



STATE OF  
COLORADO

Ebert - DNR, Jared <jared.ebert@state.co.us>

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## Milton Reservoir Project, DRMS File M-2024-041, Inspection Report

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Ebert - DNR, Jared <jared.ebert@state.co.us>

Mon, Aug 19, 2024 at 8:52 AM

To: Scott Edgar <scott@farmersres.com>

Cc: Chris Girardi - DNR <chris.girardi@state.co.us>, Nikie Gagnon - DNR <nikie.gagnon@state.co.us>

Good morning Mr. Edgar,

Attached is the Division's report from the August 8, 2024 inspection. Please review it and let me know if you have any questions or concerns. Please let me know if there is a convenient time for you to talk this week.

Thank you,

Jared

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Jared Ebert

Senior Environmental Protection Specialist



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

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**INSP-REPORTMWP\_M2024041\_JLE\_19Aug2024.pdf**  
1250K



**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.

<b>MINE NAME:</b> Milton Reservoir Project	<b>MINE/PROSPECTING ID#:</b> File No. M-2024-041	<b>MINERAL:</b> Sand, Gravel, Borrow, Aggregate	<b>COUNTY:</b> Weld
<b>INSPECTION TYPE:</b> Possible Illegal(Unpermitted Operation)	<b>WEATHER:</b> Raining	<b>INSP. DATE:</b> August 8, 2024	<b>INSP. TIME:</b> 09:30
<b>OPERATOR:</b> Farmer's Reservoir and Irrigation Company	<b>OPERATOR REPRESENTATIVE:</b> Scott Edgar	<b>TYPE OF OPERATION:</b> Dredge	
<b>REASON FOR INSPECTION:</b> Other Agency Request	<b>BOND CALCULATION TYPE:</b> NA	<b>BOND AMOUNT:</b> NA	
<b>DATE OF COMPLAINT:</b> 7/30/2024	<b>POST INSP. CONTACTS:</b> Weld County Department of Planning and Services	<b>JOINT INSP. AGENCY:</b> None	
<b>INSPECTOR(S):</b> Jared Ebert Chris Girardi	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> August 19, 2024	

**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:** Availability Of Records

**POSSIBLE VIOLATION:** Farmer's Reservoir and Irrigation Company ("FRICO") has engaged in a mining operation without first obtaining a permit. This is a possible violation for failure to first obtain a reclamation permit from the Mined Land Reclamation Board before engaging in a new mining operation as required by 34-32.5-109(1) C.R.S.

**CORRECTIVE ACTIONS:**

- Selling and/or transporting dredged material offsite shall cease immediately until a reclamation permit has been issued for the operation.
- FRICO shall submit a 112c reclamation permit application to DRMS by the corrective action date and obtain approval of the application within statutory timeframes. Failure to submit the application by the corrective action date below will result in this possible violation requiring a hearing before the Mined Land Reclamation Board ("MLRB"). The schedule and other details for the MLRB hearing will be provided under a separate document to be sent via certified mail to the operator if necessary.

**CORRECTIVE ACTION DUE DATE:** 11/22/24

## **OBSERVATIONS**

On Tuesday July 30, 2024, Diana Aungst with the Weld County Department of Planning and Services contacted the Colorado Division of Reclamation, Mining and Safety ("DRMS" or "Division") regarding dredging activities occurring at Milton Reservoir in Weld County. According to Diana Aungst, Farmer's Reservoir and Irrigation Company ("FRICO") was dredging the reservoir and selling the material; and they wanted to know if this was considered a mining operation. Upon review of the information provided and the location of Milton Reservoir, it was found that a DRMS permit has not been issued for this operation. I, Jared Ebert with DRMS contacted Scott Edgar with FRICO to obtain more information about the operation. On July 31, 2024 Nikie Gagnon with DRMS was contacted by Shelly Hoover with Ecological Resource Consultants, LLC. ("ERC") a firm retained by FRICO. Shelly Hoover provided Mrs. Gagnon with a description of the operation being conducted at Milton Reservoir. This included engineering drawing files with descriptions of the pre-construction, construction, and final site stabilization/restoration plan for the operation, and pictures of the dredge and cyclone used at the site. This inspection was conducted to view and evaluate the operation and to meet with a representative of FRICO. The site is located about nine miles southeast of La Salle, Colorado in Weld County.

DRMS employee Chris Girardi and I met with Mr. Scott Edgar of FRICO at the FRICO shop (16234 County Road 47, La Salle, Colorado 80645) adjacent to Milton Reservoir at 9:30am on Thursday August 8th, 2024. It was cloudy and raining at the time of the inspection. The map at the end of this report depicts the approximate locations of specific areas observed during the inspection that pertain to the operation. According to the description of the operation provided by Shelley Hoover, FRICO began dredging operations in November of 2021. At the time of the inspection, the dredge was observed at the northern end of the Milton Reservoir. According to Mr. Edgar, FRICO dredges about 6,000 cubic yards per day.

