State Mining and Geology Board

2017-2018 Annual Report



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STATE MINING AND GEOLOGY BOARD

Mission Statement

The mission of the State Mining and Geology Board (Board) is to provide professional expertise and guidance, and to represent the State's interest in the (1) development, utilization, and conservation of mineral resources, (2) reclamation of mined lands, and (3) development and dissemination of geologic and seismic hazard information to protect the health and welfare of the people of California.

Board Role

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.

Board History

The Board was established in 1885 as a 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.

Board Members

The Board has nine members appointed by the Governor and confirmed by the State Senate for four-year terms. 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.

Sandra Potter, Chair, MS, PG, CEG Stephanie Landregan, Vice Chair, RLA Brian Anderson, MS, PG Pablo Garza, MA Janet Kappmeyer, PG, CEG George Kenline, PG, CEG, CHG Negar Noushkam, MS, PE Larry Sheingold Dr. Zia Zafir, PhD, PE, GE

Board Staff

Jeffrey Schmidt, Executive Officer Amy Scott, Executive Assistant Will J. Arcand, Senior Engineering Geologist, PG, CEG Jocelyn Fernandez, Office Technician Vacant, Associate Governmental Program Analyst

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FIGURE 1.



The State Mining and Geology Board as photographed in 1891. Today's Board has 9 members and represents a diverse mix of race, gender, and profession. (Archives)

Board Meetings

The Board is governed by the Bagley-Keene Open Meeting Act that requires the Board to (1) publish an Agenda at least ten days in advance of any meeting; (2) describe in the Agenda specific items to be transacted or discussed; and, (3) make no changes to the published agenda within 10 days of the meeting.

Persons are invited to visit the Board web site at http://www.conservation.ca.gov/smgb. The Board Agenda will be available approximately 15 days prior to the scheduled meeting. The Executive Officer's Report and other Agenda material and reports will be available approximately one week prior to the scheduled Board meeting, and also are available at the Board's office during public business hours 7:30 A.M. to 4:30 P.M. Monday through Friday (except holidays).

A Closed Session may be called by the Chair to discuss litigation and other matters for which closed sessions are authorized under the Bagley-Keene Open Meeting Act.

Board meetings are open to the public and are held in barrier-free facilities in accordance with the Americans with Disabilities Act.

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: (1) Public Resources Code (PRC) Sections: 2710-2796 (Surface and Mining Reclamation Act), (2) 660-678 and 2207, 2621-2650 (the Alquist-Priolo Earthquake Fault Zoning Act), and (3) 2690-2699.6 (Seismic Hazard Mapping 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 California 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 which is readily adaptable for alternative land uses. SMARA also encourages the production, conservation, and protection of the State's mineral resources. Under these statutes and regulations, the Board represents the State's interests in the development, use and conservation of the State's mineral resources in diverse areas, and the reclamation of mined lands as authorized by law. In April of 2016, Governor Brown signed two bills to implement 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.

Alquist-Priolo Earthquake Fault Zoning Act

Under this Act, Public Resources Code Section 2621 through Section 2630, and its regulations at 14 California Code of 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 also is authorized to develop specific criteria through regulations utilized and implemented 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-related hazards caused by earthquakes, including tsunami and seiche threats.

FIGURE 2.



Historic bucket-line dredge tailings adjacent to recent aggregate extraction ponds within the Yuba Goldfields near the community of Hallwood in Yuba County. (Arcand)

EXECUTIVE SUMMARY

This 2017-18 Annual Report is submitted by the California State Mining and Geology Board (Board) to both the State Legislature and the Governor pursuant to PRC Section 2717 for the fiscal year which began July 1, 2017 and concluded June 30, 2018. The Board met six times during the reporting period, with input from the Department of Conservation, the California Geological Survey, the Division of Mine Reclamation, and the public. This included a meeting at the Yuba County Government Center in Marysville followed by a tour of the Hallwood side channel and floodplain restoration project on the lower Yuba River.

