INSPECTION MEMO

Name and Location of Facility Inspected
Eagle Rock, Inc. - La Grange Pit
40029 La Grange Road
Junction City, Trinity County

Industrial General Permit
WDID #: 1 53I000476

Inspection Date
August 25, 2022

Inspection Time
Start Time: 9:00 am End Time: 2:30 pm

Inspector Name & Affiliation
Farzad Kasmaei, North Coast Regional Water Quality Control Board (NCRWQCB)
Amanda Piscitelli, NCRWQCB
Kate Blanchard, California Department of Fish and Wildlife (CDFW)
Matt Mitchell, CDFW
Claire Meehan, Department of Conservation – Division of Mine Reclamation (DOC)
Eghosa Eguagie, DOC

Names & Titles of Site Representative
Larry Yingling, President and Legally Responsible Party (LRP), Eagle Rock Inc. (ERI)
Dustin Tillinghast, Facility's Manager, ERI
Kristine Cloward, Facility's Consultant (QISP), VESTRA

Consent for inspection Provided?
Yes, by Dustin Tillinghast

Notified of Inspection?
Yes, Regional Water Board and CDFW staff provided advanced notice to Dustin Tillinghast

Weather Conditions at the Time of the Inspection: Sunny

Facility Receiving Water Name(s): Oregon Gulch & Poison Gulch, Tributaries to Trinity River

Inspection Memo Prepared By: Farzad Kasmaei and reviewed by Amanda Piscitelli

Background/Objective:

The Eagle Rock Inc. (Discharger) La Grange Pit, according to Stormwater Multiple Application and Report Tracking System (SMARTS), is a 240-acre mining facility (Facility) located at 40029 La Grange Road near Junction City. The Facility is currently under the Surface Mining and Reclamation Act (SMARA) that is regulated by Trinity County as an active mining site. The entire facility has been operated by Eagle Rock, Inc. (ERI) for decades. In 1980 the site was enrolled under WDR 80-169, in 2015 the site was enrolled under the Industrial General Permit. The site is currently under the National Pollutant Discharge Elimination System (NPDES) General Permit for Storm Water Discharges Associated with Industrial Activities NPDES Order CAS00001 and State Water Resources Control Board Order 2014-0057-DWQ (Industrial General Permit) WDID No. 1 53I000476.

The industrial activities associated with this mining operation include excavation, crushing, screening, washing, and stockpiling. Also, there are concrete and asphalt hot mix plants both located at the western portion of the Facility. Per Regional Water Board staff direction, the Discharger has recently updated the) database to add the Standard Industrial Classification (SIC) codes for concrete and asphalt operations. The central portion of the Facility is partially used as a boneyard to store rusty scrap metals and industrial equipment.

The Facility's runoff drains to two seasonal creeks: Poison Gulch and Oregon Gulch, along the northern and southern Facility boundaries, respectively. See the attached Facility Site Map.

Per the 303(d) list[1], Trinity River HU, Lower Trinity HA, is an impaired water body for Sediment/Siltation and Aluminum.

The Facility was previously inspected by Regional Water Board staff on September 28, 2021, to evaluate compliance with the Industrial General Permit (IGP) requirements. The staff observed several violations of the IGP requirements during that inspection. Also, due to an insufficient SWPPP, the Discharger was directed to revise the SWPPP and site map. Additionally, check-dam berms were observed within Oregon Gulch adjacent to the Facility. ERI staff present at the time stated that no permits had been obtained for the activities within the receiving water. A large portion of the berms on Oregon Gulch is located within the adjacent parcel, owned by BLM. Per ERI staff during subsequent communications, the berms were installed and maintained by ERI in trade for road maintenance for ingress to BLM parcel approximately eight years prior.

[1] California 2018 Integrated Report

The advanced BMPs that were observed during the September 28, 2021 and August 25, 2022 inspections include a series of wash ponds that infiltrate the runoff received from the wash plant area, two concrete washout ponds on the west side of the Facility as well as multiple settling ponds throughout the facility's yard that are used as infiltration BMPs. The IGP Attachment I allows a discharger to choose an alternative on-site compliance option for capture and use of storm water if the discharger meets specific requirements. However, the Discharger has not selected the "On-Site Compliance Option," and has not monitored and characterized the Facility's industrial stormwater prior to infiltration to groundwater, nor completed associated required technical reports, to ensure the protection of groundwater.

