

October 17, 2016

Ralph Martinez
Southwest Ready-Mix, Inc.
117 White Pine Dr
Alamosa, CO 81101



COLORADO
Division of Reclamation,
Mining and Safety
Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

RE: Alamosa Pit No. 2, Permit No. M-1983-175, Reclamation Costs Update and Notice of Surety Increase (SI-4)

Dear Mr. Martinez:

In an effort to ensure the Financial Warranty for the above referenced site adequately reflects the actual current costs of fulfilling the requirements of the approved reclamation plan, the Colorado Division of Reclamation, Mining and Safety (Division) has updated the reclamation cost estimate (copy enclosed).

Division calculations estimate the cost to reclaim the above referenced site to be \$746,167.40. This is an increase of \$9,564.85 over the \$736,602.55 currently held by the Division. This estimate is based on conditions observed during the October 5, 2016 inspection. No input variables were changed, this increase is based solely on inflation and RS Means value cost changes. ***Therefore, pursuant to Section 34-32.5-117(4) of the Colorado Land Reclamation Act, adequate Financial Warranty must be submitted to the Division within 60 days of the mailing date of this letter.*** The additional amount needs to be accepted prior to **Friday, December 16, 2016**. Please review the enclosed figures as soon as possible and contact our office if any calculation errors are noted.

Please make arrangements with Barbara Coria at the Division of Reclamation, Mining and Safety Denver Office, phone no. 303.866.3567, ext. 8148 for submittal of the financial warranty. Any questions regarding completion, execution and/or submittal of financial warranty forms should also be directed to Barbara Coria.

If you require additional information, or have questions or concerns, please feel free to contact me. Amy Yeldell at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 970-254-8511 or via email at amy.yeldell@state.co.us

Sincerely,

Amy Yeldell

Environmental Protection Specialist
Department of Natural Resources
Division of Reclamation, Mining and Safety
Phone: (970) 254-8511

Ec: Russ Means, Senior EPS, Grand Junction DRMS
Stephanie Mitchell, EPS, Grand Junction DRMS



COST SUMMARY WORK

Task description: Post inspection update 10-5-16

Site: Alamosa Pit No. 2

Permit Action: 2016-10

Permit/Job#: M1983175

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 10/13/2016

County: Alamosa

Filename: M175-000

User: ACY

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Remove misc debris	DEMOLISH	1	0.00	\$29,323.43
002	Purchase & deliver material 73,375 cy @ \$4.50/cy	NA	10	1,087.00	\$330,188.00
003	Spread backfill material, backfill & grade ponds	DOZER	1	212.52	\$54,644.00
004	Purchase & deliver topsoil material 22,267 cy @ \$4.40/cy	NA	10	329.88	\$100,202.00
005	Redistribute topsoil 0.5 feet deep over 40 acres	DOZER	1	49.92	\$12,968.00
006	Revegetate 40 acres affected lands	REVEGE	1	40.00	\$65,822.00
007	Haul reclamation equipment to and from job site	MOBILIZE	1	3.00	\$5,221.00
<u>SUBTOTALS:</u>				1722.32	\$598,368

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$12,087.03

Performance bond: 1.05

Total = \$6,282.86

Job superintendent: 80.00

Total = \$5,958.40

Profit: 10.00

Total = \$59,836.80

TOTAL O & P = \$84,165.09

CONTRACT AMOUNT (direct + O & P) = \$682,533.09

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): 500.00

Total = 500.00

Engineering work and/or contract/bid preparation: 4.25

Total = \$29,007.66

Reclamation management and/or administration: 5.00

\$34,126.65

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$147,799.40

TOTAL BOND AMOUNT (direct + indirect) = \$746,167.40

DEMOLITION WORK

Task description: Remove misc debris

Site: Alamosa Pit No. 2

Permit Action: 2016-10

Permit/Job#: M1983175

PROJECT IDENTIFICATION

Task #: 001

State: Colorado

Abbreviation: None

Date: 10/13/2016

County: Alamosa

Filename: M175-001

User: ACY

Agency or organization name: DRMS

UNIT COSTS

Location adjustment: 91.60 %

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Tires	60'L x 30'W x 3'H	Loading and 2 mile haul, no salvage - Hand loading	200.00	CY	\$40.40	\$8,080.00
2 dismantled Cat beds + 1 water trailer	3(40'L x 10'W x 8'H)	Loading and 5 mile haul, salvage allowed - Steel frame structures	356.00	CY	\$10.57	\$3,762.92
Misc debris, conveyors, booms, etc	80'L x 50'W x 3'H	Loading and 5 mile haul, salvage allowed - Steel frame structures	444.00	CY	\$10.57	\$4,693.08
Antique drag line	12' x 12' x 12'	Loading and 5 mile haul, salvage allowed - Steel frame structures	64.00	CY	\$10.57	\$676.48
Dump fees	(tires)	Dump fees - Building construction materials.	200.00	CY	\$74.00	\$14,800.00

