



Town of Nederland, Colorado

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April 1, 2025

To:

Board of Trustees
Colorado Division of Reclamation, Mining and Safety (DRMS)
1313 Sherman Street, Room 215
Denver, CO 80203

Subject: Request for Public Hearing and Clarification on the Cross Gold Mine DMO Conversion Application (Permit No. M-1977-410)

Dear Members of the Board,

I am writing on behalf of the Town of Nederland, CO (Town), to request party status and a public hearing regarding the DMO conversion application for the Cross Gold Mine (Permit No. M-1977-410) submitted by Grand Island Resources, LLC. As you know, the Division has designated the Cross Gold Mine as a Designated Mining Operation (DMO), and the current conversion application reflects an operation with a greatly expanded footprint—now exceeding 205 acres—which may result in significant environmental, public health, and community impacts.

Background and Regional Context

Our region's history of mining, most notably in the Clear Creek Superfund Area and parts of Gilpin County, has demonstrated that operations within this mineral belt can lead to heavy metal contamination, acid mine drainage, and other long-term environmental challenges for communities near mining operations and sharing the same watershed. The Cross Gold Mine is located upstream and just northwest of the Town. Coon Track Creek flows directly through the mine site before joining North Beaver Creek, which then flows directly through the Town before it joins Middle Boulder Creek and empties into Barker Reservoir. In cooperation and by agreement with the City of Boulder, the Town stores water in, and releases water from, Barker Reservoir as a critical component of operating its municipal water rights augmentation plan. Barker Reservoir is also a key water storage source for the City of Boulder, thereby elevating regional concerns. Further, road access to the mine site is limited, and will likely require mine traffic using the Town's main roads. The proposed expansion of the Cross Gold Mine raises serious questions about whether the safeguards are adequate to address these concerns and direct impacts to the Town's legally protected interests, particularly when compared to similar operations in our region.

Key Concerns and Questions for Independent Verification

Procedural Transparency and Public Notification

The Town has received concerns from the community regarding this proposed permit, which may or may not have also been provided to DRMS. The Town has attempted to include those community concerns in this letter.

Ensuring public awareness and involvement in the DMO conversion process is critical. Clear public notice timelines, accessible information on how to submit public comments, and opportunities for meaningful public participation must be provided.

Question: Can the Board provide clear guidance on public notification timelines, public comment submission procedures, and opportunities for community engagement throughout the decision-making process?

Emergency Response and Town Involvement

Given the risks associated with potential treatment system failures or environmental incidents, it is critical that the Town be included as a designated contact in emergency response protocols. As the closest municipality, our emergency services and public works teams must be informed and prepared to respond. Further, because of the climate, terrain, and proximity of the mine, the Town is concerned about the fire risk posed by the expanded mine operations and the protocols it will have in place to address this increased risk.

Question: Can the Board ensure that the Town is included as a designated contact in all emergency response plans and protocols? Clear and comprehensive emergency response plans must be included.

Cultural and Historical Resource Protection

Given the expanded footprint of the Cross Gold Mine, there is a significant risk that unrecorded historical or cultural resources may be disturbed. Independent assessments should be conducted to identify, document, and protect any culturally or historically significant sites within the project area.

Question: Can the Board confirm whether an independent cultural and historical resource assessment has been conducted, and if not, can one be commissioned to ensure these resources are protected?

Road Traffic, Study, and Impact to Town

The most direct routes to the mine site use the main public roads through the Town. The Town is concerned that there may be an increase in heavy-truck traffic from the proposed operations, which may require public roads to be substantially upgraded to support the mining operation. Increased traffic could also increase road maintenance costs for the Town.

Question: Can the Board commission an independent traffic study to assess the impact of public roads from mine traffic and whether upgrades are necessary to support the proposed operations?

Environmental Justice and Vulnerable Populations

It is critical that vulnerable and historically marginalized populations are included in the environmental monitoring and engagement process. These communities must have access to clear information, meaningful participation opportunities, and a role in shaping long-term environmental safeguards.

Question: What measures are in place to ensure that vulnerable populations are actively engaged and protected throughout the mine's operational and post-closure phases?

Defined Timeline for Decision-Making and Clear Permit Requirements

In order to ensure transparency and accountability, we request that the Board provide a clear timeline for final decisions regarding the DMO conversion, permitting requirements, and

associated studies. This will ensure the public has adequate time to review the findings and provide informed comments, as well as ensure that any expanded mine can and does operate in accordance with its permit requirements, as well as state law and regulations.

Question: Can the Board provide a projected timeline for completing the required assessments, issuing final decisions, and implementing any additional mitigation strategies? Any permit should clearly articulate the terms and conditions for operation.

Environmental Impact

Greatly Expanded Footprint:

The expansion to over 205 acres increases the risk that any spill, treatment failure, or rock fracturing could have widespread impacts, including to the hydrologic balance both during and after mining operations. In addition, the expanded operations may disturb local wildlife—including Canada lynx, bears, mountain lions, and disrupt critical life cycle events for moose and elk—through potential light and noise pollution from underground blasting and exposed contaminated water supplies prior to or in the process of any treatment, among other operational impacts.

