

# EXHIBIT I



California Regional Water Quality Control Board  
Central Valley Region

Katherine Hart, Chair

FILE COPY

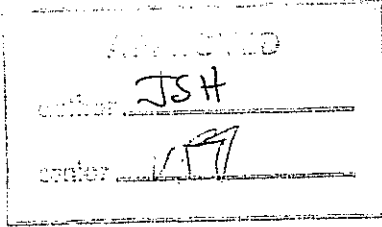


Arnold Schwarzenegger  
Governor

Linda S. Adams  
Secretary for  
Environmental  
Protection

11020 Sun Center Drive #200, Rancho Cordova, California 95670-6114  
Phone (916) 464-3291 • FAX (916) 464-4645  
<http://www.waterboards.ca.gov/centralvalley>

23 March 2010



CERTIFIED MAIL No.  
7006 2150 0000 7086 8396

Richard Sykora  
P.O. Box 622  
Forest Hill, CA 95631

**NOTICE OF VIOLATION**

**RED INK MAID AND BIG SEAM MINING CLAIMS, PLACER COUNTY**

Richard Sykora (Discharger) is in violation of Waste Discharge Requirements (WDRs) Order No. R5-2007-0181 and Monitoring and Reporting Program (MRP) No. R5-2007-0181 for the Red Ink Maid and Big Seam Mining Claims in Placer County. The violations are specifically:

- 1. Discharge Specification B.6 of the WDRs requires the following:

*"Waste dumps #1-4 shall be fully reclaimed by 30 October 2009. Reclamation measures such as hydroseeding or hydromulching that establish self-sustaining plant cover to control erosion, reduce infiltration, and provide for increased slope stability must be implemented. Reclamation and closure of waste dumps #1-4 shall be conducted under the direct supervision of a California registered civil engineer or certified engineering geologist."*

Based on observation from our site inspection on 10 March 2010, waste dumps #1-4 had not been reclaimed in the manner specified by Discharge Specification B.6. of the WDRs. In fact, we observed no substantial effort by the Discharger to reclaim dumps #1-4 in order to address the slope stability concerns noted in Finding 17 of the WDRs.

- 2. Discharge Specification B.7 of the WDRs requires the following:

*"By 30 November 2009, the Discharger shall submit a report describing completion of reclamation and closure of waste dumps #1-4. The report shall be prepared by a registered civil engineer or certified engineering geologist and certified by the Discharger, pursuant to Standard Provisions Item VIII. A. 5 of the Standard Provisions."*

As of the date of this letter, the Central Valley Regional Water Quality Board (Central Valley Water Board) has not received a report from the Discharger describing completion of reclamation and closure of waste dumps #1-4.

3. Discharge Specification B.9. of the WDRs requires the following:

*Waste dump #5 shall be designed, constructed and maintained to prevent scouring and/or erosion of the mine waste material, the surrounding area, and shall incorporate the provisions of Findings 27 through 29.*

Based upon our observations during the 10 March 2010 site inspection waste dump #5 is not being constructed as required, nor incorporating the provisions of Findings 27 through 29 of the WDRs. If continued, the current method of construction of waste dump #5 will result in waste dump #5 not achieving the stability requirements of Title 27 of the California Code of Regulations Section 21750(f)(5).

Similar observations were noted in our 18 August 2009 letter. In that letter we requested by **30 September 2009**, a report prepared by a California-registered geotechnical engineer presenting the results of the evaluation of the current placement method and stability of waste dump #5. As of the date of this letter, the Central Valley Water Board has not received the requested report from the Discharger.

4. Section C.1 of the MRP requires that the Discharger submit the following:

*"By **1 July** of each year, the Discharger shall submit an Annual Monitoring Summary Report covering the previous monitoring year. The report shall include a copy of the annual industrial stormwater report."*

The Central Valley Water Board has not received the Dischargers Annual Monitoring Summary Reports for the following periods:

- Annual Monitoring Summary Report for 2007-2008, which was due by 1 July 2008.
- Annual Monitoring Summary Report for 2008-2009, which was due by 1 July 2009.

5. Section C.2 of the MRP requires that the Discharger submit the following:

*"The Facility inspection report required by Section A, 3, a, is due by **15 November** each year."*

The Central Valley Water Board has not received the Dischargers Annual Facility inspection report for 2009.

6. Richard Sykora is also in violation of California Water Code Section (CWC) 13260(d)(1)(A) which states:

*Each person who is subject to subdivision (a) or (c) shall submit an annual fee according to a fee schedule established by the state board.*

- The State Water Resources Control Board (SWRCB) has not received the Dischargers annual WDRs fee for the billing period 1 July 2008 to 30 June 2009 which was due by 28 December 2008.
- The SWRCB has not received the Discharger annual WDRs fee for the billing period 1 July 2009 to 30 June 2010 which was due by 8 January 2010.

You are requested to provide a written response signed by you to this office by **9 April 2010** that either confirms the correction of each violation listed above or identifies a date by which

each violation will be corrected. The Central Valley Water Board reserves the right to take any enforcement action authorized by law.

Any person failing to furnish a report or pay a fee under CWC Section 13260 when so requested by a regional board is guilty of a misdemeanor and may be liable civilly. Civil liability may be administratively imposed by a regional board or the state board in accordance with CWC Article 2.5 (commencing with Section 13323) of Chapter 5 for a violation of subdivision (a) in an amount that may not exceed one thousand dollars (\$1,000) for each day in which the violation occurs.

If you have any questions, please call me at (916) 464-4626 or Jeff Huggins of my staff at (916) 464-4639.

VICTOR IZZO

Senior Engineering Geologist  
Title 27 Permitting and Mining

cc: (electronic copies to)

Chris Fischer, District Ranger, US Forest Service, American River Ranger District  
Foresthill

Rick Weaver, Hydrologist, US Forest Service, Tahoe National Forest

Mike Luksic, Department of Conservation, Office of Mine Reclamation, Sacramento

Ted Rel, Placer County Community Resource Agency, Auburn

Patrick Pulupa, Staff Counsel, Office of Chief Counsel, SWRCB, Sacramento