



STATE MINING AND GEOLOGY BOARD

EXECUTIVE OFFICER'S REPORT

For Meeting Date: September 13, 2012

Agenda Item No. 2: Acceptance of Recommendations of the State Geologist for Designation of Mineral Lands for Portland Cement Concrete-Grade Aggregate in the Stockton-Lodi Production-Consumption Region, San Joaquin and Stanislaus Counties, California.

INTRODUCTION: At its May 10, 2012, regular business meeting, the State Mining and Geology Board (SMGB) accepted California Geological Survey (CGS) Special Report 199, a classification report on Portland cement concrete-grade (PCC) aggregate in the Stockton-Lodi Production-Consumption (P-C) Region. CGS Special Report 199 presented updated information previously provided in a classification report on Portland cement concrete-grade (PCC) aggregate in the Stockton-Lodi P-C Region first published in 1988. The previous report was published by the California Division of Mines and Geology (CDMG; now CGS) as Special Report 160— *Mineral Land Classification: Portland Cement Aggregate in the Stockton-Lodi Production-Consumption Region*. The State Geologist has recommended designation of select mineral resource lands in the Stockton-Lodi P-C Region. Upon acceptance of the State Geologist's recommendations, the Executive Officer can be directed to hold a public hearing to receive comments on the proposed action.

STATUTORY AUTHORITY: 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 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



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board, or any other areas as may be specified by the board, as one of the following:

- (1) Areas containing little or no mineral deposits.*
- (2) Areas containing significant mineral deposits.*
- (3) Areas containing mineral deposits, the significance of which requires further evaluation.*

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

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

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

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

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

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

BACKGROUND: Designation is the formal recognition by the SMGB of lands containing mineral resources of regional or statewide economic significance that are needed to meet the demands of the future.

The Department of Conservation’s (DOC) California Geological Survey (CGS) recently released Special Report 199 - *Update of Mineral Land Classification for Portland Cement Concrete-Grade Aggregate in the Stockton-Lodi Production-Consumption Region, San Joaquin and Stanislaus counties, California* (Smith and Clinkenbeard, 2012). This report updated information on Portland cement concrete (PCC) grade aggregate in the original classification study of the Stockton-Lodi Production-Consumption (P-C) Region published in



1988 as Special Report 160 - *Mineral Land Classification of Portland Cement Concrete Aggregate in the Stockton-Lodi Production-Consumption Region* (Jensen and Silva, 1988).

The original classification study by Jensen and Silva (1988) assisted the SMGB in its subsequent mineral land designation process whereby the SMGB formally recognized, in regulation, lands containing mineral resources of regional or statewide economic significance. The SMGB designated construction aggregate resource areas of regional significance in the Stockton-Lodi P-C Region in SMARA Designation Report No. 9 - *Designation of Regionally Significant Construction Aggregate Resources in Stockton-Lodi Production-Consumption Region* (1988).

In the years since the designation of the Stockton-Lodi P-C Region, about 41 percent, or 2,348 acres of the 5,709 acres of lands originally designated by the SMGB have been depleted by mining or lost to land uses incompatible with mining. Lands depleted by mining include 1,404 acres containing approximately 208 million tons of PCC-grade aggregate resources and 267 acres containing a proprietary amount of PCC-grade sand resources. About 677 acres containing approximately 132 million tons of PCC-grade aggregate resources have been lost to incompatible land uses.

CANDIDATE AREAS FOR DESIGNATION:

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

Candidates for Designation -- Areas Reclassified MRZ-2:

New information obtained since the publication of the 1988 Mineral Land Classification study has resulted in the reclassification of some areas originally classified MRZ-3 or MRZ-1 in this study. Sectors E, F, and G are newly identified aggregate resource sectors that were not originally designated.

Each of the Sectors below meets or exceeds the mineral resource threshold value as established by the Board. At the time of the updated classification study, that threshold value amounted to approximately 1.3 million tons of PCC-grade aggregate. The permitted aggregate resources amounts contained in individual Sectors are considered proprietary.

Candidate Sector E (Subsectors E-1 through E-10): This Sector is in Sections 32 and 33, T3S, R6E, and Sections 3,4,5,6,7,8,9, and 10, T4S, R6E MDBM. It is located southwest of the town of Vernalis, to the west of Welty road and east of Interstate 580. It is adjacent to Sector B on the northwest and Sector C to the south. A portion of Subsector E-10 extends into Stanislaus County. Subsectors E-1 through E-10 contain 2,813 acres covering the area between the Lone Tree and Hospital Creek alluvial



fans. The Sector contains three active aggregate mines producing PCC-grade aggregate. The PCC-grade aggregate resources (including reserves) in Subsectors E-1 through E-10 are proprietary.

