
Twentymile Stoker Coal Haul

SUP Renewal

ACTIVITY #: PL-18-198

HEARING DATES: Planning Commission: December 6, 2018
Board of County Commissioners: December 18, 2018

PETITIONER: Twentymile Coal, LLC

PETITION: Renewal of Special Use Permit PL-16-62 for the Stoker Coal Haul

LEGAL: Portions of Sections 8, 9, and 17-6-87

LOCATION: County Road 27 from the Foidel Creek Mine to US Highway 40

ZONE DISTRICT: Agriculture/Forestry (A/F)

STAFF CONTACT: Alan Goldich; agoldich@co.routt.co.us

ATTACHMENTS:

- Narrative
- Haul route

History:

Twentymile received its first permit to haul stoker coal from the Foidel Creek Mine near the intersection of County Road 27 (CR 27) and County Road 33 (CR 33) in 1996. The permit was amended in 1997, renewed in 2001, amended in 2004, renewed and amended in 2013, and amended in 2016. The 2013 renewal and amendment increased the amount allowed to be hauled from 360,000 tons to 500,000 tons of coal annually. The 2016 permit amended the amount allowed to be hauled and the number of truck trips. This was intended to be a short term fix until the Sage Creek Haul permit could be renewed and issued, which has occurred. The current permit allows for hauling of 500,000 tons annually and a maximum of 55 truck trips per day averaged over a monthly period.

There is one other permit that allows hauling on CR 27. The Sage Creek Haul SUP grants the ability to haul a total of 6 million tons on CR 27. Through this permit, up to 1.8 million tons can be hauled directly from the Sage Creek Mine to the Hayden Station and up to 3 million tons can be hauled from the Foidel Creek Mine to US Highway 40. They can then haul the balance, up to 6 million tons, to the Foidel Creek Mine for washing. The permit allows for up to 343 loads per day to be hauled on CR 27. This translates into 686 trips (back and forth) per day. This permit does not allow for the hauling of coal from the Twentymile mine to the Hayden Station. The Sage Creek Mine is not currently active.

A total re-construction of County Road 27 was done in several phases and completed about 12 years ago. A roundabout was installed at the intersection of CR 27 and CR 27A as a condition of the Sage Creek Haul SUP.

Site Description:

The haul route is along the re-constructed sections of CR 27, running from Twentymile's Foidel Creek Mine to US Highway 40.

Project Description:

Twentymile would like to renew the existing permit with no changes in conditions of approval. This would allow the continued hauling of a maximum of 500,000 tons per year and 55 truck trips per day. The affected portion of CR 27 is a 14 mile stretch from the Foidel Creek Mine north to US Highway 40. They are currently allowed to haul 7 days a week, 24 hours a day using 35 ton capacity trucks.

Staff Comments:

- Public Works did not have any concerns with this application. Their only comment was that all conditions of approval continue to apply.
- The Hayden School District responded that they were ok with the existing condition related to school bus and haul truck conflicts. They also stated that they are ok with the existing plan to avoid these conflicts.
- Staff reviewed the application for compliance with the existing conditions of approval. No issues were identified. Staff has not received any complaints about trucks associated with this permit. Because of the lack of complaints and compliance with the conditions of approval, staff is suggesting the this permit be able to renewed administratively.
- Since this use has been deemed compatible with the RC Master Plan through the approval of previous applications, a review of the compliance with the Master Plan was not done for this review.
- None of the applicable regulations have changed since the last review, however staff has identified, and responded to, those regulations that are applicable.

Compliance with the Routt County Zoning Resolution

The Routt County Master Plan, Sub Area plans and Zoning Resolution contain dozens of policies and regulations regarding land use. Section 5 of the regulations are designed to limit or eliminate conditions that could negatively impact the environment and/or use of surrounding properties, and shall apply in all Zone Districts and to all land uses unless otherwise noted. Section 6 Regulations apply to all Minor, Administrative, Conditional or Special uses allowed by permit only, PUD plans, Site plans, and Subdivisions.

