

Testimony for Public Hearing
Senate Committee on Small Business and Entrepreneurship
October 1, 2015

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Public Hearing Examining the Significant Costs and Related Burdens for Small Businesses Resulting from the Gold King Mine Waste Water Spill near Silverton, Colorado

Good afternoon, Senators and thank you for allowing me to speak to the Committee on Small Business & Entrepreneurship concerning the impacts of the Gold King Mine Spill in Colorado. My name is Bradford P. Blake. I am a small business owner and County Commissioner for La Plata County, Colorado, and I appreciate the opportunity to testify about how this incident has affected businesses in southwest Colorado.

We are very blessed to live in an area of great natural beauty from 14,000 ft. peaks to desert valleys. The rivers that run through this area are beautiful and clear. The premier is the Animas River, which starts in the mountains above the town of Silverton, Colorado and flows for 126 miles directly through La Plata County, the City of Durango and the Southern Ute Indian Reservation to the New Mexico border and on to Utah and Lake Powell.

The mountains above Silverton are rich in minerals and metals, which attracted miners to the area starting in the 1860s. Mining support companies followed, along with other business that developed as the community flourished.

Some you would recognize, such as the renowned Durango and Silverton Narrow Gauge Railroad. Others you might not, but they encompass many different types of enterprises such as tourism-related businesses, including rafting companies, bike stores, hiking and outdoor recreation outfitters, hunting and fishing guides, hotels, restaurants, and related support services.

La Plata County also has considerable agricultural interests including many organic farms and ranches that rely on the waters of the Animas to support their operations. And then there are the businesses you would expect to find in a thriving community including retail and grocery stores, real estate offices, banks, and all the services that support our local economy.

All of these great businesses employ a few to hundreds of people, and the spill has impacted all of them in some way. News of the Gold King Mine spill spread far and wide - not only nationally but around the world. The Durango Area Tourism Office conducted a media analysis for the period August 5 through August 24 and determined that 19 million impressions were made. The 164 articles about the incident had a value of more than \$3.4 million dollars' worth of advertising – the wrong kind of advertising.

Summer is the height of our tourist season, and it was cut short, first by the visual impacts of the Gold King spill and then by the lingering questions about the impact of the spill on the river and our community.

The businesses most severely impacted were the rafting companies. Their season was abruptly interrupted on August 5, the day of the spill. There are ten local rafting companies in La Plata County that employ in excess of 150 people. All were directly impacted and had to lay off employees during the period of the river closure. One rafting company owner advised me that he estimates his losses to be \$100,000.

When tourism-related businesses are impacted, there is a ripple effect throughout our economy on hotels, restaurants and retail stores. Those in turn, impact the collection of local sales and lodger's taxes. But tourism businesses were not the only ones impacted.

Agriculture took a hit as well. Small local farmers had reduced crop yields due to the lack of water at the hottest and driest time of the growing season. Ditches that provide irrigation water to farms were closed for up to ten days in some cases, leaving farmers high and dry. One rancher reported to me that he lost half of his second cutting of hay – \$8,600 worth, and for a small rancher, that's a big deal. Equally significant is the impact of the spill on the reputation of organic farms that utilize the Animas River – how can their reputations be restored when doubts about the quality of the water remain?

In another example, the entire inventory of Durango Nursery, a local plant and tree nursery located on the banks of the river, was threatened by the inability to use the river for watering purposes. Owner Tom Bridge had to haul water at his own expense until arrangements were made for water to be delivered until the river could be used again. But even that couldn't help bring the customers in. Tom estimates that he lost \$20,000 worth of business due to the decline in customers during the period of the Gold King incident - and sales have not recovered. In fact, Tom estimates that his sales for the year will be down 1.25% from his projections as a result of the Gold King spill.

Even real estate offices felt the impact. One real estate agent shared with me that a client actually walked away from a real estate deal because of the alarm and uncertainty created by the river contamination. We don't know how many more potential buyers did not make offers or are looking elsewhere because of similar concerns.

As news of the incident spread, calls came in to our community from around the country asking questions like: *Are all the fish dead? Will the fumes harm my family if we walk by the river? Is the river ever going to recover?* It's obvious to me that our community's image and reputation as a natural, scenic, family friendly outdoor mecca has been badly damaged as a result of this spill.

Clearly, we DO NOT YET KNOW what the long-term impact of the Gold King spill, and the publicity generated by it, might be, but we anticipate that there could be lingering negative images, public health and safety concerns and declines in future visitations, all of which will impact small businesses in La Plata County. As a small business owner myself, I am concerned about uncertainty created for our local businesses resulting from the spill and the heightened awareness of acid mine drainage.

It is for these reasons that I ask for your support of expeditious reimbursement to businesses and employees impacted by the Gold King Mine Spill and I urge your thoughtful consideration of S.2063, the

Gold King Spill Mine Recovery Act of 2015. I also advocate for a speedy and collaborative response to this ongoing and age old problem of metal loading in the upper Animas River basin.

I urge Congress to move expeditiously but also thoughtfully to address the larger problem of acid mining drainage in the Animas River watershed that impacts not only La Plata County but all communities along the Animas River. On behalf of the citizens of La Plata County, Colorado, I thank you for your interest, your time and your consideration.