

State Mining and Geology Board



2015-2016 Annual Report

Department of Conservation
Resources Agency



TABLE OF CONTENTS

The State Mining and Geology Board	4
Mission Statement	
Members of the Board	
Board Staff	5
Executive Summary.....	6
SMARA: Conserve the State’s Mineral Resources and Promote the Reclamation of Mined Lands.....	7
Table 1. SMGB Certified Surface Mining and Reclamation Ordinances.....	8
Board SMARA Regulatory Activities During The Reporting Period.....	11
SMARA: Serve as Lead Agency and Perform Responsibilities Within the Board’s Jurisdiction.....	12
Board Lead Agency Activities During the Reporting Period.....	13
Table 2. Lead Agencies Under SMARA	14
Figure 1. Former aggregate extraction pond and process water discharge area within the Yuba Goldfields near the community of Hallwood in Yuba County showing revegetating shorelines	15
Figure 2. Diamond Quarry located in El Dorado County.....	15
Figure 3. Atkinson Pit No. 1 located in the City of Compton. This former open pit clay mine is being reclaimed via backfilling to the adjacent street level for industrial land use	16
Figure 4. Overview of a portion of the Super Creek Quarry within the City of Desert Hot Springs where the operator mines Palm Springs Gold decorative rock.....	16
Figure 5. Satellite image of San Francisco Bay and surrounding areas showing locations of San Francisco BCDC marine dredging operations (in red) under the jurisdiction of the Board	17
Table 3. SMGB SMARA Lead Agency Surface Mines.....	18
SMGB "Legislative Recommendations".....	21

STATE MINING AND GEOLOGY BOARD

The State Mining and Geology Board was established in 1885 as the Board of Trustees to oversee the activities of the State Mineralogist and the California Division of Mines and Geology (now the California Geological Survey). It is the second oldest Board in California. Today's Board has nine members appointed by the Governor and confirmed by the State Senate, for four-year terms.

By statute, Board members must have specific professional backgrounds in geology, mining engineering, environmental protection, groundwater hydrology and rock chemistry, urban planning, landscape architecture, mineral resource conservation, and seismology, with one non-specialized member representing the general public.

The Board serves as a regulatory, policy, and hearing body representing the State's interests in geology, geologic, and seismologic hazards, conservation of mineral resources, and reclamation of mining lands.

California is the most geologically diverse and seismically active state in the United States. The Board seeks to help California's residents coexist safely with this dynamic geology and sustainably reap the benefits of mineral extraction.

Statutory Authority

The Board operates within the Department of Conservation, under the Natural Resources Agency, and is granted certain responsibilities and obligations under several statutes: Public Resources Code (PRC) Sections: 660-678 and 2207, 2621-2650 (The Alquist-Priolo Earthquake Fault Zoning Act), and 2710-2796 (The Surface and Mining Reclamation Act).

Surface Mining and Reclamation Act

The Surface Mining and Reclamation Act of 1975 (SMARA) Public Resources Code Sections 2710 et seq. and its regulations at 14 Cal. Code of Regulations Section 3500 et seq., provide a comprehensive surface mining and reclamation policy to assure that adverse environmental impacts are minimized and mined lands are reclaimed to a usable condition. SMARA also encourages the production, conservation, and protection of the State's mineral resources. Under these statutes, the Board represents the State's interests in the development, use and conservation of the State's mineral resources, and the reclamation of mined lands as authorized by law.

Alquist-Priolo Earthquake Fault Zoning Act

Under this Act, Public Resources Code Section 2621 through Section 2630, and its regulations at 14 California Code Regulations Section 3600 et seq., the Board is authorized to represent the State's interests in establishing guidelines and standards for geological and geophysical investigations and reports produced by the California

Geological Survey, public sector agencies, and private practitioners. The Board is also authorized to develop specific criteria through regulations to be used by lead agencies in complying with the provisions of the Act so as to protect the health, safety and welfare of the public.

Seismic Hazards Mapping Act

Under this Act, Public Resources Code Section 2690 through Section 2699.6 and its regulations at 10 California Code of Regulations Section 3720 et seq. the Board is authorized to provide policy and guidance through regulations for a statewide seismic hazard mapping and technical advisory program to assist cities, counties, and State agencies in fulfilling their responsibilities for protecting the public health and safety from the effects of strong ground shaking, liquefaction or other ground failure, landslides and other seismic hazards caused by earthquakes, including tsunami and seiche threats.