The following checklist was developed by Planning Staff to highlight the policies and regulations most directly applicable to this petition. The checklist is divided into seven (7) major categories:

1. Health, Safety and Nuisances
2. Regulations and Standards
3. Mining and Related Uses Regulations and Standards
4. Community Character and Visual Issues
5. Roads, Transportation and Site Design
6. Natural Environment
7. Mitigation

Interested parties are encouraged to review the Master Plan, Sub Area plans and Zoning Resolution to determine if there are other policies and regulations that may be applicable to the review of this petition.

Staff Comments are included at the end of each section, highlighting items where the public, referral agencies, or planning staff have expressed questions and/or comments regarding the proposal. **Staff comments regarding compliance with regulations and policies are noted in bold below.**

Public Health, Safety and Nuisances

Applicable Regulations – Routt County Zoning Resolution

- 5.1.1 Every use shall be operated so that it does not pose a danger to public health, safety or welfare.
- 5.1.2 Every use shall be operated in conformance with all applicable federal, state and local regulations and standards. Failure to comply with any and all applicable federal, state and local regulations and standards may be cause for review and/or revocation of any Land Use Approval granted pursuant to these regulations.
- 6.1.7.I Noise
- 6.1.7.L Odors
- 6.1.7.M Vibration
- 9.2.D Shall be operated such that noise generated by the use does not exceed State of Colorado residential noise standards within 150 feet of any residence.

Staff comments: It does not appear that this application will pose a danger to the public health, safety, and welfare. Noise from the truck's engines and braking systems, odors from its exhaust, and vibrations are all impacts that are associated with haul trucks. The standard condition concerning conformance with all federal, state, and local laws in suggested. A condition of approval is suggested addressing the noise standard in 9.2.D.

***Is the application in compliance with the Policies and Regulations outlined above? Yes or No*

Regulations and Standards

Applicable Regulations – Routt County Zoning Resolution

- 6.1.2 The proposal shall be consistent with applicable Master Plans and sub-area plans.
- 6.1.5 The proposal shall meet or exceed accepted industry standards and Best Management Practices (BMP's).
- 9.2.G Shall submit evidence of insurance for a minimum of \$1,000,000 to cover any damages to public and private property, and Routt County shall be named as an additional insured.

9.2.K Routt County requires the use of the most technologically advanced and proven procedures and equipment to mitigate the significant negative impacts of mining operations and associated uses.

Applicable Policies – Routt County Master Plan

7.3.P Routt County requires the use of the most technologically advanced procedures and equipment to mitigate the significant negative impacts of mining operations and associated uses.

Staff comments: Through the approval of previous haul permits, the County has deemed this use compatible with the Master Plan. Insurance has been submitted for this use. No details on how BMP's will be employed have been submitted. A condition of approval is suggested requiring the most advanced procedures.

***Is the application in compliance with the Policies and Regulations outlined above? Yes or No*

Mining and Related Uses Regulations and Standards

Applicable Regulations – Routt County Zoning Resolution

All Mining and accessory uses shall comply with the applicable Standards and Mitigation techniques of Section 5 and Section 6 of these Zoning Regulations. In additions, all Mining and accessory uses shall comply with the following standards:

- 9.2.A Shall be compatible with surrounding agricultural, residential, and recreational land uses by selection of location and/or mitigation.
- 9.2.C Equipment used for the operation will not be visible from adjacent or surrounding residences, or will be mitigated to the extent possible to reduce visual impacts. Planning Commission and/or the Board of County Commissioners will determine sufficiency of mitigation.
- 9.2.F Truck traffic will not access the mining operation through residential, or commercial areas, or such traffic will be mitigated. Planning Commission and/or the Board of County Commissioners will determine sufficiency of mitigation.

Staff comments: The County has determined that this use at the current level is compatible with the surrounding agricultural and residential uses in the area. There is one other permit that allows hauling of coal on CR 27. The amounts hauled and number of truck trips allowed through the other permit has been detailed in the 'History' section of the staff report. It appears that the cumulative impacts to roads, air and water, and the residential uses from this permit and the other haul permit are at an acceptable level. Trucks will be visible traveling on the roadway. There is no way of mitigating the visual impact of these trucks.

