

### **DEPARTMENT OF THE ARMY**

ALASKA DISTRICT, U.S. ARMY CORPS OF ENGINEERS
REGULATORY DIVISION
WESTSIDE BUSINESS PARK
2175 UNIVERSITY AVENUE, SUITE 201E
FAIRBANKS, ALASKA 99709-4927

February 11, 2015

Regulatory Division POA-1988-269-M6

Mr. Chris Wallace Hecla Greens Creek Mining Company P.O. Box 32199 Juneau, Alaska 99803-2199

Dear Mr. Wallace

Enclosed is the signed Department of the Army (DA) permit modification, file number POA-1988-269-M6, Hawk Inlet. This is the 6th permit modification of the original permit. Also enclosed is a Notice of Authorization that should be posted in a prominent location near the authorized work.

If changes to the plans or location of the work are necessary for any reason, plans must be submitted to us immediately. Federal law requires approval of any changes before construction begins.

Nothing in this letter excuses you from compliance with other Federal, State, or local statutes, ordinances, or regulations.

Also enclosed is a Notification of Administrative Appeals Options and Process and Request for Appeal form regarding this DA Permit Modification (see section labeled "Initial Proffered Permit").

Please contact me via email at <a href="mailto:Ellen.H.Lyons@usace.army.mil">Ellen.H.Lyons@usace.army.mil</a>, by mail at the address above, or by phone at (907) 474-2166 if you have questions. For more information about the Regulatory program, please visit our website at <a href="http://www.poa.usace.army.mil/Missions/Regulatory.aspx">http://www.poa.usace.army.mil/Missions/Regulatory.aspx</a>.

Sincerely,

Ellen Lyons
Project Manager

allow hymo

**Enclosures** 

CF: Chris Wallace – <u>Cwallace@hecla-mining.com</u> Steve Sego – Steve@watermanmp.com



#### DEPARTMENT OF THE ARMY

ALASKA DISTRICT, U.S. ARMY CORPS OF ENGINEERS
REGULATORY DIVISION
WESTSIDE BUSINESS PARK
2175 UNIVERSITY AVENUE, SUITE 201E
FAIRBANKS, ALASKA 99709-4927

February 11, 2015

Regulatory Division POA-1988-269-M6

# DEPARTMENT OF THE ARMY PERMIT MODIFICATION

Department of the Army permit number POA-1988-269-M5, Hawk Inlet was issued to Hecla Green Creek Mining Company on January 9, 2015, to discharge of 253,000 cubic yards of fill material into 13.91 acres of wetlands for the following work:

- 1) Expansion of the existing tailings disposal facility (TDF) southward into the Admiralty Island National Monument;
- 2) Development of a new water management pond south of the existing TDF and expansion of existing water management ponds;
- 3) Relocation of the B Road and a truck wheel wash facility to accommodate the TDF expansion.

This is the 6th modification of the original permit. The permit is hereby modified as follows:

"This permit authorizes the placement of fill in an additional 1.28 acres of wetlands to increase the south side of the expansion area, (as shown on the attached plan (Sheet 4 of 10). This permit also modifies the original authorization with the removal of Stockpile H for a reduction of 0.69 acres of wetlands originally permitted. The total net increase of wetlands authorized by this modification is 0.59 acres of forested and scrub shrub wetlands."

The work will be performed in accordance with the enclosed plans, sheets 1-10, dated February 2015, which are incorporated in and made a part of this Permit Modification.

The project site is located within Sections 22, 23, 26 and 27, T. 43 S., R. 65 E., Copper River Meridian; USGS Quad Maps Juneau A3 and Juneau A2; Latitude 58.1172° N., Longitude 134.7466° W.; on Admiralty Island, in the City and Borough of Juneau, Alaska.

The following conditions apply to this permit modification:

### Special condition 5 is modified as follows:

5. As compensatory mitigation, the permittee shall dedicate an additional 2.05 acres of bog/bog wetlands for a total of 53.65 acres of land of which 50.5-acres are wetlands, (identified on sheet 5 of 10, dated February 2015), into a conservation easement. The conservation easement shall be approved by the Corps of Engineers and recorded with the Juneau Recording District, including the drawing and legal description.

Proof of this recording shall be provided to the Corps of Engineers, prior to construction of the work authorized under POA-1988-269-M6, at the following address:
U.S. Army Corps of Engineers
CEPOA-RD-NC
2175 University Avenue, Suite 201E
Fairbanks. Alaska 99709

## The following new condition is added to the permit:

17. The additional 2.05 acres preserved as stated in special condition 5 above, shall be subject to all requirements of the "Mitigation Plan for Hecla Greens Creek Mining Company Greens Creek Mine Stage 3 Expansion" and dated September 2014.

