



STATE MINING AND GEOLOGY BOARD

EXECUTIVE OFFICER'S REPORT

For Meeting Date: July 11, 2013

Agenda Item No. 7: Approval of Regulatory Language for Designation of Mineral Lands within the San Luis Obispo-Santa Barbara Production-Consumption Region, California.

INTRODUCTION: At its December 8, 2011 regular business meeting, the State Mining and Geology Board (SMGB) accepted California Geological Survey (CGS) Special Report 215, a classification report on Portland cement concrete-grade (PCC) aggregate in the San Luis Obispo-Santa Barbara Production-Consumption (P-C) Region. This report updated information previously published by the California Division of Mines and Geology (CDMG; now CGS) as Special Report 162 – *Mineral Land Classification: Portland Cement Concrete Aggregate and Active Mines of All Other Mineral Commodities in the San Luis Obispo-Santa Barbara Production-Consumption Region*. Special Report 215 updated the classification portion of the two-step *Classification-Designation process* mandated by the Surface Mining and Reclamation Act (SMARA). The second part of that process, designation, is the formal recognition by the SMGB of lands containing mineral resources of regional or statewide economic significance needed to meet the demands of the future.

At its March 8, 2012 regular business meeting, the SMGB accepted the State Geologist's recommendations for designation of select mineral resource lands in the San Luis Obispo-Santa Barbara Production-Consumption P-C Region. The SMGB subsequently directed its Executive Officer to notice a public hearing to receive comments on the proposed regulatory action. The 60-day public comment period commenced on June 7, 2012, and ended on July 31, 2012. A public hearing was held in the County of Santa Barbara to receive comment on July 11, 2012. At its April 11, 2013 regular business meeting, the SMGB received further comments regarding the proposed designations. In light of comments received, the SMGB is considering approval of the proposed regulatory language, and directing its Executive Officer to commence rulemaking.

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.

(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



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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 which provides information of administrative process and allows the SMGB 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.”

PRC Section 2762(d) addresses public notice as follows:

“(d) If any area is classified by the State Geologist as an area described in paragraph (2) of subdivision (b) of Section 2761, and the lead agency either has designated that area in its general plan as having important minerals to be protected pursuant to subdivision (a), or otherwise has not yet acted pursuant to subdivision (a), then prior to permitting a use which would threaten the potential to extract minerals in that area, the lead agency shall prepare, in conjunction with preparing any environmental document required by Division 13 (commencing with Section 21000), or in any event if no such document is required, a statement specifying its reasons for permitting the proposed use, and shall forward a copy to the State Geologist and the board for review.

If the proposed use is subject to the requirements of Division 13 (commencing with Section 21000), the lead agency shall comply with the public review requirements of that division. Otherwise, the lead agency shall provide public notice of the availability of its statement by all of the following:

- (1) Publishing the notice at least one time in a newspaper of general circulation in the area affected by the proposed use.*



(2) Directly mailing the notice to owners of property within one-half mile of the parcel or parcels on which the proposed use is located as those owners are shown on the latest equalized assessment role.

The public review period shall not be less than 60 days from the date of the notice and shall include at least one public hearing. The lead agency shall evaluate comments received and shall prepare a written response. The written response shall describe the disposition of the major issues raised. In particular, when the lead agency's position on the proposed use is at variance with recommendations and objections raised in the comments, the written response shall address in detail why specific comments and suggestions were not accepted.

(e) Prior to permitting a use which would threaten the potential to extract minerals in an area classified by the State Geologist as an area described in paragraph (3) of subdivision (b) of Section 2761, the lead agency may cause to be prepared an evaluation of the area in order to ascertain the significance of the mineral deposit located therein. The results of such evaluation shall be transmitted to the State Geologist and the board.”

In considering designation, and pursuant to PRC Sections 2791 and 2792:

“The board shall seek the recommendations of concerned federal, state, and local agencies, educational institutions, civic and public interest organizations, and private organizations and individuals in the identification of areas of statewide and regional significance.”

“Neither the designation of an area of regional or statewide significance nor the adoption of any regulations for such an area shall in any way limit or modify the rights of any person to complete any development that has been authorized pursuant to Part 2 (commencing with Section 11000) of Division 4 of the Business and Professions Code, pursuant to the Subdivision Map Act (Division 2 [commencing with Section 66410] of Title 7 of the Government Code), or by a building permit or other authorization to commence development, upon which such person relies and has changed his position to his substantial detriment, and, which permit or authorization was issued prior to the designation of such area pursuant to Section 2790. If a developer has by his actions taken in reliance upon prior regulations obtained vested or other legal rights that in law would have prevented a local public agency from changing such regulations in a way adverse to his interests, nothing in this chapter authorizes any governmental agency to abridge those rights.”

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. CGS Special Report 215 updated information previously presented in a classification report on PCC aggregate in the San Luis Obispo-Santa Barbara P-C Region first published in 1989. The previous report was published by the California Division of Mines and Geology (CDMG; now CGS) as Special Report 162 – *Mineral Land Classification: Portland Cement Concrete Aggregate and Active Mines of All Other Mineral Commodities in the San Luis Obispo-Santa Barbara Production-Consumption Region.*



The updated report presented the following conclusions:

- Seventy-five (75) million tons of currently permitted construction aggregate reserves are projected to last through the year 2026, 16 years from the present (2010);
- An additional 2,991 acres of land containing concrete aggregate resources are identified in areas in and near the San Luis Obispo-Santa Barbara P-C Region;
- Anticipated consumption of construction aggregate in the San Luis Obispo-Santa Barbara P-C Region for the next 50 years (through the year 2060) is estimated to be 263 million tons, of which 137 million tons must be concrete-grade. This is 57 million tons more than the prior 50-year projection made in 1989; and
- An estimated 10,700 million tons of concrete aggregate resources are identified in the San Luis Obispo-Santa Barbara P-C Region.

Special Report 162 identified 35,888 acres of land containing 11.2 billion tons of PCC-grade aggregate resources. Reevaluation and revisions for updated Special Report 215 identified 40,895 acres of land containing 10.7 billion tons of AC - and PCC-grade aggregate resources. From 1989 to 2011, 90 million tons of AC - and PCC - grade aggregate were removed due to production, 273 million tons (1,275 acres) removed as a result of incompatible land uses, and 425 million tons removed as a result of revised calculations. In addition, 260 million tons of AC aggregate was included along with 5 million tons resulting from newly classified areas. In this updated study, three newly identified areas containing AC- and PCC-grade aggregate resources have been classified MRZ-2. These areas include 2,991 acres containing approximately 380 million tons of newly identified AC- and PCC-grade aggregate resources.

REFERENCES:

Busch, L. L. and Miller, R. V., 2011, Update of Mineral Land Classification: Concrete Aggregate in the San Luis Obispo-Santa Barbara Production-Consumption Region, California: California Geological Survey Special Report 215, 28 p., 6 plates.

Miller, R. V., Cole, J. W., and Clinkenbeard, J.P., 1989, Mineral Land Classification: Portland Cement Concrete Aggregate and Active Mines of all other Mineral Commodities in the San Luis Obispo-Santa Barbara Production-Consumption Region: California Geological Survey Special Report 162, 37 p., 60 plates



Aggregate resources in the San Luis Obispo-Santa Barbara P-C Region were not designated subsequent to the publication of Special Report 162 in 1989; therefore, the information on concrete-grade construction aggregate resources identified in Special Report 215 was used as a basis for consideration of potential designation actions by the SMGB. The P-C Region will need 263 million tons of construction aggregate (all grades) in the next 50 years. 137 million tons (52%) of that will need to be AC- and PCC-grade. 75 million tons of concrete-grade aggregate resources are currently permitted (reserves). Considering recent trends, these reserves will be depleted in about 16 years from the forecast date or in the year 2026.

At its March 8, 2012, regular business meeting, the SMGB accepted the State Geologist recommendations for designation of select mineral resource lands in the San Luis Obispo-Santa Barbara Production-Consumption P-C Region. The SMGB subsequently directed its Executive Officer to notice a public hearing to receive comments on the proposed regulatory action. The 60-day public comment period commenced on June 7, 2012, and ended on July 31, 2012. A public hearing was held in the County of Santa Barbara to receive comment on July 11, 2012.

CANDIDATE AREAS FOR DESIGNATION

The areas identified as candidates for designation are Sectors A through I (79 individual sectors and subsectors). The candidate areas for designation are shown on the four Plates accompanying this memorandum: Plate 1, *Candidate Areas for Designation in the San Luis Obispo-Santa Barbara Production-Consumption (P-C) Region, California – Northern Part*; Plate 2, *Candidate Areas for Designation in the San Luis Obispo-Santa Barbara Production-Consumption Region, California – Middle Part*; Plate 3, *Candidate Areas for Designation in the San Luis Obispo-Santa Barbara Production-Consumption Region, California – Southern Part*; and Plate 4, *Candidate Areas for Designation in the San Luis Obispo-Santa Barbara Production-Consumption Region, California – Cuyama Valley*. A description of each Sector, and its subsectors, is given below.

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

Sector A - Deposits of the Salinas River Resource Area: Deposits in the recent river channel and adjacent floodplain along about fourteen miles of the Salinas River, from the southeastern city limits of Atascadero north (downstream) to the Niblick Road Bridge in the city of Paso Robles. Sector A has been subdivided into five subsectors identified as A-1a, A-1b, A-2a, A-2b, and A-3 (Plate 1). The combined area of the five subsectors is 1,687 acres; the estimated resource is 48 million tons of PCC-grade aggregate. Portions of this Sector are under the land use jurisdiction of the County of San Luis Obispo, City of Paso Robles, and City of Atascadero.

Subsector A-1a is 62 acres in section 4, T27S, R12E, MDBM, (projected). It is in the flood plain of the Salinas River east of US Highway 101, south of Niblick Road, and north of an unnamed pipeline.



Subsector A-1b is 597 acres in sections 4, 9, 16, 20, 21, 28, 29, and 32, T27S, R12E, MDBM, (projected). It is in the flood plain of the Salinas River east of US Highway 101, south of an unnamed pipeline, and north of Templeton Road.

Subsector A-2a is 565 acres in sections 32, 33, T27S, R12E; 3, 4, 5, and 10, T28S, R12E, MDBM, (projected). It is in the flood plain of the Salinas River east of US Highway 101, south of Templeton Road, and north of State Highway 41.

Subsector A-2b is 46 acres in sections 10, 11, 14, and 15, T28S, R12E, MDBM, (projected). It is in the flood plain of the Salinas River east of US Highway 101 and Sycamore Road, south of State Highway 41, west of Templeton Road, and north of unnamed pipelines.

Subsector A-3 is 417 acres in sections 13, 14, 23, 24, and 25, T28S, R12E, MDBM, (projected). It is in the flood plain of the Salinas River east of US Highway 101, south of unnamed pipelines, and west of Rocky Canyon Road.

Sector B - Deposits of the Navajo Creek Resource Area: Deposits of the active channel and floodplain of Navajo Creek, from one-and-a-half miles upstream of the Highway 58 crossing to about three miles upstream of the crossing (Plate 1). The area of this Sector is 122 acres; the resource and reserve figure of PCC-grade aggregate is proprietary. This Sector is under the land use jurisdiction of the County of San Luis Obispo.

Sector B is 122 acres in sections 15 and 16, T29S, R16E, MDBM. It is in the flood plain of Navajo Creek south of State Highway 58, and east of USFS Road 29S15.

Sector C - Deposits of the La Panza Granitics Resource Area: The La Panza Granitics outcrop southeast of the City of Atascadero. Sector C is divided into four subsectors identified as C-1a, C-1b, C-2, and C-3 (Plate 1). The combined area of the subsectors is 12,289 acres; the estimated crushed stone resources are estimated to be over 6 billion tons of PCC-grade aggregate. This Sector is under the land use jurisdiction of the County of San Luis Obispo.

Subsector C-1a is 6,116 acres in sections 19, 20, 27, 28, 29, 30, 32, 33, 34, 35, T28S, R13E; 2, 3, 4, 5, 9, 10, and 11, T29S, R13E, MDBM. It is in the La Panza Granitics south of State Highway 41, east of the Salinas River, north of State Highway 58, and west of State Highway 229.

Subsector C-1b is 596 acres in sections 35, 36, T28S, R13E; 1, 2, and 11, T29S, R13E, MDBM. It is in the La Panza Granitics north of State Highway 58, and east of State Highway 229.

Subsector C-2: is 2,347 acres in sections 1, 2, 10, 11, 12, 13, 14, T29S, R13E; 7, 8, 17, 18 and 19, T29S, R14E, MDBM. It is in the La Panza Granitics south of State Highway 58, north and east of Parkhill Road.



Subsector C-3: is 3,230 acres in sections 10, 13, 14, 15, 22, 23, 24, 25, 26, 27, 35, 36, T29S, R13E; 18, and 19, T29S, R14E, MDBM. It is in the La Panza Granitics east of West Pozo Road, south of State Highway 58 and Parkhill Road, and north of Las Pilitas Road.

Sector D - Deposits of the Santa Maria River Resource Area: Alluvial deposits of the active river channel and adjacent floodplain of the Santa Maria River. This Sector includes land in both San Luis Obispo and Santa Barbara counties and is divided into 41 subsectors identified as D-1 through D-11, and D-13 through D-37 (Plate 2). The combined area of the subsectors is 16,862 acres; estimated resources are 3,836 million tons of PCC-grade aggregate. Portions of this Sector are under the land use jurisdiction of the County of San Luis Obispo, County of Santa Barbara, and City of Santa Maria.

Subsector D-1 is 925 acres in sections 22, 23, 25, 26, 27, T11N, R35W; and 30, T11N, R34W, SBBM, (projected). It is in the flood plain of the Santa Maria River south of Nipomo Mesa, north of Division Street and Oso Flaco Lake Road, east of State Highway 1 (Guadalupe Road), and west of US Highway 101.

Subsector D-2 is 1,616 acres in sections 28, 29, 30, 31, 32, 33, T11N, R34W; 25, and 36, T11N, R35W, SBBM, (projected). It is in the flood plain of the Santa Maria River south of Nipomo Mesa, Division Street and Riverside Road; east of Bonita School Road; north of the Santa Maria River flood control channel; and west of US Highway 101.

Subsector D-3 is 472 acres in sections 26, 27, 34, and 35, T11N, R35W, SBBM, (projected). It is in the flood plain of the Santa Maria River south of Oso Flaco Lake Road, north of Division Street, and east of State Highway 1 (Guadalupe Road).

Subsector D-4 is 1,116 acres in sections 25, 26, 34, 35, and 36, T11N, R35W, SBBM, (projected). It is in the flood plain of the Santa Maria River south of Division Street, west of Bonita School Road, north of the Santa Maria River flood control channel, and east of State Highway 1 (Guadalupe Road).

Sector D-5 is 332 acres in sections 35, 36, T11N, R35W; 1, and 2, T10N, R35W, SBBM, (projected). It is in the flood control channel of the Santa Maria River south of Division Street, west of Bonita School Road, north of State Highway (West Main Street), and east of State Highway 1 (Guadalupe Road).

Subsector D-6 is 593 acres in sections 36, T11N, R35W; 1, T10N, R35W; 31, 32, 33, T11N, R34W; and 6, T10N, R34W, SBBM, (projected). It is in the flood control channel of the Santa Maria River south of Division Street, east of Bonita School Road, north of State Highway 166 (West Main Street), and west of an unnamed utility corridor and US Highway 101.



Subsector D-7 is 391 acres in sections 32, 33, and 34, T11N, R34W, SBBM, (projected). It is in the flood control channel of the Santa Maria River south of Nippon Mesa, east of an unnamed utility corridor, west of US Highway 101, and north of Atlantic Place and the City of Santa Maria.

Subsector D-8 is 130 acres in sections 34 and 35, T11N, R34W, SBBM, (projected). It is in the flood control channel of the Santa Maria River east of an unnamed utility corridor, west of US Highway 101, and north of Atlantic Place and the City of Santa Maria.

Sector D-9 is 271 acres in sections 1 and 2, T10N, R35W, SBBM, (projected). It is in the flood plain of the Santa Maria River south of the Santa Maria River flood control channel, west of Bonita School Road, and north of State Highway 166 (West Main Street).

Subsector D-10 is 717 acres in sections 1, T10N, R35W; 31, 32, T11N, R34W; 5, 6, and 7, T10N, R34W, SBBM, (projected). It is in the flood plain of the Santa Maria River south of the Santa Maria River flood control channel, east of Bonita School Road, north of State Highway 166 (West Main Street), and west of an unnamed utility corridor.

Subsector D-11 is 1,148 acres in sections 32, 33, T11N, R34W; 4, and 5, T10N, R34W, SBBM, (projected). It is in the flood plain of the Santa Maria River south of the Santa Maria River flood control channel, east of an unnamed utility corridor, north of West Donovan Road, and west of North Blosser Road and the City of Santa Maria.

Note: There is no Subsector D-12

Subsector D-13a is 411 acres in sections 35, T11N, R34W; 1, and 2, T10N, R34E, SBBM. It is in the flood control channel of the Santa Maria River east of US Highway 101, north of Seaward Drive, and west of Bull Canyon Road.

Subsector D-13b is 2,021 acres in sections 1, 12, T10N, R34E; 6, 7, 8, 15, 16, 17, 21, 22, 23, 26, 27, 35, and 36, T10N, R33W, SBBM, (projected). It is in the flood control channel of the Santa Maria River east of Bull Canyon Road, north and east of East Main Street and Foxen Canyon Road, and north of the Santa Maria Mesa Road river crossing.

Subsector D-14 is 27 acres in sections 35, T11N, R34W; and 2, T10N, R34E, SBBM. It is in the flood plain of the Santa Maria River south of the flood control channel, east of US Highway 101, and west of Mariah Drive.



Subsector D-15 is 271 acres in sections 5, 6, 7, and 8, T10N, R34W, SBBM, (projected). It is in the ancestral flood plain of the Santa Maria River north of State Highway 166, east of Bonita Lateral Road, and west of the City of Santa Maria.

Subsector D-16 is 349 acres in sections 8 and 9, T10N, R34W, SBBM, (projected). It is in the ancestral flood plain of the Santa Maria River north of State Highway 166, south of West Donovan Road, and west of North Blosser Road and the City of Santa Maria.

Subsector D-17 is 55 acres in section 9, T10N, R34W, SBBM. It is in the ancestral flood plain of the Santa Maria River north of State Highway 166, south of West Donovan Road, and west of North Blosser Road and the City of Santa Maria.

Subsector D-18 is 279 acres in sections 12, T10N, R34W; and 7, T10N, R33W, SBBM, (projected). It is on the Santa Maria River plain south of the Santa Maria River channel, east of Panther Drive, and north of East Main Street.

Subsector D-19 is 17 acre in sections 7 and 18, T10N, R34W, SBBM, (projected). It is in the ancestral flood plain of the Santa Maria River south of State Highway 166, east of Ray Road, and west of Black Road.

Subsector D-20a is 1,035 acres in sections 8, 16, and 17, T10N, R34W, SBBM, (projected). It is in the ancestral flood plain of the Santa Maria River south of State Highway 166, north of West Stowell Road, west of Hanson Way, and east of Black Road.

Subsector D-20b is 18 acres in section 16, T10N, R34W, SBBM. It is in the ancestral flood plain of the Santa Maria River south of State Highway 166, north of West Stowell Road, west of North Blosser Road, and east of Hansen Way.

Subsector D-21 is 430 acres in sections 13, T10N, R34W; 17, and 18, T10N, R33W, SBBM, (projected). It is in the ancestral flood plain of the Santa Maria River north of East Jones Street, south of East Main Street, and east of US Highway 101 and Suey Road.

Subsector D-22 is 57 acres in section 18, T10N, R34W, SBBM, (projected). It is in the ancestral flood plain of the Santa Maria River south of State Highway 166, east of Ray Road, and west of Black Road.

Subsector D-23 is 247 acres in section 13, T10N, R34W, SBBM. It is in the ancestral flood plain of the Santa Maria River south of East Jones Street, north of East Stowell Road, east of US Highway 101, and west of Rosemary Road.

Subsector D-24a is 396 acres in section 17 and 18, T10N, R33W, SBBM. It is in the ancestral flood plain of the Santa Maria River south of East Jones Street, north of East Stowell Road, east of Rosemary Road, and west of Philbric Road.



Subsector D-24b is 624 acres in sections 16, 17, 20, and 21, T10N, R33W, SBBM, (projected). It is in the ancestral flood plain of the Santa Maria River east of Philbric Road, west of Andrew Avenue, and north of Foxen Canyon Road.

Subsector D-25 is 59 acres in sections 16, 17, and 21, T10N, R33W, SBBM, (projected). It is in the ancestral flood plain of the Santa Maria River east of Philbric Road, west of Andrew Avenue, and south of Sugar Street.

Subsector D-26 is 44 acres in section 20, T10N, R34W, SBBM, (projected). It is in the ancestral flood plain of the Santa Maria River south of West Stowell Road, and east of Black Road.

Subsector D-27 is 25 acres in sections 20 and 21, T10N, R34W, SBBM, (projected). It is in the ancestral flood plain of the Santa Maria River south of West Stowell Road, and east of South East Street.

Subsector D-28a is 116 acres in sections 20 and 21, T10N, R34W, SBBM, (projected). It is in the ancestral flood plain of the Santa Maria River south of West Stowell Road, east of Black Road, and west of A Street.

