

Katie Hobbs  
Governor

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY



Karen Peters  
Cabinet Executive Officer  
Executive Deputy Director

Case ID #: 219925

May 10, 2024

Gold Paradise Peak Inc.  
Attention: Songqiang 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 an inspection or file review completed on April 24, 2024. 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 VIOLATION(S)

- Permit 90178 (AZ0026514) - Appendix D, Standard Condition 5, Duty to Mitigate Failure to take all reasonable steps to minimize or prevent any discharge or sludge use or disposal in violation of this permit which has a reasonable likelihood of adversely affecting human health or the environment.**

On April 24, 2024, an announced, onsite compliance inspection was conducted at the Senator Mine Adit (Permit No.: AZ0026514; LTF#90178) by an ADEQ contractor, PG Environmental (PGE). At the time of the inspection, the inspector observed drainage bypassing the treatment system, then comingling with the discharge from the spillway of the wetlands treatment system before discharging to the Hassayampa River at Outfall 001.

While onsite, the inspector observed that the adit and the first wetland treatment cell were

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filled with earthen material, which reduces the total volume/capacity of the treatment system, disrupts the inflow of discharge into the treatment system, and can directly cause and/or contribute to noncompliance events, such as bypasses. A drainage flow was observed on the south side of the second wetland treatment cell. This flow bypassed the entire wetlands treatment system along the south and converged with the discharge from the spillway of the wetlands treatment system, before discharging to the Hassayampa River at Outfall 001.

At the time of this notice, Gold Paradise Peak, Inc. (GPPI) has not submitted written notification to ADEQ of the bypass noncompliance event.

This is a recurring alleged violation from a Notice of Violation (Case ID# 217184) issued on December 26, 2023.

2. **Permit 90178 (AZ0026514) - AZPDES Permit Standard Condition 6. Proper Operation and Maintenance**

**Failure to properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the Permittee to achieve compliance with the conditions of this permit.**

On April 24, 2024, an announced, onsite compliance inspection was conducted at the Senator Mine Adit (Permit No.: AZ0026514; LTF#90178) by an ADEQ contractor, PG Environmental (PGE). At the time of the inspection, the inspector observed the following:

- The first wetland treatment cell had been filled with earthen material;
- The treatment cells were not vegetated per design;
- The second treatment cell contained rocks and earthen debris;
- The third and fourth treatment cells contained trash/debris (e.g., pieces of lumber); and,
- The flow path to Outfall 001 appeared eroded/scoured.

Gold Paradise Peak, Inc. (GPPI) failed to operate and maintain the constructed wetlands treatment system, which is a recurring alleged violation from a Notice of Violation (Case ID# 217184) issued on December 26, 2023.

3. **Permit 90178 (AZ0026514) - Appendix D, Standard Condition 10. Inspection and Entry**  
**Failure to allow the Director, or an authorized representative, upon the presentation of credentials and such other documents as may be required by law, to have access to and copy, at reasonable times, any records that must be kept under the terms of the permit.**

On April 24, 2024, an announced, onsite compliance inspection was conducted at the Senator Mine Adit (Permit No.: AZ0026514; LTF#90178) by an ADEQ contractor, PG Environmental (PGE). On April 10, 2024, PGE sent an email to Gold Paradise Peak, Inc. (GPPI), specifically to Andy Yu - Office Manager/Compliance Contact, providing notification of the inspection date. On April 11, 2024, the Arizona Attorney General's (AAG) office received an inquiry from legal counsel representing GPPI as to whether the notification from PGE was legitimate. The AAG confirmed with legal counsel representing GPPI the notification from PGE was legitimate. On April 22, 2024, PGE sent a follow-up email requesting GPPI ensure compliance documents be readily available for review during the

inspection. On the day of the inspection, GPPI refused to provide the documentation to PGE for review.

On the day of the inspection, the inspector met the site Superintendent, Honglin Zhang, at 710 Fifth St., Prescott, AZ, around 8:00 AM MST. After meeting the Superintendent, the inspector spoke with Andy Yu via the Superintendent's phone. During the phone conversation, Andy Yu said to the inspector that most of the requested documentation had been sent to ADEQ and that he would not be providing the requested documentation. He stated that GPPI and its legal representatives had concerns regarding the applicability of sending documents to an ADEQ contractor.

## II. 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 5 calendar days of receipt of this Notice, please submit a written document, signed and certified by a responsible corporate officer, describing the actions that have occurred onsite since December 2023. The written document, at a minimum, should include:
  - a. A detailed description of the installation of concrete within the adit;
    - i. A copy of the design;
    - ii. When the installation occurred;
    - iii. Who performed the installation;
    - iv. How the installation was conducted; and,
    - v. Specifications of materials used.
  - b. A detailed description of the maintenance performed on the constructed wetlands; and,
  - c. A detailed description of the operations that have taken place.
2. Within 5 calendar days of receipt of this Notice, please submit a written document, signed and certified by a responsible corporate officer, describing the corrective action plan, including a schedule with dates, for the immediate countermeasures to prevent illicit discharges through bypass.
3. Within 5 calendar days of receipt of this Notice, please submit documentation of (1) monthly routine inspections, in accordance with Part IV.A.1.c of the Permit (Permit No. AZ0026541; LTF No. 90178), for January 2024, February 2024, March 2024 and April 2024, or (2) written notification Gold Paradise Peak, Inc. does not have these records.
  - (1) The inspections should, at a minimum, address the following:
    - i. Cleaning and maintaining inlet and outlet structures, valves, and monitoring devices;
    - ii. Sediment accumulation and removal as needed;

