

Efforts to Revive Rich California Mine Hit Strong Resistance

By CAROL POGASH AUG. 22, 2014



Tim Callaway looking out over his gold mine. He operated the mine in the 1990s and wants to again extract the valuable metal. Jim Wilson/The New York Times

NEVADA CITY, Calif. — It is quiet at Tim Callaway’s gold mine, with its crumbling concrete, rotting wood and the occasional butterfly accustomed to undisturbed access. But there is plenty of commotion over what’s below the surface: an unseen 240,000 ounces of gold.

To reach it will take more than dynamite. Mr. Callaway, 62, who calls himself “a steward of the land,” must take on an alliance of local residents, many of them city escapees, who protest that reopening the mine would threaten their water and the tranquillity they came here for.

“Why is gold mining practically extinct in this state?” Mr. Callaway

asks, before providing his own answer: “It’s not because of lack of resources. It’s because most companies are not willing to go through this tortuous ordeal.”

But he is. After mining here in the 1990s, Mr. Callaway has returned to San Juan Ridge, near the scenic Yuba River 60 miles northeast of Sacramento, to dig for gold in a way that he says is environmentally sound.

The battle is being waged in the forested Sierra foothills where forty-niners once roamed, and it is hard to escape reminders of why it is called Gold Country: historical markers, museums, the county seal depicting a fortune hunter panning in a local stream. By 2012, there were only 17 working mines in the state, but at about \$1,300 an ounce on the world market, gold still offers a tantalizing payoff. In this area, “only about half the resources have been mined,” said Charles N. Alpers, a research chemist with the United States Geological Survey.

And Mr. Callaway personifies what is left of a mining tradition. He has lived in and around Gold Country for much of his life. Like his father and grandfather before him, he has been a gold miner in California and Nevada. He collects miners’ diaries and vintage equipment.

But Gold Country has undergone profound change.

Loggers and miners who worked the land near San Juan Ridge began to be displaced by urban refugees looking for a way back to nature. “We were similar in many ways, only we didn’t wear as much clothing,” says [Gary Snyder](#), a Pulitzer Prize-winning poet associated with the so-called deep ecology movement, who arrived in 1970.



The entrance to the gold mine is blocked.
Jim Wilson/The New York Times

Friends and followers of his philosophy, that human life is no more valuable than that of other living things, built homesteads nearby. Today, the 3,000 residents of the ridge include artisans and organic farmers, some of them marijuana growers. Seven miles outside Nevada City, the county seat, they all rely on wells for water.

In 1975, Mr. Snyder and friends formed the [San Juan Ridge Taxpayers Association](#), which came to have a single purpose: Keep mining out.

“We were a contemporary, forward-looking, scientific, not Nimby group,” said Mr. Snyder, 84, using a term for not in my backyard. He said that “separating tiny flecks of gold from huge pieces of gravel” in an area rich with bears, bobcats, birds of prey and other wildlife made no sense.

The group vehemently opposed companies wanting to operate an open pit mine, a common practice on sparsely populated federal lands in Nevada, where the bulk of American production takes place.

“It was going to be a complete ecological disaster,” said Kurt Lorenz, vice president of the association, who has lived on the ridge for 36 years. “It would mean our living here was untenable.”

Two decades ago, Mr. Callaway set out to mine the ridge, addressing the group’s concerns head-on. He proposed an underground mine, not an open pit, and said that instead of using cyanide to extract the gold — also common elsewhere — he would use water and gravity.

When it became clear that Mr. Callaway was going to win county approval, the association acquiesced.

“We thought, O.K., maybe this time we can make it work and we can make this gold disappear,” said Liese Greensfelder, a science writer who has lived in the area since 1977 and dedicated much of her career to the anti-mining campaign. The Taxpayers Association decided to support Mr. Callaway while insisting on a mitigation agreement in case the mine damaged their water.

It was, Mr. Callaway says, the first industrial production at the mine since the Depression. But the moment of common cause came to an abrupt end after miners hit a vertical four-inch fault in the bedrock. Millions of gallons of water gushed into the mine, draining a dozen nearby wells, including one at the Grizzly Hill School.



Sol Henson, a local hydrologist, worries that mining "could cause chronic dewatering problems."