We first stopped at the North Fill Area. Sediment was being discharged into low lying areas at this location. As the sediment dries, the area is graded with heavy equipment. A cyclone was set up in the North Fill Area but was not operating at the time of the inspection. Sediment laden water was being directly discharged into several basins in the North Fill Area from a 20-inch HDPE pipe. It appears FRICO has developed several basins in this area to contain sediment and water. The last basin has an outlet with shut off valve. A flume is in place at the discharge point and water is discharged into the Evan's No. 2 Ditch which eventually discharges to the Gilmore Ditch. It is the Division's understanding that both these ditches are operated by FRICO.

The Platte Valley Canal discharges into Milton Reservoir in the northwest corner of the lake. Just north of the inlet, FRICO has developed a work area where a water tank has been constructed to hold water and sediment from the dredge to provide a consistent source and flow rate to where FRICO eventually discharges the sediment either in the North Fill Area or the dredge settling ponds discussed below. This work area is shown as the Dredge Tank Area on the map at the end of this report. Equipment and support facilities are located in this area.

South of the Platte Valley Canal, FRICO has constructed a series of dredge settling ponds. This area is shown as the Dredge Settling Ponds area on the enclosed map. As the sediment dries in these ponds, FRICO excavates and hauls this material to the stockpile areas. The constructed embankments of these ponds are about 10 feet in height and are interconnected with discharge pipes. Water from this area discharges into the Platte Valley Canal which feeds Milton Reservoir.

In the Existing Dredge Settling Ponds area shown on the map included with this report is an area where FRICO had previously placed dredged sediment. This is a sandy area now and has been roughly graded with slight undulating topography and has very sparse vegetation established. The "Overall Site Plan, Sheet 2" map included with ERC's drawings dated 10.20.2021, shows that FRICO had intended to create four stockpiles; three of them adjacent to the Existing Dredge Settling Ponds area and one on the east side of Milton Reservoir. It appears only Stockpile 1 and 2 were created south of the Existing Dredge Settling Ponds area. These stockpiles are located in an area shown as the Stockpile Area on the enclosed map. A large pile in the Stockpile 1 area was observed to be about 50 feet in height. An additional stockpile in the Stockpile 2 areas was observed and was also noted to be about 50 feet in height. At the time of the inspection a wheeled loader was observed at the south end of the Stockpile 1 area loading haul truck for off-site transportation of this material. According to Mr. Edgar, this material is being sold to oil and gas companies. Mr. Edgar could not provide me with an exact amount of material that has been sold from the site at the time of the inspection, but he did indicate they have only been selling the material and hauling it off-site for about two months. According to the information provided to DRMS from Weld County, FRICO had previously told them that about 2.8 million tons have been dredged from the lake and they have sold about 2,000 tons so far.

Another stockpile of material was observed in the West Stockpile Area shown on the enclosed map. This stockpile was estimated to be about 20 feet in height with gentle 3H:1V side slopes. Vegetation was beginning to establish on this pile.

The land affected by the operation is owned by several entities. The lake area and some of the surrounding land is owned by FRICO. The North Fill Area appears to be owned by REI, LLC. The Dredge Settling Ponds are located on land owned by REI, LLC. and REI LTD Liability Co. The Dredge Tank Area, the Existing Dredge Settling Ponds, and the Stockpile Area is owned by FRICO. The West Stockpile Area is owned by REI LTD Liability Co. According to Mr. Edgar, for the properties FRICO does not own, they have leases with these entities to utilize the land for the operation

Overall, it appears storm water remains internal to the operation and the affected area drains either to sediment basins or into Milton Reservoir. According to Mr. Edgar the land is very sandy and there is no topsoil to salvage. Therefore, no topsoil stockpiles were observed during the inspection. The Division estimates about 150 to 160 acres outside of the Milton Reservoir water body has been affected by FRICO's dredging operation based on a May 2, 2024 Google Earth image of the affected land and the Division's observations during the inspection. A reclamation permit will need to be obtained by the operator for this mining operation. This issue is cited as a possible violation for failure to first obtain a reclamation permit from the Mined Land Reclamation Board before engaging in a new mining operation as required by 34-32.5-109(1) C.R.S.