MISSION STATEMENT

The mission of the State Mining and geology Board is to represent the State's interest in the development, utilization, and conservation of mineral resources; reclamation of mined lands; development and dissemination of geologic and seismic hazard information; and to provide a forum for public participation.

MEMBERS OF THE BOARD

Gideon Kracov, Esq., Chair
Sandra Potter, Vice Chair
Brian Anderson
George Kenline
Stephanie Landregan
John Lane
Negar Noushkam
Dr. Zia Zafir, PhD

BOARD STAFF

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EXECUTIVE SUMMARY

The 2015-2016 *Annual Report of the State Mining and Geology Board* (Annual Report) is prepared for both the State Legislature and the Governor, as is provided for in statute pursuant to PRC Section 2717. Reporting periods follow the State's fiscal year calendar from July 1st of one year to June 30th of the following year.

This Annual Report summarizes activities and actions set forth by the Board during the 2015-2016 reporting period under the Surface Mining and Reclamation Act of 1975 (SMARA).

The Board has had a year of changes, challenges and opportunities in 2015-2016. After an exhaustive recruitment and interview process, the Board hired a new Executive Officer (EO) in May of 2016. The new EO fills a void which had been present for more than six months and allows the Board to fulfill its responsibilities and carry on its mission to the State of California.

In April of 2016, Governor Brown signed two bills to implement "top to bottom" reforms of SMARA. AB 1142 (Gray) and SB 209 (Pavley) effectively update and improve certain provisions of the Act, giving the Board more authority to oversee and implement SMARA. The amendments to SMARA are very significant, and will require much regulatory work from the Board in the years ahead.

During the reporting period the Board served as a lead agency under SMARA for a total of 40 individual surface mining operations located in California. Of these 40 surface mining operations, 23 were located within two counties (County of El Dorado and County of Yuba), 10 were located within cities that do not have certified surface mining ordinances, and 7 were marine sand mining operations located within the San Francisco Bay and bay delta areas.

To enable the Board to meet its responsibilities most effectively, it has established standing committees to gather information and formulate recommendations on a variety of topics. The Committees were restructured in March 2015 to match the four Strategic Plan Goals: Mineral Conservation and Reclamation, Lead Agency Responsibilities, Seismic and Geological Hazards, and Board Administration and Operations. The full Board and these Committees, meet in regularly scheduled sessions on a monthly or as-needed basis.

SMARA: CONSERVE THE STATE'S MINERAL RESOURCES AND PROMOTE THE RECLAMATION OF MINED LANDS

THE BOARD'S SMARA REGULATORY AUTHORITY

Promulgation of regulations that clarify and make more specific the SMARA statutes lies within the Board's authority, as does setting annual mine fees.

California's construction industry is greatly dependent on readily available aggregate deposits that are within a reasonable distance to market regions. Aggregate is a low unit-value, high bulk-weight commodity; therefore, aggregate for construction must be obtained from nearby sources in order to minimize costs to the consumer. If nearby aggregate sources do not exist, then transportation costs quickly can exceed the value of the aggregate. Transportation cost is one of the most important factors considered when defining the market area for an aggregate mine operation.

In an effort to address this issue, SMARA provides for a method by which mineral lands may be "Classified" by the State Geologist, and "Designated" by the Board. These Classification and Designation processes are methods by which an inventory of the State's most valuable mineral deposits can be compiled and made available to local communities for inclusion in their land use decision making.

Classification

Classification is the method by which the State Geologist, in accordance with a time schedule and based upon guidelines adopted by the Board, geologically evaluates the State's lands and categorizes those lands as: (1) having little or no mineral deposits; (2) areas containing significant mineral deposits; and, (3) areas containing mineral deposits, the significance of which requires further evaluation. These determinations by the State Geologist are made based solely on geologic factors, and without regard to existing land use or land ownership. Mineral Classification information is transmitted to the Board by the State Geologist, and then is provided to locally affected jurisdictions (cities and counties) by the Board in a Classification Report.

Designation

Designation is the process by which the Board, based on analyses by the State Geologist and the California Geological Survey (CGS), information gathered from local communities, the mining industry, and other government agencies such as the Governor's Office of Planning and Research, determines that a particular mineral classified deposit is of regional (multi-community) or statewide economic significance. In contrast to Classification, which inventories mineral deposits without regard to existing land use, the purpose of Designation is to identify those areas that are of prime importance in meeting the future needs of the study region and that remain available from a land use perspective.