The Discharger has installed earthen berms in some areas around the Facility for sediment and erosion control in an attempt to minimize the discharge/monitoring locations.

Truck maintenance is conducted on-site within a roofed area and there is an oil shed adjacent to the truck maintenance shop.

Inspection Observations:

On August 25, 2022, Regional Water Board staff, in the company of staff from CDFW and DOC, inspected the Facility to evaluate whether the Facility is in compliance with the IGP and Clean Water Act Section 401 Water Quality Certification and/or Waste Discharge Requirements (dredge/fill projects) Program.

The inspection covered both parcels enrolled in the IGP as well as adjacent parcels. Eagle Rock, Inc. operates their IGP site on APNs 024-010-031-000 and 024-010-041-000. Eagle Rock, Inc. also owns an adjacent parcel (APN 024-010-046-000) downhill of the IGP site. The adjacent parcel (APN 024-010-17-00) to the south of the IGP site is owned by the Bureau of Land Management (BLM).

The Regional Water Board staff met CDFW, DOC and Facility staff (inspection group) outside of the office and the Facility staff provided us an introduction to the site.

The inspection group then drove along Highway 299 to view the easternmost portion of the Facility where materials are stored, and mining operation is performed. This portion of the Facility was viewed from a distance. Photos 1a and 1b show that the Facility is located downslope of Highway 299 and the property slopes downhill overall from east to west. Due to an existing large pit in the easternmost portion, no significant runoff anticipated to be generated within this area.

The inspection group then drove down to inspect the eastern portion of the Facility where a few check dams were installed along the earthen berm. The discharge point (DP-6) is located at the low point of this area before the runoff drains to Oregon Gulch (See photos 2a, 2b).

We observed a sediment detention basin constructed adjacent to and within the channel of Oregon Gulch, near DP-6, at upstream (eastern) end of property. Facility staff stated the basin was initially constructed for sediment but is no longer actively managed. The sediment basin appeared approximately 15 by 20 feet (see photo 2c).

The inspection group then drove toward the central portion of the facility where large stockpiles of fine sediment were stored (see photos 3, 4a and 4b). Regional Water Board staff identified a couple of potential discharge points in this area adjacent to Oregon Gulch behind the stockpiles of fine material (see attached site map 1). Farzad Kasmaei directed Dustin Tillinghast (Facility staff) and Kristine Cloward (Facility consultant) to monitor these areas and collect samples when runoff occurs during Qualifying Storm Events (QSEs). The site map must be updated accordingly to include drainage areas and all potential sampling/discharge points for the entire Facility. Also, the Discharger was notified to avoid storing any industrial materials that can be readily mobilized by contact with stormwater in and adjacent to the watercourses (creeks).

Also, the processing area where screening and crushing operations take place was inspected. Farzad Kasmaei observed an existing wash pond that receives wash water via a pond inlet and it appeared to be turbid (see photo 5). However, the pond is not shown on the site map. Per the Discharger, this pond is connected to an adjacent settling pond (photo 6) via a subsurface perforated pipe for further treatment. The Discharger was directed to include these stormwater features that are missing on the site map (see attached site map 1).

Per the Discharger the water stored in this pond is mostly reused and recirculated. However, excessive water from the pond drains to a large settling pond downstream via a trench. Per the Discharger, the large pond is maintained approximately every six years.

The inspection group inspected the wash plant area including the series of settling ponds. No activities were observed within this area and the settling ponds were empty during the inspection. According to Dustin Tillinghast, this area is generally inactive during the dry season since there is not enough water available to be used. However, during the wet season this area will be active with water in the settling ponds. Regional Board staff did not observe any sediment/erosion control issues in this area during the inspection.

Staff observed a significant number of uncovered large stockpiles of fine material on the west side of the boneyard and adjacent to Oregon Gulch. These stockpiles were placed adjacent to Oregon Gulch with no sediment or erosion control BMPs installed to prevent erosion and sediment delivery into the receiving water which cause an imminent threat to receiving water (see photo 7 and site map 3). Per the SWPPP map provided, an

earthen berm was installed as a perimeter control at the time of SWPPP preparation. During the inspection the earthen berm was indiscernible from the stockpiles. Stockpiles appear to have been placed on top of the berm rendering it wholly ineffective. These fine materials can be readily mobilized by contact with stormwater which would result in a direct discharge to Oregon Gulch, which is a tributary to the Trinity River which is impaired for sediment/siltation.

