

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF MINING, LAND & WATER

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May 6, 2005

Re: Final Finding and Decision, Slate Creek Cove Tideland Lease, ADL 107154 Coeur Alaska, Inc.; Kensington Mine Project

To Whom It May Concern:

The Division of Mining, Land and Water (DMLW) has made a Final Finding and Decision for the Slate Creek Cove Tideland Lease (ADL 107154) to Coeur Alaska, Inc in association with the Kensington Mine Project; see attached.

The Response to Comment Document on State of Alaska Authorizations for the Kensington Mine *Project* and other finding and decisions, permits and certifications related to the Kensington Mine Project are available at <u>http://www.dnr.state.ak.us/mlw/mining/largemine/kensington/</u>.

A person affected by this decision who provided timely written comment or public hearing testimony on this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received by **May 26, 2005** and may be mailed or delivered to Tom Irwin, Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501-3561; faxed to 1-907-269-8918; or sent by electronic mail to <u>dnr_appeals@dnr.state.ak.us</u>. If no appeal is filed by that date, this decision goes into effect as a final order and decision on June 6, 2005. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

If you have any questions or require assistance, please call me at (907) 465-3442, or e-mail brady_scott@dnr.state.ak.us.

Sincerely,

Is Brady Scott

Brady Scott, Natural Resource Specialist

Enclosure: Final Finding and Decision, ADL107154

Coeur Alaska, Inc. ADL 107154 FINAL FINDING AND DECISION AS 38.05.035(e)

Summary of Public Comment:



No public comments received.

Public comments received, see document entitled: *Response to Comments* on State of Alaska Authorizations for the Kensington Mine Project, dated May 6, 2005

Modifications to Decision:



Decision is not modified.

Decision is modified as specified in Attachment 1.

Approval:

The finding presented above has been reviewed and considered. The casefile has been found to be complete and the requirements of all applicable statutes have been satisfied. It is the finding of the Regional Manager that it is in the best interest of the State to proceed with this conveyance under the authority of AS 38.05.

AFFIRMED AS PROPOSED.

MODIFIED AND AFFIRMED.

lay 6, 2005

Ed Collazzi UU Southeast Regional Manager

A person affected by this decision who provided timely written comment or public hearing testimony on this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received by **May 26, 2005** and may be mailed or delivered to Tom Irwin, Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501-3561; faxed to 1-907-269-8918; or sent by electronic mail to dnr_appeals@dnr.state.ak.us . If no appeal is filed by that date, this decision goes into effect as a final order and decision on **June 6, 2005**. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

Attachments

- Attachment 1 Summary of modifications to decision
- Attachment 2 Revised Development Plan
- Attachment 3 Appeal references

Final Finding and Decision ADL 107154 Attachment #1 Summary of Modifications to Decision

The Finding and Decision for the Coeur Alaska, Inc. proposed tideland lease, ADL 107154, is hereby modified to include the following items:

Section I. Proposed Action, is modified as follows:

The proposed action has changed to incorporate a revised development plan. The parcel of State tide and submerged lands has been reduced to contain approximately 3.8 acres. The updated development plan is shown as Attachment 2.

Section XI. Access, is superseded as follows:

Pursuant to AS 38.05.127 the parcel will be subject to a 50-foot access easement seaward of the line of mean high water. This public access easement can be temporarily and intermittently closed, during times of construction, maintenance, operation and use, as required by state and federal regulations, and for purposes of protecting public health and safety and maintaining security. Management of the 50-foot access easement shall be done in compliance with the *Public Access Control Management Plan*, to be approved in writing by the Alaska Division of Mining, Land and Water (DMLW), or in compliance with any subsequent plan revision approved in writing by DMLW, or its successor agency.

Section XIV. Performance Guaranties and Insurance, is modified as follows:

Full removal of the fill shall be required upon expiration or termination of the lease, unless at that time it is determined due to naturalization and habitat growth that it would be more detrimental to the environment to remove all or a portion of the fill. The performance guarantee (bond) amount shall reflect the costs for full reclamation of the site.

