



THE STATE
of ALASKA
GOVERNOR BILL WALKER

Department of Environmental
Conservation

DIVISION OF ENVIRONMENTAL HEALTH
Solid Waste Program

610 University Avenue
Fairbanks, Alaska 99709-3643
Main: 907.451.2108
fax: 907.451.2188
www.dec.alaska.gov

December 30, 2014

Certified Mail #7012 2210 0002 1216 8522
Return Receipt Requested

File Number: 900.15.089

Daniel Himebauch
North Side Management, Inc.
1080 Woodview Drive
Fairbanks, AK 99712

Re: Coal Ash on North Side Business Park Property

Dear Mr. Himebauch:

On December 4, 2014, the Alaska Department of Environmental Conservation (ADEC) Solid Waste Program received a fill project authorization request from North Side Management to use coal ash as backfill in a recently-completed excavation on a portion of Lots 23 and 24 of Tract D-1 of the North Side Business Park property. If approved, this would be the third active coal ash fill project on the North Side Business Park property. After receiving this request and in response to information provided to us by the U.S. Army Corps of Engineers (USACE), the ADEC visited the property on December 12, 2014 to assess the current condition of the two previously-approved fill projects. Based on our observations, the ADEC has a number of concerns, including the fact that although both authorized fill projects are incomplete, there is a large amount of coal ash currently stored on the property that is not being used as fill.

This letter has been prepared to inform you of ADEC's concerns, which are explained below and illustrated by the enclosed photographs taken by the USACE on August 6, 2014 and by the ADEC on December 12, 2014. With this letter the ADEC is also requesting a written explanation of North Side Management's intentions regarding the use of coal ash on this property and is notifying you that the ADEC will not consider any additional coal ash as fill project requests for this property until our concerns have been addressed and both of the current fill projects are complete.

Coal Ash on Lot 34

The USACE provided its photographs to the ADEC in mid-November 2014 to document concerns about several locations on the property at which USACE personnel had noted coal ash in contact with surface water during a site visit on August 6, 2014. The area of greatest concern was noted at the north end of Northside Boulevard and at the west end of Wayne's Way (Photo 1), a location that corresponds to Lot 34 on the attached subdivision plat for the Northside Business Park. The condition noted by the USACE was confirmed by the ADEC during our site visit on December 12, 2014 (Photo 2). This situation is a two-fold violation because (1) coal ash is a solid waste and the state solid waste regulations do not allow the placement of solid waste in water, and (2) the ADEC has never issued an authorization for the placement of coal ash in that portion of the North Side Business Park property.

Wayne's Way

The ADEC first authorized the use of coal ash in the road bed for North Side Boulevard and Wayne's Way on November 23, 2011. The project description for that original authorization stated that coal ash would be used to create a 26-inch base for the proposed road. On October 28, 2013, ADEC granted an extension for completing this project in response to North Side Management's projection that four years would be required to complete the roadways. On August 6, 2014, the USACE documented coal ash in contact with a sizable surface water pond that has formed at the west end of Wayne's Way (Photos 3 and 4). Also, according to ADEC's observations on December 12, 2014, portions of the Wayne's Way right-of-way currently contain significantly more coal ash than is required for the 26-inch road base. This is most obvious in a section of Wayne's Way to the west of North Side Boulevard where ADEC estimates coal ash is stockpiled at least six feet higher than the surrounding terrain (Photo 5). The ADEC questions why four years is needed to complete the road when it appears that more than enough coal ash is already available for this project.

Excavation on Lots 23-26

The use of coal ash to fill this excavation was authorized by the ADEC on October 28, 2013. The ADEC's main concern about this project was the potential thawing of permafrost encountered within the excavation. To minimize thawing, the authorization included the stipulation that this excavation be backfilled to within three feet of the original surface grade by April 30, 2014. However, USACE photographs document that the western half of this excavation was significantly lower than surface grade on August 6, 2014 (Photo 6). The ADEC estimates that the level of fill in that area was an average of five feet below surface grade on December 12, 2014 based on the height of the coal ash stockpiles within the excavation (Photos 7 and 8). The ADEC also observed a large unfilled area at the northeast end of the excavation (Photo 9). These observations suggest that North Side Management has not met its obligations under the ADEC authorization for backfilling this excavation. This is a significant failure considering the amount of coal ash stored on Lot 34 and in the Wayne's Way right-of-way and raises the question of why coal ash has been accumulated on the surface instead of being used for backfilling this excavation.

Excavation on Lots 23-24

This excavation, which is immediately adjacent to the south end of the larger excavation on Lots 23-26, is apparently the one for which North Side Management submitted the December 4, 2014 fill authorization request. Although no authorization has been issued, the ADEC has a number of concerns related to this excavation. The presence of ice at the bottom suggests the excavation extends to, and possibly below, the water table (Photo 10). As observed during our recent site visit, there is no separation between this excavation and the backfill in the adjacent excavation on Lots 23-26. As such, coal ash backfill forms the east wall of this excavation and some of that coal ash has slumped into the excavation. If this situation is not corrected before breakup, there will be coal ash in contact with groundwater, a direct violation of the solid waste regulations. Also, if this excavation remains open during the coming summer, it may allow for thawing of the permafrost surrounding the backfilled excavation on Lots 23-26. This is exactly the situation the ADEC was seeking to avoid by the stipulations it required for the Lot 23-26 fill project. The ADEC notes that any authorized use of coal ash in this excavation will require backfilling with clean gravel to at least two feet above the seasonal high water table.