Candidate Sector F (Subsectors F-1 through F-10): This Sector is in Section 25, 35 and 36, T3S, R5E, MDBM, Section 1, T4S, R5E, MDBM, Section 31, T3S, R6E, MDBM and Section 6, T4S, R6E, MDBM. It is located west of the town of Vernalis and is traversed by Bird Road, Highway 132 and Interstate 580. It is adjacent to Sector B on the east. Subsectors F-1 through F-10 total 927 acres and cover an area west of the Lone Tree Creek Alluvial Fan. Portions of the Sector are currently permitted for mining of PCC-grade aggregate. The PCC-grade aggregate resources (including reserves) in Subsectors F-1 through F-10 are proprietary.

Candidate Sectors G (Subsectors G-1 and G-2): This Sector is in Sections 8, 9, and 16 T2S, R6E, MDBM (projected). It is located southwest of the City of Lathrop and is southeast of interstate 205/5 and northeast of Paradise Cut. It is adjacent to Sector D to the northeast. Subsectors G-1 and G-2 total 289 acres covering the area to the southwest of the active Brown Sand Inc. mining operation. The two Subsectors are currently permitted to be mined by Brown Sand Inc. The PCC-grade sand resources (including reserves) in Sectors G-1 and G-2 are proprietary.

CANDIDATE AREAS FOR TERMINATION OF DESIGNATION:

All or parts of eight Sectors are identified as potential candidates for termination of designation status because of depletion due to mining or development of incompatible land uses. These areas are indicated on the accompanying Plate.

Candidates for Termination of Designation in Sector A-1: There are twelve subsectors totaling 462 acres that have been depleted by mining (A-1b, A-1c, A-1d, A-1f, A-1h, A-1i, A-1j, A-1k, A-1n, A-1o, A-1p and A-1q). The total amount of PCC-grade aggregate resources depleted by mining in these subsectors is proprietary.

Candidates for Termination of Designation in Sector A-2: There are seventeen subsectors totaling 1,424 acres that have been depleted partially or completely by mining or now have land uses incompatible with mining. Subsectors A-2a, A-2b, A-2c, A-2h, and A-2i covering 677 acres containing 132,579,000 tons of PCC-grade aggregate resources have been lost to urbanization. Subsectors A-2j, A-2n, A-2p, A-2q, A-2r, A-2s, A-2t, A-2u, A-2v, A-2w, A-2y, and A-2z covering 747 acres and containing a proprietary amount of PCC-grade aggregate resources have been depleted by mining.

Candidates for Termination of Designation in Sector A-3: There are three subsectors totaling 140 acres that have been depleted by mining (A-3a, A-3b, and A-3c). The



total amount of PCC-grade aggregate resources depleted by mining in these subsectors is proprietary.

Candidates for Termination of Designation in Sector A-4: There are two subsectors totaling 55 acres that have been depleted by mining (A-4a and A-4b). The total amount of PCC-grade aggregate resources depleted by mining in these subsectors is proprietary.

Candidate for Termination of Designation in Sector D-9: 197 acres of Sector D-9 have been depleted by mining. The total amount of PCC-grade sand resources depleted by mining is proprietary.

Candidate for Termination of Designation in Sector D-10: 9 acres of Sector D-10 have been depleted by mining. The total amount of PCC-grade sand resources depleted by mining is proprietary.

Candidate for Termination of Designation in Sector D-11: 51 acres of Sector D-11 have been depleted by mining. The total amount of PCC-grade sand resources depleted by mining is proprietary.

Candidate for Termination of Designation in Sector D-12: 10 acres of Sector D-12 have been depleted by mining. The total amount of PCC-grade sand resources depleted by mining is proprietary.

CONSIDERATIONS BEFORE THE SMGB: At this time, based on the updated CGS Special Report 215 by Miller and Clinkenbeard (2011), the SMGB has the following options to consider. 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 listed above for designation be designated, and the candidate Sectors and portions of Sectors for termination of designation listed above have their designation status terminated. The Executive Officer recommends that the SMGB 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) be designated as lands containing construction aggregate resources of regional or statewide significance, and 2) direct the Executive Officer to schedule a public hearing to allow for stakeholders and the public to offer comments on the proposed action(s).



SUGGESTED MOTION LANGUAGE:

To accept the State Geologist's recommendations:

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

Executive Officer
Respectfully submitted:



Stephen M. Testa
Executive Officer