To enable the Board to meet its responsibilities most effectively, it has established a 2017-2018 *Strategic Plan* to lay out goals and guidelines and established standing committees to gather information and formulate recommendations on a variety of topics. The committees include the:

- Mineral Conservation and Reclamation Committee
- Lead Agency Standards Committee
- Geohazards Committee
- Policy and Administration Committee

This *Annual Report* summarizes the responsibilities of the Board as well as the activities and actions accomplished by the Board during the 2017-2018 reporting period. Topics included are (1) work pertaining to the rulemaking process, (2) work of the Committees, and (3) the goals and guidelines of the 2017-2018 *Strategic Plan*. Finally, the Report presents legislative recommendations where the Board believes improvements can be made for the future well-being of the State's people and the wise use of its natural resources under the Surface Mining and Reclamation Act of 1975 (SMARA).

SMARA - RULEMAKING

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 Board, in conjunction with the Office of Administrative Law (OAL), continues to implement changes to SMARA stipulated by AB 1142 and SB 209 with an extensive rulemaking process. The Board began the rulemaking process in May of 2016 and expects to complete the final rulemaking package in the Winter of 2019 with possible amendments extending into 2020.

During the reporting period, Fiscal Year 2017-2018, the Board completed a number of rulemaking packages, as listed below:

TABLE 1. SMARA Rulemaking

Rule Making Package No.	Topic and Code Section	Status
1	Fees Calculation and Schedule (PRC §2207)	COMPLETED
2	Financial Assurance Cost Estimate (FACE) form (PRC 2773.1(a)(4))	COMPLETED
3	Inspections, Report Form and Notice of Completion (PRC §2774(b)(c)).	In progress
4	Reclamation Plan and Financial Cost Estimate Appeals (PRC §2770(e)-(g)	In Progress
5	Financial Assurance Mechanisms I - Bond Forms (PRC §2773.4(e)(3))	COMPLETED
6	Vested Rights Determinations (PRC §2774.4 (a))	COMPLETED
7	Revise Enforcement Process/Order to Comply Appeals Process (PRC §2774.1)	Pre-rulemaking early 2019
8	Revise Financial Assurance Forfeiture Process (PRC §2773.1(b))	Pre-rulemaking early 2019
9	Corporate Bonding/Financial Tests (PRC §2773.1.5)	Pre-rulemaking mid 2019
10	Financial Assurance Mechanisms II - Letters of Credit, CDs (PRC §2773.4(e)(3))	COMPLETED

FIGURE 3.



Somerset Sand Mine, El Dorado County. Primary source of road sand for County roads (Arcand).

SMARA - MINERAL CONSERVATION AND RECLAMATION

As California's population continues to grow, its communities face increasingly difficult and complex land use decisions. The production of mineral resources necessary to support an ever-expanding population must compete with other land uses such as agriculture, timber production, urban development, renewable energy, recreation, and conservation. The rapid growth of many communities and the incompatibility of mining with most other land uses sometimes results in heated conflicts within those communities. Often, the mineral resource is needed by the very use which threatens it. For example, construction grade aggregate deposits, which are necessary sources for construction and repair of roads, housing, and commercial development, often are built over before the resource can be extracted.

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 are designated as significant resources for local communities to consider in their land use decision making.

<u>Classification</u>

Classification is the method by which the State Geologist, in accordance with a schedule and based upon guidelines adopted by the Board, 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.

In some regions, large portions of the areas classified as having significant mineral deposits are already committed to other urban uses or habitat protection, which prohibit access to the underlying resources. As an additional aid to local planning agencies, classification reports prepared for metropolitan areas also highlight non-urbanized portions of the classified mineral lands as Aggregate Resource Areas (ARA). These non-urbanized ARAs contain mineral deposits that remain potentially available for future use, and assist in estimating the volume of aggregate material that is practically available in the region. ARAs may be considered for Designation by the Board.

