



STATE MINING AND GEOLOGY BOARD

EXECUTIVE OFFICER'S REPORT



ARNOLD
SCHWARZENEGGER
GOVERNOR

For Meeting Date: April 10, 2008

Agenda Item No. 3: Approval of Adjusted Financial Assurance Cost Estimate for the Blue Point Mine (CA Mine ID # 91-58-0021), Brian Bisnett (Agent/Operator), Yuba County.

INTRODUCTION: The Surface Mining and Reclamation Act (SMARA, Public Resources Code Section 2710 et seq.) requires that each surface mining operation maintain a financial assurance in an amount adequate to reclaim, in accordance with the requirements of an approved reclamation plan, the land disturbed by the mining operation at the conclusion of mining activities. SMARA lead agencies are required annually to review the financial assurance amount for each surface mining operation, and adjust the amount as necessary to account for new land disturbed, inflation, or land reclaimed. In any event, the lead agency must ensure that the approved amount is adequate to reclaim the mine site according to the reclamation plan requirements (Public Resources Code Sections 2770 and 2773.1, and California Code of Regulations Section 3804).

BACKGROUND: The Blue Point Mine is a former aggregate surface mining operation located in Yuba County. Since the SMGB assumed SMARA lead agency authority from Yuba County in 2002, the site has been inspected at least once each calendar year. No active mining has occurred during this period, and there has been no intent by the operator to resume mining activities. In 2004, the SMGB approved a financial assurance cost estimate of \$207,189, and subsequently approved a "Closure and Reclamation Plan" at its February 9, 2006, regular business meeting. Since such time, the site has been reclaimed in a manner consistent with the approved closure and reclamation plan. An adjusted financial assurance cost estimate is being proposed by the operator to reflect reclamation activities completed to date. The adjusted amount is to address the remaining task of monitoring revegetation efforts for a period of five years. A summary is provided below:



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I.	Primary Reclamation Activities	\$0
II.	Revegetation	\$0
III.	Plant Structures and Equipment Removal	\$0
IV.	Miscellaneous Costs	\$0
V.	Monitoring	\$10,000
VI.	Supervision/Overhead/Contingencies	
	a. Supervision (7%)	\$700
	b. Profit/Overhead (14%)	\$1,400
	c. Contingencies	\$1,000
	d. Mobilization	\$0
	Lead Agency administrative costs	\$1,441
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	Total	\$14,541

CONSIDERATION BEFORE THE SMGB: The SMGB may take the following actions:

1. Approve as adequate the adjusted financial assurance cost estimate, without additions;

[or]
2. Modify the adjusted financial assurance cost estimate, and then accept it as adequate;

[or]
3. Reject the adjusted financial assurance cost estimate as inadequate and order it to be redone.

EXECUTIVE OFFICER'S RECOMMENDATION: The adjusted financial assurance cost estimate has been reviewed for its consistency and completeness in meeting the minimum requirements of SMARA, and SMGB's regulations and guidelines. OMR and SMGB staff have reviewed the adjusted financial assurance cost estimate, and have determined that it is adequate to complete reclamation in a manner consistent with the approved reclamation plan. Thus, the Executive Officer recommends that the SMGB approve the adjusted financial assurance amount of \$14,541 for the Blue Point Mine.



SUGGESTED MOTION LANGUAGE:

To approve the adjusted financial assurance cost estimate:

Mr. Chairman, in light of the information before the SMGB today, I move that the SMGB accept the financial assurance cost estimate for the Blue Point Mine (CA Mine ID #91-58-0021), in the amount of \$14,541 as adequate to reclaim the site in accordance with its approved reclamation plan.

Respectfully submitted:

Stephen M. Testa
Executive Officer

