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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA

KLAMATH SISKIYOU WILDLANDS  
CENTER and KLAMATH FOREST  
ALLIANCE,

Plaintiffs,

v.

UNITED STATES FOREST SERVICE et  
al.,

Defendants.

No. 2:12-cv-1676-TLN-CMK

**MEMORANDUM AND ORDER**

The matter is before the Court on cross-motions for summary judgment by Plaintiffs Klamath Siskiyou Wildlands Center and Klamath Forest Alliance (“Plaintiffs”) and Defendants United States Forest Service, District Ranger David Hays, and Forest Service Chief Tom Sidwell (“Defendants”). At issue is Defendants’ review and approval of the High Bar Mining Project (the “Project”), a gold mining operation located in the Salmon River watershed in northern California. Plaintiffs allege that Defendants’ review and approval violated the National Environmental Policy Act (NEPA), the National Forest Management Act (NFMA), the 1872 Mining Law, and the Administrative Procedure Act (APA). Plaintiffs request that the Court vacate the decision documents for the Project, declare that Defendants’ approval is in non-compliance with the applicable statutes, and enjoin the Project from proceeding. Defendants respond that their approval of the Project complies with the applicable statutes. For the reasons discussed below,

1 Plaintiffs' motion for summary judgment (ECF No. 53) is DENIED. Defendants' motion for  
2 summary judgment (ECF No. 68) is GRANTED.

3 **I. Statutory Background**

4 i. 30 U.S.C. §§ 21–54; 36 C.F.R. § 228 et al.

5 Under 30 U.S.C. § 22, “all valuable mineral deposits in land belonging to the United  
6 States ... shall be free and open to exploration and purchase, and the lands in which they are  
7 found to occupation and purchase, by citizens of the United States ....” Under 30 U.S.C. § 26,  
8 the “locators of all mining locations ... situated on the public domain ... shall have the exclusive  
9 right of possession and enjoyment of all the surface included within the lines of their locations  
10 ....” The related statutory framework for U.S. mining laws is contained in 30 U.S.C. §§ 21–54.  
11 The provisions of 36 C.F.R. § 228 et al. regulate the “use of the surface of National Forest  
12 System lands in connection with operations authorized by the United States Mining laws (30  
13 U.S.C. 21–54)” such that this use “minimize[s] adverse impacts on National Forest system  
14 surface resources. It is not the purpose of these regulations to provide for the management of  
15 mineral resources; the responsibility for managing such resources is in the Secretary of the  
16 Interior.” 36 C.F.R. § 228.1<sup>1</sup>

17 ii. National Forest Management Act

18 The NFMA and its implementing regulations provide for forest planning and management  
19 by the Forest Service at two levels: the forest level and the site-specific project level. 16 U.S.C. §  
20 1604; *Ohio Forestry Ass’n v. Sierra Club*, 523 U.S. 726, 729–30 (1998). On the forest level, the  
21 Forest Service develops a Land and Resource Management Plan (“LRMP”) which consists of  
22 broad, long-term plans and objectives for the entire forest. In this case the applicable LRMP is  
23 the Klamath LRMP, which is part of the Northwest Forest Plan (“NFP”). At the project level, the  
24 project must be consistent with LRMP and NFP standards. 16 U.S.C. § 1604(i).

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25 <sup>1</sup> See § 228.4 (providing for the submission of a plan of operations by the Proponent); § 228.6 (providing that the  
26 information submitted by the Proponent be available for public examination); § 228.7 (providing for periodic  
27 inspection of operations by the Forest Service); § 228.8 (describing requirements for environmental protection); §  
28 228.43 (providing for the policy governing disposal of mined materials); § 228.13 and § 228.51 (requiring that a bond  
be furnished to the authorized officer to enforce payment, reclamation, and other conditions of the contract or permit  
issued by the governing agency).

1 iii. National Environmental Policy Act

2 The NEPA has twin aims: first, it requires federal agencies “to consider every significant  
3 aspect of the environmental impact of a proposed action,” and second, “it ensures that the agency  
4 will inform the public that it has indeed considered environmental concerns in its decision making  
5 process.” *Kern v. BLM*, 284 F.3d 1062, 1066 (9th Cir. 2002) (quoting *Baltimore Gas & Electric*  
6 *Co. v. Natural Res. Def. Council*, 462 U.S. 87, 97 (1983)). NEPA requires federal agencies to take  
7 a “hard look” at the environmental effects of their proposed action, even after the proposal has  
8 received initial approval. *Marsh v. Oregon Nat. Res. Council*, 490 U.S. 360, 374 (1989).

9 As part of the required “hard look,” NEPA and its implementing regulations require  
10 federal agencies to prepare a “detailed statement” concerning “every recommendation or report  
11 on proposals for legislation and other major Federal actions significantly affecting the quality of  
12 the human environment.” 42 U.S.C. § 4332(2)(C). The statement must consider the impact of the  
13 proposed action, any adverse environmental effects, alternatives to the proposed action, the  
14 relationship between short-term uses and the “maintenance and enhancement of long-term  
15 productivity,” and any irreversible commitments of sources which would result from  
16 implementing the action. *Id.* This statement may take the form of an environmental assessment  
17 (“EA”), or a longer and more thorough environmental impact statement (“EIS”), which includes a  
18 longer public comment period. *See* 40 C.F.R. §§ 1508.9, 1508.11.

19 In determining whether to prepare an EIS, the agency shall determine: 1) whether the  
20 proposed project normally requires an EIS, or 2) if the project is categorically excluded from the  
21 preparation of both an EA and an EIS because the action does not individually or cumulatively  
22 have a significant effect on the human environment. 40 C.F.R. § 1501.4; 40 C.F.R. § 1508.4. In  
23 making this determination, absent a categorical exclusion of an EA and an EIS, the agency shall  
24 prepare an EA to determine whether an additional EIS is needed.<sup>2</sup> 40 C.F.R. 1501.4(c). An EA

25 \_\_\_\_\_  
26 <sup>2</sup> 40 C.F.R. § 1501.4 states: “In determining whether to prepare an environmental impact statement the Federal  
27 agency shall: (a) Determine under its procedures supplementing these regulations (described in § 1507.3) whether the  
28 proposal in one which: (1) Normally requires an [EIS], or (2) Normally does not require either an environmental  
impact statement or an environmental assessment (categorical exclusion). (b) If the proposed action is not covered  
by paragraph (a) of this section, prepare an environmental assessment (§ 1508.9). The agency shall involve  
environmental agencies, applicants, and the public, to the extent practicable, in preparing assessments required by §  
1508.9(a)(1).”

1 “[s]hall include brief discussions of the need for the proposal, of alternatives as required by  
2 [NEPA] section 102(2)(E), of the environmental impacts of the proposed action and alternatives,  
3 and a listing of agencies and persons consulted.” 40 C.F.R. § 1508.9(b). If the agency concludes  
4 on the basis of the EA that no additional EIS is required, the agency must prepare a “finding of no  
5 significant impact” (“FONSI”). 40 C.F.R. 1501.4(e). In this case, Defendant prepared a final  
6 revised EA and a Supplemental Information Report (“SIR”), which each culminated in a FONSI.<sup>3</sup>  
7 (HBAR 15064; HBAR 2481.) An EIS was not prepared.

8 The agency must also consider the “cumulative impacts” of a proposed project, which the  
9 federal regulations define as the result of “the incremental impact of the action when added to  
10 other past, present, and reasonably foreseeable future actions...” 40 C.F.R. § 1508.7. Cumulative  
11 impacts may result from “individually minor but collectively significant actions taking place over  
12 a period of time.” *Id.* In determining whether a project will have a “significant” impact on the  
13 environment, an agency must consider “[w]hether the action is related to other actions with  
14 individually insignificant but cumulatively significant impacts.” 40 C.F.R. § 1508.27(b)(7); *see*  
15 *Blue Mountains Biodiversity Project v. Blackwood*, 161 F.3d 1208, 1214 (9th Cir. 1998)

## 16 **II. The High Bar Placer Mine Phase 2 Project**<sup>4</sup>

### 17 i. Consultation history

18 On May 17, 2008, the High Bar Place Mine Phase 1 Project Decision Memo was signed  
19 by District Ranger Ray Haupt. In August 2008, the excavation of a sampling trench was  
20 completed. In October 2008, Wabuska Mining, LLC (the “Proponent”) submitted a plan of  
21 operations for the development of the High Bar Mining Project. Initially, SHN Consulting  
22 Engineers & Geologists, Inc. prepared an Environmental Assessment (EA) for the Proponent,  
23 which was distributed for comment by the Forest Service in August 2009. On December 17,  
24 2009, the Forest Service issued a Decision Notice for the August 2009 EA along with a FONSI.