Mining Ordinances

SMARA requires each lead agency (City, County, or City and County) to have a surface mining and reclamation ordinance that is in accordance with statute. To ensure ordinances are in compliance with SMARA and the Board's regulations, the Board has authority to review and certify that these local ordinances meet SMARA requirements.

Based on a review of the State's mineral resource management program (SMGB Information Report 2007-03), it was concluded that the Mining Ordinance review and certification program was working well, with an effective compliance rate of 100 percent.

SMARA requires that lead agencies periodically revise their respective mining ordinances to keep them consistent with legislative and regulatory changes. The Board is required to re-certify these ordinances before they become effective. A summary of mining ordinances certified by the Board from January 2000 through June 2016, is provided in Table 1:

Table 1 Board Certified Surface Mining and Reclamation Ordinances January 2000 through June 2016				
SMARA Lead Agency	City Or County	Certification Date	Resolution Number	Ordinance Number
Azusa	City	1/14/2000	Resolution 99-47	Ordinance No. 99-010
Bakersfield	City	3/9/2000	Resolution 2000-02	Ordinance No. 3943
Chula Vista	City	7/10/2003	Resolution 2003-03	Ordinance No. 2921
Claremont	City	12/14/2006	Resolution 2006-13	Ordinance No. 2007-02
Colusa	County	9/11/2003	Resolution 2003-04	Ordinance No. 659
Contra Costa	County	7/13/2000	Resolution 2000-08	Ordinance No. 2000-18
Fremont	City	2/10/2000	Resolution 2000-01	Ordinance No. 2352
Glenn	County	5/12/2005	Resolution 2005-05	Ordinance Nos. 1083 and 1171

Hayward	City	11/15/2004	Resolution 2004-09	Ordinance No. 04-12
Jackson	City	9/11/2003	Resolution 2003-05	Ordinance No. 627
Lake	County	7/13/2000	Resolution 2000-07	Ordinance No. 2533
Los Angeles	City	7/13/2000	Resolution 2000-06	Ordinance No. 173106
Madera	County	12/14/2006	Resolution 2006-10	Ordinance No. 525G
Mammoth Lakes	City	5/10/2001	Resolution 2001-05	Ordinance No. 01-02
Modoc	County	1/14/2000	Resolution 99-48	Ordinance No. 236-85
Oakland	City	6/19/2003	Resolution 2003-02	Ordinance No. 12496
Orange	County	6/11/2015	Resolution 2015-04	2014 Edition
Oxnard	City	10/11/2001	Resolution 2001-06	Ordinance No. 2579
Pacifica	City	5/12/2006	Resolution 2006-03	Ordinance Nos. 670-C.S. and 711-C.S.
Poway	City	11/15/2004	Resolution 2004-11	Ordinance No. 609
Rancho Cordova	City	7/23/2004	Resolution 2004-06	Ordinance No. 22-2004
Riverside	County	12/13/2012	Resolution 2012-05	Ordinance No. 555.19
Sacramento	City	6/15/2000	Resolution 2000-03	Ordinance No. 2000-005
Sacramento	County	9/11/2008	Resolution 2008-06	Ordinance Nos. SCC-1391 and SZC-2008-0019
San Bernardino	City	12/14/2000	Resolution 2000-14	Ordinance No. MC-1084
San Diego	City	7/13/2000	Resolution 2000-05	Ordinance No. 18802
San Jacinto	City	12/9/2004	Resolution 2004-12	Ordinance No. 04-08
Santa Clara	County	1/9/2014	Resolution 2014-03	Ordinance Section Nos. 2.10.040 and 4.10.370
Siskiyou	County	6/11/2015	Resolution 2015-05	Ordinance No.15-06
Tracy	City	11/9/2000	Resolution 2000-12	Articles 37 and 38 of the City Code

Truckee	City	1/11/2001	Resolution 2001-01	Ordinance No. 2000-04
Tulare	County	6/15/2000	Resolution 2000-04	Ordinance No. 3238
Yolo	County	12/13/2001	Resolution 2001-08	Ordinance No. 1276
Yolo-Cache Creek	County	2/5/2009	Resolution 2009-02	Ordinance No. 1376

Mineral Resource Management Policies (MRMP)

SMARA lead agencies are required to incorporate Mineral Resource Management Policies (MRMP) into their General Plans upon revision of their plans. Thirty-six lead agencies have mineral classified or mineral designated lands within their jurisdictions. MRMPs are required to be sent to the Board for review prior to their incorporation into local General Plans.