The Regional Water Board staff instructed Kristine Cloward and Dustin Tillinghast to move the stockpiles away from the creek before the rainy season starts. Also, Regional Water Board staff stated that erodible material should not be stored adjacent to receiving waters. Additionally, earthen berms used as a BMP throughout the facility can be a pollutant source when they are constructed from fine erodible material.

While inspecting the area on the southern side of the yard near the wash ponds, Regional Board staff observed substrate disturbance in Oregon Gulch. It appeared that equipment had operated in and manipulated the channel. A pile of earthen material was observed along the channel for approximately 100 linear feet. It is unclear where material originated (see photo 8).

Several large check dam berms were installed in the Oregon Gulch channel below a road crossing, the check dams cover approximately 0.4 acres and 350 linear feet along Oregon Gulch. Discharger stated that these check dams were installed at the request of a neighboring parcel owner and are located on the adjacent BLM parcel (see photo 9). The Regional Water Board has no record of any active or past permits for culvert installation or other crossing construction on this parcel. Amanda Piscitelli stated that permits are needed for channel maintenance or other activities in waters of the State. In the course of walking through the Facility, the inspection group observed evidence of hydrocarbon material spills on the ground from the construction dozers as well as spills from a forklift within the oil shed area (see photos 10, 11a and 11b). The Discharger has stored the spill prevention kits in the truck maintenance building. However, Farzad Kasmaei reminded Dustin Tillinghast to ensure that the trucks and industrial equipment are well maintained, the facility's crew are trained, and to ensure that spills are responded to immediately in accordance with preventative maintenance and spill prevention and response sections of the IGP.

Concrete bank armoring was observed on the left bank of Poison Gulch, upstream of the culvert crossing near DP-5. Additional concrete armoring was observed along the bank of Poison Gulch downstream of the crossing near the office (see photos 12a and 12b). Culverts in Poison Gulch, as shown on SWPPP site map, appear to have been installed or replaced without water quality certification. The Regional Water Board has no record of any active or past permits for culvert installation or other crossing construction.

The inspection group then walked down to the western portion on the facility where concrete operations take place. There are a couple of existing concrete washout ponds that are not lined (see photos 13a and 13b). These washout ponds are filled with concrete washout water from the concrete plant. Concrete wash water is an industrial process waste and is typically very high in pH. Per Dustin Tillinghast, these ponds are not lined and allow untreated concrete washout materials to be infiltrated into the soil upgradient of Oregon Gulch. Kristine was not able to confirm that the Discharger had conducted any investigation or groundwater monitoring to ensure that there is no threat to groundwater quality. While the IGP allows for and encourages the Discharger to reuse and infiltrate the Facility's stormwater runoff, this does not apply to hazardous materials, process wastes, or pollutants such as contaminated wastewater with a high pH.

Some improvements had been made since September 2021 inspection. The Discharger had partially cleaned the boneyard area and most of the scrap metals have been hauled away for pollutant source control. Per the Discharger, additional cleanup activities are in progress to remove more scrap metals and to minimize the exposure of rain to industrial materials. The Discharge also added earthen berms in numerous locations in an attempt to contain stormwater. Following the 2021 inspection, the Discharger hired a stormwater consultant, VESTRA, to revise the SWPPP and site map which were found to be insufficient. Updated documents have been recently uploaded to SMARTS.

Amanda Piscitelli accompanied Dustin Tillinghast to the adjacent parcel (APN 024-010-046-000) owned and managed by Eagle Rock Inc., but that is not currently enrolled under the IGP as no regulated industrial activities are occurring. Reginal Water Board staff observed that an access road was installed with several watercourse crossings lacking any culverts (see photos 14a, 14b). An access road appears to have been installed through several ephemeral drainages flowing southerly toward Oregon Gulch, with graded material present in drainages. The Regional Water Board has no record of any active or past permits for road installation or other crossing construction on this parcel.

