NEW HOPE CRUSHED STONE & LIME CO.

EHB DOCKET NO. 2016-028-L

VS.

COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, SOLEBURY SCHOOL, AND SOLEBURY TOWNSHIP, INTERVENORS

PETITION FOR TEMPORARY SUPERSEDEAS

Petitioner, New Hope Crushed Stone and Lime Co. ("NHCS") petitions the Board to enter an Order to temporarily Stay a portion of the Order now on Appeal pending a hearing upon NHCS's Petition for Supersedeas now pending in accordance with the Board's Practice and Procedure Section 1021.61 et seq. In support NHCS states:

- 1. NHCS incorporates herein by reference its Petition for Supersedeas filed with this Petition for Temporary Supersedeas.
- 2. Attached hereto and marked as Exhibits "A" and "B" are Affidavits for Christina Cursley and Louis Vittorio, P.G.
- 3. The Affidavits show that unless the Board issues a supersedeas to paragraph 4 of the Reclamation Order, NHCS will suffer immediate, short-term irreparable harm and long term irreparable harm.
- 4. NHCS contends that it is likely to prevail on the merits of its Notice of Appeal.
- 5. The granting of a temporary supersedeas will likely not injure the public or any person including, specifically, Solebury School or Solebury Township, parties to this

Appeal because:

- a. The quarterly monitoring reports that NHCS continues to file with the Department show consistently that its zone of influence associated with surface mining has not expanded since 2008;
- b. Mining operations have not caused any water losses within its zone of influence;
- c. Since July, 2014, four sinkholes have developed within the Primrose Creek basin. Of those, only two were new occurrences, and two were at the location of prior basin sinkholes that developed within NHCS's zone of influence. These were not located on Solebury School property and they were assessed and mitigated in a timely fashion.
- 6. The granting of a temporary supersedeas will not result in any pollution or injury to the public health, safety or welfare; nor will the threat of pollution increase during the period that the supersedeas would remain in effect.
- 7. The granting of a temporary supersedeas will not alter the status quo as it now lawfully exists.
- 8. As more fully set forth in the Affidavits attached, immediate compliance with the Reclamation Order will cause the floor of the quarry to fill with water thus preventing NHCS conducting normal mining operations.

WHEREFORE, Petitioner New Hope Crushed Stone & Lime Co. respectfully moves the Board to enter a Temporary Supersedeas that temporarily stays the effective

date of paragraph 4 of the Reclamation Order pending a hearing on the Petition for Supersedeas now pending.

Benner and Wild

By:

William E. Benner, Esquire 174 West State Street Doylestown, PA 18901 wbenner@bennerwild.com

(215) 230-4900

Dated[®]

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AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF BUCKS

CHRISTINA CURSLEY, being sworn according to law deposes and says as follows:

- 1. I am a Vice President of New Hope Crushed Stone & Lime Co., Inc. (the "Company") and am authorized to take this Affidavit on its behalf in support of its Petition for Supersedeas. I assumed the position of Vice President for the Company in 2015. My background as an Accountant equips me to discharge my responsibilities to the Company. I am responsible for overseeing and managing the Company's day-to-day business affairs including managing its finances.
- 2. I consult regularly with the Company's principal mining consultant, Louis F. Vittorio, Jr. P.G., thus, I am aware generally of the Company's mining permits and the obligations that flow from its mining permits including those relating to reclamation, those relating to the filing of quarterly monitoring reports, and those relating to a Consent Decree. The latter settled previous litigation with the Primrose Creek Watershed Association and PennFutures relating to an appeal taken by those parties challenging a

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Depth Correction issued by the Department of Environmental Resources in 2011.

- 3. I also manage the Company's cash flow from its mining operations. As such, I have personal knowledge of the costs associated with mining and the sales revenue generated from the sale of crushed stone.
- 4. My responsibilities to the Company also involves preparing budgets for future obligations including those related to reclamation required by the Company's mining permit and stream restoration required by the Consent Decree referenced above.
- 5. Mr. Vittorio has advised me that the Company has approximately 6.7 million tons of minable reserves that it could mine in accordance with its existing permits.
- 6. Unless paragraph 4 of the Reclamation Order is stayed, Mr. Vittorio has informed me that within a one to two week period and perhaps sooner if there is an intervening rain, the floor of the quarry will begin filling with water making it impossible for the Company to mine the lowest level of the Company's reserves. That lower level accounts for approximately one-third of the available 6.7 million tons of minable reserves. The consequences to the Company if it loses the ability to mine the lowest level of reserves are both short and long term.
- 7. The short-term consequences, apart from the loss of approximately 33% of the minable reserves and the corresponding loss of revenue associated with the Company's inability to sell those reserves to existing customers with the resultant loss of revenue, is that the Company will be unable to meet its financing obligations owed to the Bank of Princeton. Presently, the Company has an outstanding loan with the Bank of Princeton in the principal amount of \$3,250,000.00, secured by a first mortgage on the quarry property. At the present time, the Company is able to manage its loan obligations

from revenue derived from the sale of crushed stone. Presently, the Company pays \$24,000.00 monthly to the Bank of Princeton for principal and interest payments. The Bank of Princeton has expressed concern about the possible loss of reserves and has advised me that it may accelerate payment on the outstanding loan if the Company loses a significant amount of its reserves as a result of the Reclamation Order.