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26 <sup>3</sup> The SIR concluded: “the [Forest Service] interdisciplinary team specialists [] found that the proposed modifications  
27 will not result in any significant or uncertain effects that were not previously analyzed.” (HBAR 15064.)

28 <sup>4</sup> The facts of this section are taken from the FAC (ECF No. 36), Defendants’ answer (ECF No. 39), Plaintiffs’ and  
Defendants’ statements of undisputed facts (ECF Nos. 51, 70), and the EA and SIR.

1 In March 2010, following the receipt of two appeals, the Forest Service rescinded the 2009 EA.  
2 In April 2010, the Forest Service issued a decision notice for a revised EA along with a FONSI.  
3 In July 2010, following receipt of another appeal, the Forest Service rescinded that EA. In April  
4 2011, the Forest Service issued a third EA. On January 30, 2012, the Forest Service issued a  
5 revised EA (the “EA”), which incorporated comments and revisions from the previous EAs.<sup>5</sup> On  
6 August 13, 2012, subsequent to the filing of the instant complaint (ECF No. 1), the Proponent  
7 notified Defendants of its intent to amend operations for the Project; the primary modification  
8 was a change in location of the mill facility to a site on private land. On February 8, 2013, the  
9 Forest Service issued a Supplemental Information Report (the “SIR”) concerning the proposed  
10 modifications, which concluded that the modifications would not result in any significant or  
11 uncertain effects not previously analyzed. (*See* HBAR 2541–42, 15051, 15064.)

12 ii. The Salmon River watershed

13 The Project, which includes separate mining and milling locations, is located in the  
14 Salmon River watershed near the Forks of Salmon Community in Siskiyou County, California.  
15 (ECF No. 51 ¶ 1; ECF No. 70 ¶ 1.) The Salmon River watershed includes South Fork (“SF”)   
16 Salmon River and McNeal Creek, and is a Northwest Forest Plan designated “Key Watershed”  
17 for salmon recovery that includes areas designated as essential habitat and critical habitat. (ECF  
18 No. 51 ¶ 6; ECF No. 70 ¶ 6.) Specifically, the Salmon River watershed provides critical habitat  
19 for threatened Southern Oregon and Northern California Coast (“SONCC”) coho salmon and  
20 essential habitat for Chinook and coho salmon. (ECF No. 51 ¶ 8; ECF No. 70 ¶ 8.)

21 iii. McNeal Creek

22 McNeal Creek flows northeast and delivers cold water into the South Fork Salmon River.  
23 (ECF No. 51 ¶ 4; ECF No. 70 ¶ 4.) Surveys show that SONCC coho salmon, Chinook salmon,  
24 steelhead (winter and summer), and rainbow trout use the thermal refugia that exists at the site of  
25 McNeal Creek’s outflow into Salmon River. (ECF No. 51 ¶ 9; ECF No. 70 ¶ 9; HBAR 3400,  
26 3434.)

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27 <sup>5</sup> Unless otherwise indicated, the Court intends “EA” to denote the final 2012 EA (beginning at HBAR 2536).  
28

1 The Project Design Features (“PDFs”) for the Project, as described in the EA, provide that  
2 water for mining operations will be withdrawn from McNeal Creek through the use of an electric  
3 pump and hoses. (HBAR 2552.) The Proponent may withdraw water only for 30 minutes per  
4 day, no more than 200 gallons per minute (thus no more than 6,000 gallons per day), and only  
5 between midnight and 8:00 AM. (HBAR 2552.) Water may be diverted only when the stream  
6 flow is at or above 4.5 cfs. (HBAR 2552.)

7 iv. Mining

8 The Court views the parties’ respective statements of undisputed facts to state that the  
9 Proponent will extract a total of 43,500 cubic yards of material from the mine site, of which  
10 approximately 19,000 cubic yards will be topsoil and overburden soil, and approximately 24,500  
11 cubic yards will be milled for valuable minerals.<sup>6</sup> (ECF No. 51 ¶ 27, 28; ECF No. 70 ¶ 27, 28.)  
12 The topsoil and overburden will be stockpiled on site and used to fill excavated sections of the  
13 mine as the mining progresses. (ECF No. 51 ¶ 29; ECF No. 70 ¶ 29.)

14 v. Supplemental Information Report/Milling

15 The Proponent initially proposed an on-site mill location. (HBAR 2543.) In August  
16 2012, the Proponent verbally informed the Forest Service of proposed modifications to the  
17 Project, including moving the milling operations to a private site approximately one mile from the  
18 mine site. (HBAR 15051.) In February 2013, the Forest Service completed a Supplemental  
19 Information Report (the “SIR”) regarding the proposed modifications. (HBAR 15051–52.) The  
20 SIR concluded: “the [Forest Service] interdisciplinary team specialists [] found that the proposed  
21 modifications will not result in any significant or uncertain effects that were not previously  
22 analyzed.” (HBAR 15064.)

23 vi. Hauling between the mine site and mill site

24 Hauling of ore material will be done on a temporary road as analyzed in the EA (HBAR  
25 2546) and a National Forest Transportation System Maintenance Level 2 road (road 10N04).  
26 (HBAR 15053–54.) A 12 cubic yard truck was proposed to haul a maximum of fifteen loads a

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28 <sup>6</sup> At points, the EA and SIR appear to contemplate that 45,000 cubic yards of material will be processed at the mill site. (See HBAR 2590, 15061.)

1 day (or 3,750 loads over a three year period) between the mine and mill sites. (HBAR 15054.) A  
2 maximum of two 1,500 gallon above-ground water tanks will be placed on the lower portion of  
3 the mining claim to facilitate the storage of water for dust abatement; tanks will be located 345  
4 feet from McNeal Creek and will require a 12-foot wide by 24-foot long area to be leveled for  
5 tank placement. (HBAR 15054.)

6 vi. Length of operations

7 The Proponent intends to complete the project within three years. The EA limits the  
8 Proponent's operating season to the 14-week period between July 10 and October 15. If surveys  
9 for northern spotted owl show that no spotted owls are detected in the area, the Proponent may  
10 begin operations on May 15.<sup>7</sup> (ECF Nos. 51, 70; ¶¶ 23, 24.)

11 **III. Procedural History**

12 On June 2, 2012, the complaint was filed in this Court, alleging violations of NEPA and  
13 the NFMA. The complaint also alleged a violation of the 1872 Mining Act, which the Court  
14 construes to allege a violation of the marketability test, as set forth in 18 U.S.C. § 22 and *U.S. v.*  
15 *Coleman*, 390 U.S. 599 (1968). (ECF No. 1.) On August 13, 2012, the Proponent notified  
16 Defendants of an intent to modify the Project, the primary modification being the change in the  
17 location of milling operations to a site on private land. (HBAR 15051.) Defendants completed a  
18 Supplemental Information Report (the "SIR"), concluding that the modifications "will not result  
19 in any significant or uncertain effects that were not previously analyzed." (HBAR 15064.) On  
20 April 11, 2013, Plaintiffs filed a first amended complaint ("FAC"), which alleged new violations  
21 of NEPA, the NFMA, and the marketability test, resulting from the proposed modifications.  
22 (ECF No. 36.) On August 2, 2013, Plaintiffs filed a motion for summary judgment, a supporting  
23 memorandum, and a statement of undisputed facts. (ECF Nos. 53, 48, 51.) On December 18,  
24 2013, Defendants filed a cross-motion for summary judgment, a supporting memorandum, and a  
25 statement of undisputed facts and response to Plaintiffs' statement of undisputed facts. (ECF  
26 Nos. 68, 69, 70.) On January 15, 2014, Plaintiffs filed a reply and a response (ECF Nos. 73, 74)

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27 <sup>7</sup> The parties do not dispute the length of the operating period. The EA at one point contemplates a period of  
28 operations between between July 10 and December 31. (*See* HBAR 2549.)

1 in support of summary judgment. On February 5, 2014, Defendants filed a reply in support of  
2 summary judgment. (ECF No. 76.)