Designation

Designation is the process by which the Board determines that a particular mineral classified deposit is of regional (multi community) or statewide economic significance. The State Geologist and the California Geological Survey (CGS) base this designation on analyses and information gathered from local communities, the mining industry, and other government agencies such as the Governor's Office of Planning and Research. 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.

The State uses the Designation process in an effort to conserve mineral resources in regions of expected rapid urbanization or other land uses that might prevent surface mining activities, and therefore result in a loss of the mineral resource to the community. To avoid dictating to local communities where future aggregate mines should be located, mineral designated areas generally contain resources (un-permitted deposits) that are far in excess of the region's 50-year demand. This process attempts to provide maximum flexibility to local governments in making land use decisions, while still conserving an adequate amount of construction aggregate for the future.

Pursuant to PRC Section 2790, after receipt of mineral information from the State Geologist pursuant to subdivision (d) of Section 2761, the Board may, by regulation adopted after a public hearing, designate specific geographic areas of the state as areas of statewide or regional significance and specify the boundaries of the geographic areas

The table below lists Designation reports completed by the Board in the 2017-2018 reporting period:

TABLE 2.

SMARA Areas of Regional or Statewide Significance (Designation Reports)				
No. 15, San Luis Obispo - Santa Barbara P-C Region	OAL approved the SMGB's regulation pertaining to the designation of mineral lands on March 30, 2015, and became effective July 1, 2015. Completed December 14, 2017			
No. 16, Stockton - Lodi P-C Region	OAL approved the SMGB's amended regulation pertaining to the designation, and termination of designated mineral lands on May 28, 2015, and became effective July 1, 2015. Completed September 14, 2017			
No. 17, North San Francisco Bay P-C Region	OAL approved the SMGB's amended regulation pertaining to the designation, and termination of designated mineral lands on February 9, 2016, and became effective April 1, 2016. <i>Completed January 11, 2018</i>			

Mineral Resource Management Plans (MRMPs)

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 to minimize costs to the consumer. If nearby aggregate sources do not exist, then transportation costs quickly can exceed the project budgets and value of the aggregate. Transportation cost is one of the most important factors considered when defining the market area for an aggregate mine operation.

The objective of MRMPs is to provide local agency decision makers with information on the location, need, and importance of mineral resources within their jurisdiction, and to require that this information be considered in local land use planning decisions. These objectives are met through the adoption of local Mineral Resource Management Policies (MRMP) that provide for the conservation and prudent development of these mineral deposits.

SMARA lead agencies are required to incorporate 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. During the reporting period the Board did not review any new or update MRMPs.

FIGURE 4.



Sand and gravel mining at the Long Bar Property in the Yuba Gold Fields in Yuba County (Arcand)

SMARA - 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 state policy. To ensure ordinances comply with SMARA and the Board's regulations, the Board has authority to review and certify that these local ordinances meet SMARA requirements. Lead agencies also 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.

Pursuant to PRC Section 2774.3, the Board shall review lead agency ordinances which establish permit and reclamation procedures to determine whether each ordinance is in accordance with State policy, and shall certify the ordinance as being in accordance with State policy if it adequately meets, or imposes requirements more stringent than, the California surface mining and reclamation policies and procedures established by the Board pursuant to this chapter.

The table below summarizes the mining ordinances certified by the Board from January 2000 to the present:

TABLE 3.