Staff also observed a constructed off-channel pond with a graded berm. The pond area with berm is approximately one acre (see photo 15a). The pond appeared to have been recently installed and the Discharger stated it is filled with water piped subsurface from Oregon Gulch. Additionally, bark was spread throughout the parcel, as well as around the pond and near access road crossings (see photos 15b). Staff observed channel modification in Oregon Gulch with surface water flow that appeared to go subsurface downstream. The Discharger stated that channel had been modified to access water (see photos 16a and 16b).

Conclusions:

Per the Regional Water Board staff's observations, the Discharger is currently in violation of the IGP and Clean Water Act Section 401 Water Quality Certification and/or Waste Discharge Requirements (Dredge/Fill Projects).

Uncovered fine materials are currently stored adjacent to Oregon Gulch without implementing applicable minimum BMPs such as housekeeping and sediment/erosion control BMPs. These fine materials can be readily mobilized during the next rainfall event.

There are additional imminent threats to water quality at the Property. Channel bed modifications and in-stream crossings (fords) in Oregon Gulch have destabilized the channel substrate. During rainfall events, fine sediment generated from these activities will be deposited downstream. Fine sediment is deleterious to aquatic resources, especially salmonids. Several earthen berms (check dams) have been constructed in Oregon Gulch. This un-permitted placement of fill within the channel diverts flow and disrupts natural flow regimes. Storms with significant rainfall have the potential to destabilize the berms and deposit earthen material, including fine sediment, downstream.

Poison Gulch has also been modified and impacted by unauthorized activities. Several culverted watercourse crossings were observed, and it is unclear if they were sized to accommodate 100-year flood flow with debris and sediment loads. Some culverts appeared improperly installed. Crossings with undersized and incorrectly installed culverts are at risk of plugging, overtopping, and failure. Failed crossings deliver earthen fill material, including fine sediment, downstream. Concrete armor observed on the bank and near a culverted watercourse crossing appear to be for bank stabilization. Concrete is non-native fill, vulnerable to deterioration, and not typically authorized for bank stabilization projects. It is unknown if other portions of Poison Gulch have been modified, filled, crossed, or stabilized. Further review, delineation, and assessment of all Waters of the State on the Eagle Rock, Inc. parcels is needed.

The Regional Board staff identified additional potential discharge/sampling points. Also, no erosion control berms were observed along with the fine stockpiles as it is shown on the site map. The Discharger was notified to avoid storing fine materials adjacent to the Creeks to the extent feasible and install an effective sediment/perimeter control BMPs for receiving water protections.

Site map must be revised to reflect the current condition of the site. All discrepancies must be addressed. The drainage areas, potential monitoring/sampling points and any stormwater features such as missing wash pond must be included on the site map. The SWPPP may need to be revised accordingly.

Evidence of hydrocarbon material spills were observed on the ground. The truck and industrial equipment must be well maintained, and the facility's crew must be well

trained to respond to any leakage immediately in accordance with spill prevention and response section of the IGP.

On the adjacent Eagle Rock Inc. parcel (024-010-046-000) the access road has several unpermitted watercourse crossings. None of the observed crossings contained culverts suggesting that vehicles and equipment are driving through the watercourses at any time of the year. Access road approaches are currently hydrologically connected to the watercourses. Crossings should be assessed by a qualified professional to determine appropriate crossing design. The constructed off-channel pond installed is filled with water piped subsurface from Oregon Gulch. Division of Water Rights should be contacted to review potential water rights that may be needed. Observed channel modification in Oregon Gulch should be assessed and remediated. Dredge and fill activities within waters of the United States require prior authorization from the U.S. Army Corps of Engineers under section 404 of the Clean Water Act and issuance of a state water quality certification by the Regional Water Board under section 401 of the Clean Water Act. Permits will need to be obtained to address the crossings and channel modification.

Attachment(s):

1. Photos
2. Site maps

Photos:

Photos 1a, 1b: Looking south at the easternmost portion of the facility where materials are stored, and mining operation occurs. Picture taken by Farzad Kasmaei.

Photo 2a, 2b: Looking northeast at the check dams installed along the earthen berm where the stormwater samples are collected (DP-6) prior to discharging into Oregon Gulch. Picture taken by Farzad Kasmaei.

Photo 2c: Sediment basin on Oregon Gulch near access road on eastern portion of parcel. Picture taken by Amanda Piscitelli.

