



# STATE MINING AND GEOLOGY BOARD

DEPARTMENT OF CONSERVATION

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Publication Date: February 3, 2016

## **NOTICE OF PUBLIC MEETING/HEARING**

### **THE STATE MINING AND GEOLOGY BOARD**

**Conducted a Regular Business Meeting on:**

**Thursday, February 18, 2016**

**10:00 A.M.**

**LOCATION:**

**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/>.

**I. Call to Order (Kracov)**

**II. Pledge of Allegiance**

**III. Roll Call and Declaration of a Quorum**

The meeting was called to order at 10:35 a.m. by Chairman Kracov with all members present, and a quorum was declared.

**IV. Review of the Agenda (Kracov)**

**V. Director's Report (Bunn, Department of Conservation) [Information]**

Department of Conservation Director, David Bunn, reported on the following:

- The natural gas leak at the Aliso Canyon Storage Field has been sealed.

DOC Legislative Director, Benjamin Turner, reported on the following:

- AB 1142 and SB 209 stakeholders met during the interim break and an agreement has been reached between local governments, industry, and environmental groups.
- Amendments include establishing Division of Mines within the DOC and create the Supervisor of Mines and Reclamation;
- Increase fees over a three year period to \$10,000, and increase transparency on how fees are spent;
- Clarify components of reclamation plans and enhance oversight of financial assurances and reclamation plans by the DOC and the Board;
- Create an inspection training program for lead agencies, and ensure inspections occur yearly, as well as improved enforcement of violations by the lead agency; will also create more options for the Board pertaining to lead agency oversight;
- Will allow operators to use corporate financial tests to meet a portion of their financial assurance obligations; this will require the Board to develop regulations on use of corporate financial tests.

Chairman Kracov inquired about the timeframe for these changes; Mr. Turner stated that both bills will be referred back to the fiscal committee and will likely be heard in April.

- State Geologist's Report (Parrish) [Information]

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

- Earl Hart, the first supervisor of the Alquist-Priolo Act in 1972, passed away on January 6. Mr. Hart worked for CGS for 40 years before retiring in 1994.
- They are in the process of hiring seven Engineering Geologists, three in seismic hazards, and four in forestry and watershed.
- The Menlo Park office will be moving in early 2017; a new location is yet to be determined.

Chairman Kracov inquired about the additional funding CGS had received and how it assisted with their mission. Dr. Parrish stated that funds for the Strong Motion Instrumentation Program and the Seismic Hazards Mapping Program come from a portion of building permit fees; the Legislature allowed a 30% increase to the portion of those fees, resulting in an additional 2-3 million per year. The Legislature also carved out an additional 1.3 million dollars to go solely to the A-P Act Program.



Chairman Kracov also inquired about future preliminary A-P map release dates; Dr. Parrish stated the next round of preliminary maps would probably be released in August or September.

- Office of Mine Reclamation Report (Perez) [Information]

Assistant Director of OMR, Pat Perez, presented the following:

- OMR is working on the development of an online system of Annual Report submittals.
- They have also been working closely with Director Bunn and ETSD on finding the best pathway towards integrating OMR's critical activities with DOC's database system.
- Conversations with the U.S. Army Corps of Engineers regarding funding opportunities will resume at the beginning of the federal fiscal year in October.
- All six critical managerial/supervisory positions have been filled; a new Office Technician and Seasonal Clerk have also been hired. Only seven vacancies remain.
- They are celebrating the 25<sup>th</sup> anniversary of OMR, and will have a large timeline on the bulletin board outside the Governor's office during the second or third week of May; the exhibit will also be shared with the Natural Resources Agency.

Member Noushkam inquired about the amount of funding available from the Army Corps of Engineering, and whether it had to be part of the federal budget; Mr. Perez stated that OMR had originally requested \$300,000, but the money in the previous federal budget was frozen.

Chairman Kracov asked whether OMR had position authority and the budget to fill the remaining seven vacancies; Mr. Perez stated that they could probably fill half of them.

#### **VI. Chairman's Report (Kracov) [Information]**

- Thanked Mr. Perez for the opportunity to meet with OMR staff.

#### **VII. Senior Engineering Geologist's Report (Arcand) [Information]**

- Board will be holding two public hearings to receive comments on the preliminary A-P maps in El Dorado County and San Bernardino County.
- On April 9, the Office of Administrative Law approved the rulemaking for the designation of mineral lands in the North San Francisco Bay P-C Region.
- Process has begun for procuring a new contract for a CEQA consultant.

Member Noushkam asked about the timeline for the CEQA consultant; Mr. Arcand stated that it takes a few months to get the contract approved, during which time we will receive Requests for Proposals from contractors.

Member Mendez inquired whether there were any plans to update the SMGB website; Mr. Arcand stated that we are aware of the need to update and will be working on it in the future.

#### **VIII. Ex-Parte Communication Disclosure [Information]**

[SMGB Members will identify any discussions they may have had requiring disclosure pursuant to Public Resources Code Sections 663.1 and 663.2.]

No Ex-Parte communication disclosures.