TABLE 3.				
SMARA Certified Mining Ordinances				
Lead Agency	City or County	Certification Date	Ordinance Number	
Azusa	City	01/14/2000	Ordinance No. 99-010	
Bakersfield	City	03/09/2000	Ordinance No. 3943	
Chula Vista	City	07/10/2003	Ordinance No. 2921	
Claremont	City	12/14/2006	Ordinance No. 2007-02	
Colusa	County	09/11/2003	Ordinance No. 659	
Contra Costa	County	07/13/2000	Ordinance No. 2000-18	
Fremont	City	02/10/2000	Ordinance No. 2352	
Glenn	County	05/12/2005	Ordinance Nos. 1083 and 1171	
Hayward	City	11/15/2004	Ordinance No. 04-12	
Jackson	City	09/11/2003	Ordinance No. 627	
Lake	County	07/13/2000	Ordinance No. 2533	
Los Angeles	City	07/13/2000	Ordinance No. 173106	
Madera	County	12/14/2006	Ordinance No. 525G	
Mammoth Lakes	City	05/10/2001	Ordinance No. 01-02	
Modoc	County	01/14/2000	Ordinance No. 236-85	
Oakland	City	06/19/2003	Ordinance No. 12496	
Orange	County	06/11/2015	2014 Edition	
Oxnard	City	10/11/2001	Ordinance No. 2579	
Pacifica	City	05/12/2006	Ordinance Nos. 670-C.S. and 711	
Poway	City	11/15/2004	Ordinance No. 609	
Rancho Cordova	City	07/23/2004	Ordinance No. 22-2004	
Riverside	County	12/13/2012	Ordinance No. 555.19	
Sacramento	City	06/15/2000	Ordinance No. 2000-005	
Sacramento	County	09/11/2008	Ordinance No.SCC-1391	
San Bernardino	City	12/14/2000	Ordinance No. MC-1084	
San Diego	City	07/13/2000	Ordinance No. 18802	
San Jacinto	City	12/09/2004	Ordinance No. 04-08	
Santa Clara	County	01/09/2014	Ordinance Nos. 2.10.040 and 4.10.370	
Siskiyou	County	06/11/2015	Ordinance No.15-06	
Tracy	City	11/09/2000	Articles 37 and 38 of the City Code	
Truckee	City	01/11/2001	Ordinance No. 2000-04	
Tulare	County	06/15/2000	Ordinance No. 3238	
Yolo County 12/13/2001 Ordinance No. 1276				
Yolo-Cache Creek	County	02/05/2009	Ordinance No. 1376	

FIGURE 5.



Ongoing mining of granitic deposit at the Pyrite Quarry in the City of Jurupa Valley. (Arcand)

SMARA Exemptions

During the reporting period, the Board granted one surface mine an exemption from the requirements of SMARA per PRC Section 2714(f). PRC Section 2714(f) specifically states that SMARA does not apply to "Any other surface mining operations that the board determines to be of an infrequent nature and which involve only minor surface disturbances."

On December 14, 2017, with a vote of 7 to 1, the Board approved and granted an exemption under this provision for the Hallwood Side Channel and Floodplain Restoration Project.

The action came after SMGB staff were contacted by representatives of CBEC Eco Engineering (CBEC) to discuss its major salmonid habitat restoration project along a reach of the lower Yuba River in Yuba County. The purpose of the proposed project is to rehabilitate and enhance juvenile rearing habitat for Chinook Salmon and steelhead in the Yuba River below Daguerre Point Dam.

Because certain activities included within the proposed project could be deemed surface mining operations, the project proponents requested an exemption from SMARA pursuant to Public Resources Code (PRC) Section 2714(f).

Annual Mine Fee Schedule

PRC 2207(d)(1) requires the Board to impose by regulation an annual reporting fee on, and method for collecting annual fees from, each active and idle surface mining operation. PRC Section 2207(d) also states that the maximum fee for any single mining operation may not exceed ten thousand dollars (\$10,000) annually and may not be less that one hundred dollars (\$100) annually, except that the maximum fee for any single mining operation shall not exceed six thousand dollars (\$6,000) in the 2017–18 fiscal year and eight thousand dollars (\$8,000) in the 2018–19 fiscal year. These amounts shall be adjusted for cost of living as measured by the California Consumer Price Index (CPI).

PRC Section 2207(d)(2)(A) states that a schedule of fees shall be calculated on an equitable basis reflecting the size and type of the operation. The Board shall also consider total assessed value of the mining operation, the acreage disturbed by mining activities, and acreage subject to the reclamation plan.

