

A-J Mine Fact Sheet

Updated – June 2011

What's going on?

- The City and Borough of Juneau (CBJ) is currently considering re-opening the A-J Mine, the gold mine located in downtown Juneau, right next to Last Chance Basin – the primary source of Juneau's drinking water.
- CBJ created the A-J Mine Advisory Committee, which was tasked with the question: "Under what circumstances, if any, should the CBJ promote development of the A-J Mine?" The Committee met twice a month from January through April.
- After hearing expert testimony for several months, the Committee issued its draft report. It then held a public hearing, which approximately 100 people attended. The public testimony – both at the hearing and in the comments – overwhelmingly expressed concern regarding the prospect of reopening the AJ, with many people asking for specific conditions that were not embodied by the draft report. However, rather than tailoring its report to reflect these concerns, the Committee's final report actually ended up being even *less* restrictive than its earlier draft. Two Committee members felt the final report was so inadequate that they filed their own dissenting reports to the Assembly.

A-J Mine is in Juneau's primary drinking watershed

- A-J mine is directly adjacent to Last Chance Basin, which supplies 2/3 of Juneau's drinking water, and is our only year-round drinking water source. Alaska's senior geologist, who has studied the impacts reopening the A-J, would have on Juneau's water supply, has stated: "the results of studies done 20 years ago make it quite evident that the CBJ-LCB [Last Chance Basin] water supply would be **seriously vulnerable** to contamination and diminished water flow should the mine be re-opened."¹
- The so-called "Small Mine Concept" the Committee has been considering is not actually "small" at all. In fact, it describes a mine that processes as much material as both Kensington and Greens Creek combined.
- Hard rock mines have a poor track record of protecting water resources. Of all hard-rock mines that predict no water quality degradation, 76% end up contaminating nearby water sources.²
- Specific factors that could play a role in compromising Juneau's water supply include:
 - Insufficient water quantity: Few Juneau residents realize how vulnerable our water supply is, even without a mine. Especially during the low-flow months of winter, the available water quantity is extremely low. The Committee considers diverting the drainage tunnel to protect water quality, but this could reduce flow by as much as 15-20%. In addition, mines need substantial water to operate – if the reopened AJ took this water from Gold Creek or used mine water, the water supply would be even further compromised.
 - Spills and Leaks: Below ground in the mine, there will be tanks of diesel fuel, hydraulic oil, septic waste, and drilling fluids. These substances are toxic, and all of them can be spilled during use or transit.
 - Water treatment failures: Mines create a variety of wastewater, all of which must be treated prior to being discharged in nearby surface-water. Non-compliance would be especially problematic if it occurred within a municipal drinking watershed.
 - Human error: No matter how perfectly a mine is designed, the possibility of human error always remains.
 - Regulation/Reporting failures: Alaska's Department of Environmental Conservation (DEC) only inspects mines about twice per year. As a result, serious problems can go both undetected and unresolved. In addition, in many instances, it's left up to the mine to self-report failures.
- The mine plan currently before the Committee describes a mine that is the first of its kind in two respects: No mine has ever before done all of its milling below ground, and no mine has ever before stored all of its tailings below

¹ Motyka, Roman. "My Turn: City must protect water quality if AJ mine is reopened," JUNEAU EMPIRE (April 18, 2011). Available at: <http://juneauempire.com/opinion/2011-04-18/my-turn-city-must-protect-water-quality-if-aj-mine-reopened>.

² Septoff, Alan. *Predicting Water Quality Problems at Hardrock Mines*, EARTHWORKS (Dec. 2006). Available at: <http://www.juneau.org/archive/pdfs/20110322024409.pdf>

ground.³ Although these design features are more environmentally-friendly than the traditional alternatives, they are also untested, contributing an even higher degree of uncertainty to the already uncertain business of hard-rock mining.

- Mining companies have a long history of abandoning work when operations are no longer profitable, the company goes bankrupt, or an accident occurs. This leaves the surrounding community with an expensive mess on its hands. A recent study shows that reclamation bonds are typically underfunded by over 50%.⁴

A-J Mine's recent history of contaminating the water supply

- The mining company Echo Bay Alaska leased the A-J Mine from the CBJ during the 1990s. In 1994, an FBI investigation discovered that the mine had engaged in overnight dumping of mud, oil, grease, old sewage, ammonia, and urine into Gold Creek. The contaminants were released just above Juneau's drinking water well-fields, and were released at night to avoid detection.⁵ Echo Bay abandoned the mine project before the FBI completed its investigation, and no charges were ever filed.
- That same year, there was a significant fish kill in Gold Creek. Although there was never an official finding linking the fish kill to the mine, water quality tests done at the time showed toxic substances in the water that were the same as those used in A-J's operations.

Next steps – demanding enforceability

- In order to protect Juneau's drinking water, we must ensure that (1) any future development of the A-J Mine is subject to conditions that protects Juneau's water supply, and (2) those conditions are firm and enforceable.
- The A-J Mine Advisory Committee's recommendations to the CBJ Assembly included a number of conditions necessary to protect Juneau's environment, property values, and way of life. However, the recommendations failed in several crucial respects. We are most concerned with two of these failures: first, the failure to adequately address concerns regarding our water supply, and second, the failure to ensure that those conditions embodied in the lease are actually enforceable.
- Unlike most mines, which must go through a rigorous environmental analysis and planning process in order to attain federal permits, the A-J Mine will not need these same federal permits in order to operate. This means the mine would escape the rigorous environmental review applicable to most mines, and would make **CBJ both the mine's owner and its primary regulator**. This presents an inherent conflict of interest for the City, and one that raises substantial enforcement concerns.
- Inevitably, the price of gold will fall, and operating in compliance with conditions that would protect our water supply is costly. When the price does fall, the City would likely face pressure to remove or modify the conditions in order to ensure that the mine remains profitable. Because the current CBJ Assembly cannot bind the actions of future Assemblies, any conditions the current Assembly adopts (in the lease, or elsewhere) are subject to future change. This means that no conditions are guaranteed.
- The answer? Third-party oversight. Most importantly, this would involve a contract between the mine and a designated third-party – most likely an advisory group, made up of Juneau citizens – that requires the mine to comply with specified conditions (e.g., 100% below-ground tailings disposal), and ensures the mine pays the price for non-compliance. Because the third-party would not be subject to the same conflicts of interest as the City, and would also be far more insulated from political and economic pressure, it offers a better guarantee that the original conditions for operation are actually met. For more information on the need for third-party contractual oversight, see "SEACC's AJMAC Comments – Enforceability," available at <http://seacc.org/issues/mining/a-j-mine>.
- Make sure your voice is heard by **emailing the City Assembly** at Borough_Assembly@ci.juneau.ak.us, and show the Assembly you care by attending its A-J focused meeting on **Monday, June 27th @ 6 PM** in Assembly Chambers.

³ Although a number of active mines are currently attempting to store all of their tailings below ground, no completed mine has ever done so successfully.

⁴ Kuipers, Jim. "Putting a price on pollution: Financial assurance for mine reclamation and closure," CENTER FOR SCIENCE IN PUBLIC PARTICIPATION (March 2003). Available at: <http://www.earthworksaction.org/pubs/PuttingAPriceOnPollution.pdf>

⁵ See Hutchison, Kristan. "FBI Shows Mine Misdeeds," JUNEAU EMPIRE (May 4, 1998). Available at: http://www.juneau.org/engineering/AJ_MINE/documents/May-4-98-FBI.pdf