Truck traffic is not proposed to access through residential or commercial areas. The Twentymile Mine has dedicated on-ramps and off-ramps on CR 27 for haul truck traffic. A condition addressing insurance is suggested. It does not appear that there are impacts from this application that cannot be mitigated for. The proposed route is the shortest between the 2 points. A dedicated roadway for the haul is not proposed.

***Is the application in compliance with the Policies and Regulation outlined above? Yes or No*

Community Character and Visual Concerns

Applicable Regulations – Routt County Zoning Resolution

- 6.1.7.G Visual Amenities and Scenic Qualities.
- 6.1.7.K Land Use Compatibility.
- 6.1.7.O Historical Significance.

Staff comments: Although there are no permanent facilities associated with this application, the applicant is proposing approximately 2.75 truck trips per hour. This amount of traffic may impact the visual and scenic qualities of Twentymile park. Most of the uses in this area are agricultural and residential in nature, however this area has a long history of mining coal. In more recent times, most coal has transported by trains, not by truck.

***Is the application in compliance with the Policies and Regulations outlined above? Yes or No*

Roads, Transportation and Site Design

Applicable Regulations – Routt County Zoning Resolution

- 5.7 Right of Way Access Standards: A Right of Way Access Permit is required prior to construction of any new access point onto a County Road or other Local Public Road or Right of Way.
- 6.1.4 Public Road Use Performance Standards: The proposal shall comply with the Public Road Use Performance Standards in Section 6.2 of these Regulations.
- 6.1.7.A Public Roads, Services and Infrastructure
- 6.1.7.B Road Capacity, traffic, and traffic safety
- 6.2.4.B Projects shall mitigate their impacts to public roads such that all public roads used for access to a project or development will remain in as good as or better than existing condition.
- 6.2.4.E Requirements for repairs, upgrades, development, and maintenance of public roads may be included as a condition of any Land Use Approval. Such roadwork will be at the proponent's expense, unless otherwise determined by the Board of County Commissioners.
- 6.2.4.Q Project may be required to route haul trucks to prevent significant impacts to commercial, residential, or recreation areas and/or prevent significant impacts to sensitive wildlife areas.

Staff comments: Access to and from CR 27 at the mine have valid access permits. No new roads are proposed with this application. Previous application materials contain a road engineering study which looked at multiple facets of the roadway, including construction

and design. This study states that based on the design and construction of the road, and the existing haul permits, there is adequate capacity to handle the proposed amount traffic. Conditions of approval are suggested which address the standards found in section 6.2.

***Is the application in compliance with the Policies and Regulations outlined above? Yes or No*

Natural Environment

Applicable Regulations – Routt County Zoning Resolution

6.1.7.D Wildlife and Wildlife Habitat.

6.1.7.F Air Quality.

Staff comments: Although truck and wildlife conflict is always a concern with these types of applications, the number of trucks this will put on the road does not appear to create significant impacts to wildlife.

Impacts to air quality are a concern with this application. A condition of approval is suggested which addresses air emissions and requires the permittee to obtain all necessary permits. It does not appear that degradation of the environment will occur with this application.

***Is the application in compliance with the Policies and Regulations outlined above? Yes or No*

Mitigation Techniques

Applicable Regulations – Routt County Zoning Resolution

Mitigation Techniques to Reduce Noise Impacts:

6.10.A Limit hours of operation

6.10.B Limit hours and days of equipment operation to reduce noise effects to adjacent or nearby residents.

6.10.C Limit hours of hauling.

6.10.P Eliminate or reduce the use of compression “jake” brakes on haul trucks, when possible, at the entries of or within sites located near residential areas.

6.10.R Limit traffic generation and/or provide customer shuttles.

Mitigation Techniques to Reduce Impacts to Residential and Recreational Uses:

6.13.C Practice continued mitigation of noise, dust, and other environmental impacts.

