

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:	MINE/PROSPECTING ID#:	MINERAL:	COUNTY:
Menzer Quarry	M-1976-009-HR	Granite, granite gneis	El Paso
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Multi Person Inspection	Timothy Cazier, P.E.	May 20, 2021	13:20
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Schmidt Construction Company	Scott Davis, Dan Chavez	112c - Construction Regular Operation	

REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:
Citizen Complaint	Complete Bond	\$667,738.00
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGENCY:
NA	State Engr. (Water Resources)	DRMS
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DATE:
Clear	Thing ale	June 25, 2021

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Hydrologic Balance

PROBLEM/POSSIBLE VIOLATION: Problem: The site is improperly managing impounded surface

drainage/runoff.

CORRECTIVE ACTIONS: Submit a technical revision to update the mine plan and Exhibit G describing how impounded stormwater will be managed to comply with the Division of Water Resources regulations as they

relate to water rights.

CORRECTIVE ACTION DUE DATE: 7/23/21

OBSERVATIONS

This site visit was conducted both as part of the regular monitoring program and as a joint inspection with the Colorado Division of Water Resources (DWR) to follow up on a citizen's complaint received April 28, 2021. The Permittee (Schmidt Construction) was represented by Messrs. Scott Davis, Dan Chavez and Mark Heifner, and Ms. Heidi Smith. Tim Cazier, Russ Means and Michael Cunningham represented the DRMS, and Doug Hollister (Water Commissioner) represented the DWR. The Menzer Quarry is accessed from Turkey Canyon Rd about 16 miles south of Colorado Springs. The access road is approximately 2.5 miles from Hwy 115 to the active pit area. This is a 112c granite mine. It was operating at the time of the inspection.

<u>Availability of Records:</u> Annual fees are paid through December 2020. The previous inspection was on January 29, 2018. The approved post-mine land use is wildlife habitat per amendment 4. There were no open infractions prior to the inspection. Both the surface and minerals are privately owned.

<u>Backfilling and Grading:</u> Benches are to be backfilled no flatter that 10H:1V. Site representatives stated they use the limited overburden and supplement with crusher fines when necessary. Most of the benches on the south side of the pit have been backfilled and revegetated (see **Photo 1**).

Excess Spoil and Dev. Waste: No overburden piles were observed.

<u>Explosives:</u> Site representatives stated they blast about every three weeks and records are kept on site. Blasting is currently contracted out to Southwest Energy.

<u>Financial Warranty:</u> Prior to the inspection, the DRMS held a \$456,000 bond. The DRMS presented a revised reclamation estimate using updated unit costs to Mr. Davis, which he accepted. A surety increase revision (SI-01) was initiated on May 24, 2021. Schmidt Construction submitted a rider increase on June 4th, which the DRMS approved on June 8th. The DRMS now holds a \$667,738 bond. <u>The insufficient bond was cited as a problem, but resolved prior to this report being completed.</u>

Fish and Wildlife: No impact to wildlife was observed.

<u>Hydrologic Balance:</u> Shallow standing water was observed on the pit floor (see **Photo 2**) but was determined not to be exposed groundwater, but a result of very recent rainfall. Management of the sediment pond water and subject of the citizen complaint is discussed under Storm Water MGT Plan below.

Gen. Compliance with Mine Plan: The operation appeared to be in compliance with the approved mine plan. The maximum allowed disturbed area is 141.4 acres. Google Earth was used to measure the disturbed area, which was estimated to be approximately 82 acres, based on 2019 imagery. Their 2020 annual report states 110.5 acres are affected. The Menzer quarry is still operating in the Phase 1 boundary. They are mining the west end of the pit, and mining has reached the north limit of Phase 1 (see Photo 3). Mr. Chavez stated they will bring the current operating bench down to the current pit floor prior to expanding into Phase 2, which is not expected to happen for many years. The original highwall benches were 50 to 60 feet high and 25 to 30 feet wide. Mr. Chavez stated MSHA has required them to shorten the bench heights for rock scaling operations. The standard bench height is now 40 feet. Scaling operations appear to have been successful in stabilizing the highwalls. Evidence of larger block movement/slides was observed (see Photo 4). Mr. Chavez indicated this was a result of the varied geology and why MSHA had modified the bench configuration.

<u>Off-site Damage:</u> The operation appeared to be confined to the affected area boundary, based on review of Google Earth images and site observations.

<u>Processing Waste:</u> Large stockpiles of crusher fines were observed on the southeast and east areas of the process area on the pit floor (see **Photo 5**). Mr. Chavez stated fines removed from the sediment pond as part of their periodic maintenance plan are stockpiled on the pit floor and fed into the process plant.

<u>Roads:</u> Haul and access roads did not appear to be a source of sediment that could be tracked offsite. Road side ditches were clean. Dust control water is applied as necessary.

