



BEFORE THE DIRECTOR OF THE ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

In the Matter of: )
Senator Mine located on Parcels 205-14-246P )
and 205-14-246N south of the Senator )
Highway about 1/4 mile west of the junction of )
the Senator Highway and Walker Road, )
Yavapai County, Arizona )
Place ID 154018 )

CONSENT ORDER

Docket No. APP-09-18

I. RECITALS

- A. Gold Paradise Peak, Inc. (GPP) and Sino Vantage Group, Inc. (SVG) jointly own the Senator Mine located on Parcel 205-14-246P and 205-14-246N, south of the Senator Highway about 1/4 mile west of the junction of the Senator Highway and Walker Road, Yavapai County, Arizona.
B. Songqiang Chen is a representative of both GPP and SVG and certifies that he is fully authorized to execute this Consent Order on behalf of both GPP and SVG and to legally bind GPP and SVG to this Consent Order.
C. The Director of Arizona Department of Environmental Quality (ADEQ) has jurisdiction of this action's subject matter and is authorized to issue this Consent Order pursuant to the Arizona Revised Statutes (A.R.S.) §§ 49-261 and 41-1092.07(F)(5).
D. GPP and SVG agree that the Director of ADEQ has jurisdiction of this action's subject matter.
E. This Consent Order contains the full terms of the agreement between GPP, SVG, and ADEQ.
F. GPP and SVG voluntarily agree to this Consent Order based only on the terms contained in the Consent Order.
G. GPP and SVG understand that agreeing to this Consent Order does not resolve any liability that they may have for civil penalties for a violation of any State or Federal environmental law.

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- H. GPP and SVG understand that agreeing to this Consent Order does not mean they admit to any civil or criminal liability, or waive any right or assertion of any defense available to GPP and SVG under applicable law.
- I. Neither GPP nor SVG admit the validity of any Agency Determinations and Findings contained in this Consent Order.
- J. Both GPP and SVG agree not to dispute the validity or terms of this Consent Order in any future proceeding to enforce the terms of this Consent Order.
- K. Both GPP and SVG retain the right to dispute the validity of any Agency Determinations and Findings contained in this Consent Order in any proceeding other than a proceeding to enforce the terms of this Consent Judgment.

## **II. AGENCY DETERMINATIONS AND FINDINGS**

The Director makes the following Agency Determinations and Findings that GPP and SVG have violated a requirement of A.R.S., the Arizona Administrative Code (A.A.C.), or an ADEQ issued permit, as described below:

### **A. A.R.S. § 49-255.01(A)**

#### **Addition of a pollutant to navigable waters from a point source without a permit.**

The Senator Mine consists of a tailing pile and an adit. As joint owners of the Senator Mine, SVG and GPP are jointly and severally liable for all of the violations and compliance requirements listed in this Consent Order. Further, the majority of the tailing pile and the adit is located on Yavapai County Parcel 205-14-246P, which is owned by SVG. A portion of the mine, including the northwestern edge of the tailings pile, is located on Parcel 205-14-246N, which is owned by GPP.

The adit, as referenced above, continuously discharges mine drainage into the Hassayampa River which flows adjacent to the mine site. ADEQ's Hassayampa River Cadmium, Copper, and Zinc Total Maximum Daily Load (TMDL) was approved in 2002. The TMDL study identified the adit and tailings pile as sources of cadmium and zinc under low-flow conditions. According to the study, the tailings pile also contributes copper under spring run-off (snow melt) conditions.

On July 2, 2018, ADEQ conducted a follow up inspection in response to the May 17, 2018, Notices of Violation that were issued to GPP and SVG, respectively. During the inspection, ADEQ observed a cement pipe and an adit discharging mine drainage. ADEQ followed the discolored mine drainage and confirmed that it was discharging down the hillslope and into the Hassayampa River. ADEQ observed that the tailing pile/waste rock piles are incorporated into the channel of the Hassayampa River. Erosion, evidenced by the presence of small rills, demonstrate that stormwater can come into contact with mine workings and waste and discharge into the Hassayampa River. ADEQ also observed various abandoned mine equipment within the channel of the Hassayampa River.