Staff comments: The Planning Director has the ability to limit the amount of coal hauled, the time it is hauled, the days that it is hauled, types of vehicles used, etc. These restrictions are not in place on the current permit. Because of the lack of complaints and compliance with the existing conditions these types of restrictions are not being suggested.

***Is the application in compliance with the Policies and Regulations outlined above? Yes or No*

PLANNING COMMISSION / BOARD OF COUNTY COMMISSIONERS OPTIONS:

1. **Approve the Special Use Permit Renewal request without conditions** if it is determined that the petition will not adversely affect the public health, safety, and welfare and the proposed use is compatible with the immediately adjacent and nearby neighborhood properties and uses and the proposal is in compliance with the Routt County Zoning Regulations and complies with the guidelines of the Routt County Master Plan.
2. **Deny the Special Use Permit Renewal request** if it is determined that the petition will adversely affect the public health, safety, and welfare and/or the proposed use is not compatible with the immediately adjacent and nearby neighborhood properties and uses and/or the proposed use is not in compliance with the Routt County Zoning Regulations and/or the Routt County Master Plan, Make specific findings of fact; cite specific regulations or policies by number from the Routt County Master Plan, and the Routt County Zoning Regulations.
3. **Table the Special Use Permit Renewal request** if additional information is required to fully evaluate the petition. Give specific direction to the petitioner and staff.
4. **Approve the Special Use Permit Renewal request with conditions and/or performance standards** if it is determined that certain conditions and/or performance standards are necessary to ensure public, health, safety, and welfare and/or make the use compatible with immediately adjacent and neighborhood properties and uses and/or bring the proposal into compliance with the Routt County Zoning Regulations and Routt County Master Plan.

FINDINGS OF FACT that may be appropriate if the Special Use Permit Renewal is **approved**:

1. The proposal with the following conditions meets the applicable guidelines of the Routt County Master Plan and is in compliance with Sections 4, 5, 6 and 9 of the Routt County Zoning Regulations.
2. No complaints or concerns have been identified through review of this permit.

CONDITIONS that may be appropriate may include the following: (language in regular type is existing, bold language is suggested to be added, language with a strike through it is suggested to be removed.)

General Conditions:

1. The SUP is contingent upon compliance with the applicable provisions of the Routt County Zoning Regulations including but not limited to Sections 4, 5, 6 and 9.
2. The SUP is limited to uses and facilities presented in the approved project plan. Any additional uses or facilities must be applied for in a new or amended application.
3. Any complaints or concerns which may arise from this operation may be cause for review of the SUP, at any time, and amendment or addition of conditions, or revocation of the permit if necessary.
4. In the event that Routt County commences an action to enforce or interpret this SUP, the substantially prevailing party shall be entitled to recover its costs in such action including, without limitation, attorney fees.
5. This permit is contingent upon any required federal, state, and local permits being obtained and complied with. Copies of permits or letters of approval shall be submitted to the Routt

County Planning Department prior to operations. The operation shall comply with all Federal, State and local laws.

6. Prior to issuance of the permit, Permittee shall provide evidence of liability insurance in the amount of no less than \$1,000,000 per occurrence. Routt County shall be named as an additional insured on the policy. Permittee shall notify Routt County Planning Department of any claims made against the policy. Certificate of liability insurance shall include all permit numbers associated with the activity.
7. Accessory structures/uses associated with this permit may be administratively approved by the Planning Director, without notice.
8. Transfer of this SUP may occur only after a statement has been filed with the Planning Director by the transferee guaranteeing that they will comply with the terms and conditions of the permit. If transferee is not the landowner of the permitted area, Transferee shall submit written consent to the transfer by the landowner. Failure to receive approval for the transfer shall constitute sufficient cause for revocation of the permit if the subject property is transferred. Bonds, insurance certificates or other security required in the permit shall also be filed with the Planning Director by the transferee to assure the work will be completed as specified. Any proposal to change the terms and conditions of a permit shall require a new permit.
9. The Permittee shall prevent the spread of weeds to surrounding lands, and comply with the Colorado Noxious Weeds Act as amended in 2013 and Routt County Noxious Weed Management Plan. ~~A weed mitigation plan shall be developed by the Permittee and reviewed and approved by the Weed Supervisor prior to issuance of the Special Use Permit.~~

