



STATE MINING AND GEOLOGY BOARD

DEPARTMENT OF CONSERVATION

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CONFORMED MINUTES

MINERAL & GEOLOGIC RESOURCES COMMITTEE (Robert Tepel, Chair; Brian Baca; John Lane; Charlie Wyatt) OF THE STATE MINING AND GEOLOGY BOARD

Conducted a Meeting on:

Thursday, March 10, 2011

8:30 A. M.

(or immediately following the Geohazards Committee Meeting)

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

AGENDA

For questions regarding this Agenda, please contact the SMGB office by telephone at (916) 322-1082, or by facsimile at (916) 445-0738. This Notice and associated staff reports can be accessed electronically at the SMGB's Internet web site at: <http://www.consrv.ca.gov/smgb/> (note: Agenda reports should be available electronically approximately one week prior to the scheduled meeting/hearing date).

The SMGB requests that all lengthy comments be submitted in writing in advance of the meeting date. To ensure that the SMGB has the opportunity to fully preview written material, comments should be received in the SMGB office no later than 15 days prior to the scheduled meeting date, and must indicate the Agenda Item to which it relates. For written material in excess of two pages, or that contains large maps, photos, foldouts, or other documents requiring special handling, please submit 12 copies. The SMGB will not reproduce these types of documents. Comments on Agenda Items will be accepted by electronic mail, and are subject to the same conditions set forth for other written submissions.

Individuals are responsible for presenting their own projects at the meeting.

[NOTE: Times are approximate. The chairman may alter the hearing start time or agenda item order during the meeting.]

I. Call to Order (Garner)

The meeting was called to order at 8:30 A.M.

II. Roll Call and Declaration of a Quorum

All committee members were present, including Member Jones, with the exception of Members Garner and Lund, at the time of roll call, and a quorum was declared.

III. Consent Items [Action]

[All the items appearing under this section will be acted upon by the committee by one motion and without discussion; however, any committee member wishing to discuss a particular item may request the Chairman to remove the item from the Consent Calendar and consider it separately under Continued Business or New Business.]

1. Approval of Minutes, July 10, 2008 Committee Meeting.

Committee Member Baca moved to approve the minutes. Committee Member Wyatt seconded and the motion carried with a unanimous voice vote.

IV. Continued Business [Action]

[These business items have been continued from a previous meeting/hearing.]

2. Consideration of a Revised Form for Classification Petitions.

Executive Officer Testa stated that classification petitions may be brought before the SMGB by any individual or organization to classify mineral lands that are claimed to contain significant mineral deposits pursuant to Public Resources Code Section 2761(b). Currently, the form used by a petitioner for classifying mineral lands serves for both classification and designation. However, the requirements for a petition to classify mineral lands differ from that required for designation, thus, the Committee is considering revisions to its form for Petition for Classification-Designation of Mineral Lands, and that the form to be used for classification petitions and solely used for such purpose.

Committee Member Baca moved to recommend approval of the revised form. Committee Member Wyatt seconded and the motion carried with a unanimous voice vote.

3. Consideration of an Administrative Process in Consideration of a Designation Petition.

Executive Officer Testa stated that at its March 11, 2010 regular business meeting, the SMGB accepted California Geological Survey Special (CGS) Special Report 214 for the classification of mineral resource land for Portland Cement Concrete (PCC) - grade aggregate for the proposed Wilson Ranch-Walltown Quarry Project, located in the County of Sacramento. The SMGB subsequently received a designation petition dated October 12, 2010, pertaining to the proposed project. The petition was the first designation petition received by the SMGB since the enactment of the SMARA.

The administrative process associated with such a petition request needs to be discussed prior to the SMGB considering this type of petition request. At its February 10, 2011, regular business meeting, the SMGB directed this matter to this Committee to consider and discuss an administrative process and program elements associated with the SMGB's consideration of a designation petition. Should the SMGB wish to entertain designation petitions, then the SMGB will need to revise its petition form to 1) reflect the specific needs for such petitions, 2) define the administrative process for considering a designation petition, and 3) consider under what circumstances or scenarios would qualify for a designation petition consideration.



Three scenarios are provided for discussion: 1) Designation petition for inclusion of an area within or immediately adjacent to an area previously classified and designated, 2) Designation petition for an area or immediately adjacent to areas classified but not designated, and 3) Designation petition for an area that has not been previously classified or designated. The information being provided is for the Committee's consideration, and it is the Executive Officer's recommendation that a draft designation petition form be developed and presented to the Committee for consideration and discussion.

