



STATE MINING AND GEOLOGY BOARD

EXECUTIVE OFFICER'S REPORT



ARNOLD
SCHWARZENEGGER
GOVERNOR

For Meeting Date: March 10, 2011

Agenda Item No. 3: Proposed Designation and Termination of Designation of Mineral Resources Areas of Statewide Significance for the San Gabriel Production-Consumption Region, Los Angeles County.

INTRODUCTION: At its September 9, 2010, regular business meeting, the State Mining and Geology Board (SMGB) accepted California Geological Survey (CGS) Special Report 209 which updates information previously presented in a classification report on Portland cement concrete-grade (PCC) aggregate in the San Gabriel Valley Production-Consumption (P-C) Region first published in 1982. The SMGB previously designated construction aggregate resource areas of regional significance in the San Gabriel P-C Region in SMARA Designation Report No. 3 - *Designation of Regionally Significant Construction Aggregate Resources in the Orange County - Temescal Valley and San Gabriel Valley Production-Consumption Regions* (August, 1984). In the years since the designation of the San Gabriel P-C Region, about 27 percent, or 1,234 acres of the 4,642 acres of lands originally designated by the SMGB have been lost to land uses incompatible with mining. Those 1,234 acres lost contain approximately 483 million tons of PCC-grade aggregate resources, which is 20 percent of the 2,402 million tons of aggregate resources designated in 1984. The updated Mineral Land Classification study identified an additional 281 acres of land containing more than 311 million tons of PCC-grade aggregate in areas previously classified MRZ-3. These areas were reclassified as MRZ-2 in the update. The State Geologist has recommended designation of select mineral resource lands in the San Gabriel Production-Consumption (P-C) Region, County of Los Angeles. Upon acceptance of the State Geologist's recommendations, the Executive Officer can be directed to hold a public hearing to receive comments on the proposed action.

STATUTORY ASPECTS: The SMGB's statutory authority to incorporate mineral lands classification information into state policy is provided pursuant to Division 2, Chapter 9, Article 4, State Policy for the Reclamation of Mined Lands, Public Resources Code (PRC) Section 2761(a), which states:

"On or before January 1, 1977, and, as a minimum, after the completion of each decennial census, the Office of Planning and Research shall identify portions of the following areas within the state which are urbanized or are subject to urban expansion or other irreversible land uses which would preclude mineral extraction:

(1) Standard metropolitan statistical areas and such other areas for which information is readily available.



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(2) *Other areas as may be requested by the board.*

(b) In accordance with a time schedule, and based upon guidelines adopted by the board, the State Geologist shall classify, on the basis solely of geologic factors, and without regard to existing land use and land ownership, the areas identified by the Office of Planning and Research, any area for which classification has been requested by a petition which has been accepted by the board, or any other areas as may be specified by the board, as one of the following:

(1) Areas containing little or no mineral deposits.

(2) Areas containing significant mineral deposits.

(3) Areas containing mineral deposits, the significance of which requires further evaluation.

The State Geologist shall require the petitioner to pay the reasonable costs of classifying an area for which classification has been requested by the petitioner.

(c) The State Geologist shall transmit the information to the board for incorporation into the state policy and for transmittal to lead agencies.”

The SMGB’s statutory authority to consider areas for designation is provided pursuant to Division 2, Chapter 9, Article 6, Areas of Statewide or Regional Significance, PRC Section 2790, which states:

“After receipt of mineral information from the State Geologist pursuant to subdivision (c) of Section 2761, the board may by regulation adopted after a public hearing designate specific geographical areas of state as areas of statewide or regional significance and specify the boundaries thereof. Such designation shall be included as a part of the state policy and shall indicate the reason for which the particular area designated is of significance to the state or region, the adverse effects that might result from premature development of incompatible land uses, the advantages that might be achieved from extraction of the minerals of the area, and the specific goals and policies to protect against the premature incompatible development of the area.”

The statutory authority which allows the SMGB to terminate, in whole or in part, an area previously designated is provided pursuant to PRC Section 2793 which states:

“The board may, by regulation adopted after a public hearing, terminate, partially or wholly, the designation of any area of statewide or regional significance on a finding that the direct involvement of the board is no longer required.”

