December 6, 2021

Gary Slifka Union Milling Contractors P.O. Box 620490 Littleton, CO 80162-0490



1313 Sherman Street, Room 215 Denver, CO 80203

RE: Arkansas Valley Slag (AVS), File # M-2021-058, Objection to 112c Application

Mr. Slifka:

On December 3, 2021 the Division of Reclamation, Mining and Safety (Division) received an objection to your application from Welborn, Sullivan, Meck and Tooley, P.C. on behalf of Leadville Sanitation District. The objection is attached to this letter.

Please provide your response, to the jurisdictional issues presented in the objection, to the Division by December 31, 2021.

If you require additional information, or have questions or concerns, please contact me.

Sincerely,

Dustin Czapla Environmental Protection Specialist Division of Reclamation, Mining and Safety Phone: (303) 866-3567, ext. 8188





December 3, 2021

Via First Class U.S. Mail and Email (Dustin.Czapla@state.co.us)

Mr. Dustin Czapla Division of Reclamation, Mining and Safety 1313 Sherman Street, Suite 215 Denver, Colorado 80203

> Re: Objection to Application of CJK Milling Company, LLC Arkansas Valley Slag (AVS) – File No. M-2021-058 Construction

Dear Mr. Czapla:

On behalf of the Leadville Sanitation District ("District"), I am writing to object to the Application filed by CJK Milling Company, LLC ("Applicant") for the Arkansas Valley Slag (AVS) Project for the reasons set forth below.

The Applicant plans to remove existing slag piles from its site approximately 1.5 miles southwest of Leadville on Highway 24 (the "Site"), screen them, and transport them off site.

The Leadville Sanitation District owns and operates wastewater treatment facilities servicing the City of Leadville and surrounding communities. The District's facilities are located to the west of the Site. The District also has water and sewer lines that run through or very near the tailings that are to be removed from the Site.

The District has great concern about the impact that the Applicant's activities might have on the District's facilities, including water and sewer lines. On October 25, 2021, the Applicant sent the District a letter referring to an engineering report to be done by John Erich Rauber and Associates and saying "The engineering report cannot state that we will not damage Leadville Sanitation assets." The letter further stated that the due date for the engineering report was November 7, 2021. Since then the Applicant has informed the District that it needs more information about the District's assets and that the engineering report is still in the process of being prepared.

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The District cannot operate or provide sewer service for the City of Leadville and surrounding area without a constant flow of water to its treatment facility or if there is an interruption of sewage into the facility. The District is particularly concerned about the potential for breakage or severance of the line carrying sewage from the City to its treatment facility, which could result in the City's sewage flowing across US Highway 24 and ultimately into the Arkansas River.

In order to preserve its rights, the District is filing this general objection to the Application.

The District's Colorado Discharge Permit System ("CDPS") permit from the Colorado Department of Public Health and Environment ("CDPHE") requires the District to sample and analyze effluent for the following pollutants: arsenic, cadmium, chromium, copper, lead, mercury, molybdenum, nickel, selenium, silver, zinc, cyanide, and phenols. The District spends significant amounts of time and money trying to comply with its discharge permit and cannot afford to have its operations jeopardized by any nearby activities that might impact its ability to meet CDPHE's strict permit limits.

The District is also operating under Cease and Desist Order No. DO-181109-1 dated November 9, 2018, issued by CDPHE and requiring the District to comply with permit effluent limitations, specifically for the 30-day average mercury limit of 0.077 µg/L. Low level mercury is present throughout Leadville in the soil, water, and air due to historic mining operations. The District is concerned that the Applicant's proposed operations will only make it more difficult to meet the CDPS permit limits and comply with CDPHE's Cease and Desist Order.

For the reasons set forth above and others yet to be determined, the Leadville Sanitation District requests that the Application be denied.

Very truly yours,

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cc: Joseph Fattor