Photo 3: Looking southwest at naturally vegetated fine materials stored adjacent to Oregon Gulch. Potential discharge point. Picture taken by Farzad Kasmaei.

Photo 4a, 4b: Looking southwest at a shallow drainage ditch that drains into Oregon Gulch. Potential discharge point. Picture taken by Farzad Kasmaei.

Photo 5: Looking south at the processing area where screening and crushing operations take place. The wash pond receives a highly turbid wash water from this area, and then it drains to a settling pond via a subsurface perforated pipe for further treatment. Picture taken by Farzad Kasmaei.

Photo 6: View of settling pond that receives wash water from the wash water pond via a perforated pipe. The water is mostly recirculated/reused. Picture taken by Farzad Kasmaei.

Photo 7: View of significant number of uncovered fine stockpiles stored adjacent to Oregon Gulch. No sediment/erosion control BMPs were observed to protect the Creek. Picture taken by Farzad Kasmaei.

Photo 8: View of channel modification in Oregon Gulch. Picture taken by Farzad Kasmaei.

Photo 9: View of the installed wide berms in Oregon Gulch. Picture taken by Amanda Piscitelli.

Photo 10: Evidence of hydrocarbon spills on the ground from a dozer near Poison Gulch. Picture taken by Amanda Piscitelli.

Photo 11a, 11b: Evidence of hydrocarbon spills within the roofed oil shed area. Picture taken by Farzad Kasmaei.

Photos 12a, 12b: Photo 12a concrete armor on left bank of Poison Gulch. Photo 12b concrete armor on right bank of Poison Gulch downstream of road crossing near office.

Photos 13a, 13b: looking east at existing concrete washout ponds that are not lined. Picture taken by Farzad Kasmaei.

Photo 14a: Access road drainage crossing, facing downstream.

Photo 14b: Drainage swale with road crossing material in foreground.

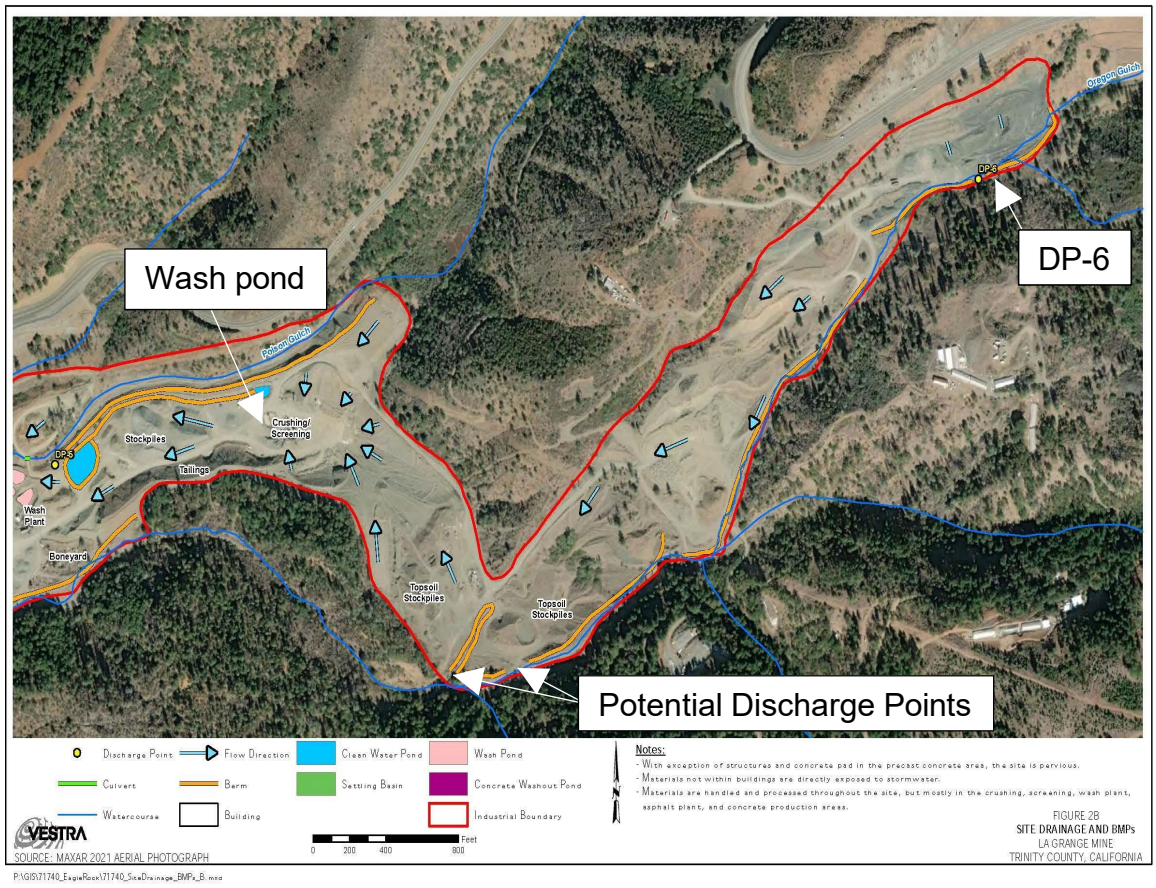
Photo 15a: Pond installed off channel, filled with water piped from Oregon Gulch.