Specific Conditions:

10. This permit is intended to replace SUP No. ~~PP2013-017~~ **PL-16-62**. Until such time as this permit has been issued that permit shall remain in full force and effect. SUP No. ~~PP2013-017~~ **PL-16-62** shall expire at such time this permit is issued.
11. The Special Use Permit is valid until December 31, ~~2018~~ **2023** provided it is acted upon within one year of approval.
12. **If no complaints or concerns are identified, this permit may be renewed administratively.**
13. This SUP allows for the hauling of up to a maximum average of 500,000 tons of coal annually from Twentymile Coal to US Highway 40. This permit does not cover hauling to the Hayden Power Plant and, if such is desired, another SUP will be required.
14. The total trips per day, averaged monthly, shall not exceed a maximum of ~~sixty-six (66)~~ **fifty-five (55)**. If the number of round trips exceed ~~seventy-two (72)~~ **sixty (60)** in any 24-hour period, Twentymile Coal Company shall contact the Routt County Planning Director for administrative approval. ~~This approval shall be on an emergency temporary basis only.~~
15. ~~This approval is intended to be a short term fix until the Sage Creek Haul permit, PL-16-1049, can be amended. Once the new Sage Creek Haul permit has been issued, this permit shall only allow for the hauling of up to 500,000 tons per year and the total trips per day, averaged monthly, shall not exceed a maximum of fifty-five (55). If the number of round trips exceed sixty (60) in any 24-hour period, the permittee shall contact the Routt County Planning Director for administrative approval. This approval shall be on an emergency temporary basis only.~~
16. Permittee shall submit to the Planning Department a report of tonnage hauled under this permit annually.

Road Conditions:

17. When bussing of students on regularly scheduled routes on County Road 27 becomes necessary, the hauling of coal during school bus hours shall not occur until negotiated and agreed upon by the permittee and the Hayden School District, and approved by the Planning Director, as to safety measures to be taken.
18. Hauling is limited to the use of up to 35 ton capacity trucks. Permittee shall obtain any required over-length and over-weight permits from the Routt County Road and Bridge Department prior to hauling.
19. Routt County has the authority to close any county road at its sole discretion if damage to the road may occur by its use. To the extent that a road closure may affect permittee's operations, Routt County will cooperate with permittee to allow operations to be continued in a safe and practicable stopping point, and/or to jointly develop a solution that will address continuation of operations and any associated issues related to the road.
20. All trucks will be covered and follow posted speed limits. All trucks shall be equipped with speed-monitoring technology to ensure that posted speed limits are followed. Violations of the covered load and speed limit requirements by trucks subject to this permit will be reported to the County by the permittee, which may cause the review and amendment or revocation of the SUP for this use.
21. Permittee shall be required to pay for ongoing road maintenance and repair, including semi-annual striping of the road, and will share in the cost of road maintenance based on the previous year's actual truck usage and tonnage hauled of all outstanding Special Use Permits for hauling on County Road 27. Routt County Road and Bridge Director shall determine requirements for timing and method of payment.
22. Permittee shall be responsible for any additional winter maintenance and other regular road maintenance desired by the County, and shall obtain all necessary permits and agreements to do so. At a minimum, this will include responsibility for road maintenance between 6 p.m. and 6 a.m. The permittee may be required to enter into a supplemental road maintenance agreement with the County to satisfy this condition.
23. Permittee shall communicate and resolve issues with the repair and clean-up of any spill or damage in a timely manner in agreement with affected parties. Any spill or road damage shall be reported to the Routt County Road and Bridge Department within three days of occurrence.
24. Any accidents or citations involving trucks covered by this permit shall be reported to the Routt County Planning Department within 3 days.
25. All trucks shall be equipped with Best Available Technologies for muffling of noise from engine brakes. All such equipment shall be maintained in good working order.
26. All tractors and trailers will be clearly numbered for easy identification. At a minimum, the tractors shall be numbered on both sides, and the trailers shall be numbered on both sides and the back.
27. Routt County roads affected by this SUP will be inspected by the Routt County Road and Bridge Department at intervals determined by same. Any road damage repair or maintenance needs above and beyond typical maintenance, attributable to this use, shall be made by the County, or a third-party contractor as selected by the Routt County Road and Bridge Department and on a schedule determined by same. Road and Bridge shall inform Permittee of such maintenance or repair activities prior to work being performed. Permittee shall solely bear the costs of repairs.