<u>Right of Entry:</u> The landowner is Edw. C. Levy Co. dba Schmidt Construction Company based on El Paso County Assessor records on 5/18/2021.

Reclamation Success: The Operator continues to backfill benches as final configuration is reached.

<u>Revegetation:</u> No noxious weeds were observed. The DRMS approved a weed control plan as part of amendment 3.

Sediment Control: No erosion problems were observed and no BMPs were needed at the time of the inspection.

<u>Support Facilities On-site:</u> A screen plant, crusher, haul trucks and loaders were observed on site.

<u>Signs and Markers:</u> The permit sign was properly posted (see **Photo 6**) and PVC pipes on T-posts were observed above the highwalls to delineate the affected area boundary. The boundary between Phase 1 and Phase 2 is the unnamed drainage on the north edge of Phase 1 (see **Photos 3** and **7**).

<u>Permit Stipulations:</u> There are no open permit stipulations.

Storm Water MGT Plan: Mr. Hollister (DWR water commissioner) made himself available for this inspection to clarify stormwater regulations with respect to water rights. The challenge for the quarry was how to release water captured in their sediment pond (see **Photo 8**) in the timeframe required by DWR, while meeting discharge standards required by the Colorado Department of Public Health and Environment (CDPHE). Site representatives explained they had been experimenting with the use of filter socks (see **Photo 9**) to meet water quality discharge standards since shortly after the DRMS notified them of the citizen's complaint. As part of a demonstration, water from the sediment was pumped into a water truck and brought to the area where the tests were being performed to show DRMS representatives and Mr. Hollister how effective it appeared to be (see **Photo 10**). Quarry staff have collected water samples for laboratory testing and are awaiting results. Site representatives committed to submitting a technical revision (TR) to revise the site mine plan in order to comply with DWR regulations regarding the timely discharge of captured stormwater. Mr. Heifner contacted this inspector on June 25th saying he had tried to hand deliver the TR on June 24th, but could not as the office is still closed to the public. He stated he then sent the TR to the DRMS via certified mail. **The need to modify how sediment pond water is handled is cited as a Problem on page 1 of this report.**

No oil or fuel spills observed during the inspection.

<u>Topsoil:</u> Site representatives indicated the limited site topsoil is salvaged and typically applied directly to backfilled benches.

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. Reclaimed portion of south highwall, Phase 1 (looking south).



Photo 2. Shallow water on pit floor (looking NE from active bench).

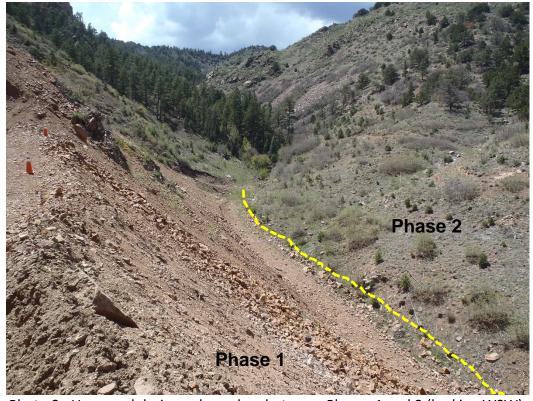


Photo 3. Unnamed drainage boundary between Phases 1 and 2 (looking WSW).



Photo 4. Evidence of larger block movement/slides (looking SW at west highwall).



Photo 5. Pit floor stockpiles & processing facilities (looking east).



Photo 6. Permit sign at entrance.

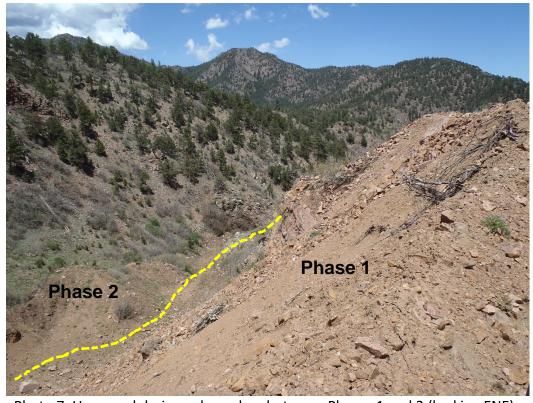


Photo 7. Unnamed drainage boundary between Phases 1 and 2 (looking ENE).



Photo 8. Sediment pond near entrance (looking east).



Photo 9. Filter socks for sediment pond water discharge demonstration.



Photo 10. Sediment pond water discharge demonstration.

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

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

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

PERMIT #: M-1976-009-HR INSPECTOR'S INITIALS: TC1 INSPECTION DATE: May 20, 2021

Inspection Contact Address

Scott Davis Schmidt Construction Company 2635 Delta Dr. Colorado Springs, CO 80910

ec: DRMS file

Michael Cunningham, DRMS Doug Hollister, DWR, Dan Chavez, Schmidt Mark Heifner, consultant