



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

February 19, 2021

Attn: Daniel J. Arnold
Denver Water
Office of General Counsel
1600 West 12th Ave
Denver, CO 80204

RE: Schwartzwalder Mine, Permit No. M-1977-300, Notice of Approval Decision for a Financial Warranty Reduction, Revision No. SR-9

Mr. Arnold:

Please be informed, on February 19, 2021, the Division of Reclamation, Mining and Safety (Division) approved Colorado Legacy Land, LLC's request for a Financial Warranty Reduction to \$7,674,022.00 for the Schwartzwalder Mine. This is a reduction of \$1,225,978.00 from the currently held Financial Warranty of \$8,900,000.00.

In accordance with Rule 1.4.11, if you wish to appeal the Division's decision on this application, you must petition for a hearing before the Mined Land Reclamation Board (Board) within thirty (30) days of the date of the Division's decision (by March 21, 2021). Such a petition for a hearing must state how you are directly and adversely affected or aggrieved by the Division's decision, and how your interests are entitled to protection under the Act. The petition must list and explain any issues you believe should be considered by the Board at the hearing on the matter. The petition must also specifically state the application and file number assigned by the Division (Permit No. M-1977-300, Financial Warranty Reduction - Revision No. SR-9).

If you have any questions, you may contact me by telephone at 303-866-3567, ext. 8129, or by email at amy.eschberger@state.co.us.

Sincerely,

Amy Eschberger
Environmental Protection Specialist

Encl: SR-9 Approval Letter, dated February 19, 2021

Cc: Nicole Poncelet, Denver Water
Jim Harrington, Colorado Legacy Land, LLC
Michael Cunningham, DRMS
Russ Means, DRMS
Jeff Fugate, AGO for DRMS





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

February 19, 2021

Jim Harrington
Colorado Legacy Land, LLC
12150 E Briarwood Ave - Suite 135
Centennial, CO 80112

**RE: Schwartzwalder Mine, Permit No. M-1977-300, Financial Warranty Reduction Approval,
Revision No. SR-9**

Mr. Harrington:

On February 19, 2021, the Division of Reclamation, Mining and Safety (Division) approved your request for a Financial Warranty Reduction to \$7,674,022.00. This is a reduction of \$1,225,978.00 from the currently held Financial Warranty of \$8,900,000.00. This decision reduces the amount of the Financial Warranty, and does not approve any release of reclamation responsibility for the tasks associated with this request.

Please provide a rider to the current Financial Warrant, or submit a new Financial Warranty reflecting this reduction. If you wish to submit a different type of Financial Warranty, please contact our Financial Assurance Specialist, Sara Stevenson-Benn by telephone at 303-866-3567, ext. 8148, or by email at sara.stevenson-benn@state.co.us for the applicable form.

If you have any questions, you may contact me by telephone at 303-866-3567, ext. 8129, or by email at amy.eschberger@state.co.us.

Sincerely,

Amy Eschberger
Environmental Protection Specialist

Encl: Division's Cost Summary Work for SR-9

Cc: Paul Newman, Colorado Legacy Land, LLC
Eric Williams, Colorado Legacy Land, LLC
Elizabeth Busby, Ensero Solutions US, Inc.
Billy Ray, Ensero Solutions US, Inc.
Sharon Israel, City of Arvada
Brad Wyant, City of Arvada
Daniel Arnold, Office of General Counsel, Denver Water



Nicole Poncelet, Denver Water
Sara Stevenson-Benn, DRMS
Michael Cunningham, DRMS
Russ Means, DRMS
Jeff Fugate, AGO for DRMS

