



Photo by Nikolai Ivanoff

LIFT-OFF—A pair of Tundra swans take flight from Bonanza Channel June 29.

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Photo by Diana Haecker

CITIZEN SCIENTISTS—Heidi Herter of Nome checks the pH level of a pond near Moonlight Springs on Wednesday as part of a community-based research class. For more on the class and its work, see page 6.

## NJUS board to state: Help! Help!

By Sandra L. Medearis

Nome's utility board is asking the governor and Legislature to do something specific about energy costs—and to please do it now before the bush and other areas of the state suffer dire consequences of unaffordable energy leading to health and economic loss.

A measure put on the table by Nome Joint Utility System board member Carl Emmons notes that oil prices have put Alaska rural communities at risk with no alternatives to diesel fuel for heating, subsistence and power generation available. The panel unanimously urged lawmakers to put a bonanza of oil tax revenue to work to ease the burden of oil costs to

businesses and households, and to pass other energy program legislation.

Dire consequences to Nome and surrounding villages, as well as the state, can be headed off with a five-part plan of action, the board said.

**Provide assistance with power generation costs.**

The OPIS index that indicates the cost of fuel for NJUS generators is \$1.78 higher than a year ago, now \$3.90 per gallon, NJUS Manager John Handeland said in backup to the resolution passed July 11. This means a potential increase to customers of 16 cents per kWh. State subsidy

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## Middle Beach clean, ready for picnickers

By Laurie McNicholas

"The Middle Beach is totally cleaned up," Derrick Leedy reported to Nome Common Council members at their meeting on Monday.

Two weeks earlier Leedy had told the Council about campers setting up temporary dwellings and depositing trash and human waste at the site, which is behind his home. Noting that Nome's comprehensive plan had set aside the area for recreation for everyone in Nome, he asked Council members to evict the transients and designate the area for day use only. The Council began to develop an ordinance for that purpose, meanwhile directing City officials to serve trespass notices on the campers.

In response to a question from Councilwoman Mary Knodel, Police Chief Paul Burke said police had posted trespass notices on Middle Beach structures and had given them to campers who were present. He reported that Middle Beach transients had moved to the East Beach, and that he had posted trespass notices on some temporary East Beach dwellings he knew were not inhabited by beach miners.

Leedy said Pat Hahn and other City employees had provided a dump truck for a thorough clean-up of the Middle Beach and old jetty area. He thanked Council members for their action. "That was going to

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## Weather, violations hamper Rock Creek production startup

By Diana Haecker

In a public meeting—and in the coinciding quarterly report released by NovaGold Resources Inc.—bad news seeped through presentations that aimed to sound upbeat and optimistic about the start-up of the newly constructed Rock Creek mine, seven miles north of Nome.

On Friday, NovaGold issued a second quarter report and said that the cost of completing construction at its Rock Creek mine will be nearly 60 percent higher than budgeted—bringing the 2008 total to \$67 million.

NovaGold said it would spend an additional \$25 million at Rock Creek because of weather damage to a water recycling pond and extra work on pollution prevention requirements,

which have extended delays to the start-up.

In addition to a notice of violation in regard to water quality violations last September and two prior non-compliance letters, NovaGold received a further notice of violation from the Alaska Department of Environmental Conservation June 9. "The department acknowledges that AGC has made a substantial effort to improve storm water management by designing and partially implementing additional control features since the February 19 notice of violation was issued," reads the DEC's letter. "The department, however, finds that the poor performance of these additional measures in effectively treating storm water prior to discharge to waters of the U.S. and State of Alaska continues to lead to water quality violations for turbidity."

On July 7, the DEC sent a draft Compliance Order by Consent to the gold company. Typically, these documents spell out a timetable and specific actions to remedy the problems. If this agreement by the parties is not adhered to by the timetable set, DEC can levy stiff penalties on the company. In its quarterly report, NovaGold said, "Failure to adequately respond to the [notice of violation] and [compliance order by consent] could result in substantial fines, injunctive relief or other enforcement measures which may have a material impact on the Company's ability to operate the Rock Creek mine."