The improvements the applicant proposes to locate on this 3.8 acre lease offering will consist of the following: approximately 2,500 cubic yards of fill, used to construct an earth filled staging area that will be partially built using concrete block or rock retaining walls and reinforced with geotextile fabric. A portion of the staging area will consist of an approximately 90 foot long ramp. Extending from the staging area will be an 8 foot wide trestle; that will lead to a 6 foot by 80 foot gangway, down to a 12 foot by 120 foot floating dock, held in place by 6 pilings with struts. Also extending from the heavy duty dock will be an 18 foot by 120 foot bridge with mechanical hoist; the mechanical hoist will consist of 2 lifting dolphins each constructed using 6 pilings. Lastly, there will be 2 breasting/mooring dolphins each constructed using 3 pilings. The entire development will involve 18 pilings.

DMLW has determined that the performance guarantee for this parcel shall be **\$277,400**, as determined by the reclamation closure cost estimate for parcel 29-B in the *Reclamation and Closure Plan for the Kensington Gold Project*, dated May 5, 2005, or as adjusted by any revised plan approved in writing by DMLW, or its successor agency. The performance guarantee for the tideland lease will be covered as a portion of the General Mine Bond for the Kensington Mine Project.

Section XV, Survey and Appraisal, and item 4 of Section XIX, Recommendations, are modified as follows:

The revised development plan, Attachment 2, will be the basis for the survey. The applicant is required to survey the mean high water line, locate monumentation, and submit plat work according to DMLW instructions. An early entry permit authorizing entry onto State tide and submerged lands for construction and operation shall not be allowed until the necessary survey requirements are approved by DMLW.

Section XIX, Recommendations, is modified to include additional conditions as follows:

11. In-water construction from March 15 through June 30 is prohibited. The use of vibratory hammers is recommended whenever practicable.

12. No blasting shall occur on the leased premises during any period when in-water construction activities are prohibited or at any time when Steller sea lions or humpback whales are present within a 1000-foot radius. In-water construction activities will be suspended when humpback whales or Steller sea lions are within 1,000 feet, as determined from on-site monitoring by a NMFS-approved marine mammal biologist.

13. The lessee shall perform activities and abide by the conditions included in the *Marine Monitoring Plan*, to be approved in writing by DMLW, or in compliance with any subsequent plan revision approved in writing by DMLW, or its successor agency. Enforcement of this condition will reside with DMLW with technical input from the Office of Project Management and Permitting, Large Mine Project Team, and/or the Office of Habitat Management and Permitting, or their successors. This condition applies whether or not the facility is utilized for the Kensington Mine Project.

14. The lessee shall perform activities and abide by the conditions included in the *Berners Bay Transportation Plan and Mitigation and Best Management Practices Plan*, to be approved in writing by DMLW, or in compliance with any subsequent plan revision approved in writing by DMLW, or its successor agency. Enforcement of this condition will reside with DMLW with technical input from the Office of Project Management and Permitting, Large Mine Project Team, and/or the Office of Habitat Management and Permitting, or their successors. This condition applies whether or not the facility is utilized for the Kensington Mine Project.

All other conditions of the Finding and Decision, ADL 107154, are unchanged.

Final Finding and Decision, ADL 107154 Attachment 2

Revised

DEVELOPMENT PLAN UPDATE FOR THE SLATE CREEK COVE MARINE TERMINAL FACILITY

Submitted to:

State of Alaska Department of Natural Resources Division of Mining, Land, and Water

Submitted by:

Coeur Alaska, Inc. 3031 Clinton Drive, Suite 202 Juneau, Alaska 99801

May 5, 2005

Attachment 2, ADL 107154, Pages 1 of 21

INTRODUCTION

In response to public and agency comments, and the recently issued Record of Decision by the United States Forest Service for the Kensington Project, additional conservation recommendations are herein incorporated into the design and operation of the Slate Creek Cove Marine Terminal. The proposed Slate Creek Cove Marine Terminal would be constructed at Slate Creek Cove, in Berners Bay, as shown in the attached sheets. The purpose of the facility is to provide a means of transportation for the employees of the proposed Kensington mine, from Cascade Point to the mine site. Supplies for the mine would also be barged to the mine site by the proposed marine terminal, and ore from the mine would be shipped out from there. A map of the overall proposed mine facilities is provided on Sheet 2 of 10 in Appendix A.

The proposed Slate Creek Cove Marine Terminal would consist of an earth-filled staging area, ramp, and floating platform system constructed of appropriate material to meet operational needs. Specifically, the proposed facility includes the following structures as shown on Sheet 3 of 10 located in Appendix A:

- Fill approach;
- 8' wide trestle;
- 6' x 80' gangway;
- 12' x 120' removable float;
- 18' x 120' transfer bridge with mechanical hoist; and
- Breasting/mooring dolphins.