PRC Section 2207(d)(2)(A) states that the fee schedule must provide for the collection of the amount specified in the Governor's proposed Budget for the Department of Conservation's (Department) costs in implementing PRC Sections 2207 and SMARA. In addition, PRC Section 2207(d)(3) outlines the amount of revenue to be generated by the fee schedule. The total revenue generated by the reporting fees may not exceed, and may be less than, the amount of eight million dollars (\$8,000,000). This amount shall be adjusted for the cost of living beginning with the 2017-2018 Fiscal Year (FY) and annually thereafter. Cost of Living Adjustments (COLA) are addressed in CCR Section 3698 and allow for increases to help maintain adequate funding for the SMARA programs within the Department. The COLA, or rate of inflation, is measured by the CPI.

PRC Section 2207(d)(4)(A) requires the reporting fee revenue be deposited in the Mine Reclamation Account (MRA) for carrying out the provisions of PRC Section 2207 and SMARA. Those provisions include "classification and designation of areas with mineral resources of statewide or regional significance, reclamation plan and financial assurance review, mine inspection, and enforcement."

FIGURE 6.



Cool Cave Quarry, a leading source of high quality limestone in El Dorado County. (Arcand)

LEAD AGENCY RESPONSIBILITIES

SMARA provides for a three-tiered approach to accomplish its administration and enforcement. The primary entity responsible for SMARA 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 must 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 must be 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.

Should a lead agency fail to bring or become incapable of bringing one or more surface mining operations into compliance, statute allows for the Director of the Department to commence enforcement at individual surface mining sites. SMARA prescribes specific responsibilities and powers to the Director. The Department is also responsible for providing technical reviews of reclamation plans and financial assurances to lead agencies to ensure that the requirements of SMARA have been addressed in the reclamation plans prior to their formal approval by the lead agency.

The third tier of enforcement lies with the Board. 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. In addition, the Board is provided authority to assume a lead agency's SMARA authority, in whole or in part with exception to local land use and other regulatory 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.

The Board is also responsible for promulgating regulations that clarify and specify SMARA statute implementation. Additionally, the Board sets annual mine fees.

SMARA affects 116 jurisdictions comprised of 61 Cities and 55 Counties (excluding those directly overseen by the Board).

During the reporting period the Board served as a lead agency under SMARA for 38 individual surface mining operations. Of these, 24 are located within two counties (County of El Dorado and County of Yuba), 7 are located within cities that do not have certified surface mining ordinances, and 7 are marine sand mining operations located within the San Francisco Bay and bay delta areas.

Pursuant to PRC Section 2774.3, the Board shall review lead agency ordinances which establish permit and reclamation procedures to determine whether each ordinance is in accordance with State policy, and shall certify the ordinance as being in accordance with State policy if it adequately meets, or imposes requirements more stringent than, the California surface mining and reclamation policies and procedures established by the Board pursuant to this chapter.

The table below lists the surface mines where the Board exercised lead agency authority during the reporting period:

TABLE 4.

TABLE 4.					
	SMGB SMARA LEAD AGENCY SURFACE MINES				
CA ID No.	Mine Name	Status	Primary Commodity	Local Lead Agency	
91-07- 0006	Richmond Quarry	Active - Reclamation	Recyclable Concrete	City of Richmond	
91-09- 0001	Bear Creek Quarry	Active	Serpentinite	County of El Dorado	
91-09- 0002	Weber Creek Quarry	Idle	Serpentinite	County of El Dorado	
91-09- 0003	Diamond Quarry	Active	Limestone	County of El Dorado	
91-09- 0004	Chile 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	Sand and Gravel	County of El Dorado	
91-09- 0015	Marin Quarry	Idle	Granodiorite	County of El Dorado	
91-09- 00XX	Big Cut Mine	Idle - Illegal Operation	Sand and Gravel	County of El Dorado	
91-27- 0006	Lapis	Active	Beach Sand	City of Marina	
91-33- 0002	Avalon Mine	Active	Granitic Rock	City of Jurupa Valley	
91-33- 0003	Super Creek Quarry	Active	Decorative Stone	City of Desert Hot Springs	
91-33- 0029	Philadelphia Mine	Active - Reclamation	Recyclable Concrete	City of Jurupa Valley	
91-33- 0031	Garnet Pit	Active	Alluvial Sand	City of Palm Springs	
91-33- 0062	Pyrite Quarry	Active	Granitic Rock	City of Jurupa Valley	
91-38- 0001	Alcatraz, Point Knox	Active	Marine Sand	San Francisco BCDC	