Subsector D-28b is 56 acres in section 21, T10N, R34W, SBBM, (projected). It is in the ancestral flood plain of the Santa Maria River south of West Stowell Road, north of Battles Street, and west of South Blosser Road.

Subsector D-29 is 116 acres in section 22, T10N, R34W, SBBM, (projected). It is in the ancestral flood plain of the Santa Maria River south of West Stowell Road, north of Battles Street, east of South Blosser Road, and west of South Depot Street.

Subsector D-30a is 15 acres in section 23, T10N, R34W, SBBM. It is in the ancestral flood plain of the Santa Maria River south of East Battles Road, north of East Betteravia Road, west of South College Drive, and east of Newlove Drive.

Subsector D-30b is 59 acres in section 23, T10N, R34W, SBBM. It is in the ancestral flood plain of the Santa Maria River south of East Battles Road, north of East Betteravia Road, east of South College Drive, and west of US Highway 101.

Subsector D-31 is 195 acres in section 24, T10N, R34W, SBBM. It is in the ancestral flood plain of the Santa Maria River south of East Stowell Road, north of East Battles Road, east of US Highway 101, and west of Rosemary Road.

Subsector D-32 is 614 acres in sections 19 and 20, T10N, R33W, SBBM. It is in the ancestral flood plain of the Santa Maria River south of East Stowell Road, north of East Betteravia Road, east of Rosemary Road and US Highway 101, and west of Philbric Road.



Subsector D-33 is 69 acres in section 24, T10N, R34W, SBBM. It is in the ancestral flood plain of the Santa Maria River south of East Battles Road, north of East Betteravia Road, east of US Highway 101, and west of Rosemary Road.

Subsector D-34 is 227 acres in sections 28 and 29, T10N, R33W, SBBM. It is in the ancestral flood plain of the Santa Maria River south of Foxen Canyon Road, and east of Telephone Road.

Subsector D-35 is 207 acres in section 28, T10N, R33W, SBBM. It is in the ancestral flood plain of the Santa Maria River south and west of Foxen Canyon Road.

Subsector D-36 is 982 acres in sections 16, 21, 22, 26, 27, 28, and 35, T10N, R33W, SBBM (projected). It is in the flood plain of the Santa Maria River east of Andrew Avenue, north and east of Foxen Canyon Road.

Subsector D-37 is 130 acres in sections 34, and 35, T10N, R33W, SBBM. It is in the flood plain of the Santa Maria River south of Foxen Canyon Road.

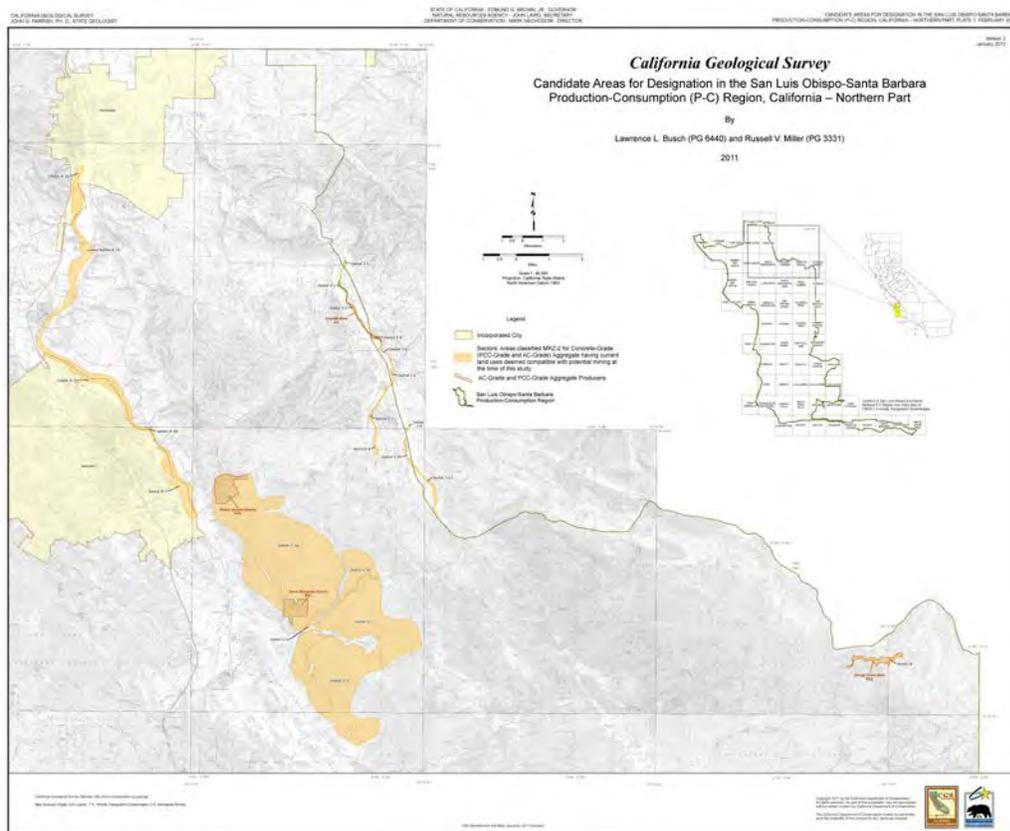


Plate 1(revised).

Sector E - Deposits of the Sisquoc River Resource Area: Alluvial deposits of the active river channel and adjacent floodplain of the Sisquoc River. The Sector extends along the river from about seven miles east of the community of Sisquoc, downstream to the confluence with the Cuyama River. Sector E is divided into five subsectors identified as E-1 through E-4 (with subsector E-3 split into “a” and “b;” See Plate 2). The combined area of the subsectors is 3,690 acres; estimated resources are 433 million tons of PCC-grade aggregate. This Sector is under the land use jurisdiction of the County of Santa Barbara.

Subsector E-1 is 1,644 acres in sections 1, 2, 12, T9N, R33W; 7, 8, and 17, T9N, R32W, SBBM. It is in the flood plain of the Sisquoc River north of Foxen Canyon Road, south of Santa Maria Mesa Road, and west of Tepusquet Road.

Subsector E-2 is 82 acres in section 18, T9N, R32W, SBBM. It is in the flood plain of the Sisquoc River south of Foxen Canyon Road, and east of the community of Sisquoc.

Subsector E-3a is 157 acres in sections 16 and 17, T9N, R32W, SBBM. It is in the flood plain of the Sisquoc River north of Foxen Canyon Road, south of Santa Maria Mesa Road, and west of Tepusquet Road.

Subsector E-3b is 1,090 acres in sections 14, 15, 16, 21, 22, and 23, T9N, R32W, SBBM, (projected). It is in the flood plain of the Sisquoc River east of Tepusquet Road, north of Foxen Canyon Road and USFS Route 10N06/Rancho Sisquoc Road.

Subsector E-4 is 717 acres in sections 13, 14, 23, 24, T9N, R32W; 19, 20, 29, and 30, T9N, R31W, SBBM, (projected). It is in the flood plain of the Sisquoc River in Rancho Sisquoc, east of Tepusquet Road, north of Foxen Canyon Road, and east of USFS Route 10N06.



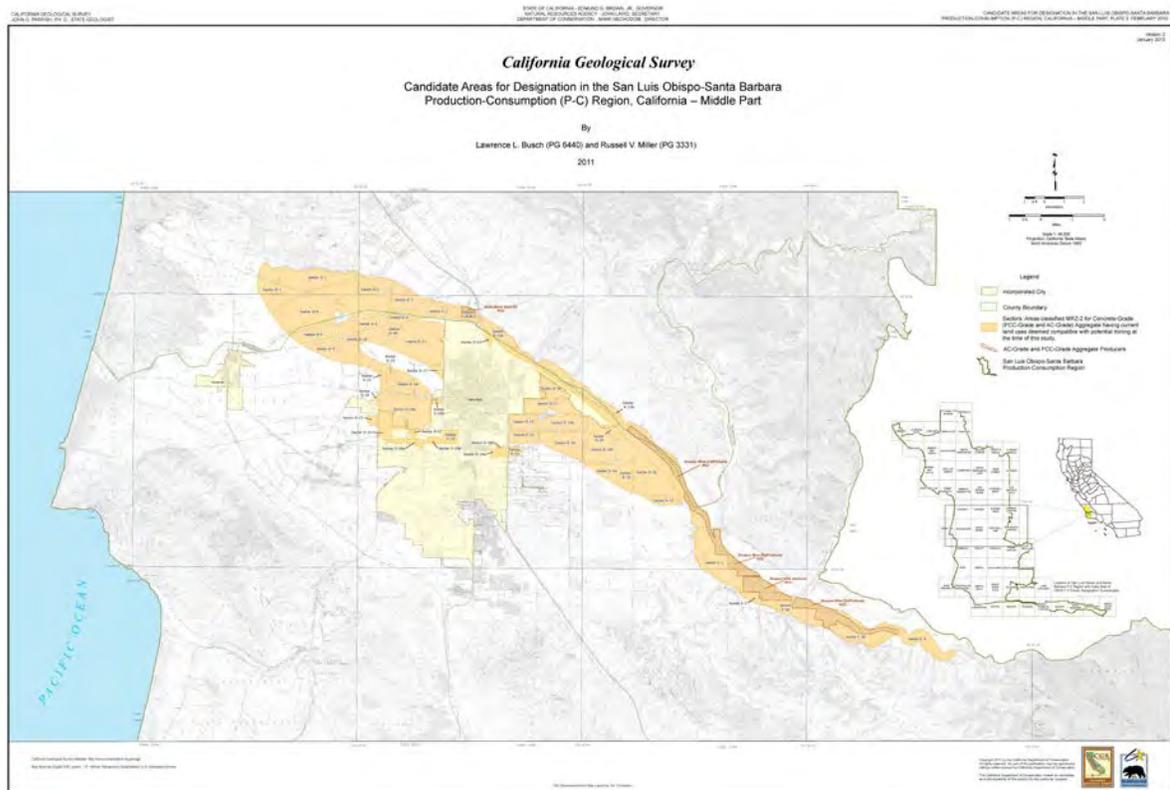


Plate 2 (revised).

Sector F - Deposits of Santa Ynez River Resource Area: Alluvial deposits of the active river channel and adjacent floodplain of the Santa Ynez River. The Sector extends from just downstream of Cachuma Dam to about eight miles west (downstream) of the Highway 101 Bridge. Sector F is divided into seven subsectors identified as F-1 through F-7 (Plate 3). The combined area of the seven subsectors is 3,576 acres. The estimated resources are 280 million tons of AC-grade aggregate. Portions of this Sector are under the land use jurisdiction of the County of Santa Barbara, City of Buellton, and City of Solvang.

Subsector F-1 is 1,390 acres in sections 12, 13, T6N, R33W; 3, 7, 8, 9, 10, 11, 12, and 13, T6N, R32W, SBBM, (projected). It is in the flood plain of the Santa Ynez River west of US Highway 101 and Avenue of the Flags, north of Santa Rosa Road, and south of State Highway 246 and Mail Road.

Subsector F-2 is 11 acres in sections 12, T6N, R32W; 7, and 18, T6N, R31W, SBBM, (projected). It is in the flood plain of the Santa Ynez River west of US Highway 101, east of Avenue of the Flags, and north of Santa Rosa Road.



Subsector F-3 is 879 acres in sections 7, 16, 17, 18, 20, and 21, T6N, R31W, SBBM, (projected). It is in the flood plain of the Santa Ynez River east of US Highway 101, south of State Highway 246/Mission Avenue, and west of Alisal Road.

Subsector F-4 is 94 acres in sections 7, 8, 17, and 18, T6N, R31W, SBBM, (projected). It is in the ancestral flood plain of the Santa Ynez River east of US Highway 101 and Ballard Canyon Road, and north of State Highway 246/Mission Avenue.

Subsector F-5 is 322 acres in sections 21, 22, 23, and 24, T6N, R31W, SBBM. It is in the flood plain of the Santa Ynez River east of Alisal Road, north of Three Springs Road, south of Mesa Verde Road, and west of Refugio Road.

Subsector F-6 is 642 acres in sections 24, T6N, R31W; 19, 20, 21, 22, 29, and 30, T6N, R30W, SBBM, (projected). It is in the flood plain of the Santa Ynez River east of Refugio Road, north of Old Santa Rosa Road, and west of State Highway 154/San Marcos Pass Road.

Subsector F-7 is 238 acres in sections 13, 14, 15, 22, 23, and 24, T6N, R30W, SBBM, (projected). It is in the flood plain of the Santa Ynez River east and north of State Highway 154/San Marcos Pass Road, and west of Cachuma Reservoir Dam.



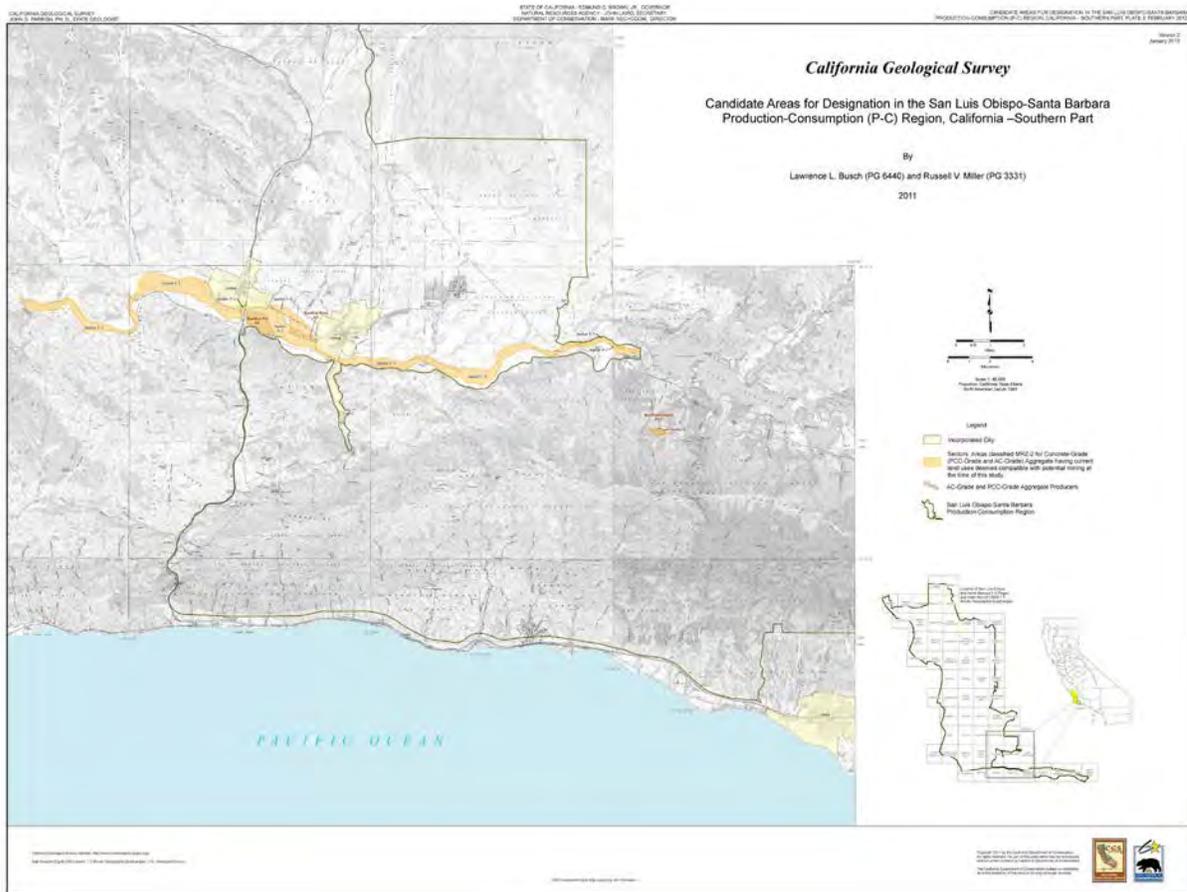


Plate 3 (revised).

Sector G - Deposits of the Upper Cuyama River Resource Area: Alluvial deposits of the Cuyama River, in the Cuyama Valley from the Highway 166 bridge, south (upstream) to the Ventura County line – a distance of about 24 miles. Sector G is divided into four subsectors identified as G-1 through G-4 (Plate 4). The combined area of the subsectors is 2,723 acres; estimated resources (including reserves) are 367 million tons of PCC-grade aggregate. Aggregate resources from this Sector do not currently contribute to the San Luis Obispo-Santa Barbara P-C Region market. This deposit is under the land use jurisdiction of San Luis Obispo and Santa Barbara Counties, but currently serves the western Kern County market. Portions of this Sector are under the land use jurisdiction of the County of San Luis Obispo and County of Santa Barbara.

Subsector G-1 is 527 acres in sections 19, 20, 28, 29, 30, 33, and 34, T10N, R25W, SBBM. It is in the flood Plain of the Cuyama River south of State Highway 166, west of State Highway 33, east of Kirschenmann Road, and north of Foothill Road.



Subsector G-2 is 437 acres in sections 2, 3, 11, and 12, T9N, R25W, SBBM. It is in the flood Plain of the Cuyama River south of Foothill Road, west of State Highway 33, and north of USFS Route 9N11/Big Pine Road.

Subsector G-3 is 1,042 acres in sections 12, 13, 24, T9N, R25W; 18, 19, 30, and 31, T9N, R24W, SBBM. It is in the flood Plain of the Cuyama River south of USFS Route 9N11/Big Pine Road, west of State Highway 33, and north of unnamed pipeline.

Subsector G-4 is 717 acres in sections 31, 32, T9N, R24W; 1, T8N, R25W; 6, 7, 8, 17, and 18, T8N, R24W, SBBM. It is in the flood Plain of the Cuyama River south of an unnamed pipeline, and west of State Highway 33 and the Ventura County Line.

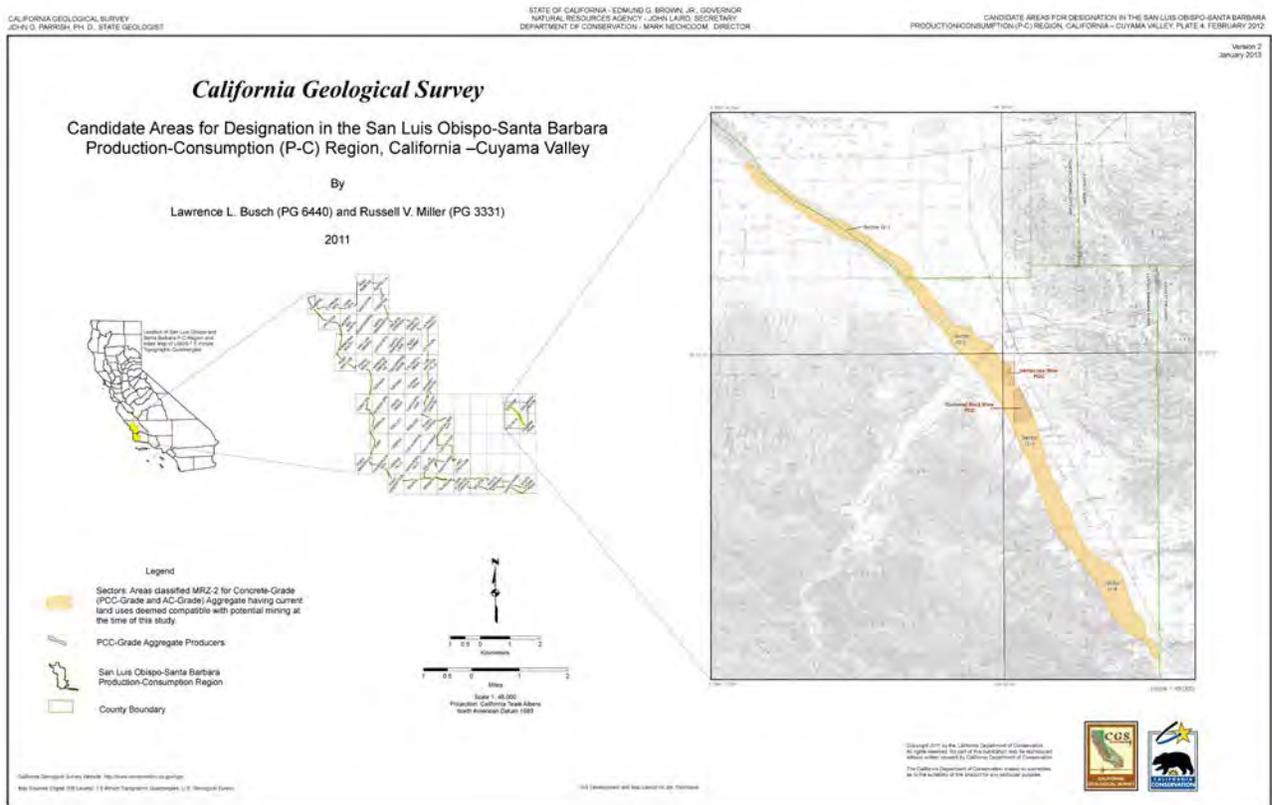


Plate 4 (no change).

Sector H - Deposits of the Bee Rock Resource Area: Limestone deposits on the south side of Bee Rock in the Santa Ynez Mountains approximately two miles south of Cachuma Dam (Plate 3). The deposit produces PCC-grade aggregate. The

area of Sector H is about 40 acres. This Sector is under the land use jurisdiction of the County of Santa Barbara.

Sector H is 40 acres in section 31, T6N, R29W, SBBM, (projected). It is the Bee Rock Limestone Deposit in the Santa Ynez Mountains south of State Highway 154/San Marcos Pass Road and Cachuma Reservoir Dam.