**The status**

In a public meeting last Thursday evening,

Alaska Gold Company managers updated the Nome public on the company's annual activities to build and bring online its first mine.

What Nomeites knew as simply The Gold Company, or Alaska Gold Company, now goes by the name NovaGold Resources Inc. Nome Operations, said general manager Jim Mallory at the annual activities meeting held at Old St. Joe's Hall.

The meeting attracted only a small crowd consisting of state and federal regulators, NovaGold employees and a dozen community members. NovaGold geologist John Odden and environmental supervisor Larry Pederson also spoke at the presentation, and Mallory intro-

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Photo by Diana Haecker

**FAILED FENCING** — During a public meeting on NovaGold's Rock Creek operations, managers admitted to failed stormwater runoff systems as shown in this photo taken on May 5.

**UPDATING THE PUBLIC**—NovaGold Nome Operations general manager Jim Mallory, middle, as well as John Odden, left, and environmental supervisor Larry Pederson, right, presented reports on 2007 activities at Rock Creek last Thursday at Old St. Joe's Hall.

## • Rock Creek

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duced newly hired Mitch Henning as the company's sustainability director.

Jack DiMarchi, large mine coordinator with the Department of Natural Resources, said in his introduction that an annual meeting was mandated by state permits with the intent to update the community on the Rock Creek gold mine. In addition to DiMarchi, Jack Kerin with DNR's Division of Mining Land and Water; Dave Johnson, Gordon McIntosh and Rick Fredericksen with the Department of Environmental Conservation; and the Environmental Protection Administration mining coordinator Patty McGrath were present.

Mallory introduced himself, saying that he joined the Rock Creek team in January and has seen a few weather records broken since then. "It was a heck of an introduction to Nome," Mallory told the audience. Mallory outlined what most people knew: NovaGold acquired Alaska Gold Company in 1999, including its 16,000 acres in and around Nome. The Rock Creek gold mine is on private land owned partially by NovaGold, Bering Straits Native Corp. and Sinitasuk Native Corp. It is slated to mine 7,000 tons of ore a day, 24 hours per day, 365 days per year. Mallory said that it takes 21 tons of ore to produce one ounce of gold.

To date, the single ball mill is built and ready to go, said Mallory. He then showed slides of the tailings storage facility and its dam, designed to hold back millions of tons of waste tailings. "We built the tailings storage facility with a lot of local support," he said, citing all the local trucking and heavy equipment companies that contracted with NovaGold to get the mine, tailings storage facility and dam built.

Mallory then said that the mine currently employs 130 people, noting that 62 percent are from Nome or surrounding villages, 22 percent from other parts of Alaska, 16 percent from outside of Alaska and one person from Canada, himself.

He added that 43 positions are yet to be filled, ranging from work at the mill and the mine pit to an environmental director position.

Showing slides of snowed-in roads and white-out conditions, Mallory cited adverse weather as one of the reasons for the delayed beginning of production at the mine. In addition, without directly using the word violation of permits, the one-and-a-half hour long presentation by Mallory, Odden and Pederson was peppered with technical details of planned improvements at the mine site to get a handle on stormwater runoff. Mallory admitted that the implementation of the mine's storm water runoff prevention plan didn't quite work so well and said that the company is working on identifying areas of concern. "This year's spring came quickly and a lot of solution passed into the waterways," said Mallory.

NovaGold geologist Odden said that 1.9 million tons of ore will be mined and stockpiled, that no under-water injection of waste water took place yet and said that the tailings storage facility was built in the winter time by removing tundra, top soil and permafrost until they hit bedrock.

NovaGold environmental supervisor Pederson said that since he took the position in May 2007, his main work is to continue a water sampling program to monitor water quality, since 241 acres of wetland and 139 acres of uplands were destroyed by the end of 2007.