91-38-	Point Knox South	Active	Marine Sand	San Francisco
0002				BCDC
91-38-	Point Knox Shoal	Active	Marine Sand	San Francisco
0003				BCDC
91-38-	Alcatraz South	Active	Marine Sand	San Francisco
0004	Shoal			BCDC
91-38-	Hanson Suisun	Active	Marine Sand	San Francisco
0005	Bay			BCDC
91-38-	Jerico Suisun Bay	Active	Marine Sand	San Francisco
0007	Shoal			BCDC
91-38-	Morris Marine	Active	Marine Oyster	San Francisco
0011	Mining		Shells	BCDC
91-43-	Azevedo Quarry	Reclamation	Rock	City of San Jose
0003				
91-56-	Santa Paula	Active	Alluvial Sand and	City of Santa
0034	Materials		Gravel	Paula
91-58-	Western	Active	Alluvial Sand and	County of Yuba
0001	Aggregates		Gravel	
91-58-	Knife River	Active	Alluvial Sand and	County of Yuba
0002	Hallwood		Gravel	
91-58-	Cal Sierra	Active	Placer Gold	County of Yuba
0003	Development			
91-58-	Sperbeck Quarry	Active	Metabasalt	County of Yuba
0004				
91-58-	Teichert Hallwood	Active	Alluvial Sand and	County of Yuba
0006			Gravel	
91-58-	Wheatland Clay	Active	Clay	County of Yuba
0007			_	
91-58-	Dantoni Pit	Active	Alluvial Sand and	County of Yuba
0011			Gravel	
91-58-	Parks Bar Quarry	Active	Metabasalt	County of Yuba
0013				
91-58-	Teichert Marysville	Active	Alluvial Sand and	County of Yuba
0019			Gravel	
91-58-	Long Bar Property	Active	Alluvial Sand and	County of Yuba
0022			Gravel	
91-58-	Simpson Lane	Idle	Alluvial Sand	County of Yuba
0025				

Inspections

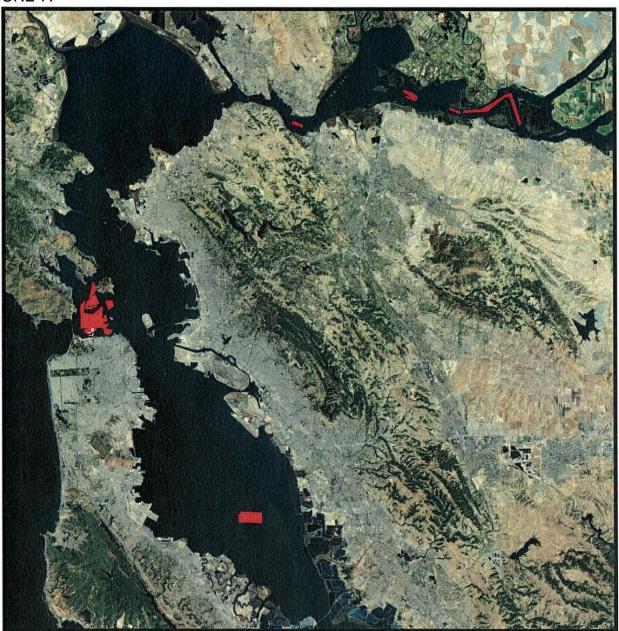
During the 2017-2018 reporting period, Board lead agency staff conducted 38 annual inspections of surface mining operations, completed 38 annual inspection reports, and presented 38 annual inspection reports to the Board at their regularly scheduled meetings.

In addition, Board lead agency staff reviewed 19 revised financial assurance cost estimates that were provided by mine operators directly under Board lead agency jurisdiction. An additional 9 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.