- Adam Harper, representing the California Construction and Industrial Materials Association (CalCIMA), stated that this issue was important to the mining industry, CalCIMA was willing to work with the SMGB's staff on this matter, and concurs that the option of a designation petition has never been utilized to his knowledge.
- Committee Member Baca stated that actions by the state are governed by its available resources and budget, and individual parties would need to bear the cost.
- Committee Member Wyatt inquired as to whether the Committee could hear from CGS as to its scheduling process and ideas as to how the state could provide additional assistance.

Committee Member Baca moved to continue discussion for a future meeting scheduled in about 60 days. Committee Member Wyatt seconded and the motion carried with a unanimous voice vote.

4. Discussion of the Concept of a California Mineral Resources Plan.

Executive Officer Testa stated that in the SMGB's 2009-2010 Annual Report, the SMGB recommended that a California Mineral Resources Plan be developed. In 2006, CGS updated Map Sheet 52, and their accompanying report, providing general information about the current availability of California's permitted aggregate resources. Although the statewide and regional information on the map and in this report may be useful to local decision-makers, more detailed information contained in each of the aggregate studies employed in the compilation of Map Sheet 52 was aimed to be used for land-use and decision-making purposes. For the 31 aggregate study areas throughout the State, these study areas cover about 25 percent of the State and provide aggregate for about 90 percent of California's population.

It was concluded that in a five-year period (2001-2005), permitted aggregate resources have decreased by about 2.5 billion tons. Also, during this same period, more aggregate study areas had decreases in permitted aggregate resources than increases. Decreases were caused by changes in permitted resource calculations, aggregate consumption, and social and economic conditions leading to mine closures. Furthermore, aggregate price at the plant site and transportation costs have increased significantly in the past five years. Areas throughout the State are experiencing shortages in local permitted aggregate resources and are being forced to transport aggregate longer distances, significantly increasing the FOB cost by the time it reaches its final destination. Areas in very short supply of permitted aggregate resources include the counties of Fresno, North San Francisco Bay, Southern Tulare County, and Sacramento. In addition, the shortage of PCC-grade sand in the San Diego and the San Francisco Bay Areas has driven up the price in both areas, making importation of sand from Canada and Mexico into these regions competitive.

In the next 50 years, California will need approximately 13.5 billion tons of aggregate. This figure does not account for accelerated construction programs as a result of major bond initiatives, or from reconstruction following a major, damaging earthquake. Only one of the study areas, County of Yuba, has adequately permitted aggregate resources to meet or exceed its projected 50-year demand.



Due to the inability of local governments to meet their projected 50-year aggregate needs the SMGB is considering the merits for development of a California Mineral Resources Plan (Plan). The Plan could provide a framework for the mineral industry, legislators, and the public to consider options and make decisions regarding California's mineral needs. The Plan could be updated periodically, and serve to provide basic data and information on California's mineral resources including aggregate availability evaluations and assessments for urban growth, construction, and strategic minerals, while balancing environmental concerns and issues (i.e., water, greenhouse gases emissions, etc.). The Plan could also identify and evaluate existing and proposed statewide demand, management and aggregate availability programs and projects to address the State's aggregate and other mineral resources needs. The Executive Officer recommends that this matter be further discussed for a future scheduled meeting.

Committee Member Baca concurred with scheduling this matter for further discussion. Committee Member Wyatt seconded and the motion carried with a unanimous voice vote.

V. New Business [Action]

No new business was discussed.

VI. Good of the Meeting [Information]

[This time is scheduled to provide the public with an opportunity to address non-agenda items. Those wishing to speak should do so at this time. All persons wishing to address the Committee should fill out a speaker card and present it to the Secretary so that the Chair can determine the number of persons who wish to speak. Speakers are limited to three minutes except by special consent of the Chairman.]

No Good of the Meeting information was provided.

VII. Continuing Business [Information]

[This item is provided as an opportunity for any SMGB Committee member to receive information on or any items of continuing interest to the SMGB.]

No continuing business was offered.

VIII. New Business [Information]

[This item is provided as an opportunity for any SMGB Committee member to bring any item of new business to the Committee's attention for further discussion and further action.]

No new business was offered.

VII. Announcements of Future Meetings

The next meeting of the Committee was tentatively scheduled for May 2013.

VIII. Adjournment

The meeting was adjourned at 9:00 A.M.



APPROVED

George Kenline, Chairman

Stephen M. Testa, Executive Officer