COST SUMMARY WORK

Task description: Cost Summary

Site: Schwartzwalder Mine

Permit Action: SR-9 Bond Estimate

Permit/Job#: M1977300

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 2/10/2021

County: Jefferson

Filename: M300-000

User: AME

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	200 gpm WTP - demo of new WTP building	NA	1	20.00	\$30,000
002	Cutoff wall and 18" creek bypass pipeline - habitat restoration remaining	NA	1	10.00	\$134,526
003	Groundwater monitoring - \$77,000 for 5 years, \$38,000 for additional 5 years	NA	1	20.00	\$575,000
004	Adit closures - Minnesota, CV/Charley/Intakes, two mine openings at \$7,500 each	NA	1	20.00	\$15,000
005	Groundwater well abandonment – abandon 13 monitor wells at \$2,000 per well	NA	1	20.00	\$26,000
006	<i>Initial in-situ mine pool treatment</i>	NA	0	0.00	\$0
007	Maintain in-situ mine pool treatment – 10 years, quarterly treatments for maintenance	NA	1	20.00	\$515,000
008	RO system operation – years 1-10, year 1-5: RO system runs ½ time (at \$139,636/year) and on standby ½ time (at \$15,000/year) [WebMaster Remote Monitoring System included in cost of RO systems]	NA	1	20.00	\$1,546,360
009	RO system operation – years 11-20, year 6-10: continue to run as in year 1-5 [WebMaster Remote Monitoring System included in cost of RO systems]	NA	1	20.00	\$1,546,360
010	Mine pool sampling, years 1-10	NA	1	20.00	\$22,200
011	Mine pool sampling, years 11-20	NA	1	20.00	\$22,200
012	Mobilization – demob, all heavy equipment already on site	NA	1	10.00	\$74,000
013	<i>Demo and debris removal - includes old WTP building and other structures</i>	NA	0	0.00	\$0
014	<i>Excavate, haul and place - place on waste rock piles - one construction season</i>	NA	1	30.00	\$71,831
015	Lab analysis soils - 50 verification samples	NA	1	20.00	\$10,000
016	Lab analysis water - 100 samples during excavation	NA	1	30.00	\$15,000
017	Modify/demo sumps - pipes, pumps, electrical modifications	NA	1	30.00	\$48,000
018	Modify monitor wells - possible 3 new/relocated monitor wells at \$8,000 each	NA	1	30.00	\$24,000
019	Purchase inert fill - to come from site, no credit taken for discount	NA	1	20.00	\$138,600
020	Haul and place fill - inert fill from site, haul charge reduced to essentially zero	NA	1	30.00	\$214,500
021	Purchase topsoil - 3,500 cy	NA	1	20.00	\$50,750
022	Haul and place topsoil - 3,500 cy	NA	1	30.00	\$112,000
023	Revegetate - purchase and distribute on 3.5 acres	NA	1	10.00	\$28,000
024	<i>Concrete V-ditch storm water drain - includes construction and materials</i>	NA	0	0.00	\$0
025	<i>Waste rock pile cap – includes topsoil, seed, and mulch</i>	NA	0	0.00	\$0
026	<i>AM-05 Black Forest Mine reclamation</i>	NA	2	30.00	\$15,880

	<u>SUBTOTALS:</u>	480	\$5,235,207
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INDIRECT COSTS**OVERHEAD AND PROFIT:**

Liability insurance:	2.02	Total =	\$105,751
Performance bond:	1.05	Total =	\$54,970
Job superintendent:	250.00	Total =	\$17,388
Profit:	10.00	Total =	\$523,521
		TOTAL O & P =	\$701,629
		CONTRACT AMOUNT (direct + O & P) =	\$5,936,836

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	\$500	Total =	\$500
Engineering work and/or contract/bid preparation:	4.25	Total =	\$252,316
Reclamation management and/or administration:	5.00		\$296,842
		CONTINGENCY:	0.00
		Total =	\$0

TOTAL INDIRECT COST = \$1,251,286

TOTAL BOND AMOUNT (direct + indirect) = \$6,486,493

COST SUMMARY WORK

Task description: Cost Summary

Site: Schwartzwalder Mine

Permit Action: SR-9 Bond Estimate -
DW Contingency Cost

Permit/Job#: M1977300

PROJECT IDENTIFICATION

Task #: 000
Date: 2/10/2021
User: AME

State: Colorado
County: Jefferson

Abbreviation: None
Filename: M300-000

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
027	Denver Water - water treatment (contingent cost)	NA	0	0.00	\$1,187,529
<u>SUBTOTALS:</u>				0	\$1,187,529

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 0.00
Performance bond: 0.00
Job superintendent: 0.00
Profit: 0.00

Total = \$0
Total = \$0
Total = \$0
Total = \$0

TOTAL O & P = \$0

CONTRACT AMOUNT (direct + O & P) = \$1,187,529

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): \$0
Engineering work and/or contract/bid preparation: 0.00
Reclamation management and/or administration: 0.00

Total = \$0
Total = \$0
Total = \$0

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$0

TOTAL BOND AMOUNT (direct + indirect) = \$1,187,529