28. Permittee shall maintain access roads affected by this SUP during the life of the Operations. Maintenance may include grading and graveling or paving roadways, sweeping or cleaning access points, and application of a dust palliative as approved by the Routt County Road and Bridge Director and RCDEH.
29. Routt County roads shall not be completely blocked at any time. If traffic regulation is deemed necessary, the Permittee shall notify the Routt County Road and Bridge Director, or designee thereof, in advance (if possible), who may then require:
 - a. The Permittee or Permittee's contractor/sub-contractor to place traffic control signage along access routes and at intersections as specified by the Routt County Road and Bridge Director and at Permittee's expense; and types and placement of signs shall be in conformance with the MUTCD.
 - b. Flaggers to be placed at the intersections of affected county roads as specified by the Routt County Road and Bridge Director and at Permittee's expense.

Twentymile Coal, LLC
SUP PL-18-___ Renewal/Extension
for Special Use Permit No. PP2013-017
Exhibit 1

Proposal Summary:

Special Use Permit No. PP2017-017, approved by the Board of County Commissioners on September 24, 2013, allows Twentymile Coal, LLC (TC) to haul a maximum average of 500,000 tons of coal per year over a five-year period. The current permit period commenced on December 31, 2013 and runs through December 31, 2018.

Under the Conditions of Approval, Specific Condition No. 13 states “The total trips per day, averaged monthly, shall not exceed a maximum of fifty-five (55). If the number of round trips exceeds sixty (60) in any 24-hour period, Twentymile Coal, LLC shall contact the Routt County Planning Director for administrative approval. This approval shall be on an emergency temporary basis only.”

The current permit allows TC’s Foidel Creek Mine to haul 500,000 tons per year. While hauling 500,000 tons per year, the total number of round trips per day, averaged monthly, shall not exceed a maximum of 55. The coal hauling hours will continue to be 24 hours per day, except that when bussing of students on regularly scheduled routes on County Road 27 becomes necessary, the hauling of coal during school bus hours shall not occur until negotiated and agreed upon by the permittee and the Hayden School District as to safety measures to be taken.

The current SUP No. PP2013-017 is scheduled to expire on December 31, 2018. The requested renewal/extension to the permit (SUP PL-18-___) will allow for a renewed and extended five-year truck hauling period commencing on January 1, 2019 and running through December 31, 2024.