Enforcement Actions

During the reporting period, pursuant to PRC 2771.1, there were no violations issued for Notices of Violation (NOV), Orders to Comply (OTC), or Administrative Penalties (AP).

FIGURE 7.



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.

SEISMIC AND GEOLOGIC HAZARDS

Alquist-Priolo Earthquake Fault Zoning Act

Under this Act, PRC Section 2621 through Section 2630, and its regulations at 14 CCR 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 also is 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.

Pursuant to PRC Section Code 2622(b), the State Geologist shall compile maps delineating the earthquake fault zones. Concerned jurisdictions and agencies shall submit all comments to the SMBG for review and consideration.

The table below lists maps created by the State Geologist and submitted to the Board for public hearings to compile comments and concerns:

TABLE 5.

Preliminary Official A-P Earthquake Fault Zone Maps (July 13, 2017)			
Los Angeles County	Hollywood, Newport/Inglewood, and Santa Monica Faults – Beverly Hills/Topanga Quadrangles		
Napa County West Napa Fault – Napa/Cuttings Wharf Quadrangle			
Proposed Official A-P Earthquake Fault Zone Maps			
Santa Rosa County	Rodgers Creek Fault - Santa Rosa Quadrangle		
San Diego County Rose Canyon and Point Loma Faults - Point Loma/L Jolla Quadrangles			
Los Angeles County	Sierra Madre Fault - Mt. Wilson/Pasadena Quadrangles		

Seismic Hazards Mapping Act

Under this Act, PRC Section 2690 through Section 2699.6 and its regulations at 10 CCR Section 3720 et seq. authorize the Board 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-related hazards caused by earthquakes, including tsunami and seiche threats.

The table below lists maps created by the State Geologist and submitted to the Board for the purpose of holding hearings and compiling comments and concerns:

TABLE 6.

Preliminary Liquefaction and Landslide Zone Maps (August 17, 2017) Pursuant to PRC Code Section 2696(a) and (b), the State Geologist shall compile maps identifying seismic hazard zones, and upon completion, submit them to the Board.			
Contra Costa County Brentwood, Woodward Island, Bouldin Island, and Jersey Island Quadrangles			
Riverside County Murrieta (revised), Temecula, Pechanga, Bachelor Mountain Quadrangles			
San Mateo County	San Mateo/Redwood Point (revised) quadrangles		

OPERATIONS AND ADMINISTRATION

Pursuant to PRC 668, the Board maintains its headquarters in Sacramento at 801 K Street, MS 20-15, and holds meetings at such times and at such places as shall be determined by it.

<u>Budget</u>

The Board's budget was \$1,474,000 for the 2017-2018 fiscal year. This reflects an increase of \$215,000 or 14.6% over the previous fiscal year. There are two major sources of funding for the Board:

- The Renewable Resource Investment Fund 0940 (RRIF) comes from the federal government and is funded by geothermal leases. The Board's appropriation was \$694,000 (PCA 71604) for fiscal year 2017-2018 (determined annually by the Department of Conservation). The RRIF covers the costs associated with serving as a State Board and includes two staff personnel (Executive Officer and Executive Assistant) and all honorariums, expenses, and operating costs.
- The Mine Reclamation Account 0336 (MRA) fund comes from the State and is funded by fees associated with the operation and production of mines in California. The Board's appropriation was \$580,000 (PCA 71602) for fiscal year 2017-2018. The MRA covers the costs associated with serving as a lead agency and includes two staff personnel (Senior Engineering Geologist and Office Technician) and pays for all attorney fees including services rendered by the Attorney General's Office both as a board, and as a SMARA lead agency.

The fees collected by the Board serving as a lead agency are split between the two accounts. The administrative fees (\$14/day per mine or \$5110/annually) which totaled \$132,860 were deposited into the MRA. The inspection fees, which totaled \$30,239, were deposited into the RRIF.