All other conditions under which the subject authorization was made remain in full force and effect.

This authorization and the enclosed modified plans should be attached to the original permit. Also enclosed is a Notice of Authorization that should be posted in a prominent location near the authorized work.

BY AUTHORITY OF THE SECRETARY OF THE ARMY:

Ellen Lyons Project Manager



January 15, 2015

Ellen Lyons U.S. Army Corps of Engineers

Re: POA-1988-269-M5 Hawk Inlet

Dear Ms. Lyons,

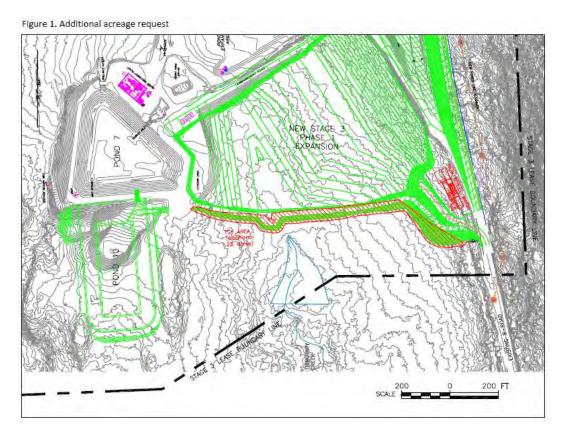
This letter is a request by Hecla Greens Creek Mining Company (HGCMC) for increasing the wetland impact permitted in POA-1988-269-M5 from 13.91 acres to 14.5 acres.

Since the beginning of the permitting process for the tailings expansion the design of the facility has been modified. After receiving the record of decision (ROD) and final environmental impact statement (FEIS) from the Forest Service in September 2013, HGCMC submitted to the U.S. Army Corps of Engineers an amended 404 permit application. This amendment aligned the 404 permit application to the alternative selected in the FEIS and also modified the proposed mitigation. While preparing the amendment the then most recent engineering drawings were used to determine wetland impacts.

After submitting the amendment (March 2014) HGCMC began a review of the logistics of the construction based upon the then current engineering drawings. One of the key items, to come out of this review, was the volume of construction rock needed to be imported to the property, approximately 400,000 cubic yards. This would require close to 300 barge loads, each taking a day to unload. Given the short construction season, limited space for stockpiling, and the potential for delays, HGCMC asked Klohn Crippen Berger, tailings disposal facility design engineers, to investigate ways of reducing this volume of material. A vast quantity of imported construction rock was slated for the new south embankment road and pipeline corridor from 1.4 B-Road to Pond 7 (Figure 1). The height of the embankment is only needed in order to bring the pipelines in on grade for gravity draining to Pond 7. Ultimately, the engineers cut the volume of imported material in half, primarily by designing the embankment to be constructed out of co-disposed waste rock and tailings, two materials that are available from the property. Also, the previous design called for the liner placement along the north face of the embankment, with the embankment material located outside of the lined tailings disposal facility. As designed now the liner extends beneath the embankment so the majority of the embankment material is within the lined tailings disposal facility, resulting in a decrease of fill material.

As amended the 404 permit application had HGCMC discharging 253,000 cubic yards of fill material into 13.91 acres of wetlands. With the redesign HGCMC will now discharge 117,000 cubic yards of fill material into 14.5 acres of wetlands. The conversion of the wetlands to uplands with the fill material will allow for the construction of the lined tailings storage facility expansion. This project expands the existing facility's capacity by about 2.1 million cubic yards which at the expected rate of fill extends the life (10 years) of the tailings facility to that which was approved in the FEIS, Selected Alternative D modified.

It was not until drafting the contract for timber clearing that HGCMC recognized the redesign had extended the southern boundary of the facility further into the adjacent wetlands. This was a result of switching the material for building the embankment road from construction rock to co-disposal of tailings and waste rock. With the redesign a collection ditch was added to the toe of the embankment road. To maintain the ditch and to have access to other infrastructure the embankment toe access road was extended from Pond 7 to the B-Road (Figure 1). It is this feature that results in the additional wetland impact.



The increase in wetland disturbance from the redesign is 1.28 acres (Table 1) of fen wetlands. To partially offset the additional wetland impact HGCMC will not construct Stock Pile H that impacts 0.69 acres of forested wetlands and scrub-shrub bog. By not constructing the stockpile the increase in wetland impact would be kept to 0.59 acres. The redesigned Stage 3 Expansion project will impact a

total of 14.50 acres of wetlands, comprised of 0.24-acre of Forested Wetland, 2.11-acres of Scrub-shrub Bog, and 12.15 acres of Fen (Table 1).