**IX. Public Comment Period [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 SMGB 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.]

- Laurie Racca, Staff Geologist for the Licensing Board, has been with the licensing board for about eight months, and wanted to introduce herself to the Board. She also stated that they will be changing the qualifications for the professional geologist license soon; workshops will be held pertaining to the changes and information can be found on the licensing board's website. She also provided a summary of her position as well as an overview of what the licensing board does.

**X. Consent Items [Action]**

[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 Chairman to remove the item from the Consent Calendar and consider it separately under Continued Business or New Business.]

1. Approval of Minutes, December 10, 2015, Regular Business Meeting.

Vice Chair Anderson moved to approve the minutes. Member Kenline seconded and the motion carried with a unanimous roll call vote.

2. Approval of a Revised Financial Assurance Cost Estimate for the Chile Bar Slate Mine (CA Mine ID #91-09-0004), Chile Bar LLC (Operator), Jacob Montezari (Agent), County of El Dorado.

Vice Chair Anderson moved to approve the revised Financial Assurance Cost Estimate. Member Kenline seconded and the motion carried with a unanimous roll call vote.

3. Approval of a Revised Financial Assurance Cost Estimate for the Avalon Mine (CA Mine ID #91-33-0002), Proficiency Rubidoux LLC (Operator), Jeffrey Trenton (Agent), City of Jurupa Valley.

Vice Chair Anderson moved to approve the revised Financial Assurance Cost Estimate. Member Kenline seconded and the motion carried with a unanimous roll call vote.

4. Approval of a Revised Financial Assurance Cost Estimate for the Super Creek Quarry (CA Mine ID #91-33-0003), Painted Hills Mining Company (Operator), Marty Derus (Agent), City of Desert Hot Springs.

Vice Chair Anderson moved to approve the revised Financial Assurance Cost Estimate. Member Kenline seconded and the motion carried with a unanimous roll call vote.

5. Approval of a Revised Financial Assurance Cost Estimate for the Garnet Pit (CA Mine ID #91-33-0031), Granite Construction Company (Operator), Jayne Powell (Agent), City of Palm Springs.



Vice Chair Anderson moved to approve the revised Financial Assurance Cost Estimate. Member Kenline seconded and the motion carried with a unanimous roll call vote.

6. Approval of a Revised Financial Assurance Cost Estimate for the Wheatland Clay Mine (CA Mine ID #91-56-0007), Gladding McBean (Operator), Greg Stevenson (Agent), County of Yuba.

Vice Chair Anderson moved to approve the revised Financial Assurance Cost Estimate. Member Kenline seconded and the motion carried with a unanimous roll call vote.

#### **XI. Continued Business [Action]**

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

7. Acceptance of State Mining and Geology Board's Information Report No. 11 titled "*Responsibilities of the Lead Agency under California's Surface Mining and Reclamation Act (SMARA).*"

Deferred

8. Consideration and Possible Action re: the State Mining and Geology Board's 2014-2015 Annual Report.

Will Arcand, Senior Engineering Geologist, and Chairman Kracov gave a brief presentation on the status of the Annual Report and the steps taken pertaining to revising and streamlining it.

Chairman Kracov moved to approve the 2014-2015 Annual Report with edits as follows: edits reordering and clarifying the number of mines; edits clarifying references to the tables; keeping the preamble on Pages 16-17; and direct Mr. Arcand to make those edits, finalize the report and submit to the legislature and Governor. Member Gavric seconded and the motion carried with a unanimous roll call vote.

#### **XII. New Business [Action]**

9. Election of Vice Chair of the State Mining and Geology Board Pursuant to Public Resources Code Section 669.

Mr. Arcand explained the authority which provides for the selection of a Vice Chair by the Board.

Vice Chair Anderson moved to select Member Potter as the next Vice Chair. Member Lane seconded and the motion carried with a unanimous roll call vote.

10. Consideration of Request to Revise Mining Operation Annual Report Form MRRC-2. [OMR].

April Balestreri, Manager of the Reporting and Records Unit, OMR, stated that revisions to the form are intended to clarify the process and add detail, resulting in fewer questions from operators to OMR, and reducing the number of operators who submit the Annual Report late. The revised form will also facilitate data entry for the online system.

Member Lane moved to approve the revisions to the Mining Operation Annual Report Form MRRC-2 effective beginning with the 2015 reporting year. Member Landregan seconded and the motion carried with a unanimous roll call vote.



**XIII. Special Reports and Department Presentations [Possible Action]**

[Based on these Reports, the Chair may instruct SMGB staff to initiate administrative actions.]

11. Information Report on Establishment of a California Earthquake Early Warning System.  
[CGS]

Dr. John Parrish, State Geologist, gave a presentation on what the Earthquake Early Warning System is, what is being done in California, and how that differs from other places with warning systems already in place.

- Member Mendez asked what the estimated budget would be for full statewide operations; Dr. Parrish stated that it would cost 23 million for the buildout in the entire state, with annual maintenance costs of 10 million.
- Member Lane asked how much of that money had been secured; Dr. Parrish stated that 6 million had already been secured from the federal budget.
- Member Noushkam asked how long it would take to get the system in place, provided all the funding was available; Dr. Parrish stated it would probably take 3-4 years to build out the whole system.