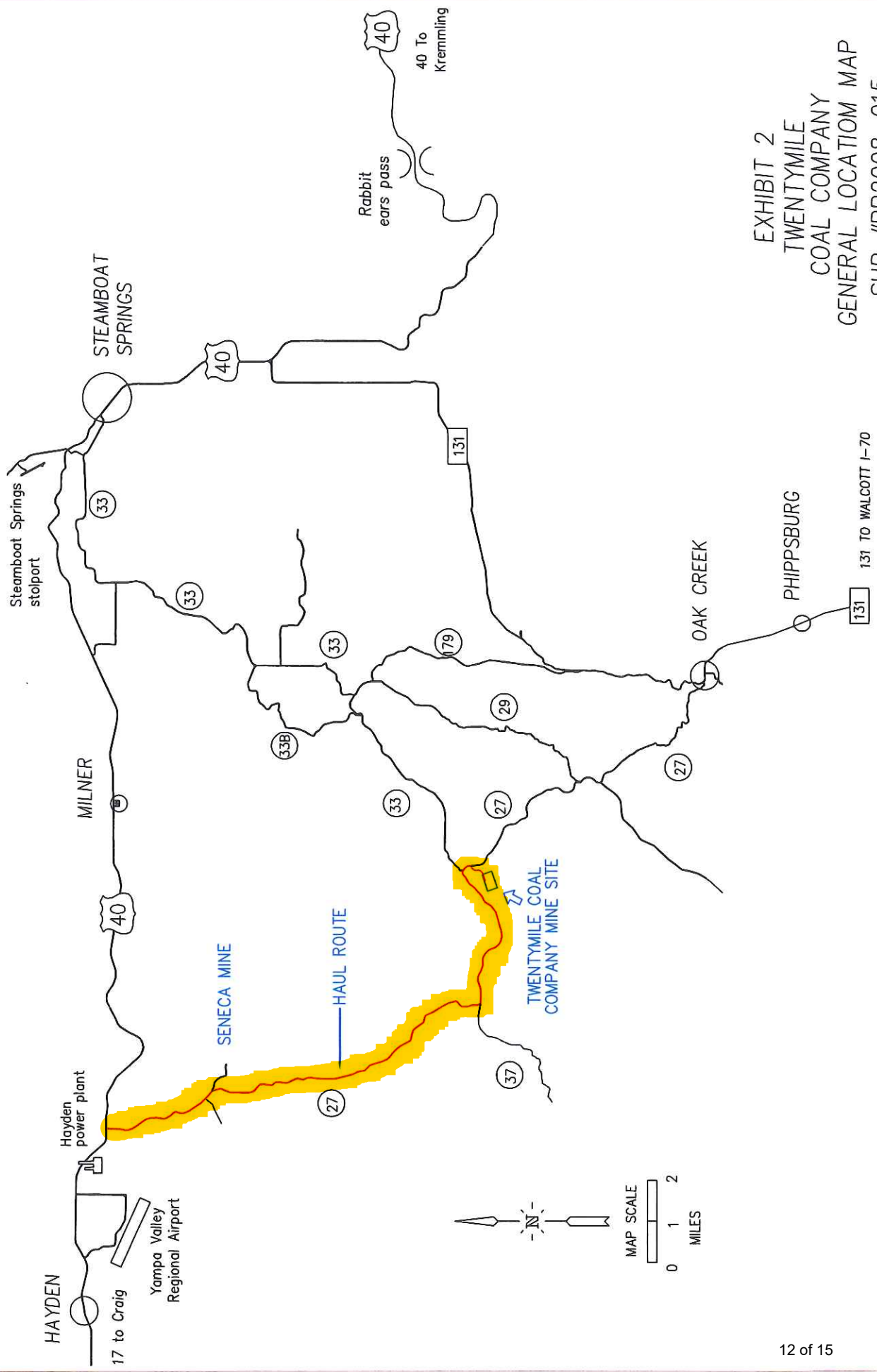
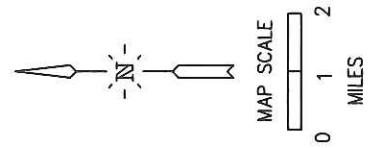


EXHIBIT 2
 TWENTYMILE
 COAL COMPANY
 GENERAL LOCATION MAP
 SUP #PP2008-015



**Twentymile Coal, LLC
SUP PP2013-017 Renewal/Extension
for Special Use Permit No. PP2008-015
Exhibit 3**

Air, Water, Noise and Landscaping Report:

1. Air pollution controls on facilities, road and equipment:

Twentymile Coal, LLC's (TC) existing facilities are permitted under CDPHE Construction Permit No. 93R01204.

TC's existing facilities utilize a combination of practices to limit fugitive dust. These practices include bag-houses, partial and complete enclosures of transfer points in the conveyance system, conveyor covers, and watering or chemical treatment of road surfaces in high traffic areas and open stockpiles.