Sector I - Deposits of the Huerhuero Creek Resource Area: Alluvial deposits in the active channel of the Main Branch, Middle Branch and East Branch of Huerhuero Creek, from 1.1 mile north of the intersection of State Highway 58 and O'Donovan Road, north (downstream) to approximately 0.25 mile north of the Creston Road crossing over Huerhuero Creek three miles north of State Highway 4 – a linear distance (in two segments) of about 10 miles. Sector I is divided into 11 subsectors identified as I-1 through I-11 (Plate 1). From north to south, Sectors I-1 through I-8 are in the Main and Middle Branches of Huerhuero Creek. Sectors I-9 through I-11 are in the East Branch of Huerhuero Creek. The combined area of the subsectors is 228 acres containing 5 million tons of aggregate resources. This Sector is under the land use jurisdiction of the County of San Luis Obispo.

Subsector I-1 is 6 acres in sections 14 and 23, T27S, R13E, MDBM, (projected). It is in the active channel of Huerhuero Creek north of Creston Road, and east of Geneseo Road.

Subsector I-2 is 15 acres in section 23, T27S, R13E, MDBM, (projected) It is in the active channel of Huerhuero Creek south and west of Creston Road, and north of unnamed pipeline.

Subsector I-3 is 33 acres in sections 23 and 26, T27S, R13E, MDBM, (projected). It is in the active channel of Huerhuero Creek west of Creston Road, south of unnamed pipeline, and north of another unnamed pipeline.

Subsector I-4 is 20 acres in sections 25, 26, and 36, T27S, R13E, MDBM, (projected). It is in the active channel of Huerhuero Creek north of State Highway 41, west of Creston Road, and south of an unnamed pipeline.

Subsector I-5 is 7 acres in sections 36, T27S, R13E; and 1, T28S, R13E, MDBM, (projected). It is in the active channel of Huerhuero Creek south of State Highway 41, east of State Highway 229/Webster Road, west of La Panza Road, and north of an unnamed pipeline.

Subsector I-6 is 8 acres in section 1, T28S, R13E, MDBM, (projected). It is in the active channel of Huerhuero Creek south of unnamed pipeline, east of State Highway 229/Webster Road and the community of Creston, and north of O'Donovan Road.



Subsector I-7 is 31 acres in sections 1 and 12, T28S, R13E, MDBM, (projected). It is in the active channel of Huerhuero Creek south of the community of Creston, east of State Highway 229/Webster Road, and north of Reeves Pheasant Way.

Subsector I-8 is 35 acres in sections 1 and 12, T28S, R13E, MDBM, (projected). It is in the active channel of Huerhuero Creek south of Reeves Pheasant Way, and east of State Highway 229/Webster Road.

Subsector I-9 is 3 acres in section 7, T28S, R14E, MDBM, (projected). It is in the active channel of Huerhuero Creek east of O'Donovan Road, and north of Lady Amherst Way.

Subsector I-10 is 19 acres in sections 18 and 19, T28S, R14E, MDBM, (projected). It is in the active channel of Huerhuero Creek west of O'Donovan Road, and south of Lady Amherst Way.

Subsector I-11 is 51 acres in sections 19, 20, and 29, T28S, R14E, MDBM, (projected). It is in the active channel of Huerhuero Creek east of O'Donovan Road.

RESPONSE TO COMMENTS: Written comments were received from the County of Santa Barbara Planning and Development, County of San Luis Obispo Department of Planning and Building, and members of the public, during the initial 60-day public comment period following approval of the proposed regulatory language by the SMGB on June 7, 2012. Correspondence received is provided as back up to this Executive Officer's report. This comment period commenced on June 7, 2012, and ended on July 31, 2012. Modifications to the proposed designations are summarized below; whereas, all comments received and subsequent responses are provided as Attachment A and Attachment B, respectively, to this Executive Officer's report.

In response to comments received on the proposed designation of the San Luis Obispo-Santa Barbara P-C Region, several modifications were made to the Sectors proposed for designation. All of the modifications resulted in deletions of areas to remove utility corridors that were within the proposed Sectors. The total area removed was 273 acres and the total resources in those areas were 82.9 million tons. Table 1 lists the deletions by Sector and subsector. Based on these changes, all references to the total area within Sectors in the P-C Region should be changed from 38,454 acres to 38,181 acres; and all references to total aggregate resources should be changed from 10.7 billion tons to 10.6 billion tons.

By Sector, the changes in areas and resources are summarized below:

Sector C - New area: 12,160 acres [old area: 12,289 acres]
New resource: over 6 billion tons [same as old resource]

Sector D - new area: 16,794 acres [old area: 16,862 acres]
New resource: 3,814 million tons [old resource: 3,836 million tons]

Sector F - new area: 3,500 acres [old area: 3,576 acres]
New resource: 274 million tons [old resource: 280 million tons]



Table 1					
Summary of Changes to Sectors in the San Luis Obispo-Santa Barbara P-C Region					
Special Report 215 (2011)			Designation Report		
Sector	Area (acres)	Resources (million tons)	Designated Sector	Area (acres)	Resources (million tons)
C-1a	6,116	3,033	C-1a	6,030	2,990
			C-1a	46	23
C-1b	596	296	C-1b	521	258
C-2	2,347	1,164	C-2	2,333	1,157
				-129	-65
D-2	1,616	263.9	D-2	1,218	198.9
			D-2	375	61.2
D-6	593	76.8	D-6	405	52.5
			D-6	178	23.1
D-10	717	157.6	D-10	637	140
			D-10	69	15.2
D-11	1,148	275.8	D-11	1,146	275.3
D-15	271	40	D-15	172	25
			D-15	77	11
				-68	-11.9
F-1	1,390	108.8	F-1	526	41.2
			F-1	855	66.9
F-3	879	68.8	F-3	870	68.1
F-7	238	18.6	F-7	72	5.6
			F-7	108	8.4
				-76	-6.0
TOTAL CHANGE				- 273	- 82.9

CONSIDERATIONS BEFORE THE SMGB: At this time, based on the recommendations set forth by the State Geologist, and review of comments received during conduct of a public hearing pursuant to PRC Section 2762(d)(2), 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.

EXECUTIVE OFFICER’S RECOMMENDATION: The State Geologist recommends that the candidate Sectors as listed and modified above for designation be designated. The Executive Officer recommends that the SMGB 1) accepts the State Geologist’s recommendations, that being, the candidate areas identified as Sectors A through I (in 79 individual sectors and sub-sectors), as modified, be designated as lands containing construction aggregate resources of regional or statewide significance, and 2) direct the Executive Officer to commence the rulemaking process.

SUGGESTED MOTION LANGUAGE:

To approve the proposed regulatory language:

Mr. Chairman, in light of the information before the State Mining and Geology Board today, I move to 1) approve the recommendations for designation of mineral lands set forth by the State Geologist of certain areas within the San Luis Obispo-Santa Barbara Production-Consumption Region, California, and 2) direct the Executive Officer to commence rulemaking.

Respectfully submitted:



Stephen M. Testa
Executive Officer

ATTACHMENT A

**Public Comments Received
Pertaining to
Proposed Regulatory Language for Designation of Mineral Lands
within the
San Luis Obispo-Santa Barbara Production-Consumption Region,
California**

Table A-1

Summary of Comments Received

Date	Public Comment For SLO Designation
May 9, 2012	Assemblymember Katcho Achadjian
July 9, 2012	Charles Kleemann, Santa Margarita, CA
July 10, 2012	Jason H. Giffen, Director, County of San Luis Obispo, Dept. of Planning and Building
July 11, 2012	Tamara Kleemann, Santa Margarita, CA
July 11, 2012	Roy Reeves, Santa Margarita, CA
August 6, 2012	Sophie Treder, Attorney, Treder Land Law
August 9, 2012	Glenn S. Russell, Ph.D., Director, County of Santa Barbara Planning and Development
October 24, 2012	Roy Reeves, President, Margarita Proud
March 27, 2013	Susan Harvey, President, North County Watch
March 27, 2013	Roy Reeves, President, Margarita Proud
March 28, 2013	Babak Naficy, Counsel for The Sierra Club and Margarita Proud
March 28, 2013	Charles Kleemann, Santa Margarita
April 10, 2013	Nick Forester, Planner, County of San Luis Obispo, Dept. of Planning and Building
June 26, 2013	Roy Reeves, President Margarita Proud

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0033
(916) 319-2033
FAX (916) 319-2133

DISTRICT OFFICE
1150 OSOS STREET SUITE 207
SAN LUIS OBISPO, CA 93401
(805) 549-3381
FAX (805) 549-3400

RECEIVED BY
STATE MINING & GEOLOGY BOARD
Department of Conservation

MAY 14 2012

Assembly California Legislature



KATCHO ACHADJIAN
ASSEMBLYMEMBER, THIRTY-THIRD DISTRICT

COMMITTEES
VICE CHAIR: BANKING AND
FINANCE
ARTS, ENTERTAINMENT, SPORTS,
TOURISM, AND INTERNET
MEDIA
HIGHER EDUCATION
TRANSPORTATION

JOINT COMMITTEES
ARTS
FAIRS, ALLOCATION, AND
CLASSIFICATION

SELECT COMMITTEES
AEROSPACE
CALIFORNIA-MEXICO BI-NATIONAL
AFFAIRS
STATE HOSPITAL SAFETY
WINE

May 9, 2012

State Mining & Geology Board
801 K Street, Suite 2015
Sacramento, CA 95814

Re: Designation Hearings for the San Luis Obispo – Santa Barbara Production Consumption Region

Dear Board Members:

I am writing to urge you to proceed with the mineral lands designation process for the San Luis Obispo – Santa Barbara Production-Consumption Region (SLO/SB P-C) as expeditiously as possible. It is my understanding that California Geological Survey (CGS) Special Report 215, an update of the mineral lands classification for the SLO/SB P-C Region by the State Geologist, was recently accepted by your Board. The next step is designation.

CGS classification of this P-C Region was last done in 1989 (*see CGS Special Report 162*); however, for various reasons, the designation process was never completed. 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. San Luis Obispo and Santa Barbara Counties have long been desirable places to live, but perhaps never more so than now. The City of San Luis Obispo recently received national recognition as the happiest city in America by author and researcher Dan Buettner, and the Oprah Winfrey Show. At the same time, however, housing prices remain high—San Luis Obispo County is consistently ranked among the most expensive places to live by the National Association of Homebuilders. Accordingly, it is imperative that your Board complete the designation

process quickly to ensure that construction aggregate resources of regional or statewide importance located in this P-C Region remain available and affordable in the face of these pressures.¹ Completion of the formal designation process will also significantly aid local governments in achieving balanced and responsible land use planning for the areas within their jurisdiction.

For these reasons, I respectfully urge your Board to proceed with scheduling designation hearings for the SLO/SB P-C Region at the earliest possible opportunity.

Sincerely,



Khatchik H. "Katcho" Achadjian
33rd Assembly District

¹CGS Special Report 215 estimated that the SLO/SB P-C Region will experience a shortfall of 62 million tons of construction aggregate over the next 50 years if more reserves are not made available.

July 9, 2012

To: The Policy and Legislation Committee
State Mining and Geology Board (SMGB)
801 K Street, Suite 2015
Sacramento, Ca. 95814

Attn: Stephen Testa, Executive Officer, Dan Beding, Jelisaveta Gavric, Thomas Barry, Brian Baca, Charlie Wyatt, John Lane

cc: John Laird, Secretary for Natural Resources
San Luis Obispo County Board of Supervisors
San Luis Obispo County Planning Commission
San Luis Obispo County Department of Planning and Building
Department of Water Resources
Lois Capps, District 23 Congresswoman
Sam Blakeslee, District 15 Senator

Re: July 11, 2012 Hearing to consider mineral lands designation in San Luis Obispo-Santa Barbara Production-Consumption Region

Please include the following in the public records regarding this matter.

The purpose of this correspondence is to present information gathered as a concerned stakeholder in this process. The intent and hope is that staff and decision makers at all levels will take the necessary initiative to build an accurate facts-based foundation from which to ultimately base conclusions upon. As a licensed general building contractor for the past 30 years, I understand the ongoing need for aggregate sources. At the same time, the severe impacts mining activities present to their surroundings heighten the importance of appropriately locating these highly industrial activities.

As stated in the San Luis Obispo County Open Space Element: “The intent of the mineral goals, policies, and implementation strategies is to identify and protect mineral resources for present and future generations. Extraction of these resources makes a valuable contribution to the economic vitality of the county. The County recognizes the need to balance the economic benefit of mineral extraction with the protection of people and the environment from the potential adverse effects of mining activities. Mineral resources need to be protected so that they are available to present and future generations that need them. However, mining of mineral resources can cause environmental harm, therefore, the exploitation of mineral resources needs to be balanced with the environmental effects of mining.”¹

Classification of Mineral Resource Zones

California’s Surface Mining and Reclamation Act of 1975 (SMARA) requires the State Geologist to classify lands into Mineral Resource Zones (MRzs), based on the known or inferred mineral resource potential of that land. The process is based strictly on geology, without regard to existing land use or land ownership. The primary goal of mineral land classification is to help ensure that mineral resource potential of lands is recognized and considered in the land-use planning process.²

¹ County of San Luis Obispo Open Space Element (Mineral Resources)

² Ca. Dept. of Conservation, SR 215 (Lawrence L. Busch and Russell V. Miller)

Classification - Designation

Areas to be considered for designation by the SMGB will contain one or more mineral deposits believed to be of statewide or regional significance. Ordinarily, classification of a mineral deposit as MRZ-2a or MRZ-2b by the State Geologist will constitute adequate evidence that an area contains significant mineral deposits, but other data shall be considered by SMGB in determining the significance of specific mineral deposits and the desirability of designation.³

Designation essentially inventories the existence of a mineral resource. Designation places on local planning agencies the responsibility of protecting mineral rich areas from the encroachment of surrounding uses that may not be compatible with the industrial nature of operations related to mining. An Environmental Impact Report is not required for designation. Portions of sectors being proposed and considered for designation in San Luis Obispo County are not suitable for mining operations due to the existing built environment surrounding them and other factors. Along with the Economic and Social Exclusions specifically listed within the Policies and Procedures for Classification and Designation of Mineral Lands, several additionally important considerations at this juncture are:

- Land-use incompatibilities pre-existing before classification as well as those permitted and built since classification.
- The suitability of support infrastructure. Mining is transportation based and depends on access to safe and suitable industrial transportation corridors.

Southwestern corner of SubSector C-1a, Sector C, Plate 1, San Luis Obispo County

- According to policies and procedures, the SMGB may designate all or part of a proposed area.
- Evaluation of a currently proposed project reveals the unsuitability of this specific portion of the sector for designation.
- DRC2009-00025 is currently being processed for environmental review by the San Luis Obispo County Planning Department in this portion of the sector approximately 3.5 miles east of the town of Santa Margarita (PM5.1).
- While other sectors and sub-sectors may contain similar constraints, the following comments are limited specifically to the area my research concentrated on, the southwest corner of Sub-Sector C-1a, Sector C, Plate 1, San Luis Obispo County.

1. Residential areas:

- A concentration of **Residential Rural (RR)** parcels exists in this corner of the sub-sector. (*see Figure 1-3*)
- Small parcels in this portion of the sector were created before and after classification with subsequent development only subject to a ministerial permit process.
- Consequently, residential development occurred (and continues to occur) without discretion (ministerial process) or consideration with regard to future mining locations.
- Locating a mine in this portion of the sector would remove buffers currently protecting downwind residential parcels from impacts associated with the existing Santa Margarita Quarry operations.

³ California Surface Mining and Reclamation Policies and Procedures

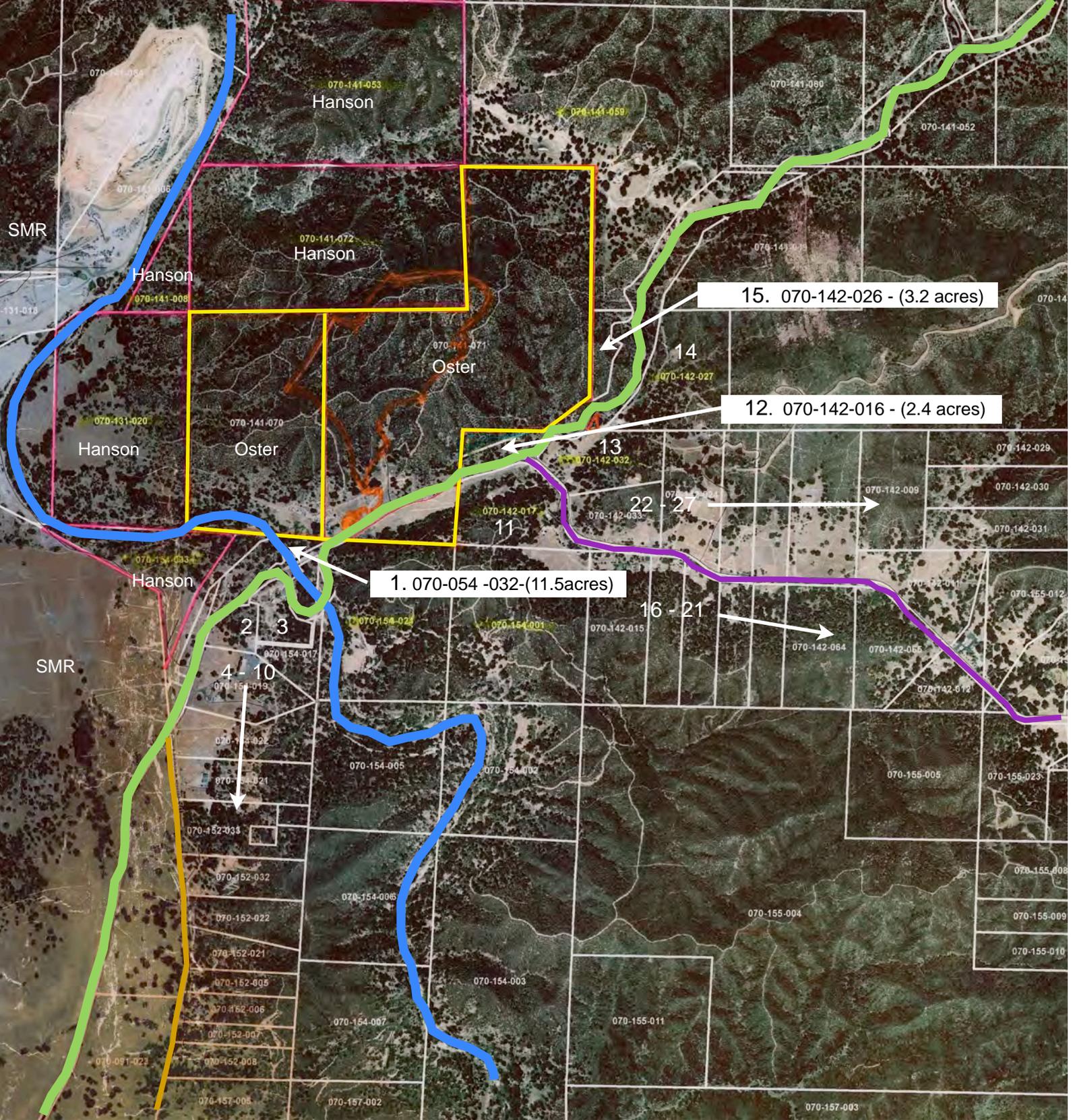


Figure 1-3

- Oster parcels** (currently being proposed for mining operations)
- Hanson/Kaiser** (buffer parcels for Santa Margarita Quarry)
- Hwy. 58/ Calf Canyon Highway**
- Digger Pine Lane** (concentration of homes)
- Parkhill Road** (concentration of homes)
- Salinas River**

(RR) parcels within 2500' of Oster/Las Pilitas Quarry proposal

A.P.N.	Size / Permit Activity	Remarks
1. 070-154-032	11ac / 2002	adjacent to 070-141-070
2. 070-154-018	5ac / 1997	6795 Hwy. 58
3. 070-154-009	5ac / 2001	6755 Hwy. 58
4. 070-154-017	5ac / 2001	
5. 070-154-019	13ac / 2009	6835 Hwy. 58
6. 070-154-022	14ac / 2011	Digger Pine Ln.
7. 070-154-021	14ac / 1998	Digger Pine Ln.
8. 070-152-033	16ac / 2003	Digger Pine Ln.
9. 070-152-032	10ac / 2008	Digger Pine Ln.
10. 070-152-022	10ac / 1995	Digger Pine Ln.
11. 070-142-017	24ac / 1992	
12. 070-142-016	2.4ac	adjacent to 070-141-071
13. 070-142-032	14ac / 1993	adjacent to 070-141-071
14. 070-142-027	27ac / 1992	adjacent to 141-070,071
15. 070-142-026	3.3ac	adjacent to 070-141-071
16. 070-142-015	23ac / 2007	6445 Parkhill Rd.
17. 070-142-020	11ac / 2009	6395 Parkhill Rd.
18. 070-142-022	10ac / 2008	6375 Parkhill Rd.
19. 070-142-021	10ac / 1999	6355 Parkhill Rd.
20. 070-142-019	10ac / 1996	6321 Parkhill Rd.
21. 070-142-064	19ac / 2011	Parkhill Rd.
22. 070-142-033	10ac / 2011	6450 Parkhill Rd.
23. 070-142-024	14ac / 2008	6428 Parkhill Rd.
24. 070-142-025	14ac / 2011	6352 Parkhill Rd.
25. 070-142-007	10ac / 1994	6324 Parkhill Rd.
26. 070-142-008	19ac / 1992	6318 Parkhill Rd.
27. 070-142-064	18ac / 2011	Parkhill Rd.

