



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration

National Marine Fisheries Service

P.O. Box 21668

Juneau, Alaska 99802-1668

January 19, 2007

Colonel Kevin J. Wilson
District Engineer
U.S. Army Corps of Engineers
P.O. Box 6898
Anchorage, Alaska 99506-0898

Re: POA-1990-592-Q
Lynn Canal 31

Attn: Victor Ross

Dear Colonel Wilson:

The National Marine Fisheries Service (NMFS) has reviewed the above referenced public notice from Coeur Alaska, Inc. to construct a 1,600-foot long road/diversion ditch near the northwestern portion of Lower Slate Lake near Berners Bay. Construction of the road/ditch (Western Interceptor Ditch) would require discharging 28,800 cubic yards of fill material into existing and previously cleared wetlands. The typical road/ditch section would consist of the following components (from downslope to upslope): a 10-foot tall by 20-foot wide topsoil windrow, a road prism embankment of variable width depending on site topography, a 15-foot wide road, and a 3-foot deep by 12-foot wide HPDE-lined ditch with 1:1.5 sides. Approximately 4.5 acres of wetlands would be directly impacted by the proposal. The plan drawings indicate that an additional 15 acres of wetlands downslope of the ditch could be impacted due to lost hydrological connectivity.

This proposal is part of the applicant's Kensington Gold Project which would convert Lower Slate Lake into a tailings storage facility (TSF). On August 24, 2006 all work on the TSF, except work necessary for stabilization and erosion protection, was halted by injunction issued by the Ninth Circuit of the U.S. Court of Appeals.

In constructing the TSF, mechanized land clearing and roadbuilding around the lake and a reduction in the lake level have contributed to periods of high suspended sediment concentrations in Lower Slate Lake, especially during periods of high runoff. When sediment concentrations in lake water meet Alaska Water Quality Standards (WQS), water is pumped into Slate Creek at a temporary cofferdam near the lake outlet. However, it is anticipated that during the upcoming spring freshet season, inflows to the lake will exceed pumping capabilities. The proposed interceptor ditch would divert surface water runoff from entering the lake, routing it into an existing lake-bypass pipe located along the eastern edge of the lake and thereby preserving water quality in Slate Creek and ensuring dam integrity during freshets. The bypass



pipe currently conveys water draining from Upper Slate Lake around Lower Slate Lake and into Slate Creek.

Section 305(b) of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) requires federal agencies to consult with NMFS on all actions that may adversely affect Essential Fish Habitat (EFH). NMFS is required to make EFH Conservation Recommendations, which may include measures to avoid, minimize, mitigate or otherwise offset adverse effects. The lower reaches of Slate Creek near Slate Creek Cove provide spawning and rearing habitat for coho salmon, cutthroat trout, and Dolly Varden char and spawning habitat for pink salmon. In addition, Slate Creek Cove provides important overwintering habitat for juvenile Pacific herring, capelin, and eulachon. Existing wetlands in the Slate Creek watershed provide numerous functions (flood moderation, nutrient cycling, sediment storage) that are critical to fish species and their habitat in the lower watershed. A considerable amount of wetlands adjacent to Lower Slate Lake have been filled or adversely impacted by activities associated with construction of the TSF. The proposed project would result in the loss of approximately 19.5 acres of wetlands, including the direct loss of 4.5 acres of intact wetland and the reduction or loss of wetland functions in approximately 15 acres of wetlands downslope of the interceptor ditch.

In accordance with Section 305(b)(4)(A) of the MSA, NMFS makes the following EFH Conservation Recommendations:

1. NMFS recommends modifying the proposed plan to avoid the loss of intact wetlands. The location of the diversion ditch should be moved downslope into the area where land clearing and impacts to wetlands have already occurred. If the ditch cannot be tied into the existing intake/bypass system below Upper Slate Lake, a second bypass pipe can be installed to divert water around the lake in a manner similar to the existing bypass system.
2. Install a pipe to siphon water over the cofferdam when runoff levels exceed the capabilities of the bypass pipes and pumps.
3. Explore the use of portable treatment units on pumps to remove sediment when lake sediment concentrations are higher than natural levels.
4. Increase the water storage capacity of the lake by further lowering the lake level prior to spring snowmelt and runoff.

Under section 305(b)(4) of the Magnuson-Stevens Act, the Corps is required to respond to NMFS EFH Conservation Recommendations in writing within 30 days. If the Corps will not make a decision within 30 days of receiving NMFS EFH Conservation Recommendations, the Corps should provide NMFS with a letter within 30 days to that effect, and indicate when a full response will be provided.

If you have any questions regarding our recommendations for this project, please contact Sue Walker at 907-586-7646.

Sincerely,

A handwritten signature in black ink that reads "Robert D. Mecum". The signature is written in a cursive style with a large initial "R".

Robert D. Mecum
Acting Administrator, Alaska Region

cc: Applicant
COE, Victor Ross*
EPA, Chris Meade*
ADNR, Carl Schrader*
USFWS, Richard Enriquez*
ADEC, Brenda Krauss*
OHMP, Erin Allee*

* e-mail PDF