The facility is designed for barges having a maximum draft of 19 feet. Unloading will be by a roll-on, roll-off forklift transfer system. Typically, barges 300 feet long by 80 feet wide will be used. However, larger barges may be used. Craft will be berthed at pileanchored dolphins. A floating dock will also be installed for personnel transfer from ferry to shore. These structures are shown on Sheet 3 with cross-sections of the facility on Sheets 4 through 10.

The structures will be constructed of a combination of galvanized steel and timbers. The piles will be made of galvanized steel with a galvanized steel pile cap. The float will be made of galvanized steel pipe pontoons forming the float frame. Pressure-preservative treated timbers will be used for the stringers, cross beams, and the decking. The bullrails, handrails, and rubstrips will also be made of timber. The struts will be made of galvanized steel pipe.

The float will be secured with galvanized steel pipe pile frames at approximately 40 feet on center. The frames will consist of two galvanized steel pipe piles, approximately 10 feet apart, connected by a galvanized steel strut at the top of the piles. In total, there will be approximately 6 steel pipe piles securing the float.

The gangway will be a pre-fabricated aluminum gangway with integral handrails. The gangway will be supported by a hinge on the end of the 8' wide trestle at the landward end and by the float on the seaward end.

The four breasting dolphins will be constructed of three galvanized steel pipe piles welded at the top. One pile will be vertical and will be faced with tire fenders. Dolphins will be stand-alone and will be accessed by the barge or by skiff from shore. A total of 12 piles will be driven for the breasting dolphins.

The transfer bridge will consist of galvanized and painted steel girders, cross beams, and grated deck. The lifting hoist will be an electric powered hoist supported on prefabricated, galvanized steel pile caps and galvanized steel pipe piles. The hoist structure will include a galvanized steel cross bar and a supporting column on each side of the transfer bridge.

The marine terminal facilities have been redesigned to minimize the amount of fill placement in the intertidal and beach areas. The proposed lease area now covers only 3.8 acres or 165,500 square feet. The marine terminal construction will create a barge mooring facility and a small laydown yard for handling of cargo. The construction of the marine terminal facilities below the mean high tide will involve approximately 2,500

cubic yards of fill (Table 1). Fill requirements will be provided from a designated borrow area.

Table 1 - Fill Requirements for the Slate Creek Cove Marine Facility

Type of Fill	Amount
	(cubic yards)
Armor Rock	720
Filter Rock	360
Clean Gravel and Sand	1420
TOTAL	2500

(below the mean high water mark – 15.2 feet)

Volume calculations obtained from Chris Gianotti – Principal Engineer, PND

OPERATIONS

Staging at the Slate Creek marine facility is a necessary function of barging activities. An area of approximately 125 feet by 200 feet will comprise the staging and storage area and will be located above the mean high water elevation outside of the tideland lease area on USFS lands for the storage of concentrate and other equipment and supplies.

Fuel delivery at Slate Creek Cove will be via isotainers and will be unloaded in a similar manner to other cargo. Isotainers will be temporarily placed at the laydown areas located on USFS lands in contained storage areas. No fuel will be stored in the tideland lease area.

Utilities for the new facilities will include lighting and electrical power systems only. A 100 kW generator, located on USFS land outside of the tideland easement, will produce

the required power. No water, sewer, or other utilities are planned for the terminal. Portable toilets will be located in the laydown area.

A contracted ferry service will transport mine employees and company authorized visitors from Cascade Point to Slate Creek Cove. A floating dock will be installed for personnel transfer from the ferry to shore. A company-operated bus will transport personnel from the marine terminal to the appropriate mine operations facility.

Landing craft will transfer freight and equipment across the gravel ramp. Moorage will be temporary, while loading and unloading occurs. Vehicles will traverse the ramp and approach fill to get to the uplands staging and parking areas.

Barges will moor against the breasting dolphins. Barge operators will secure mooring lines to the dolphins. The transfer bridge will be lowered onto the barge. Freight will be transferred across the transfer bridge, and then across the heavy duty dock and approach fill to the uplands storage and staging areas using forklifts.

Material delivery at Slate Creek Cove will containerized and palletized as required by DOT and the cargo transport service.

It is estimated that an average of four barge deliveries will be required per week. At least one of the barge deliveries would be on one of the regularly scheduled AML barges. The gold concentrate will be picked up for delivery approximately once per week. Fuel deliveries will be made on regularly scheduled barge trips whenever possible. Occasionally, deliveries will be made from landing craft or another smaller vessel. During the construction phase, it is expected that there could be an average of seven barge deliveries per week.