12. Information Report for Development of Online System for Submittal of Mining Operation Annual Reports (Form MRRC-2) and Payment of Fees. [OMR]

April Balestreri, Manager of the Reporting and Records Unit, OMR, stated that as a way of modernizing the business practices of OMR, they have been developing a system for mine operators to submit annual reports online. They are using a volunteer based pilot program of 200 operators for the 2015 reporting period, with a goal of having all operators file their reports and pay fees online for the 2016 reporting period.

- Member Landregan asked whether the data gathered from the online form would eventually be made easier for the public to access and is all the information needed on this form, or will there be supplemental information needed as well; Ms. Balestreri stated that all of the required information is on the form, and the goal is to make it easier for the public to access.
- Member Potter asked what stakeholders were involved in the process; Ms. Balestreri stated that at this point it has been an internal effort.
- Member Kenline asked if there were locks on the system to protect proprietary data as required by law; Ms. Balestreri stated that they recognize that information is confidential and it is protected.
- Adam Harper, representing CalCIMA, supports these changes and the clarity is helpful. They appreciate the small scale, volunteer initial roll-out.

13. Information Report on the Department of Conservation Office of Mine Reclamation Lead Agency Review and Assistance (LARA) Program. [OMR]

Pat Perez, Assistant Director of OMR, and Brett Koehler, Program Manager for the LARA program gave a presentation on the process and steps taken, an overview of where the program is now, and what is planned for the future.

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

- Bear Creek Quarry (CA Mine ID #91-09-0001), County of El Dorado.
- Weber Creek Quarry (CA Mine ID #91-09-0002), County of El Dorado.



- Diamond Quarry (CA Mine ID #91-09-0003), County of El Dorado.
- Lawyer Pit (CA Mine ID #91-09-0010), County of El Dorado.
- Snows Quarry (CA Mine ID #91-09-00), County of El Dorado.
- Lapis Sand Plant (CA Mine ID #91-27-0006), City of Marina.
- Rocky Point Borrow Site (CA Mine ID #91-32-0010), County of Plumas.
- Willow Creek (CA Mine ID #91-32-0012), County of Plumas.
- Santa Paula Materials (CA Mine ID #91-56-0034), City of Santa Paula.

Member Gavric moved to accept the inspection reports. Member Lane and the motion carried with a unanimous roll call vote.

#### **XIV. SMGB Committee Reports [Information and Action]**

- Geohazards Committee (Chairperson Gavric)

Chairperson Gavric stated that the AP TAC report will not be completed at this time, due to not being able to locate an author; none of the heads of the working groups were available to put together the report. A request has been made for any partial completed work, which will be archived.

- Minerals Conservation and Reclamation Committee (Chairperson Kenline)
- Board Policy and Administration Committee (Chairperson Mendez)
- Board Lead Agency Standards Committee (Chairperson Noushkam)
- Executive Officer Special Screening Committee (Chairperson Potter)

Chairperson Potter stated that the committee met to review the applications received, and there is another committee meeting scheduled for March 10 to conduct interviews.

#### **XV. New Business [Information]**

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

#### **XVI. Executive Session (Closed to the Public) [Action]**

[The SMGB will discuss information from its legal counsel on pending litigation and may take appropriate actions based on this information. This session is being held under Government Code, Section 11126.] Items to be discussed:

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

1. Dutra Materials vs. SMGB, Chevron Products Company Real Party in Interest, Case No. N10-0388, Contra Costa Superior Court.
2. A. Teichert and Sons, Inc. v. SMGB, Western Aggregates, LLC. Real Party in Interest, Case No. 34-2010-80000528, Sacramento County Superior Court.
3. William Calvert, Elfriede Calvert and the Yuba Goldfields Access Coalition v. SMGB, Western Aggregates, LLC. Real Party in Interest, Case No. 34-2010-80000530, Sacramento County Superior Court.
4. Joe & Yvette Hardesty v. SMGB, & DOES 1-100 Inclusive, Case No. 34-2010-80000594, Sacramento County Superior Court.



5. A. Teichert & Son, Inc. v. California State Mining and Geology Board, no. 34-80000528 and Calvert, et al. v. California State Mining and Geology Board, no. 34-2010-80000530.
6. Daniel Tankersley v. Will Arcand, et al., Case No. 2:15-CV-01278-TLN-CMK.
7. In addition, the SMGB may consider litigation matters which fall under Government Code Sections 11126(e)(2)(B) and 11126(e)(2)(C).

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

Deputy Attorney General Chris Tiedemann announced that the SMGB met in Executive Session and no action was taken.

**XVII. Announcements of Future Meetings**

March 10 was announced as the date of the next meeting, with Sacramento as the location.

**XVIII. Adjournment**

The meeting adjourned at 4:35 p.m.

**APPROVED**

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Gideon Kracov, Chairman

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Will J. Arcand, Senior Engineering Geologist

