STATE OF COLORADO

John W. Hickenlooper, Governor
Christopher E. Urbina, MD, MPH
Executive Director and Chief Medical Officer

Dedicated to protecting and improving the health and environment of the people of Colorado

4300 Cherry Creek Dr. S.
Denver, Colorado 80246-1530
Phone (303) 692-2000
Located in Glendale, Colorado

Laboratory Services Division
8100 Lowry Blvd.
Denver, Colorado 80230-6928
(303) 692-3090

http://www.cdphe.state.co.us

Colorado Department
of Public Health
and Environment

February 28, 2012

Mr. Jeffrey Davis, Registered Agent
Edge Contracting, Inc.
1453 Brickyard Road
Golden, CO 80403

Certified Mail Number: 7007 0220 0001 0162 1955

RE: Expedited Settlement Agreement, Number: ES-120227-3
CDPS Permit No: COR-030000
CDPS Certification No: COR-03H438

Dear Mr. Davis:

Enclosed for your records you will find Edge Contracting's copy of the recently executed Expedited Settlement Agreement ("ESA"). Please be advised that the first page of the ESA was changed in order to place the correct ESA Number on the final document. The ESA is now fully enforceable and constitutes a final agency action.

As specified in the enclosed ESA, Edge Contracting must, within fifteen (15) calendar days, submit a certified or cashier's check for the amount specified in the ESA to the Water Quality Control Division in order for this matter to be resolved.

If you have any questions, please don't hesitate to contact Russ Zigler at (303) 692-3546 or by electronic mail at russell.zigler@state.co.us.

Sincerely,

Joe Campbell
Water Pollution Control Compliance and Enforcement
WATER QUALITY CONTROL DIVISION

cc: Tri-County Health Department
Enforcement File

ec: Natasha Davis, EPA Region VIII

Bret Icenogle, Engineering Section, CDPHE
Dick Parachini, Watershed Program, CDPHE
Michael Beck, Financial Solutions Unit, CDPHE

Enclosure(s)

Colorado Department of Public Health & Environment
Water Quality Control Division

EXPEDITED SETTLEMENT AGREEMENT

Number: ES-120227-3

Colorado Discharge Permit System Number: COR-03H438, Unincorporated Douglas County

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The Colorado Department of Public Health and Environment ("Department"), through the Water Quality Control Division ("Division"), issues this Expedited Settlement Agreement ("ESA"), pursuant to the Division's authority under §§25-8-602, 25-8-605 and 25-8-608, C.R.S. of the Colorado Water Quality Control Act (the "Act") §§25-8-101 to 803, C.R.S., and its implementing regulations, with the express consent of Edge Contracting, Inc ("Edge Contracting"). The Division and Edge Contracting may be referred to collectively as "the Parties."

1. Edge Contracting is a "person" as defined under the Water Quality Control Act, §25-8-103(13), C.R.S., and its implementing permit regulation, 5 CCR 1002-61, §61.2(73).

2. Edge Contracting is conducting construction activities to build drainageway improvements, located at or near the intersection of North Palomino Drive and North Clydesdale Road in unincorporated Douglas County, Colorado (the "Project").

3. Edge Contracting failed to comply with the provisions of its Colorado Discharge Permit System General Permit for Stormwater Discharges Associated with Construction Activity (the "Permit"), Certification Number COR-03H438, as described in the attached inspection report.

4. The parties enter into this ESA in order to resolve the matter of civil penalties associated with the violation(s) alleged herein and in the attached inspection report for a penalty of $6,000.00.

5. By accepting this ESA, Edge Contracting neither admits nor denies the violations or deficiencies specified herein and in the attached inspection report.

6. Edge Contracting certifies that all deficiencies identified in the attached inspection report have been corrected and that the Project is currently in full compliance with the terms and provisions of the Permit.