Enforcement and Appeals

Under SMARA, the Board is provided authority to hear appeals of enforcement actions taken by the Director against surface mine operators, as well as appeals of certain decisions made by a lead agency regarding reclamation plans and financial assurances.

BOARD SMARA REGULATORY ACTIVITIES DURING THE REPORTING PERIOD

Annual Mine Fee Schedule

Pursuant to PRC Section 2207(d) the Board is required to impose by regulation an annual reporting fee on each active and idle surface mining operation. On March 10, 2016, the Board accepted the fee schedule that was prepared and presented for the 2015 Reporting Calendar Year. Use of the prescribed formula defined in CCR Section 3698(c), and consideration of a Cost of Living Adjustment (COLA) of 1.5 percent as taken from the 2015 Consumer Price Index (CPI), resulted in a slight increase in fees for the mine production categories listed in CCR Section 3698 for the 2015 Reporting Calendar Year.

SMARA Regulatory Changes

On April 28, 2016, the Board commenced pre-rulemaking activities for development of proposed regulatory language for amendment of CCR Section 3698 – Fees Calculation. Subsequently, on June 9, 2016, the Board approved the initial Rulemaking Package for proposed revision to CCR Section 3698 - Fees Calculation.

Designation of Mining Lands and Designation Reports

On July 1, 2015, amended designation regulations for the Palm Springs Production-Consumption Region) became effective. Such amendments were based on the Board's November 14, 2013 adoption of pertinent regulatory language.

On July 1, 2015, amended designation regulations for the San Luis Obispo-Santa Barbara Production-Consumption Region became effective.

On August 13, 2015, the Board adopted amended regulatory language for designation, and termination of designation, of mineral lands in the North San Francisco Bay Production-Consumption Region.

In September 2015, Designation Report No. 12 pertaining to San Gabriel Valley Production-Consumption Region was finalized and posted on the SMGB's website.

On October 1, 2015, amended designation regulations for the Stockton-Lodi Production-Consumption Region became effective.

On October 8, 2015, the Board approved regulatory language for Designation, and Termination of Designation, of Mineral Lands in the Temescal Valley Production Region, Orange and Riverside Counties, California.

Mineral Classifications and Classification Reports

No classification reports were approved during the 2015-2016 reporting period.

Guidelines and Policies

On February 8, 2016, the Board approved revisions to the Mining Operation Annual Report Form MRRC-2, effective beginning with the 2015 reporting year.

Ordinances

No ordinances were certified during the 2015-2016 reporting period.

Review of MRMPs

No lead agency MRMPs were commented on during the 2015-2016 reporting period.

SMARA: SERVE AS A LEAD AGENCY AND PERFORM RESPONSIBILITIES WITHIN THE BOARD'S JURISDICTION

Under SMARA, the primary entity responsible for enforcement is the local "lead agency" - that is, the city or county in which a surface mine operates. The lead agency is responsible for assuring that all surface mine operations within its jurisdiction are in full compliance with SMARA. SMARA prescribes specific responsibilities and powers to the lead agency. Specific duties of lead agencies which are charged with the primary administration and enforcement of SMARA are to:

- Review and approve reclamation plans that meet the minimum requirements established by SMARA and the Board's reclamation performance standards (regulations) for surface mines;
- Approve financial assurances, subject to review annually, that are sufficient to pay for the costs of full reclamation of the lands disturbed by surface mining operations according to the requirements of the approved reclamation plan;
- Approve local permits for mining operations;
- Conduct an annual inspection of each surface mine to confirm that the operation is in compliance with the requirements of SMARA and its approved reclamation plan, and to remedy the situation if the operation is not in compliance;
- Issue Administrative Penalties to operators who do not come into compliance;
- Close operations that do not attain compliance;
- Maintain a surface mining ordinance that is in accordance with SMARA;

- Incorporate MRMP into their General Plans if there are mineral "classified" or mineral "designated" lands within the lead agency's jurisdiction.

The Board is provided authority to assume a lead agency's SMARA authority, in whole or in part with exception to permitting, when a lead agency's actions are in violation of the statute, or if the lead agency defaults on its SMARA responsibilities and obligations. Acting as the lead agency, the Board may also exempt from the requirements of SMARA specific surface mining operations that are of limited scope and duration, and cause little land disturbance.