3 **IV. Summary Judgment: Standard of Review**

4 Summary judgment is appropriate when the pleadings and the record demonstrate that  
5 “there is no genuine dispute as to any material fact and the movant is entitled to judgment as a  
6 matter of law.” Fed. R. Civ. P. 56(c). In this case, the Court’s review of Plaintiff’s NFMA,  
7 NEPA, and 30 U.S.C. § 22 claims is governed by the Administrative Procedure Act.<sup>8</sup> *See Nw.*  
8 *Res. Info. Ctr., Inc. v. NMFS*, 56 F.3d 1060, 1066 (9th Cir. 1995); *Nat. Eco. Council v. U.S. Forest*  
9 *Service*, 418 F.3d 953, 960 (9th Cir. 2005). A court conducting APA judicial review does not  
10 resolve factual questions, but instead determines “whether or not as a matter of law the evidence  
11 in the administrative record permitted the agency to make the decision it did.” *Sierra Club v.*  
12 *Mainella*, 459 F. Supp. 2d 76, 90 (D.D.C. 2006) (quoting *Occidental Eng’g Co. v. INS*, 753 F.2d  
13 766, 769 (9th Cir. 1985)). “[I]n a case involving review of a final agency action under the [APA]  
14 ... the standard set forth in Rule 56(c) does not apply because of the limited role of a court in  
15 reviewing the administrative record.” *Id.* at 89. In this context, summary judgment becomes the  
16 “mechanism for deciding, as a matter of law, whether the agency action is supported by the  
17 administrative record and otherwise consistent with the APA standard of review.” *Id.* at 90.  
18 Pursuant to the APA, the reviewing Court shall “hold unlawful and set aside agency actions,  
19 findings, and conclusions found to be ... arbitrary, capricious, or an abuse of discretion or  
20 otherwise not in accordance with law,” or which have been taken “without observance of  
21 procedure required by law.” 5 U.S.C. § 706(2)(A)-(D).

22 **V. Analysis**

23 The Court construes the FAC, the parties’ respective summary judgment motions, and the  
24 parties’ responsive pleadings, to implicate issues regarding: the SIR, milling operations and the  
25 Salmon River, contamination of processed ore, withdrawals from McNeal Creek, the thermal  
26 refugia at the confluence of McNeal Creek and SF Salmon River, hauling between the mine and

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27 <sup>8</sup> To the extent the parties seek summary judgment review of Defendants’ review of the Project regarding its  
28 “marketability,” 30 U.S.C. § 22, this Court also adheres to the APA standard. Were the Court to adhere to the  
ordinary rule 56(c) standard of review, this would not alter the Court’s determination.



1 mill sites, Aquatic Conservation Strategy objectives, LRMP standards MA10-34 and MA1035,  
2 and the marketability of the extracted minerals.

3 i. The Supplemental Information Report (NEPA)

4 The NEPA Forest Service Handbook 1909.15 § 18.1 (HBAR 4610) describes the function  
5 of a SIR:

6 If new information or changed circumstances relating to the  
7 environmental impacts of a proposed action come to the attention of  
8 the responsible official after a decision has been made and prior to  
9 completion of the approved program or project, the responsible  
10 official should review the information carefully to determine its  
11 importance.

12 If, after an interdisciplinary review and consideration of new  
13 information within the context of the overall program or project, the  
14 responsible official determines that a correction, supplement, or  
15 revision to an environmental document is not necessary,  
16 implementation should continue.

17 [The agency shall] [d]ocument the result of the interdisciplinary  
18 review in the appropriate program or project file. This  
19 documentation is sometimes called a supplemental information  
20 report (SIR) and should conclude with whether or not a correction,  
21 supplement, or revision is needed, and if not, the reasons why.

22 A SIR is not a NEPA document and therefore cannot be used to  
23 fulfill the requirements for a supplemental EA or EIS. A SIR  
24 cannot repair deficiencies in the original environmental analysis or  
25 documentation, nor can it change a decision.

26 SIRs “are the Forest Service’s formal instruments for documenting whether new  
27 information is sufficiently significant to trigger the need for a [supplemental EIS]. *Friends of the*  
28 *Clearwater v Dombeck*, 222 F.3d 552, 555 (9th Cir. 2000); *see also Idaho Sporting Cong., Inc. v.*  
*Alexander*, 222 F.3d 562, 566 n.2 (9th Cir. 2000) (citing 40 C.F.R. § 1509(c)(1)(ii) (under NEPA,  
federal agencies have a continuing duty to supplement existing NEPA documents in response to  
“significant new circumstances or information relevant to environmental concerns and bearing on  
the proposed action or its impacts.”)).

29 In the instant case, the Forest Service prepared a SIR due to the proposed movement of the  
30 milling site from Forest Service land to a private site located approximately one mile away.  
31 (HBAR 15053.) Based on the analysis detailed in the SIR, the Forest Service concluded that “[a]  
32 correction, supplement, or revision to the EA or DN/FONSI is not necessary because the effects

1 are within the scope and range of effects as originally analyzed in the January 2012 EA and do  
2 not result in any new or significant impacts.” (HBAR 15064.) The SIR assessed that the  
3 following modifications would result:

- 4 • Ground disturbance on NFS lands will be reduced from 3.95 acres to 3.2 acres.
- 5 • All mined material, excluding top soil and over burden, will be hauled to the private  
6 site for milling. In addition to the temporary road already analyzed in the EA as part  
7 of the proposed action (HBAR 2546), 0.60 miles of an existing National Forest  
8 Transportation System (“NFTS”) Maintenance Level 2 road (road 10N04) will be used  
9 for hauling.
- 10 • A 12 cubic yard truck is proposed to haul a maximum of 15 loads a day (or 3,750  
11 loads hauled over a three-year period).
- 12 • No ore material will be stockpiled on Forest Service land; topsoil and overburden will  
13 be stockpiled outside of riparian reserves about 600 feet from McNeal Creek, as  
14 analyzed in the EA.
- 15 • No holding / settling ponds will be constructed.
- 16 • Although the amount of water withdrawal is unchanged due to the sustained need for  
17 road dust abatement, the initial 15,000 gallon start-up water withdrawal (HBAR 2548)  
18 is no longer required.
- 19 • A maximum of two 1,500 gallon above-ground water tanks will be temporarily placed  
20 on the lower portion of the mining claim to facilitate the storage of water for dust  
21 abatement. Tanks will be located 345 feet from McNeal Creek and will require a 12-  
22 foot wide by 24-foot long area to be leveled for tank placement.
- 23 • Following milling operations and the completion of excavation, the processing tailings  
24 will be hauled back to the mine site and deposited to fill the trench.
- 25 • One gate will be installed along the temporary road, 430 feet from McNeal Creek.

26 (HBAR 15053–54.)

27 Plaintiffs argue that the proposed modifications are substantial and thus warrant analysis  
28

1 in a new EA, a supplemental EA, or an EIS. (ECF No. 36 ¶ 110–120.) Plaintiffs cite *Dubois v.*  
2 *U.S. Dept. of Ag., et al.*, 102 F.3d 1273 (1st Cir. 1996) in support. In *Dubois*, the plaintiff sued  
3 the Forest Service under NEPA, alleging that it had improperly granted a permit to a ski mountain  
4 operator to expand the ski resort. *Id.* The plaintiff argued that a supplemental EIS was required  
5 because the selected alternative in the final EIS embodied “substantial changes” from any of the  
6 alternatives proposed in prior drafts of the EIS. *Id.* at 1292. The selected alternative including  
7 widening existing trails, building a 28,500 square foot base lodge facility, and developing ski  
8 trails, access roads, and lifts on land; the selected alternative proposed that these developments  
9 occur within the current permit area rather than additional land. *Id.* In finding for plaintiff, the  
10 First Circuit concluded that the modifications at issue were substantially different from  
11 previously-discussed alternatives and not mere modifications “within the spectrum” of those prior  
12 alternatives.<sup>9</sup> *Id.* The modifications involved a new configuration of project elements that could  
13 pose “wholly new problems”; thus supplemental analysis was required. *Id.* at 1293.

14 The modifications detailed in the SIR in the instant case are not analogous to those in  
15 *Dubois*. The SIR also details the following steps taken by the Forest Service to review the effects  
16 of the proposed modifications. The minerals administrator visited the site on October 1, 2012 and  
17 November 26, 2012 and determined that relocating the mill would result in less ground  
18 disturbance on federal land than was considered in the EA analysis. The Forest Service  
19 conducted analysis in consultation with specialists, with respect to public safety, air quality,  
20 hydrology and soils, fisheries, vegetation, wildlife, cultural and heritage resources, and recreation  
21 (HBAR 15055–64). The Forest Service determined that the only new effects associated with the  
22 modified project were related to the use of road 10N04 to haul material to the new mill site.  
23 (HBAR 15067.) However, according to the SIR, road 10N04 is in the National Forest  
24 Transportation System, is open to the public, and has been previously used for hauling logs and  
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26 <sup>9</sup> See Forty Most Asked Questions Concerning CEQ’s NEPA regulations, 46 Fed. Reg. 18026, #29b (1981) (One  
27 possibility is that “a comment on a draft EIS will raise an alternative which is a minor variation of one of the  
28 alternatives discussed in the draft EIS, but this variation was not given any consideration by the agency. In such a  
case, the agency should develop and evaluate the new alternative, if it is reasonable, in the final EIS. If it is  
qualitatively within the spectrum of alternatives that were discussed in the draft, a supplemental draft will not be  
needed.”)