Jim Wilson/The New York Times

Mr. Callaway paid for new wells and bottled water for several of the nine years the school imported water.

"Mining is a treacherous business," said Mr. Alpers of the Geological Survey. "Sometimes you don't know what you'll find."

In 1997, faced with an unstable mine floor and a drop in gold prices, the mine closed. "We'd barely gotten started," Mr. Callaway said.

A consultant had determined that there were 257,000 ounces of gold in the San Juan Ridge mine, but Mr. Callaway extracted only 17,000 ounces before the mine closed.

Two years ago, with gold prices near record highs, Mr. Callaway, the chief executive of San Juan Mining, reappeared, this time telling residents that an alternative approach, horizontal drilling, would avoid another calamity.

But the Taxpayers Association is not willing to give him a second chance. Members are concerned not only about another accident but also about the possibility that the daily operation of the mine could siphon off millions of gallons of water, especially in drought years. "It could cause chronic dewatering problems," said the group's president, Sol Henson, 35, a hydrologist who grew up here and has a cabin among the pines.

Members of the group have become expert in subsurface water movement and heavy-metal contamination of groundwater. They raised \$40,000 and spent thousands of hours educating themselves. In April, they packed a local theater to hear experts and watch a locally produced documentary about the anguish of residents whose water was affected the last time Mr. Callaway opened his mine.

“The issue is: Is gold mining compatible in a neighborhood where people were allowed to establish families and sink wells?” said Elizabeth Martin, chief executive of the [Sierra Fund](#), a local nonprofit organization that advises groups opposing the mine.



Mr. Callaway inside the locker area of his shuttered gold mine. Jim Wilson/The New York Times

Mr. Callaway rejects the association’s argument.

“The idea that the whole community would be depleted of water has no basis,” he said. “That’s just a function of a political campaign being waged against the project.”

Mr. Callaway says he has spent \$1.8 million in the permit process and expects to pay an equal amount before it is over. The cost includes monthly monitoring of local wells. Over 100 homeowners signed up to have their well water tested.

But by March, Mr. Callaway stopped paying for most of the measurements.

In a letter to Nevada County planning officials, Mr. Callaway said politics, not science, was driving the decision about “what is a reasonable amount of data collection.” He balked at providing a blank check for more well water studies.

To no one’s surprise, the Taxpayers Association disagreed. It hired Tom Myers, a consultant on mining’s impact on water supplies, who told county officials that the wells should be monitored for two years “to assess the potential impacts of the proposed reopening of the mine.”

Mr. Henson, the hydrologist, favors three years of testing: a dry year, a wet year and a normal one.

“They felt they were burned in the ‘90s,” said the Nevada County planning director, Brian Foss, who must arbitrate the dispute. “They don’t want to relive it.”

While the Taxpayers Association members think about preserving the homes and 200 existing jobs on the ridge, Mr. Callaway makes a straightforward economic case. He says his mine will provide 70 new jobs and \$365,000 in annual county tax revenue. “Not everyone can flip burgers and work at antique stores,” he said.

Although the United States remains No. 3 in world gold production, behind China and Australia, the struggle on San Juan Ridge reflects what the industry sees as a wider impediment. “It’s very difficult to expand, or open new mines,” said Luke Popovich, spokesman for the [National Mining Association](#). “We have enormous storehouses of minerals in this county, but we can’t seem to put supply and demand together, in large part because the permitting issues are so fraught.”

County planning officials are expected to meet with Mr. Callaway soon to try to resolve the impasse over water monitoring. An environmental impact report, required by state law, will be written by independent consultants, at Mr. Callaway’s expense. After written commentary and public hearings, it will be up to county officials to decide the future of

the mine on San Juan Ridge. If Mr. Callaway succeeds, he expects to have a permit by 2016 and open the mine the following year.

But he is growing frustrated. “You can’t have profits, grow the economy, provide jobs and tax revenue without impacts,” he said. “As a society, we have to accept there is a price to pay.”

Correction: August 27, 2014

An article on Saturday about opposition to efforts to revive mines in California’s Gold Country referred incorrectly to one mine that may be reopened near Nevada City, Calif. It has the potential to produce 240,000 ounces of gold, which would need to be extracted from several million tons of gravel; it would not produce 240,000 ounces of ore. The error was repeated in an accompanying picture caption.

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