7. Edge Contracting agrees to the terms and conditions of this ESA. Edge Contracting agrees that this ESA constitutes a notice of alleged violation and an order issued pursuant to §§25-8-602, 25-8-605 and 25-8-608, C.R.S., and is an enforceable requirement of the Act. By signing the ESA, Edge Contracting waives: (1) the right to contest the finding(s) specified herein and in the attached inspection report; and (2) the opportunity for a public hearing pursuant to §25-8-603, C.R.S.

8. This ESA is subject to the Division's "Public Notification of Administrative Enforcement Actions Policy," which includes a thirty-day public comment period. The Division and Edge Contracting each reserve the right to withdraw consent to this ESA if comments received during the thirty-day period result in any proposed modification to the ESA.

9. This ESA constitutes a final agency order or action upon the date when the Executive Director or his designee signs the ESA and effectively imposes the civil penalty.

10. Edge Contracting agrees that within fifteen (15) calendar days of receiving the signed and final ESA from the Division, Edge Contracting shall submit a certified or cashier's check drawn to the order of the "Colorado Department of Public Health and Environment," for the amount specified in paragraph 4 above, to:

    Russell Zigler
    Colorado Department of Public Health and Environment
    Water Quality Control Division
    Mail Code: WQCD-CAS-B2
    4300 Cherry Creek Drive South
    Denver, Colorado 80246-1530

11. Notwithstanding paragraph 5 above, the violations described in this ESA will constitute part of Edge Contracting's compliance history for purposes where such history is relevant. This includes considering the violations described above in assessing a penalty for any subsequent violations against Edge Contracting. Edge Contracting agrees not to challenge the use of the cited violations for any such purpose.

12. This ESA, when final, is binding upon Edge Contracting and its corporate subsidiaries or parents, their officers, directors, employees, successors in interest, and assigns. The undersigned warrant that they are authorized to legally bind their respective principals to this ESA.

ACCEPTED BY EDGE CONRACTING, INC.:

[signature] 12/21/11
Signature Date

Jeff Davis President
Name (printed) Title

FOR THE COLORADO DEPARTMENT OF PUBLIC HEALTH & ENVIRONMENT:

Lori M. Gerzina Date: 02/27/12
Lori M. Gerzina, Section Manager
Compliance Assurance Section
WATER QUALITY CONTROL DIVISION

STATE OF COLORADO

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(303) 692-3090

Colorado Department
of Public Health
and Environment

June 23, 2011

Certified No: 7005 0390 0004 4797 7846

Mr. Cole Cattoor, Vice President
Edge Contracting, Inc
1453 Brickyard Road
Golden, CO 80403

RE: Facility Inspection/**Compliance Advisory**
Happy Canyon Creek at Surrey Ridge
CDPS Permit No. COR-03H438 and COG-073681
Unincorporated Douglas County

Dear Mr. Cattoor,

An inspection of the above-referenced facility was conducted by the Water Quality Control Division (the Division) on May 18, 2011. The facility was inspected for compliance with the terms and conditions set forth in Colorado Discharge Permit System (CDPS) General Permit for Stormwater Discharges Associated with Construction Activity and CDPS General Permit for Construction Dewatering Activities. The inspection procedure consists of two parts: a review of records, and an on-site facility inspection. Findings associated with the inspection are detailed in the enclosed inspection reports.

The Division expects Edge Contracting Incorporated to correct the findings noted in the enclosed inspection reports and submit an explanation on how each finding was corrected. Pursuant to Part II.B.2 of the CDPS General Permit for Stormwater Discharges Associated with Construction Activity and Part II.A.8 and Part II.A.9 of the CDPS General Permit for Construction Dewatering Activities, Edge Contracting Incorporated must submit the requested materials to the Colorado Department of Public Health and Environment, WQCD-P-B2, 4300 Cherry Creek Drive South, Denver, CO 80246-1530, Attn: Nicole Rolfe, by **July 22, 2011**.