1 other material. (HBAR 15055.) The plan of operations includes a required bond, which the SIR  
2 states will serve as a precaution that the Proponent share financial responsibility for maintenance  
3 of the portion of the road used. (HBAR 15056; *see also* 36 C.F.R. § 212.7.) With respect to  
4 issues raised by increased dust cause by use of the road, the project modifications include a water  
5 withdrawal allowance for dust abatement. (HBAR 15056.) Based on this analysis, Defendants  
6 determined that additional environmental analysis was not required.

7 Plaintiffs do not raise sufficient concerns regarding the adequacy of the SIR to warrant  
8 setting aside Defendant's approval of the Project under NEPA. The Project's consultation history  
9 consists of three draft EAs, issued prior to the completion of the operative 2012 EA. (HBAR  
10 2542.) This lawsuit was brought prior to the proposed modifications and the issuance of the SIR.  
11 The proposed modifications, according to Forest Service analysis, reduce the Project's footprint  
12 on Forest Service lands because milling operations have been relocated. Therefore, the argument  
13 is not persuasive that the modifications are sufficiently significant that a supplemental EA or EIS  
14 is required. The Court does not find that Defendants abused their discretion or acted arbitrarily,  
15 capriciously, or unlawfully in approving the Project. *See* 5 U.S.C. § 706(2)(A)–(D).

16 To the extent Plaintiffs claim that Defendants' approval of the Project must be set aside on  
17 these grounds (FAC, claim 1), the Court DENIES Plaintiffs' summary judgment motion and  
18 GRANTS Defendants' summary judgment motion.

19 ii. Milling (NEPA)

20 Plaintiffs argue that Defendants' review of the Project's milling operations, relocated to  
21 the private site, was inadequate under NEPA. Plaintiffs argue that the impact on the Salmon  
22 River, due to the new milling location, will be detrimental to fish species and fish habitat in the  
23 Salmon River. Defendants respond that Forest Service jurisdiction does not extend to private  
24 lands and that their review was adequate under NEPA. (*See* ECF No. 36 ¶¶ 121–131; ECF No.  
25 48 at 22–25; ECF No. 69 at 11–19.)

26 The SIR details Defendant's analysis and conclusions regarding milling operations at the  
27 private site (*see* HBAR 15061–62) as follows.

28

- 1 • It appears that the Proponent has been operating a mill at the private property since at  
2 least 2008. The milling site is currently being used to process materials in a  
3 reclamation project on adjacent private property. Defendants assumed that these  
4 actions required permitting from the State and County.
- 5 • Forest Service staff conducted field review, reviewed aerial imagery, and sought input  
6 from County staff and local staff regarding milling. The Forest Service's access to the  
7 private site was either limited or not provided because the Proponent did not grant the  
8 Forest Service access.
- 9 • The Forest Service was unable to determine the probability that the ongoing  
10 operations were affecting coho salmon or their critical habitat. However, the Forest  
11 Service concluded that adding project-related minerals to the already-ongoing  
12 operations would not result in adverse effects to SONCC coho salmon or their critical  
13 habitat.
- 14 • On January 15, 2013, the minerals administrator discussed the proposed modifications  
15 with Diana Henriouille of the North Coast Regional Quality Control Board (the "Water  
16 Board"). The Water Board informed the Forest Service that the Proponent had  
17 submitted the required waste characterization study.
- 18 • The Proponent will be required to provide samples of the ore and tailings material to a  
19 California-certified laboratory for a determination of whether there is any toxic  
20 material present.
- 21 • Water use on the private property falls under the purview of the Water Rights Board,  
22 which will make a determination regarding water rights alleged by the Proponent. If  
23 the Proponent plans to store water on private property for more than thirty days, there  
24 may be additional permits required from the Water Rights Board.

25 (HBAR 15061–62; HBAR 15076–77.)

26 The primary issue in the dispute between Plaintiffs and Defendants is the extent of the  
27 analysis necessary under NEPA, given that the milling operations take place on a private site.  
28 Plaintiffs argue that relocating the mill site should have prompted Defendants to address the State

1 and County permits that the Proponent would need to obtain prior to beginning work on the  
2 Project. (ECF No. 48 at 22–24; ECF No. 73 at 12–17.) For example, according to a July 20,  
3 2011, Water Board Inspection Report, attached by Plaintiffs to their April 10, 2013, letter to  
4 Forest Supervisor Patricia Grantham, the California Water Code and federal Clean Water Act  
5 require that mining facilities obtain a general industrial storm water permit and a general  
6 construction storm water permit. (HBAR 15108.) The same inspection report indicates that the  
7 Proponent will need to obtain a Surface Mining and Reclamation Act permit from Siskiyou  
8 County. (HBAR 15110.) As indicated in the SIR, the Proponent is required to submit a waste  
9 characterization study, in order to classify waste from operations and quantify its potential threat  
10 to water quality. (HBAR 15055.) Minutes from an October 6, 2010, meeting (pre-SIR) of Forest  
11 Service interdisciplinary team specialists also reflect concerns that the Proponent had failed to  
12 obtain the requisite county, state, and federal permits. Those minutes stated: “the Decision Notice  
13 will not be signed until the Proponent obtains all required permits and/or waivers.” (HBAR  
14 3322.)<sup>10</sup>

15 The SIR contains a minimal discussion of aspects of the local permitting process.  
16 However, Plaintiffs do not provide persuasive authority mandating that additional EA or EIS  
17 analysis is required. The authority cited by Defendants, *Dept. of Transp. v. Public Citizen*, 541  
18 U.S. 752 (2004), is also inapposite, as the issue in that case was the authority of the U.S. Motor  
19 Carrier Safety Administration to regulate the operation of Mexican trucks in the U.S. Plaintiffs  
20 do not bring suit here against the Proponent, and Plaintiffs do not advise the Court of the  
21 adequacy of a state action to address regulation by county and state entities. After reviewing the

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22  
23 <sup>10</sup> In the April 10, 2013 letter to Patricia Grantham, Plaintiffs stated the following with respect to local regulation at  
the mill site:

24  
25  
26  
27  
28  
Currently the proposed site appears to be in violation of County zoning/planning  
regulations. The mill site on the property is a nonconforming use that does not  
have the requisite permits for water quality, water drafting, special use, or zoning  
permits necessary for its continuation or expansion.... We believe that the Forest  
Service, the California Water Quality Control Board, and the Siskiyou County  
Planning Department are aware of the Proponent’s illegal discharges.

(HBAR 15097.)

1 analysis detailed in the SIR regarding local regulation, the Court does not find that Defendants'  
2 analysis was arbitrary, capricious, unlawful, or constitutes an abuse of discretion.

3 Plaintiffs also argue that water withdrawals from the Salmon River at the new mill site,  
4 which formerly were to come from McNeal Creek, may be detrimental to fish species at the mill  
5 site. Plaintiffs argue that aspects of these withdrawals should have been addressed in a  
6 supplemental EA or EIS. (ECF No. 48 at 22–24; ECF No. 73 at 12–17.) Plaintiffs do not  
7 produce evidence that these detrimental effects will occur. Plaintiffs reference *Siskiyou Regional*  
8 *Educ. Proj. v. Rose*, 87 F. Supp. 1074, 1086 (D. Or. 1999) for the fact that the Forest Service may  
9 reject an unreasonable plan and impose mitigation measures. In *Rose*, the Forest Service received  
10 notices of intent to proceed on three suction dredge and two panning operations in Silver Creek,  
11 located in the Siskiyou National Forest. The court held it was a violation of NEPA for the Forest  
12 Service to decline to prepare an EA for any of the individual suction dredge operations, or an EA  
13 to assess the cumulative impacts from all the operations. (*Id.* at 1082–83.) However, for the  
14 instant Project, milling operations will take place at an already existing site. The proposed  
15 modifications, as detailed in the SIR, reduce the Project's footprint on Forest Service land.<sup>11</sup>

16 Plaintiffs reference *Neighbors of Cuddy Mountain v. U.S. Forest Service*, 137 F.3d 1372,  
17 1379 (1998) to argue that Defendants should have undertaken a cumulative effects analysis in an  
18 EA or EIS. (ECF No. 48 at 22.) As a reference point, however, *Cuddy Mountain* involved  
19 Forest Service approval of a timber harvest and sale; three other timber sales were proposed in the  
20 area, which the court found the Forest Service had inadequately analyzed. The Court notes that a  
21 February 14, 2011, Minerals Report found record of four claims in current ownership status  
22 within the McNeal Creek drainage, but none with a current Notice of Intent or approved Plan of  
23 Operations. The same report found record of twelve claims filed between 1891 and 2009, which  
24 were abandoned between the 1980s and 2010. (HBAR 3316.) Plaintiffs do not otherwise advise  
25 the Court of past, present, or future actions that would require Defendant to address the Project's  
26 cumulative effects in an additional EA or EIS.