Question: Can the Board commission independent, third-party quantitative risk assessments—including modeling of potential spill scenarios, treatment system failures, and evaluations of noise/light/water impacts—to verify the long-term reliability of the water treatment system and safeguard the surrounding ecosystem, including from impacts to local wildlife?

Heavy Metal Leaching from Mine Waste:

Historical data from the Clear Creek and Gilpin areas indicate a significant risk that mine waste (tailings and waste rock) may leach heavy metals such as lead, cadmium, and zinc. Furthermore, concerns persist regarding the design of waste containment measures (for example, an open-air settling tank and inadequately monitored tailings piles) and the lack of long-term remediation plans.

Question: What independent evaluations or quantitative data exist regarding potential heavy metal leaching, and can assessments be conducted to ensure that current waste management practices will protect water quality over the long term?

Water Quality, Adequacy of the Water Treatment System, Monitoring, and Reclamation Plan

Hydrologic Balance

The Town is concerned that the proposed operations may result in increased disturbances to the hydrologic balance, including to surface and groundwater quality and to downstream water rights, including the Town's. Water quality or quantity impacts could directly affect the Town given its location downstream from the mine and could compromise the Town's water supply, as the Town's augmentation plan relies on storage in, and release from Barker Reservoir. Colorado Law requires augmentation water be of a sufficient quantity and quality. C.R.S. § 37-92-305(5). Water quality impacts through the Town and in Barker Reservoir could have significant and prohibitive impacts on the Town of Nederland's legal right to divert and operate its water rights portfolio to provide a secure physical and legal municipal water supply to the Town's residents. The Town understands that in 2022 the Mined Land Reclamation Board found the mine failed to minimize disturbances to the prevailing hydrologic balance of the affected land and surrounding areas and to the quality of water in surface systems. Further, in 2024, the mine operator entered into a Compliance Order on Consent to resolve water quality permit violations for the discharge

permit issued to the mine (CDPS Permit No. CO00032751) cited by the Colorado Department of Public Health and Environment's Water Quality Control Division. The Town is concerned whether the water control and treatment plans, as well as ground and surface water monitoring are sufficient to ensure there are no negative impacts to the hydrologic balance from the expanded operations during the life of the mine, and that the reclamation plan is adequate, and that perpetual water treatment will not be required post-mining.

Performance and Stress Testing:

We request that the operator provide independent, periodic stress tests of the water treatment system, including quantitative performance data (e.g., historical water quality metrics, trends in heavy metal concentrations, and treatment efficiency under varying flow conditions). This is particularly important as the operator is piloting a new wastewater treatment chemical.

Question: What performance metrics are currently available, and can independent experts verify that the system maintains efficiency under both normal and extreme conditions?

Emergency Response Measures:

A comprehensive emergency response plan must be in place in the event of treatment system failure. Given the uncertainties associated with a new treatment method, the adequacy of current contingency measures is in question.

Question: What contingency plans and emergency protocols exist to address potential system failures, and have these measures been independently evaluated?

Post-Closure Financial Accountability and Oversight

While financial assurances are required under state law, historical cases have shown that cleanup costs can far exceed original estimates—particularly when mining operations involve complex hydrology, acid mine drainage, or persistent contamination. The Captain Jack Mill Superfund site serves as a prominent example of how unanticipated costs from inadequate financial assurances can lead to substantial taxpayer burdens. The Town questions whether the reclamation costs provided with the application materials are up-to-date, account for significant recent inflation, and are adequate to cover actual post-closure costs.

In addition, we request that financial assurances specifically account for all post-closure costs, including the potential need for ongoing water treatment, site maintenance, and emergency response measures well after the mine ceases operations. We also request that financial assurance reviews be conducted periodically throughout the mine's operation to ensure adequate funding as conditions develop.

Question: Can the Board confirm that financial assurances have been independently reviewed for adequacy under worst-case post-closure environmental and operational conditions, and will these assurances be reviewed periodically to adapt to changing risks and economic environments?

Independent Oversight

We request that all technical, financial, and environmental assessments be conducted by independent, third-party experts with no financial ties to the mining operator. Ensuring independent oversight is critical to providing an unbiased assessment of the project's risks and safeguards.

Question: Can the Board confirm that all key assessments will be conducted by independent third-party experts with no connection to Grand Island Resources, LLC?

Conclusion

Given the greatly expanded footprint of the Cross Gold Mine and the potential for significant environmental, technical, and socio-economic impacts—as demonstrated by historical cases in Clear Creek and Gilpin County—we respectfully request that the Town of Nederland be given party status and that the Board schedule a public hearing prior to any permit decision to address the Town of Nederland's concerns and direct impacts to the Town of Nederland's legally protected interests as identified in this letter. We further urge the Board to request comprehensive, independent studies addressing the questions and concerns outlined above before any final permit decision is made. This process is essential to safeguard regional water resources, public health, and community welfare.

Thank you for your attention to these critical issues. We look forward to an informed and transparent discussion that integrates both independent technical data and relevant regional case studies.

Sincerely,

A handwritten signature in cursive script that reads "Mayor Billy Giblin". The signature is written in dark ink and is positioned above the printed name.

Mayor Billy Giblin
Nederland, Colorado