



March 30, 2023

State of Colorado
Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, CO 80203.

Re: *Raindance Reservoir #2 M-2012-049 Compliance Letter*
Project No. 0732.0383.00

Ms. Ridley:

This letter has been prepared in response to the statement highlighted below in the Minerals Program Inspection Report done on March 9, 2023.

While touring the mine site, the operator indicated that storm water is diverted from the site into a trench and pumped up the east side of the site (Photos 5 & 6). Water is then pumped under WCR 15 through a culvert and deposited into two pre-existing sediment ponds which then discharges to a point approximately two miles away into the Cache la Poudre River. This discharge is covered under NPDES Permit No. COR403818. However, these irrigation/sediment ponds currently exist outside of the permit boundary and occupy an approximately 0.5 acre area (Photo 7). Satellite imagery and Google Earth tools were used to calculate approximate acreage. Under Rule 1.1(3), settling ponds constitute 'affected land'.

We also received on March 20th, 2023 a letter from the Colorado Division of Reclamation, Mining and Safety (CDRMS) dated March 16th, 2023 titled "Reason to Believe a Violation Exists and Notice of Board Hearing; Raindance Reservoir; Permit No. M-2021-049". This potential violation letter also states "If you have evidence indicating the possible violation noted above does not exist or has been corrected, please provide it to the Division as soon as possible". Which we will discuss below.

TST, Inc. submitted a letter on March 15th, 2023 to the CDRMS with maps to increase the affected area from 130-acres to 132-acres at your suggestion. Upon further review and consideration, the existing irrigation ponds as mentioned in the above statement are not being used for sediments ponds and are not a part of or a requirement of the current mining operations. The reservoir itself acts as a giant sediment basin. Prior to mining operations the reservoir area was used as a sediment basin and ultimately a regional detention pond. By utilizing the reservoir as the giant sediment basin we have eliminated the potential for negative impacts to offsite areas. Stormwater from the mining operations is currently being released per our NPDES permit and State requirements within the 72-hour timeframe and being discharged into an existing culvert. This existing culvert has historically drained runoff from the site into these 2 existing irrigation ponds across the street. Therefore, in our option we don't believe that these ponds and or existing culvert should be considered part of the "affected land." We are releasing water from our site to the historic drainage ways. Therefore, we propose to not increase the total affected area of the site.

Furthermore, on March 20th, 2023 when we received the letter dated March 16th, 2023 titled "Reason to Believe a Violation Exists and Notice of Board Hearing; Raindance Reservoir; Permit No. M-2021-049", and since the reservoir itself acts as a giant sediment basin, we chose to act in good-faith efforts to improve our giant sediment basin system at the bottom of our reservoir. That information and pictures were sent over to you on March 28th, 2023 indicating that we had accomplished this task before the deadline you set forth in your March 9th, 2023 inspection report for the Hydraulic Balance inspection topic.

We are also in receipt of an email from you to our Client on March 28th, 2023. The email stated that "the new sediment basins... should have only been constructed after the submission and approval of a technical revision through the Division". Again, it is of our opinion that the potential violation does not exist, there are no new sediment basins to classify, and improvements have been made for the betterment of the existing sediment basin; the reservoir itself. If we had not acted in this good-faith effort, we could not have accomplished the Hydraulic Balance inspection topic from your March 9th, 2023 inspection report deadline.

Please let us know if you have any additional comments. We look forward moving ahead on this important project.

Sincerely,

TST, INC. CONSULTING ENGINEERS

A handwritten signature in blue ink, appearing to read 'Derek Patterson', with a long, sweeping horizontal stroke extending to the right.

Derek Patterson, P.E.

