

Katie Hobbs  
Governor

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY



Karen Peters  
Director

Case ID #: 212845

July 25, 2023

Gold Paradise Peak Inc.  
Attention: Gang Chen  
1660 S Amphlett Blvd  
Ste 104  
San Mateo, CA 94402

Subject: 570 Adit Waste/Tailings Senator Highway, Place ID 185727  
LAT: 34d, 25', 39.7308" N LNG: 112d, 25', 47.046" W

## NOTICE OF VIOLATION

This Notice of Violation (NOV) is an informal compliance assurance tool used by the Arizona Department of Environmental Quality (ADEQ) to put a responsible party (such as a facility owner or operator) on notice that the Department alleges a significant violation of an environmental requirement has occurred and this notice describes the facts known to ADEQ at the time of issuance. ADEQ has reason to believe that Gold Paradise Peak Inc. as the owner/operator of 570 Adit Waste/Tailings Senator Highway has violated a requirement of the Arizona Revised Statutes (A.R.S.), a rule within the Arizona Administrative Code (A.A.C.), or an applicable permit, license, or administrative order. ADEQ identified the violations alleged below during a file review completed on May 30, 2023. See the Evidence of Compliance section below for the actions necessary to demonstrate resolution of the alleged violation(s).

ADEQ reserves the right to take a formal enforcement action, such as issuing an administrative order or filing a civil lawsuit, regardless of whether the Department has issued an NOV. Neither ADEQ's issuance of an NOV nor its failure to do so precludes the Department from pursuing these remedies. However, the timeliness of a complete response to this notice will be considered by ADEQ in determining if and how to pursue such remedies.

If this NOV is a result of an inspection then the NOV also serves as a monthly status update as required by A.R.S. § 41-1009(J).

### I. LEGAL AUTHORITY and NATURE OF ALLEGED SIGNIFICANT VIOLATION(S)

#### 1. **AZPDES Permit Part I.A. Table 1. Effluent Limitations**

##### **Failure to limit discharges from the outfall as established in the permit.**

Gold Paradise Peak, Inc. (GPPI) reported exceedances of Total Suspended Solids (TSS), Total Recoverable Lead, Total Recoverable Cadmium, Total Recoverable Copper, and Total Recoverable Zinc at the Senator Mine Adit on the 1st Quarter 2023 Discharge Monitoring Report (DMR). On January 25, 2021, GPPI and ADEQ entered into a Consent Judgment to address the known, ongoing exceedances of Total Recoverable Cadmium, Total Recoverable Copper, and Total Recoverable Zinc from the Senator Mine Adit to the Hassayampa River. Notably, however, the exceedances for Total Suspended Solids and Total Recoverable Lead are new and not contained within the Consent Judgment.

#### Main Office

1110 W Washington Street ● Phoenix, AZ 85007  
(602) 771-2300

#### Southern Regional Office

400 W Congress Street ● Suite 433 ● Tucson, AZ 85701  
(520) 628-6733

[www.azdeq.gov](http://www.azdeq.gov)

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**Total Suspended Solids:**

The daily maximum loading permit limit for TSS is 4.6 kg/D; 12.18 kg/D was reported on the 1st Quarter 2023 DMR.

The monthly average loading permit limit for TSS is 3.1 kg/D; 12.18 kg/D was reported on the 1st Quarter 2023 DMR.

The daily maximum concentration permit limit for TSS is 30 mg/L; 38 mg/L was reported on the 1st Quarter 2023 DMR.

The monthly average concentration permit limit for TSS is 20 mg/L; 38 mg/L was reported on the 1st Quarter 2023 DMR.

**Total Recoverable Lead:**

The monthly average loading permit limit for Total Recoverable Lead is 1.39 g/D; 1.92 g/D was reported on the 1st Quarter 2023 DMR.

**2. AZPDES Permit Part I.C. Whole Effluent Toxicity Monitoring**

**Failure to monitor discharges from the outfall as established by the Permit.**

On the original 4th Quarter 2022 Discharge Monitoring Report (DMR) submitted to ADEQ on January 27, 2023, Gold Paradise Peak, Inc. (GPPI) reported No Data Indicator (NODI) Code P - Laboratory Error or Invalid Test for all three Whole Effluent Toxicity (WET) parameters: Pseudokirchneriella subcapitata (Green algae), Pimephales promelas (Fathead minnow), and Ceriodaphnia dubia (Water flea). GPPI provided a comment along with NODI Code P for all three WET parameters: "whole effluent toxicity analysis results are still pending; WET results will be sent to ADEQ through email once available".