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27 <sup>11</sup> Plaintiffs stated in their August 10, 2013 letter that milling operations could not have begun until 2011, which is at  
28 odds with the 2008 date stated in the SIR (HBAR 15054). Plaintiffs also stated it is likely that milling activity, prior  
to this Project, ended in 2012. (*See* HBAR 15097.)

1 To the extent Plaintiffs seek summary judgment on these claims (FAC, claims 1 and 4),  
2 Plaintiffs' summary judgment motion is DENIED and Defendants' summary judgment motion is  
3 GRANTED.

4 iii. Contamination of milled material (NEPA)

5 In the FAC, Plaintiffs argued that the EA and the SIR do not adequately assess whether  
6 the ore milled at the private site could be contaminated before being transported back to refill the  
7 mining trench during the reclamation process. (ECF No. 36 ¶¶ 132–146.) Plaintiffs direct the  
8 Court to the fact that, prior to the proposed modifications detailed in the SIR, the EA had  
9 contemplated an alternative that called for milling on private land. However, this alternative was  
10 eliminated because “soils moved to and processed on private property can become infested with  
11 an assortment of noxious and invasive plant species and could, therefore, infect NFS land when  
12 returned to the site for reclamation ... there can be no assurances that the materials have not  
13 become infested with noxious weeds, or that toxic chemicals have not been utilized in the gold  
14 recovery process.” (HBAR 2554.) Plaintiffs argue that the proposed modifications essentially re-  
15 adopt this alternative without assessing the environmental impact of returning contaminated  
16 material to the mine site. (See ECF No. 36 ¶¶ 132–146.) Plaintiffs also raised concerns regarding  
17 contamination in their April 10, 2013, letter to Patricia Grantham, in which they stated it is  
18 “extremely likely” that the processed material at the new mill site will be contaminated with  
19 noxious weeds and invasive plants. (HBAR 15094.)

20 Plaintiffs do not pursue this argument in their summary judgment motion and supporting  
21 briefing, and Defendants do not respond to this argument. The relevant PDFs designed to  
22 mitigate effects from contamination, as stated in the EA, appear to be BOTANY-1 through  
23 BOTANY-5, which address equipment use, noxious weed surveys, parking, the stockpiling of  
24 material for mill processing and re-filling the mining trench, and re-seeding and re-planting the  
25 area following excavation. (HBAR 2551–52.) Defendants do not make a showing that the  
26 Project will comply with these specific PDFs at the private site, and it appears their position  
27 would be that private compliance with these PDFs (or something analogous) by the Proponent is  
28 not required under NEPA. Without more, the Court will not set side Defendant's approval of the



1 Project (and effectively enjoin the Project) on these grounds. To the extent that the parties seek  
2 summary judgment on these grounds (FAC, claim 1), Plaintiffs' summary judgment motion is  
3 DENIED and Defendants' summary judgment motion is GRANTED.

4 iv. Withdrawals from McNeal Creek (NEPA)

5 The Court reads the EA and the SIR to permit water withdrawals from McNeal Creek as  
6 necessary for mining operations, and to abate dust on road 10N04 given the new hauling route.  
7 To evaluate the effect of withdrawals, Defendants considered previous stream flow measurements  
8 (EA, Table 3.1; HBAR 2560), which are as follows. Flow measurements in McNeal Creek at the  
9 fish passage (the upper bridge on road 10N04) were taken in August of 2008, 2009, and 2010.  
10 The mean flow rate for this period was 0.94 cfs.<sup>12</sup> The Salmon River Restoration Council flow  
11 rate measurement in mid-August 2009 was 1.77 cfs. The flow rate measured in October 2010  
12 was 4.3 cfs. In early June 2011, the flow rate was measured at two sites in McNeal Creek (at the  
13 10N04 bridge and the County Road bridge), giving measurements respectively of 6.2 cfs and 6.5  
14 cfs. The EA also states there are three private water withdrawal sites from McNeal Creek to  
15 residences in Forks of Salmon: one site about 0.25 miles upstream from the mouth of the creek,  
16 and two sites about 100–200 feet above the 10N04 bridge (above the proposed withdrawal point  
17 for the Project), which collectively are estimated to divert 1.5 to 2 cfs.<sup>13</sup> (HBAR 2560.)

18 The EA determined that “the only negative direct effects on water quality [in McNeal  
19 Creek] would be from water transmission.” (See HBAR 2560.) The relevant PDFs include  
20 limiting withdrawals to 30 minutes per day and between midnight and 8:00 AM; limiting  
21 withdrawals to a maximum of 200 gallons per minute (thus 6000 gallons per day); and permitting  
22 withdrawals only when the stream flow is at or above 4.5 cfs. (HBAR 2560.) Therefore,  
23 Defendant assessed that an indirect effect of withdrawals would be the reduction in downstream  
24 pool volumes by an estimated 10 percent, for a duration of up to 30 minutes while withdrawal  
25 occurred. (HBAR 2561.)

26 <sup>12</sup> There are four measurements for August flow rates listed in the EA, Table 3-1: 1.1 cfs, 0.9 cfs, 1.5-2.0 cfs, and 0.9  
27 cfs. (HBAR 2559.) It appears therefore, that the 0.94 cfs mean flow rate for August, stated in the EA, was taken  
from additional and/or other measurements.

28 <sup>13</sup> The Court does not see where the Project's proposed withdrawal point from McNeal Creek is located.

1 Plaintiffs argue that Defendant's analysis of the flow rate in McNeal Creek did not  
2 establish an adequate baseline from which to assess the impact of the Project. (ECF No. 48 at 7–  
3 11.) *See Northern Plains Resource Council, Inc. v. Surface Transp. Bd.*, 668 F.3d 1067, 1083 (9th  
4 Cir. 2011) (“NEPA requires that the agency provide the data on which it bases its environmental  
5 analysis.”). However without more, the Court does not find that the measurements for flow rate  
6 contained in the EA are inadequate.

7 Plaintiffs also argue that the Project cannot be accomplished within its three-year time  
8 frame and still comply with its plan of operations. *See* 36 C.F.R. § 228.4 (providing for the  
9 submission of a plan of operations for approval by an agency officer); 36 C.F.R. § 228.7  
10 (providing for inspection by the agency officer and recourse in the event of non-compliance). As  
11 Plaintiffs argue, the operating season will run from July 10 to October 15, unless surveys show no  
12 northern spotted owls in the area, in which case the Proponent can begin operations on May 15.  
13 (ECF Nos. 51 ¶¶ 23, 24; ECF No. 70 ¶¶ 23, 24.) The Proponent may only withdraw water when  
14 the stream flow is at or above 4.5 cfs. However, the stream flow data from between July and  
15 October indicates that the flow rate may be below 4.5 cfs for that entire period. (EA, Table 3.1;  
16 HBAR 2560.) Therefore, for the duration of the normal operating season, July to October, the  
17 Proponent may not be able to withdraw any water. Plaintiffs argue that the analysis in the EA is  
18 deficient because it fails to disclose the extent to which the 4.5 cfs flow requirement limits  
19 operations during the operating season, and may render the Project incapable of being  
20 accomplished.