Job Hours: 0.00

Subtotal
(unadjusted): \$32,012.48

Total Cost
(adjusted for location): \$29,323.43

BULLDOZER WORKTask description: **Spread backfill material, backfill & grade ponds**Site: **Alamosa Pit No. 2**Permit Action: 2016-10Permit/Job#: M1983175**PROJECT IDENTIFICATION**Task #: 003State: ColoradoAbbreviation: NoneDate: 10/13/2016County: AlamosaFilename: M175-003User: ACYAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Deleted - Cat D9T - 9UHorsepower: 405Blade Type: UniversalAttachment: 3-shank ripperShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	<u>\$95.80</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$111.03</u>	<u>100</u>
Ripper own. Cost/Hour:	<u>\$10.74</u>	<u>NA</u>
Ripper op. Cost/Hour:	<u>\$0.66</u>	<u>10</u>
Operator Cost/Hour:	<u>\$38.89</u>	<u>NA</u>

Total unit Cost/Hour: \$257.12Total Fleet Cost/Hour: **\$257.12****MATERIAL QUANTITIES**Initial Volume: 120,763Swell factor: 1.000Loose volume: **120,763 LCY**Source of estimated volume: Operator SR-02, 143,600 cy - 22,837 cy = 120,763 cySource of estimated swell factor: NA**HOURLY PRODUCTION**Average push distance: 100 feetUnadjusted hourly production: 1,308.1 LCY/hrMaterials consistency description: Partly consolidated stockpile 1.1Average push gradient: 0 %Average site altitude: 7,500 feetMaterial weight: 2,900 lbs/LCYWeight description: Sand and gravel - Dry**Job Condition Correction Factor**

		<u>Source</u>
Operator Skill:	<u>0.750</u>	<u>(AVG.)</u>
Material consistency:	<u>1.100</u>	<u>(CAT HB)</u>
Dozing method:	<u>1.000</u>	<u>(GEN.)</u>
Visibility:	<u>1.000</u>	<u>(AVG.)</u>

Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(FND-RF)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.793	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.4344

Adjusted unit production: 568.24 LCY/hr

Adjusted fleet production: **568.24** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.452/LCY

Total job time: **212.52** Hours

Total job cost: **\$54,644**

BULLDOZER WORKTask description: **Redistribute topsoil 0.5 feet deep over 40 acres**Site: **Alamosa Pit No. 2**Permit Action: **2016-10**Permit/Job#: **M1983175****PROJECT IDENTIFICATION**Task #: **005**State: **Colorado**Abbreviation: **None**Date: **10/13/2016**County: **Alamosa**Filename: **M175-005**User: **ACY**Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**Basic Machine: **Deleted - Cat D9T - 9U**Horsepower: **405**Blade Type: **Universal**Attachment: **3-shank ripper**Shift Basis: **1 per day**Data Source: **(CRG)****Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$95.80	NA
Operating Cost/Hour:	\$111.03	100
Ripper own. Cost/Hour:	\$10.74	NA
Ripper op. Cost/Hour:	\$3.30	50
Operator Cost/Hour:	\$38.89	NA

Total unit Cost/Hour: **\$259.76**Total Fleet Cost/Hour: **\$259.76****MATERIAL QUANTITIES**Initial Volume: **32,267**Swell factor: **1.000**Loose volume: **32,267 LCY**Source of estimated volume: **(40ac)(43560sf/ac)(0.5'D) / 27 = 32,266.67 cy**Source of estimated swell factor: **NA****HOURLY PRODUCTION**Average push distance: **100 feet**Unadjusted hourly production: **1,308.1 LCY/hr**Materials consistency description: **Partly consolidated stockpile 1.1**Average push gradient: **0 %**Average site altitude: **7,500 feet**Material weight: **2,550 lbs/LCY**Weight description: **Earth - Dry packed****Job Condition Correction Factor**

		<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	1.100	(CAT HB)
Dozing method:	1.000	(GEN.)
Visibility:	1.000	(AVG.)

Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(FND-RF)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.902	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.4941

Adjusted unit production: 646.33 LCY/hr

Adjusted fleet production: **646.33** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.402/LCY

Total job time: **49.92** Hours

Total job cost: **\$12,968**

REVEGETATION WORKTask description: Revegetate 40 acres affected landsSite: Alamosa Pit No. 2Permit Action: 2016-10Permit/Job#: M1983175**PROJECT IDENTIFICATION**Task #: 006State: ColoradoAbbreviation: NoneDate: 10/13/2016County: AlamosaFilename: M175-006User: ACYAgency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
10-34-0, 18-46-0, 5-10-5	200.00	pound	\$0.33	\$66.00
			Total Fertilizer Materials Cost/Acre	\$66.00

Application

Description	Cost /Acre
Tractor towed spreader (MEANS 32 01 90.13 0120)	\$21.34
Total Fertilizer Application Cost/Acre	\$21.34

TILLING

Description	Cost /Acre
Disc harrowing, 6" deep (MEANS 32 91 13.23 6100)	\$107.59
Total Tilling Cost/Acre	\$107.59

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Alkali Sacaton	1.30	50.73	\$29.72
Streambank Wheatgrass - Sodar	8.70	28.36	\$36.71
Totals Seed Mix	10.00	79.10	\$66.43

Application

Description	Cost /Acre
Drill Seeding (DRMS Survey Cost)	\$232.00
Total Seed Application Cost/Acre	\$232.00

MULCHING and MISCELLANEOUS

Materials

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Hay, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$265.00	\$530.00
Herbicide - Curtail @ 4.0 pt/ac	1.00	ACRE	\$16.56	\$16.56
Total Mulch Materials Cost/Acre				\$546.56

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$66.02
Power mulcher (MEANS 32 91 13.16 0350)	\$97.14
Weed spray, truck, non-aquatic area, nox. [DMG]	\$62.72
Total Mulch Application Cost/Acre	\$225.88

NURSERY STOCK PLANTING

Common Name	No / Acre	Type and Size	Planting Cost	Fertilizer Pellet Cost	Cost /Acre
					\$
Totals Nursery Stock Cost / Acre					\$0.00

JOB TIME AND COST

No. of Acres:	40	Cost /Acre:	\$1,265.80
Estimated Failure Rate:	30%	Cost /Acre*:	\$1,265.80
*Selected Replanting Work Items:	FERTILIZING,TILLING,SEEDING,MU LCHING		
Initial Job Cost:	\$50,632.00		
Reseeding Job Cost:	\$15,189.60		
Total Job Cost:	\$65,822		
Job Hours:	40.00		

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: Haul reclamation equipment to and from job siteSite: Alamosa Pit No. 2Permit Action: 2016-10Permit/Job#: M1983175**PROJECT IDENTIFICATION**Task #: 007State: ColoradoAbbreviation: NoneDate: 10/13/2016County: AlamosaFilename: M175-007User: ACYAgency or organization name: DRMS**EQUIPMENT TRANSPORT RIG COST**Shift basis: 1 per dayCost Data Source: CRG DataTruck Tractor Description: GENERIC ON-HIGHWAY TRUCK TRACTOR, 6X4, DIESEL POWERED,
400 HP (2ND HALF, 2006)Truck Trailer Description: GENERIC FOLDING GOOSENECK, DROP DECK EQUIPMENT
TRAILER (25T, 50T, AND 100T)**Cost Breakdown:**

Available Rig Capacities	0-25 Tons	26-50 Tons	51+ Tons
Ownership Cost/Hour:	\$16.63	\$18.37	\$22.33
Operating Cost/Hour:	\$44.38	\$46.13	\$50.07
Operator Cost/Hour:	\$27.66	\$27.66	\$27.66
Helper Cost/Hour:	\$0.00	\$25.39	\$25.39
Total Unit Cost/Hour:	\$88.67	\$117.55	\$125.45

NON ROADABLE EQUIPMENT:

Machine Description	Weight/ Unit (TONS)	Owner ship Cost/hr/ unit	Haul Rig Cost/hr/unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet	DOT Permit Cost/ fleet
Cat D9T - 9U	66.78	\$78.33	\$125.45	1	\$203.78	\$125.45	\$250.00
Cat 320D L 9'-6" Stick	23.70	\$24.63	\$88.67	1	\$113.30	\$88.67	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$39.59	\$88.67	2	\$256.51	\$177.34	\$500.00
Power Mulcher (Reinco M90)	6.00	\$7.03	\$88.67	2	\$191.40	\$177.34	\$500.00

Subtotals: **\$764.99** **\$568.80** **\$1,500.00****ROADABLE EQUIPMENT:**

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Flatbed Truck, 4x2, 30K GVW	\$32.79	1	\$32.79	\$32.79
Light Duty Pickup, 4x4, 3/4 T.	\$15.34	1	\$15.34	\$15.34

Subtotals: **\$48.13** **\$48.13**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	ALAMOSA	
Total one-way travel distance:	5.00	miles
Average Travel Speed:	20.00	mph

Total Non-Roadable Mob/Demob Cost *	\$5,196.88
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	\$24.07
** one round trip, no haul rig:	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.25	0.25
Return Time (Hours):	0.25	0.25
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	1.50	0.50

JOB TIME AND COST

Total job time:	3.00	Hours
-----------------	------	-------

Total job cost:	\$5,221
-----------------	---------