Since 2002, the Board has exercised its assumption of lead agency authority for three counties, several cities without certified mining ordinances, and all marine dredging operations within the jurisdiction of the San Francisco Bay Conservation and Development Commission (BCDC). With a total of 42 surface mine sites statewide during the reporting period, the Board serves as one of the larger SMARA Lead Agencies in the state. At each of these surface mining operations, the Board conducts annual inspections, reviews and approves financial assurance cost estimates, and undertakes compliance and enforcement actions when deemed necessary.

BOARD LEAD AGENCY ACTIVITIES DURING THE REPORTING PERIOD

During the reporting period the Board served as a lead agency under SMARA for a total of 42 individual surface mining operations located in California. Of these, 24 were located within two counties (County of El Dorado and County of Yuba), 10 were located within cities that do not have certified surface mining ordinances, and 8 were marine sand mining operations located within the San Francisco Bay and bay delta areas.

Several images showing surface mining sites located within the jurisdiction of the Board as a SMARA lead agency are presented in Figures 1 through 5:

SMARA affects 116 jurisdictions comprised of 61 Cities and 55 Counties (Table 2), excluding those directly overseen by the BOARD (Table 3):

**Table 2
SMARA Lead Agencies**

County	County	City	City
Alameda	Orange	Amador City	Needles
Alpine	Placer	Anaheim	Oakland
Amador	Plumas	Apple Valley	Oceanside
Butte	Riverside	Atascadero	Oroville
Calaveras	Sacramento	Azusa	Oxnard
Colusa	San Benito	Bakersfield	Pacifica
Contra Costa	San Bernardino	Banning	Palmdale
Del Norte	San Diego	Barstow	Paso Robles
Fresno	San Joaquin	Chula Vista	Perris
Glenn	San Luis Obispo	Claremont	Poway
Humboldt	San Mateo	Colton	Rancho Cordova
Imperial	Santa Barbara	Corona	Redding
Inyo	Santa Clara	Fontana	Redlands
Kern	Santa Cruz	Fremont	Rialto
Kings	Shasta	Fresno	Riverside
Lake	Sierra	Grass Valley	Sacramento
Lassen	Siskiyou	Hayward	Saint Helena
Los Angeles	Solano	Healdsburg	San Bernardino
Madera	Sonoma	Highland	San Diego
Marin	Stanislaus	Ione	San Jacinto
Mariposa	Sutter	Irwindale	San Marcos
Mendocino	Tehama	Jackson	Santa Maria
Merced	Trinity	Lake Elsinore	Santa Rosa
Modoc	Tulare	Lake Forest	Santee
Mono	Tuolumne	Lathrop	Taft
Monterey	Ventura	Lompoc	Tracy
Napa	Yolo	Los Angeles	Truckee
Nevada		Mammoth Lakes	Twenty Nine
		Monrovia	Palms
		Montague	Upland
		Mount Shasta	Yreka



Figure 1. Former aggregate extraction pond and process water discharge area within the Yuba Goldfields near the community of Hallwood in Yuba County showing revegetating shorelines. (Photo credit: Will Arcand)



Figure 2. Diamond Quarry located in El Dorado County. (Photo credit: Will Arcand)



Figure 3. Atkinson Pit No. 1 located in the City of Compton. This former open pit clay mine was reclaimed in 2015 via backfilling to the adjacent street level for industrial land use. (Photo credit: Will Arcand)



Figure 4. Portion of the Super Creek Quarry within the City of Desert Hot Springs where the operator mines Palm Springs Gold decorative rock. (Photo credit: Will Arcand)

