




MINERALS PROGRAM INSPECTION REPORT

PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety has conducted an inspection of the mining operation noted below. This report documents observations concerning compliance with the terms of the permit and applicable rules and regulations of the Mined Land Reclamation Board.

MINE NAME: Wagner/Kauffman Pit #3	MINE/PROSPECTING ID#: M-1999-069	MINERAL: Sand and gravel	COUNTY: Larimer
INSPECTION TYPE: Surety Release Inspection	INSPECTOR(S): Amy Eschberger	INSP. DATE: November 17, 2020	INSP. TIME: 13:00
OPERATOR: Jake Kauffman & Son, Inc.	OPERATOR REPRESENTATIVE: Troy Kauffman, Dan Giroux	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Surety Release Requested	BOND CALCULATION TYPE: None	BOND AMOUNT: \$570,000.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 23, 2020	

GENERAL INSPECTION TOPICS

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. No problems or possible violations were noted during the inspection. The mine operation was found to be in full compliance with Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials and/or for Hard Rock, Metal and Designated Mining Operations. Any person engaged in any mining operation shall notify the office of any failure or imminent failure, as soon as reasonably practicable after such person has knowledge of such condition or of any impoundment, embankment, or slope that poses a reasonable potential for danger to any persons or property or to the environment; or any environmental protection facility designed to contain or control chemicals or waste which are acid or toxic-forming, as identified in the permit.

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>N</u>	(SP) STORM WATER MGT PLAN---- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	

Y = Inspected / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

OBSERVATIONS

This was a release inspection of the Wagner/Kauffman Pit #3 (Permit No. M-1999-069) conducted by Amy Eschberger of the Division of Reclamation, Mining and Safety (Division) in response to an Acreage Reduction request (AR-9) filed with our office on October 20, 2020. No comments were received on AR-9 within the public comment period which closed on November 5, 2020. The operator was represented by Troy Kauffman and Dan Giroux during the inspection. The site is located approximately two miles east of Loveland, CO in Larimer County. The site can be accessed from the west/southwest off Co Rd 9E and passing through the operator's commercial yard and other permitted site, the Kauffman Pit (Permit No. M-1978-327). The affected lands are owned by the operator. **Photos 1-26** taken during the inspection are included with this report.

This is a 112c operation permitted for 86.7 acres to mine sand and gravel. The site is situated just north of the Big Thompson River, and is bisected by the Boyd Lake Outlet Ditch. Mining areas were dewatered prior to excavation. The maximum mining depth was approximately 20 feet. The site was mined in three phases, generally from east to west. A roadway embankment was constructed along the City of Loveland's right-of-way (ROW) that runs generally north-south across the property, separating the East Reservoir (east of the embankment) from the other two pits (west of the embankment). The majority of the originally permitted lands have been released over the years through a series of acreage reductions, including the most recent Acreage Reduction No. 8 (AR-8; approved on May 24, 2018), which released the East Reservoir (a clay-lined reservoir approved by the Office of the State Engineer) from the permit area for use by the City of Loveland. At this time, all that remains in the permit area are the two pits located west of the embankment (separated by the outlet ditch), the main access road from the south, and the embankment along the City of Loveland's ROW. Mining is complete and the site is in final reclamation.

The approved post-mining land use for the remaining affected lands is industrial/commercial. The approved reclamation plan, last revised through Technical Revision No. 5 (TR-5; approved on January 22, 2018) calls for backfilling the pits to a minimum of two feet above the static groundwater level, then grading these areas flat for outdoor storage use by the operator's nearby commercial yard (similar to how other portions of the property are already being used). The operator demonstrated in TR-5 that the areas proposed for outdoor storage are county zoned for this industrial use. All disturbed slopes will be graded to 3H:1V or flatter. Areas not to be utilized for outdoor storage (mainly the pit slopes above backfilled areas) will be retopsoiled at a depth of 6 inches and seeded with a native grass seed mixture. Existing roads will remain after reclamation for continued access to the outdoor storage areas.