BACKGROUND: Designation is the formal recognition by the SMGB of lands containing mineral resources of regional or statewide economic significance that are needed to meet the demands of the future. The Department of Conservation’s (DOC)



CGS recently released Special Report 209 - *Update of Mineral Land Classification for Portland Cement Concrete-Grade Aggregate in the San Gabriel Production-Consumption Region, San Gabriel and Riverside Counties, California* (Kohler, 2010). This report updates information on portland cement concrete (PCC) aggregate in the original classification study of the San Gabriel Production-Consumption (P-C) Region published in 1982 as Special Report 143, Part IV - *Mineral Land Classification of the Greater Los Angeles Area; Classification of Sand and Gravel Resource Areas, San Gabriel Production-Consumption Region* (Kohler, 1982).

The original classification study by Kohler (1982) assisted the SMGB in its subsequent mineral land designation process; whereby, the SMGB formally recognized in regulation lands containing resources of regional or statewide economic significance in the region. The SMGB designated construction aggregate resource areas of regional significance in the San Gabriel P-C Region in SMARA Designation Report No. 3 - *Designation of Regionally Significant Construction Aggregate Resources in the Orange County - Temescal Valley and San Gabriel Valley Production-Consumption Regions* (August, 1984).

In the years since the designation of the San Gabriel P-C Region, about 27 percent, or 1,234 acres of the 4,642 acres of lands originally designated by the SMGB have been lost to land uses incompatible with mining. Those 1,234 acres lost contain approximately 483 million tons of PCC-grade aggregate resources, which is 20 percent of the 2,402 million tons of aggregate resources designated in 1984.

The updated Mineral Land Classification study identified an additional 281 acres of land containing more than 311 million tons of PCC-grade aggregate in areas previously classified MRZ-3. These areas were reclassified as MRZ-2 in the update.

CANDIDATE AREAS FOR DESIGNATION AND TERMINATION OF DESIGNATION

The candidate areas for designation or termination of designation are shown on the two Plates. *Candidate Areas for Updated Designation in the Northern San Gabriel Production-Consumption (P-C) Region, Los Angeles County, California* and *Candidate Areas for Updated Designation in the Eaton Wash, Devils Gate Reservoir, and Palos Verdes Areas*. A description of each candidate area is given below.

Each Sector, or group of Sectors, described below, meets or exceeds the Board's threshold economic value for the type of mineral resource described, and each Sector may be considered for designation as an area of regional or statewide significance by the Board pursuant to Article 6, Section 2790 *et seq.* (SMARA).

Candidates for Designation -- Areas Reclassified MRZ-2:



New information obtained since the publication of the 1984 Mineral Land Classification study has resulted in the reclassification of some areas originally classified MRZ-3 in that study. Sectors J, K, L, and M are newly identified aggregate resource sectors that were not originally designated. Sector J delineates land that has been reclassified in OFR 91-14 to MRZ-2 from MRZ-3 (Miller, 1994). Sectors K, L, and M delineate lands that were classified MRZ-2 in SR 143 Part IV, but were not included in part of a sector.

Each of the Sectors below meets or exceeds the mineral resource threshold value as established by the SMGB. At the time of the updated classification study, that threshold value amounted to approximately 1.1 million tons of aggregate. The permitted aggregate resources amounts contained in individual Sectors are considered proprietary.

Candidate Sector J (289 acres): This Sector is in Sections 21 and 22, T1N, R10W, SBBM. It is bounded to the southeast by Sectors A and B and on the north by National Forest land. Sector J comprises one parcel of land totaling 289 acres covering most of the area referred to as the Fish Canyon Quarry site, an active mine operated by Vulcan Materials Company. Resources (including reserves) for this area total 311 million tons. Reserves for Sector J are proprietary.

Candidate Sector K (2 acres): This Sector is in Section 33 T1N, R10W, SBBM. It is bounded to the southeast by the roadways and on the northwest by Sector E. Sector K includes a two-acre unmined parcel of land located adjacent to the east side of Sector E in the City of Azusa. It is owned by CEMEX and is part of the company's Azusa Quarry site. The land now defined as Sector K was classified MRZ-2 in SR 143 Part IV, but at that time it was considered unavailable to mining and was not included as part of Sector E. A reevaluation of the land indicates that it can be mined in conjunction with the active CEMEX Azusa Quarry. The resources and reserves in Sector K are proprietary.