It is estimated that between three and five round-trips will be made by the ferry to transport personnel between Cascade Point and Slate Creek Cove. The number of trips is dependent on the final work schedule selected that supports regional employment opportunities. A preliminary scheduled ferry trip will leave Cascade Point at approximately 5:00 a.m. to bring all day-shift personnel to Kensington on each day of the week. A mid-afternoon ferry will bring personnel to Kensington for the afternoon-shift and return with day-shift personnel back to Cascade Point. Another round-trip will be made in the late afternoon/early evening. Depending on shift requirements, it is possible

that an additional round-trip will be made. It is likely that one less round-trip will be required on weekends, but this is dependent on the final selected work schedule. There are expected to be 100 to 140 employees per shift, with 250 being the average total number of employees. The ferry will have a capacity of up to 140 people. Two to three busses, with a capacity of approximately 50 people each, will transport the employees from Slate Creek Cove to the mine site.

CONSERVATION RECOMMENDATIONS

The following recommendations are hereby incorporated into the Development Plan for both facilities and include:

For the employee transport facility, adopt mitigation and monitoring program. Such a program should be implemented by Goldbelt in a memorandum of agreement between Goldbelt, Coeur, USFS, ADF&G and NOAAA Fisheries.

Included, as appendices to the Coeur Alaska Plan of Operation submitted to the US Forest Service and State of Alaska, is the Berners Bay Transportation Policy and Mitigation and Best Management Practices Plan, September 2004 as well as the Marine Monitoring Plan which address both mitigation and monitoring for the project.

No in-water work, including dredging, should be conducted from March 1 to June 30 at the marine terminal facilities, to protect migrating juvenile salmon, spawning herring, eulachon and marine mammals from construction –related disturbance.

Coeur and Goldbelt will comply with this recommendation.

Wood structures associated with any of the marine dock facilities should not include creosote or ammoniacal copper zinc arsenate (ACZA) treated components.

Coeur and Goldbelt will comply with this recommendation.

CONSTRUCTION BEST MANAGEMENT PRACTICES

Coeur Alaska, Inc.

The Best Management Practices (BMPs) that would be followed during the construction phase of the marine terminal facility include those listed below. This list is not intended to be an all-inclusive list, as other BMPs may be incorporated if necessary. The BMPs that are anticipated at this time are as follows:

- Hydraulic equipment used on barges will use vegetable oil or another biodegradable fluid rather than petroleum based oils.
- Refueling of construction equipment will be conducted on shore, with the exception of refueling of barges.
- Fuel transfers will incorporate level sensors, drip pans, and other precautionary measures, as appropriate.
- Oil spill response equipment will be readily available to respond to and/or to contain any oil spills. Spill response equipment will include absorbent materials, containment booms, and appropriate personal protective equipment. Personnel that are trained in responding to spills will be at the scene during all operations that could result in a spill.
- Spills into coastal waters will be reported to the appropriate agency immediately. Oil absorbent booms/socks will be placed around the spill sheen to contain it and absorb it as much as possible.
- Spills on land that cannot be completely cleaned up within 24 hours will be reported to the appropriate agency.
- Uplands disposal sites will have silt curtains placed around the disposal area. Straw bales will be placed in drainage swales at periodic intervals to contain and filter muddy waters.

The following (BMPs) would be incorporated during the construction and operation of the ancillary facilities:

• Runoff from the laydown areas, topsoil stockpile, and other ancillary facilities would be filtered by filter fabric, hay bales, or other appropriate method. The sediment traps would be regularly inspected, cleaned, and maintained.

- The laydown areas and road leading to them would be surfaced with crushed gravel, to increase infiltration.
- Boat or other vehicle maintenance activities would not allowed in the vicinity of the marine terminal.
- Natural vegetation would be used at the shoreline wherever possible. Disturbed and exposed soils would be vegetated as soon as practicable. Runoff would be diverted from exposed soils.

OPERATIONAL BEST MANAGEMENT PRACTICES

The following operational BMPs were taken from a compilation of recommended BMPs for Alaska Harbors by Neil Ross Consultants and Concepts Unlimited, 1995. The list below is not considered an all-inclusive list of the BMPs that would be followed at the marine terminal facility. The required BMPs would depend on the ultimate use of the facility.