- 8. If the Board denies the request for the supersedeas, I consider the loss of the reserves to be a material event for which the Company has an obligation to notify the Bank of Princeton. I reasonably believe that the Bank of Princeton will consider the loss of these reserves to be an event of default and will declare the outstanding balance due under the Note immediately due and payable. That outstanding loan balance is \$2,907.500.00. The Company would not have the ability to pay loan if it does not have the revenue realized from the sale of stone mined from the lost reserves. I believe the Company would have few, if any, legal options apart from seeking protection under the Bankruptcy Laws of the United States.
- 9. The longer term consequences of the loss of these reserves will be the inability of the Company to discharge its reclamation obligations under its existing permits and its obligations under the Consent Decree relating to the restoration of the a portion of the Primrose Creek. In particular, relying on reasonable estimates to complete reclamation and the stream restoration costs done by EarthRES Group, I find that its estimate of the cost of reclamation and stream restoration of \$1,963,000.00 to be reasonable. Taking into account the costs associated with mining a ton of crushed limestone, I have calculated that the amount of reserves needed to fully fund reclamation and stream restoration at approximately 7.5 million tons.

10. The Company is committed to completing its reclamation and stream restoration obligations. Despite the present shortfall in available funds to fully fund reclamation and restoration from the 6.7 million tons of minable reserves, I reasonably believe that with reasonable adjustments in cost savings and good business practices, the Company can meet its reclamation and stream restoration obligations if it can mine its existing reserves.

11. The immediate loss of approximately one-third of these existing reserves will make it impossible for the Company to complete its reclamation and stream restoration obligations.

12. If the Company immediately loses of one-third of its mineable reserves, although difficult to measure with specificity, I reasonably believe that the loss of one-third of the Company's mineable reserves will result in loss of customers to competitors thus further reducing revenues and further compromising the Company's ability to operate and complete its reclamation and stream restoration obligations.

CHRISTINA CURSLEY

Sworn to and subscribed before

me this 15 day of April

, 2016.,

Notary Public

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<u>AFFIDAVIT</u>

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF BUCKS

LOUIS F. VITTORIO, JR., P.G., being sworn according to law deposes and says as follows:

- 1. I am a Registered Professional Geologist in Pennsylvania with a specialty in mining and mining related hydrogeology. I have been the primary environmental consultant and hydrogeologist for New Hope Crushed Stone & Lime Co., Inc. ("NHCS") since 2002.
- 2. As the primary environmental consultant and hydrogeologist for NHCS, I also oversee and supervise all environmental and permitting concerns associated with NHCS's mining operations including mine planning, permitting, regulatory compliance and other related concerns by managing other professional engineers and geologists employed by EarthRes Group, Inc., the company that employs me in the capacity as Vice President and Principal Hydrogeologist.
 - 3. I am intimately familiar with the mining operations of NHCS. I meet

EXHIBIT B

regularly with the management team of NHCS that includes Christina Cursley and Gregory Rodrigo on matters related to mining, permit compliance, mine planning and other related mining matters.

- 4. I recently calculated the mineable reserves for NHCS at 6.7 million tons assuming that NHCS mines its reserves as permitted by its existing Surface Mining Permit. My calculations show that 68% per cent of the mineable reserves are found in the two lowest benches of NHCS's quarry.
- 4. With a reasonable degree of scientific certainty, I have concluded that if condition 4 of the Reclamation Order is not stayed, the floor of the quarry will begin to fill with water and within two weeks and NHCS will be unable to mine the lowest bench that contains 33% of the quarry's reserves. Further, I have concluded that mining the next bench that contains 35% of the quarry's reserves will also be difficult, if not impossible.
- 5. As NHCS's primary hydrogeologist, I continue to be responsible for the filing of quarterly monitoring reports to the Department's District Mining Office. Since the entry of the Adjudication in July, 2014, the quarterly monitoring reports consistently show:
- a. That the quarry's zone of influence has not expanded; and in fact, it corresponds with the zone of influence that existed in 2008;
- b That there have been no water loss complaints, a condition that has remained constant since 2008;
- c. That there have been four small sink holes that have emerged in the Primrose Creek Basin. Two of those sinkholes were sinkholes that developed years earlier and re-opened. NHCS facilitated their repairs immediately upon notification.
 - 6. As the consultant primarily responsible for NHCS' regulatory compliance,

since the entry of the Adjudication, to the best of my knowledge, the mining operations of NHCS have not violated any mining regulation or condition contained in NHCS Surface Mining Permit or its NPDES permit.

7. It is my opinion that Paragraph 4 of the Reclamation Order now on appeal has effectively amended and superseded NHCS' existing NPDES permit and will effectively restrict NHCS' ability to operate.

LOUIS F. VITTORIO, JR. P.G

Sworn to and subscribed before

me this 15 day of APRIL , 2016

Mary P. Shurel Notary Public

COMMONWEALTH OF PENNSYLVANIA

NOTARIAL SEAL Mary P. Shirel, Notary Public Plumstead Twp, Bucks County My Commission Expires June 17, 2018

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CERTIFICATE OF SERVICE

I certify that a true and correct copy of the Petition for Supersedeas made by New Hope Crushed Stone and Lime Co. was served upon the following by first class mail, postage prepaid addressed as follows, on April 15, 2016.

- Department of Environmental Protection Nels J. Taber, Regional Counsel <u>ntaber@pa.gov</u>
 Alicia R. Duke, Assistant Counsel alduke@pa.gov
- 2. Solebury School
 Steven T. Miano, Esquire
 smiano@hangley.com
 Peter Keays, Esquire
 pvk@hangley.com
- 3. Solebury Township
 Jordan B. Yeager, Esquire
 JBY@curtinheefner.com
 Mark L. Freed, Esquire
 MLF@curtinheefner.com

Benner and Wild

William E. Benner, Esquire