In AR-9, the operator proposes releasing 34 acres consisting of the triangular-shaped pit located between the outlet ditch and the City of Loveland's ROW (see enclosed site map showing area proposed for release in AR-9). During its April 14, 2017 inspection, the Division had observed ponded water in the (lower) southern portion of this pit. It was later determined the operator did not have the appropriate water rights in place for this exposed groundwater. Therefore, the operator backfilled the southern portion of the pit to a minimum of two feet above the static groundwater level and submitted drone imagery to the Division on January 16, 2018 demonstrating this had been done. Since that time, the operator has continued backfilling the southern portion of this pit to create an overall flatter grade across the entire pit area. The operator is authorized under Technical Revision No. 4 (TR-4; approved on September 18, 2017) to import inert materials to the site for backfilling the remaining pits.

During the inspection, the Division observed the triangular-shaped pit to be backfilled and graded relatively flat, gently sloping to the south. No ponded water was observed in this pit. Concrete rubble was stockpiled in the northwestern portion of the pit. Haul trucks were dumping additional concrete rubble into this area during the inspection. Per the approved reclamation plan, the backfilled pit will not be retopsoiled or revegetated. This area

will be utilized for outdoor storage by the operator's recycled materials operation. It appears the area is already being utilized in accordance with the approved post-mining land use. A strip of undisturbed grassland (approximately 9.5 acres in size) located immediately north of the triangular-shaped pit is included in the area requested for release in AR-9. Because this land was not disturbed by the operation, there are no issues with releasing this portion of the permit area. The area proposed for release also includes the portion of the outlet ditch located west of the triangular-shaped pit. The 34 acres proposed for release are either undisturbed by the operation or have been reclaimed in accordance with the approved reclamation plan. Therefore, the Division approved AR-9 on November 20, 2020, reducing the permit area to 52.7 acres (see enclosed Google Earth image of site showing permit area after AR-9 approval).

During the inspection, the Division also observed the pit located west of the outlet ditch. This pit is approximately 15 feet deep and covers approximately 34 acres. The operator is continuing to backfill this pit from north to south with imported inert materials in accordance with TR-4. The operator has made substantial progress backfilling the pit since the Division's last inspection on July 11, 2019. The Division estimates approximately 15-20 acres of the pit remains to be backfilled. While the approved reclamation plan only requires the operator to backfill the pit a minimum of two feet above the static groundwater level, the operator is backfilling the pit at a depth of approximately 8-10 feet, which is well above the expected water level once dewatering activities cease. The operator continues to pump water from a dewatering trench along the southern edge of the pit and discharge the water into an adjacent unlined pond located in the Kauffman Pit permit area, in accordance with their Substitute Water Supply Plan. Topsoil is stockpiled along the northern and eastern edges of the pit. Per the approved reclamation plan, the backfilled portion of the pit will be leveled out and left bare for outdoor storage use. Only the pit slopes are required to be retopsoiled and revegetated for reclamation. There appears to be plenty of topsoil available on site for completing reclamation of this area. The majority of the pit slopes have been graded to 3H:1V or flatter. Portions of the southern pit slope (near the dewatering trench) have steeper slopes which will need to be graded to 3H:1V or flatter for reclamation. The western pit slope has been retopsoiled and revegetated with native grasses.

There was discussion during the inspection about submitting another acreage reduction request in the near future to release the City of Loveland ROW from the permit area. The main access road to the remaining pit (located west of the ROW) will remain in the permit area. The Division observed the roadway embankment constructed along the ROW to be stable with good grass cover. At some point after release of this area from the permit, the City of Loveland will commence with final construction of the road along this ROW. The Division agrees this area could be released from the permit area. If the operator submits an acreage reduction request (see enclosed form) within 60 days of the date of this inspection (by **January 16, 2021**) to release the City of Loveland ROW from the permit area, an additional inspection will not be required.

This concludes the report.