Table 1-4

- Table 1-4 (pg. 4) is an inventory of Residential Rural parcels within 2500' of two parcels mining is being proposed on (070-141-070 and 070-141-171) in this corner of the sub-sector.
- The small Residential Rural (RR) parcel sizes resulting from the division of larger Rural Land (RL) parcels, viewed with the level of permit activity since classification suggests protection against incompatibilities to future mining locations has not been an active priority.
- Parcel 070-154-032, 11.5 acres, is within approximately 200' of a proposed quarry entrance.
- Parcel 070-142-016, 2.4 acres, is within approximately 500' of, and possibly closer, to the mining/blasting operations proposed.
- Parcel 070-142-026, 3.3 acres, is within approximately 1000' of the mining/blasting operations proposed.

2. Major Pipelines:

- Department of Water Resources State Water Pipeline. (see figure 1-5 below)
- The DWR pipeline is in close proximity to the operations being proposed in the Southwestern portions of Sub-Sector C-1a, Plate 1. Portions of Sub-Sector C-1b also appear to be affected.

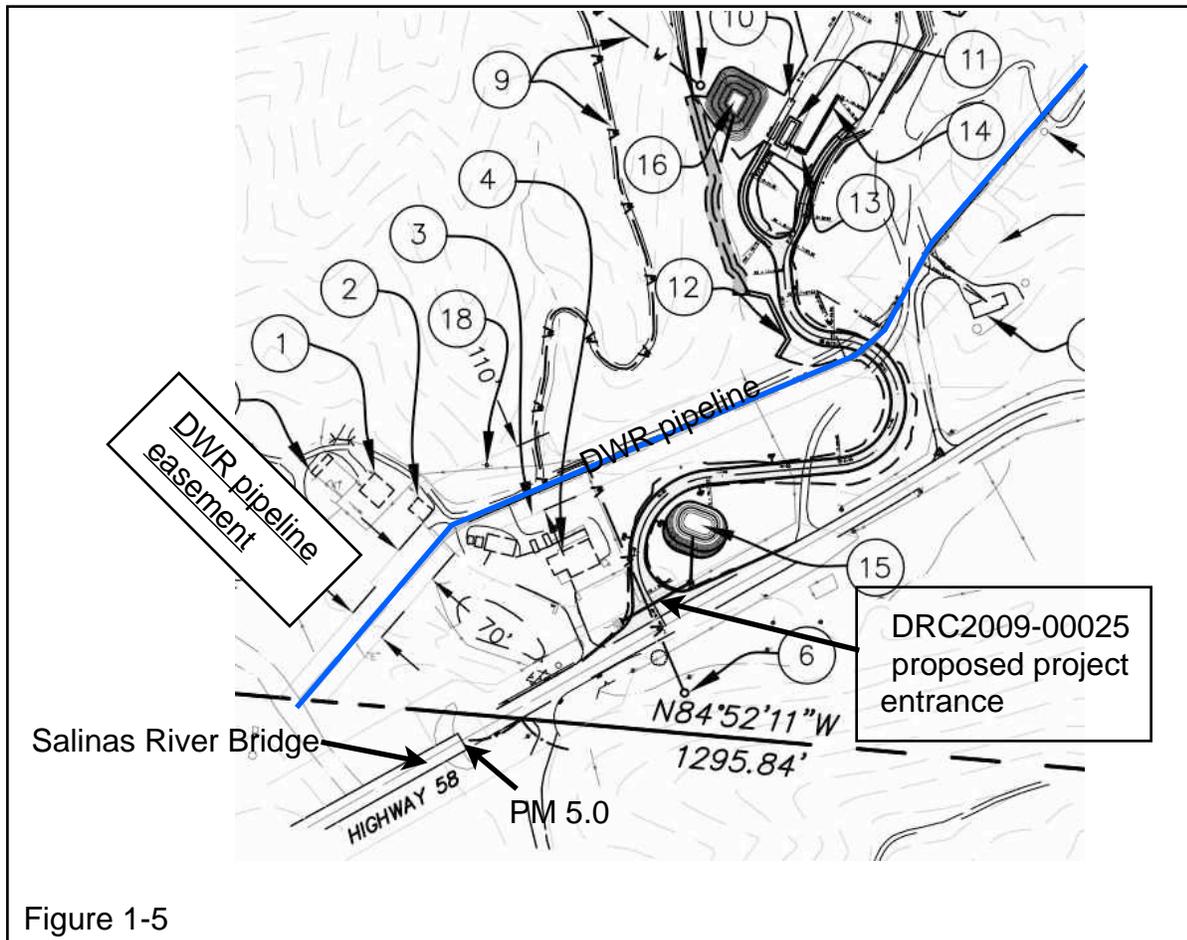


Figure 1-5

3. Evaluation of need for additional aggregate:

- Analysis used to predict future aggregate needs is based on projecting a peak construction period over a future period of time. This methodology fails to account for drastic economic downturns occurring since 2006. Predictions of economic recovery have proven to be inaccurate since that time. The economic downturn, possibly not yet fully realized, will likely result in even further decreases in aggregate demand for some years to come.
- *“As with many forecasts of economic activity, those generated for this report should not be viewed as offering unqualified predictions of the future. The forecasts in this report are based on assumptions that the data used is accurate, and that the economic and urban development trends of the past three decades will continue for the next five decades.”⁴*
- Several existing large scale quarries currently operate at production levels below their permitted volumes.
- The amount of available material existing is substantially underestimated by only taking inventory of currently permitted resources.
- Many existing quarries have resources far beyond their currently permitted levels and at least one large local quarry within this sector, Santa Margarita Quarry, has made application to expand production without those levels having been accounted for in future supply forecasts.
- The proposed Oster/Las Pilitas Quarry has stated they will only be taking business from existing suppliers. By their own admission, no new need exists: *“The project is contending that it’s own operations will likely remove Hanson trucks while replacing those with project trucks, resulting in a net balance of current quarry related traffic.”⁵*
- Environmental justice is an additional consideration in areas where potential for multiple mining operations to locate in close proximity to one another exists. The need for aggregate must be balanced against the cumulative environmental degradation that multiple operations present to existing communities.

4. Suitability of Transportation Corridor

- Pro-active network and corridor planning is essential to achieving linear pathways that provide safe and economical pathways for commerce.
- Formal corridors are built specifically for expanding needs.
- Functional corridors represent flows along an existing infrastructure. These often become operational reality by default before determination of suitability or functionality.
- The safety of the motoring public should be the primary guiding principle.
- The large scale mining operations (Hanson and Rocky Canyon) that currently exist within Sector C, Sub-Sector C-1a, Plate 1 are much more



⁴ Ca. Dept. of Conservation , SR162-Mineral Land Classification (Russell V. Miller, Judy Wiendenheft Cole, John P. Clinkenbeard)

⁵ Pg. 1 Traffic Impact Study for Las Pilitas Rock Quarry prepared by Walter Hutcheson, TPG Consulting

favorably located in relation to accessing transportation corridors suitable for intensive industrial activity than would be possible to achieve in the corner of the sector referenced.

- The southwest corner described can only be accessed from Calf Canyon Hwy. (Hwy 58).
- Hwy. 58 is a narrow, winding, shoulder-less road with limited lines of sight related to topography. It is not suitable as and was never intended to function as an industrial transportation corridor.
- Hwy. 58 is a California Legal Yellow Advisory Route beginning at J Street in Santa Margarita.⁶
- Hwy. 58 from Santa Margarita urban reserve line to the Kern County line is listed under Suggested Scenic Corridors for the candidate roads and highways.⁷
- Structure 49 0237, the 323' long Salinas River Bridge, classified as a minor arterial (rural) route, has an operating rating of 59.8 tons. It is reasonably foreseeable that this rating would be routinely exceeded by industrial activity requiring large numbers of trip cycles utilizing trucks 65-72' in length loaded to the legal capacity of 80,000 lbs.

5. Surrounding Compatibility

Comparing siting of several quarry operations already existing within the same sector, Santa Margarita Quarry, and Rocky Canyon Quarry, to the current proposal noted further illustrates the unsuitable location of this portion of the sector and the problematic incompatibilities presented with locating future mining operations in that specific location.

Below are area maps and adjoining parcel inventories for Santa Margarita Quarry (Hanson), (*Figure 1-8, Table 1-9*), and Rocky Canyon Quarry (*Figure 2-9, Table 2-10*)

Santa Margarita Quarry

- Santa Margarita Quarry is operated by Hanson Aggregates on parcels 070-141-054, 070-141-006, 070-131-018, and 070-131-019. These parcels are part of the Santa Margarita Ranch.
- Hanson owns the adjoining parcels to the south and east of their operations.
- These holdings create a buffer to residential development existing to the South and East on Digger Pine Lane and Parkhill Rd.
- Extraction operations shall provide and be provided with adequate buffering and screening from adjacent land uses.⁸
- This quarry is adjoined almost entirely by parcels it owns or leases, including the smallest of these parcels, 070-154-033.
- The adjoining/adjacent parcels are the only parcels existing within 2500' of the operations.

⁶ State Truck Networks Map, California Department of Transportation

⁷ SLO County Open Space Element, Visual Resources Table VR-2

⁸ Ordinance 2498, An ordinance amending specific sections of the San Luis Obispo County LUO, Title 22 of the County Code, introduced at regular meeting of the BOS held on April 16, 1991

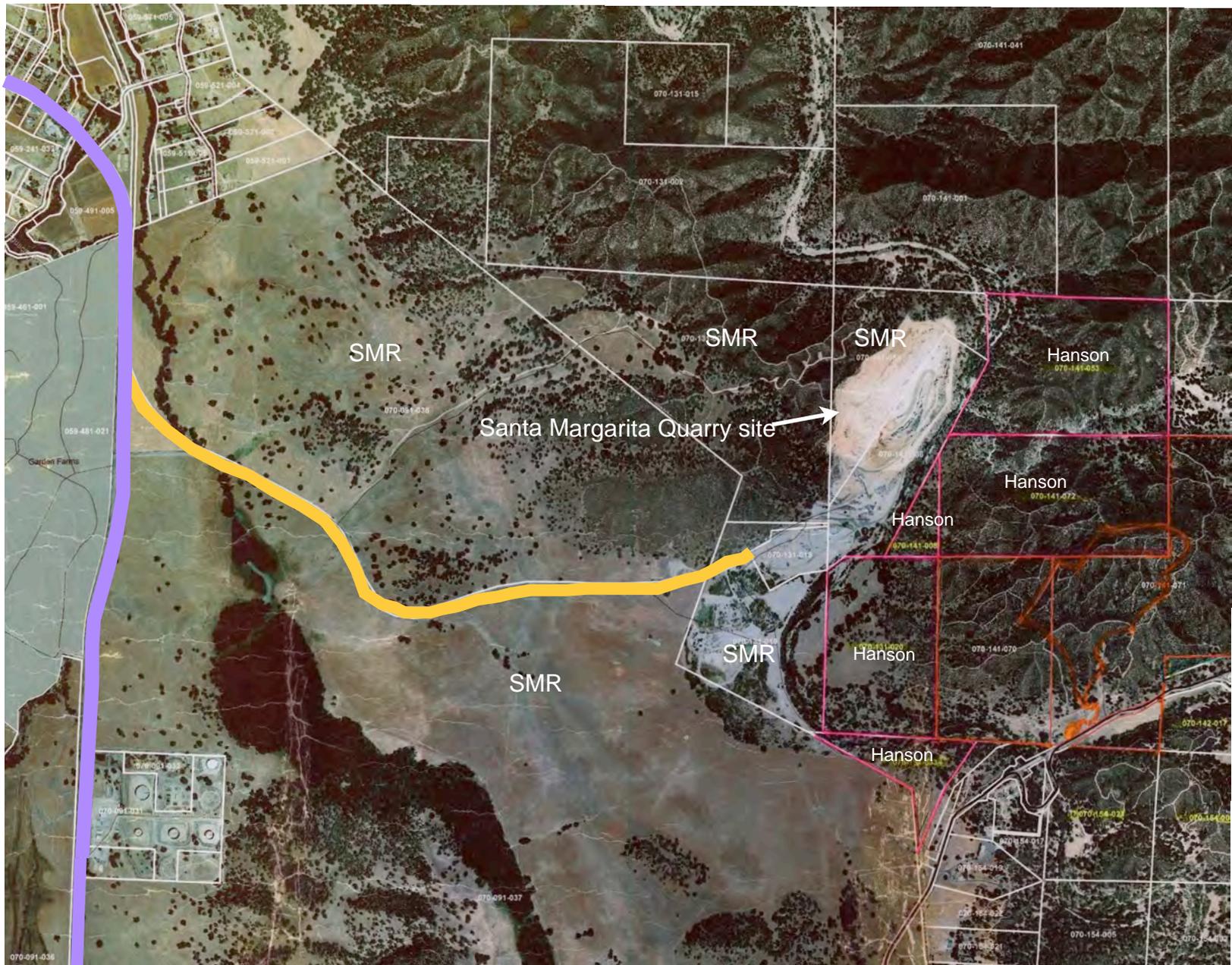


Figure 1-8

Hanson/Santa Margarita Quarry located on Santa Margarita Ranch



El Camino Real to Hwy. 101 (direct route to north or south on/off-ramps)



Entrance into Hanson Quarry (the 1.5 mile long access road provides a staging area and places distance between mining operations and residential uses to the north and west)

Parcels adjoining Hanson Aggregates Quarry

A.P.N.	Parcel size	Use Category
*070-141-053	64 acres	RL
*070-141-072	80 acres	RL
*070-141-008		RL
*070-131-020	40+ acres	RL
*070-154-033	17 acres	RL
070-091-037	1,696 acres	Ag
070-091-038	519 acres	Ag
070-131-003	171 acres	RL
070-131-002	100+ acres	RL
070-141-001	80+ acres	RL

Table 1-9

Rocky Canyon Quarry

Located 3 miles north of Santa Margarita Quarry, Rocky Canyon is adjoined only by large parcels within the RL and Ag Land Use Categories. (*Table 2-10 below*)

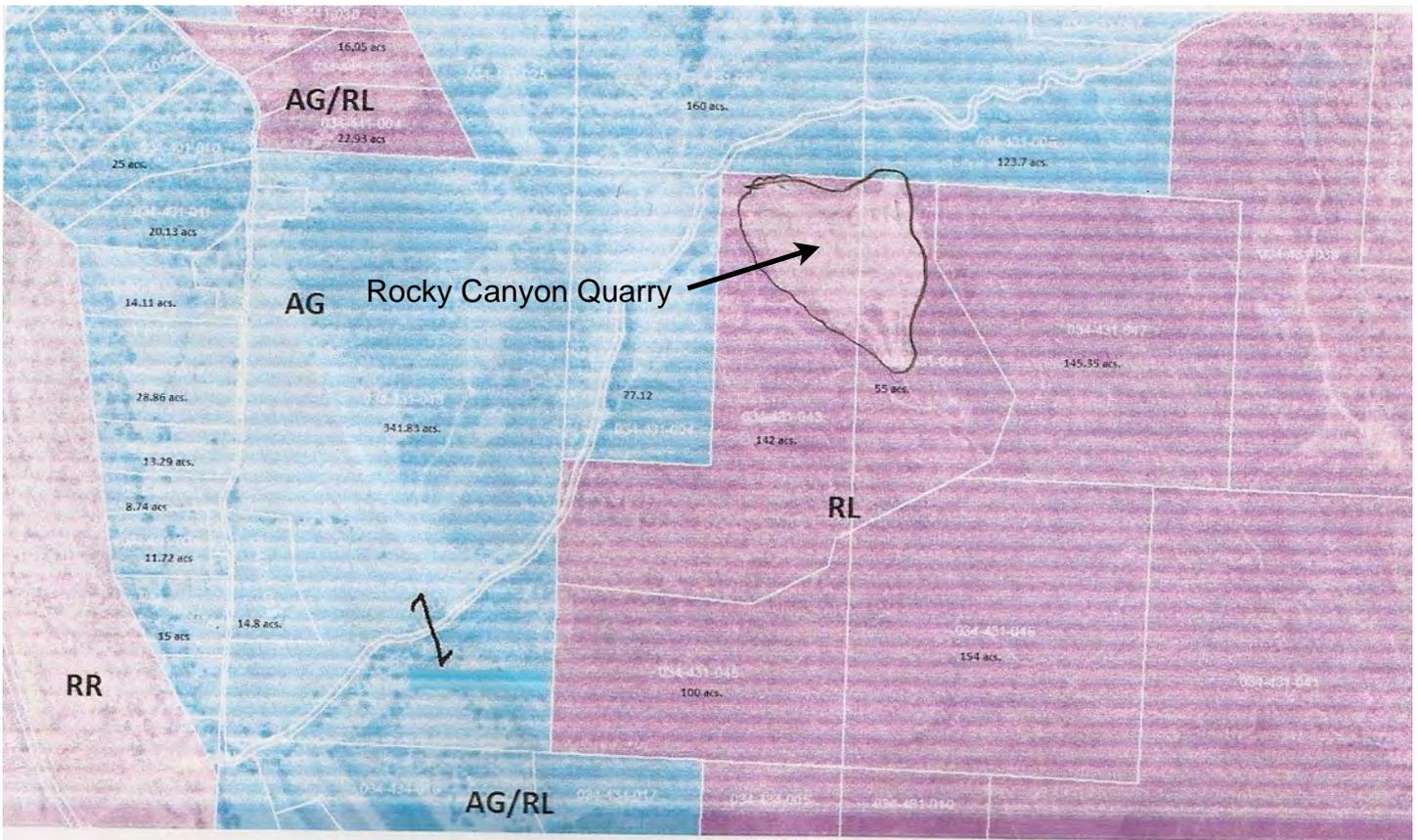


Figure 2-9

Parcels adjoining Rocky Canyon Quarry

A.P.N.	Parcel size	Use Category
034-431-045	100 acres	Rural Lands
034-431-046	154 acres	Rural Lands
034-431-047	145 acres	Rural Lands
034-431-048	342 acres	Ag
034-431-004	77 acres	Ag
034-431-005	160 acres	Ag
034-431-006	124 aced	Ag

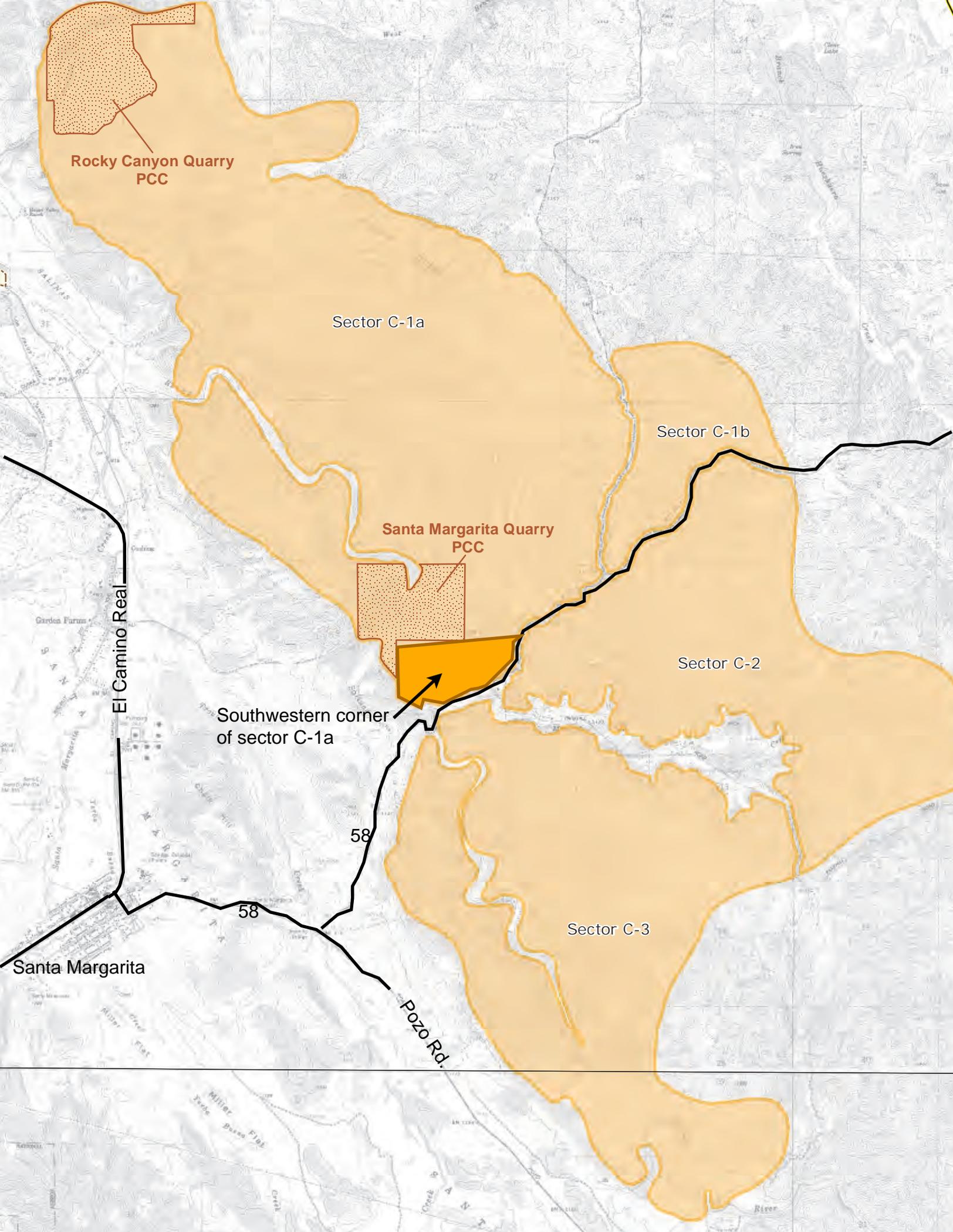
Table 2-10

Conclusions

- It is evident that whether or not a mineral resource zone has been classified and subsequently designated, the suitability/compatibility of specific projects is ultimately the responsibility of local planning agencies.
- Clearly, designation provides no exemption or special protection from the discretionary land-use entitlement process required for site-specific project proposals.
- Precise definition regarding the intent of classification-designation, along with the associated responsibilities, needs to be meticulously detailed for the various agencies ultimately accountable for implementation of the policies and guidelines being used to make final decisions regarding the suitability of specific site locations.
- Sound planning requires thoughtful consideration to maintaining and managing adequate resources for future generations.
- Estimates of future resource availability that include areas unlikely to be suitable for surface mining in the foreseeable future are misleading. Exercising discretion at designation contributes to a more accurate resource inventory.
- Existing facilities provide an effective tool for managing future supply, maintaining a bank account of resources until needed.
- Industrialization of an entire region erodes the existing rural character.
- The primary purpose of planning, and the source of government authority to engage in planning, is to protect public health, safety, and welfare.
- The policy and procedural guidelines in place for designation clearly allow discretion for the appropriateness of specific portions within the sectors being considered for designation.
- The southwestern portion of Sub-sector C-1a, Plate 1, San Luis Obispo County is problematic:
 - Protection against encroaching land-use incompatibilities comes too late.
 - Land-use incompatibilities were pre-existing before classification and have only compounded since classification.
 - A current need for new material sources does not appear to exist.
 - There is inadequate access infrastructure to support an industrial transportation corridor.
 - There are significant health, safety, and welfare considerations.
- The desirability of designation of this portion of the sector is questionable.
- This small portion of the sector is insignificant as a percentage of the total 6,116 acres Sub-sector C-1a represents and it's omission from designation would have no long term effect on available aggregate supply in the region.

