

September 24, 2012

Buffalo County Board of Adjustment  
407 South Second Street  
Alma, Wisconsin 54610

Re: Seven Sands Mine Site  
Traffic Safety Issues

Dear Board Members:

At the conclusion of the August 9, 2012, Board of Adjustment hearing related to the Seven Sands CUP application, the Board encouraged Glacier Sands (the "Company") and the Cochrane-Fountain City School District (the "District") to work together to address issues of common interest related to traffic safety. Over the past six weeks, representatives from the Company have continually reached out to the School District and have spoken or met with the District on at least ten different occasions to discuss these issues, all in an attempt to arrive at a set of mutually-agreeable conditions for inclusion in the Company's CUP for the Seven Sands mine site. As reflected in the District's September 22, 2012 letter, no such traffic safety issues exist and there is no impediment to the Board issuing the CUP with the 43 conditions previously prepared by the Buffalo County Zoning staff.

### **Background**

As way of background, the School District has consistently maintained that its primary concerns relate to student safety and the educational environment at the Cochrane-Fountain City School. Each individual School Board member testified at the July 24, 2012 Board of Adjustment hearing in opposition to the Company's CUP application for a dry processing plant and rail load out facility located on the "Starkey property" west of the C-FC School. No doubt the individual School Board members had concerns that the Company's proposed operation on the Starkey property might have a negative impact on student safety and the educational environment. At the July 24 hearing, the individual School Board members, and Attorney Hennemann on behalf of the District, expressed disappointment in what they characterized as the Company's unwillingness to engage in meaningful discussions to address the District's concerns about use of the Starkey property. As we are all aware, at the end of the July 24 hearing the Board of Adjustment summarily and unanimously denied the Company's CUP application.

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The Company was surprised and, quite frankly, disappointed to hear on July 24 that the School Board members felt the Company had disregarded the District's concerns. Indeed, during the week prior to the July 24 Board of Adjustment hearing Company representatives met on the C-FC School grounds with Superintendent Hiebert and a Wisconsin DNR air specialist to identify the most appropriate location for the Company to site an air monitor at the School. Furthermore, Company representatives were never once afforded the opportunity to meet with the School Board prior to the July 24 hearing, and Company representatives still have no idea what information was provided at the School Board's July 23, 2012 closed session meeting that led the individual School Board members to testify as to the Company's supposed intransigent attitude.

### The "Pirate Code"

This background information is important for two reasons. First, it is important to keep in mind that the District's full-court press in opposition to the Company's use of the Starkey property was successful. The Company has neither a conditional use permit that will allow such use nor an application pending that could possibly lead to the necessary Buffalo County approvals. Second, the Company has truly done everything possible to engage the District in discussions about traffic safety issues related to the Seven Sands mine site, so as to eliminate *any possibility* that the District or the individual School Board members could be confused again about the Company's cooperative spirit. Indeed, the Company submits that since the August 9 Board of Adjustment hearing, when the District and Company were charged with working out traffic safety issues to a mutually agreeable end, the Company has embodied the District's own "Pirate Code," which is to:

- Be respectful.
- Be responsible.
- Be ready to learn.

(Children's posters depicting the Pirate Code are prominently displayed throughout the C-FC School Commons. The Pirate Code is also featured prominently on the District's "Principal's Portal" website and in the District's August 2012 Newsletter.)

The Company has *respected* the District's policy governance model by engaging in nearly all communications with Superintendent Hiebert and the District's attorney. The vast majority of these communications took place with Attorney Hennemann, who represented the District at Superintendent Hiebert's direction and based on overall policy goals set by the School Board. Indeed, during the entire six-week period since the Board of Adjustment tabled the Company's Seven Sands CUP application, the Company has been afforded a total of ten minutes to discuss these issues with the School Board (and those ten minutes involved one-way communication only, as the Board expressed no interest in engaging the Company in any discussion of the relevant issues). The Company has also shown great respect for the District's asserted interest in traffic safety issues by continuing to attempt to engage in meaningful dialogue with the District over the issues the Board of Adjustment asked the two parties to discuss.

The Company has approached these discussions in a *responsible* manner by offering tangible suggestions to address the few safety-related issues the Company could identify from the District's proposed revisions to the staff-prepared draft conditions, which the District forwarded the Board of Adjustment in advance of the August 9 hearing. Indeed, based on the multiple discussions between the Company and the District (again, most of these discussions took place with Attorney Hennemann; although, the Company was granted one face-to-face meeting attended by Attorney Hennemann, Superintendent Hiebert and one individual School Board member), the Company prepared and circulated a draft joint letter by which the Company and the District could mutually propose revisions to some of the staff-prepared draft CUP conditions, in order to address those few safety-related issues that the Company could identify. The Company also acted responsibly by continuing to reach out to the District in an attempt to engage in meaningful dialogue over these issues, literally right up to the point at which the School Board approved the text of the District's September 22, 2012 letter to the Board of Adjustment.