2. Water pollution controls:

Runoff and mine water discharges are passed through sedimentation ponds or treatment facilities prior to discharge. Small areas not within a controlled drainage area use Best Management Practices to treat water, i.e. include rock check-dams, vegetative filters, straw bales, silt fences and sediment traps.

3. Noise abatement techniques:

Hours of operation	Not Applicable
Distance	Not Applicable
Type of equipment	Not Applicable

4. Best Management Practices to be used for grading and erosion control.

Best Management Practices to treat water, i.e. include rock check-dams, vegetative filters, straw bales, silt fences and sediment traps.

5. Visual screening plan and/or landscape plan:

TC's surface facilities and truck load-out are existing facilities. No new impacts are anticipated from the continuation of the truck coal hauling.

Twentymile Coal, LLC
SUP PL-18-___ - Renewal/Extension
for Existing Special Use Permit No. PP2013-017

Community and Economic Considerations and Benefits

1. Twentymile Coal, LLC's (TC) operations are located in a rural area zoned "Coal Mining", which allows for the mining of coal and all related ancillary operations, and Agricultural/Forestry. TC submits that the Coal Mining zoning designation inherently includes the right to mine coal and ship it to its customers by rail and/or by truck. TC also submits that this existing right and the existence of past, present, and ongoing coal mining and transport activities have established a reasonable precedent that should be recognized as an existing condition by current and prospective future residents of the area. The coal haulage route falls within the "Agricultural/Forestry" zone.
2. Coal mining has been a major employer and economic contributor to Routt County for many years, and TC is one of the top employers and taxpayers for Routt County. TC's Foidel Creek Mine has been in operation since 1983, and is one of the top producing coal mines in the State.

Current mine plan projections extend through the year 2032, based on a production rate of 2.5 to 3.0 million tons per year. There is the potential for additional resources in the current coal seam to extend the life of the mine, and anticipated future production from the Sage Creek Portal would result in a steady coal supply to the TC coal handling facilities.

3. TC anticipates producing and shipping an average of approximately 2.5 million tons, up to a maximum of approximately 3.0 million tons during the term of the extended permit. Production would be from either the Foidel Creek Mine or the new Sage Creek Portal, but shipments under the Permit would originate from the Twentymile Loadout facilities.

The proposed maximum annual truck haulage tonnage of 500,000 total tons, under the Permit renewal/extension is approximately 20 percent of the projected average annual shipments. The remaining tons are shipped by rail to local and out-of-state customers. Although the 500,000 tons covered by this Permit is only a portion of total production, in today's challenging economic and coal market conditions, it is an important component and factor in maintaining production levels, employment, profitability, and viability for TC's operations over the long-term.

With completion of the Hayden Station rail spur, road haulage of approximately 1.8 million tons annually under Xcel Energy's SUP was eliminated, along with the associated truck trips, since this coal is now transported by rail.

4. **Local community benefits** – The major portion of the Mine's gross sales revenue is expended to cover operating expenses including employee wages and benefits, outside services and supplies, utilities, royalties, and property and other taxes. These operating expenditures have a direct and positive impact on the economy of Routt County and the surrounding communities, as summarized below for 2017:

Twentymile Coal, LLC
SUP PL-18-___ - Renewal/Extension
for Existing Special Use Permit No. PP2013-017

Community and Economic Considerations and Benefits

➤ Employee Wages & Benefits (270 employees)	\$ 39.3M
➤ Outside supplies and services	\$ 58.6M
➤ Royalties	\$ 7.8M
➤ Property and other taxes	<u>\$ 6.7M</u>
➤ Total	\$112.4M

7. Since 1996, Twentymile has provided approximately \$2.7 million for the partial reconstruction and upgrade of RCR27, spent \$2.1 million for a new roundabout on RCR27 at our Sage Creek Portal location, and in recent years, has paid the County an average of over \$60,000 annually to fund any incremental maintenance required due to the truck haul.