



STATE MINING AND GEOLOGY BOARD

DEPARTMENT OF CONSERVATION

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THE STATE MINING AND GEOLOGY BOARD

Conducted a Regular Business Meeting on:

Thursday, January 12, 2017

9:30 A.M.

LOCATION:

**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 electronically at smbg@conservation.ca.gov. This Notice and associated staff reports can be accessed electronically at the SMGB's web site at: <http://www.consrv.ca.gov/smgb/>.



1. Call to Order (Kracov)

The meeting was called to order at 9:35 a.m. by Chair Kracov.

2. Pledge of Allegiance

3. Roll Call and Declaration of a Quorum

Roll was called with Members Lane and Potter absent and a quorum was declared.

4. Review of the Agenda (Kracov)

5. Department Reports

- Director of Conservation's Report

Chief Deputy Director, Jason Marshall, reported on the following:

- The Department, State Lands, and Fish and Wildlife continue to work together on abandoned mines.
- The Governor's budget was released this week, including a BCP to increase Board spending authority on legal costs. Amount went from \$90,000 to \$200,000 pending approval by the legislature.

- State Geologist's Report

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

- CGS has been very active with the effects of recent rain storms, including landslides and rock slides; they expect to see landslides and debris flows over the next 3-4 months.
- By June all contracts for the buildout of the Earthquake Early Warning System must be in place. The buildout is expected to last six months to one year and the system should be fully operational within 18 months.
- Don Lindsey with the Forest and Watershed program received the 2016 Partnership Award from Cal Fire for his post-fire studies of the Valley Fire.
- They expect to release preliminary A-P maps for three quads including the Santa Monica fault in April or May; the release of the Napa Quad has been delayed at the request of USGS. Seismic hazard zonation/liquefaction maps are expected to be released mid-year.

- Division of Mine Reclamation Report

Supervisor Pat Perez reported on the following:

- The LARA program has initiated contact with the first two lead agencies, City of San Bernardino and the City of Rialto.
- DMR and Board staff continue to be collectively heavily engaged in rulemaking.
- DMR is in the process of interviewing for the remaining Engineering Geologist position.

6. Chairman's Report (Kracov)

- The Board has eight seats filled, however, Member Lane terms out and Member Kenline is applying for reappointment.

7. Executive Officer's Information Report (Schmidt)

- Further adjustments have been made to align the report with the Strategic Plan.
- A table has been added listing the SMARA exemptions that have come before the board since 2008, and the outcome of each.

8. Senior Engineering Geologist's Report (Arcand)

- Since the last meeting, the majority of time has been spent on completing 2016 inspections; 6 were completed in November and 26 in December.
- Addressed comments received from DMR on two proposed minor amendments; one is completed, the other is still in progress.

9. AGPA SMARA Reform Rulemaking Report (Lash)

- Thanked Members Anderson and Kenline for their availability in answering questions regarding SMARA.
- Rulemaking package #1, Fees Calculation, has been withdrawn from OAL to address issues with the regulatory language.
- Continue to work with Department staff on Rulemaking package #2, FACE form. Comment period ended Monday, and they will work to finalize the package and address comments received.

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 SMGB by one motion and without discussion; however, any SMGB 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, November 10, 2016 Regular Business Meeting. Member Landregan requested that the minutes be amended to note Vice Chair Potter as Chair of meeting.

B. Consideration and Approval of a Revised Financial Assurance Cost Estimate for Bear Creek Quarry (CA Mine ID #91-09-0001), Boyd Sears (Operator), County of El Dorado.

C. Acceptance of Inspection Reports as Performed and Completed Pursuant to Public Resources Code (PRC) Section 2774(b) for the following Surface Mining Operations:

- Diamond Quarry (CA Mine ID #91-09-0003), County of El Dorado.
- Chile Bar Slate Mine (CA Mine ID #91-09-0004), County of El Dorado.
- Cool Cave Quarry (CA Mine ID #91-09-0005), County of El Dorado.
- Somerset Sand Mine (CA Mine ID #91-09-0009), County of El Dorado.
- Snows Quarry (CA Mine ID #91-09-0012), County of El Dorado.

Member Landregan moved to approve the above consent items with the noted change to the minutes. Member Noushkam seconded and the motion carried with a unanimous roll call vote.