Outreach

Outreach and interaction with members of the administration, the industry, environmental factions, and the public is an important function of the Board and the Executive Officer. The Board's regular business meeting on April 12, 2018, was held at the Yuba County Government Center in Marysville, CA.

As the table below illustrates, during the 2017 – 2018 reporting year, the Board was very active in participating in statewide Inspection Training Workshops that spanned the entire State:

TABLE 7.

Inspection Training Workshops			
Date	Location		
03/20 - 03/21/18	Santa Ana, Orange County		
04/24 - 04/25/18	Sutter Creek, Amador County		
06/26 – 06/27/18	Santa Rosa, Sonoma County		
07/24 – 07/25/18	Ventura, Ventura County		
09/25 – 09/26/18	Yreka, Siskiyou County		
10/23 – 10/24/18	Victorville, San Bernardino County		

In addition to his extensive duties in Sacramento, the EO attends a variety of events throughout the State to promote the Board and its responsibilities, as itemized below:

TABLE 8.

Executive Officer Outreach						
	Executive Officer Outreach					
CalCIMA Annual Conference	Lake Tahoe, El Dorado CO	11/14/2017				
CalCIMA Spring Thaw Safety Conference	Palm Desert, Riverside CO	02/27/2018				
Sierra Fund Annual Legislative Event	Sacramento, Sac. CO	04/18/2018				
Black Diamond Mines	Antioch, Contra Costa CO	04/26/2018				
Backfill Regulations Workshop	Riverside, Riverside CO	05/09/2018				
Backfill Regulations Workshop	Sacramento, Sac. CO	06/13/2018				

FIGURE 8.



Super Creek Quarry – source of the Palm Springs Gold landscaping rock, located within the community of Desert Hot Springs (Arcand)

ONGOING BOARD WORK AND LEGISLATIVE RECOMMENDATIONS

Pursuant to PRC Section 2717, the Board is required 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 31 times since its enactment in 1975 and is unique to the State in two respects:

- (1) Mining is regulated locally by cities and counties (referred to as lead agencies) as allowed with an adopted SMARA ordinance approved by the Board, and
- (2) A process is provided for the conservation of mineral resources and reclamation of mined lands to minimize adverse effects on the environment and to protect public health and safety.

The most comprehensive changes to SMARA occurred early in 2016 when Governor Brown called for "top to bottom" SMARA reforms. On April 18, 2016, Governor Brown signed SB 209 (Pavley) and AB 1142 (Gray) into law and the bills became effective on January 1, 2017. These reforms affect how the Board and the Department of Conservation (DOC), local lead agencies, and surface mine operators oversee, implement and comply with SMARA.

The Board will continue to execute the extensive reforms mandated by AB 1142 and SB 209 and prepare a comprehensive set of SMARA rulemaking packages for Legislative review early in 2019. Remaining to be done are:

- Inspections, Report Form and Notice of Completion (PRC §2774(b)(c))
- Reclamation Plan and Financial Cost Estimate Appeals (PRC §2774(e)-(g))
- Enforcement Process / Order to Comply Appeals Process (PRC §2774.1)
- Financial Assurance Forfeiture Process (PRC §2773.1(b))
- Corporate Bonding / Financial Tests (PRC §2773.1.5)

In addition to the mandated rulemaking packages, the Board will offer the following suggestions to the Department for transmittal to the legislature for statutory consideration:

- Review and revise the exemption language in SMARA because existing exemptions do not clearly apply to restoration projects for destruction caused by legacy mines (PRC Section 2714).
- Suggested legislation should allow SMARA exemptions for habitat restoration projects that result in one-time removal of sediment from rivers, lakes and reservoirs with an approved CEQA document and resource agency permits, provided the project is sponsored by a public agency and/or a not for profit organization.
- Review and revise State Geologist duties and qualification for consistency with other code sections (PRC Section 677).
- Review and revise Annual Surface Mine Fees (PRC Sections, 2207,3697,3698).

Respectfully submitted,

Jeffrey Schmidt

Executive Officer

State Mining and Geology Board