Solid Waste

- Trash containers would be provided on shore at the marine terminal.
- Waste receptacles placed on docks would be secured, to prevent accidental spillage into the water.

Liquid Waste

- Spill absorbent pads and booms would be readily available in the event of a spill.
- Propylene glycol based antifreeze (orange color) would be used in place of ethylene glycol based antifreeze (green color) if possible, because it is less toxic to the environment.

Petroleum Leaks and Spills

- An oil spill response plan would be developed for the marine terminal facility.
- Adequate spill response equipment would be easily accessible and in a clearly marked location. Phone numbers and directions on reporting spills would also be clearly posted in the same location.
- Used spill response equipment would be properly disposed of.

• Biological cleaners, which eat and digest petroleum pollutants, would be used to ensure complete remediation of a spill, when appropriate.

Bilge Water

- Prior to discharging bilge water, it would be inspected to ensure that no oil or fuel has been spilled into the bilge. The bilge water would not be discharged if there is sheen to it, or if it contains solvents, detergents or other additives.
- An oil/water separator would be installed in the bilge and in the bilge water pump discharge line and maintained regularly.
- Coeur would recommend that oil-absorbing materials be used in bilge areas of boats that have inboard engines.
- Non-alkaline, biodegradable bilge cleaners would be used.

MAINTENANCE OF THE MARINE TERMINAL FACILITIES

The facilities will be constructed of materials that will require relatively little maintenance. All necessary maintenance will be performed by mine personnel or their contractors. Floats and walkways will be cleaned periodically. The galvanized coatings will be maintained periodically, as required. Cathodic protection systems will be installed and repaired when required. The breakwater will be inspected after any major storm event, to ensure that the rubble material wasn't displaced by large waves. The timbers will be inspected once per year. Damaged or rotten timbers will be repaired or replaced when necessary. When treatment is required, tarps and other means as appropriate will be used to prevent any hazardous substances from entering the water.

CLOSURE/ RECLAMATION PLAN

All constructed facilities would be removed from the marine terminal area as part of the mine closure and reclamation. Material from the marine terminal facilities would be disposed of off-site or in the mine. The fill in the fill approach would be removed and disposed of in the borrow pit/quarry. The laydown area would be regraded and scarified. Any disturbed areas would then be seeded with approved vegetation.

Coeur Alaska, Inc.

REFERENCES

Neil Ross Consultants and Concepts Unlimited. 1995. BMP Examples for Alaska: Compilation and Assessment for Harbor, Marina, boat Operations, Repair and Maintenance.

APPENDIX A

SHEETS 1 TO 10



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Final Finding and Decision ADL 107154 Attachment # 3 Appeal References

AS 38.05.035

(i) A person who is eligible to file an administrative appeal or a request for reconsideration, as appropriate, under this subsection and who is aggrieved by the final written finding of the director entered under (e)(5) or (6) of this section may, within 20 days after the issuance of the final written finding, file an administrative appeal or request reconsideration of the decision by the commissioner. A person is eligible to file an administrative appeal or a request for reconsideration if the person

(1) meaningfully participated in the process set out in this chapter for receipt of public comment by

(A) submitting written comment during the period for receipt of public comment; or

(B) presenting oral testimony at a public hearing, if a public hearing was held; and

(2) is affected by the final written finding.

(j) An administrative appeal or a request for reconsideration submitted under (I) of this section must specify the written finding complained of and the specific basis upon which it is challenged. The commissioner shall grant or deny the administrative appeal or reconsideration request within 30 days after issuance of the final written finding. Failure of the commissioner to act on the request for reconsideration within this period is a denial of the request for reconsideration and a final administrative decision for purposes of appeal to the superior court.

11 AAC 02.030. FILING AN APPEAL

- (a) An appeal under this chapter must
 - (1) be in writing;
 - (2) be signed by the appellant or the appellant's attorney;
 - (3) be timely filed in accordance with 11 AAC 02.040;
 - (4) specify the case reference number used by the department, if any;
 - (5) specify the decision being appealed;
 - (6) specify the remedy requested by the appellant and the grounds on which the request is based;
 - (7) state the address to which any notice or decision concerning the appeal is to be mailed;
 - (8) identify any other affected agreement, contract, lease, permit, or application by case reference number, if any;
 - (9) include a request for a hearing, if a hearing is desired, accompanied by a request for any special procedures to be used at the hearing and a description of the factual issues that need to be decided at the hearing.