501.752	$3,775,069		$279,374,409	$8,232,431	517.813	$4,262,858
Farm Implements		$3,343,534	$54,580	481.493	$26,280		$1,290,360	$22,997	483.342	$11,115
Furniture and Fixtures		$4,199,047	$93,501	556.436	$52,027		$4,153,547	$101,572	544.164	$55,272
Other Business Equipment		$18,219,336	$519,892	514.331	$267,397		$24,401,855	$710,179	526.158	$373,666
Class 8 Subtotal		$283,131,074	$8,191,741	503.040	$4,120,773		$309,220,171	$9,067,179	518.674	$4,702,912
CLASS 9										
Utilities		$97,090,984	$11,650,912	457.592	$5,331,364		$112,243,326	$13,469,199	456.214	$6,144,835
CLASS 10										
Timber Land	57,122	$3,035,650	$10,372	473.602	$4,912	57,060	$3,033,480	$9,454	465.861	$4,404
CLASS 12										
Railroads		$26,395,378	$823,537	509.172	$419,322		$23,984,343	$733,921	500.126	$367,053
Airlines		$250	$8	588.740	$5		$0	$0	-	$0
Class 12 Subtotal		$26,395,628	$823,545		$419,327		$23,984,343	$733,921		$367,053
CLASS 13										
Electrical Generation Property		$24,054,013	$1,443,239	371.860	$536,683		$25,802,889	$1,548,174	382.970	$592,904
Telecommunication Property		$9,592,652	$575,560	509.415	$293,199		$8,747,504	$524,851	503.090	$264,047
Elect Gen/Tele Real Prop New & Exp		$0	$0	-	$0		$0	$0	-	$0
Class 13 Subtotal		$33,646,665	$2,018,799	411.077	$829,882		$34,550,393	$2,073,025	413.382	$856,951
CLASS 14										
Wind Generation		$0	$0	-	$0		$0	$0	-	$0
Wind Generation New & Exp		$108,255,373	$811,915	870.530	$706,796		$109,123,763	$818,428	837.323	$685,289
Class 14 Subtotal		$108,255,373	$811,915	870.530	$706,796		$109,123,763	$818,428	837.323	$685,289
CLASS 15										
Carbon Dioxide and Liquid Pipeline		$0	$0	-	$0		$0	$0	-	$0
Carbon Dioxide and Liquid Pipeline (abated)		$0	$0	-	$0		$0	$0	-	$0
Class 15 Subtotal		$0	$0	-	$0		$0	$0	-	$0
Class 17										
Data Centers		$0	$0	-	$0		$0	$0	-	$0
Total		**$2,532,448,892**	**$62,105,486**	**478.415**	**$29,712,181**		**$2,621,149,165**	**$65,725,115**	**482.972**	**$31,743,375**
ABATED PROPERTY										
Current Values of Abated Property		**$108,255,373**	**$811,915**	**870.530**	**$706,796**		**$109,123,763**	**$818,428**	**837.323**	**$685,289**
Values Without the Property Abatement		**$108,255,373**	**$3,247,661**	**870.530**	**$2,827,187**		**$109,123,763**	**$3,273,713**	**837.323**	**$2,741,155**
Difference (Property Value Abated)		**$0**	**-$2,435,746**		**-$2,120,390**		**$0**	**-$2,455,285**		**-$2,055,867**

Top 10 Property Tax Payers

TY 2021		TY 2022	
1 STILLWATER MINING COMPANY	2 NORTHWESTERN ENERGY-T & D	1 STILLWATER MINING COMPANY	2 NORTHWESTERN ENERGY-T & D
3 EXPRESS PIPELINE LLC	4 STILLWATER WIND LLC	3 EXPRESS PIPELINE LLC	4 STILLWATER WIND LLC
5 NORTHWESTERN ENERGY - ELECTRIC GENERATION	6 MONTANA RAIL LINK	5 NORTHWESTERN ENERGY - ELECTRIC GENERATION	6 MONTANA RAIL LINK
7 FRONT RANGE PIPELINE LLC	8 YELLOWSTONE PIPELINE CO	7 FRONT RANGE PIPELINE LLC	8 YELLOWSTONE PIPELINE CO
9 VERIZON INC	10 BEARTOOTH ELEC COOP INC	9 VERIZON INC	10 BEARTOOTH ELEC COOP INC

Attachment 17 – Pages 7 and 10 and 12 of – SW County 2021 Audited Report

STILLWATER COUNTY
COLUMBUS, MONTANA

FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

OLNESS & ASSOCIATES, P. C.