On September 10, 2018, Keith Pohs, President, Intermountain Resource Consultants, submitted a technical memorandum to ADEQ. The memorandum included analytical results collected from water quality samples collected from several locations at the mine site. The results are summarized in the table below.

Sample Location	Cadmium	Copper	Zinc
Pipe	44 µg/L	< 50 µg/L	3800 µg/L
Adit	54 µg/L	76 µg/L	7300 µg/L
Base of Tailings	< 20 µg/L	72 µg/L	9400 µg/L

Pursuant to A.A.C. Title 18, Chapter 11, Appendix B, the Hassayampa River is a tributary to the Gila River in the Middle Gila Basin has the following designated uses; agricultural irrigation; agriculture livestock watering; full body contact; fish consumption, and aquatic and wildlife cold water. To date, GPP or SVG have not obtained permit coverage from the point source discharges from the cement pipe and adit into the Hassayampa River, nor have they obtained permit coverage under the Multi-Sector General Permit (MSGP) for stormwater discharges to discharge permits into the Hassayampa River.

### **III. COMPLIANCE SCHEDULE**

ADEQ has established the compliance requirements. ADEQ, GPP, and SVG have agreed on the completion deadlines. GPP and SVG jointly and severally agree to comply with the provisions of this Consent Order as follows:

- A. Within 30 days of the effective date of the Consent Order, GPP and SVG, jointly and severally, shall submit a site sampling plan to collect additional water quality data at the site and in the adjacent Hassayampa River have been collected to assess the current state of the water quality. The site sampling plan shall at a minimum consider the following:
1. The sampling plan shall describe the sample collection and analyses processes, including a quality assurance (QA) manual that addresses these activities. The QA manual shall include the following:
    - i. Project management;
    - ii. Sample collection procedures;
    - iii. Proposed sampling locations (map and latitude/longitude);
    - iv. Specify approved analytical methods to be used;
    - v. Data review and processes to resolve data quality issues.
  2. Discrete samples must be collected.
  3. For metals, total and dissolved, samples must be collected.
  4. For hardness dependent metals, hardness, as expressed by mg/L CaCO<sub>3</sub>, the hardness is based upon the hardness of the receiving water body from a sample taken at the same time that the sample for metal is taken, except that the hardness may not exceed 400 mg/L (A.A.C. Title 18, Chapter 11, Table 1, Footnote d.).
  5. Analytical methods with a Limit of Quantitation (LOQ) that is lower than the water quality standards outlined in A.A.C. Title 18, Chapter 11. If all methods have higher LOQs than the applicable water quality criteria, the Permittee shall use an approved method with the lowest LOQ.
  6. GPP and SVG, jointly and severally, address any deficiencies identified by ADEQ within 30 days of receipt of written notification from ADEQ.
- B. Within 30 days from the effective date of the Order, GPP and SVG, jointly and severally, shall submit proposed interim measures that can be implemented to mitigate the environmental impacts at the site, including but not limited to, stormwater controls on the tailings pile. GPP and SVG, jointly and severally, address any deficiencies identified by ADEQ within 30 days of receipt from written notification from ADEQ

