



CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
Department of Toxic Substances Control

NEWS RELEASE

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Maureen F. Gorsen, Director

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CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL SUES TO RECOVER LAVA CAP MINE CLEANUP COSTS

SACRAMENTO – On Oct. 27, The Department of Toxic Substances Control (DTSC) filed a lawsuit in U.S. District Court to recover \$717,143 in cleanup costs incurred during the cleanup of arsenic releases from the former Lava Cap gold mine, 5 miles southeast of Nevada City, Calif. DTSC filed the complaint for recovery of response costs, past and future, with U.S. EPA which is seeking \$21.4 million for its costs as lead for the cleanup of the federal Superfund site. DTSC and EPA filed the complaint against Canada-based Sterling Centrecorp, Inc., Stephen P. Elder, and Elder Development, Inc.

“DTSC scientists, geologists, and engineers have logged more than 3,500 hours representing the state’s interests in protecting surface and drinking waters from the toxic runoff of the Lava Cap mine,” DTSC Director Maureen F. Gorsen said. “Since 1997, we have attempted to receive payment of our costs through billing. With no further recourse to shield the taxpayer from the past costs and an estimated \$15 million in future costs of cleanup, we had no choice but to file papers in court,” Gorsen added.

The Lava Cap mine produced millions of ounces in gold and silver during its operations, dating back to 1861. From 1934 until it closed in 1943, it was one of the largest producing gold mines in California. Mining practices created a waste rock pile and mill tailings pile. Mill tailings are fine-grained rock from the mining process with very high concentrations of arsenic. Also known as “rock flour,” the tailings suspend easily in water allowing movement off site. Rotting logs and long-term neglect contributed to continual releases of arsenic into Little Clipper Creek and Lost Lake over a span of decades. In a 1997 incident, a partial collapse of the upper half of the log dam used to hold the mill tailings pile released 10,000 cubic yards of arsenic-laden tailings, which ultimately contaminated the creek and lake.

EPA listed the site on the National Priorities (Superfund) List in January 1999, concluding that the site posed great risk to human health and the environment. In September 2004 and September 2008, EPA – with DTSC concurrence – selected final cleanup plans in two Records of Decision and has been implementing those plans.

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For more information and images of documents about the site, [visit the Lava Cap Mine page of DTSC's site database, EnviroStor](#).

FOR GENERAL INQUIRIES: Contact the Department of Toxic Substances Control by phone at (800) 728-6942 or visit www.dtsc.ca.gov. To report illegal handling, discharge, or disposal of hazardous waste, call the Waste Alert Hotline at (800) 698-6942.

The mission of the Department of Toxic Substances Control is to provide the highest level of safety, and to protect public health and the environment from toxic harm.