Thank you for the opportunity to submit comments.

Charles Kleemann
Santa Margarita, Ca.



Rocky Canyon Quarry
PCC

Sector C-1a

Sector C-1b

Santa Margarita Quarry
PCC

Sector C-2

Southwestern corner
of sector C-1a

58

58

Sector C-3

Santa Margarita

Pozo Rd.

El Camino Real



DEPARTMENT OF PLANNING AND BUILDING

Promoting the Wise Use of Land – Helping to Build Great Communities

July 10, 2012

Mr. Stephen M. Testa
State Mining and Geology Board
801 K Street, Suite 2015
Sacramento, CA 95814

SUBJECT: Response to public hearing notice (dated June 7, 2012) and request for recommendations from local agencies regarding the Consideration of Mineral Lands of Statewide or Regional Significance.

**San Luis Obispo-Santa Barbara Production-Consumption Region
Public Hearing Date: July 11, 2012**

Dear Mr. Testa:

The County of San Luis Obispo, Planning and Building Department has received the notice and request for recommendations from the State Mining and Geology Board for the public hearing to be held on July 11, 2012, regarding the consideration of mineral lands of statewide or regional significance. The County of San Luis Obispo, Planning and Building Department has reviewed the areas proposed for designation and has the following comments:

1. Proposed Subsector I-1(see Exhibit 1) is located immediately adjacent to an existing, developed, small lot residential subdivision. The impacts associated with resource extraction are likely to be incompatible with the existing Residential Suburban zoning and the existing density of residential development. Therefore, the County of San Luis Obispo requests that proposed Subsector I-1 not be designated as being of statewide or regional significance.
2. Proposed Subsector I-7(see Exhibit 2) is located within the Creston Village Reserve Line. Village Reserve Lines are used to designate areas where homes are grouped in settlements of greater density than surrounding rural areas. Village Reserve Lines distinguish developed areas from the surrounding rural areas. People living in these villages identify with a local character and often feel protective of their village life style. The impacts associated with resource extraction are likely to be incompatible with the village designation and the existing density of residential development. Therefore, the County of San Luis Obispo requests that proposed Subsector I-7 not be designated as being of statewide or regional significance.
3. Proposed Subsectors D-1, D-2, D-3 and D-4(see Exhibit 3) are located in an area that is zoned Agriculture. The area is an area of prime agricultural soils and is

4. presently being used for intensive agricultural activities including strawberries which have recently become the most valuable crop in San Luis Obispo County. Potential impacts to these uses from resource extraction include but are not limited to dust, water use, and conversion of Agricultural land to other uses. Given the current and anticipated continued agricultural uses of land in these subsectors, the County of San Luis Obispo requests that proposed Subsectors D-1, D-2, D-3 and D-4 not be designated as being of statewide or regional significance.
5. Additionally, the County of San Luis Obispo is currently processing requests for three mines within our jurisdiction including preparation of individual project EIRs. Two of the proposed mines are hard rock quarries (one new and one extension), and one new mine is proposed within the Salinas River (see Exhibit 4 and 5). A brief project description for the above referenced projects is provided below.

Pankey – Salinas River: Mr. Pankey is requesting a Conditional Use Permit and Reclamation Plan to allow sand and gravel mining within the Salinas River near the community of San Miguel, California. The project would include approximately 33.59-acres of proposed extraction / skimming area, 7.5-acres of sorting and stockpiling, and 1.54-acres of haul roads. The applicant is proposing to mine up to 105,500 cubic yards of sand and gravel per year. The project is proposed to have a 20 year operational lifespan.

Oster / Las Pilitas – Santa Margarita: Las Pilitas Resources is requesting a Conditional Use Permit and Reclamation Plan to allow a hard rock quarry approximately 48 acres in size near the community of Santa Margarita, California. The project would allow for a maximum annual production of 500,000 tons per year and an approximate life of 30-50 years.

Hanson – Santa Margarita: Hanson Aggregates Mid-Pacific is requesting a modification to an existing Conditional Use Permit and Reclamation Plan Amendment for an extension of the existing quarry operations at the Santa Margarita Quarry near the community of Santa Margarita, California. The project would extend the life of the reserves by approximately 38 years at the quarry by adding adjacent lands to the permitted site, and adding approximately 41 acres to the current permitted boundary for a total of 126 acres of mining area. The applicant would continue to mine up to 700,000 tons per year.

The County of San Luis Obispo, Department of Planning and Building acknowledges the importance of mineral and aggregate resources as well as the need to protect adjacent lands for incompatible uses.

In conclusion, for the reasons stated in numbered paragraphs 1, 2, and 3 above, the County of San Luis Obispo respectfully requests that subsectors I-1, I-7, D-1, D-2, D-3, and D-4 not be designated as mineral lands of statewide or regional significance.

If you have any additional questions or need additional information, please contact Nick Forester at (805) 781-1163 or nforester@co.slo.ca.us .

Please send any future notices or correspondence regarding this matter to:

Jason H. Giffen, Director
County of San Luis Obispo, Department of Planning and Building
976 Osos Street, Room 300
San Luis Obispo, CA 93408

Sincerely,

[Original Signature on file]

Jason H. Giffen, Director
County of San Luis Obispo, Department of Planning and Building

Attachments:

- Exhibit 1 – Proposed Subsector I-1
- Exhibit 2 – Proposed Subsector I-7
- Exhibit 3 – Proposed Subsectors D-1, D-2, D-3 and D-4
- Exhibit 4 – Hanson and Oster / Las Pilitas Location Map
- Exhibit 5 – Pankey Location Map

Exhibit 1 – Proposed Subsector I-1



Exhibit 2 – Proposed Subsector I-7



Exhibit 3 – Proposed Subsectors D-1, D-2, D-3 and D-4

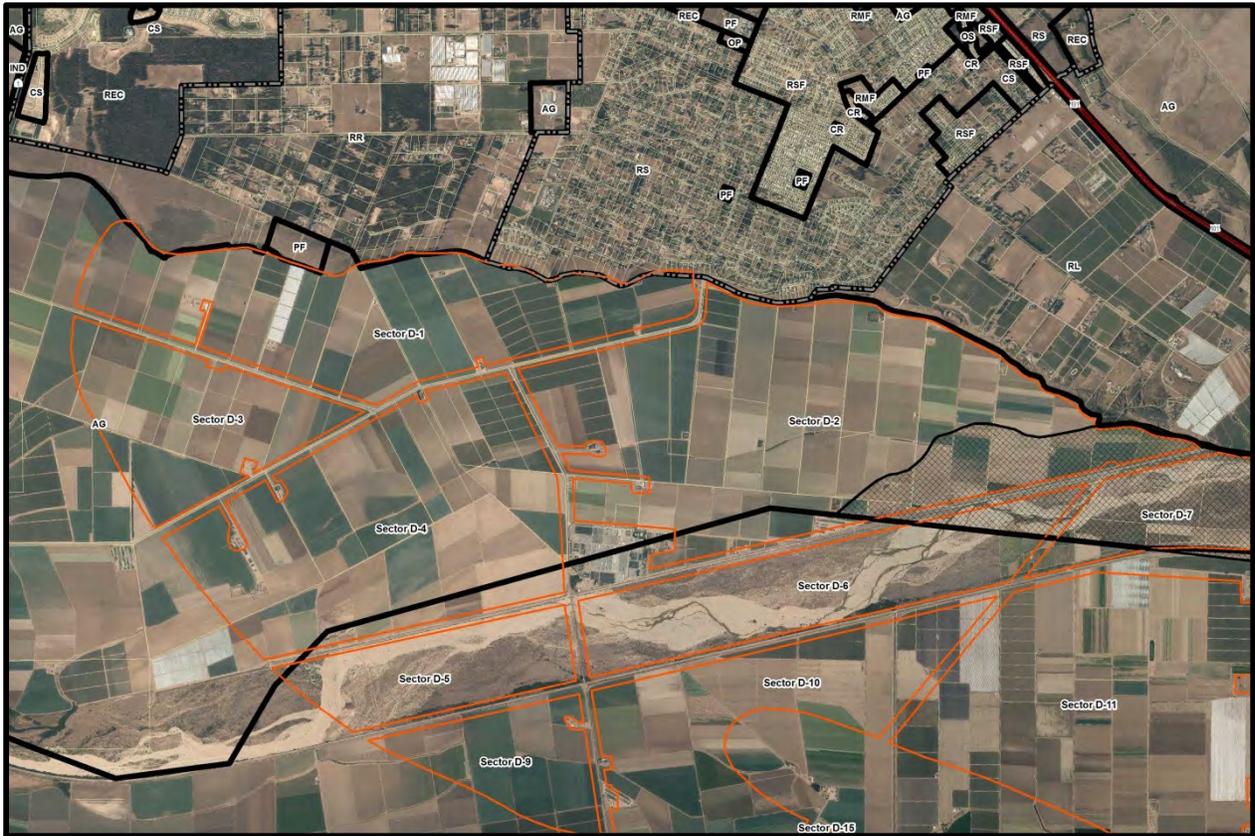


Exhibit 4 – Hanson and Oster / Las Pilitas Location Map

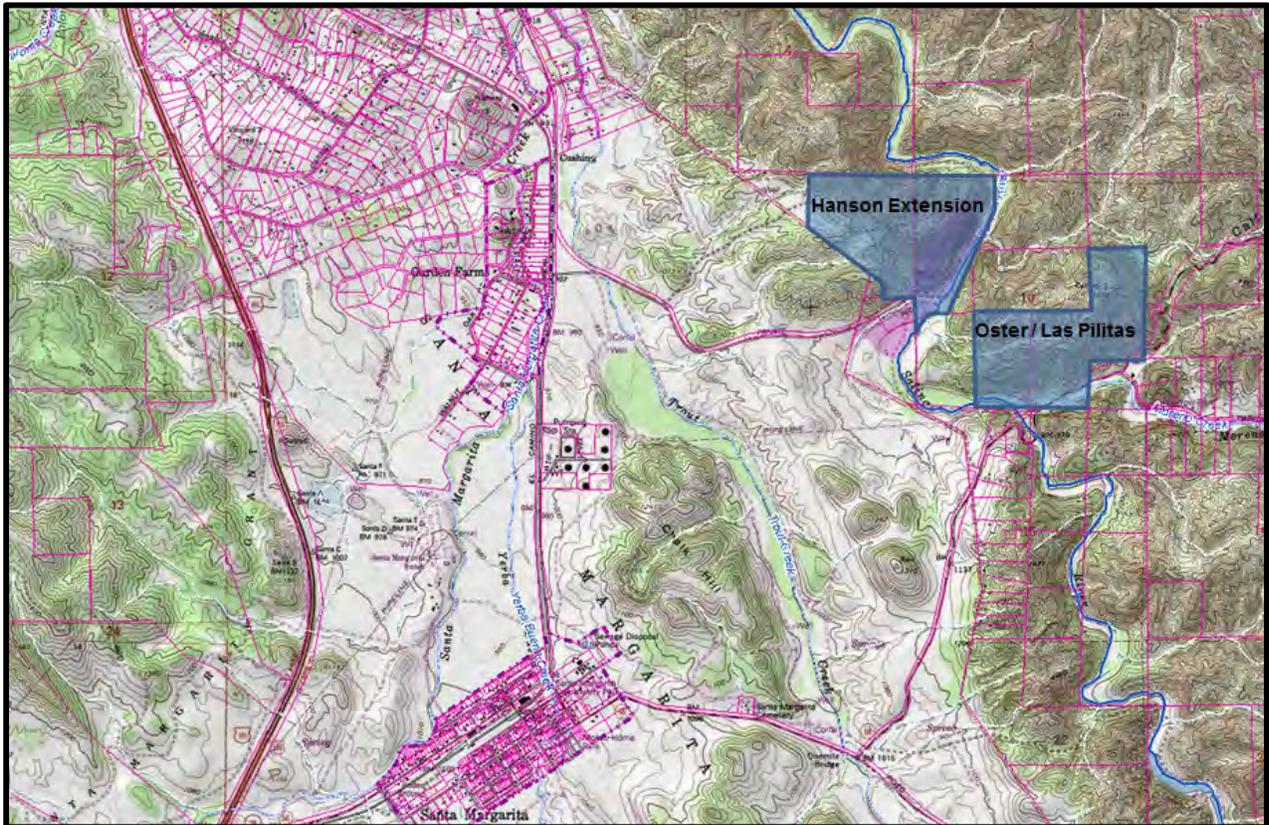
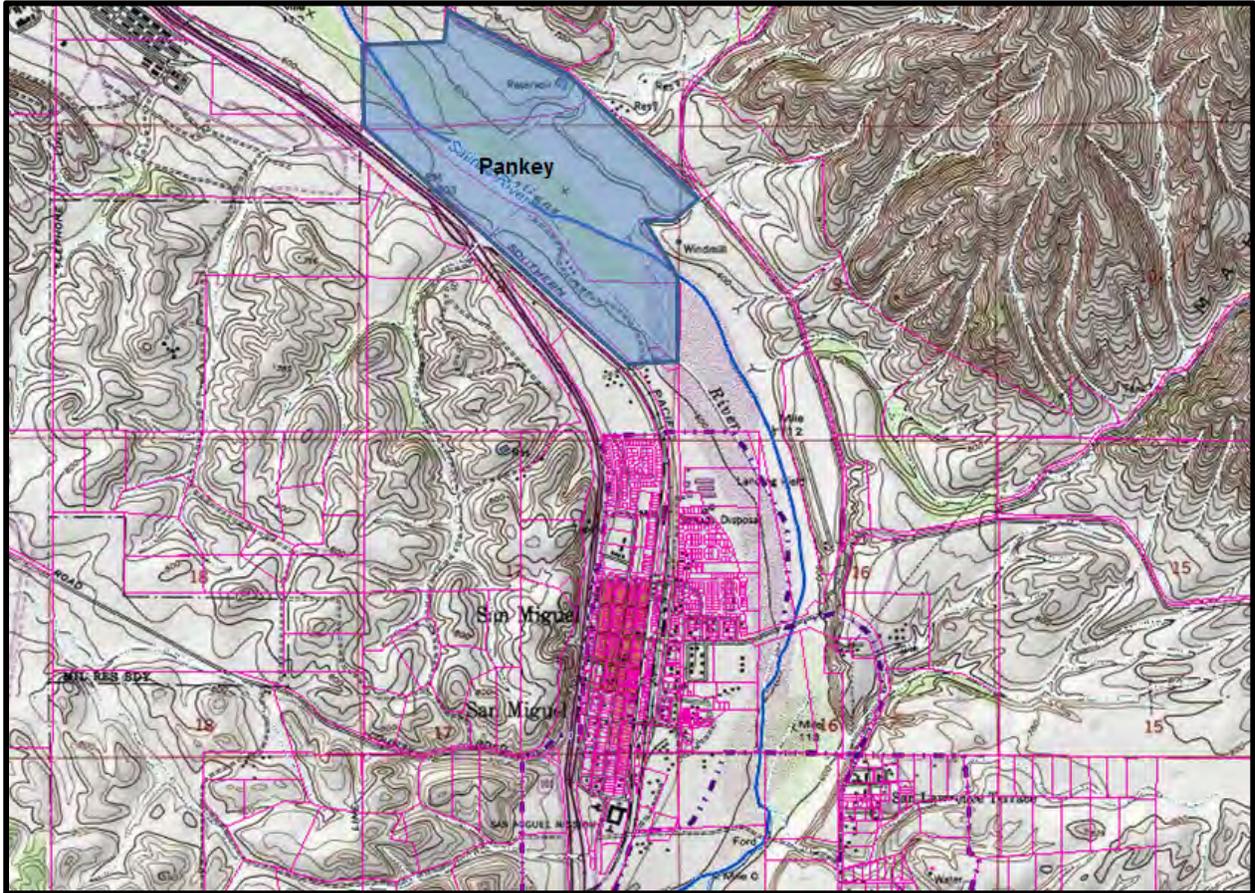


Exhibit 5 – Pankey Location Map



July 11, 2012

To: State Mining and Geology Board (SMGB)
801 K Street, Suite 2015
Sacramento, Ca. 95814

Attn: Stephen Testa, Executive Officer, Dan Beding, Jelisaveta Gavric, Thomas Barry, Brian Baca, Charlie Wyatt, John Lane

cc: John Laird, Secretary for Natural Resources
Attorney General's Office, California Department of Justice
Department of Water Resources
San Luis Obispo County Board of Supervisors
San Luis Obispo County Planning Commission
San Luis Obispo County Department of Planning and Building
Lois Capps, District 23 Congresswoman
Sam Blakeslee, District 15 Senator

Re: July 11, 2012 Hearing to consider mineral lands designation in San Luis Obispo-Santa Barbara Production-Consumption Region

Please include the following in the public records regarding this matter.

It is appreciated that there is a public component to the Mineral Lands for Designation process. It is unfortunate that the average public stakeholder is not likely to be aware of the existence of this process without considerable effort. The Special Report (SR-215) providing information specific to the Production-Consumption Regions does not appear to be readily available (at least in San Luis Obispo County) and must be purchased at substantial cost. A great deal of time is involved with becoming familiar with this process and attending a mid-week, mid-day hearing at a location more than 100 miles from some of the areas being considered. I submit comment as a public stakeholder, not as an industry representative. I hope my comments will be given due consideration.

Designation is an effort to conserve mineral resources in regions of expected rapid urbanization or other land uses that might prevent surface mining activities, and therefore result in a loss of the mineral resource to the community.

To avoid dictating to local communities where future aggregate mines should be located, mineral designated areas generally contain resources (un-permitted deposits) that are far in excess of the region's 50-year demand. This attempts to provide maximum flexibility to local governments in making land use decisions, while still conserving an adequate amount of construction aggregate for the future. This flexibility is important for many reasons.

- The Designation process is not subject to the California Environmental Quality Act (CEQA), therefore it must be made clear to all, including current and future mining applicants, that the appropriateness of a specific site for mining must be determined through CEQA guidelines at the local level. Public health, safety, and welfare should be the highest priority and input from all stakeholders should be encouraged.
- The projected need for the San Luis Obispo-Santa Barbara Production-Consumption (P-C) Region of 263 million tons of construction aggregate (all grades) in the next 50 years, of which 137 million tons will need to be AC- and PCC- grade should be achievable without the need to mine inappropriate and problematic sites.
- In Plate 1, Sector C of the SLO county Candidate Areas for Designation alone, there are 12,289 acres identified and an estimated more than 6 billion tons of PCC-grade aggregate.
- SR-215 identifies 10,700 million tons of PCC-grade Aggregate within the Candidate Areas. The 137 million tons forecasted to be needed in the entire P-C region represents just 1.28% of that amount.

I encourage you to exercise appropriate discretion in the designation process.

Thank you for the opportunity to comment.

Tamara Kleemann
Santa Margarita, Ca.

