



STATE MINING AND GEOLOGY BOARD

EXECUTIVE OFFICER'S REPORT



ARNOLD
SCHWARZENEGGER
GOVERNOR

For Meeting Date: May 8, 2008

Agenda Item No. 6: Presentation of 2007 SMARA Surface Mine Inspection Reports for Eleven Surface Mining Operations for Acceptance Consideration by the State Mining and Geology Board.

INTRODUCTION: The State Mining and Geology Board (SMGB) serves as the lead agency under the Surface Mining and Reclamation Act of 1975 (SMARA) for forty-eight (48) individual mining operations located in two counties (El Dorado County and Yuba County), twelve (12) San Francisco Bay dredging operations, and ten (10) cities that do not have mining ordinances. SMARA inspection reports for eleven dredging operations within the jurisdiction of the Bay Conservation and Development Commission (BCDC) are being presented for the SMGB's acceptance consideration.

MINE INSPECTION REPORTS FOR THE SMGB'S ACCEPTANCE CONSIDERATION:

The 2007 SMARA mine inspection reports to be presented at the SMGB's April 10, 2008 Regular Business Meeting for acceptance consideration by the SMGB are:

- *Hanson Alcatraz, Presidio, Point Knox (CA Mine ID #91-38-0001), BCDC.*
- *Hanson Point Knox South (CA Mine ID #91-38-0002), BCDC.*
- *Hanson Point Knox Shoal (CA Mine ID #91-38-0003), BCDC.*
- *Hanson Alcatraz South Shoal (CA Mine ID #91-38-0004), BCDC.*
- *Hanson Suisun Bay (CA Mine ID #91-38-0005), BCDC.*
- *Hanson Suisun Bay Middleground (CA Mine ID #91-38-0006), BCDC.*
- *Jerico Suisun Bay Middleground (CA Mine ID #91-38-0007), BCDC.*
- *CEMEX Carquinez Straits (CA Mine ID #91-38-0008), BCDC.*
- *CEMEX Alcatraz Sand Shoal (CA Mine ID #91-38-0009), BCDC.*
- *CEMEX Suisun Bay Middleground (CA Mine ID #91-38-00010), BCDC.*
- *Morris Tug & Barge Marine Oyster Shell Mining (CA Mine ID #91-38-00011), BCDC.*

These marine dredging operations involve the removal of material from the floor of San Francisco Bay, concurrent with loading of material onto a barge, and subsequent transport to land-based facilities for processing and distribution. A physical inspection of the material extraction site is therefore impossible as it is entirely submerged. Thus, inspections, as required pursuant to SMARA, encompass a review of documentation verifying extraction activities being performed within the leased areas, and assurance that each dredging



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operation's insurance policy is current. The actual raising of a sunken vessel, in this case a dredge, does not meet the requirements of California Code of Regulations (CCR) Title 14, Section 3804(a), and thus such requirements cannot be used as the basis of determining financial assurances for this type of mining operation. However, Marine Liability insurance, currently held by the marine sand mining operators, does provide coverage for costs and expenses of, or incidental to, the removal of a wrecked vessel should this scenario occur. Marine Liability insurance is commonly referred to as "*Protection and Indemnity*", or more specifically noted, as the Protection and Indemnity form "*SP-23*". Under Clause (7) "*Removal of Wreck*" insurance coverage is provided for costs and expenses of, or incidental to, the removal of the wreck of the vessel, which is named within the policy, when such removal is compulsory by law or otherwise presents a hazard to navigation.

A summary of violations and corrective measures per surface mining operation inspected is presented below.

Hanson Alcatraz, Presidio, Point Knox (CA Mine ID #91-38-0001), BCDC: No violations or corrective measures were noted at time of review.

Hanson Point Knox South (CA Mine ID #91-38-0002), BCDC: No violations or corrective measures were noted at time of review.

Hanson Point Knox Shoal (CA Mine ID #91-38-0003), BCDC: No violations or corrective measures were noted at time of review.

Hanson Alcatraz South Shoal (CA Mine ID #91-38-0004), BCDC: No violations or corrective measures were noted at time of review.

Hanson Suisun Bay (CA Mine ID #91-38-0005), BCDC: No violations or corrective measures were noted at time of review.

Hanson Suisun Bay Middleground (CA Mine ID #91-38-0006), BCDC: No violations or corrective measures were noted at time of review.

Jerico Suisun Bay Middleground (CA Mine ID #91-38-0007), BCDC: No violations or corrective measures were noted at time of review.

CEMEX Carquinez Straits (CA Mine ID #91-38-0008), BCDC: No violations or corrective measures were noted at time of review.

CEMEX Alcatraz Sand Shoal (CA Mine ID #91-38-0009), BCDC: No violations or corrective measures were noted at time of review.



CEMEX Suisun Bay Middleground (CA Mine ID #91-38-0010), BCDC: No violations or corrective measures were noted at time of review.

Morris Tug & Barge Marine Oyster Shell Mining (CA Mine ID #91-38-0011), BCDC: No violations or corrective measures were noted at time of review.

EXECUTIVE OFFICER'S RECOMMENDATION: The Executive Officer recommends that the SMGB accept the eleven 2007 SMARA mine inspection reports as being prepared in accordance SMARA and the SMGB's regulations, and transmit the findings to each mine operator and their respective local lead agency.

SUGGESTED MOTION LANGUAGE:

Mr. Chairman, in light of the information before the SMGB today, I move that the SMGB accept the eleven 2007 SMARA mine inspection reports, and transmit the findings to each mine operator and their respective local lead agency. These sites are:

Hanson Alcatraz, Presidio Point Knox,
Hanson Point Knox South,
Hanson Point Knox Shoal,
Hanson Alcatraz South Shoal,
Hanson Suisun Bay,
Hanson Suisun Bay Middleground,
Jerico Suisun Bay Middleground,
CEMEX Carquinez Straits,
CEMEX Alcatraz Sand Shoal,
CEMEX Suisun Bay Middleground, and
Morris Tug & Barge Marine Oyster Shell Mining.

Respectfully submitted:

Stephen M. Testa
Executive Officer