Any questions or comments regarding this inspection report should be forwarded to Amy Eschberger at the Colorado Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, via telephone at 303-866-3567, ext. 8129, or via email at amy.eschberger@state.co.us.

PHOTOGRAPHS



Photo 1. View looking west across backfilled triangular-shaped pit proposed for release in AR-9 for outdoor storage use by operator's nearby commercial yard.



Photo 2. View looking southwest across backfilled triangular-shaped pit proposed for release in AR-9 for outdoor storage use by operator's nearby commercial yard.



Photo 3. View looking south across backfilled triangular-shaped pit proposed for release in AR-9 for outdoor storage use by operator's nearby commercial yard.



Photo 4. View looking southeast across backfilled triangular-shaped pit proposed for release in AR-9 for outdoor storage use by operator's nearby commercial yard.



Photo 5. View looking east across backfilled triangular-shaped pit proposed for release in AR-9 for outdoor storage use by operator's nearby commercial yard.



Photo 6. View looking northwest (from City of Loveland ROW) across backfilled triangular-shaped pit proposed for release in AR-9 for outdoor storage use by operator's nearby commercial yard.



Photo 7. View looking west (from City of Loveland ROW) across backfilled triangular-shaped pit proposed for release in AR-9 for outdoor storage use by operator's nearby commercial yard.



Photo 8. View looking southwest (from City of Loveland ROW) across backfilled triangular-shaped pit proposed for release in AR-9 for outdoor storage use by operator's nearby commercial yard.



Photo 9. Aerial view looking southeast across area proposed for release in AR-9, showing backfilled triangular-shaped pit (center), concrete rubble storage in northwestern portion of pit (in foreground, right), and portion of undisturbed land north of pit (in foreground, left). Photo courtesy of Terramax, Inc.



Photo 10. Aerial view looking south across area proposed for release in AR-9, showing southern portion of pit (indicated) where exposed groundwater was backfilled a minimum of 2 feet above static groundwater levels. Photo courtesy of Terramax, Inc.



Photo 11. View looking west at northwestern portion of triangular-shaped pit proposed for release in AR-9, currently being used for outdoor storage (mainly of concrete rubble).



Photo 12. View looking east across undisturbed grassland located immediately north of triangular-shaped pit, proposed for release in AR-9.



Photo 13. View looking north across undisturbed grassland located immediately north of triangular-shaped pit, proposed for release in AR-9.



Photo 14. View looking northwest across undisturbed grassland located immediately north of triangular-shaped pit, proposed for release in AR-9.



Photo 15. View looking north across reclaimed City of Loveland ROW which will remain in permit area after AR-9 approval. This area is releasable at this time.



Photo 16. View looking east across reclaimed City of Loveland ROW which will remain in permit area after AR-9 approval. This area is releasable at this time.



Photo 17. View looking southeast across reclaimed City of Loveland ROW which will remain in permit area after AR-9 approval. This area is releasable at this time.



Photo 18. View looking north from southern permit boundary across reclaimed City of Loveland ROW which will remain in permit area after AR-9 approval. This area is releasable at this time.



Photo 19. View looking west across west pit from edge of backfill area. This pit will remain in permit area after AR-9 approval, and will be used for outdoor storage once completely backfilled.



Photo 20. View looking south across west pit from edge of backfill area. This pit will remain in permit area after AR-9 approval, and will be used for outdoor storage once completely backfilled.



Photo 21. View looking east across west pit from edge of backfill area. This pit will remain in permit area after AR-9 approval, and will be used for outdoor storage once completely backfilled.



Photo 22. View looking north across top of backfill area in west pit. This pit will remain in permit area after AR-9 approval, and will be used for outdoor storage once completely backfilled. Note large topsoil stockpile stored along northern edge of pit (in background).



Photo 23. View looking northeast across top of backfill area in west pit. This pit will remain in permit area after AR-9 approval, and will be used for outdoor storage once completely backfilled. Note topsoil stockpiles stored along north/northeastern edges of pit (in background).