## **PHOTOGRAPHS**



**Figure 1. North Fill Area, near the HDPE discharge point looking west at the cyclone apparatus.**



**Figure 2. Sediment and water discharged into basins at the North Fill Area.**



**Figure 3. Sediment basin adjacent for the North Fill Area. Head gate for discharge into Evan's Ditch No. 2.**



**Figure 4. Discharge into Evans Ditch No. 2**





**Figure 5. Dredge Settling Ponds.**



**Figure 6. Dredge located at the north end of the reservoir.**



**Figure 7. South end of Stockpile 1 in the Stockpile Area. Trucks being loaded for off-site transport.**



**Figure 8. Stockpile No. 2**





**Figure 9. West Stockpile**



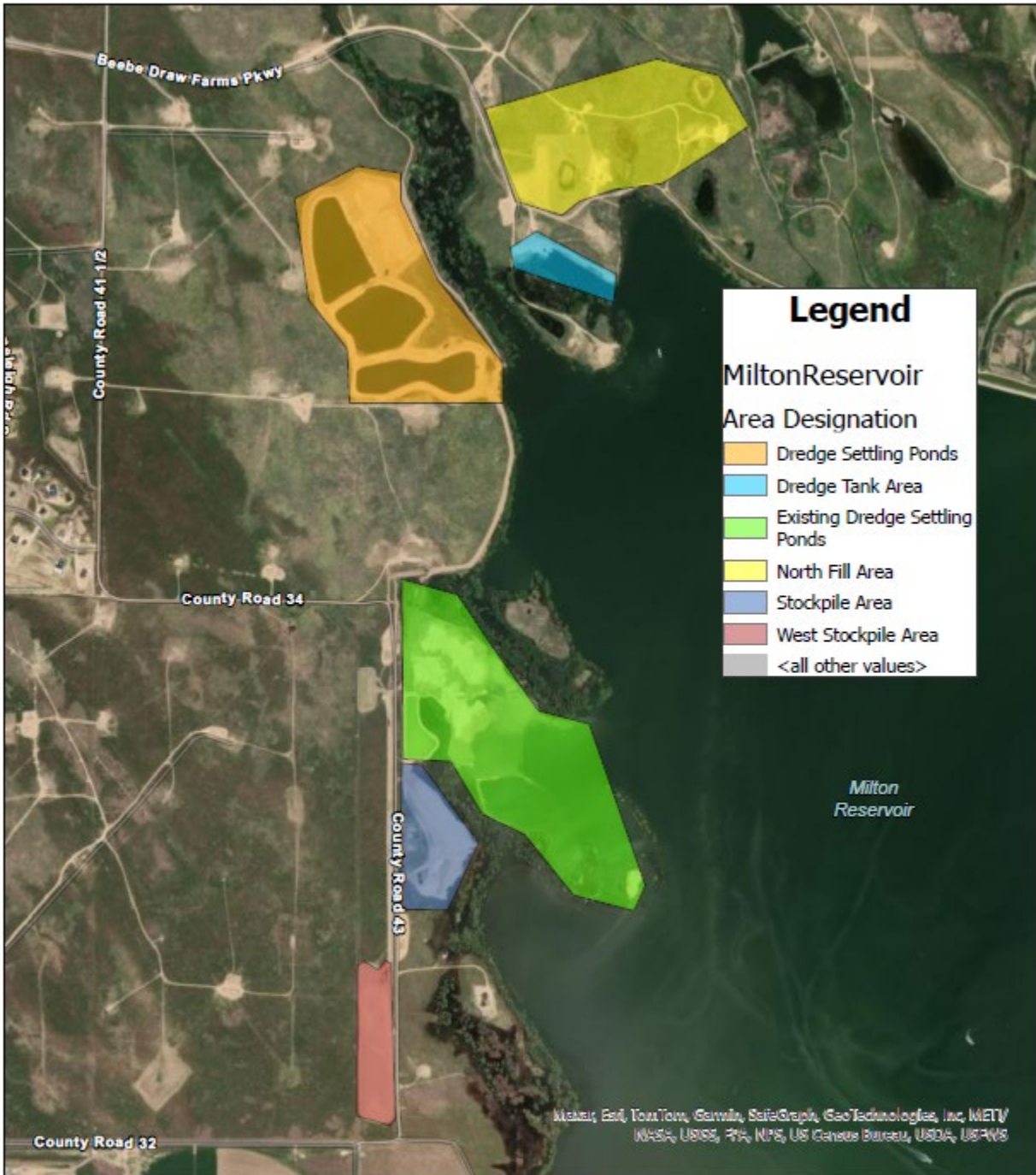
**Figure 10. West Stockpile, left of road. At the south end looking north.**



**Figure 11. Dredge Tank Area**

## Milton Reservoir Project

DRMS File No. M-2024-041, August 8, 2024 Inspection



0 1,000 2,000 4,000  
US Feet

Map Created - August 14, 2024  
Jared Ebert, DRMS  
Inspection - August 8, 2024

### GENERAL INSPECTION TOPICS

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

(AR) RECORDS----- <b>PV</b>	(FN) FINANCIAL WARRANTY----- <u>N</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</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>N</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>N</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>N</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</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

#### Inspection Contact Address

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Diana Aungst, Weld County Department of Planning Services, [daungst@weld.gov](mailto:daungst@weld.gov)