



**ALASKA POLLUTANT DISCHARGE ELIMINATION SYSTEM
STATEMENT OF BASIS FOR MODIFICATION #1 – DRAFT**

Permit Number: AK0053643

Fairbanks Gold Mining, Incorporated

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Wastewater Discharge Authorization Program

555 Cordova Street

Anchorage, AK 99501

Public Comment Period Start Date: April 24, 2020

Public Comment Period Expiration Date: May 26, 2020

[Alaska Online Public Notice System](#)

Technical Contact: Tim Pilon
Alaska Department of Environmental Conservation
Division of Water
Wastewater Discharge Authorization Program
610 University Avenue
Fairbanks, AK 99709
(907) 451-2136
Fax: (907) 451-2187
tim.pilon@alaska.gov

Proposed modification of an Alaska Pollutant Discharge Elimination System (APDES) permit, AK0053643 issued to

FAIRBANKS GOLD MINING, INCORPORATED

For wastewater discharges from

Fort Knox Mine
1 Fort Knox Road
Fairbanks, Alaska 99712

Alaska Department of Environmental Conservation (Department or DEC) proposes to modify APDES individual permit AK0053643 issued to Fairbanks Gold Mining, Incorporated (FGMI). The permit modification adheres to the regulations and procedures set forth in 18 AAC 15, 18 AAC 70, 18 AAC 72, and 18 AAC 83.

This statement of basis explains the nature of the proposed permit modification including:

- information on public comment, public hearing, and appeal procedures
- a listing of proposed permit changes
- technical material supporting the conditions in the modification
- regulatory basis justifying the modification

Appeals Process

The Department has both an informal review process and a formal administrative appeal process for final APDES permit decisions. An informal review request must be delivered within 20 days after receiving the Department's decision to the Director of the Division of Water at the following address:

Director, Division of Water
Alaska Department of Environmental Conservation
555 Cordova Street
Anchorage, AK 99501

Interested persons can review 18 AAC 15.185 for the procedures and substantive requirements regarding a request for an informal Department review.

See <http://www.dec.state.ak.us/commish/InformalReviews.htm> for information regarding informal reviews of Department decisions.

An adjudicatory hearing request must be delivered to the Commissioner of the Department within 30 days of the permit decision or a decision issued under the informal review process. An adjudicatory hearing will be conducted by an administrative law judge in the Office of Administrative Hearings within the Department of Administration. A written request for an adjudicatory hearing shall be delivered to the Commissioner at the following address:

Commissioner
Alaska Department of Environmental Conservation
Mail: P.O. Box 11180
Juneau AK, 99811-1800
In Person: 555 Cordova Street
Anchorage, AK 99501

Interested persons can review 18 AAC 15.200 for the procedures and substantive requirements regarding a request for an adjudicatory hearing. See <http://www.dec.state.ak.us/commish/ReviewGuidance.htm> for information regarding appeals of Department decisions.

Documents are Available

The permit, statement of basis, application, and related documents can be obtained by visiting or contacting DEC between 8:00 a.m. and 4:30 p.m. Monday through Friday at the addresses below. The permit, statement of basis, and other information are located on the Department's Wastewater Discharge Authorization Program website: <http://www.dec.state.ak.us/water/wwdp/index.htm>

Alaska Department of Environmental Conservation Division of Water Wastewater Discharge Authorization Program		
<i>Fairbanks Office</i> 610 University Ave. Fairbanks, AK 99709 (907) 451-2136	<i>Anchorage Office</i> 555 Cordova Street Anchorage, AK 99501 (907) 269-6285	<i>Juneau Office</i> Mail: P.O. Box 111800 In Person: 410 Willoughby Ave., Suite 303 Juneau, AK 99801 (907) 465-5180

1.0 PERMITTEE

This statement of basis provides information on the draft Alaska Pollutant Discharge Elimination System (APDES) permit modification for the following entity:

Permittee	Fairbanks Gold Mining, Incorporated (FGMI)
Facility	Fort Knox Mine
APDES Permit Number	AK0053643
Location	1 Fort Knox Road Fairbanks, Alaska 99712
Mailing Address	P.O. Box 73726 Fairbanks Alaska 99707-3726
Contact	Bartly Kleven, Environmental Manager (907) 490-2207

2.0 BACKGROUND

On April 30 2018, FGMI was issued APDES Permit AK0053643, which became effective on June 1, 2018. The permit imposes a maximum limit on effluent discharge flow equal to 3.164 billion gallons per calendar year. The flow limit is based on the following mine-site specific information from 2012 through 2016: meteorological data, pumping rates for dewatering the pit and seepage capture, and the area of drainage to the Tailing Storage Facility (TSF).

On April 14, 2020, FGMI submitted a request for revision to the annual flow limit in the APDES permit. Specifically, the request provided updated information from 2015 through 2019 for meteorological, hydrological, and pumping data that supported an increase in the limit from 3.164 to 4.798 billion gallons per year. The basis for the increase arises from heavy precipitation during recent years at the mine, which in turn has caused increased dewatering demands, seepage rates, mine drainage, and drainage and precipitation to the TSF.

3.0 REGULATORY BASIS

In a letter dated April 14, 2020, the permittee, FGMI, requested a permit modification to increase its permitted flow limit based the most recent evaluation of allowable discharges including updated meteorological data, seepage rates, dewatering well pumping rates, and the addition of the volume of mine drainage currently being stored in the pit. The proposed modification employs the new information provided by FGMI to increase the permitted flow limit. Under 18 AAC 83.135(b)(2), it states that when a permittee requests a permit modification, which is based on new information that would have justified different permit conditions in the current permit, cause for modifying the permit has been established.

4.0 MODIFICATION

The flow limit in the APDES permit, which is based on mine drainage, net precipitation to the TSF, and groundwater wells for dewatering pit, was increased accounting for the most recent five years of meteorological data as follows.

Permit Part 1.3.2 *The maximum cumulative volume discharged from outfalls 001 and 002 shall not exceed 4.8 billion gallons from January 1st through December 31st every year. The permittee shall report the cumulative volume discharged from outfalls 001 and 002 for that year to DEC on the discharge monitoring report (DMR) for each month. For example, if the permittee discharges 1 million gallons from outfalls 001 and 002 in January and 2 million gallons in February, the February DMR shall state a cumulative flow discharged from outfalls 001 and 002 of 3 million gallons (1 million + 2 million = 3 million). In addition, the permittee shall report the total volume discharged each month.*