Note: All applications, reports, and other information requested by the Division must be signed in accordance with the provisions of sections 61.4(1)(e) and (f) of Regulation No. 61, and must contain the following certification statement:

> "I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

This Compliance Advisory is intended to advise you of possible violations of the Colorado Water Quality Control Act, its implementing regulations and permits, so that you may take appropriate steps to avoid or mitigate formal enforcement action. This Compliance Advisory does not constitute a Notice of Violation or Cease and Desist Order and is not subject to appeal. However, the issuance of this Compliance Advisory does not limit or preclude the

Division from pursuing its enforcement options. The Division is currently evaluating the facts and if a formal enforcement action is deemed necessary, you may be issued a Notice of Violation / Cease and Desist Order that may include the assessment of penalties.

If you have any questions, please call me at (303) 692-3217.

Sincerely,

Nicole Rolfe

Nicole Rolfe
Environmental Protection Specialist
Colorado Water Quality Control Division

Enclosures
cc: Aaron Urdiales, EPA region 8
Douglas County Health Department
File Copy

Stormwater Inspection Report

Permittee: Edge Contracting, Inc.	**Certification No:** COR03H438	**Date(s):** May 18, 2011
Facility: Happy Canyon Creek at Surrey Ridge	**Industrial Type:** Construction	**Receiving Water:** Happy Canyon Creek
Facility Address: North Palomino Drive and North Clydesdale Road Unincorporated Douglas County, CO		
Persons present: Craig Davis (Project Superintendent, Edge Contracting, Inc) and Brett Bourne (VP of Field Operations, Edge Contracting, Inc.)		
Legally Responsible Person(s)/Title(s): Cole Cattoor (Vice President, Edge Contracting, Inc.)	**Inspector(s)** Nicole Rolfe (WQCD)	

Inspection Findings

The Water Quality Control Division (Division) inspector held a closing conference at the conclusion of the inspection. During the closing conference, the inspector reviewed the inspection findings with the facility representative and instructed the representative to correct all findings. Pursuant to all provisions of the Colorado Discharge Permit System General Permit for Stormwater Discharges Associated with Construction Activity (Permit), the findings below must be corrected.

Records Review

Note: The Permit certification effective date was 3/22/2011 and the date that ground disturbing activities began was 4/6/2011 as provided by Craig Davis during the inspection.

Note: In a communication with the permittee prior to the inspection, the Division inspector requested that a copy of the Stormwater Management Plan (SWMP) and inspection records be provided to Division personnel at the inspection. A copy of the SWMP and copies of the inspection records were made available for review at the time of the inspection. A copy of the SWMP reviewed during the inspection and copies of the inspection records that were reviewed during the inspection were electronically mailed to and received by the Division inspector on May 19, 2011.

Note: Inspection records were retained onsite. The inspection records were reviewed and found to be adequate.

1. A copy of the SWMP was retained on site. The SWMP was reviewed and found to be inadequate for the following reasons:

   a) The SWMP Site Description did not include an estimate of the percentage of vegetative ground cover that existed prior to construction as required by Part I.C.1.e of the Permit. The SWMP site description must be updated to include this information.

   b) The SWMP Site Map did not identify areas of ground surface disturbance as required by Part I.C.2.b of the Permit. The site map must be updated to identify all areas of ground surface disturbance.

   c) The SWMP Site Map did not identify areas of cut and fill as required by Part I.C.2.c of the Permit. The site map must be updated to identify all areas of cut and fill.

   d) The SWMP Site Map did not identify locations of all structural BMPs as required by Part I.C.2.f of the Permit. The site map did not locate the rock socks being implemented for perimeter control at the two temporary stream crossings. The site map must be updated to identify the locations of all structural BMPs.

   e) The SWMP Stormwater Management Controls included an inadequate section for the Structural Practices for Erosion and Sediment Control implemented at the site, as required by Part I.C.3.c.1 of the Permit. The SWMP does not identify the rock socks as BMPs being implemented on site. In addition, the SWMP does not include

installation and implementation specifications for the rock socks. The SWMP must be updated to indentify all structural BMPs being implemented on site and must include installation and implementation specifications for all BMPs implemented on site.

Facility Inspection

Note: All BMPs mentioned in the below findings must be installed according to installation and implementation specifications outlined in the SWMP. These specifications must be developed in accordance with good engineering, hydrologic and pollution control practices.

