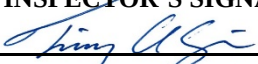




MINERALS PROGRAM INSPECTION REPORT
PHONE: (303) 866-3567

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: Daniels Sand Pit 2	MINE/PROSPECTING ID#: M-1973-007-SG	MINERAL: Sand and gravel	COUNTY: El Paso
INSPECTION TYPE: Monitoring	INSPECTOR(S): Timothy Cazier, P.E.	INSP. DATE: November 5, 2020	INSP. TIME: 12:35
OPERATOR: Aggregate Industries - WCR, Inc.	OPERATOR REPRESENTATIVE: Jeremy Deuto, Grant Smith	TYPE OF OPERATION: 112c - Construction Regular Operation	
REASON FOR INSPECTION: Citizen Complaint	BOND CALCULATION TYPE: None	BOND AMOUNT: \$1,038,500.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: Citizen	JOINT INSP. AGENCY: Citizen	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: November 24, 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>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(ST) STIPULATIONS----- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</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 inspection was conducted by Tim Cazier (DRMS) as a result of a complaint received from attorneys representing Fountain Mutual Irrigation Company (FMIC) on October 30, 2020. Present for the inspection were Messrs. Jeremy Deuto and Grant Smith representing Aggregate Industries (AI); Steve Kuehr (Lithos Engineering); and Gary Steen (FMIC). An attorney representing AI was also present. The purpose of this inspection was to investigate the complaint related to erosional stability on the south side of FMIC's ditch and above the new wash pond; and claims of possible groundwater exposure.

The Daniels Sand Pit 2 is accessed from Bradley Road just west of South Academy Blvd, about one mile from I-25 in Colorado Springs. This is a 112c sand mine and was active during the time of the inspection.

Investigation:

All parties met near the irrigation ditch northwest of the new wash pond. The potential exposed groundwater was discussed first. It was noted FMIC's ditch was dry at the time of the inspection (see **Photos 1** and **2**). Mr. Steen indicated the ditch would start flowing the week of November 16th. The wash pond to the south has water in it as that is where fines are disposed and is not considered exposed groundwater. Mr. Smith indicated water was present in the pit north of the ditch only when the ditch had water in it.

The condition of the highwall was observed (see **Photos 3** and **4**). Mr. Steen was briefed on technical revision TR-09 approved by the DRMS on September 4, 2020. This TR specifically addressed the need for 3H:1V slopes in this area between the new wash pond and the FMIC ditch, and the area to the west, between the FMIC ditch and the recharge pond near S. Academy Blvd. Mr. Steen was made aware the designs for the slope stabilization effort were accessible through the DRMS website Laserfiche WebLink (<https://dnrweblink.state.co.us/drms/search.aspx?cr=1>). AI agreed to provide the DRMS with an updated schedule for the mitigation effort, which we received on November 12th (see **Attachment A**); and clarification on the monitoring and reporting set forth in TR-09, which we received the final version on November 23rd (see **Attachment B**)

Please contact Tim Cazier (303)866-3567 ext. 8169 or email at tim.cazier@state.co.us if you have any questions regarding this report.

PHOTOGRAPHS



Photo 1. Dry FMIC ditch (looking east, subject highwall to the right of photo).



Photo 2. Dry FMIC ditch (looking west, subject highwall to the left of photo).

PHOTOGRAPHS (cont.)



Photo 3. Highwall slope steeper than 1H:1V (looking east from NW corner of new wash pond).



Photo 4. Previously repaired area (yellow) next to newer eroded area (blue) (looking north from NW corner of new wash pond [FMIC ditch just beyond highwall crest]).

Inspection Contact Address

Jeremy Deuto
Aggregate Industries - WCR, Inc.
1687 Cole Boulevard
Golden, CO 80401