The Company approached these discussions with the District with a *ready-to-learn* attitude. It would have been very easy for the Company to take the position that there is nothing to discuss – in light of the fact that truck traffic from the Seven Sands mine site will not travel *any* highway adjacent to land owned by the District and, in particular, will not pass in front of the C-FC School driveway. (Indeed, as explained next, the District now concedes that there is no viable traffic safety issue presented by the Company's proposed use of the Seven Sands mine site.) The Company did not take this approach. Instead, it continued to seek out opportunities to identify, discuss and understand the District's traffic safety concerns, all with an eye toward developing mutually-agreeable solutions as the Board of Adjustment requested. In the end, what the Company learned is what it suspected all along – the Cochrane-Fountain City School District does not have any meaningful traffic safety issues related to the Company's proposal to haul sand from the Seven Sands mine site to Winona, Minnesota.

### **The District Has Identified No Traffic Safety Issue**

The District's September 22, 2012 letter to the Board of Adjustment confirms that the District is unable to identify any tangible traffic safety issue related to the Company's proposed use of the Seven Sand mine site. The letter is long on hypothetical conjecture about what might have happened had the Board of Adjustment not summarily rejected the Company's CUP application for the Starkey property. Nevertheless, the letter confirms that the District has no specific traffic safety issues in light of the fact that the Company is not permitted to use the Starkey property.

As referenced above, the C-FC School property does not abut State Highway 88 or any other segment of the Seven Sands haul route. Truck traffic from the Seven Sands mine site will not pass in front of the C-FC School driveway. The only safety-related items the District's September 22 letter references at all are i) the intersection of State Highway 88 and State Highway 35 and ii) unspecified issues related to "busing routes."

The Highway 88/Highway 35 intersection issue (to the extent it is an issue) is well under control. As the Board of Adjustment is aware, the Company engaged KL Engineering to complete a Traffic Impact Analysis of that intersection. KL Engineering has completed the TIA and submitted it to the Wisconsin Department of Transportation for review and analysis. What the TIA confirmed is that from a traffic engineering standpoint, the intersection as currently configured can safely handle all of the additional truck traffic from the Company's three proposed mines and the proposed Klevegard mine, which is not owned or operated by the Company.

Despite the TIA results, which show that no revision to the Highway 88/Highway 35 intersection is necessary, KL Engineering included in the TIA an analysis of potential intersection revisions including the installation/realignment of turning lanes and even the installation of a roundabout. The Wisconsin DOT will be reviewing these alternatives and working with the Company on the most appropriate action for the intersection based on the Department's professional expertise and judgment. This is exactly how such issues should be addressed. In light of the detailed analysis included in the TIA and the fact that it is currently in the hands of the Wisconsin DOT for review and action, it is unclear what other "comprehensive plan" the District thinks the Board of Adjustment should develop.

With respect to the District's vague references to "addressing bus routes," the District fails to articulate any specific issue that is not more than sufficiently addressed by staff-proposed condition 25. Furthermore, while the District in the past has asked for all manner of communication and coordination between the District and the Company's truck dispatcher, the District has never stated (publicly or privately) that its bus drivers are unable to cope with the occasional trucks (or motorcycles, bicycles or farm vehicles) that they encounter on the highway. Indeed, in the course of the Company's discussions with the District since August 9, the District confirmed that it has never attempted to engage in discussions with dispatchers or individual truck drivers associated with any private enterprise that hauls product via trucks along the District's bus routes.

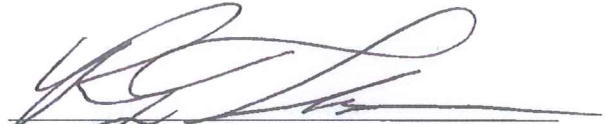
All that remains of the District's September 22 letter is an objection that the Company might at some point in the future attempt to obtain the necessary Buffalo County approvals to use the Starkey property. Yet, the District continues to expend considerable resources to fight against this nonexistent foe. Rather than attempt to work with the Company to come up with mutually agreeable solutions to the District's asserted safety concerns, the District has spent the past six weeks focusing its attention on this hypothetical possibility. Furthermore, both the District and the Board of Adjustment are spending public resources litigating Buffalo County Case No. 12-CV-74 as the District continues to challenge the validity of the Company's R&J Rolling Acres CUP permit. The District filed that action in Buffalo County Circuit Court *after* the Board of Adjustment had already summarily denied the Company's CUP application related to the Starkey property. And, as with the Seven Sands mine site, none of the trucks from the Company's R&J Rolling Acres mine site operation will travel a highway that abuts District property. Ironically, the District's lawsuit seeks to thwart development that would serve to increase the tax base in a different school district – a district that has expressed no opposition to development and operation of the R&J Rolling Acres mine site.

Most importantly, with respect to the issue that is presently before the Board of Adjustment, the District's fixation on a hypothetical future use of the Starkey property is not a valid basis for denying the Company's Seven Sands CUP application. The District's actions over the past six weeks and its September 22 letter confirm that there is truly no traffic safety issue that compels a denial of the Company's request.

The Company thanks the Board of Adjustment for the invitation to discuss these important issues with the District in advance of the Board's final vote on the Seven Sands CUP application. As explained above, the relevant issues have been discussed to finality and there is no meaningful traffic safety issue that necessitates any changes to the staff-proposed conditions.

Best regards.

Yours very truly,

A handwritten signature in blue ink, appearing to read "Ryan Thomas", written over a horizontal line.

Ryan Thomas,  
Vice President of Glacier Sands, LLC

A handwritten signature in blue ink, appearing to read "Wayne Steinmetz", written over a horizontal line.

Wayne Steinmetz,  
Information Officer of Glacier Sands, LLC