Candidate Sector L (9 acres): This Sector is in Section 3 T1S, R10W, SBBM. It is bounded to the southeast by roadways and developments, and on the northwest by Sector E. Sector L includes a small nine acre unmined parcel of land adjacent to the south side of Sector E in the city of Azusa. The western half of the sector is owned by CEMEX and is part of the company's Azusa Quarry site. The land now defined as Sector L was classified MRZ-2 in SR 143 Part IV, but at that time it was considered unavailable to mining and was not included as part of Sector E. A reevaluation of the land indicates that it can be mined in conjunction with the active CEMEX Azusa Quarry. The resources and reserves in Sector L are proprietary.



Candidate Sector M (5 acres); This Sector is in Section 1 T1S, R11W, SBBM. It is bounded to the east and west by Sector D and to the south by Arrow Highway. Sector M is a five acre strip of land in the City of Irwindale that formerly was occupied by Buena Vista Street. The land now defined as Sector M was classified MRZ-2 in SR 143 Part IV, but at that time it was considered unavailable to mining because Buena Vista Street occupied this space. In 2004, United Rock Products paid to realign Buena Vista Street so that it could mine the land underlying Sector M in conjunction with the United Rock Product's Pit #2. The resources and reserves in Sector L are proprietary.

Candidate Areas for Termination of Designation

Six Sectors are identified as potential candidates for termination of designation status because of high-value incompatible land use developments, particularly urbanization and land filling. These areas are indicated on the accompanying Plates.

Candidates for Termination of Designation in Sector A (263 acres): There are six separate areas that are now incompatible with mining. Forty-three million tons of resources in these areas have been lost because of urbanization and 24 million tons of resources have been lost because of landfill operations.

Candidate for Termination of Designation in Sector B (12 acres): There is one area that has become incompatible with mining. Eight million tons of resources have been lost to urbanization.

Candidates for Termination of Designation in Sector C (42 acres): There are two areas that have become incompatible with mining. Thirty-six million tons of resources have been lost to urbanization.

Candidates for Termination of Designation in Sector D (391 acres): There are eleven areas that are now incompatible with mining. Fifty-two million tons of resources have been lost to urbanization and 64 million tons of resources have been lost because of landfill operations.

Candidates for Termination of Designation in Sector E (422 acres): There are six areas that have become incompatible with mining. Fourteen million tons of resources have been lost to urbanization, and 179 million tons of resources have been lost to landfill operations.



Candidates for Termination of Designation in Sector I (104 acres): There are two areas that have become incompatible with mining. Fifteen million tons of resources have been lost to landfill operations.