CERTIFIED PUBLIC ACCOUNTANTS

2810 CENTRAL AVENUE, SUITE B
BILLINGS, MONTANA 59102
(406) 252-6230
FAX (406) 245-6922

The Hard Rock Mine Trust fund fund balance increased $1,993,553 because of the money received from the Metal Mines License Tax on both the Nye Mine and East Boulder Mine. This money is set in a trust fund for use only when the economic conditions are met to allow the expenditure of these funds.

The Metal Mines Tax Reserve fund fund balance increased $337,518.

The Absarokee Sewer CIP fund fund balance decreased $30,548. The wastewater project is expected to be completed next year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Stillwater County currently has the following outstanding loans for purchases of capital assets:

The Stillwater County sheriff's department had an Intercap loan identified as 2848 that was used to purchase a jet boat in 2019 for search and rescue activities. The loan was paid off during the year.

The Stillwater County road department also has an Intercap loan identified as 2866 to purchase 2 plow trucks. The outstanding balance is $85,634 and is scheduled to be paid off in 2025.

The joint City-County Airport also has a loan from the Montana Department of Aeronautics. The loan has a payoff date of 2028 with an outstanding balance of $59,600.

There is a bond anticipation note outstanding in the amount of $3,233,672. The proceeds are being used to build out the Absarokee Sewer project.

THE GOVERNMENT'S FUTURE

Stillwater County government has established a strong program to fund both building and equipment capital projects and needs. The first set of building projects will begin construction in mid-summer 2022.

Stillwater County will review the pay matrix to determine its effectiveness and pay scale ahead of the 2022-2023 budget. The review was part of the original pay matrix adoption in 2019.

The requirement to record the net pension liability under GASB Statement No. 68 affected the net position of the county.

The County also continues to emphasize maintaining and increasing the cash reserves of each of the levied funds and the cash balances of those funds.

STILLWATER COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General	Road	Public Safety	Hard Rock Mine Trust	Metal Mines Tax Reserve	Absarokee Sewer CIP	Total Nonmajor Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	$ 1,409,049	$ 859,465	$ 835,274	$ 12,231,976	$ 2,142,896	$ -	$ 9,463,728	$ 26,942,388
Investments	242,858	288,344	280,229	4,103,737	718,924	-	2,601,779	8,235,871
Receivables:								
Taxes and assessments	21,355	18,032	18,993	-	-	-	34,093	92,473
Governments	-	-	-	-	-	1,108,285	83,660	1,191,945
Other	-	-	320	-	-	-	-	320
Due from other funds	-	-	-	-	-	-	656,881	656,881
Inventories	-	72,887	-	-	-	-	730,287	803,174
Total assets	$ 1,673,262	$ 1,238,728	$ 1,134,816	$ 16,335,713	$ 2,861,820	$ 1,108,285	$ 13,570,428	$ 37,923,052
LIABILITIES								
Accounts payable-vendors	$ 34,355	$ -	$ -	$ -	$ -	$ 553,658	$ 182,306	$ 770,319
Due to other funds	-	-	-	-	-	656,881	-	656,881
Total liabilities	34,355	-	-	-	-	1,210,539	182,306	1,427,200
DEFERRED INFLOWS Of RESOURCES								
Unavailable revenue-taxes and assessments	21,355	18,032	18,993	-	-	-	34,093	92,473
FUND BALANCES (DEFICITS)								
Nonspendable:								
Inventory	-	72,887	-	-	-	-	730,287	803,174
Restricted for:								
General government	-	-	-	16,335,713	2,861,820	-	1,172,432	20,369,965
Public safety	-	-	1,115,823	-	-	-	433,165	1,548,988
Public works	-	1,147,809	-	-	-	-	2,498,366	3,646,175
Public health	-	-	-	-	-	-	20,678	20,678
Social and economic services	-	-	-	-	-	-	85,282	85,282
Culture and recreation	-	-	-	-	-	-	104,048	104,048
Housing and community development	-	-	-	-	-	-	8,321	8,321
Capital projects	-	-	-	-	-	-	4,733,457	4,733,457
Committed for:								
General government	-	-	-	-	-	-	3,552,017	3,552,017
Culture and recreation	-	-	-	-	-	-	87,443	87,443
Unassigned (deficits)	1,617,552	-	-	-	-	(102,254)	(71,467)	1,443,831
Total fund balances (deficits)	1,617,552	1,220,696	1,115,823	16,335,713	2,861,820	(102,254)	13,354,029	36,403,379
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 1,673,262	$ 1,238,728	$ 1,134,816	$ 16,335,713	$ 2,861,820	$ 1,108,285	$ 13,570,428	$ 37,923,052