A WET analysis report was prepared for GPPI by Aquatic Consulting & Testing, Inc. This report analyzed grab samples taken at the Senator Mine Adit on February 6th, February 8th, and February 10, 2023. The results of the WET test were the following:

- Pseudokirchneriella subcapitata (Green algae): 1.3 TUc
- Pimephales promelas (Fathead minnow): 4.0 TUc
- Ceriodaphnia dubia (Water flea): >8.0 TUc

GPPI submitted these results to ADEQ in a second, updated 4th Quarter 2022 DMR Spreadsheet on April 19, 2023.

The samples collected in February 2023, during the first quarter of the year (January through March), cannot be submitted as analysis for a prior monitoring period. The samples are also required to be collected as 8-hour composite samples; the samples collected by GPPI were grab samples. Though GPPI stated on the 4th QTR 2022 DMR submitted to ADEQ in January 2023, "whole effluent toxicity analysis results are still pending," suggesting samples had already been collected and in the process of analysis, a WET analysis report on samples collected during the fourth quarter of 2022 has not been submitted to ADEQ, and GPPI intended the samples collected in February 2023 to serve as analysis for the previous quarter.

On the 1st QTR 2023 DMR submitted to ADEQ on April 28, 2023, GPPI reported NODI Code E - Analysis Not Conducted/No Sample for all three WET parameters. GPPI provided a

comment along with NODI Code E for all three WET parameters: "Sample Collected in week of 03/20; Lab result pending. Estimated result release date would be within 8 weeks after sampling." The samples collected in February 2023 should have been reported on the 1st Quarter 2023 DMR.

3. **Permit 90178 (AZ0026514) - AZPDES Permit Part I.C. Table 3. Whole Effluent Toxicity Failure to limit discharges from the outfall as established in the permit.**

On the 3rd Quarter 2022 Discharge Monitoring Report (DMR) submitted to ADEQ on October 28, 2022, Gold Paradise Peak, Inc. (GPPI) reported NODI Code P - Laboratory Error or Invalid Test for all three Whole Effluent Toxicity (WET) parameters: Pseudokirchneriella subcapitata (Green algae), Pimephales promelas (Fathead minnow), and Ceriodaphnia dubia (Water flea). GPPI provided a comment along with NODI Code P for all three WET parameters: "effluent samples were relinquished to aquatic testing and consulting (laboratory) for whole effluent toxicity analysis during the week of September 26, 2022. final results for that analysis have not been received as of October 27, 2022."

A WET analysis report was prepared for GPPI by Aquatic Consulting & Testing, Inc. This report analyzed samples taken at the Senator Mine Adit on September 26th, September 28th, and September 30, 2023. The results of the WET test were the following:

- Pseudokirchneriella subcapitata (Green algae): >8.0 TUc
- Pimephales promelas (Fathead minnow): >8.0 TUc
- Ceriodaphnia dubia (Water flea): >8.0 TUc

Each WET parameter has a daily maximum limit of 1.6 TUc and a monthly median limit of 1.0 TUc, respectively. These results exceed the daily maximum and monthly median WET limits for all three WET parameters.

A WET analysis report was prepared for GPPI by Aquatic Consulting & Testing, Inc. This report analyzed grab samples taken at the Senator Mine Adit on February 6th, February 8th, and February 10, 2023. The results of the WET test were the following:

- Pseudokirchneriella subcapitata (Green algae): 1.3 TUc
- Pimephales promelas (Fathead minnow): 4.0 TUc
- Ceriodaphnia dubia (Water flea): >8.0 TUc

Each WET parameter has a daily maximum limit of 1.6 TUc and a monthly median limit of 1.0 TUc, respectively. These results exceed: the monthly median limit for Pseudokirchneriella subcapitata; the daily maximum and monthly median limit for Pimephales promelas; and the daily maximum and monthly median limit for Ceriodaphnia dubia. Though these results are from samples collected during February 2023, they were submitted to ADEQ on an updated 4th QTR 2022 DMR spreadsheet in April 2023.

4. **Permit 90178 (AZ0026514) - AZPDES Permit Part III.D.1 TIE/TRE Process**

**Failure to conduct one follow-up test within two weeks of receipt of the sample results that exceeded the action level.**

Gold Paradise Peak, Inc. did not conduct the required follow-up testing after receipt of

exceeded action level(s) from samples collected in September 2022 and February 2023.

## II. LEGAL AUTHORITY and NATURE OF OTHER ALLEGED VIOLATION(S)

### 1. **AZPDES Permit Part I.A. Table 1: Effluent Limitations**

#### **Failure to monitor discharges from the outfall as established in the Permit.**

According to Gold Paradise Peak, Inc., onsite discharge flow has been measured with the "bucket method," using a 5-gallon bucket. Discharge flows into the 5-gallon bucket and the time it takes to fill the bucket is recorded. This process is repeated five to eight times and an average time is calculated. The flow rate is the volume of the bucket divided by the average time it took to fill the bucket.

