

COUNTY OF NEVADA COMMUNITY DEVELOPMENT AGENCY PLANNING DEPARTMENT

950 MAIDU AVENUE NEVADA CITY, CA 95959-8617 (530) 265-1222 FAX (530) 265-9851 http://www.mynevadacounty.com/CDA

Steven L. DeCamp
Community Development Agency Director

Brian Foss Planning Director

August 5, 2014

Tim Callaway, President/CEO San Juan Mining Corporation P.O. Box 1945 Nevada City, CA 95959

Re: San Juan Ridge Mine - CEQA Baseline Groundwater Data Requirements

Dear Mr. Callaway:

The County has received your June 25, 2014 letter concerning the baseline groundwater data collection requirements for this EIR. Within this letter, you have requested the Planning Department provide a response to your concerns and questions regarding the specifics of the required groundwater monitoring and data collection associated with this project.

If a conditional Use Permit to re-open the mine is issued, what specific period of time is required to establish baseline groundwater quality and quantity for homeowners prior to commencing any dewatering activities at the San Juan Ridge Mine? For the preparation of the EIR, the County had requested one full year of baseline water quality and groundwater level data, to encompass potential natural changes experienced during all four seasons. This decision came about, in part, from the Baseline Groundwater Monitoring Program document that originated from Luhdorff & Scalmanini and with input from the County, its EIR team, and the public input. Our goal is to have empirical data for each month rather than relying upon statistical assumptions; this would strengthen the analysis in the EIR. During this time period the information would continue to be evaluated for quality and consistency to determine whether or not additional testing may be necessary to establish baseline conditions and the potential for impacts to groundwater within this watershed area.

It is also the Planning Department's intention that if the project was approved, the data collected from the EIR's baseline data program could then be used, and built upon, by the project for any post-approval monitoring and assessment of potential impacts. Ultimately, the decision for the volume of pre-mining data collection will be determined by the Final EIR and/or any Use Permit conditions.

In addition to the time period required, how many sampling points are required to establish groundwater quality? Assuming it is a spatial question; the County had not established a minimum number of sampling points (locations) but had requested that all willing property owners interested in participating in the sampling be included. We assume those sampling points would provide sufficient spatial representation to capture potential impacts throughout this watershed and to evaluate the potential transmissivity of the groundwater within this area. As you recall, we defined that area by the watershed boundaries (for the north and south) and by the horizontal distances (east and west) from the mine property boundaries. It was the County's determination that the sampling locations must represent the areas that would potentially be affected (homeowner wells as opposed to wells on the mine site) in the event that groundwater drawdown is experienced after mine dewatering or due to water usage in connection with mining operations. Ultimately, this question may also affect the outcome of the Final EIR, including thresholds of significance for determining impacts to groundwater, potential mitigation measures for addressing those impacts and the feasibility of potential mitigations.

What period of time will be given to the homeowners to sign up and participate in well monitoring? This is going to be a decision the County will have to make as part of the project entitlement, if approved. As you will recall, when the Siskon Gold Corporation Use Permit was approved, a specific component of that approval was the Remedial Water Supply Plan which specified the terms and limitations of the well monitoring program. I recall the terms of that document were negotiated during the public hearing process for that project. This project will no doubt go through the same process, but Planning would not be opposed to putting a reasonable sunset clause on the sign-up period to limit the costs.

Will there be a cutoff date implemented and what will the process be for homeowners who refuse to participate and later claim impacts? See responses above. However, it is assumed that the EIR will identify the potential for, and thresholds of significance related to, impacts on adjacent homeowner wells due to dewatering, and will establish appropriate mitigation measures that can be applied whether or not the homeowner participated in the monitoring. If a claim were made by a non-participating homeowner, a comparison would have to be made on adjacent or related wells in order to determine if the impact was caused by mine dewatering or other water usage in connection with the mining operations.

Will the last homeowner sign up "start the clock" for the period of time specified for predewatering data base collection? For the EIR baseline use, it was assumed that the number of wells that participated in the samples collected from October to December 2013 would be the adequate minimum number for use in establishing the baseline for homeowner wells. This assumes, of course, that we do not encounter significant deviations in the data collected at these sites during the baseline monitoring period.

Regardless of the answers 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? Establishing the baseline conditions for the potentially affected resource (homeowner wells) is not appropriate as mitigation in the EIR as this is needed in order to understand and evaluate current groundwater conditions, and to determine if and how the wells may be affected by the proposed project. The County will also need this information to

San Juan Ridge Mine August 5, 2014 Page 3

establish thresholds of significance, to identify and address potential impacts to groundwater and to develop appropriate mitigation measures for the project.

In summary, the groundwater monitoring program serves at least three distinct purposes in connection with development of the EIR: first, this program establishes the baseline environmental conditions for use in the CEQA process; second, it provides the information necessary to identify groundwater impacts, establish thresholds for determining when those impacts are considered significant and develop appropriate and feasible mitigation measures for mitigating those impacts; third, it provides data and information to assist in developing the possible post-approval monitoring, which could include additional monitoring as required by the Regional Water Quality Control Board (or the terms of the Final EIR) and ongoing monitoring during any dewatering activities.

If you have any further questions, please feel free to contact me at (530) 265-1257.

Sincerely,

Brian Foss, Planning Director

Tod Herman, Senior Planner