



STATE MINING AND GEOLOGY BOARD

EXECUTIVE OFFICER'S REPORT

For Meeting Date: May 10, 2012

Agenda Item No. 12: Presentation of 2011 SMARA Surface Mine Inspection Reports for Ten 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 SMARA for forty-six (46) individual surface mining operations, including operations located in three counties (Alpine County, El Dorado County and Yuba County), nine San Francisco Bay marine dredging operations, and seven cities that do not have mining ordinances. SMARA inspection reports for ten surface mining operations are being presented for acceptance consideration.

MINE INSPECTION REPORTS FOR THE SMGB'S ACCEPTANCE CONSIDERATION:

The 2011 SMARA mine inspection reports to be presented at the SMGB's May 10, 2012, regular business meeting for acceptance consideration are as follows:

- Merrill Borrow Pit (CA Mine ID #91-02-0001), County of Alpine.
- Gansberg Sand (CA Mine ID #91-02-0002), County of Alpine.
- Diamond Valley Borrow Site (CA Mine ID #91-02-0004), County of Alpine.
- Fredericksburg Gravel Pit (CA Mine ID #91-02-0005), County of Alpine.
- Richmond (Chevron) Quarry (CA Mine ID #91-07-0006), City of Richmond.
- Pt. Richmond (Canal) Quarry (CA Mine ID #91-07-0007), City of Richmond.
- Lapis Sand Plant (CA Mine ID #91-27-0006), City of Marina.
- Santa Paula Materials (CA Mine ID #91-56-0034), City of Santa Paula.
- Western Aggregates (CA Mine ID #91-58-0001), County of Yuba.
- Cal Sierra Development (CA Mine ID #91-58-0003), County of Yuba.

A summary of violations, corrective measures and inspector's recommendations for the above surface mining operations are presented below.

Merrill Borrow Pit (CA Mine ID #91-02-0001), County of Alpine:

No violations or corrective measures were noted based on inspection of the Merrill Borrow Pit on October 28, 2011. However, the approved reclamation plan for the site is antiquated and provides very little specific information pertaining to required reclamation activities. It is recommended that the reclamation plan be updated to include a reclamation plan map, performance standards for slope stability, and a revegetation plan appropriate for the site.



Executive Officer's Report

Gansberg Sand (CA Mine ID #91-02-0002), County of Alpine:

The following two violations are noted based on observations made at time of inspection on October 26, 2011, and based on review of pertinent documents:

1. The operation is in violation of Use Permit Condition No. 4, which requires revegetation activities to occur every five years, as it does not appear that any active revegetation efforts have been commenced by the operator.
2. One violation of SMARA and the SMGB's regulations is noted as it has been well over one year since a revised financial assurance cost estimate has been completed as required by PRC Section 2773.1(a)(3) and CCR Section 3804.

Three corrective measures are noted:

1. In order to prevent further rilling and minimize the potential for future erosive surface water flows, the operator should install berms or rock check dams in low areas along the northeastern border of the site near Foothill Road.
2. The operator should provide notification to the Alpine County Planning Director, and should revise the financial assurance as appropriate, in order to comply with Use Permit Condition No. 10 which allows for expansion of the working area to 10 acres.
3. As noted above, it appears that approximately 8.5 acres are currently disturbed by surface mining activities. As such, the operator should revise the disturbed acreage amount accordingly on the 2011 Mining Operation Annual Report.

The following recommendations are offered:

1. A revised financial assurance cost estimate for the Gansberg Sand surface mining operation should be provided to the SMGB as soon as possible per CCR Section 3804(c).
2. The operator should commence revegetation activities on portions of the Gansberg Sand site that will no longer be disturbed by mining activities in order to comply with Use Permit Condition No. 4. Alternatively, the operator may wish to amend the Reclamation Plan and Use Permit Conditions such that all

revegetation activities would not be required to commence until mining activities are complete.

Diamond Valley Borrow Site (CA Mine ID #91-02-0004), County of Alpine:

The following two violations are noted based on observations made at time of inspection on October 26, 2011, and/or based on review of pertinent documents:

1. The operation is in violation of PRC Section 2207(a) which requires the owner or operator of a mining operation to submit annual reports to the Department of Conservation on forms approved by the SMGB. CCR Section 3697(a) further provides that such annual reports and associated annual reporting fees are due and payable to the Department of Conservation not later than July 1st for the prior reporting (calendar) year. Review of files for this operation show that no annual reports or annual fees have been submitted since at least 2007, and possibly not since 2001 (2000 reporting year).
2. A violation of SMARA and the SMGB's regulations is noted as it has been well over one year since a revised financial assurance cost estimate has been completed as required by PRC Section 2773.1(a)(3) and CCR Section 3804.