According to Part I.A Table 1 of the AZPDES Permit (Permit No. AZ0026541), as well as the associated AZPDES Fact Sheet, discharge flow is to be monitored on a continual basis using a flow meter. The "bucket method," described above, is not considered to be monitored on a continual basis and, as a result, is not in compliance with the permit requirement.

### 2. **AZPDES Permit Part II.B.2. Reporting of Monitoring Results**

#### **Failure to submit DMRs and required attachments by the 28th day of the month following the end of a monitoring period.**

Gold Paradise Peak, Inc. did not submit AZPDES Discharge Flow Records with the following DMRs:

- 1st Quarter 2022 DMR
- 2nd Quarter 2022 DMR
- 3rd Quarter 2022 DMR
- 4th Quarter 2022 DMR
- 1st Quarter 2023 DMR

### 3. **Permit 90178 - AZPDES Permit Part II.C Reporting of Noncompliance**

#### **Failure to report any noncompliance which may endanger human health or the environment as required by the permit.**

Gold Paradise Peak, Inc. did not report noncompliance regarding permit limit exceedances during 1st Quarter 2023 to ADEQ. ADEQ did not receive oral or written notification of the noncompliance.

## III. EVIDENCE OF COMPLIANCE

If you believe this Notice contains violations that did not occur, please submit evidence within 10 calendar days of receipt of this Notice demonstrating that the violation(s) never occurred. Upon receipt of such evidence, if ADEQ agrees that the violations(s) did not occur, ADEQ will either rescind or amend the Notice. ADEQ will provide you with the conclusion of its evaluation.

Otherwise, please provide evidence of compliance by meeting the conditions below. If ADEQ recommends a condition to assist you in achieving compliance, it will clearly note that the condition is recommended to be met and is not required by law.

1. Within 7 calendar days of receipt of this Notice, please submit (1) Discharge Flow Records from 1st Quarter 2022, 2nd Quarter 2022, 3rd Quarter 2022, 4th Quarter 2022, and 1st Quarter 2023, or (2) written notification Gold Paradise Peak, Inc. (GPPI) does not have these reports. If GPPI does not have these reports, the written notification must also include an explanation as to why GPPI does not have these reports and the actions GPPI will implement to ensure this does not recur.
2. Within 15 calendar days of receipt of this Notice, please submit a written root cause analysis that identifies the reason GPPI failed to report noncompliance to ADEQ and the actions that will be taken to ensure ADEQ is notified of any noncompliance, as required in the permit (AZPDES Individual Permit No. AZ0026541, Part II.C).
3. Within 30 calendar days of receipt of this Notice, please submit a Toxicity Reduction Evaluation (TRE) plan for review and approval. The TRE plan shall include, at a minimum, the following:
  - Further actions to investigate and identify the causes of toxicity, if unknown.
  - Action the permittee will take to mitigate the impact of the discharge and to prevent the recurrence of toxicity; and
  - A schedule for implementing these actions.
4. Within 90 calendar days of receipt of this Notice, please submit documentation that demonstrates Gold Paradise Peak, Inc. is in compliance with all parameter limits associated with the Hassayampa Total Maximum Daily Load (TMDL) and the Senator Mine AZPDES permit (Permit No. AZ0026541).
5. Within 120 calendar days of receipt of this Notice, please submit documentation that discharge flow at Senator Mine Adit is measured with a flow meter on a continuous basis. Supporting documentation must include flow meter calibration records and photographs of the flow meter installed onsite.

#### IV. SUBMITTING COMPLIANCE EVIDENCE

Please send all compliance evidence and any other written correspondence regarding this Notice by email to saeed.steven@azdeq.gov or by mail to the following address:

Arizona Department of Environmental Quality, Attention: Steven Saeed, SWP Inspections & Compliance Enforcement Unit, 400 W Congress, Ste 433, Tucson, AZ 85701 MC: 5415B-2


#### V. STATEMENT OF CONSEQUENCES

Timely and good faith efforts to achieve and provide evidence of compliance within the time frames established in this Notice will be considered in determining whether ADEQ will further pursue unilateral formal enforcement, including an administrative compliance order or civil action requiring compliance within a reasonable time frame, civil penalties, and/or the suspension or revocation of an applicable permit/license. If you cannot meet the time frames established in this Notice, negotiate a compliance schedule in an administrative consent order or judgment. Failure to do so will be cause for ADEQ to pursue unilateral formal enforcement.

#### VI. OFFER TO MEET

ADEQ is willing to meet regarding this Notice and can provide information on how to return to compliance. To obtain additional information about this Notice or to schedule a meeting to discuss this Notice, please contact Steven Saeed at (520) 628-6743.

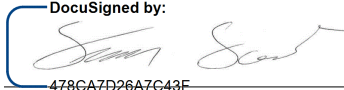
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Leigh Padgitt, Manager  
SWP Inspections & Compliance Enforcement  
Unit

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Steven Saeed  
SWP Inspections & Compliance  
Enforcement Unit