Photo 15b: Back of pond with bark spread on ground around pond.

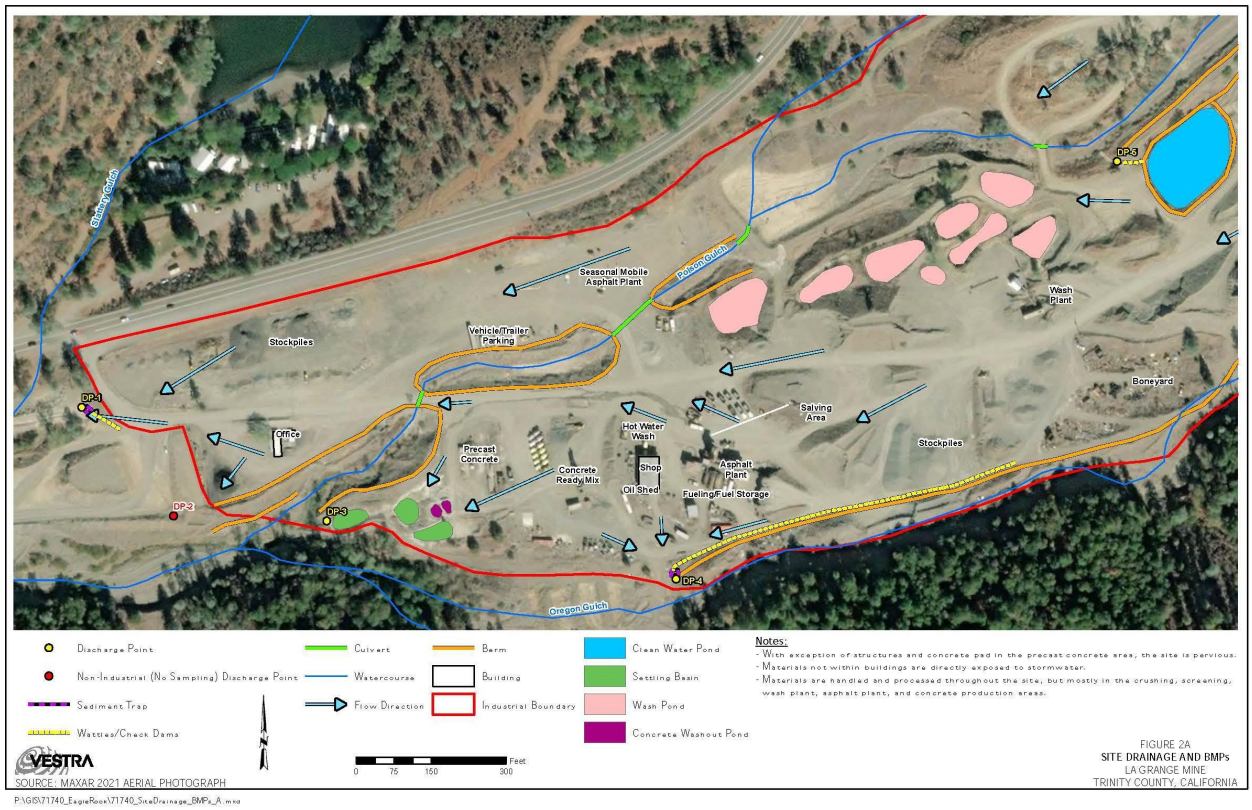
Photo 16a: channel modification in Oregon Gulch, facing downstream.