Comments of Roy Reeves: for the State Mining and Geology Board Public Hearing concerning the "Consideration of Mineral Lands of Statewide or Regional Significance," San Luis Obispo-Santa Barbara Production-Consumption Region, San Luis Obispo County and Santa Barbara County, California, July 11, 2012

Gentlemen:

My name is Roy Reeves and I am a resident of San Luis Obispo County, and more specifically a resident of Sector C, the La Panza Granitics Resource Area.

I realize that your planned designation does not have the final say over what Land Use Controls are finally imposed on these resource areas but I have a few comments about the process and the designation of Sector C.

First: Your Designation comes about Twenty Years too late. San Luis Obispo County zoned Sector C, after it was Classified in 1989, as an Extraction Zone, or EX1 zone. The EX1 zoning did little to protect the resource because it was miss-defined. The area was zoned to protect existing mines from encroachment from incompatible uses and not to preserve the resource itself.

The northern portion of Sector C, Subsector C-1a, has remained relatively undeveloped with the exception of the extreme southern boundary along Highway 58. This subsector should be rather easy to designate and to allow preservation of the resource, plus, it already contains two active aggregate mines.

However, the other subsectors are another matter, especially Subsectors C-2 and C-3. These subsectors contain some 50 plus occupied Residential Rural Parcels and approximately 45 small Rural Lands Parcels that are primarily used for residential purposes out of a total of 125. Even with the combined EX1 zoning on the parcels within these subsectors, San Luis Obispo County has taken no apparent action to restrict residential construction within the area and over the years has created an incompatible use problem that will be difficult to overcome.

My second area of concern is the misuse of the Designated Resource. A project is currently under consideration that plans to mine this Sector C granitic resource. However, when the subject of water use came up, the applicant changed plans and declared that water was to be used only for dust control. It is very hard to believe that high grade Portland Cement concrete can be produced with unwashed aggregate. Therefore, is it proper to allow the use of this Designated Resource for road base and for other non-quality aggregate uses?

Finally, it should be incumbent on you to urge the local land use jurisdiction agencies to do some detailed long range planning to preserve these Designated Resources for future use before it is too late. In Sector C we already have serious incompatibility problems and there are many other questions that need to be addressed before an appropriate preservation plan can be imposed.

I have submitted a copy of my remarks for your record.

Thank you.

Roy Reeves

6070 Parkhill Rd. Santa Margarita, CA 93453 (805) 438-3482 reevesbr@aol.com



Sophie Treder, Attorney
22985 El Camino Real, Santa Margarita, CA 93453
805.438.5435 Office stredert@trederlaw.com

Mr. Stephen Testa
Executive Officer
State Mining & Geology Board
801 K Street, Suite 2015
Sacramento, CA 95814

Via email to stephen.testa@conservation.ca.gov

August 6, 2012

Re: Designation for the San Luis Obispo – Santa Barbara Production Consumption Region

Dear Mr. Testa:

I am writing to provide written comments on the designation process for the San Luis Obispo – Santa Barbara Production-Consumption Region (SLO/SB P-C). I previously provided oral comments at the July 11, 2012 public hearing on this matter, but wanted to provide you my comments in writing as well for the record. (CGS) Special Report 215, an update of the mineral lands classification for the SLO/SB P-C Region by the State Geologist, and determine which areas identified as containing mineral deposits shall be designated as having regional or statewide significance.

As I stated at the public hearing, I would like to urge the SMGB to consider designating the La Panza Granitics Resource Area, identified as Sector C in Special Report 215, as having statewide significance. This Sector is unique for a number of reasons. First, the Sector contains proven resources and high quality granite deposits that can be used in a variety of applications. The success and duration of the two existing quarries located in the Sector are a testament to that. Second, this Sector is already zoned for mining and has been largely protected from incompatible land uses. The Sector has been classified as MRZ-2 since the mid 1980s, and per SMARA, this classification was incorporated into San Luis Obispo County's General Plan via an "extractive overlay zone," which provided that mining was an allowed use in the area, and placed landowner's on notice of the resource. The County even applied a "mine buffer zone" designation to some of the surrounding properties which helped

keep incompatible land uses at bay. Accordingly, the Sector is both properly zoned and largely undeveloped, giving greater potential for these resources to actually be accessed in the future. Many of the other MRZ-2 Sectors identified in Special Report 215 face what could be insurmountable accessibility hurdles.

For instance, nearly every other MRZ-2 deposit is within or adjacent to a dense urban area, or lies within the channel of a stream or river. Permitting a quarry in either scenario can be so costly and controversial as to be impractical, if not impossible. Sector C obtains the geologic benefits of the Salinas River, which flows through a portion of the Sector, but much of the material is located on hillsides and ridges high above the river channel, and the material can easily be removed without impacting the riverbed itself. In addition, Sector C is not adjacent to or within any incorporated city or sphere of influence, and because it already contains two active quarries, many residents in the Sector are familiar with and used to living near mining operations. For all of these reasons, the resources in Sector C should be viewed as much more accessible than the other MRZ-2 areas, and therefore much more valuable, given the shortage of aggregate throughout the region and the state.

Perhaps the biggest reason that Sector C should be designated has having statewide significance is its accessibility not just from a permitting perspective, but from a logistical one. The Sector is traversed by an existing Union Pacific Rail line, which already passes right by the two existing quarries in the Sector. (It is my understanding that an old rail spur may even already exist at the Santa Margarita Quarry.) Accordingly, there is the potential for the material to be easily transported out of the region and into more urbanized areas at a relatively low cost, and with relatively little impact on the surrounding environment. Given the projected shortage of permitted aggregate resources in nearly every other P-C Region throughout the state, the importance of this opportunity should not be undervalued.

The material in Sector C would be relatively easy to transport out of the region and into other, underpermitted regions by truck as well. The Sector lies only a few miles from U.S. Route 101, and also contains portions of State Highway 58. The Sector is approximately equidistant from both the Los Angeles and Bay Area urban areas via Route 101, and could



Sophie Treder, Attorney
22985 El Camino Real, Santa Margarita, CA 93453
805.438.5435 Office stredert@trederlaw.com

serve these and other underpermitted areas along the way if the need arose for specific material.

Finally, U.S. Route 101 itself is a major interstate corridor of great importance to the State's economy, and therefore it is imperative that it remain serviceable and in good repair at all times. The material from Sector C, and specifically the Santa Margarita Quarry, was recently used to resurface major portions of Route 101 from the Cuesta Grade through Atascadero, and the work was completely quickly and with minimal disruption to traffic because of the close proximity of the aggregate source. It is my understanding that material from Sector C has also been used in the recent major retrofits to Highway 46 just east of Paso Robles, which is another important thoroughfare to the State's economy.

For all of these reasons, as well as several others that were voiced by commenters at the July 11, 2012 public hearing, I urge you to accord the unique resources represented in Sector C the highest protection envisioned under SMARA by designating this Sector as having statewide significance.

Sincerely,

Sophia Treder

Sophia Treder
TREDER LAND LAW



County of Santa Barbara Planning and Development

Glenn S. Russell, Ph.D., Director

Dianne Black, Assistant Director

August 9, 2012

RECEIVED BY
STATE MINING & GEOLOGY BOARD
Department of Conservation

AUG 14 2012

Mr. Stephen M. Testa, Executive Officer
State Mining and Geology Board
801 K Street, Suite 2015
Sacramento, California 95814
Phone: (916) 322-1082
Fax: (916) 445-0738

Re: Consideration of Mineral Lands of Statewide or Regional Significance in the San Luis Obispo-Santa Barbara Production-Consumption Region

Mr. Testa:

Thank you for the opportunity to provide comment on the Mineral Resource Zones (MRZ) proposed for designation by the State Mining and Geology Board (Board) in the San Luis Obispo-Santa Barbara Production-Consumption (P-C) Region. It is our understanding that within 12 months of designation, the County will be required to amend the Santa Barbara County Comprehensive Plan to include Mineral Resource Management Policies addressing the Sectors D, E, F, and G which are all located in the unincorporated areas of Santa Barbara County (County). Also, the Office of Planning and Research *General Plan Guidelines* conclude a "county should have to amend its general plan only once to incorporate the information and policies for both the classification and designation" of mineral resources. Thus, the County intends to amend the Comprehensive Plan to incorporate policies addressing the classification during the same process that addresses the designation.

The County of Santa Barbara has reviewed the information provided in Special Report 215 and provides the following comments on the MRZ sectors located in Santa Barbara County:

Sector D – Deposits of the Santa Maria River Resource Area

- a) There are 41 subsectors located in Sector D. Many of these subsectors cross jurisdictional boundaries in the County of Santa Barbara, City of Santa Maria, and County of San Luis Obispo. The County has reviewed these areas and identified no potential incompatibilities for the subsectors located in the unincorporated County.

Sector E – Deposits of the Sisquoc River Resource Area

- a) Subsector E-1 is located adjacent to two rural residential communities, Garey and Sisquoc, in the unincorporated County. In the case of Garey, subsector E-1

appears to border the lands zoned for residential uses. Mining activities located this close to residential land uses may be incompatible. The County requests that the designation be delineated a distance from these communities in order to provide an adequate buffer to reduce incompatibilities.

Sector F – Deposits of Santa Ynez River Resource Area

- a) Subsector F-1 is located within 75 feet of a Santa Rosa Park. Santa Rosa Park is a County owned park. Proposed mining operations may have the potential to negatively impact the park. The County requests that the designation be delineated a distance from the park in order to provide an adequate buffer to reduce incompatibilities.
- b) Subsector F-5 may provide some incompatibilities related to scenic views from the Mission Santa Ynez looking east toward the Santa Ynez River. The Santa Ynez Community Plan states “The rural view to the east of Mission Santa Ynez should be preserved in open space, and in agricultural use wherever possible.”
- c) Subsectors F-5 and F-6, located south of Santa Ynez and east of the City of Solvang, surround an existing trail easement. The Land Use Element of our Comprehensive Plan provides Parks/Recreation Policy #4 “Opportunities for hiking and equestrian trails should be preserved, improved, and expanded wherever compatible with surrounding uses.” The County requests that the designation be delineated a distance from this trail easement in order to provide an adequate buffer to reduce incompatibilities.
- d) Subsector F-6 is located within the Highway 154 Scenic Highway Corridor. Proposed mining operations in this corridor may have the potential to negatively impact this scenic corridor.
- e) Subsector F-7 has differing boundaries on Plate 2C provided in the Special Report 215 and the electronic files provided by John Clinkenbeard at the California Geological Survey. As illustrated on Plate 2C of Special Report 215, the County has no comment.

As illustrated in the electronic files, the boundaries of Subsector F-7 span across the Bradbury Dam located at Cachuma Lake. Cachuma Lake is a major water resource reservoir for the County which is administered by our Water Resources Division. However, the lake is federally owned by the United States Bureau of Reclamation (USBR) and operated by the Cachuma Operation and Maintenance Board (COMB). It is our recommendation that the Board notify the USBR and COMB if they haven’t done so already. Additionally, County staff reviewed the “California Surface Mining and Reclamation Policies and Procedures - Guidelines

for Classification and Designation of Mineral Lands” and it is stated that a dam is considered to be in the category of economic exclusion. County staff urges the Board to work with USBR and COMB to determine if this area and the critical watershed above Bradbury Dam is suitable for designation.

Sector G – Deposits of the Upper Cuyama River Resource Area

- a) It is our understanding that Sector G is a newly identified sector being considered for designation. We reviewed the location of this sector and found no potential land use incompatibilities.

We thank you for our opportunity to comment. If you have any questions or comments regarding this letter please contact Heather Imgrund at himgrund@countyofsb.org or (805) 884-6836.

Sincerely,

A handwritten signature in blue ink, appearing to read "Glenn S. Russell".

Glenn S. Russell, Ph.D.
Director

Cc: Renee Bahl, Assistant CEO
LRP Chron File



October 24, 2012

Mr. Stephen M. Testa
State Mining and Geology Board
801 K Street, Suite 2015
Sacramento, CA 95814

Subject: Special Report 215: Update of Mineral Land Classification: Concrete Aggregate in the San Luis Obispo-Santa Barbara Production-Consumption Region

Dear Mr. Testa:

Margarita Proud acknowledges and appreciates your efforts to provide opportunities for public participation in the designation process.

After preliminarily reviewing the subject report, we would like to share an observation that we hope your board will consider in greater detail as the process moves forward:

- The corridor for the Coastal Branch of the State Water Project and other pipelines present within Sector C on Plate 2A are not apparent in the report mapping.
- Although the aqueduct and other pipeline routes roughly parallel Highways 58 and 229 at times, they do not necessarily follow or remain within either highway's right of way.

Several already defined policies appear applicable, indicating that the presence of the water aqueduct and at least one high pressure petroleum pipeline provide sufficient cause to consider removal of affected areas within Sector C on Plate 2A from designation:

- "Improvements of high cost" as outlined within the "Concepts Used in Identifying Aggregate Resource Sectors" (SR-215, pg. 9).
- Specific social and economic exclusions as listed in "Guidelines for Classification and Designation of Mineral Lands" within the California Surface Mining and Reclamation Policies and Procedures. (Table pg. 7, economic exclusion #7)

An important question then arises. Does the Board have specific criteria for buffer zones from residential land uses on small acreage, "improvements of high cost", and "economic exclusions" when establishing resource sector boundaries?

Thank you for further consideration and response to these important details at this time. As we review the document in more detail, we hope time permits additional comments.

Sincerely,

Roy Reeves
President

RECEIVED BY
STATE MINING & GEOLOGY BOARD
Department of Conservation

OCT 29 2012



North County Watch

Looking Out Today For Tomorrow

State Mining and Geology Board (SMGB)
801 K Street, Suite 2015
Sacramento, Ca. 95814

Sent via email: smgb@consvr.ca.gov

March 27, 2013

Attn: Stephen Testa, Executive Officer, Dan Beding, Jelisaveta Gavric, Thomas Barry, Brian Baca, Charlie Wyatt, John Lane

Re: Item XI. 8 Approval of Regulatory Language for Designation of Mineral Lands within the San Luis Obispo-Santa Barbara Production-Consumption Region

Dear Sirs and Madame,

We wish to submit comments on Item X.8 however the staff report for this item is not posted on your website. Absent access to the staff report, we wish to make some general comments about the area under consideration for designation of mineral lands within San Luis Obispo County in the vicinity east of the town of Santa Margarita.

Generally, we believe this area is unsuited for designation as an extractive area for the following reasons:

- Currently a large portion of the surrounding land is zoned rural residential.
- There are a number of homes in the area.
- Highway 58 is the only haul route for any mined material and it has a number of constraints including passing through residential Santa Margarita; constraints of road design, railroad grade crossing issues.
- The area is adjacent to Los Padres National Forest and serves as a portion of a major east west wildlife corridor for mountain lion, bear, deer and numerous other species.

- The headwaters of the 147 mile Salinas River are contained in the proposed area. These upper Salinas headwaters (creeks and feeder streams) are designated under the Federal Endangered Species Act as critical habitat for the endangered South Central California Steelhead, *Oncorhynchus mykiss irideus* which is an evolutionary significant unit (ESU). The portions of the area are habitat for the endangered red-legged frog.
- Highway 58 and its surrounds contain significant aesthetic values. The area comprises an important viewshed situated as gateway to eastern San Luis Obispo County and the Carrizo National Monument.
- The area already supports a century old gravel mine that is reported to have adequate reserves to supply the area into the next century.

North County Watch is a 501 3c non-profit Public Benefit corporation. We are an all-volunteer organization committed to sustainable development in and around north San Luis Obispo County.

Thank you for your consideration of our comments in your deliberations.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Harvey', with a long horizontal flourish extending to the right.

Susan Harvey, President
(805)239-0542



March 27, 2013

State Mining and Geology Board
Department of Conservation
801 K Street, Suite 2015
Sacramento, CA 95814

Subject: Thursday April 11, 2013 Agenda Item XI, 8. Approval of Regulatory Language for Designation of Mineral Lands within the San Luis Obispo-Santa Barbara Production-Consumption Region

We are requesting that your Board delay taking action on this item until time has been allowed for the public and lead agency to review the regulatory language and any updated maps within the staff report. Additionally, we request that all property owners within all sectors being considered for designation be individually notified prior to any further action.

The SMGB website states “agenda reports should be available electronically approximately one week prior to the scheduled meeting/hearing date”, but public submittals received after 15 calendar days prior to the scheduled meeting will be marked as late, and the SMGB will decide whether new submittals will be considered or not during the public hearing. This does not provide the public or lead agencies adequate time or information to make thorough and well informed comment.

The July 11, 2012 hearing in Santa Barbara left us with the impression that there would be another hearing before further action would be taken. Upon receiving information that action on the proposed regulatory language for designation would be finalized at the April SMGB meeting, we scheduled a meeting with the San Luis Obispo County Planning Department (lead agency) to discuss the possible ramifications locally. The meeting helped provide us with a better understanding of the impacts that designation imposes on affected property owners who may wish to pursue uses not related to extraction in the future.

Designation imposes a mandatory duty on the lead agency to implement what essentially removes local control. It adds limits to the local agency's discretion and will have considerable impact on property rights and property values for affected property owners. Yet, most property owners (except those involved with mining) are currently unaware of this process. All potentially affected property owners deserve notification, equal consideration, and a transparent, inclusive process based on open decision making.

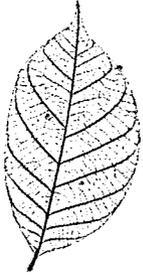
Thank you for your attention and consideration .

Sincerely,
Roy Reeves



President

cc:
State Senator Bill Monning
John Laird, California Secretary for Natural Resources



March 28, 2013

Via US Mail and Email

Mr. Stephen M. Testa
State Mining and Geology Board
801 K Street, Suite 2015
Sacramento, CA 95814
Stephen.Testa@conservation.ca.gov

RE: Designation of areas within San Luis Obispo County as containing mineral deposits of regional or state-wide significance

To members of the State Mining and Geology Board and Executive Officer Testa,

The State Mining and Geology Board ("SMGB" or "the Board") will consider approval of regulatory language for the designation of mineral lands within the San Luis Obispo-Santa Barbara region at the upcoming April 11, 2013, meeting in Atascadero. Consistent with its current policy and practice, the SMGB will likely approve the proposed designation pursuant to Pub. Res. C. §2790 without ensuring compliance with the California Environmental Quality Act ("CEQA") Pub. Res. C. §21000 et seq.. As explained below, the Sierra Club and Margarita Proud believe the SMGB must comply with CEQA because designation of specific areas as containing mineral deposits of statewide or regional significance is a discretionary "project" capable of causing significant adverse environmental impacts.

Accordingly, I urge the Board not to adopt regulatory language to designate lands within San Luis Obispo-Santa Barbara counties until and unless the proposal has been evaluated consistent with CEQA.

The Designation Process

According to the preamble to the Guidelines for Classification and Designation of Mineral Lands ("Guidelines"),

The Surface Mining and Reclamation Act of 1975 (SMARA) mandated the initiation by the State Geologist of mineral land classification in order to help identify and protect mineral resources in areas within the State subject to urban expansion or other irreversible land uses which would preclude mineral extraction. SMARA also allowed the State Mining and Geology Board (SMGB), after receiving classification information from the State Geologist, to designate lands containing mineral deposits of regional or statewide significance.

The Guidelines further explain that

Classification is the process of identifying lands containing significant mineral deposits. *Designation* is the formal recognition by the SMGB, after consultation with lead agencies

1504 Marsh Street
San Luis Obispo
California 93401

ph: 805.593.0926

fax: 805.593.0946

babaknaficy@sbcglobal.net

and other interested parties, of areas containing mineral deposits of regional or statewide significance.

The objective of classification and designation processes is to ensure, through appropriate lead agency policies and procedures, that mineral deposits of statewide or of regional significance are available when needed.

The designation of mineral lands by the SMGB involves a two-step process. First, the State Geologist identifies, "on the basis solely of geologic factors and without regard to existing land use and land ownership," areas that contain mineral deposits of regional or statewide significance. Pub. Res. C. §2761(b). This information may then be transmitted directly to the SMGB "for incorporation into the state policy and for transmittal to lead agencies." §2761(d). The Board must then transmit this information to lead agencies or metropolitan planning organizations upon request. §2761(e).

In addition to transmitting the information provided by the State Geologist directly to the counties, SMARA authorizes the SMGB to use this information to designate specific geographic areas as areas of regional and statewide significance following a public hearing and input by resource agencies and interested members of the public. According to the SMGB Guidelines, resource agencies and interested organizations and members of the public are directed to address the following areas/issues in their comments:

- (1) The adequacy of the mineral lands classification data transmitted by the State Geologist and of any additional data transmitted to the SMGB, which together will constitute the principal basis for designation.
- (2) Additional data bearing on the presence and marketability of mineral deposits proposed to be of statewide or regional significance in the area under consideration.
- (3) The need, amount, and location of mineral deposits of regional significance that should be designated, and, in the case of construction materials, the needs of the region for 50 years.
- (4) The existing uses of the areas proposed for designation and the future uses of these areas adopted by local agencies.
- (5) Values relating to recreation, watershed, wildlife range and forage, and aesthetic enjoyment.

At the time of designation, the SMGB issues a report to address a range of issues, including the following:

- (5) The specific goals and policies to protect the areas containing mineral deposits designated to be of statewide or

regional significance from premature development to uses that would preclude mining, or to uses with which mining would be incompatible.

Following a designation of an area as containing mineral deposits of statewide or regional significance, an applicant whose application for conducting surface mining has been denied by a lead agency may appeal that denial directly to the SMGB, which, following a hearing, may set aside the lead agency's denial of the mining permit if it concludes the agency's decision was not supported by substantial evidence.

