



STATE MINING AND GEOLOGY BOARD

DEPARTMENT OF CONSERVATION

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OFFICIAL NOTICE OF PUBLIC MEETING

THE STATE MINING AND GEOLOGY BOARD

Conducted a Regular Business Meeting on:

Thursday, June 14, 2018

9:30 a.m. to 4:30 p.m.

**California State Capitol
Assembly Hearing Room #444
Sacramento, California 95814**

For questions or comments regarding this Agenda, please contact the SMGB office by telephone at (916) 322-1082, or via email at smgb@conservation.ca.gov. This Notice, the agenda, and all associated staff reports can be accessed at the SMGB's web site at: <http://www.consrv.ca.gov/smgb/>.



PUBLIC MEETING AGENDA

1. Call to Order (Potter)

The meeting was called to order at 10:00 by Chair Potter.

2. Pledge of Allegiance

3. Roll Call and Declaration of a Quorum

The roll was called with Members Anderson, Kappmeyer, Kenline, Landregan, Potter, Sheingold, and Zafir present and Member Noushkam absent and a quorum was declared.

4. Review of the Agenda (Potter)

5. Department Reports

- State Geologist's Report

State Geologist, Dr. John Parrish, reported on the following:

- CGS received approval of a BCP for \$500,000 for the minerals program for this year and next year; these funds will be used to rebuild and revamp the mineral resource program. An additional \$500,000 was approved for the seismic hazards program.
- Last week Dr. Parrish attended the annual Association of American State Geologists meeting in Delaware and met with USGS Director James Riley.
- CGS will lose two employees to retirement this month, Ron Churchill and John Clinkenbeard; they anticipate hiring 12 employees over the next year.

- Division of Mine Reclamation & Department of Conservation Reports

Division Supervisor, Pat Perez, reported on the following:

- DMR will be releasing and posting the final Lead Agency Review and Assistance (LARA) report for the City of Rialto, despite the City not being receptive or willing to provide the requested information. They are working on developing a draft initial report for the City of Palmdale and County of Ventura and anticipate having those done in early fall.
- The second inspection training workshop was held in Amador County; the next will be June 26-27 in Sonoma County.
- The Governor, Speaker, and Pro Tem have reached an agreement on the budget; the Assembly and Senate will be voting on it soon.
- The DOC got BCP approval for 30 new positions department-wide; DMR and SMGB budgets and positions will remain the same as last year.

6. Chair's Report (Potter)

The Chair had nothing to report.

7. Executive Officer's Report (Schmidt)

Executive Officer, Jeffrey Schmidt, reported on the following:

- The EO and staff have been keeping busy with rulemaking and inspection workshops.
- The SMARA Rulemaking chart has been updated and the rulemaking packages are on track.
- 11,000 emails have been received in response to the two backfilling regulations workshops held so far; more workshops are planned throughout the rest of the year.

8. Senior Engineering Geologist's Report (Arcand)

- Since the April meeting, 15 inspection reports and 10 Financial Assurance Cost Estimate (FACE) reviews have been completed; three of the FACE reviews are on consent.

- The first inspection of the 2018 inspection season was Big Cut Mine in El Dorado County last month.
- Continues to work with Mr. Lash on regulatory packages, especially revisions to the inspections package.

9. AGPA Report (Lash)

- Packages 1 and 2 have been completed and approved.
- Package 3 has been deferred until the August meeting at the request of DMR.
- Package 4 has been split into two parts: 4a, FACE appeals and 4b, Reclamation Plan appeals.
- Package 10 has been completed and met the statutory deadline.

10. Ex-Parte Communication Disclosure

No Ex-Parte Disclosures.

11. Public Comment Period

No Public Comments.

12. Consent Items

All the items appearing under this section will be acted upon by the Board by one motion and without discussion; however, any Board member wishing to discuss a particular item may request the Chair to remove the item from the Consent Calendar and consider it separately.

- A. Consideration and Approval of Minutes of the April 12, 2018 Regular Business Meeting.
- B. Approval of a Revised Financial Assurance Cost Estimate for Chile Bar Slate Mine (CA Mine ID #91-09-0004), Chile Bar LLC (Operator), Jacob Montazeri (Agent), County of El Dorado.
- C. Approval of a Revised Financial Assurance Cost Estimate for Somerset Sand Mine (CA Mine ID #91-09-0009), County of El Dorado (Operator), Brian Mullens (Agent), County of El Dorado.
- D. Approval of a Revised Financial Assurance Cost Estimate for Marin Quarry (CA Mine ID #91-09-0015), Sierra Pacific Industries (Operator), Richard Wade (Agent), County of El Dorado.

Vice Chair Landregan moved to approve the consent items including the revised minutes. Member Kappmeyer seconded and the motion carried with a roll call vote with Member Sheingold abstaining.

13. Rulemaking Action Items

- A. Consideration and Approval of Proposed Amended Regulatory Language and Initial Rulemaking Package #3, Inspections, Inspection Report Form, and Notice of Completion of Inspection Form (California Code of Regulations, Title 14, Division 2, Chapter 8, Subchapter 1, Article 1, Section 3504.5).

Deferred.

- B. Consideration and Approval of Proposed “Changes Without Regulatory Effect” for Financial Assurance Cost Estimate (FACE) Form, FACE-1 (1/17) (California Code of Regulations, Title 14, Division 2, Chapter 8, Subchapter 1, Article 1, Section 3805.1).