Enclosures

ec: Michael Cunningham, DRMS
DRMS File
Jeremy Deuto, AI
Gary Steen, FMIC

ATTACHMENT A

ID	Task Name	Duration	Start	Finish																																																															
					Nov '20							Dec '20							Jan '21							Feb '21							Mar '21							Apr '21							May '21							Jun '21							Jul '21						
					1	8	15	22	29	6	13	20	27	3	10	17	24	31	7	14	21	28	7	14	21	28	4	11	18	25	2	9	16	23	30	6	13	20	27	4	11																										
1	Project Perparation	25 days	Tue 11/10/20	Mon 12/14/20																																																															
2	D8 Repairs	25 days	Tue 11/10/20	Mon 12/14/20																																																															
3	Order Parts	10 days	Wed 11/11/20	Tue 11/24/20																																																															
4	Mechanical Repair	12 days	Tue 11/24/20	Wed 12/9/20																																																															
5	Testing	4 days	Wed 12/9/20	Mon 12/14/20																																																															
6	Preliminary Vegetation Removal	5 days	Mon 12/7/20	Fri 12/11/20																																																															
7	Order Fabric	5 days	Tue 12/1/20	Mon 12/7/20																																																															
8	Rip Rap Placement	28 days	Mon 12/14/20	Wed 1/20/21																																																															
9	Fill Placement	123 days	Wed 1/20/21	Fri 7/9/21																																																															

Project: Daniels Proposed Sche
Date: Wed 11/11/20

Task	Project Summary	Manual Task	Start-only	Deadline
Split	Inactive Task	Duration-only	Finish-only	Progress
Milestone	Inactive Milestone	Manual Summary Rollup	External Tasks	Manual Progress
Summary	Inactive Summary	Manual Summary	External Milestone	



1687 Cole Boulevard
Suite 300
Golden, CO 80401

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Fax: 303-716-5295
www.aggregate-us.com

November 23, 2020

Mr. Tim Cazier, PE
Environmental Protection Specialist
Colorado Division of Reclamation Mining and Safety
1313 Sherman Street, Room 215
Denver, CO 80203
tim.cazier@state.co.us

RE: Aggregate Industries-WCR, Inc. Daniels Sand Pit No. 2 (M1973-007SG) Proposed Construction and Long Term Monitoring Plan

Dear Mr. Cazier,

The purpose of this letter is to present Aggregate Industries (AI) proposed construction and long term monitoring plans for the Daniels Sand Pit No. 2 (M-1093-007SG) (Daniels) slope stabilization project. As discussed in AI proposed's schedule memorandum (November 11, 2020), construction commences in Mid-December, depending on equipment repair parts availability and repair timeline. Upon construction starting, AI will provide a start memorandum and update the proposed schedule, as necessary. During the construction phase, AI personnel will monitor the site with respect to construction progress and global and local stability. A monthly memorandum will be provided to the DRMS which documents construction progress and observations. AI will submit this on the 15th of each month during construction, with the first memorandum submitted in January 2021.

Upon completion of construction, AI will implement a site slope stability monitoring plan. As presented in the June 2020 Technical Revision:

Visual observation by qualified personnel will occur monthly. During this inspection, evidence of movement/signs of slope instability will be documented. The inspector will note any potential warning signs including but not limited to visual tension cracks, toe erosion, moisture changes, and sloughed slope surface. If any evidence of movement is reported, monitoring frequency will increase to weekly. Aggregate Industries has experienced and qualified engineers and geologists to assess these situations and recommend a course of action. Emergency stabilization will depend on the level of slope instability, the rate of movement, and the possible consequences of progressing instability. Engineering judgement will dictate the emergency stabilization approach. This involves an engineering assessment of the conditions and experience with similar projects in similar soil conditions. Emergency stabilization could include slope grading, stability buttresses and surface and groundwater management. The site has equipment available to move material and regrade if necessary.

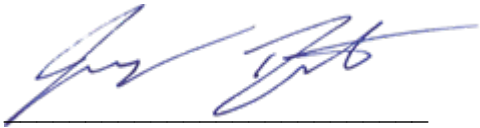
This monitoring will be managed in house by our PE, PG technical lead who has significant experience in slope stability and slope stability monitoring.

While AI monitoring will be ongoing, we propose the following communication frequency:

- First year after completion – Monthly memorandum
- Second year after completion – Quarterly memorandum
- Third year after completion – Bi annual memorandum

After the third year of monitoring with no significant evidence of slope instability, AI will submit a final completion memorandum documenting the construction and continued monitoring.

AI is committed to meeting the obligations for stabilizing the canal, and appreciate your consideration of the Aggregate Industries proposed monitoring plan.

A handwritten signature in blue ink, appearing to read 'Jer Deuto', is positioned above a horizontal line.

Jeremy Deuto, P.E., P.G.
Regional Land and Environment Manager
Aggregate Industries-WCR Inc.