Table 1. Summary of Redesigned Stage 3 Expansion Project Components & Wetland Impacts					
	Pro				
Project Component	Impact footprint	Wetland Type Impacted	Project Component Fill Volume (Cubic Yards/CY)		
Tailings Storage Area					
Tailings Storage	10.13 acres	10.13 acres Fen			
Tailings Access Road	0.56 acre	0.56 acre Fen	1		
New Wheel Wash	0.12 acre	0.12 acre Fen	117,000 CY (220,000 CY) <sup>1</sup>		
Outlet from Clean Diversion Ditch	0.01 acre	0.01 acre fen			
Embankment Toe Access Road	1.28 acre <sup>2</sup> + 0.07 acre	1.33 acre Fen 0.02 acre Forested Wetland			
Clean Rock Storage Area	0.0 acre <sup>3</sup> (0.69 acre)	0.0 acre (0.34 acre) Scrub-Shrub Bog 0.0 acre (0.35 acre) Forested Wetland	0 CY (13,000 CY)		
Pond 10	2.33 acres	2.11 acres Scrub-Shrub Bog 0.22 acre Forested Wetland	20,000 CY		
Total	14.50 acres (13.91 acres)	12.15 (10.87) acres Fen 2.11 (2.45) acres Scrub-Shrub Bog 0.24 (0.59) acre Forested Wetland	137,000 CY (253,000 CY)		

<sup>&</sup>lt;sup>1</sup> Values in parentheses were submitted in the amended 404 permit application.

HGCMC in the mitigation plan proposed a mitigation ratio "...of 48.3 acres of wetland mitigation proposed as compensation for impacts to 13.91 acres of wetland..." The United States Army Corps of Engineers accepted this proposal, resulting in an overall mitigation ratio of 3.47:1. Using this ratio HGCMC proposes to mitigate the additional impact (0.59 acres) with an additional 2.05 acres of mitigation. This acreage will be added to the conservation easement placed on the Nevada Creek mitigation site located on the south end of Douglas Island within the City and Borough of Juneau. The following Table 2 presents a summary of the proposed changes to wetlands impacts and required mitigation:

Table 2. Summary of changes to the Stage 3 Expansion Wetland Impacts & Proposed Mitigation					
Proposed Impact Area	Change to Impact Area (acres)	Total Proposed Change (acres)	Mitigation Ratio	Total Proposed Increase in Mitigation (acres)	
Fen	+1.28	(acres)		(acres)	
Bog	-0.34	0.59	3.47:1	2.05 acres of wetlands	
Forested Wetland	-0.35	0.55	3.47.1	2.05 acres of wetlands	

<sup>&</sup>lt;sup>1</sup> Mapping from the delineation wetland boundaries documented by the Jurisdictional Wetland Delineation Report for Stage 3 Tailings Expansion for Hecla Greens Creek Mining Company (Bosworth Botanical consulting 2011) was used to calculate proposed project impacts.

The above proposed modifications to the 404 Permit (POA-1988-269-M5) would increase the approved impact of 13.91 acres to 14.50 acres. This will increase the total mitigation for the project to 50.35 acres of wetlands contained in 53.65 acres at the mitigation site.

<sup>&</sup>lt;sup>2</sup> Additional acreage added for embankment toe access road from Pond 7 to 1.4 B-Road.

<sup>&</sup>lt;sup>3</sup> Deletion of acreage from the construction of the clean rock stock area.

A map of the Nevada Creek mitigation site showing the additional 2.05 acres of mitigation is enclosed

with this letter as an attachment. The entire mitigation site, including the additional acreage, totaling

53.65 acres is included in the executed Conservation Easement, which was provided in the current

permit application.

The necessary modifications were made to the drawings submitted with the permit application and

subsequently incorporated into the final signed permit. The modified drawings are enclosed with this

letter as attachments.

Please contact me (cwallace@hecla-mining.com, 790-8473) if you have questions or need any additional

information.