Two corrective measures are noted:

1. As noted above, approximately 13 acres are currently disturbed by surface mining activities. Page 4 of the approved reclamation plan indicates that in general disturbed land will be maintained at approximately 5 acres or less. As such, reclamation of approximately 8 acres should commence immediately and be completed as soon as possible. Alternatively, the reclamation plan could be amended to allow for greater than 5 acres of disturbance at any one time.
2. Page 2 and Page 4 of the approved reclamation plan list a completion date and estimated date of completion, respectively, of 2010. As surface mining operations obviously are still occurring and will continue, the reclamation plan should be amended to provide a revised proposed date of termination per PRC Section 2772(c)(3).

The following recommendations are offered:

1. Past due annual reports should be completed and submitted to the Department of Conservation with appropriate reporting fees.

2. A revised financial assurance cost estimate for the Diamond Valley Borrow Site surface mining operation should be provided to the SMGB as soon as possible per CCR Section 3804(c).
3. The operator should provide an amended reclamation plan with a revised proposed date of termination per PRC Section 2772(c)(3). The operator should also consider amending the reclamation plan to allow for more than 5 acres of disturbance at one time.

Fredericksburg Gravel Pit (CA Mine ID #91-02-0005), County of Alpine:

The following violation was noted based on observations made at time of inspection on October 28, 2011, and based on review of pertinent documents:

1. The operation is in violation of the approved reclamation plan, which requires reclamation efforts to commence prior to disturbed areas exceeding five acres.

The following recommendations are offered:

1. A revised financial assurance cost estimate for the Fredericksburg Gravel Pit surface mining operation should be provided to the SMGB as soon as possible per CCR Section 3804(c).
2. The operator should commence reclamation/revegetation activities on portions of the Fredericksburg Gravel Pit site in order to reduce the disturbed acreage to 5 acres or less as required by the approved reclamation plan. Alternatively, the operator may wish to amend the reclamation plan to allow for a larger operational disturbed acreage.
3. The operator should provide documentation to clarify if and when an IMP was approved by Alpine County for the Fredericksburg Gravel Pit.

Richmond (Chevron) Quarry (CA Mine ID #91-07-0006), City of Richmond:

The following violations, originally noted in 2005, were ongoing at time of inspection on November 15, 2011:

1. The west-southwest facing quarry cut slope shows evidence of failure and is considered to be unstable.
2. Mining-related activities (slope instability features) are beyond the footprint of the approved reclamation plan.



The following corrective measures are noted:

1. The operator should develop an Amended Reclamation Plan that includes a strategy for stabilization of the failed quarry cut slope.
2. Slope stability monitoring on the west-southwest facing cut slope should continue until a stabilization strategy is implemented. Such slope stability monitoring should continue to be performed by a California licensed geotechnical engineer and/or certified engineering geologist.
3. Until an Amended Reclamation Plan is approved, revegetation success monitoring should remain ongoing in order to ensure that criteria set forth in the currently approved 1981 Reclamation Plan continue to be met.
4. The operator should re-evaluate the current amount of disturbed acreage on the site and accurately report such information on the next (2011) Mining Operation Annual Report.

The following recommendation is offered:

1. The financial assurance amount should be adjusted, as appropriate, to reflect stabilization of the quarry cut slope, reclamation of all remaining mining-related disturbance-including reclamation of remaining portions of the quarry floor, potential additional revegetation efforts, monitoring requirements, and current labor, fuel, and equipment rates.

Pt. Richmond (Canal) Quarry (CA Mine ID #91-07-0007), City of Richmond:

No violations or corrective measures were noted at time of inspection on November 15, 2011. It is recommended that a final revised financial assurance cost estimate be provided to the SMGB per CCR Section 3804(c) in order to support release of the existing financial assurance mechanism.

Lapis Sand Plant (CA Mine ID #91-27-0006), City of Marina:

No violations or corrective measures were noted at time of inspection on November 16, 2011. It is recommended that the operator continue to monitor and control ice plant across the site, and to eradicate any occurrences of pampas grass and European beach grass.

Santa Paula Materials (CA Mine ID #91-56-0034), City of Santa Paula:

No violations or corrective measures were noted at time of inspection on December 14, 2011.

Western Aggregates (CA Mine ID #91-58-0001), County of Yuba:

No violations or corrective measures were noted at time of inspection on November 17, 2011.

Cal Sierra Development (CA Mine ID #91-58-0003), County of Yuba:

One violation was noted at time of inspection on November 17, 2011, as the financial assurance cost estimate for the Cal Sierra surface mining operation has not been revised since 2008.

The following recommendation is offered:

1. A revised financial assurance cost estimate should be prepared and submitted to the SMGB for review and approval per CCR Section 3804(c).

EXECUTIVE OFFICER'S RECOMMENDATION: The Executive Officer recommends that the SMGB accept the ten 2011 SMARA surface mining inspection reports, and transmit the findings contained therein to the SMARA lead agencies and mine operators.

SUGGESTED MOTION LANGUAGE:

To accept ten 2011 SMARA surface mine inspection reports as presented:

Mr. Chairman, in light of the information before the SMGB today, I move that the SMGB accept the ten 2011 SMARA mine inspection reports as presented, and direct the Executive Officer to transmit the findings to the respective SMARA lead agencies and mine operators.

Respectfully submitted:



Stephen M. Testa
Executive Officer