2. It was noted during the inspection that BMPs were not implemented to manage stormwater runoff from the areas of disturbance located along the east and west banks of Happy Canyon Creek, north of the first stream crossing, and west of North Clydesdale Road (photo 1). Stormwater runoff from these areas discharges directly to Happy Canyon Creek. BMPs must be implemented to manage stormwater runoff from all potential pollutant sources.

3. It was noted during the inspection that inadequate BMPs were implemented to manage stormwater runoff from the area of disturbance along the east and west banks of Happy Canyon Creek just north of the first stream crossing, and south (up gradient) of the disturbance identified in Finding 2. Sediment control logs were installed down gradient of the disturbance on both banks. The sediment control logs on the east bank were not installed according to the installation and implementation specifications outlined in the SWMP. The sediment control logs did not maintain the required minimum profile (see photo 2). Sediment was observed at equal height of the sediment control logs and in some areas sediment had overtopped the sediment control log (see photo 2). Sediment control logs on the east and west banks were not installed according to good engineering, hydrologic and pollution control practices. Soil was not compacted where the soil interfaces with the sediment control logs along the east bank (see photo 2). The sediment control logs on the west bank were not installed on the drainage contour (see photo 3). As a result, there was potential to discharge sediment to Happy Canyon Creek located approximately 3 feet to the east and west. All BMPS must be implemented according to installation and implementation specifications outlined in the SWMP and must follow good engineering, hydrologic and pollution control practices.

4. It was noted during the inspection that BMPs were not implemented to manage stormwater runoff from the area of disturbance along the east and west banks of Happy Canyon Creek, north of the first stream crossing, and down gradient of the installed straw wattles identified in Finding 3 (see photos 2 and 3). Stormwater runoff from these areas discharges directly to Happy Canyon Creek. BMPs must be implemented to manage stormwater runoff from all potential pollutant sources.

5. It was noted during the inspection that inadequate BMPs were implemented to manage stormwater runoff from the disturbance of the constructed access road located on the north and south sides of the first stream crossing. Both sides of the constructed access road slope down towards the first stream crossing. A sediment control log was installed on the west side of the access road, north of the stream crossing (see photo 4). The sediment control log was not installed according to good engineering, hydrologic and pollution control practices. The sediment control log was not installed on the drainage contour (see photo 4). Due to the fact that the erosion control log was not installed on the drainage contour, and because no additional BMPs were implemented to manage stormwater runoff from the road, the stormwater runoff was being directed to the stream crossing. On the east and west sides of the stream crossing rock socks were installed (see photo 4). According to good engineering, hydrologic and pollution control practices, when rock socks are used as perimeter control, the maximum tributary drainage area per 100 lineal feet of rock sock is approximately 0.25 acres. The rock socks were not installed according to good engineering, hydrologic and pollution control practices. The up-gradient tributary drainage area exceeded the ¼ acre per 100 lineal feet of rock sock. Stormwater runoff from the stream crossing discharges to Happy Canyon Creek. All roads must be designed and constructed in accordance with good engineering practices, an must have adequate BMPs implement such that the road sheds water (water bars, crowning, gravel, or other erosion controls designed for use with roads). Unpaved roads must be stabilized in such a way to minimize erosion, rutting, and sediment discharge. All BMPs must be implemented according to installation and implementation specifications outlined in the SWMP. All installation and implementation specifications outlined in the SWMP must

follow good engineering, hydrologic and pollution control practices.

6. It was noted during the inspection that inadequate BMPs were implemented to manage stormwater runoff from the disturbance located on the west bank of the cut slope for the access road (see photo 5) west of the temporary diversion ditch and for the bank disturbance located up-gradient and west of the temporary diversion ditch, just north of the second drainage crossing (see photo 6). A silt fence was installed down gradient of this disturbance. The silt fence was not inspected and maintained in good and effective operating condition. The silt fence was no longer trenched into the ground and the trench on the up-gradient side was not compacted (see photos 6 and 7). Stormwater runoff from this area discharges directly into Happy Canyon Creek diversion. All BMPs must be inspected and maintained in good and effective operating condition.