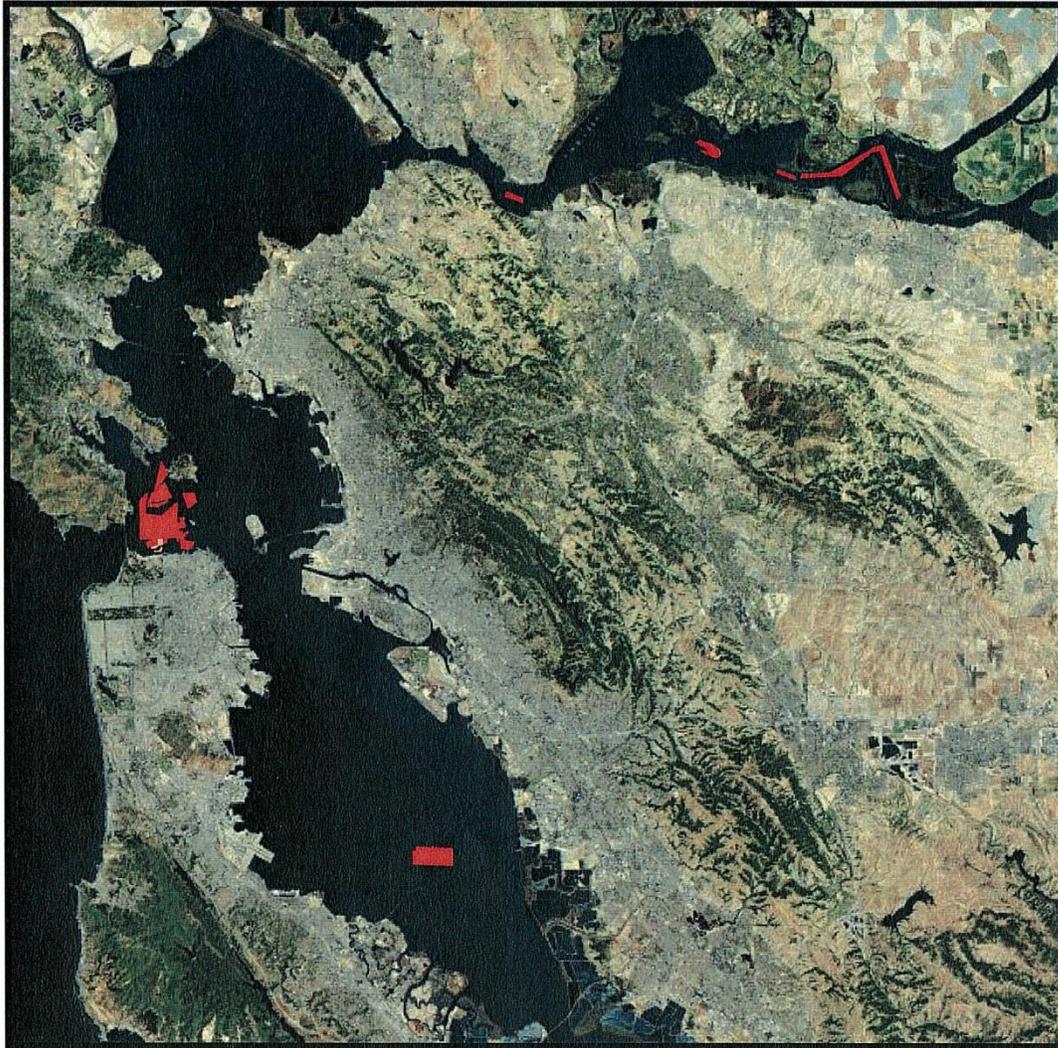


Figure 5. Satellite image of San Francisco Bay and surrounding areas showing locations of San Francisco BCDC marine mining operations (in red) under the jurisdiction of the Board. (Modified after Google Maps, 2009)

The status of all surface mining operations under the jurisdiction of the Board as a SMARA lead agency, as of June 30, 2016, is summarized below in Table 3:

Table 3 SMGB SMARA LEAD AGENCY SURFACE MINES				
CA ID No.	Mine Name	Status	Primary Commodity	Local Lead Agency
91-07-0006	Richmond (Chevron) Quarry	Mining Completed - Reclamation In Progress	Franciscan Rock, Recyclable Concrete and Asphaltic Material	City of Richmond
91-09-0001	Bear Creek Quarry	Active	Serpentinite Rock	County of El Dorado
91-09-0002	Weber Creek Quarry	Idle	Serpentinite Rock	County of El Dorado
91-09-0003	Diamond Quarry	Active	Limestone	County of El Dorado
91-09-0004	Chili Bar Slate Mine	Active	Slate	County of El Dorado
91-09-0005	Cool Cave Quarry	Active	Limestone	County of El Dorado
91-09-0006	Timm Mine	Idle	Specimen Gold	County of El Dorado
91-09-0009	Somerset Sand Pit	Active	Granitic Sand	County of El Dorado
91-09-0010	Lawyer Pit	Active	Granitic Sand	County of El Dorado
91-09-0012	Snows Road Quarry	Active	Alluvial Sand and Gravel, Placer Gold	County of El Dorado
91-09-0015	Marin Quarry	Idle	Granodiorite	County of El Dorado
91-09-00XX	Big Cut Mine	Unpermitted Illegal Mining Operation	Sand, Gravel, Placer Gold	County of El Dorado
91-19-0004	Atkinson Pit I	Mining Completed - Reclamation Complete	Clay	City of Compton
91-27-0006	Lapis	Active	Beach Sand	City of Marina
91-33-0002	Avalon Mine	Active	Granitic Rock, Sand and Gravel	City of Jurupa Valley
91-33-0003	Super Creek Quarry (Painted Hills)	Active	Decorative Stone	City of Desert Hot Springs