21 However the primary concern regarding water withdrawals from McNeal Creek, as stated  
22 in the EA prior to the proposed modifications, pertained to milling. Because milling operations  
23 have been moved to a private site, withdrawals for this purpose are no longer needed. The SIR  
24 considers the amount of water withdrawal for the Project to be unchanged, but attributes these  
25 withdrawals to be used for dust abatement. No more than two 1,500 gallon above-ground water  
26 tanks will be temporarily placed on the lower portion of the mining claim to store water for dust  
27 abatement. (HBAR 15054.) There is not sufficient indication at this point that the Proponent will  
28 fail to comply with the PDFs, including the limitation on withdrawals when stream flow is below

1 4.5 cfs. *See* 36 C.F.R. § 228.7 (providing for inspection by the agency officer and recourse in the  
2 event of non-compliance). If the Proponent is not able to draw water from McNeal Creek  
3 between July and October, then that is the consequence of the PDFs established in the EA and the  
4 SIR. However without more, the Court will not presume that the Project cannot comply with its  
5 plan of operations, and that Defendants' approval was therefore arbitrary, capricious, unlawful, or  
6 resulted from an abuse of discretion.

7 To the extent that the parties seek summary judgment on these grounds (FAC, claims 1  
8 and 6), Plaintiffs' summary judgment motion is DENIED and Defendants' summary judgment  
9 motion is GRANTED.

10 v. Thermal refugia at McNeal Creek / SF Salmon River confluence (NEPA)

11 Plaintiffs allege that the EA and other consultation documents fail to disclose sufficient  
12 baseline information about the Project's effects on water temperature in McNeal Creek. (ECF  
13 No. 48 at 7–11.) Plaintiff's primary concern regards the thermal refugia created at the confluence  
14 of McNeal Creek and the SF Salmon River, which provides critical and essential fish habitat.  
15 (ECF No. 48 at 7–11; No. 36 ¶¶ 202–11.)  
16

17 The Fisheries Report states:

18 Visual observation of the McNeal Creek / SF Salmon River  
19 confluence during base flow conditions suggests the refugia to be  
20 marginal. [] McNeal Creek enters SF Salmon River within a rapid;  
21 and there is a lack of features at the mouth to shelter fish in the  
22 form of either a defined scour pool or overhead cover. While  
23 McNeal Creek water temperature does appear to be less than SF  
24 Salmon River during summer and early-fall months, flow  
25 contribution of the former is 1-2% of the latter [citations], which  
26 minimizes thermal effects of the tributary plume upon the  
27 mainstem. A visit to the mouth in 2009 estimated the cool water  
28 zone to be 40-80 feet long [citations]. As a thermal refugia,  
McNeal Creek outflow with SF Salmon River is likely restricted to  
small resident fishes, coho and steelhead juveniles, or as transient  
use by migrating spring Chinook or summer steelhead (suitable  
holding pools are present both above and below the rapid). A  
stream survey in 2002 found two coho, two Chinook, and three  
steelhead (no ages provided) at the mouth of McNeal Creek  
[citations]; and a thermal refugia survey found in 2005 found 105  
steelhead [measurements] and six [measurements] Chinook  
utilizing the plume. Photos from 1979 show the mouth to be

1 similar to that observed in 2010, suggesting stream morphology is  
2 stable.

3 (HBAR 3400; the same analysis appears in the EA, HBAR 2565.)

4 With respect to flow contribution of McNeal Creek to SF Salmon River, the Court views  
5 the EA to rely upon a 0.94 mean cfs flow rate for McNeal Creek, compared to 134 cfs measured  
6 at the Salmon River gauge, and 253 cfs measured at the Salmon River scale (HBAR 2559), which  
7 would equate to McNeal Creek contributing flows of 1 to 2 percent to SF Salmon River flow.  
8 Plaintiffs state that, with respect to the 134 cfs rate measured at the Salmon River gauge, this  
9 measurement was taken at the mouth of the Salmon River near Somes Bar, California, 19 river  
10 miles downstream of the mouth of the SF Salmon River; therefore this measurement does not  
11 provide accurate baseline information. (ECF No. 73 at 4, n.2.) While the Court acknowledges  
12 this point, Plaintiffs do not provide indication that the flow contribution to the SF Salmon River is  
13 different than the 1 to 2 percent figure stated in the EA.

14 Plaintiffs make reference to comments made by Don Flickinger, a representative from the  
15 NFMA and the National Ocean and Atmospheric Administration (NOAA), following Mr.  
16 Flickinger's visit to the site on October 2, 2009. Mr. Flickinger wrote in November, 2009:

17  
18 The importance of McNeal Creek's cold water contribution to the  
19 South Fork Salmon River (SONCC coho salmon Critical Habitat)  
20 cannot be overstated .... The lower South Fork Salmon River is one  
21 of 3 reaches in the Salmon River Basin that offers anadromous fish  
22 relatively low gradient habitat []. These low gradient river reaches  
23 provide some of the best salmonid rearing and summer refugial  
24 habitat. Maintenance and restoration of these key habitats is  
25 essential to restoration of anadromous fish species in the Salmon  
26 River, while also helping achieve TMDL targets. The location of  
27 McNeal Creek's confluence with the South Fork of the Salmon  
28 River, less than one mile from Forks of Salmon, and the summer  
refugia that it provides heightens its importance in lowering river  
water temperatures in the Forks of Salmon area – the South Fork,  
North Fork and Mainstem Salmon River convergence zone. This  
zone has been documented as having some of the highest summer  
water temperatures in the Salmon River. Any reduction of McNeal  
Creek's cold water contribution to this zone could pose a significant  
risk to anadromous fish rearing there, particularly in years of lower  
flows and warmer water temperatures.

1 (Oct. 2, 2009 Site Visit and Follow-up Comments, HBAR 3267.)

2 Mr. Flickinger made these comments prior to the Forest Service’s development of the  
3 PDFs designed to mitigate withdrawals. According to the BA, following Mr. Flickinger’s initial  
4 site visit on October 2, 2009, draft BA documents were sent to Mr. Flickinger on February 1,  
5 2011, and March 21, 2011. (HBAR 3438.) Additional “technical assistance” occurred on June 7,  
6 2011, to “develop resource protection measures for water use – amount and timing of diversion –  
7 from McNeal Creek to avoid incidental take of coho salmon or adverse modification of their  
8 critical habitat.” (HBAR 3438.) The BA was finalized and approved on June 10, 2011.  
9 Therefore, the Court does not view these comments, made prior to the establishment of PDFs  
10 designed to address concerns regarding impacts to the flow rate and temperature of McNeal  
11 Creek, to demonstrate that Defendants’ analysis was inadequate.

12 To the extent that the parties seek summary judgment on these grounds (FAC, claim 5),  
13 Plaintiffs’ summary judgment motion is DENIED and Defendants’ summary judgment motion is  
14 GRANTED.

15 vi. Hauling (NEPA and NFMA)

16 Plaintiffs make two claims regarding hauling. In claim 2 of the FAC, Plaintiffs argue that  
17 Defendants did not adequately analyze and disclose the effect of hauling on McNeal Creek.  
18 Plaintiffs argue that sediment generated from hauling may reach McNeal Creek and cause its  
19 sediment levels to rise, which violates the Aquatic Conservation Strategy (ACS) objectives  
20 contained in the Klamath LRMP. The Court construes this claim, because it references the ACS  
21 objectives in the Klamath LRMP, to allege a violation of the NFMA. (ECF No. 36 ¶¶ 147–54.)  
22 Plaintiffs also bring this claim as a violation of NEPA on grounds that it represents a potentially  
23 significant impact that Defendants failed to properly disclose or consider. *See* 40 C.F.R. §  
24 1508.27(b)(10). In claim 3 of the FAC, Plaintiffs allege that the Project, due to the number of  
25 loads scheduled per day to be hauled between the mill site and the mine site, cannot be  
26 accomplished within the three-year time frame contemplated by the plan of operations. Plaintiffs  
27 claim that this violates NEPA. (ECF No. 36 ¶¶ 155–180.)

28 ACS Objective 5, contained in Appendix B to the Fisheries Report, states that Defendants

1 shall “Maintain and restore the sediment regime under which aquatic ecosystems evolved.  
2 Elements of the regime include the timing, volume, rate, and character of sediment input, storage,  
3 and transport.” (HBAR 3422.) The Fisheries report made a finding of “No effect” and  
4 concluded: “This Project will not alter the sediment regime, and therefore it will not affect aspects  
5 of sediment input, storage, and transportation.” (HBAR 3422.) Defendants also respond that  
6 road 10N04 has in-board ditches to collect sediment run off and cross drains to convey excess  
7 water and sediment away from the road, and that there is vegetation between road 10N04 and  
8 McNeal Creek which will serve as a buffer to prevent sediment from reaching the creek. (ECF  
9 No. 69 at 26; HBAR 15051.) Plaintiffs do not provide further support that the use of 0.60 miles  
10 of road 10N04 for hauling, a road that apparently is open to the public and is currently being  
11 used, will cause sediment levels in McNeal Creek to rise. Thus, the Court does not find that  
12 Defendants have violated ACS objectives regarding sediment, based on the arguments put forth  
13 by Plaintiffs.