To handle muddy run-off, the com-

pany replaced willows along Glacier Creek, which was partially used as a gravel borrow pit, but only half of the willows survived. Pederson said that they placed 3.5 miles of silt fence throughout the site and tried to control sediment runoff by digging settling ponds. He added that NovaGold additionally hired a third-party consulting firm to audit surface and groundwater samples. Pederson said that he and his crew daily collect water samples and ship them to a lab in Anchorage for analysis. "It takes up to two weeks before we see any data coming back," he said of the turn-around time.

The results are then sent to DEC and DNR on a quarterly basis. While the reports from NovaGold are not public, the reports once in the state's hands are considered public documents and open to review, said DiMarchi.

Speaking of water, Dr. Derrick Leedy asked how many days the company was out of compliance for turbidity levels in Lindblom Creek. The managers at hand could not answer.

Pederson also said that there were 19 reportable spills of petroleum products, ranging from half a gallon to 50 gallons, and that they were all reported and mitigated.

Odden expanded on the storm water mitigation plan and said that while ambitious, the company is trying to have the plan implemented by August to be ready in anticipation of fall rains. He added that the tailings storage facility is slated for commissioning this year. The water treatment plant, necessary to treat the pitwater, which will be injected into the ground by a system of 15 underground injection wells, is slated for a mid-August completion. Odden said the plant will treat up to 700 gallons of water per minute.

Mallory finished, saying that he sees great support from the local business community, from chartering aircraft to equipment rentals, taxi services, car rentals, hotels and trucking, benefiting the Native shareholders and other Nome businesses. "I really feel the support from the local business community," said Mallory. He said he observed to his pleasant surprise that new employees with NovaGold come to Nome, acquire homes and become part of this community. A slide showed NovaGold's core values, reiterated by Mallory: Respect—for work/life/balance.

In contrast to the proclamation to respect and to hold its contractors to the highest standards, the 2007 report did not include the deaths of Craig Bagley and Tyler Kahle, two AMI construction workers, who crashed to their deaths on July 19, 2007 while on a manlift doing steelwork on the roof of the mill building.

The Mine Safety and Health Administration's final report, released on Jan. 16 of this year, cited negligence and insufficient supervision. "The accident occurred because management policies and procedures were inadequate," said the MSHA document. The report said that AMI management failed to see that the JLG manlift was improperly set up for three days before the crash occurred. Operators of the manlift were not trained beyond watching an introductory video called "The Sky is the Limit," and operators were not made aware of the load management system of the unit. As of press time, MSHA has so far not levied a fine to neither AMI nor NovaGold. "No fines have been assessed to date," said MSHA spokeswoman Amy Louviere.

AMI was the construction contractor hired to build the mine mill complex.

During a 15-minute question and answer period, Nome resident Sue Steinacher asked whether the company figured in the effects of a warming arctic in the weather events that potentially affect the mine. Odden answered that with storm water mitigation plan implementations as planned, "next year during spring break-up, we'll be in much better shape."

Bringing up the topic of dust, Leedy asked whether or not the bag houses have been inspected by the DEC, which they weren't and no inspection is necessary, said DEC representatives.

Leedy also raised the road dust issue, which does not fall under any mine permitting agency because the trucks hauling gravel and ore to the mine are using public roads, which are maintained by the local Department of Transportation. Although trucking of ore from the Big Hurrah mine has not begun, heavy truck traffic along the Nome-Teller Highway has heavily impacted the quality of the road, said Steinacher.

Mallory maintained that through local and Native business involvements, the area already starts to see an economic boon, but Steinacher disagreed. "Not all see the economic benefits that a few businesses in Nome are enjoying," she said. "The dust, the roads, the water concerns, the housing issue in Nome—there are some detrimental effects to the mine. You need to keep the community involved and included to make sure that you are going to build that showcase mine that was promised to Nome all along."

Mallory anticipates that the mine will be ready to go into full production soon.

"There are challenges, and we want to engage the public in building that showcase mine," he said. "It's a learning process, and we came a long way."

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