



# **STATE MINING AND GEOLOGY BOARD**

## **EXECUTIVE OFFICER'S REPORT**

For Meeting Date: June 13, 2013

**Agenda Item No. 9: Consideration of Site Closure and Release of Financial Assurance, Point Richmond (Canal) Quarry (CA Mine ID #91-07-0007), Bottoms Family Trust (Operator), Ms. Mignone Wood (Agent), City of Richmond.**

**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 within the jurisdiction of the City of Richmond. On May 10, 2012, the SMGB moved to accept the 2011 SMARA Mine Inspection Report for the subject site, which concluded in part that reclamation objectives had been achieved. On October 23, 2012, the designated agent provided SMGB staff documentation supporting their request for site closure and release of the financial assurance mechanism for the Point Richmond (Canal) Quarry. Based on review of such documentation, SMGB staff has completed the process for release of the existing financial assurance per California Code of Regulations (CCR) Section 3805.5. Therefore, the SMGB is considering approval of site closure and release of the remaining financial assurance mechanism for the Canal Quarry.

**STATUTORY AND REGULATORY REQUIREMENTS:** Article 5 Public Resources Code (PRC) Section 2773.1(c) states:

*“Financial assurances shall no longer be required of a surface mining operation, and shall be released, upon written notification by the lead agency, which shall be forwarded to the operator and the director, that reclamation has been completed in accordance with the approved reclamation plan...”*

The SMGB's regulations, Article 11 California Code of Regulations (CCR) Section 3805, provide requirements for the modification or release of a financial assurance, and states:

*“(a) Prior to the modification of a financial assurance amount, or to the release of the financial assurance instrument to which both the lead agency and the Department of Conservation are co-beneficiaries under Public Resources Code section 2773.1, the lead agency shall provide to the director of the department the following documents at one time:*

*(1) An inspection report, prepared by a qualified person as provided for in Public Resources Code section 2774, indicating that there are aspects of the surface mining operation that require modification of the existing financial assurance amount, or stating that the mined land has been reclaimed in accordance with the approved reclamation plan, and that there are no aspects of the reclaimed surface mining operation that are inconsistent with the meaning of reclamation as defined in Public Resources Code section 2733, and the Surface Mining and Reclamation Act of 1975, Chapter 9, commencing with section 2710.*



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(2) A revised financial assurance cost estimate prepared by the operator and accepted by the lead agency, or prepared by the lead agency, in accordance with Public Resources Code section 2773.1, with supporting documentation, indicating the specific cost changes to the existing financial assurance amount, or indicating that there are no further outstanding reclamation liabilities to be included in the financial assurance.

(3) A statement by the lead agency, with supporting documentation that may include the most recent inspection report and any geological and engineering reports prepared as part of the inspection report, that the mined land remains subject to a financial assurance as modified, or that the mined land has been reclaimed in accordance with the approved reclamation plan, that there are no outstanding reclamation liabilities, and recommending to the director that the financial assurance be released.

(b) The director shall have 45 days from the date of receipt of the documents to review and comment on them as provided for in Public Resources Code section 2774, and to conduct the director's own inspection of the surface mining operation if the director determines it necessary under Public Resources Code section 2774.1, and do one of the following:

(1) Notify the lead agency of the director's concurrence that the modified financial assurance amount is adequate, or that there are no outstanding reclamation liabilities on the mined land and that the original financial assurance should be released pursuant to Public Resources Code section 2773.1, at which time the financial assurance shall be released; or,

(2) Notify the lead agency that the director has found, based upon an inspection, aspects of the surface mining operation that require additional modifications to the financial assurance amount, or aspects that are not in compliance with the approved reclamation plan and the Surface Mining and Reclamation Act of 1975; or,

(3) Commence the financial assurance forfeiture process under Public Resources Code section 2773.1."

**BACKGROUND:** The Canal Quarry site is located at 1005 Canal Boulevard in the City of Richmond, in Contra Costa County, California. The property is situated on a portion of the eastern flank of the Potrero Hills, and is bordered to the north by open space owned by the East Bay Regional Park District. To the south is an above ground bulk liquid storage tank facility operated by the Atlantic Richfield Company (ARCO). The site is bordered to the east by Seaclyff Drive (formerly Richmond Avenue) and paved lots used for automobile shipping.