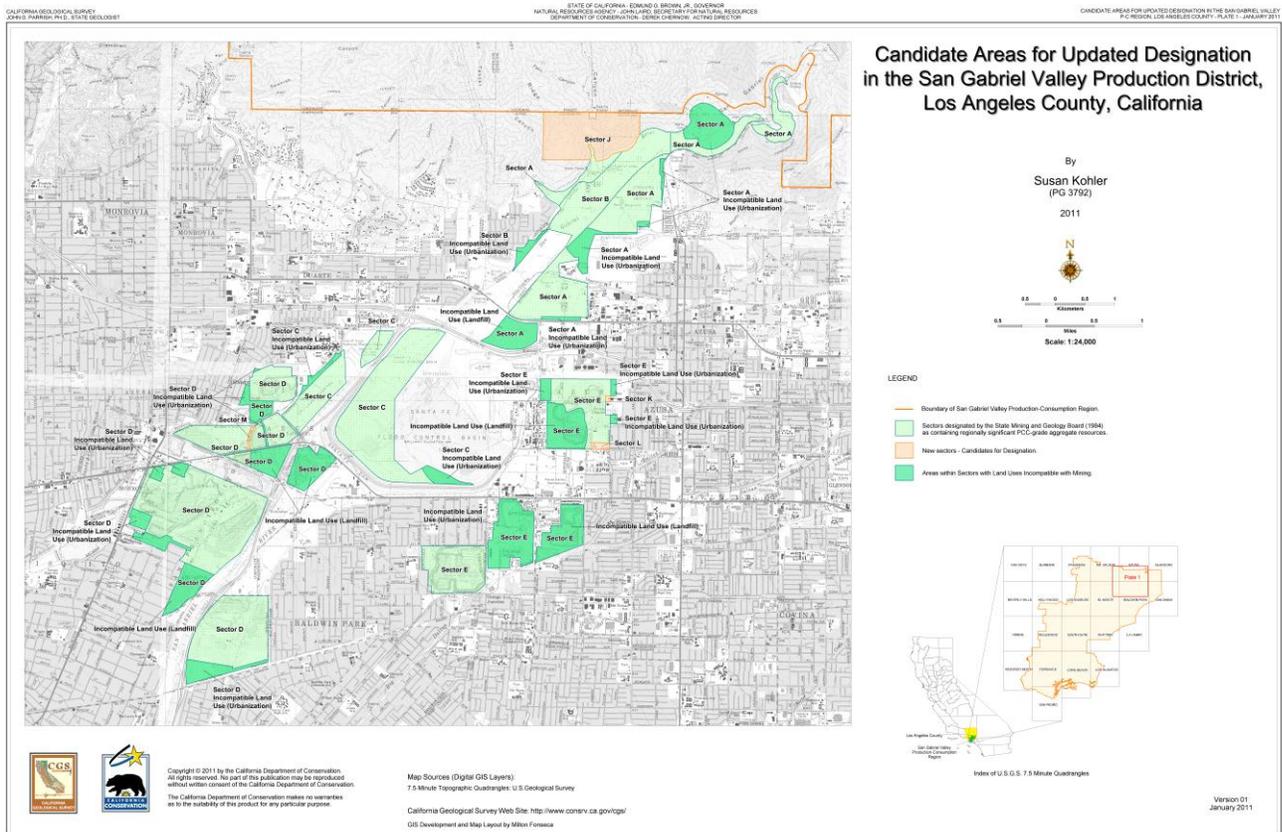


Plate 1. Candidate Areas for Updated Designation in the Northern San Gabriel Production-Consumption (P-C) Region, Los Angeles County, California.

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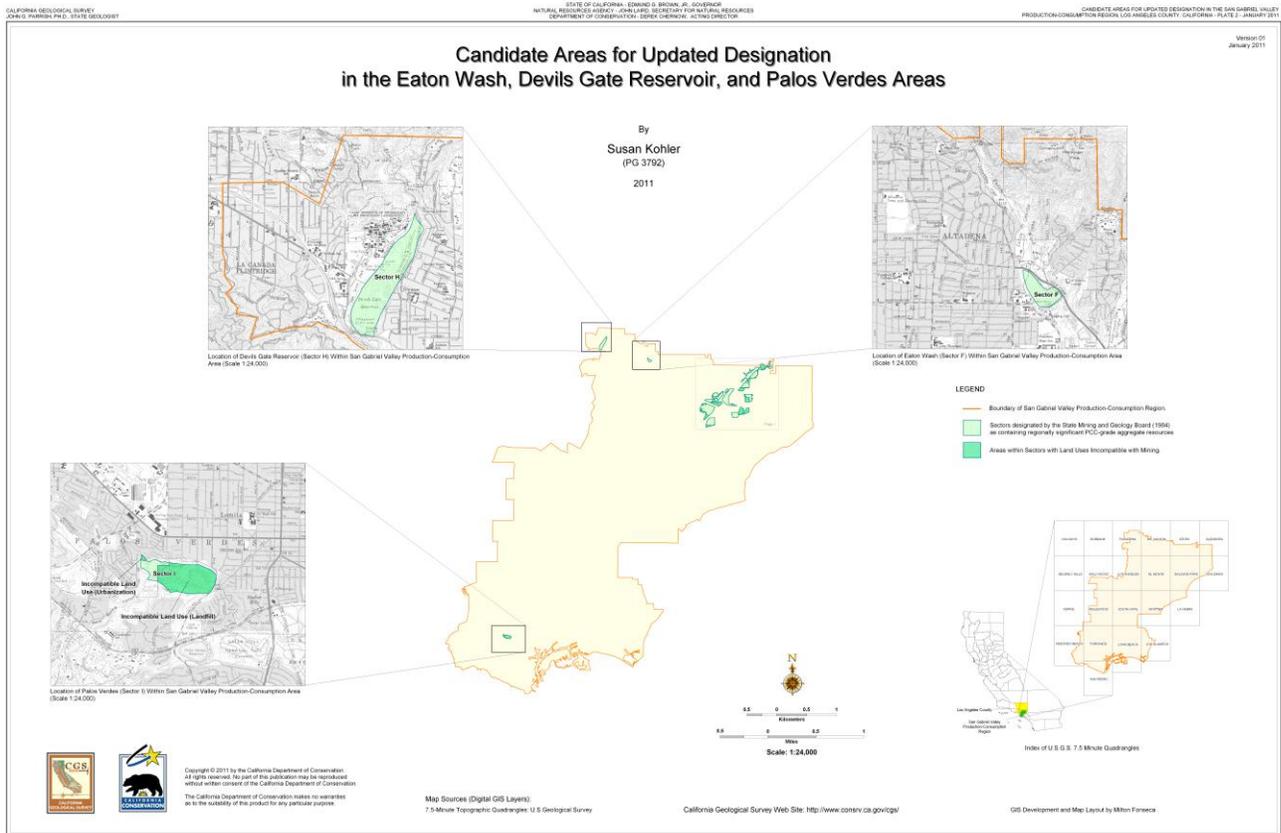


