

July 11, 2007

Mr. Phillip Stoffey
Colorado Department of Public Health and Environment
Hazardous Materials and Waste Management Division
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Via Fed Ex

**RE: City of Boulder, Valmont Buttes/Allied Piles Site
Proposed Actions Schedule Extension Request
Terracon Project No.: 22057004**

Dear Mr. Stoffey:

Terracon is providing this letter on behalf of the City of Boulder to request an extension to the schedule proposed in the City's December 16, 2005 "Proposed Actions" letter to CDPHE.

As described in the "Proposed Actions" letter, the City intended to select and authorize contractors to proceed with prairie dog management, hazardous waste removal and cap restoration projects in 2006. Due to changing circumstances (described below), the prairie dog management and cap restoration projects have been delayed. We respectfully request your approval of the following schedule:

1. Select a prairie dog management contractor – July 2007
2. Execute the prairie dog management project – July through August 2007
3. Appraisal (market value) of the site – July 2007
4. Negotiations for sale of the site – August through September 2007
5. Cap restoration design finalization - following completion of sale agreement.

During the last two years, the City of Boulder has proceeded with remedial actions at the Valmont Butte site, including:

- Removal of hazardous waste,
- Removal of industrial waste and scrap metal,
- Surveys of prairie dogs in the tailings ponds area.

On December 16, 2005, the City submitted a "Proposed Actions" letter to CDPHE summarizing the City's proposed actions at the site. The letter included descriptions of the City's planned actions associated with:

- Wildlife Management (prairie dog survey and removal, closure of holes, installation of barrier)
- Cap restoration (tailings ponds capping with 18 to 24 inches of clean fill over areas exceeding 60 μ R/hr)
- Housekeeping activities (surface soil areas management and waste management)

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The letter served as the City's 30-day notice as required by the covenants to notify CDPHE of actions in the tailings ponds (work associated with prairie dog and burrowing wildlife management).

CDPHE responded to the City in a letter dated January 4, 2006 approving the proposed actions but with a request for two changes to the planned approach:

- Increasing the number of radiation survey points and lowering the cleanup level from 60 μ R/hr to 30 μ R/hr
- Lowering the lead cleanup level from 800 mg/Kg to 400 mg/Kg.

The City agreed to accommodate both suggestions, as documented in an April 21, 2006 letter from the City to CDPHE. CDPHE acknowledged the changes in a letter dated May 4, 2006.

In March 2006, the City conducted arsenic testing of background soils, documented them in an April 21, 2006 letter to CDPHE and requested an arsenic cleanup level of 10 mg/Kg. CDPHE granted approval of the 10 mg/Kg cleanup level in a letter dated May 4, 2006.

In March and April of 2006, the City (via a biological consultant) conducted prairie dog inventories and sampling consisting of tissue, pelt and soil sampling. Thirty (30) prairie dogs were euthanized for the sampling work with city manager approval per the City's wildlife ordinance. Samples were analyzed for uranium, arsenic and lead to evaluate whether relocated prairie dogs may create health problems in the food chain. Tissue, pelt and soil samples exhibited detectable levels of arsenic, lead and uranium. However, based on results of the study and a review of literature, the biologist concluded that transport and release of live prairie dogs from the Valmont Butte site to another site in Boulder County would not be deleterious to predator species. CDPHE concurred in a letter dated May 8, 2006.

During 2006, the City developed the Prairie Dog Component of the Urban Wildlife Management Plan (UWMP). The plan was completed and approved in August 2006, and the Valmont Butte site is one of the top five priority sites identified for prairie dog management.

In March 2007, the City retained a consultant to re-inventory the prairie dog population in and around the tailings ponds. The result indicated approximately half as many prairie dogs as the previous year.

The prairie dog issue has been evolving with the development of the UWMP and evaluation of relocation alternatives. The City now has a project defined that includes installation of a vinyl barrier, on-site live relocation of prairie dogs to the maximum extent allowed and filling prairie dog holes in the ponds and a 60-foot buffer surrounding the ponds with flowfill. Lethal control of a

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minimum number of prairie dogs may be necessary to remove all prairie dogs from the tailings pond caps but will be done as a last resort and in conformance with all federal, state and local regulations and procedures. The City recently issued a Request for Proposal for the project and plans to select a contractor in July 2007. The project will be executed between July and August 2007. Appropriate City and Colorado Division of Wildlife (DOW) permits will be obtained as part of the project.

In February 2006, at the direction of City Council, the City began negotiations with a consortium of parties (buyer) interested in purchasing the site, brokered through the Trust for Public Land (TPL). The buyer has expressed interest in exploring alternative tailings pond cap designs.

In August 2006, the City completed plans and specifications and solicited bids for the project entitled "Hazardous and Industrial Waste Removal and Disposal, Valmont Buttes/Allied Piles Site, Boulder, Colorado." A contractor was selected and the work was executed between October and December 2006. The contractor provided a final report including waste disposition documentation in February 2007.

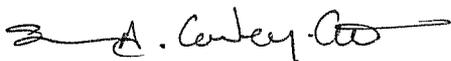
In summary, the City has continued a correspondence with your department, accommodated your requested changes to tailings pond and soil areas restoration and notified your department of on-site actions in accordance with the covenant agreement. The City has continued to evaluate the prairie dog management issue and has conducted its work in an open and transparent method to give neighbors and concerned public the opportunity for review and input. The City is currently in negotiations with the buyer interested in purchasing the site, brokered through the Trust for Public Land.

The City will continue to proceed in good faith with upgrading the site and complying with the covenant agreement, and is currently working towards capping the tailings ponds and selling the site.

We trust the information provided herein is satisfactory to allow the requested extension. If you have any questions or require additional information, please do not hesitate to call.

Sincerely,

Terracon Consultants, Inc.



Susanne Cordery-Cotter, P.E.
Senior Project Engineer



Lawrence R. Keefe
Principal

Cc: Mr. Bill Boyes, City of Boulder