Photo 16b: Surface water in Oregon Gulch, goes subsurface at downstream end.

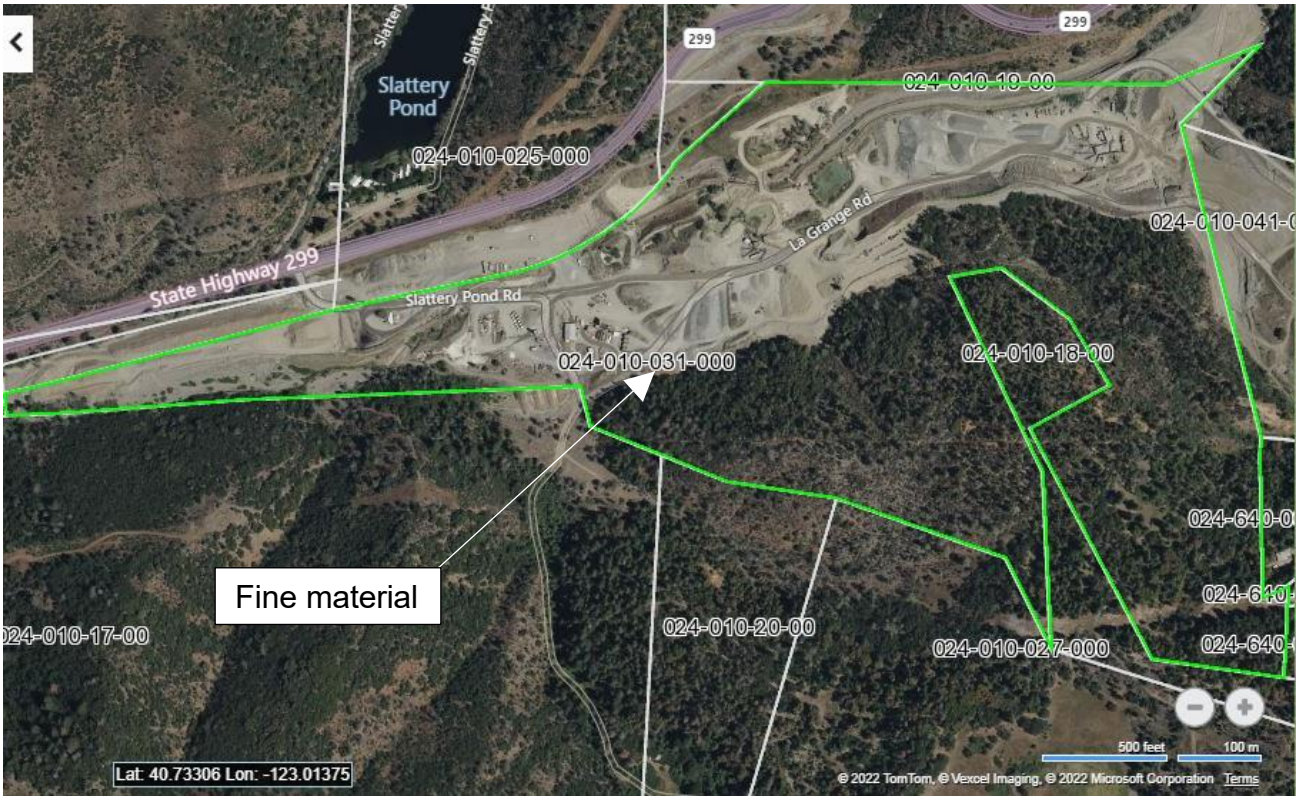
Site Maps:



Site map 1: The site map has been prepared by Discharger's consultant, indicating the central and eastern portions of the Facility. Stormwater flow directions, sampling locations, clean water pond locations and the location of the earthen berms are shown on the site map.



Site map 2: The site map has been prepared by Discharger's consultant, indicating the central and western portions of the Facility. Stormwater flow directions, sampling locations, clean water and settling pond locations and the location of the earthen berms are shown on the site map.



Site map 3: Aerial view of parcel (APN 024-010-031-000) outlined in green where large fine materials are stored adjacent to Oregon Gulch. Per LandVision this parcel is owned by ERI.