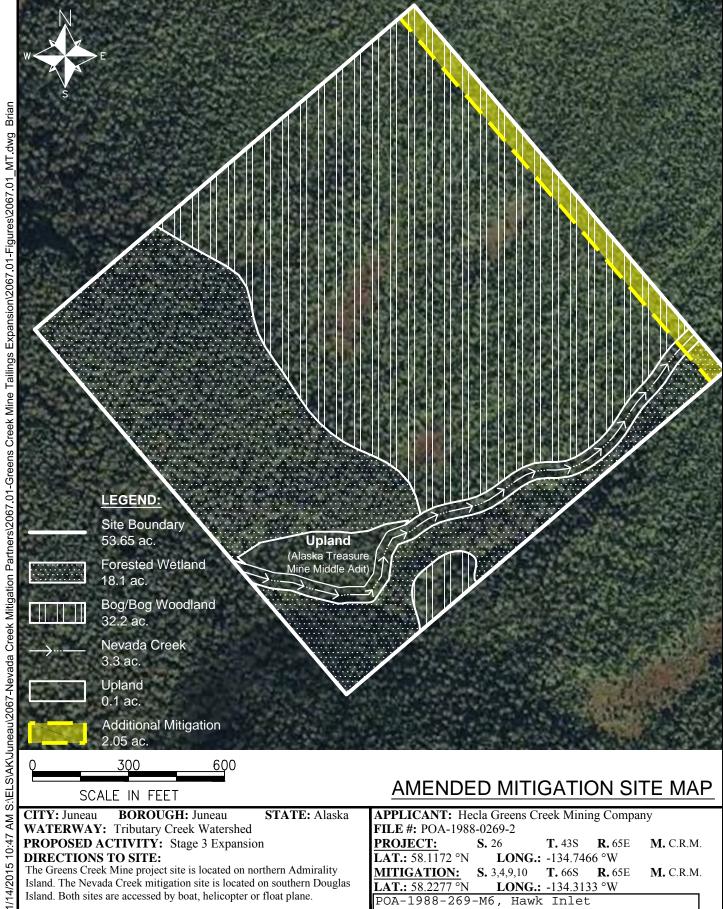
Sincerely,

Christopher Wallace

**Environmental Manager** 

heistopher Wallace

Enclosures: (6)



BOROUGH: Juneau STATE: Alaska CITY: Juneau WATERWAY: Tributary Creek Watershed **PROPOSED ACTIVITY:** Stage 3 Expansion

**DIRECTIONS TO SITE:** 

The Greens Creek Mine project site is located on northern Admirality Island. The Nevada Creek mitigation site is located on southern Douglas Island. Both sites are accessed by boat, helicopter or float plane.

**APPLICANT:** Hecla Greens Creek Mining Company

FILE #: POA-1988-0269-2

PROJECT: **S.** 26 **T.** 43S **R.** 65E **M.** C.R.M.

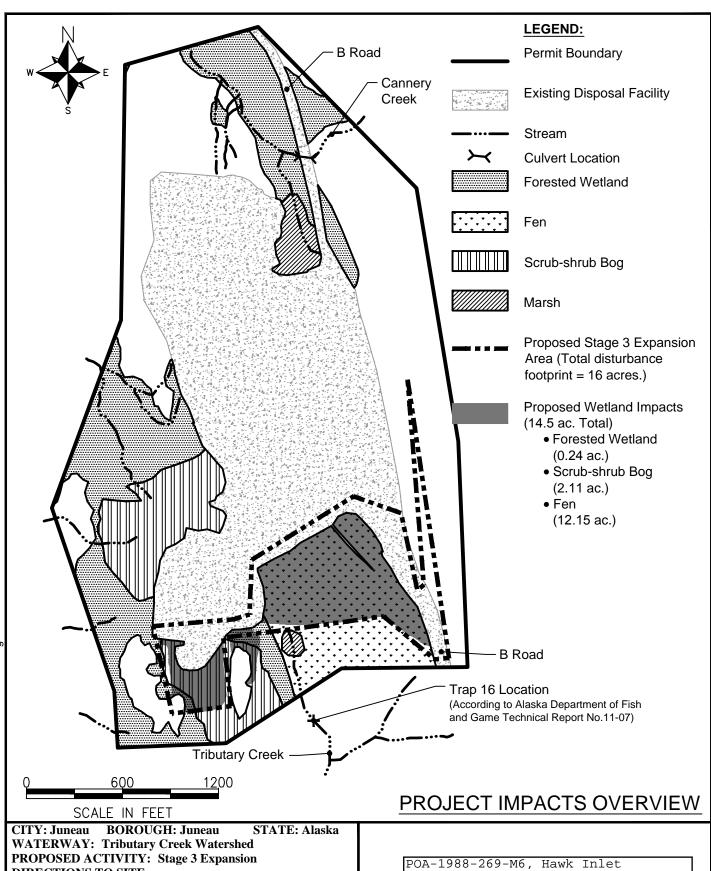
**LAT.:** 58.1172 °N **LONG.:** -134.7466 °W

**MITIGATION: S.** 3,4,9,10 **T.** 66S **R.** 65E **M.** C.R.M.

**LAT.:** 58.2277 °N **LONG.:** -134.3133 °W

POA-1988-269-M6, Hawk Inlet

Sheet 5 of 10 February 2015



**DIRECTIONS TO SITE:**The Greens Creek Mine project site is located on northern Admirality Island. The Nevada Creek mitigation site is located on southern Douglas Island. Both sites are accessed by boat, helicopter or float plane.

Sheet 6 of 10

February 2015