Photo 24. View looking northwest across southeastern portion of backfill area in west pit where imported inert material was being dumped during inspection.



Photo 25. View looking northwest across southeastern portion of backfill area in west pit where imported inert material was being dumped during inspection.



Photo 26. View looking southwest across southeastern portion of west pit where imported inert material is stockpiled.

Inspection Contact Address

Troy Kauffman
Jake Kauffman & Son, Inc.
502 S County Road 9E
Loveland, CO 80537

Encls: Site map showing area proposed for release in AR-9
Google Earth image of site showing permit area after AR-9 approval
Acreage Reduction request form

CC: Dan Giroux, Terramax, Inc.
Michael Cunningham, DRMS

Plot Date: 10/03/20 1:50pm, Plotted by: mtkid, Drawing Path: N:\Swap\AcPublish\16296\Drawing Name\Kauffman Pit 3 Permit M-1999-069 Area Reduction 8.dwg



IMAGE SOURCE: DIGITAL GLOBE,
IMAGE AQUIRED 9/9/12

PREPARED BY

David P. G.

10/2/2020

DATE



SCALE: 1" = 600'



Project No.	728
Date	03/OCT/20
By	LD
Scale	As Noted
Sheet	1

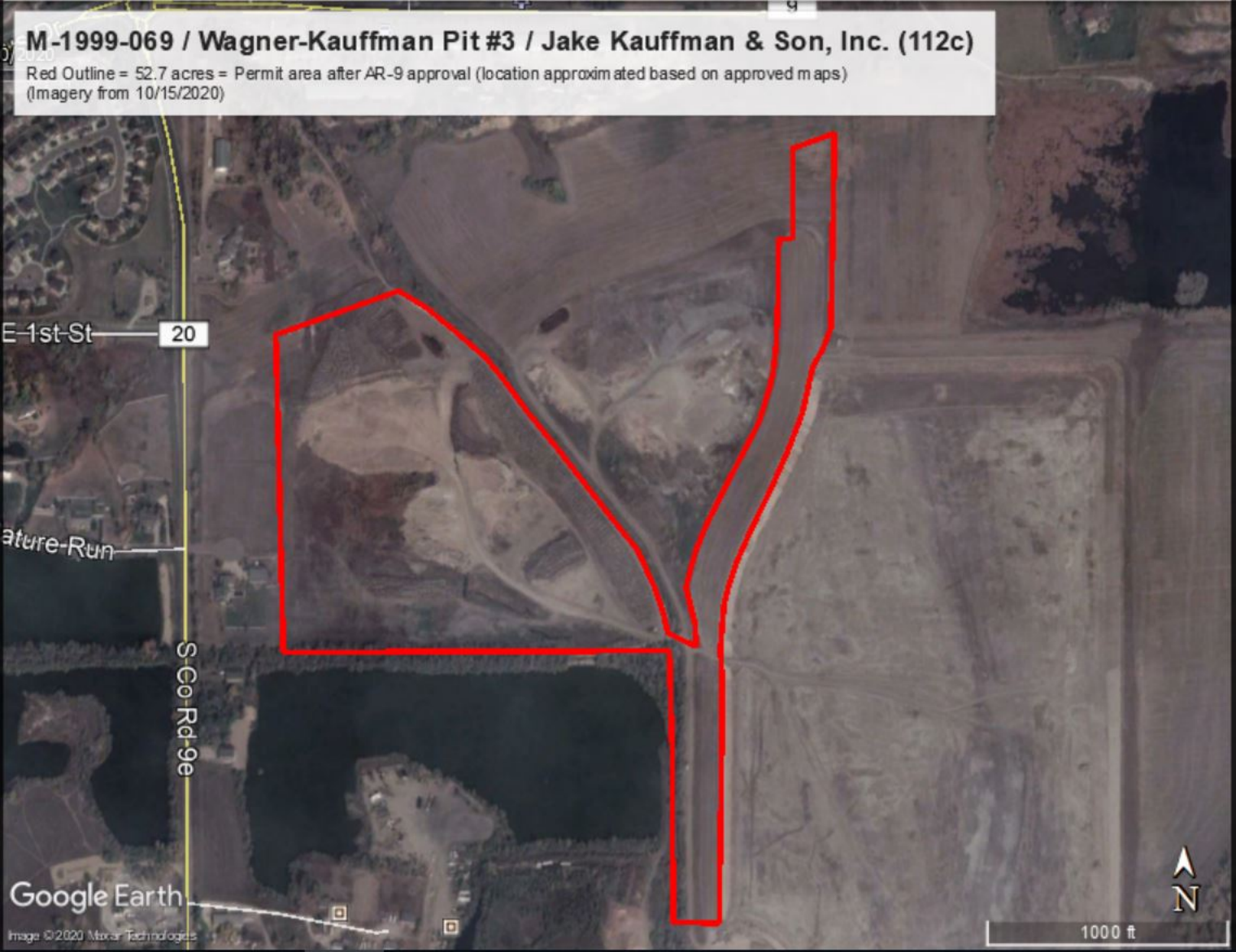
TERRAMAX, INC.
CONSULTING ♦ ENGINEERING

4220 GOLF VISTA DRIVE
LOVELAND, COLORADO 80537
DANGIROUX@TERRAMAX.US
(303) 929-3194

JAKE KAUFFMAN and SON, INC.
LARIMER COUNTY, COLORADO
WAGNER/KAUFFMAN PIT #3 M-1999-069
AREA REDUCTION #8 (AR-008)

M-1999-069 / Wagner-Kauffman Pit #3 / Jake Kauffman & Son, Inc. (112c)

Red Outline = 52.7 acres = Permit area after AR-9 approval (location approximated based on approved maps)
(Imagery from 10/15/2020)



E-1st-St 20

ature-Run

S-Co Rd-9e

Google Earth

Image ©2020 Maxar Technologies

N

1000 ft



COLORADO

**Division of Reclamation,
Mining and Safety**

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

REQUEST FOR FULL OR PARTIAL RELEASE OF PERMIT AREA/SURETY REDUCTION

Please indicate if you are requesting:

FULL/FINAL RELEASE OF ENTIRE PERMITTED AREA (per Rule 4.17)