14 With respect to the second claim, both parties provide calculations regarding the number  
15 of loads hauled per day, which purport to show that the Project either is or is not capable of being  
16 accomplished within the three year time frame. As detailed in the EA, the Project calls for the  
17 excavation of approximately 24,500 cubic yards of ore material. (HBAR 2544.)<sup>14</sup> The SIR  
18 considers a truck with a capacity of 12 cubic yards to haul a maximum of 15 loads per day of the  
19 material between the mine site and the mill site. (HBAR 15054.) The normal operating season is  
20 the roughly 14-week period between July 10 and October 15, for a period of three years. (ECF  
21 Nos. 51, 70; ¶¶ 23, 24.) A 12 cubic yard capacity truck, hauling 15 loads per day, can haul 180  
22 cubic yards per day. Over a 14 week (98 day) period, 17640 cubic yards can be hauled. Over a  
23 three year period, 52,920 cubic yards can be hauled. Presuming Plaintiffs’ scenario (ECF No. 51  
24 ¶¶ 36–39) that all 24,500 yards of material will have to make an independent trip back to the mine  
25 site after it is milled, equaling 49,000 cubic yards to be hauled, the Project is technically capable  
26 of being completed within the three year time frame. Plaintiffs speculate that the Proponent’s

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27 <sup>14</sup> The Court presumes that either approximately 24,500, or “up to” 24,500 cubic yards will be hauled to the mill site,  
28 per the parties’ statements of undisputed facts. (ECF Nos. 51, 70 ¶ 36.) The Court does not rely here upon a 45,000  
cubic yard estimate, which appears at points within the EA (HBAR 2590) and SIR (HBAR 15061).

1 operations may be delayed because the project design features call for dust abatement along the  
2 hauling route, and given decreased flow rates during the operating season, water withdrawals  
3 from McNeal Creek may not be available for dust abatement. (ECF No. 36 ¶¶ 176–77.) Without  
4 more, the Court declines to set aside Defendant’s approval of the Project on these grounds, on the  
5 basis that Defendants’ analysis was arbitrary and capricious. For example, the SIR provides that  
6 above-ground water tanks will be placed on the lower portion of the mining claim to be stored for  
7 dust abatement. (HBAR 15054.) It appears possible that the tanks could be filled only when the  
8 flow rate in McNeal Creek is above 4.5 cfs, and dust abatement could still be achieved. The  
9 Court’s “proper role is to ensure that the Forest Service made no ‘clear error of judgment’ that  
10 would render its actions ‘arbitrary and capricious.’” *The Lands Council v. McNair*, 537 F.3d 981,  
11 993 (9th Cir. 2008) (citing *Marsh v. Or. Natural Res. Council*, 490 U.S. 360, 378 (1989)). This  
12 type of error does not appear to be present.

13 To the extent the Parties seek summary judgment on these grounds (FAC, claims 2 and 3),  
14 the Court DENIES Plaintiffs’ motion for summary judgment and GRANTS Defendants’ motion  
15 for summary judgment.

16 vii. Other ACS objectives

17 In addition to arguments regarding hauling and non-compliance with ACS objective 5,  
18 Plaintiffs argue that the Project does not demonstrate consistency with ACS objectives regarding  
19 water quality and in-stream flows, for McNeal Creek and Salmon River. (ECF No. 36 ¶¶ 233–  
20 38.) The Court construes this argument to allege non-compliance with ACS objectives 4 and 6.

21 Objective 4 states that the Forest Service shall “[m]aintain and restore water quality  
22 necessary to support healthy riparian, aquatic, and wetland ecosystems.” (HBAR 3421.) The  
23 Forest Service made a finding of “No effect” and concluded: “Rate and amount of water  
24 withdrawn during diversion/drafting operations will be insufficient to alter in-stream  
25 temperatures. There will be no effect to stream shading. Water quality related BMPS [Best  
26 Management Practices] will be enacted.”<sup>15</sup> (HBAR 3421.)

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27  
28 <sup>15</sup> For a list of the BMPs, see Appendix C to the EA (HBAR 2598) and Appendix B to the SIR (HBAR 15066).

1 Objective 6 states that the Forest Service shall “[m]aintain and restore in-stream flows  
2 sufficient to create and sustain riparian, aquatic, and wetland habitats, and to retain patterns of  
3 sediment, nutrient, and wood routing. The timing, magnitude, duration, and spatial distribution of  
4 peak, high, and low flows must be protected.” (HBAR 3422.) The Forest Service made a finding  
5 of “May effect” and concluded: “In-stream flows will be affected due to diversion or drafting  
6 activities. However, restrictions which include flow threshold, rate of diversion/drafting, timing,  
7 and duration will minimize effects and protect peak and baseflows.” (HBAR 3422.)

8 Plaintiffs do not provide further indication that non-compliance with objectives 4 and 6  
9 should overturn Defendant’s approval, beyond the concerns the Court has addressed regarding  
10 water withdrawals from McNeal Creek for which PDFs were designed, and regulation of the  
11 private mill site. Plaintiffs cite *ONRC v. Goodman*, 505 F.3d 884, 895 (9th Cir. 2007) for the  
12 proposition that regardless of the degree of impact resulting from a proposed action, the NFMA  
13 and ACS “contain[] no *de minimis* exceptions.” However, this proposition in *Goodman* referred  
14 to the Forest Service’s decision (found to violate the NFMA) to exempt “potentially unstable”  
15 lands from designation as riparian reserve, in contravention of this requirement in the ACS. *See*  
16 *Goodman*, 505 F.3d at 894–95. Without more, the Court does not extrapolate the *Goodman*  
17 concern to stand for the proposition that the Forest Service must bar any aspect of a plan of  
18 operations that impacts water flow or water quality. Therefore, the Court does not set aside  
19 Defendant’s approval of the Project on these grounds.

20 viii. Klamath LRMP standard MA10-34 (NFMA)

21 Per standard MA10-34, the Forest Service shall:

22 Require a reclamation plan, approved Plan of Operations and  
23 reclamation bond for all minerals operations that include Riparian  
24 Reserves. Such plans and bonds must address the costs of removing  
25 facilities, equipment and materials; recontouring disturbed areas to  
26 near pre-mining topography; isolating and neutralizing or removing  
toxic or potentially toxic materials; salvage and replacement of  
topsoil; and seedbed preparation and revegetation to meet Aquatic  
Conservation Strategy objectives.<sup>16</sup>

27 Plaintiffs argue the EA does not comply with MA10-34 because it fails to disclose a

28 <sup>16</sup> Klamath LRMP, Chapter 4: “Management Direction,” p. 4-111. Accessed 8/25/14;  
[http://www.fs.usda.gov/Internet/FSE\\_DOCUMENTS/stelprdb5333205.pdf](http://www.fs.usda.gov/Internet/FSE_DOCUMENTS/stelprdb5333205.pdf).



1 specific reclamation plan, because it fails to explain how revegetation or erosion control measures  
2 will be accomplished, and because it does not disclose or analyze the costs of reclamation. (ECF  
3 No. 36 ¶¶ 216–23.) Defendants respond generally that the Proponent must have the required  
4 state, county, and federal permits before the Forest Service issues an approved final Plan of  
5 Operations, and that the Proponent must submit a reclamation plan and bond to Siskiyou County.  
6 (ECF No. 69 at 28.)

7 The Plan of Operations (prior to the SIR) is contained in Appendix B to the EA. (HBAR  
8 2590.) With respect to vegetation removal, the EA states that vegetation at the mine site is  
9 dominated by brush and a minor amount of Douglas-fir, madrone, and knobcone pine.  
10 Approximately six merchantable Douglas-fir trees (12-18 inches diameter at breast height) are to  
11 be removed and retained on site for mining purposes. Vegetation will be removed by cutting with  
12 chainsaws, loading the brush onto a dump truck, and hauling it to a disposal location near McNeal  
13 Creek road, where it will be piled and burned as directed by the Forest Service. Removal of  
14 vegetation on the 1.4 acre mine site will be done in stages as necessary to remove overburden and  
15 to access placer deposits. Brush removal at stockpile areas will occur over an approximately 2  
16 week period. (HBAR 2590–94.)