Table 3 (Continued)
SMGB SMARA LEAD AGENCY SURFACE MINES

CA ID No.	Mine Name	Status	Primary Commodity	Local Lead Agency
91-33-0029	Philadelphia Recycling Mine	Mining Completed, Reclamation in Progress	Fill Dirt	City of Jurupa Valley
91-33-0031	Garnet Pit	Active	Alluvial Sand	City of Palm Springs
91-33-0062	Pyrite Quarry	Active	Granitic Rock, Sand and Gravel	City of Jurupa Valley
91-38-0001	Alcatraz, Presidio, Point Knox	Active	Marine Sand	San Francisco BCDC
91-38-0002	Point Knox South	Active	Marine Sand	San Francisco BCDC
91-38-0003	Point Knox Shoal	Active	Marine Sand	San Francisco BCDC
91-38-0004	Alcatraz South Shoal	Active	Marine Sand	San Francisco BCDC
91-38-0005	Hanson Suisun Bay	Active	Marine Sand	San Francisco BCDC
91-38-0007	Jerico Suisun Bay Middle Ground Shoal	Active	Marine Sand	San Francisco BCDC
91-38-0011	MT&B Marine Oyster Shell Mining	Active	Marine Oyster Shells	San Francisco BCDC
91-43-0003	Azevedo Quarry	Closed – Reclamation in Progress	Ultramafic Rock	City of San Jose
91-56-0034	Santa Paula Materials	Active	Sand and Gravel, Recyclable Materials	City of Santa Paula
91-58-0001	Western Aggregates	Active	Alluvial Sand and Gravel	County of Yuba
91-58-0002	Knife River Hallwood	Active	Alluvial Sand and Gravel	County of Yuba
91-58-0003	Cal Sierra Development	Active	Placer Gold	County of Yuba
91-58-0004	Sperbeck Quarry	Active	Metabasalt	County of Yuba

91-58-0006	Teichert Hallwood	Active - Reclamation In Progress	Alluvial Sand and Gravel	County of Yuba
91-58-0007	Wheatland Clay	Active – Reclamation in Progress	Clay	County of Yuba
91-58-0011	Dantoni Pit	Active	Alluvial Sand and Gravel	County of Yuba
91-58-0013	Parks Bar Quarry	Active	Metabasalt	County of Yuba
91-58-0019	Teichert Marysville (Yuba-Hoffman)	Idle	Alluvial Sand and Gravel	County of Yuba
91-58-0022	Long Bar	Active	Alluvial Sand and Gravel	County of Yuba
91-58-0025	Simpson Lane	Idle	Alluvial Sand and Gravel	County of Yuba

During the 2015-2016 reporting period, Board lead agency staff conducted 44 annual inspections of surface mining operations, completed 44 annual inspection reports, and presented 44 annual inspection reports to the Board at their regularly scheduled meetings. These annual inspections were completed for the mine sites listed in Table 3 above, plus one site not shown on the table as it was merged with a neighboring site during the reporting period (SRI II was merged with SRI I to form Long Bar Mine under CA Mine ID No. 91-58-0022), plus four mine sites not under Board jurisdiction that were inspected by Board staff due to local lead agency financial conflicts of interest. In addition, Board lead agency staff reviewed 16 revised financial assurance cost estimates that were provided by mine operators directly under Board lead agency jurisdiction. An additional 28 financial assurance cost estimates that were not updated by mine operators during the reporting period were reviewed by Board staff as part of the annual inspection process. The 8 BCDC marine dredging operations did not require annual financial assurance cost estimate updates.

On July 23, 2015, one amended reclamation plan was approved administratively by Board staff in order to merge two existing separate but adjacent reclamation plans.

Three surface mining operations were found by the Board to be reclaimed as required by SMARA during the reporting period. On October 8, 2015, the Hanson Middleground marine sand mining operation was deemed closed and reclaimed, and on December 10, 2015, both the Atkinson Pit and Blue Point Mine sites were deemed closed and reclaimed.

