



June 25, 2014

Nevada County Community Development Agency
Tod Herman, Senior Planner
950 Maidu Avenue
Nevada City, CA 95959

SUBJECT: San Juan Ridge Mine – CEQA and Baseline Groundwater Data Requirements

Dear Mr. Herman,

As you know, San Juan Mining Corp elected to cease collecting Groundwater Quality samples from homeowner wells in late March of this year. Static water levels in those same wells continue to be collected. San Juan Mining Corp believes that all sampling necessary to establish baseline groundwater quality for EIR purposes has been completed. Since that time we, and our consultants, have discussed our primary areas of concern related to the data required to support the EIR, and what we believe is legally required under the California Environmental Quality Act (CEQA). We apologize for the time it has taken for us to get the legal and technical input we needed and this was further complicated by a throat surgery that had me speechless for a while. We present our concerns and questions in the three bullets below. Please respond at your earliest convenience to these bullets with Nevada County Planning's thoughts.

- If a conditional Use Permit to re-open the mine is issued, what specific period of time is required to establish baseline groundwater quantity and quality for homeowner/s prior to commencing any dewatering activities at the San Juan Ridge Mine? In addition to the time period required, how many sampling points are required to establish groundwater quality?
- What period of time will be given to homeowners to sign up and participate in well monitoring? Will there be a cutoff date implemented and what will the process be for homeowners who refuse to participate and later claim impacts? Will the last homeowner sign up 'start the clock' for the period of time period specified for pre-dewatering data base collection?

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- Regardless of the answers to the bullets above, shouldn't these items be imposed on a project applicant as mitigation measures and/or as use permit conditions as opposed to requiring them prior to release of the draft EIR (DEIR)?

San Juan Mining Corp. has acknowledged from the beginning that we would need to 'go above and beyond' and conduct a robust groundwater monitoring program in the San Juan Ridge area. Despite our repeatedly asking the County for their assistance in soliciting homeowner participation, you declined initially, only to then become involved a year and a half later following a meeting with the leaders of the project's main opposition. It was at this point when we began to feel politics were driving scientific decisions. For instance, performing groundwater quality sampling on a monthly basis is not performed on contamination sites under investigation and enforcement of the CA State Water Quality Control Board and yet County legal staff determined that twelve consecutive months of groundwater quality sampling would be necessary to establish baseline groundwater quality prior to release of the DEIR because 'they know what their constituency expects.' We understand politics play a role in all projects, but the County imposed this requirement on San Juan Mining Corp. despite the EIR team stating they would not be performing a statistical analysis on the data collected, and would only be including the raw data in an appendix to the DEIR. Our concern has never been is the data necessary, but what is a reasonable amount of data collection, over what period of time, and when that data should be available to investigate impacts (i.e. we understand the data is necessary prior to conducting any dewatering activities, but we feel it serves no purpose to require twelve consecutive months of data collection so it can be included as an appendix to the DEIR). We each have our respective opinions on what should be required but would it not be a wiser approach to have the County and its EIR team specify exactly what monitoring will be imposed on the project applicant as a mitigation measure/use permit condition within the DEIR so that the general public and others can comment and express their opinions on what is being proposed? One of our fundamental concerns with the BGMP was that someone challenge what we, the County, the EIR team, and our respective legal counsels thought was the appropriate method of data collection, time period, etc.; we have run the risk of spending well over a million dollars to collect data that could ultimately be invalidated. We were willing to begin the data collection process and assume some financial risk concerning preliminary data collection when the BGMP was originally formed, but we are unwilling to continue the data collection process when the basic questions presented above still have yet to be answered, especially since the questions have been on the table for many months. San Juan Mining Corp wants to work with Nevada County Planning and their EIR team, but we cannot continue to pay for data that is not yet needed. San Juan Mining Corp. would request your written response on these issues and then perhaps we can set a meeting date for further discussion.

Sincerely,


Tim Callaway

President/CEO

Cc: Supervisor Hank Weston

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