CONSTRUCTION MATERIALS APPLICATION WITH OBJECTIONS Staff Presentation August 14, 2013

INTRODUCTION

Application Type:	112c
File No.:	M-2013-007
Applicant:	Rocky Mountain Aggregate & Construction, LLC
Operation Name:	Uncompahgre Pit
Location:	SE ¼ of Section 27, T 47 N, R 9 W, NMPM, Montrose County
Permit Area:	253.25 acres
Method of Mining:	conventional excavation
On-site Processing:	crushing, screening, washing, production of asphalt and concrete
Reclamation:	phased mine plan in 20-acre increments with contemporaneous reclamation
PMLU:	rangeland, wildlife habitat, industrial/commercial
Proposed Bond:	\$99,409.04
Objections:	33 timely letters of objection, received from 25 parties
Letters of Support:	one
Agency Comments:	SHPO and CPW timely, DWR August 1, 2013
Specialist:	Wally Erickson

ISSUES RAISED BY THE OBJECTING PARTIES AND COMMENTING AGENCIES

The issues raised by the objecting parties and commenting agencies, and the Office's response, are detailed in the Office's recommendation and rationale document, dated July 19, 2012. Additional responses to the specific issues listed in the Pre-hearing Order are provided in staff's PowerPoint presentation.

OFFICE RECOMMENDATION AND REQUEST

The Office requests the Board AFFIRM staff's recommendation for approval of the Uncompany Pit, File No. M-2013-007, over objections, as detailed in the Office's recommendation and rationale document, dated July 19, 2013.



DEPARTMENT OF NATURAL RESOURCES

DIVISION OF WATER RESOURCES

AUG 0 1 2013 Nusic Field Office Mining and Safety John W. Hickenlooper Governor Mike King Executive Director Dick Wolte, P.E. Director/State Engineer Bob W. Hurford, P.E. Division Engineer

July 30, 2013

Zane Luttrell, Manager Rocky Mountain Aggregate & Construction 23625 Uncompanyer Road Montrose, CO 81403

RE: M2013-007: Use of Surface Water Rights for Gravel Pit Operations

Dear Mr. Luttrell:

You requested a letter from my desk explaining the viability of using certain surface water sources for the gravel pit operations Rocky Mountain Aggregate & Construction is proposing on land owned by Lazy K Land & Cattle in the south Montrose area. The water desired to be used for dust control and gravel washing is water decreed to the Ouray Ditch and water shares delivered under the Uncompany Valley Water Users Association (UVWUA).

During times of shortage, such as this season when the M&D Canal calls out all junior water rights on the Uncompanyer above its point of diversion (the Ouray Ditch is an affected water right), any water still in priority in the Ouray Ditch may only be used for irrigation. In other words, you cannot use Ouray Ditch water for gravel operations when the river is on call.

UVWUA shares may be used for purposed other than irrigation. So, if your only sources of water for operations are the Ouray Ditch and UVWUA shares, and there is a call on the Uncompany River, you are limited to using the UVWUA shares until such time the call is lifted.

If you have any further questions, please don't hesitate to call,

Sincere Bob W. Hurford

Division Engineer



DEPARTMENT OF NATURAL RESOURCES

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John W. Hickenlooper Governor Mike King Executive Director Dick Wolfe, P.E. Director/State Engineer

August 1, 2013

Wally Erickson Division of Reclamation, Mining and Safety Durango Field Office 691 County Road 233, Suite A-2 Durango, CO 81301

RECEIVED AUG 0 1 2013 Durango Field Office Division of Reclamation, Mining and Safety

Re: Notice of Amended 112 Construction Materials Reclamation Permit Application Consideration Rocky Mountain Aggregate & Construction, LLC, Uncompany Pit, File No, M-2013-007

Dear Mr. Erickson,

I am in receipt of your request for a response regarding the water supply for the proposed Uncompany Pit, DRMS File No. M-2013-007. On July 30, 2013, Bob Hurford, Division Engineer for our Division 4 office, provided comments regarding your specific question on the use of the Ouray Ditch and shares in the Uncompany Valley Water Users Association for this proposal. This letter is to provide some additional comments regarding other water related aspects of the proposal.

In reviewing the application, it appears that ground water will not be exposed during or after the mining process. Instead, water for the proposal will be supplied either from the aforementioned ditches during irrigation season, or from Tri-County Water Company during the non-irrigation season. As long as the applicant complies with the comments from Mr. Hurford, the use of the ditch water is acceptable. For the non-irrigation season, any water used in the process should be from a source that is approved for the proposed purposes at the mine site, whether from Tri-County Water Company or another provider. Copies of receipts for any water purchased for use at the mine site should be maintained by the applicant, and provided to the Water Commissioner and/or Division Engineer upon request.

Also in the application, it appears that the applicant will construct settling ponds that will remain after mining is complete. Though the applicant has indicated that the dam will be less than 10 feet in height, any structure built above the ground surface for the purposes of impounding water must be approved by the Division of Water Resources Dam Safety Section. It appears that these settling ponds may qualify as non-jurisdictional dams and a *Notice of Intent to Construct* this type of structure must be sent to the Dam Safety Section for evaluation 45 days prior to construction. The form is available on our website at

http://water.state.co.us/SurfaceWater/DamSafety/DesignConstruction/Pages/DamConstructionFor ms.aspx . The applicant should contact Jason Ward, Dam Safety Engineer for Division 4 at (970) 249-6622, with any questions regarding this form and any other dam related issues.

Office of the State Engineer 1313 Sherman Street, Suite 818 • Denver, CO 80203 • Phone: 303-866-3581 • Fax: 303-866-3589 http://water.state.co.us Wally Erickson Division of Reclamation, Mining and Safety Uncompangre Pit, M-2013-007 August 1, 2013 Page 2 of 2

Another issue related to the settling ponds is the ponds are not decreed as storage rights at this time and thus do not have a decreed priority within the surface water rights priority system. Without a decree, the ponds are the most junior structure in the water district for administrative purposes and any water stored out of priority must be released at the direction of the Division Engineer. While the river basin is considered over-appropriated, there may be times when the physical supply in the river is sufficient to satisfy senior water rights thus allowing those structures with very junior or no decreed rights to divert/store water (in this case, the applicant would be impounding storm water in the settling ponds). This situation is referred to as not having a call on the river. When a senior right places a call for water on the river and junior and non-decreed structures must then cease diverting/storing, the applicant must be prepared to release any storm water that was impounded during the time the call was active (a.ka. stored out of priority). Contact information of the person responsible for the operation of the ponds should be provided to the Division Office for administration purposes.

Please let me know if you have any other questions regarding water issues related to this application.

Sincerely,

Megan Sellar

Megan Sullivan, P.E. Colorado Division of Water Resources 1313 Sherman St., Rm. 818 Denver CO 80203 303-866-3581 303-866-3581 (fax) www.water.state.co.us

cc: Bob Hurford, Division 4 Engineer Jason Ward, Dam Safety Engineer