During the reporting period, Board staff issued two Notices of Violation (NOV) to surface mining operations under the jurisdiction of the Board as a SMARA lead agency. Both of these NOVs were issued for failure to provide required revised financial assurance cost estimates. Both mine operators who received these NOVs promptly submitted the required revised estimates.

During the reporting period, two Orders to Comply (OTC) were issued to surface mining operations under the jurisdiction of the Board as a SMARA lead agency. Both of these OTCs were issued for failure to provide required revised financial assurance cost estimates. Upon receipt of the respective OTCs, both mine operators subsequently submitted revised financial assurance cost estimates.

No surface mining operations were considered by the Board during the 2015-2016 reporting period to be exempt from the requirements of SMARA per PRC Section 2714(f).

SMGB "LEGISLATIVE RECOMMENDATIONS"

The Board is required by PRC Section 2717 to report to the Governor and Legislature and on an annual basis offer "legislative recommendations" for consideration with regard to SMARA. SMARA has been amended 30 times since its enactment in 1975.

The most comprehensive changes to SMARA occurred early in 2016 when Governor Brown called for "top to bottom" SMARA reforms. With input from the Board's annual reports and after signing SB447 - (Lara) during the 2013/14 legislative session, the Governor's office convened a year-long stakeholder process in to craft substantive and procedural changes to the state's mining laws.

On April 18, 2016, Governor Brown signed SB 209 (Pavley) and AB 1142 (Gray) into law and the bills become effective on January 1, 2017. These reforms affect how the State Mining and Geology Board (Board) and the Department of Conservation (DOC), local lead agencies, and surface mine operators oversee, implement and comply with SMARA. The amendments to SMARA are very significant, and will require much regulatory work from the Board in the years ahead.

Specifically, these bills do the following:

- Creates "Division of Mine Reclamation" (DMR)
 - Replacing Office of Mine Reclamation
 - Creates "Supervisor of Mine Reclamation"
 - Replacing Assistant Director
- Increases annual fees and maximum collections to support SMARA implementation.
 - Incrementally increases maximum annual reporting fee for any single mining operation from \$4,000 to:
 - » \$6,000 in 2017-18 fiscal year
 - » \$8,000 in 2018-19 fiscal year
 - » \$10,000 starting in 2019-2020
 - » *Increases total revenue cap from \$3,500,000 to \$8,000,000.*
- Establishes special rules for Lead Agency owned/operated borrow pits.
- Allows Lead Agencies to develop reclamation plans that incorporate Interim Management Plans (IMP) measures or approve IMPs that remain in effect until the mine site is reclaimed.
- Inspections can occur every two years rather than every year if operation is idle.
- Requires division to provide a report to legislature on allocation and source of fee revenue by December 31, 2021.
- Authorizes SMGB to develop corporate self-bonding for up to 75 percent of financial

assurance.

- Provides clarity to the “onsite” construction exemption.
- Clarifies the components and organization of reclamation plans and the process for their approval to better identify the final approved plan or plan amendment.
- Requires lead agencies to certify reclamation plans are complete in addition to being compliant with SMARA when submitting for DOC review.
- Creates a new process for reviewing and approving financial assurances with DOC input.
 - Creates option for DOC to consult with a lead agency prior to lead agency approval of financial assurances.
 - Allows director of DOC to appeal financial assurances to the SMGB if determined inadequate.
- Revises forfeiture process of financial assurances.
 - Streamlines forfeiture process.
 - Allows lead agency and DOC to use seized funds to remediate site conditions as appropriate if bond inadequate to reclaim per reclamation plan.
- Requires DOC to develop an inspection training program for which all inspectors must attend.
- Requires DOC to develop a “guidance document” that provides “instruction and recommendations” for inspectors, in consultation with SMGB and stakeholders.
- Revises and streamlines the enforcement process.
 - Ties annual inspection results to initiation of enforcement.
 - Provides DOC and the SMGB with the authority to seek a clerk’s judgement following assessment of administrative penalties.
- Provides the SMGB more flexibility when determining whether to assume lead agency jurisdiction.
 - Allows SMGB to require lead agencies to develop “remedial” plans to better implement SMARA.
- Returns authority to determine vested rights to lead agencies.

Based on the extensive reforms mandated by AB 1142 and SB 109, the Board has no specific legislative recommendations for the 2015-2016 reporting period.