See notes to basic financial statements.

STILLWATER COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General	Road	Public Safety	Hard Rock Mine Trust	Metal Mines Tax Reserve	Absarokee Sewer CIP	Total Nonmajor Funds	Total Governmental Funds
REVENUES								
Taxes and assessments	$ 2,543,142	$ 2,040,469	$ 2,303,681	$ -	$ -	$ -	$ 3,623,311	$ 10,510,603
Fines and forfeitures	94,554	-	30,250	-	-	-	8,568	133,372
Licenses and permits	21,740	3,656	8,325	-	-	-	1,864	35,585
Intergovernmental	531,889	369,490	228,425	1,835,014	2,286,357	-	1,847,848	7,099,023
Charges for services	240,054	6,225	7,133	-	-	-	115,630	369,042
Investment earnings	58,445	-	-	158,539	16,872	-	9,573	243,429
Miscellaneous	134,022	8,831	2,209	-	-	-	19,097	164,159
Total revenues	3,623,846	2,428,671	2,580,023	1,993,553	2,303,229	-	5,625,891	18,555,213
EXPENDITURES								
Current:								
General government	2,472,564	-	-	-	30,000	-	762,093	3,264,657
Public safety	186,103	-	1,913,183	-	-	-	973,985	3,073,271
Public works	79,481	1,306,309	-	-	-	-	1,220,378	2,606,168
Public health	142,717	-	-	-	-	-	101,025	243,742
Social and economic services	39,128	-	-	-	-	-	145,900	185,028
Culture and recreation	7,304	-	-	-	5,000	-	254,642	266,946
Housing and community development	-	-	-	-	408,932	-	-	408,932
Other current charges	-	-	-	-	-	-	305,011	305,011
Debt service:								
Principal	-	222,703	-	-	-	-	92,517	315,220
Interest and other charges	-	87,820	-	-	-	30,000	2,973	120,793
Capital outlay	37,587	44,124	112,078	-	-	3,234,220	1,305,897	4,733,906
Intergovernmental	-	-	-	-	1,521,779	-	-	1,521,779
Total expenditures	2,964,884	1,660,956	2,025,261	-	1,965,711	3,264,220	5,164,421	17,045,453
Excess (deficiency) of revenues over expenditures	658,962	767,715	554,762	1,993,553	337,518	(3,264,220)	461,470	1,509,760
OTHER FINANCING SOURCES (USES)								
Long-term debt issued	-	-	-	-	-	3,233,672	-	3,233,672
Insurance recoveries	9,746	-	9,463	-	-	-	3,166	22,375
Sale of capital assets	10,663	80,125	526	-	-	-	2,500	93,814
Transfers in	329,875	-	418,316	-	-	-	3,531,746	4,279,937
Transfers out	(1,671,254)	(207,522)	(888,515)	-	-	-	(1,512,646)	(4,279,937)
Total other financing sources (uses)	(1,320,970)	(127,397)	(460,210)	-	-	3,233,672	2,024,766	3,349,861
Net change in fund balances	(662,008)	640,318	94,552	1,993,553	337,518	(30,548)	2,486,236	4,859,621
Fund balances (deficits) - beginning	2,279,560	584,841	1,021,271	14,342,160	2,524,302	(71,706)	11,098,291	31,778,719
Change in inventory	-	(4,463)	-	-	-	-	(230,498)	(234,961)
Fund balances (deficits) - ending	$ 1,617,552	$ 1,220,696	$ 1,115,823	$ 16,335,713	$ 2,861,820	$ (102,254)	$ 13,354,029	$ 36,403,379

See notes to basic financial statements.

Attachment 18 – USB Drive – with pdf copy of this entire AM3 submittal