Removed from Consent:

- Weber Creek Quarry (CA Mine ID #91-09-0002), County of El Dorado.

Will Arcand, Senior Engineering Geologist, presented an overview of the site's background and current condition. Although there are outstanding violations, there has been no change since the last inspection.

Chair Kracov asked what has been done in regards to enforcement actions; Deputy Attorney General Chris Tiedemann stated that the tax liens on the property are almost equal to the property value, so there is no point in trying to collect.

Member Noushkam moved to accept the inspection report. Member Zafir seconded and the motion carried with a unanimous roll call vote.

13. Rulemaking Action Items

- A. Consideration and Approval of Revised Rulemaking Regulatory Language for Package #1, Fees Calculation, (CCR, Title 14, Division 2, Chapter 8, Subchapter 1, Article 8, Section 3698).

Will Arcand and Nick Lash gave a presentation on the status of the rulemaking, specifically the revised language. The rulemaking file has been withdrawn from OAL to address issues OAL had with the regulatory language; the version presented today addresses those issues.

Member Landregan moved to adopt the revised language and approve the Initial Statement of Reasons. Member Kenline seconded and the motion carried with a unanimous roll call vote.

- B. Consideration and Approval of Preliminary Rulemaking Process for Package #4, Reclamation Plan and Financial Assurance Cost Estimate (FACE) Appeals, (PRC Section 2770 (e)–(g)).

Nick Lash presented an overview and timeline of the rulemaking package.

Member Zafir moved to approve the initiation of the preliminary rulemaking process. Member Kenline seconded and the motion carried with a unanimous roll call vote.

14. Additional Action Items

- A. Election of new SMGB Vice Chair

Member Noushkam moved to nominate Member Landregan as the new SMGB Vice Chair. Member Zafir seconded and the motion carried with a unanimous roll call vote.

B. Consideration and Approval of 2015-2016 SMGB Annual Report (PRC Section 2717). Chair Kracov and Member Landregan suggested keeping the previous year's mission statement. Member Anderson suggested a footnote to Table 1 clarifying the ordinances listed are not all ordinances certified by the Board, only those certified since 2000.

Member Noushkam moved to accept the 2015-2016 Annual Report with the suggested changes. Member Anderson seconded and the motion carried with a unanimous roll call vote.

- C. Consideration and Approval of 2017-2018 SMGB Strategic Plan.

Member Noushkam moved to adopt the 2017-2018 Strategic Plan with the noted changes. Member Zafir seconded and the motion carried with a unanimous roll call vote.

15. SMGB Committee Reports

- Geohazards Committee (Chair Potter)
- Minerals Conservation and Reclamation Committee (Chair Kenline)

Member Kenline reported that he met with Izzy Martin with the Sierra Fund, to discuss backfill regulations.

- Board Policy and Administration Committee (Chair Landregan)

- Board Lead Agency Standards Committee (Chair Lane)

16. Executive Session (Closed to the Public)

The SMGB 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:

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

- A. Dutra Materials v. SMGB, Chevron Products Company, Real Party in Interest (Contra Costa County Superior Court Case No. N10-0388; First District Court of Appeal Case No. A147277)
- B. 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)
- C. Joe & Yvette Hardesty v. SMGB (Sacramento County Superior Court Case No. 34-2010-80000594; Third District Court of Appeal Case No. C079617)
- D. Joe & Yvette Hardesty et al. v. SMGB (Sacramento County Superior Court Case No. 34-2012-80001070)
- E. Daniel Tankersly v. Will Arcand et al. (United States District Court, Eastern District of California Case No. 2:10cv-02414-KJMKJN)

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

Deputy Attorney General Chris Tiedemann reported that Executive Session was held and no action was taken.

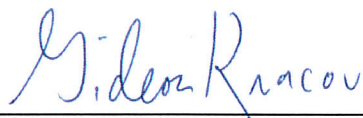
17. Announcements of Future Meetings

February 8 was announced as the date of the next meeting, with Sacramento as the location.

18. Adjournment

The meeting was adjourned at 3:29 p.m.

APPROVED



Gideon Kracov, Chair



Jeffrey Schmidt, Executive Officer