- C. Within 60 days of the date that ADEQ approves the interim mitigation measures, GPP and SVG, jointly and severally shall submit documentations, including photographs of the site and receipts, to demonstrate that the measures have been implement.
- D. Upon receipt of written approval of the sampling plan from ADEQ, GPP and SVP, jointly and severally, implement the proposed sampling plan. GPP and SVP, jointly and severally, shall submit copies of water quality data and chain-of-custody forms along with the status reports defined in Section IV.
- E. Within 180 days of the effective date of the Consent Order, GPP and SVG, jointly and severally, shall submit a site plan for ADEQ review and approval. The site plan shall include control and/or remediation measures to address applicable water quality concerns and ensure compliance with Arizona's Water Quality regulations for stormwater and the adit discharges. GPP and SVG, jointly and severally, address any deficiencies identified by ADEQ within 30 days.
- F. Within 120 days of the effective date of the Consent Order, GPP and SVG, jointly and severally, shall electronically submit a Notice of Intent (NOI) for stormwater discharges under the Multi-Sector General Permit (MSGP) for mining facilities and Stormwater Pollution Prevention Plan (SWPPP) for ADEQ review and approval using the myDEQ Portal. The submittal shall include NOI application fee (dependent on site acreage) and the \$1000 SWWPP review fee. GPP and SVG, jointly and severally, address any deficiencies identified by ADEQ within 30 days of receipt of written notification from ADEQ. Subsequent SWPPP reviews will be subject to a \$500 review fee
- G. If the ADEQ approved site plan requires permit coverage for the adit discharge, within 45 days of the receipt date of ADEQ's written approval, GPP and SVG, jointly and severally, shall schedule a permit pre-application to determine the necessary requirements to proceed with the permitting process. During the pre-application meeting, GPP and SVG, jointly and severally, shall propose milestones and timeframes to obtain and achieve compliance with the issued permit. Once approved by ADEQ, these milestones and deadlines shall be incorporated into the Order by reference.
- H. No later than September 30, 2020 GPP and SVG, jointly and severally, shall be in compliance with Arizona's water quality regulations for the adit and stormwater discharges.

#### **IV. STATUS REPORTS**

- A. GPP and SVG agree, jointly and severally, to submit a written status report to ADEQ every 30 calendar days beginning 30 days from the effective date of this Consent Order, until this Consent Order terminates. Each written status report must:
1. Describe what measures have been taken under Section III of this Consent Order;
  2. Certify when compliance with the requirements of Section III of this Order are achieved;
  3. Be accompanied by evidence showing compliance, as appropriate. Evidence showing compliance can include documents, photographs, or copies of any other supporting information that GPP and SVG deems necessary.
- B. ADEQ will review the status reports and inform GPP and SVG in writing of any disputes. GPP and SVG, jointly and severally, must incorporate all required modifications, changes or other alterations that ADEQ requests within a reasonable time specified by ADEQ.

#### **V. COMPLIANCE WITH OTHER LAWS**

- A. This Consent Order does not include issues regarding releases, contamination, sources, operations, facilities or processes not expressly stated by the terms of this Consent Order, and does not interfere with the rights that the State of Arizona, GPP, and SVG have under any federal or Arizona environmental statutes and rules regarding such issues.
- B. This Consent Order is not a permit of any kind, does not modify any permit of any kind, nor is it an agreement to issue a permit of any kind under federal, state or local law.
- C. This Consent Order does not alter, modify or revoke federal, state, or local law.
- D. This Consent Order is not a defense to any action to enforce any such permits or laws.
- E. Therefore, GPP and SVG have an obligation to:
1. Apply for, obtain, and comply with all applicable permits.
  2. Comply with federal, state or local law.
  3. Comply with the terms of this Consent Order.

#### **VI. SITE ACCESS**

Upon presenting credentials to authorized personnel on duty, ADEQ may at any time enter the premises at the Facility in order to observe and monitor compliance with the provisions of this Consent Order. This right of entry is in addition to ADEQ's rights under applicable law.

## **VII. CORRESPONDENCE**

- A. GPP and SVG, jointly or severally, shall send all correspondence, such as documents, materials, plans, notices, or other items under this Consent Order, to:

Arizona Department of Environmental Quality  
Surface Water Inspections and Compliance Unit  
Attention: Mindi Cross, Associate Environmental Scientist and Specialist  
1110 West Washington Street  
Phoenix, Arizona 85007-2935  
Telephone: (602)771-2209  
Email: mc4@azdeq.gov

- B. Any submission to ADEQ is treated as submitted when ADEQ receives it.  
C. ADEQ shall send all correspondence under this Consent Order to:

Keith Pohs, M.S., CPM  
Intermountain Resource Consultants, LLC.  
P.O. Box 3402  
Flagstaff, AZ 86003

## **VIII. RESERVATION OF RIGHTS**

- A. ADEQ agrees to this Consent Order based solely upon currently available information. If additional information is discovered, which indicates that the actions under this Consent Order are or will be inadequate to protect human health, safety, or the environment, or to conform with applicable federal or state laws, ADEQ has the right to require further action.
- B. ADEQ has the right to:
1. Seek civil penalties for any and all violations of A.R.S. Title 49 or the applicable rules, occurring before the effective date of this Consent Order;
  2. Disapprove GPP's and SVG's work that fails to comply with this Consent Order;
  3. Take enforcement action for any and all violations of this Consent Order; and,
  4. Take enforcement action for any and all violations of A.R.S. Title 49 or the applicable rules, occurring after the effective date of this Consent Order.