- iii. Vegetation Management;
  - iv. Vector and pest control; and
  - v. Dikes and berms.
  - vi. Structural integrity of the wetland liners to prevent the treated and untreated adit discharges from contacting or comingling with tailings or wastewater materials.
  - vii. Stormwater controls to prevent stormwater run-on and run-off of stormwater which could impact the treatment processes.
  - viii. Assessment of pollutant loading in the wetland soils and plants to ensure proper functioning.
  - ix. Site security to limit access to the treatment processes.
- (2) The written notification must include an explanation as to why Gold Paradise Peak, Inc. does not have the records and the actions that will be implemented to ensure these monthly inspections are conducted as required going forward.
4. Within 7 calendar days of receipt of this Notice, please submit a Quality Assurance (QA) Manual that describes the sample collection and analyses processes. The QA Manual, at a minimum, must describe the following:
- a. Project Management, including:
    - i. Purpose of sample collection and sample frequency;
    - ii. When and where samples will be collected;
    - iii. How samples will be collected;
    - iv. Laboratory(s) that will perform analyses;
    - v. Any field tests to be conducted (detail methods and specify equipment, including a description of any needed calibrations); and
    - vi. Pollutants or analytes being measured and for each, the permit-specific limits, Assessment Levels, or thresholds, (e.g. the associated detection limits needed.)
  - b. Sample collection procedures including:
    - i. Equipment to be used;
    - ii. Type and number of samples to be collected including QA/QC samples (i.e., background samples, duplicates, and equipment or field blanks);
    - iii. Types, sizes and number of sample bottles needed;
    - iv. Preservatives and holding times for the samples (see methods under 40 CFR 136 or 9 A.A.C. 14, Article 6 or any condition within this permit that specifies a Chain of Custody procedures.
  - c. Specify approved analytical method(s) to be used and include:
    - i. Limits of Detection (LOD) and Limits of Quantitation (LOQs);
    - ii. Required quality control (QC) results to be reported (e.g., matrix spike recoveries, duplicate relative percent differences, blank contamination, laboratory control sample recoveries, surrogate spike recoveries, etc.) and acceptance criteria; and
    - iii. Corrective actions to be taken by the permittee or the laboratory as a result of problems identified during QC checks.
  - d. How the permittee will perform data review; complete DMRs and records used to report results to ADEQ; resolve data quality issues; and identify limitations on the use of the data.
5. Within 7 calendar days of receipt of this Notice, please submit an Operation and Maintenance Plan (O&M Plan) to ensure the proper operation and maintenance of the constructed

- wetlands to effectively treat the acid discharge. The O&M Plan, at a minimum, must include:
- a. Startup procedures to establish the flora and fauna associated with treatment processes, including more frequent inspection and monitoring, as needed.
  - b. Written procedures describing the operational parameters necessary to achieve adequate treatment of the effluent, including but not limited to:
    - i. Water depth control settings;
    - ii. Operational range of water levels, including acceptable ranges of fluctuations;
    - iii. Wastewater application schedules (if part of the treatment design);
    - iv. Discharge schedule to or from the wetland (if applicable);
    - v. Sediment removal and proper disposal of any generated wastes; and
    - vi. Process control monitoring.
  - c. Documentation of routine inspection, preventative maintenance, and repairs. Inspections shall be completed, at a minimum, monthly and the results and any corrective actions shall be maintained. Inspections shall, at a minimum, address the following items:
    - i. Cleaning and maintaining inlet and outlet structures, valves, and monitoring devices;
    - ii. Sediment accumulation and removal as needed;
    - iii. Vegetation Management;
    - iv. Vector and pest control; and
    - v. Dikes and berms.
    - vi. Structural integrity of the wetland liners to prevent the treated and untreated adit discharges from contacting or comingling with tailings or wastewater materials.
    - vii. Stormwater controls to prevent stormwater run-on and run-off of stormwater which could impact the treatment processes.
    - viii. Assessment of pollutant loading in the wetland soils and plants to ensure proper functioning.
    - ix. Site security to limit access to the treatment processes.
6. Within 30 calendar days of receipt of this Notice, please submit photographic documentation of control measures installed onsite to stabilize the spillway of the constructed wetlands treatment system to minimize erosion and the discharge of sediments to the Hassayampa River from Outfall 001.

### III. SUBMITTING COMPLIANCE EVIDENCE

Please send all compliance evidence and any other written correspondence regarding this Notice by email to [saeed.steven@azdeq.gov](mailto: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

### IV. 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.

V. 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  
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