ACREAGE REDUCTION (PARTIAL RELEASE per Rule 4.17)

I wish to release _____ acres at this time.

You will need to submit with this request: a map showing the acreage to be released from the current permit and updated mining and reclamation plan maps that will accurately depict the new permit boundary if the release is approved.

SURETY (Bond) REDUCTION (per Rule 4.14)

If you are requesting a surety (bond) reduction you will need to include with this request a new estimate of the actual cost to reclaim the site based on what it would cost an independent contractor to complete reclamation, including unit costs for reclamation activities as appropriate to the operation to comply with the provisions of Rule 3.1 and the Permit's approved Reclamation Plan.

File No.: M _____

Site Name: _____

County: _____

Permittee: _____

Permittee Address: _____
(Street Address)

(City)

(State)

(Zip)



Operator (If Other than Permittee): _____

Permittee Representative: _____

Certified Mail # _____

In accordance with Rule 4.17.1(2) the Operator shall include the names, addresses and phone numbers of all owners of record to the affected land. Please attach additional sheets for this information if required.

<u>Name</u>	<u>Address</u>	<u>Phone Number</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

In accordance with Rule 4.17.1(4), if requesting a partial acreage release the Operator or their agent MUST sign that they have complied with the following statement: “All applicable portions of the Reclamation Plan requirements have been satisfied in accordance with these Rules and all applicable requirements under the Act.”

Signature of Permittee, Operator or their authorized agent Date

Important: In accordance with Rules 4.14.2(a) and 4.17.1(3) This release request must be submitted to the Division via certified mail and separate from any other correspondence to the Division.