Nick Lash provided a brief overview of this item, explaining that the changes are minor and are based on user input and practical usage of the form.

Member Anderson moved to approve the proposed “Changes Without Regulatory Effect” and directed Board staff to proceed with rulemaking. Member Zafir seconded and the motion carried with a unanimous roll call vote.

14. Additional Action Items

- A. Recommendations from the State Geologist for the Designation, and Termination of Designation, of Mineral Lands for Portland Cement Concrete-Grade Aggregate in the Western San Diego Production-Consumption Region. (Gius)

Fred Gius, CGS Senior Engineering Geologist in the Mineral Resource Program, presented a summary of the State Geologist’s recommendations. There are nine new sectors recommended for designation. Of these, five have active, permitted mines and the other four meet the threshold for marketability. Three entire sectors have been recommended for termination of designation; one was depleted by mining and two were lost to urbanization. There are 109 partial sectors that have also been recommended for termination.

Member Zafir moved to accept the recommendations of the State Geologist for the designation and termination of designation of the candidate areas, and directed the Executive Officer to schedule a public hearing. Member Kenline seconded and the motion carried with a unanimous roll call vote.

15. Informational Items

- A. California Geological Survey Informational Report on Tsunami Hazards.

Tim McCrink gave a presentation on the CGS Seismic Hazard Program and tsunami and fault rupture hazards. In 2014, the Tsunami Policy Working Group was formed to establish Tsunami Hazard Zones. Within the next year, the goals are to hire staff; revise Seismic Hazard Mapping act regulations to include tsunami hazards; and form a Technical Advisory Committee (TAC) to develop tsunami zone criteria and develop guidelines. Release of preliminary/official Tsunami Induction Zone maps could be released as early as November of this year.

Informational item only, no action taken.

- B. California Geological Survey Informational Report on SP 42 *“Earthquake Fault Zones – A Guide for Government Agencies, Property Owners/Developers, and Geoscience Practitioners for Assessing Fault Rupture Hazards in California”*.

Tim Dawson with the CGS San Mateo office presented an overview of the A-P Program projects from 2014-2018 and provided an overview of the recent updates to SP 42. SP 42 has been around since the mid 1970’s and provided little guidance to the administration of the A-P Act and state-of-practice fault investigations. The updated version features audience targeted chapters; a glossary of terms; graphics and flow charts; expanded guidance for conducting/reviewing Fault Evaluation Reports; and in the digital version, embedded hyperlinks.

Informational item only, no action taken.

- C. Pre-Rulemaking Activity for Rulemaking Package #4 (a), Financial Assurance Cost Estimate (FACE) Appeals (California Code of Regulations, Title 14, Division 2, Chapter 8, Subchapter 1, Article 7).

Nick Lash provided an overview and potential timeline for the rulemaking package.

Informational item only, no action taken.

- D. Informational Report on Updates to 2017 Mining Operation Annual Report Low Gross Exemption Fee Request Form, MRRC-4L and Multiple-Site Single Fee Request Form, MRRC-4M (California Code of Regulations, Title 14, Division 2, Chapter 8, Subchapter 1, Article 8, Sections 3697, 3698, and 3699).

Nick Lash provided an overview of the updates to Form MRRC-4L and MRRC-4M.

Informational item only, no action taken.

- E. DOC Newsletter Article, "*Shall We Gather at the River?*" (Handout)

16. Special Reports and Presentations

Based on this information, the Chair may instruct Board staff to initiate administrative actions.

17. Board Committee Reports

- Geohazards Committee (Chair Zafir)
- Minerals Conservation and Reclamation Committee (Chair Kenline)
- Board Policy and Administration Committee (Chair Landregan)
- Board Lead Agency Standards Committee (Chair Anderson)

18. Executive Session (Closed to the Public)

The Board will discuss information from its legal counsel on personnel matters and pending litigation and may take appropriate actions based on this information. This session is being held under Government Code, Section 11126.

Possible Items to be discussed:

- A. The Board Policy and Administration Committee will present the results of the performance review for the Executive Officer.

Pending Litigation to which the Board, or its officials, are a party:

- A. Teichert and Sons, Inc. v. SMGB, Western Aggregates, LLC, Real Party in Interest (Sacramento County Superior Court Case No. 34-20108000528; Third District Court of Appeal Case No. C082333)
- B. Joe & Yvette Hardesty v. SMGB (Sacramento County Superior Court Case No. 34-2010-80000594; Third District Court of Appeal Case No. C079617)
- C. Joe & Yvette Hardesty et al. v. SMGB (Sacramento County Superior Court Case No. 34-2012-80001070)

- D. Hardesty et al. v. SMAQMD et al. (United States District Court, Eastern District of California Case No. 2:10-cv-02414-KJM-KJN)
- E. Daniel Tankersly v. Will Arcand et al. (United States District Court, Eastern District of California Case No. 2:15-cv-01278-TLN-CMK)

Re-open Regular Business Session, Announce Results of Executive Session

Executive Session was held and no action was taken.

19. Announcement of Future Meetings

The next meeting was tentatively scheduled for August 9 in Sacramento.

20. Adjournment

The meeting was adjourned at 12:55 p.m.

APPROVED

Sandra Potter, Chair

Jeffrey Schmidt, Executive Officer