Summary and Required Actions

To summarize our concerns, the ADEC notes that there is a large amount of coal ash stored on the North Side Business Park property that isn't being used as fill. Some of this coal ash is stored in locations for which no authorization has been issued and some of the coal ash either is or has

potential to be in contact with surface water or groundwater. These conditions are all violations of the state solid waste regulations.

The presence of stored coal ash suggests that North Side Management is not willing to use all of the ash currently stored on the property as fill material. The fact that the excavation on Lot 23-26 is being filled via individual truckloads of coal ash newly brought to the site rather than with the stored coal ash suggests that providing a place to unload coal ash is more important than completing the two fill projects. However, before we make any formal conclusions, and to help us understand the situation and your intentions, the ADEC requests that by February 6, 2015 you provide us with a written response to this letter that includes the following information:

- An estimate and/or documentation of how much coal ash has been delivered to the property in calendar years 2012, 2013, and 2014.
- An explanation of why coal ash has accumulated on the surface instead of being used as fill in accordance with the two authorizations.
- An explanation of your intentions for the coal ash you have accumulated on the property.
- A plan and schedule for how and when you will remediate all areas where coal ash is in contact with surface water.
- A plan and schedule for how and when you will correct the deficiencies noted in this letter for the excavation on Lots 23-26.
- An explanation of how you will prevent thawing of any permafrost adjacent to the new excavation on Lots 23-24.

Thank you for your attention to this letter. Please feel free to contact me if you have any questions or need additional information. You can reach me by telephone at 907-451-2135 or by email at doug.buteyn@alaska.gov.

Sincerely,



Douglas Buteyn
Northern/Southeastern Regional Program Manager
Solid Waste Program

Enclosure: Site photographs from August 6, 2014 and December 12, 2014 (5 pages)
Plat map, North Side Business Park (1 page)

cc: Ellen Lyons, USACE Regulatory Division, Fairbanks
David Fish, Aurora Energy, Fairbanks



Photo 1: Eastward view of coal ash in contact with surface water on Lot 34 (USACE, August 6, 2014).



Photo 2: Westward view of coal ash on Lot 34 (ADEC, December 12, 2014).

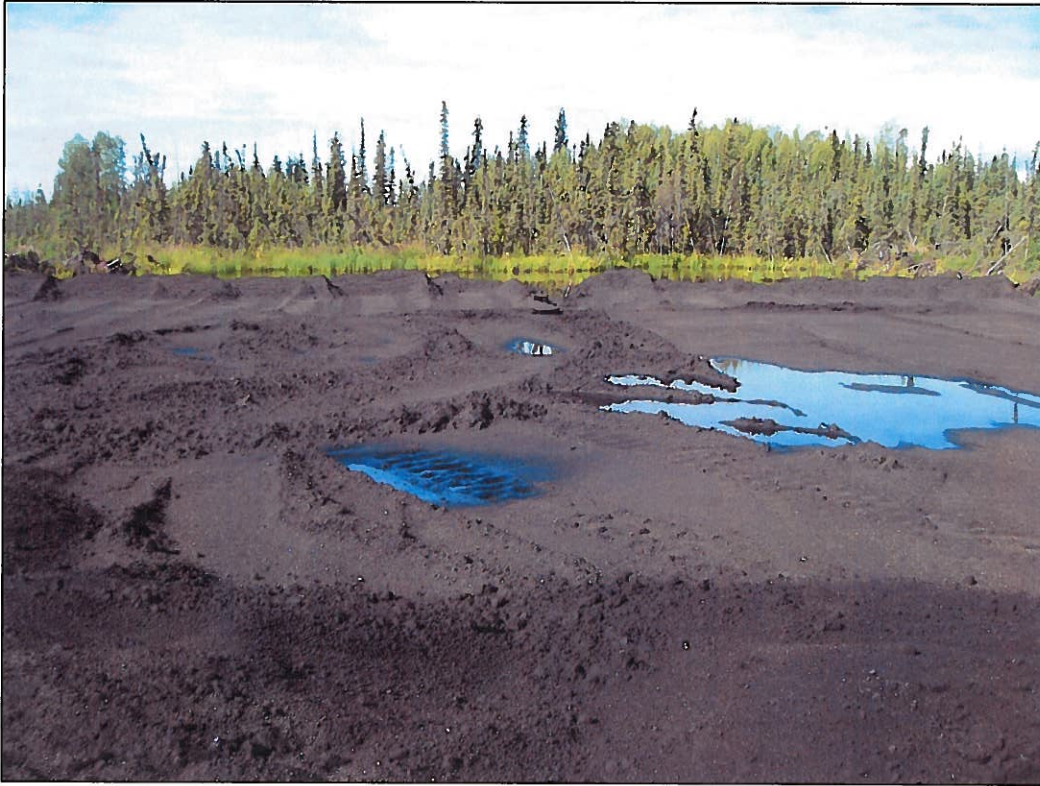


Photo 3: West end of Wayne's Way with pond visible beyond coal ash (USACE, August 6, 2014).



Photo 4: Coal ash and surface water at west end of Wayne's Way (USACE, August 6, 2014).



Photo 5: Yellow oval marks excess coal ash on Wayne's Way (ADEC, December 12, 2014).



Photo 6: Looking south along Lot 23-26 excavation (USACE, August 6, 2014).



Photo 7: Coal ash stockpiles within Lot 23-26 excavation (ADEC, December 12, 2014).



Photo 8: Coal ash stockpiles within Lot 23-26 excavation, estimated at 5 feet in height (ADEC, December 12, 2014).



Photo 9: Unfilled area at north end of Lot 23-26 excavation (ADEC, December 12, 2014).



Photo 10: Ice at the base of Lot 23-24 excavation (ADEC, December 12, 2014).