17 The Reclamation Plan included in Appendix B to the EA is cursory, and states the  
18 following. Reclamation will occur as identified in the Overburden Soil Removal section of the  
19 plan of operations. After soil is replaced and graded, the site will be revegetated as directed by  
20 the Forest Service. The access road to the mine site will be graded to provide drainage off the  
21 roadway. Erosion control measures will be installed where necessary and water constructed (if  
22 needed) at locations approved by the Forest Service. Material will be removed from stockpile  
23 locations for use in reclamation.<sup>17</sup> Disturbed areas will be graded and revegetated as directed by  
24 the Forest Service. Brush piled for disposal will be burned as directed by the Forest Service. It is  
25 expected that brush will be burned each year during the wet season after sufficient amounts have

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26 <sup>17</sup> EA, Appendix B, Figure 1 provides an overview of the overburden removal and storage process. The mining  
27 trench is split into blocks. Overburden is removed from block 1 and placed into stockpile; then the placer deposits  
28 beneath are removed and taken to the mill site for processing. Subsequently, overburden from the adjacent block 2 is  
removed and placed into the excavated area from block 1, and deposits from block 2 are removed. The process  
repeats for subsequent blocks. (HBAR 2596.)

1 accumulated. (HBAR 2594-95.)

2 BMP 2.13 describes the Erosion Control Plan considered by the Forest Service. (HBAR  
3 2603.) The EA states that the Water Board governs the permits and plans required to meet the  
4 objectives of the Erosion Control Plan.<sup>18</sup> With respect to the costs of reclamation, it appears that  
5 the EA or SIR does not detail the “costs of removing facilities, equipment and materials” as stated  
6 in MA10-34. Plaintiffs do not provide indication that this omission will impede the objectives of  
7 the Klamath LRMP.

8 Without more, the Court does not view Defendant’s assessment of the Project’s  
9 compliance with MA10-34 to constitute grounds for setting aside approval of the Project. To the  
10 extent the parties seek summary judgment on these grounds (FAC, claim 7), Plaintiffs’ motion for  
11 summary judgment is DENIED, and Defendants’ motion for summary judgment is GRANTED.

12 ix. Klamath LRMP standard MA10-35 (NFMA)

13 Per Forest Plan standard MA10-35, the Forest Service shall:

14 Locate structures, support facilities, and roads outside Riparian  
15 Reserves. Where no alternative to siting facilities in Riparian  
16 Reserves exists; locate them in a way compatible with Aquatic  
17 Conservation Strategy objectives. Road construction will be kept to  
18 the minimum necessary for the approved mineral activity. Such  
19 roads will be constructed and maintained to meet roads  
management standards and to minimize damage to resources in the  
RR. When a road is no longer required for mineral or land  
management activities, it will be closed, obliterated, and  
stabilized.<sup>19</sup>

20 Under the ACS, riparian reserves are essentially buffer zones along streams, lakes, wetlands, and  
21 mudslide-risk areas. *Oregon Nat. Res. Counc. Fund. v. Goodman*, 505 F.3d 884, 893–94 (9th  
22 Cir. 2007). ACS standards and objectives “prohibit or regulate activities in [r]iparian [r]eserves  
23 that retard or prevent attainment of the [ACS] objectives.” *Id.* Plaintiffs argue that Defendants  
24 violated MA10-35 because Defendants failed to determine in the EA whether there existed a

25 \_\_\_\_\_  
26 <sup>18</sup> The Court presumes this is the California North Coast Regional Quality Control Board.

27 <sup>19</sup> Klamath LRMP, Chapter 4: “Management Direction,” p. 4-111. Accessed 8/25/14;  
28 [http://www.fs.usda.gov/Internet/FSE\\_DOCUMENTS/stelprdb5333205.pdf](http://www.fs.usda.gov/Internet/FSE_DOCUMENTS/stelprdb5333205.pdf).

1 viable way to complete the Project, without siting it in riparian reserves. Plaintiffs state that the  
2 access road, water line, and the haul route are all sited within 350 feet of McNeal Creek, which  
3 Plaintiffs consider to be designated riparian reserve.<sup>20</sup> (ECF No. 36 ¶¶ 224–232.) Defendants  
4 respond that the original site plan proposed activities within riparian reserves, but per PDF  
5 HYDRO-8 (HBAR 2553), none of the current proposed ground-disturbing activities are within  
6 riparian reserves, except for maintenance on NFTS roads, the temporary road on an existing  
7 roadbed, and water transmission activities. HYDRO-8 also provides that the Proponent will  
8 follow BMPs regarding equipment refueling and services; will not use hazardous substances; and  
9 will complete a spill prevention plan to be approved by the Forest Service prior to approval of the  
10 plan of operations. (HBAR 2553.)

11 The Court’s examination of the EA, Appendix B, Figure B-2 (HBAR 2597) does not show  
12 clearly that the access road, water line, and haul route are within riparian reserves, but presuming  
13 that this is an accurate statement, it appears that HYDRO-8 partially addresses Plaintiffs’  
14 concerns regarding ground-disturbing activities within riparian reserves. The Court  
15 acknowledges Plaintiffs’ concerns that an alternative to locating all components of the Project  
16 outside of riparian reserves was not specifically contemplated, to the Court’s knowledge, in the  
17 EA. The alternatives considered in the EA were alternative 2 (the no action alternative) and  
18 alternative 3 (the difference between the Project and alternative 3 was alternative 3’s decrease in  
19 the size of the water transmission line connecting operations to McNeal Creek). (HBAR 2550.)  
20 However, without more, the Court will not set aside Defendants’ approval of the Project on these  
21 grounds. To the extent the parties seek summary judgment on this issue (FAC, claim 8),  
22 Plaintiffs’ motion for summary judgment is DENIED, and Defendants’ motion for summary  
23 judgment is GRANTED.

24 x. Marketability Test (30 U.S.C. §§ 22)

25 The Court construes the FAC to argue that the EA and SIR fail to demonstrate that the  
26 Project passes the “marketability test”, per 30 U.S.C. §§ 22 and *U.S. v. Coleman* 390 U.S. 599  
27 (1968). (ECF No. 36 ¶¶ 239–245.) Under 30 U.S.C. § 22, “all valuable mineral deposits in land

28 <sup>20</sup> The EA designates riparian reserves to be 340 feet from McNeal Creek or the Salmon River. (HBAR 2553.)

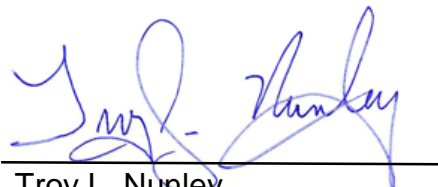
1 belonging to the United States ... shall be free and open to exploration and purchase, and the  
2 lands in which they are found to occupation and purchase, by citizens of the United States ...”  
3 What is defined as a “valuable mineral deposit” is determined by the application of the “prudent  
4 person test.” The mineral deposit must be of such quality and quantity that a “person of ordinary  
5 prudence would be justified in the further expenditure of his labor and means, with a reasonable  
6 prospect of success in developing a valuable mine.” *Husman v. U.S.*, 616 F. Supp. 344, 346 (D.  
7 Wyo. 1985) (citing *Castle v. Womble*, 19 L.D. 455, 457 (1894)). The test was refined in  
8 *Coleman*, which held that under § 22, it must be shown that the mineral can be “extracted,  
9 removed, and marketed at a profit,” also known as the “marketability test.” *Coleman*, 390 U.S. at  
10 601.

11 Plaintiffs do not pursue this claim in their motion for summary judgment. The Court  
12 presumes that the completion of Phase 1 of the Project resulted in a determination by the  
13 Proponent and Defendants that there were sufficient mineral deposits in the claim to warrant  
14 further development. (See Feb. 14, 2011 Minerals Report, HBAR 3313.) Because there is no  
15 evidence at this time that the minerals to be extracted will not be profitable, the Court declines to  
16 set aside Defendant’s approval of the Project on these grounds. To the extent the parties seek  
17 summary judgment on this issue (FAC, claim 10), Plaintiffs’ motion for summary judgment is  
18 DENIED, and Defendant’s motion for summary judgment is GRANTED.

19 **VI. Conclusion**

20 For the reasons stated above, Plaintiffs’ motion for summary judgment (ECF No. 53) is  
21 DENIED. Defendants’ motion for summary judgment (ECF No. 68) is GRANTED. The Clerk  
22 of the Court is directed to close the case.

23  
24 Dated: October 1, 2014

25  
26   
27 Troy L. Nunley  
28 United States District Judge