Plate 2. Candidate Areas for Updated Designation in the Eaton Wash, Devils Gate Reservoir, and Palos Verdes Areas.

REFERENCES: References noted are as follows:

Kohler, S. L., 2010, *Update of Mineral Land Classification for Portland Cement Concrete Grade Aggregate in the San Gabriel Production-Consumption Region*: California Geological Survey Special Report 209.

Kohler, S.L., 1982, *Mineral Land Classification of the Greater Los Angeles Area, Classification of Sand and Gravel Resources Areas, San Gabriel Production-Consumption Region*: Division of Mines and Geology Special Report 143, Part IV.

Miller, R.V., 1994, *Update of Mineral Land Classification of Portland Cement Concrete Aggregate in Ventura, Los Angeles, and Orange Counties, California*,

Part II - Los Angeles County. California Division of Mines and Geology Open
File Report 94-14.

State Mining and Geology Board, 1984, *Designation of Regionally Significant
Construction Aggregate Resource Areas in the Orange County-Temescal Valley
and San Gabriel Valley Production-Consumption Regions: SMARA*
Designation Report No. 3.

CONSIDERATIONS BEFORE THE SMGB: At this time, based on the update report by
Kohler (2010), the SMGB has the following options to consider. In the case of areas
reclassified from MRZ-3 to MRZ-2 in the updated classification study, the SMGB may:

- (a) Designate all, or portions, of the areas reclassified MRZ-2 and that had land
uses considered compatible with mining at the time of the update (i.e.
candidate Sectors), or
- (b) Take no action.

In the case of areas where resources have been lost to land uses incompatible with mining,
the SMGB may:

- (a) Terminate the designation status of some or all of those portions of the
previously designated areas that are now considered lost to incompatible
land uses, or
- (b) Take no action.

EXECUTIVE OFFICER'S RECOMMENDATION: The State Geologist recommends that the
candidate Sectors listed above for designation be designated, and the candidate Sectors
and portions of Sectors for termination of designation listed above have their designation
status terminated. The Executive Officer recommends that the SMGB accepts the State
Geologist's recommendations of candidates for designation, and termination of designation,
and that the SMGB direct the Executive Officer to schedule a public hearing of the Mineral
Resources and Geologic Resources Committee to allow for stakeholders and the public to
offer comments on the proposed action(s).



SUGGESTED MOTION LANGUAGE:

To accept the State Geologist's recommendations:

Mr. Chairman, in light of the information before the State Mining and Geology Board today, I move to 1) accept the recommendations for designation of mineral lands set forth by the State Geologist of certain areas within the San Gabriel Production-Consumption Region, County of Los Angeles, California, and 2) direct the Executive Officer to schedule a public hearing to receive comments on the proposed action(s).

Respectfully submitted:

Stephen M. Testa
Executive Officer