**IX. VIOLATIONS OF ORDER**

If GPP and SVG fails to comply with this Consent Order, GPP and SVG can be jointly and severally liable for other administrative or judicial sanctions, including civil penalties under A.R.S. § 49-262, the same as if for a violation of any State or Federal environmental law.

**X. SEVERABILITY**

If a court of law declares that any provision of this Consent Order is invalid or unenforceable, all other provisions of this Consent Order remain in full force and effect.

**XI. MODIFICATIONS**

Any modifications of this Consent Order must be in writing and all three parties, GPP, SVG, and ADEQ, must approve the modifications.

**XII. EFFECTIVE DATE**

The effective date of this Consent Order is the date this Consent Order is signed by ADEQ, GPP and SVG. If ADEQ, GPP, and SVG sign on different dates, the later date is the effective date of this Consent Order.

**XIII. PARTIES BOUND**

GPP and SVG are jointly and severally responsible, and will remain responsible, for carrying out all activities required under this Consent Order, regardless of change in ownership, corporate status, or partnership status, or transfer of assets or real or personal property relating to the subject of this Consent Order, unless:

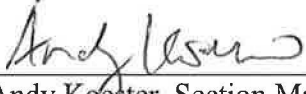
- A. The Party to whom the right, title, or interest has been sold, transferred, or assigned agrees in writing to fulfill the obligations of this Consent Order; and,
- B. ADEQ approves the provisions transferring the obligation.



**XIV. TERMINATION**

- A. ADEQ will notify both GPP and SVG in writing that this Consent Order is ended when ADEQ determines that GPP and SVG have demonstrated that all of the terms of this Consent Order have been completed or satisfied.
- B. If ADEQ denies GPP's and SVG's request for termination, ADEQ will notify GPP and SVG in writing and describe which terms of the Consent Order have not been completed to ADEQ's satisfaction.
- C. ADEQ reserves the right to terminate this Consent Order unilaterally at any time for any reason, but will notify GPP and SVG in writing as to the reason(s) for termination.

Signed this 13 day of November, 2018.

  
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Andy Koester, Section Manager  
Surface Water Protection  
Arizona Department of Environmental Quality

**CONSENT TO ORDER**

Songqiang Chen, on behalf of both parties, GPP and SVG, acknowledges that he has read all of the Consent Order. Songqiang Chen agrees:

- A. With the statements made,
- B. To this Consent Order with the Arizona Department of Environmental Quality, and
- C. That GPP will comply with Consent Order and waive any right to appeal
- D. That SVG will comply with Consent Order and waive any right to appeal.

Signed this 05 day of 11, 2018

  
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Songqiang Chen  
President

**ORIGINAL** of this Consent Order was sent certified mail, return receipt requested, this 14<sup>th</sup> day of November, 2018, to:

CC: Via certified mail, return receipt requested on:

Gold Paradise Peak, Inc.  
1650 S. Amphlett Blvd.  
STE 200  
San Mateo, CA 94402

Sino Vantage Group, Inc.  
1560 S. Amphlett Blvd.  
STE 200  
San Mateo, CA 94402

CC: on:  
Arizona Department of Environmental Quality  
Office of Administrative Counsel  
Attention: Hearing Administrator  
1110 West Washington Street  
Phoenix, Arizona 85007-2935

Curtis Cox, Chief Counsel, Environmental Enforcement Section, Office of the Attorney General

Mindi Cross, Associate Environmental Scientist and Specialist

Kenneth Greenberg, EPA Region IX, [R9NPDES@epa.gov](mailto:R9NPDES@epa.gov)

Leslie Horton, Yavapai County Health Department [web.Health@yavapai.gov](mailto:web.Health@yavapai.gov)