The Canal Quarry site incorporates about 25 acres, and topography is characterized by an east-facing hillside, a flat former main quarry floor area situated between the hillside and Seaclyff Drive, and an elevated former southern quarry floor area. Aggregate mining has ceased at the site, and at time of the 2011 annual inspection the operator had completed all reclamation activities. Notable reclamation activities included construction of a large, engineered fill buttress against the western and northwestern (east-facing) quarry cut slope, rock bolt installation, and extensive revegetation efforts.

The site is underlain by metamorphic rocks of the Franciscan Complex of Jurassic-Cretaceous age, and includes sandstones and shales with minor interbeds of chert. Several landslide features



previously existed on the east-facing quarry cut slope, and these are documented and addressed in the Amended Reclamation Plan. Aggregate previously mined at this site was used to produce road base, sub-base, and fill material.

A chronology of pertinent events and actions is as follows:

July 10, 1980	Reclamation Plan RP 80-1 (Conditional Use Permit 79-28) for Quarry Products, Inc., approved by the City of Richmond Planning Commission.
February 1, 1996	Conditional Use Permit and Reclamation Plan amended by the City of Richmond to reflect a revised grading plan and extension of quarry operations for six years (the operations would thus terminate in 2004).
June 1996	Mining and Reclamation Plan revised by the City of Richmond Planning Commission.
December 11, 2006	Supplemental Geologic and Geotechnical Investigation prepared by Gilpin Geosciences, Inc.
January 11, 2007	Amended Reclamation Plan reviewed by SMGB's Surface Mining Standards Committee and recommended for approval.
November 8, 2007	SMGB approved Initial Study/Mitigated Negative Declaration, December 2006 Amended Reclamation Plan, and adjusted financial assurance cost estimate.
May 14, 2009	SMGB approved revised financial assurance cost estimate of \$261,790.43 following completion of primary reclamation activities.
October 14, 2010	SMGB approved revised financial assurance cost estimate of \$117,936.00, reflecting completion of reclamation activities and four years remaining of monitoring and maintenance.
May 10, 2012	SMGB accepts 2011 Annual SMARA Inspection Report which concludes that reclamation objectives have been achieved at the Canal Quarry.
October 23, 2012	Operator requests site closure and release of financial assurance and provides supporting documentation to SMGB.

Reclamation objectives for the Canal Quarry include slope stabilization, site grading, drainage control and revegetation so that the *"floor of the Quarry will be readily adaptable to a range of alternate uses as found on the adjoining properties including but not limited to: open space, office, industrial, tank farms and parking lots."*

**2011 SMARA MINE INSPECTION REPORT:** No new or outstanding violations or corrective measures were noted during the November 15, 2011 annual inspection of the Canal Quarry surface mining operation. Based on field observations made during the 2011 annual inspection, SMGB staff considered all areas previously disturbed by mining operations at the Canal Quarry to be adequately reclaimed in accordance with the approved reclamation plan. The inspector has determined that there are no aspects of the reclaimed surface mining operation that are inconsistent with the meaning of reclamation as defined in PRC Section 2733, and the Surface Mining and Reclamation Act of 1975, Chapter 9, commencing with Section 2710. Finally, the SMGB's inspector has determined that no further outstanding reclamation liabilities are required to be included in the financial assurance for the Canal Quarry.

**EXECUTIVE OFFICER'S RECOMMENDATION:** The Executive Officer recommends that the SMGB find that the Canal Quarry surface mining operation has been reclaimed and developed for alternate end uses in accordance with the approved reclamation plan. OMR staff has completed a review of the status of the subject site and concurs that no further reclamation liabilities exist. As such the Executive Officer further recommends that the SMGB find that the Canal Quarry is no longer subject to the requirements of SMARA and that the financial assurance be released.

**SUGGESTED MOTION LANGUAGE:**

Motion No. 1 - To approve site closure and release the financial assurance:

*Mr. Chairman, in light of the information before the State Mining and Geology Board today, I move that the SMGB determine that the Point Richmond (Canal) Quarry surface mining operation has been reclaimed and developed for alternate uses in accordance with the approved reclamation plan, that it is no longer subject to the requirements of SMARA, and that the existing financial assurance shall be released.*

Respectfully submitted:



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Stephen M. Testa  
Executive Officer