7. It was noted during the inspection that BMPs were not implemented to manage stormwater runoff from the disturbance on the west (see photo 6) and east banks (see photo 6 and 8) of the Happy Canyon Creek diversion. As a result, sediment had discharged into the Happy Canyon Creek diversion (see photos 6 and 8). BMPs must be implemented to manage stormwater runoff from all potential pollutant sources.

8. It was noted during the inspection that inadequate BMPs were implemented to manage stormwater runoff from the disturbance of the constructed access road located on the north and south sides of the second stream crossing. Both sides of the constructed access road slope down towards the second stream crossing. Sediment control logs were installed on west side of the access road leading towards the second stream crossing (see photo 11). The sediment control logs were not installed according to good engineering, hydrologic and pollution control practices. The sediment control logs were not installed on the drainage contour (see photos 9, 10, and 11). Due to the fact that the erosion control log was not installed on the drainage contour and because no additional BMPs were implemented to manage stormwater runoff from the road, the stormwater runoff was being directed to the stream crossing. On the east and west sides of the stream crossing rock socks were installed (see photos 9 and 11). According to good engineering, hydrologic and pollution control practices, when rock socks are used as perimeter control, the maximum tributary drainage area per 100 lineal feet of rock sock is approximately 0.25 acres. The rock socks were not installed according to good engineering, hydrologic and pollution control practices. The up-gradient tributary drainage area exceeded the ¼ acre per 100 lineal feet of rock sock. Stormwater runoff from the second stream crossing discharges to Happy Canyon Creek. All roads must be designed and constructed in accordance with good engineering practices, an must have adequate BMPs implement such that the road sheds water (water bars, crowning, gravel, or other erosion controls designed for use with roads). Unpaved roads must be stabilized in such a way to minimize erosion, rutting, and sediment discharge. All BMPs must be implemented according to installation and implementation specifications outlined in the SWMP. All installation and implementation specifications outlined in the SWMP must follow good engineering, hydrologic and pollution control practices.

9. It was noted during the inspection that BMPs were not implemented to manage the disturbance located on the east bank of the road, just north of the second stream crossing (see photo 9). Stormwater runoff from this area discharges directly to Happy Canyon Creek located just down gradient. BMPs must be implemented to manage stormwater runoff from all potential pollutant sources.

10. It was noted during the inspection that inadequate BMPs were implemented to manage stormwater runoff from the disturbance located at the southern end of construction boundary along the west bank of Happy Canyon Creek, just south of the second temporary stream crossing. Sediment control logs were installed on the western bank of Happy Canyon Creek. The sediment control logs were not installed according to good engineering, hydrologic and pollution control practices. The sediment control logs were not installed on the drainage contour (see photo 12). Stormwater runoff from this disturbed area discharges directly to Happy Canyon Creek. All BMPs must be implemented according to installation and implementation specifications outlined in the SWMP. All installation and implementation specifications outlined in the SWMP must follow good engineering, hydrologic and pollution control practices.

11. It was noted during the inspection that BMPs were not implemented to manage stormwater runoff from the disturbance located at the southern end of the construction boundary along the west and east banks of Happy Canyon Creek, down

gradient of the installed sediment control logs identified in finding 10 (see photo 13). Stormwater runoff from these areas discharges directly to Happy Canyon Creek. BMPs must be implemented to manage stormwater runoff from all potential pollutant sources.

12. It was noted during the inspection that inadequate BMPs were implemented to manage stormwater runoff from the disturbance located along the southern end of the construction boundary along the southern slope. Sediment control logs were installed near the toe of the south facing slope. The sediment control logs were not installed according to good engineering, hydrologic and pollution control practices. The sediment control logs were not installed on the drainage contour (see photo 14). Stormwater runoff from this area of disturbance discharges directly to Happy Canyon Creek. All BMPs must be implemented according to installation and implementation specifications outlined in the SWMP. All installation and implementation specifications outlined in the SWMP must follow good engineering, hydrologic and pollution control practices.