The regulatory and statutory scheme underlying the designation process is thus clearly intended to protect significant mineral deposits by creating a presumption that designated areas are appropriate for mining and a duty to preserve those deposits for future or present extraction, by prohibiting or at least discouraging incompatible land use or development that could jeopardize surface mining in those areas.

Application of CEQA to the Designation Process

During the 1980's, the SMGB complied with CEQA by preparing an Environmental Impact Report (EIR) before designating any areas as containing mineral deposits of statewide or regional significance. In January of 1998, however, the Board adopted Resolution 98-01 thereby concluding that the designation process is not subject to CEQA based on the theory that a designation is not a "project" within the meaning of CEQA. The Board reached this erroneous conclusion based on incorrect assumptions and a misunderstanding of the applicable law.

Resolution 98-01 cites Kaufman & Broad-South Bay v. Morgan Hill District (1992) 9 Cal.App.4th 464 as support for the principle that designation of areas as containing mineral deposits of statewide or regional significance is not a "project" and therefore exempt from CEQA. Kaufman is inapposite and does not support the Board's conclusion.

In Kaufman, the court concluded that the establishment of a community facilities district to fund acquisition of school sites and portable classrooms or rehabilitation of existing facilities was not approval of a project. The court reasoned that this resolution did not commit the district to a specific course of action because the district was not obligated to spend the funds in any particular way. The reasoning in Kaufman therefore is irrelevant to the designation process which does not include the creation of a funding mechanism for any particular project.

The Board also relied on Stand Tall on Principles v. Shasta Union High School District (1991) 235 Cal.App.3rd 772, a case which was specifically considered and set aside by the California Supreme Court in Save Tara v. City of West Hollywood (2008) 45 Cal.4th 116. In Stand Tall, "a school district board passed resolutions choosing the site for a new

high school from a group of finalists and authorizing the district administration to purchase the property; any offer to purchase "was to be made contingent upon completion of the EIR process and final state approval." [] The appellate court rejected a claim the EIR should have been done before selecting the preferred school site, reasoning that the "Board's resolutions regarding the site selection do not constitute an 'approval' under CEQA because they do not commit the District to a definite course of action since they are expressly made contingent on CEQA compliance." Save Tara, supra, 45 Cal.4th at 132-33. Our Supreme Court rejected the reasoning in Stand Tall because "an agency has no discretion to define approval so as to make its commitment to a project precede the required preparation of an environmental impact report (EIR)." Stand Tall, therefore, is no longer valid and cannot support the SMGB's refusal to comply with CEQA.

The Board adopted Resolution 98-01 also in part based on an SMGB Policy Committee Report, which in addition to citing the above-referenced cases, reasoned that the Board's designation process was exempt from CEQA because it is purportedly purely informational, similar to the "classification" performed by the State Geologist. This analogy fails, however, because while the classification of specific areas by the State Geologist is based purely on the availability of mineral resources without regard to any other issues, the Board's designation process is based not only on the State Geologist's classification, but other factors such as expected demand, competing land uses, and "values relating to recreation, watershed, wildlife range and forage, and aesthetic enjoyment." The Board's designation therefore is not as analogous to the classification process employed by the State Geologist. The SMGB's designation, moreover, is not purely informational because it also includes a prescriptive element which consists of imposing a number of additional procedural and substantive duties on the lead agencies and makes it more difficult for counties to deny mining projects or to approve projects that are potentially incompatible with mining.

The Board must comply with CEQA because the statutory and regulatory scheme underlying the designation process was intended to and makes it easier and more likely that surface mining would take place in areas that have been designated as containing significant mineral resources. To this end, the SMGB Guidelines for Designation mandates that designation reports must include "[t]he specific goals and policies to protect the areas containing mineral deposits designated to be of statewide or regional significance from premature development to uses that would preclude mining, or to uses with which mining would be incompatible." These goals and policies will therefore make it more likely that the areas designated as containing significant mineral deposits will be mined, and will therefore preclude other types of development.

A designation of an area by the SMGB as containing mineral deposits of statewide or regional significance poses substantial limitations on the ability of lead agencies to deny mining applications and conversely, approving potentially incompatible projects such as housing. Once the SMGB has designated an area as containing significant mineral deposits, "then prior to permitting a use which would threaten the potential to extract

minerals in that area, the lead agency shall prepare a statement specifying its reasons for permitting the proposed use, in accordance with the requirements set forth in subdivision (d) of Section 2762.” Pub. Res. C. §2673(a).

Once an area within a county’s jurisdiction has been designated by the SMGB, the county will be required to consider future land use projects “in light of the importance of the minerals to their market region as a whole, and not just their importance to the lead agency’s area of jurisdiction.” This consideration would likely result in a significant increase in the denial of potentially incompatible projects and approval of mining projects. Pub. Res. C. §2674.

The designation of an area as containing mineral deposits of statewide or regional significance is a project within the meaning of CEQA because it facilitates mining by making it more likely that the designated areas will be mined. The designation process is akin to a land use designation, which is a project subject to CEQA. City of Santa Ana v. City of Garden Grove (1970) 100 Cal.App.3d 521, 531. This conclusion is buttressed by the fact that once an area has been designated by the SMGB as containing significant mineral deposits, the counties have a ministerial duty to revise their general plan to reflect the designation.

The designation can result in indirect impacts on the environment (and must therefore undergo CEQA review) also because the designation process is intended to any type of development that is potentially incompatible with mining. In Muzzy Ranch v. Solano County Airport Land Use Comm’n (2007) 41 Cal.4th 372, the California Supreme Court concluded that approval of an airport land use plan was a project within the meaning of CEQA because the plan’s ban on development could reasonably result in displacement of development to other areas. Likewise, the SMGB’s designation of an area as containing significant mineral deposits can reasonably result in environmental impacts by displacing development (inconsistent with mining) to other areas.

Conclusion

While compliance with CEQA can at times be costly and time-consuming, CEQA is the law of the land. It was enacted to avoid or reduce environmental harm and to promote informed decision-making by informing the public and governmental decision-makers about the potential significant impacts of proposed projects and disclose the reasons for approving a project. Pub. Res. C. §§211000-21001; CEQA Guidelines §15002. CEQA, moreover, is “to be interpreted ... to afford the fullest possible protection to the environment ...” §§211001-21002. SMGB is the only agency with both the responsibility and opportunity to adequately analyze the environmental impacts of the designation of an area as containing significant mineral deposits and consider alternatives and mitigation measures, as provided in CEQA. I therefore urge you reconsider Resolution 98-01 and postpone consideration of the proposed designation of mineral

Mr. Stephen M. Testa
State Mining and Geology Board
March 28, 2013
Page 6 of 6

lands within the San Luis Obispo-Santa Barbara region until you have complied with CEQA.

Sincerely,

A handwritten signature in black ink, appearing to read "Babak Naficy". The signature is fluid and cursive, with the first name being the most prominent.

Babak Naficy, Counsel for
The Sierra Club and Margarita Proud

cc: Whitney McDonald, Esq. (San Luis Obispo County Counsel)

March 28, 2013

State Mining and Geology Board
801 K Street, Suite 2015
Sacramento, CA 95814

Subject: Thursday April 11, 2013 Agenda Item XI-8. Approval of Regulatory Language for Designation of Mineral Lands within the San Luis Obispo-Santa Barbara Production-Consumption Region

I urge your board to refrain from taking action on this agenda item until comments and information submitted at the July hearing have been properly responded to, and incorporated into a transparent, open decision making process that includes notification to all property owners within areas being considered for designation.

After submitting detailed comments focused on Sector C in San Luis Obispo county (SR-215, Plate 2A) at the July 2012 hearing in Santa Barbara, staff communicated intent to post a response along with my submittal as part of the public record to be accessible online. Without a response to my letter of July 9, 2012, the content of any other comment letters submitted, revisions to inaccurate Plate Mapping within SR-215, or the staff report for the current agenda, it would be difficult to make anything more than general comments regarding process at this time.

The subject of CEQA was touched on at the July hearing. It seemed peculiar that an appointed board would have authority to make far reaching land-use decisions without being subject to the procedural safeguards of CEQA. Equally curious is that a SMGB Resolution (98-01) is being used as justification for exemption from CEQA. Designation of mineral lands without CEQA overview is a fundamentally flawed process.

According to SMGB Guidelines, among the areas/issues that resource agencies and members of the public are directed to address in their comments are values relating to recreation, watershed, wildlife range and forage, and aesthetic enjoyment. There is no documentation at this time of how these factors have been considered or weighted in the decision making process.

Designation will affect many property owners. A few expect to benefit. However, it is reasonably foreseeable that :

- A greater number of property owners would be adversely affected by impacts associated with regulation intended to increase industrial activity.
- That designation places restrictions on the ability of lead agencies to exercise appropriate local control.
- Challenges to the regulatory taking of existing land uses not deemed “compatible” to extractive uses would be imminent.

Designation creates environmental and economic impacts that should **not** be exempt from definition in this process.

Thank you for considering the many concerns voiced.

Sincerely,
Charles Kleemann
Santa Margarita



SAN LUIS OBISPO COUNTY
DEPARTMENT OF PLANNING AND BUILDING

Promoting the Wise Use of Land – Helping to Build Great Communities

April 10, 2013

Mr. Stephen M. Testa
State Mining and Geology Board
801 K Street, Suite 2015
Sacramento, CA 95814

**SUBJECT: Response to request for recommendations from local agencies regarding the Consideration of Mineral Lands of Statewide or Regional Significance. San Luis Obispo-Santa Barbara Production-Consumption Region
Public Hearing Date: April 11, 2013**

Dear Mr. Testa:

The County of San Luis Obispo, Planning and Building Department received the notice and request for recommendations from the State Mining and Geology Board for the public hearing held on July 11, 2012, regarding the consideration of mineral lands of statewide or regional significance. The County of San Luis Obispo, Planning and Building Department reviewed the areas proposed for designation and submitted a comment letter dated July 10, 2012 requesting that several subsectors (subsectors I-1, I-7, D-1, D-2, D-3 and D-4) be removed from consideration for designation. Based on a review of the State Mining and Geology Board staff report for the April 11, 2013 public hearing, it does not appear that any changes to the areas proposed for designation were made in response to the county's comments.

Sector C contains a significant number of smaller lots many of which are developed with single family residences. Generally, the Department of Planning and Building is supportive of land use flexibility where small lots already exist.

The County of San Luis Obispo, Planning and Building Department again requests that subsectors I-1, I-7, D-1, D-2, D-3 and D-4) be removed from consideration for designation for the following reasons:

1. Proposed Subsector I-1(Exhibit Attached) is located immediately adjacent to an existing, developed, small lot residential subdivision. The impacts associated with resource extraction are likely to be incompatible with the existing Residential Suburban zoning and the existing density of residential development. Therefore, the county of San Luis Obispo requests that proposed Subsector I-1 not be designated as being of statewide or regional significance.
2. Proposed Subsector I-7(Exhibit Attached) is located within the Creston Village Reserve Line. Village Reserve Lines are used to designate areas where homes are grouped in settlements of greater density than surrounding rural areas. Village Reserve Lines distinguish developed areas from the surrounding rural areas. People living in these villages identify with a local character and often feel protective of their village life style. The impacts associated with resource extraction are likely to be incompatible with the village designation and the existing density of residential development. Therefore, the

DEPARTMENT OF PLANNING AND BUILDING

Promoting the Wise Use of Land - Helping to Build Great Communities

county of San Luis Obispo requests that proposed Subsector I-7 not be designated as being of statewide or regional significance.

3. Proposed Subsectors D-1, D-2, D-3 and D-4(Exhibit Attached) are located in an area that is zoned Agriculture. The area is an area of prime agricultural soils and is presently being used for intensive agricultural activities including strawberries which have recently become the most valuable crop in San Luis Obispo county. Potential impacts to those uses from resource extraction include but are not limited to dust, water use, and conversion of Agricultural land to other uses. Given the current and anticipated continued agricultural uses of land in these subsections, the county of San Luis Obispo requests that proposed Subsectors D-1, D-2, D-3 and D-4 not be designated as being of statewide or regional significance.

In conclusion, for the reasons stated above, the county of San Luis Obispo respectfully requests that subsectors I-1, I-7, D-1, D-2, D-3, and D-4 not be designated as mineral lands of statewide or regional significance.

Please send any future notices or correspondence regarding this matter to:

Nick Forester, Planner
County of San Luis Obispo, Department of Planning and Building
976 Osos Street, Room 300
San Luis Obispo, CA 93408

Sincerely,



Nick Forester, Planner
County of San Luis Obispo, Department of Planning and Building

Attachments:

July 10, 2012, letter of response from the County of San Luis Obispo, Department of Planning and Building to the State Mining and Geology Board regarding the Consideration of Mineral Lands of Statewide or Regional Significance, San Luis Obispo-Santa Barbara Production-Consumption Region



State Mining and Geology Board
Department of Conservation
801 K Street, Suite 2015
Sacramento, CA 95814

June 26, 2013

SUBJECT: June 25, 2013 Revision to Agenda for July 11, 2013 TO INCLUDE Item X7 - Approval of Regulatory Language for Designation of Mineral Lands within the San Luis Obispo-Santa Barbara Production-Consumption Region

Our organization has been following this process to the extent possible, given the SMGB's failure to provide timely information to, or respond to comments and recommendations made by local agencies, organizations, and individuals. The SMGB's failure to respond to agencies and individuals is troubling and flaws process. Please include the following observations and requests into the public record regarding this recently added agenda item:

- On June 25, 2013, without a staff report or details of the item provided, Item-X7 was added to the agenda originally made available to the public on June 20, 2013. According to comment policy published on the SMGB website, comments for the July 11, 2013 meeting would be due by 5:00 p.m. on June 26, 2013. Sufficient time for the public and lead agencies to comment prior to the deadline for comments has not been provided.
- Affected property owners within the Production-Consumption Region have not received notification of the existence of the designation process despite repeated requests. All land owners within all sectors being considered for designation should be notified well before taking actions that will affect them, and included in the process.
- A weekday meeting held nearly 400 miles from affected areas essentially guarantees exclusion of property owners most needing of representation. Conversely, the mining industry will likely be well represented.
- To comply with SMARA regulations, your board "*shall seek the recommendations of concerned federal, state, and local agencies, educational institutions, civic and public interest organizations, and private organizations and individuals in the identification of areas of statewide and regional significance.*"¹ SMGB has neither sought recommendations from, nor responded to comments and recommendations submitted by the San Luis Obispo County Department of Planning and Building (local lead agency); Margarita Proud (private nonprofit organization); Babak Naficy (counsel to Margarita Proud and Santa Lucia Sierra Club); and other individuals.

¹ Public Resource Code §2791, Article 6, SMARA

- The local lead agency, San Luis Obispo County Department of Planning and Building, was made aware of the designation process by Margarita Proud, a local resident group. Special Report 215 was only provided to SLO County by the SMGB after a specific request for a copy of the document had been made.
- Designation of mineral lands without the procedural safeguards of CEQA compliance fundamentally flaws process as previously outlined by counsel², Babak Naficy, prior to the April 2013 meeting. We reiterate our request for your careful consideration of that letter and a detailed response to it before taking further action on the designation process.

Designation will have considerable impact on property rights and property values for many land owners within included areas. Properly executed, the designation process can avoid unnecessarily introducing added restrictions and reduced property values within existing residential areas. This is not possible, however, when most land owners (except those involved with mining), and many lead agencies, are unaware of the existence of the process or the impacts of designation.

A transparent process that is inclusive and equally considerate of all stakeholders is fundamental. At this time, your board should postpone this agenda item to a later date after responding to previous comments and recommendations as promised. We urge you to take the time to do this right. Not doing so is short sighted. Thank you for your careful consideration and response to our concerns.

Sincerely,



Roy Reeves
President

Cc:

State Senator Bill Monning
Assemblyman Katcho Achadjian
San Luis Obispo County Board of Supervisors
San Luis Obispo County Planning Commission
San Luis Obispo County Dept. of Planning and Building

² Original letter attached.

ATTACHMENT B

Response to Submitted Comments

ATTACHMENT B

Response to Submitted Comments

The majority of submitted comments were general in nature. Specific comments pertained to 1) the presence of utility corridors, 2) potential local land use decisions granted to the lead agency (i.e., County) and outside the authority of the SMGB (i.e., general land use, buffer zones, views, etc.), and 3) applicability of the California Environmental Quality Act (CEQA) to the designation process (i.e., is designation a “Project” as defined by CEQA). Many of these local issues were addressed during the public hearings held on July 11, 2012, and April 11, 2013. A summary of comments received are chronologically summarized in Table B-1. Some of the comments received were of a specific nature and a response was prepared as provided below.

Table B-1		
Comment No.	Date	Public Comment for Proposed SB-SLO PCC Designations
1	May 9, 2012	Assemblymember Katcho Achadjian
2	July 9, 2012	Charles Kleemann, Santa Margarita, CA
3	July 10, 2012	Jason H. Giffen, Director, County of San Luis Obispo, Dept. of Planning and Building
4	July 11, 2012	Tamara Kleemann, Santa Margarita, CA
5	July 11, 2012	Roy Reeves, Santa Margarita, CA
6	August 6, 2012	Sophie Treder, Attorney, Treder Land Law
7	August 9, 2012	Glenn S. Russell, Ph.D., Director, County of Santa Barbara Planning and Development
8	October 24, 2012	Roy Reeves, President, Margarita Proud
9	March 27, 2013	Susan Harvey, President, North County Watch
10	March 27, 2013	Roy Reeves, President, Margarita Proud
11	March 28, 2013	Babak Naficy, Counsel for The Sierra Club and Margarita Proud
12	March 28, 2013	Charles Kleemann, Santa Margarita
13	April 10, 2013	Nick Forester, Planner, County of San Luis Obispo, Dept. of Planning and Building
14	June 26, 2013	Roy Reeves, President, Margarita Proud

Comment No. 1 – Assemblymember Katcho Achadjian commented in support of the proposed designations (May 9, 2012):

Response to Comment No.1: No response or additional consideration is deemed necessary.

Response to Comment No. 2 – Charles Kleemann regarding southwest corner of Sub-Sector C-1a, Sector C, Plate1 (July 9, 2012):

Comment No. 2-a: A concentration of Residential Rural (RR) parcels exists in this corner of the sub-sector.

Response to Comment No. 2-a: The designation of mineral lands by the SMGB pursuant to SMARA is based on the location of mineral resources determined to be of regional significance, and once designated, will be incorporated in the lead agency's General Plan. The lead agency (i.e., County) ultimately determines whether it will grant a permit for mining or other proposed land use within such designated areas. Pursuant to Public Resources Code Section 2774.2(A), the SMGB cannot exercise permitting authority on behalf of a lead agency. In addition, the SMGB has no authority in addressing local issues pertaining to air, traffic, noise, and buffer zones or setbacks; such authority resides with the County. Designation does not prevent subsequent conservation of these areas, or consideration of some other land use incompatible with mining including incorporation of buffer zones or setbacks.

Comment No. 2-b: Major pipelines.

Response to Comment No. 2-b: This issue has been reviewed and adequately addressed.

Comment No. 2-c: Evaluation of need for additional aggregate.

Response to Comment No. 2-c: No response or additional consideration is deemed necessary; disagreement with analysis provided.

Comment No. 2-d: Suitability of Transportation Corridor.

Response to Comment No. 2-d: The SMGB has no authority in addressing local issues pertaining to air, traffic, and noise; such authority resides with the County. Designation does not prevent subsequent conservation of these areas, or consideration of some other land use incompatible with mining.

In addition, California Vehicle Code Section 21 limits local government in enacting and enforcing any ordinance or resolution on the matters covered by the Vehicle Code and states "*Except as otherwise expressly provided, the provisions of this code are applicable and uniform throughout the state and in all counties and municipalities therein, and a local authority shall not enact or enforce any ordinance or resolution on the matters covered by this code, including ordinances or resolutions that establish regulations or procedures for, or assess a fine, penalty, assessment, or fee for a violation of, matters covered by this code, unless expressly authorized by this code.*"

Comment No. 2-e: Surrounding Compatibility.

Response to Comment No. 2-e: Refer to response to Comment No. 2-a; no additional response or additional consideration is deemed necessary.

Comment No. 3 - County of San Luis Obispo Department of Planning and Building (July 10, 2012).

Comment No. 3-a regarding Candidate Sector I-1: Proposed Subsector I-1 (see Exhibit 1) is located immediately adjacent to an existing, developed, small lot residential subdivision. The Impacts associated with resource extraction are likely to be incompatible with the existing Residential Suburban zoning and the existing density of residential development. Therefore, the County of San Luis Obispo requests that proposed Subsector I-1 not be designated as being of statewide or regional significance.

Comment No. 3-b regarding Candidate Sector I-7: Proposed Subsector I-7 (see Exhibit 2) is located within the Creston Village Reserve Line. Village Reserve Lines are used to designate areas where homes are grouped in settlements of greater than surrounding rural areas. Village Reserve Lines distinguish developed areas from the surrounding rural areas. People living in these villages identify with a local character and often feel protective of their village life style. The impacts associated with resource retraction are likely to be incompatible with the village designation and the existing density of residential development. Therefore, the County of San Luis Obispo requests that proposed Subsector I-7 not be designated as being of statewide or regional significance.