Site Photographs: Happy Canyon Creek at Surrey Ridge Photograph Date: May 18, 2011

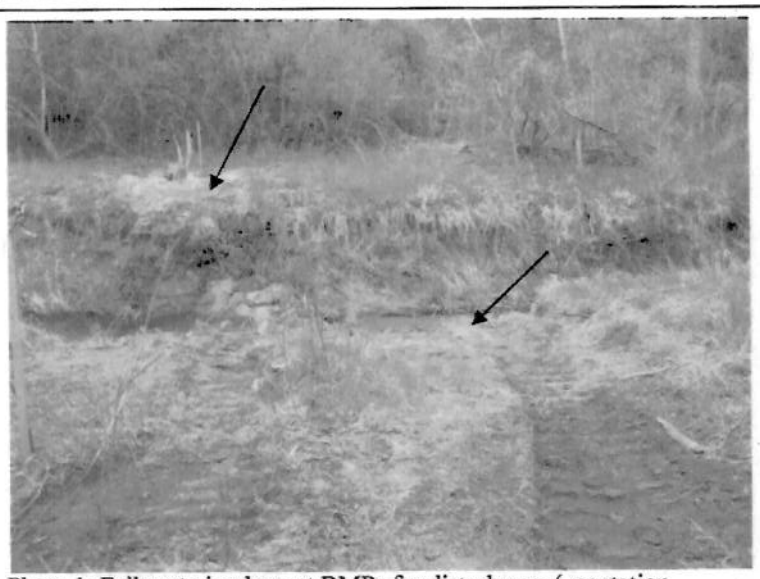

Photo 1: Failure to implement BMPs for disturbance (vegetation removal)

Photo 2: Close up of straw wattles on east bank, north of 1st stream crossing. Straw wattles not properly installed. Red circle indicates area of disturbance where no BMPs were implemented.

Photo 3: Straw wattle on the west bank, just north of the first stream crossing not on the drainage contour. Red circle indicates area of disturbance where no BMPs were implemented.

Site Photographs: Happy Canyon Creek at Surrey Ridge Photograph Date: May 18, 2011

Photo 4: Photo taken looking north. Inadequate BMPs for road disturbance which drains to the stream crossing

Photo 5: West bank cut slope for access road. Stormwater drains to the east towards silt fence identified in photo 6.

Photo 6: Photo taken looking south, north of the second stream crossing. Silt fence down gradient of bank work and access road cut slope (identified in photo 5) and west of the temporary diversion ditch. Silt fence not inspected and maintained. No BMPs implemented for disturbance on the east and west banks of the temporary diversion ditch. Sediment observed in temporary diversion ditch.

Photo 7: Close up of silt fence from photo 6, silt fence not trenched. Alluvial water exposed during construction related activities potentially bypassing silt fence.

Site Photographs: Happy Canyon Creek at Surrey Ridge Photograph Date: May 18, 2011

Photo 8: Photo taken looking north, at the southern end of the temporary diversion ditch. No BMPs for cut slope on the east bank and loose sediment on east bank. Sediment observed in temporary diversion ditch.

Photo 9: Rock socks exceeding drainage capacity. Ruts are visible in the constructed access road. No BMPs implemented for disturbance on the east bank of the constructed road, just north of 2nd stream crossing.

Photo 10: Southern portion of access road which drains to the north toward the second stream crossing identified in photo 11

Photo 11: Stormwater from the access road disturbance drains toward the temporary stream crossing. Rock socks exceeding drainage capacity

Site Photographs: Happy Canyon Creek at Surrey Ridge Photograph Date: May 18, 2011

Photo 12: Straw wattle on west bank not installed on the drainage contour

Photo 13: Failure to implement BMPs for disturbance located south of the second temporary stream crossing, down gradient of straw wattles—on east and west banks of Happy Canyon Creek.

Photo 14: Straw wattle not installed on the drainage contour resulting in creating concentrated flow to the low point as indicated by red arrow.