Comment No. 3-c regarding Candidate Sectors D-1, D-2, D-3 and D-4: Proposed Subsectors D-1, D-2, D-3 and D-4 (see Exhibit 3) are located in an area that is zoned Agriculture. The area is an area of prime agricultural soils and is presently being used for intensive agricultural activities including strawberries, which have recently become the most valuable crop in San Luis Obispo County. Potential impacts to these uses from resource extraction include but are not limited to dust, water use, and conversion of Agricultural land to other uses. Given the current and anticipated continued agricultural uses of land in these subsectors, the County of San Luis Obispo requests that proposed Subsectors D-1, D-2, D-3 and D-4 not be designated as being of statewide or regional significance.

Response to Comment No. 3-a, 3-b and 3-c Regarding Candidate Sector I-1: The designation of mineral lands by the SMGB pursuant to SMARA is based on the location of mineral resources determined to be of regional significance, and once designated will be incorporated in the lead agency's General Plan. The lead agency ultimately determines whether it will grant a permit for mining or other proposed and use. Pursuant to Public Resources Code Section 2774.2(A), the SMGB cannot exercise permitting authority on behalf of a lead agency. Designation does not prevent subsequent conservation of these areas, or consideration of some other land use incompatible with mining, including agricultural.

Comment No. 3-d regarding general comments: Additionally, the County of San Luis Obispo is currently processing requests for three mines within our jurisdiction including preparation of individual project EIRs. Two of the proposed mines are hard rock quarries (one new and one extension), and one new mine is proposed within the Salinas River (see Exhibit 4 and 5). A brief project description for the above referenced projects is provided below.

Pankey – Salinas River: Mr. Pankey is requesting a Conditional Use Permit and Reclamation Plan to allow sand and gravel mining within the Salinas River near the community of San Miguel, California. The project would include approximately 33.59-acres of proposed extraction/skimming area, 7.5 –acres of sorting and stockpiling, and 1.54-acres

of haul roads. The applicant is proposing to mine up to 105,000 cubic yards of sand and gravel per year. The project is proposed to have a 20 year operational lifespan.

Oster/Las Pilitas – Santa Margarita: Las Pilitas Resources is requesting a Conditional Use Permit and Reclamation Plan to allow a hard rock quarry approximately 48 acres in size near the community of Santa Margarita, California. The project would allow for a maximum annual production of 500,000 tons per year and an approximate life of 30-50 years.

Hanson – Santa Margarita: Hanson Aggregates Mid-Pacific is requesting a modification to an existing Conditional Use Permit and Reclamation Plan Amendment for an extension of the existing quarry operations at the Santa Margarita Quarry near the community of Santa Margarita, California. The project would extend the life of the reserves by approximately 38 years at the quarry by adding adjacent lands to the permitted site, and adding approximately 41 acres to the current permitted boundary for a total of 126 acres of mining area. The applicant would continue to mine up to 700,000 tons per year.

Response to Comment No. 3d: The County is acting within its authority to consider permitting or modifying an existing permit for the purpose of surface mining under SMARA; no response or additional consideration is deemed necessary.

Response to Comment No. 4 - Tamara Kleemann (July 11, 2012):

Comment No. 4-a: The Designation process is not subject to the California Environmental Quality Act (CEQA) therefore it must be made clear to all, including current and future mining applicants, that the appropriateness of a specific site for mining must be determined through CEQA guidelines at the local level. Public health, safety, and welfare should be the highest priority and input from all stakeholders should be encouraged.

Response to Comment No. 4-a: The comment does not pose any further consideration by the SMGB; no additional response or additional consideration is deemed necessary.

Comment No. 4-b: The projected need for the San Luis Obispo-Santa Barbara Production-Consumption (P-C) Region of 263 million tons of construction aggregate (all grades) in the next 50 years, of which 137 million tons will need to be AC- and PCC- grade should be achievable without the need to mine inappropriate and problematic sites.

Response to Comment No. 4-b: No response or additional consideration is deemed necessary.

Comment No. 4-c: In plate 1, Sector C of the SLO County Candidate Areas for Designation alone, there are 12,289 acres identified and an estimated more that 6 billion tons of PDD-grade aggregate.

Response to Comment No. 4-c: No response or additional consideration is deemed necessary.

Comment No. 4-d: SR-215 identifies 10,700 million tons of PCC-grade Aggregate within the Candidate Areas. The 137 million tons forecasted to be needed in the entire P-C region represents just 1.28% of that amount.

Response to Comment No. 4-d: No response or additional consideration is deemed necessary.

Comment No. 5 - Roy Reeves (July 11, 2012):

Comment No. 5-a regarding Sector C: County previously zoned Sector C as an extraction Zone (or EX1 Zone) which did little to protect the resource because it was mis-defined. The area was zoned to protect existing mines from encroachment from incompatible uses and not to preserve the resource itself.

Response to Comment No. 5-a: No response or additional consideration is deemed necessary.

Comment No. 5-b regarding Candidate Sector C, Subsector C-1a: The northern portion of Sector C, Subsector C-1a, has remained relatively undeveloped with the exception of the extreme southern boundary along Highway 58. This subsector should be rather easy to designate and to allow preservation of the resource, plus, it already contains two active aggregate mines.

Comment No. 5-c regarding Candidate Sector C, Subsectors C-2 and C-3: These subsectors contain some 50 plus occupied Residential Rural Parcels and approximately 45 small Rural Land Parcels that are primarily used for residential purposes out of a total of 125. Even with the combined EX1 zoning on the parcels within these subsectors, San Luis Obispo County has taken no apparent action to restrict residential construction within the area and over the years has created an incompatible use problem that will be difficult to overcome.

Response to Comment No. 5-b and 5-c: No response or additional consideration is deemed necessary.

Comment No. 5-d regarding Candidate Sector C: My second area of concern is the misuse of the Designated Resource. A project is currently under consideration that plans to mine this Sector C granitic resource. However, when the subject of water use came up, the applicant changed plans and declared that water was to be used only for dust control. It is very hard to believe that high grade Portland Cement concrete can be produced with unwashed aggregate. Therefore, is it proper to allow the use of this Designated Resource for road base and for other non-quality aggregate uses?

Response to Comment No. 5-d: The project is being proposed, thus, such issues related to water use should be addressed in the reclamation plan and associated environmental studies that will need to be considered before the project becomes viable.

Comment No. 5-e regarding general comments: ...it should be incumbent on you to urge the local land use jurisdiction agencies to do some detailed long range planning to preserve these Designated Resources for future use before it is too late. In Sector C we already have serious incompatibility problems and there are many other questions that need to be addressed before an appropriate preservation plan can be imposed.

Response to Comment No. 5-e: No response or additional consideration is deemed necessary.

Response to Comment No. 6 - Sophie Treder, Attorney, Treder Land Law Commented in Support of the Proposed Designations (August 6, 2012):

Response to Comment No.6: No response or additional consideration is deemed necessary.

Comment - County of Santa Barbara Planning and Development (August 9, 2012):

Comment No. 7-1 regarding Candidate Sector D (Deposits of the Santa Maria River Resource Area): There are 41 subsectors located in Sector D. Many of these subsectors cross jurisdictional boundaries in the County of Santa Barbara, City of Santa Maria, and County of San Luis Obispo. The County has reviewed these areas and identified no potential incompatibilities for the subsectors located in the unincorporated County.

Response to Comment No. 7-a: No response or additional consideration is deemed necessary.

Comment No. 7-b regarding Candidate Sector E (Deposits of the Sisquoc River Resource Area): Subsector E-1 is located adjacent to two rural residential communities, Gary and Sisquoc, in the unincorporated County. In the case of Gary, subsector E-1 appears to border the lands zoned for residential uses. Mining activities located this close to residential land uses may be incompatible. The County requests that the designation be delineated a distance from these communities in order to provide an adequate buffer to reduce incompatibilities.

Response to Comment No. 7-b: The designation of mineral lands by the SMGB pursuant to SMARA is based on the location of mineral resources determined to be of regional significance, and once designated will be incorporated in the lead agency's General Plan. The lead agency ultimately determines whether it will grant a permit for mining or other proposed and use within such designated areas. Pursuant to Public Resources Code Section 2774.2(A), the SMGB cannot exercise permitting authority on behalf of a lead agency. In addition, the SMGB has no authority in addressing local issues pertaining to air, traffic, noise, view sheds and buffer areas; such authority resides with the County. Designation does not prevent subsequent conservation of these areas, creation of buffer zones, or consideration of some other land use incompatible with mining.

Comment No. 7-c regarding Candidate Sector F (Deposits of Santa Ynez River Resource Area):

Comment No. 7-c-1: Subsector F-1 is located within 75 feet of Santa Rosa Park. Santa Rosa Park is a County owned park. Proposed mining operations may have the potential to negatively impact the park. The County requests that the designation be delineated a distance from the park in order to provide an adequate buffer to reduce incompatibilities.

Comment No. 7-c-2: Subsector F-5 may provide some incompatibilities related to scenic views from the Mission Santa Ynez looking toward the Santa Ynez River. The Santa Ynez Community Plan states "The rural view to the east of Mission Santa Ynez should be preserved in open space and in agricultural use wherever possible."

Comment No. 7-c-3: Sub sectors F-5 and F-6, located south of Santa Ynez and east of the City of Solvang, surround an existing trail easement. The Land Use Element of our Comprehensive Plan provides Parks/Recreation Policy #4 "Opportunities for hiking and equestrian trails should be preserved, improved and expanded wherever compatible with surrounding uses." The County requests that the designation be delineated a distance from this trail easement in order to provide an adequate buffer to reduce incompatibilities.

Comment No. 7-c-4: Subsector F-6 is located within the Highway 154 Scenic Highway Corridor. Proposed mining operations in this corridor may have the potential to negatively impact this scenic corridor.

Response to Comment No. 7-c-1, 7-c-2, 7-c-3 and 7-c-4: Refer to Response to Comment No. 7-b.

Comment No. 7-d: Subsector F-7 has differing boundaries on Plate 2C provided in the Special Report 215 and the electronic files provided by John Clinkenbeard at the California Geological Survey. As illustrated on Plate 2C of Special Report 215, the County has no comment.

As illustrated in the electronic files, the boundaries of Subsector F-7 span across the Bradbury Dam located at Cachuma Lake. Cachuma Lake is a major water resource reservoir for the County, which is administered by our Water Resources Division. However, the lake is federally owned by the United States Bureau of Reclamation (USBR) and operated by the Cachuma Operation and Maintenance Board (COMB). It is our recommendation that the Board notify the USBR and COMB if they haven't done so already. Additionally, County Staff reviewed the "California Surface Mining and Reclamation Policies and Procedures – Guidelines for Classification and Designation of Mineral Lands" and it is stated that a dam is considered to be in the category of economic exclusion. County staff urges the Board to work with USBR and COMB to determine if this area and the critical watershed above Bradbury Dam are suitable for designation.

Response to Comment No. 7-d: The boundaries as shown on the hard copy of Plate 2c were reviewed and are correct as shown.

Comment No. 7-d regarding Candidate Sector G (Deposits of the Upper Cuyama River Resource Area):

- a) It is our understanding that Sector G is a newly identified sector being considered for designation. We reviewed the location of this sector and found no potential land use incompatibilities.

Response to Comment No. 7-d: No response or additional consideration is deemed necessary.

Comment No. 8 regarding Margarita Proud concerns pertaining to buffer zones: Does the SMGB have specific criteria for buffer zones from residential land uses on small acreage, "improvements of high cost", and "economic exclusions" when establishing resource sector boundaries?

Response to Comment No. 8: Refer to Response to Comment No. 7-c-1, 7-c-2, 7-c-3 and 7-c-4.

Comment No. 9 – North County Watch (March 27, 2013): Generally, we believe this area is unsuited for designation as an extractive area for the following reasons:

- Currently a large portion of the surrounding land is zoned rural residential.
- There are a number of homes in the area.
- Highway 58 is the only haul route for any mined material and it has a number of constraints including passing through residential Santa Margarita; constraints of road design, railroad grade crossing issues.
- The area is adjacent to Los Padres National Forest and serves as a portion of a major east west wildlife corridor for mountain lion, bear, deer and numerous other species.

- The headwaters of the 147 mile Salinas River are contained in the proposed area. These upper Salinas headwaters (creeks and feeder streams) are designated under the Federal Endangered Species Act as critical habitat for the endangered South Central California Steelhead, *Oncorhynchus mykiss irideus* which is an evolutionary significant unit (ESU). The portions of the area are habitat for the endangered red-legged frog.
- Highway 58 and its surrounds contain significant aesthetic values. The area comprises an important view shed situated as gateway to eastern San Luis Obispo County and the Carrizo National Monument.
- The area already supports a century old gravel mine that is reported to have adequate reserves to supply the area into the next century.

Response to Comment No. 9: The North County Watch was not specific in its comments regarding which sectors were deemed unsuited for designation. The designation of mineral lands by the SMGB pursuant to SMARA is based on the location of mineral resources determined to be of regional significance, and once designated will be incorporated in the lead agency's General Plan. The lead agency ultimately determines whether it will grant a permit for mining or other proposed and use. Pursuant to Public Resources Code Section 2774.2(A), the SMGB cannot exercise permitting authority on behalf of a lead agency. Designation does not prevent subsequent conservation of these areas, or consideration of some other land use incompatible with mining.

Comment No. 10: (Margarita Proud) Request additional hearing prior to action by the SMGB being taken (March 27, 2013):

Response to Comment No. 10: The SMGB held a public hearing within the jurisdiction of Santa Barbara County on July 11, 2012 to receive comment from all stakeholders, and on April 11, 2013, held a regular business meeting and hearing in San Luis Obispo County to receive further comment from all stakeholders. At its April 11, 2013 regular business meeting, the SMGB deferred action to allow sufficient time to review and consider all comments received.

Comment No. 11 – Law Offices of Babak Naficy believe the SMGB must comply with CEQA because designation of specific areas as containing mineral deposits of statewide or regional significance is a discretionary “project” capable of causing significant adverse environmental impacts (March 28, 2013).

Response to Comment No. 11: This issue has been previously addressed by the SMGB via Resolution No. 98-01; whereas, although the SMGB recognizes the importance of addressing and fulfilling the requirements of CEQA, and fully supports the application of CEQA to defined projects, specific court cases have further refined the definition of “Project” that is subject to CEQA. Notably, the SMGB has determined that CEQA compliance is not required for action of the SMGB pursuant to PRC Section 2790 et seq. designating specific geographical areas of the State as areas of regional or statewide mineral significance. This policy is based on the SMGB's conclusion that the designation process in and of itself does not constitute a “Project” as defined under CEQA. SMGB Resolution 98-01 is attached.

Comment No. 12: Charles Kleemann Commented on applicability of CEQA (March 28, 2013):

Response to Comment No. 12: Refer to Response to Comment No. 11.

Comment No. 13: County of San Luis Obispo Department of Planning and Building Reiterated Comments Provided under Comment No. 3:

Response to Comment No. 13: Refer to Response to Comment No. 3.

Comment No. 14 – Roy Reeves on behalf of Margarita Proud Commented on the Following (June 26, 2013):

- On June 25, 2013, without a staff report or details of the item provided, Item-X7 was added to the agenda originally made available to the public on June 20, 2013. According to comment policy published on the SMGB website, comments for the July 11, 2013 meeting would be due by 5:00 p.m. on June 26, 2013. Sufficient time for the public and lead agencies to comment prior to the deadline for comments has not been provided.
- Affected property owners within the Production-Consumption Region have not received notification of the existence of the designation process despite repeated requests. All land owners within all sectors being considered for designation should be notified well before taking actions that will affect them, and included in the process.
- A weekday meeting held nearly 400 miles from affected areas essentially guarantees exclusion of property owners most needing of representation. Conversely, the mining industry will likely be well represented.
- To comply with SMARA regulations, your board “*shall seek the recommendations of concerned federal, state, and local agencies, educational institutions, civic and public interest organizations, and private organizations and individuals in the identification of areas of statewide and regional significance.*”¹ SMGB has neither sought recommendations from, nor responded to comments and recommendations submitted by the San Luis Obispo County Department of Planning and Building (local lead agency); Margarita Proud (private nonprofit organization); Babak Naficy (counsel to Margarita Proud and Santa Lucia Sierra Club); and other individuals.
- The local lead agency, San Luis Obispo County Department of Planning and Building, was made aware of the designation process by Margarita Proud, a local resident group. Special Report 215 was only provided to SLO County by the SMGB after a specific request for a copy of the document had been made.
- Designation of mineral lands without the procedural safeguards of CEQA compliance fundamentally flaws process as previously outlined by counsel², Babak Naficy, prior to the April 2013 meeting. We reiterate our request for your careful consideration of that letter and a detailed response to it before taking further action on the designation process.

Response to Comment No. 14: Refer to Response to Comment Nos. 2-a, 10 and 11.

**REVISIONS MADE TO PROPOSED DESIGNATED AREAS
BASED ON COMMENTS RECEIVED**

In response to comments received on the proposed designation of the San Luis Obispo-Santa Barbara P-C Region, several modifications were made to the Sectors proposed for designation. All of the modifications resulted in deletions of areas to remove utility corridors that were within the proposed Sectors. The total area removed was 273 acres and the total resources in those areas were 82.9 million tons. Table 1 lists the deletions by Sector and subsector. Based on these changes, all references to the total area within Sectors in the P-C Region should be changed from 38,454 acres to 38,181 acres; and all references to total aggregate resources should be changed from 10.7 billion tons to 10.6 billion tons.

By Sector, the changes in areas and resources are summarized below:

Sector C - New area: 12,160 acres [old area: 12,289 acres]
New resource: over 6 billion tons [same as old resource]

Sector D - new area: 16,794 acres [old area: 16,862 acres]
New resource: 3,814 million tons [old resource: 3,836 million tons]

Sector F - new area: 3,500 acres [old area: 3,576 acres]
New resource: 274 million tons [old resource: 280 million tons]

Table 1					
Table of changes to Sectors in the San Luis Obispo-Santa Barbara P-C Region					
Special Report 215 (2011)			Designation Report		
Sector	Area (acres)	Resources (million tons)	Designated Sector	Area (acres)	Resources (million tons)
C-1a	6,116	3,033	C-1a	6,030	2,990
			C-1a	46	23
C-1b	596	296	C-1b	521	258
C-2	2,347	1,164	C-2	2,333	1,157
				-129	-65
D-2	1,616	263.9	D-2	1,218	198.9
			D-2	375	61.2
D-6	593	76.8	D-6	405	52.5
			D-6	178	23.1
D-10	717	157.6	D-10	637	140
			D-10	69	15.2
D-11	1,148	275.8	D-11	1,146	275.3
D-15	271	40	D-15	172	25
			D-15	77	11
				-68	-11.9

Table 1

Table of changes to Sectors in the San Luis Obispo-Santa Barbara P-C Region

Special Report 215 (2011)			Designation Report		
Sector	Area (acres)	Resources (million tons)	Designated Sector	Area (acres)	Resources (million tons)
F-1	1,390	108.8	F-1	526	41.2
			F-1	855	66.9
F-3	879	68.8	F-3	870	68.1
F-7	238	18.6	F-7	72	5.6
			F-7	108	8.4
				-76	-6.0
			TOTAL CHANGE	- 273	- 82.9

A Resolution of The State Mining & Geology Board

THE STATE MINING &
GEOLOGY BOARD

Sacramento, California

DeWayne Holmdahl, Chairman
Julie Mann, Vice Chairwoman
Charles Buckley
Sands Figuers
Robert Grunwald
Raymond Krauss
Robert Munro
Sheila M. Murphy
Lee Thibadeau

Resolution Number 98 - 01

Affirming that Board Actions for Designating
Specific Geographic Areas as Having Regional or Statewide
Mineral Significance Is Not a Project Under the
California Environmental Quality Act

Whereas: The Legislature finds and declares in the Surface Mining and Reclamation Act (SMARA, PRC § 2710 et seq.) that the extraction of minerals is essential to the economic well-being of the State and to the needs of society;

Whereas: Pursuant to PRC § 2790 of SMARA, the Board is authorized to designate, based on information received from the State Geologist, specific geographic areas of the State as areas of regional or statewide significance;

Whereas: Areas of regional or statewide significance are defined in SMARA (PRC § 2726 and § 2727) as areas designated by the Board which are known to contain a deposit of minerals, the extraction of which is judged to be of prime importance in meeting the future needs for minerals in a particular region of the State, or for the entire State, respectively;

Whereas: Section 15378 of the California Environmental Quality Act (CEQA) Guidelines defines a "Project" that is subject to the conditions and requirements of CEQA;

Whereas: The Board recognizes the importance of addressing and fulfilling the requirements of CEQA, and fully supports the application of CEQA to defined projects;

Whereas: Recent case law in *Kaufman & Broad-South Bay vs. Morgan Hill Unified School District et al* (Court of Appeal of California, Sixth Appellate District, September 9, 1992), and *Stand Tall on Principles vs. Shasta Union High School District* (1991), and others, has further refined the definition of "Project" that is subject to CEQA; and,

Whereas: The Board finds that established and similar practices within the Department of Conservation that designate areas of the State to contain geological hazards are not subject to CEQA requirements;

Therefore be it resolved: That it is the finding of the Board, and hereafter the Board's Policy, that CEQA compliance is not required for actions of the Board pursuant to PRC § 2790 et seq. designating specific geographic areas of the State as areas of regional or statewide mineral significance. This policy is based on the Board's conclusion that the designation process in and of itself does not constitute a "Project" as defined under CEQA.



DeWayne Holmdahl, Chairman

Adopted: January 15, 1998