



The BOSTWO <bostwo@edcgov.us>

Re: Fwd: FW: Sample Letter Dredge Mining Mess.docx

1 message

Steven Worthley <sworthley@co.tulare.ca.us>

Thu, Feb 28, 2013 at 3:46 PM

To: bostwo@edcgov.us

I can sympathize with the folks in Happy Camp. I used to work as legal counsel for a wood product manufacturing company with four sawmills in CA. The sawmills are no more, completely shut down and sold off. Our national forests are in decline for lack of active management. Our only saving grace is that we have a strong agricultural base and proximity to major markets for distribution centers. The story is the same, environmentalists who are totally opposed to resource extractions and could care less about local economies or macro economics. Hope they will have some remedy, but the best remedy is allowing human enterprise to use the God given resources available to grow an economy, not another government bail out. Thanks for the information. If there is any way to help let us know. Steven Worthley, Tulare County Board of Supervisors, Dist. 4.

>>> The BOSTWO <bostwo@edcgov.us> 02/28/13 3:24 PM >>>
I pasted the letter into this email below.

The Dredge Mining Mess

When I moved to the Happy Camp California area, there was so much opportunity and promise. The Klamath River corridor area is a tourist paradise. Breathtakingly beautiful, untouched, pristine, everywhere you looked was picture postcard perfect.

Property was reasonably priced. My husband and I had done very well in the San Diego County area buying distressed properties We invested in neighborhoods on the verge of making a comeback. Happy Camp was on the edge of revitalization. A strong recreational gold mining base was the corner stone of the tourist industry. Suction dredge miners loved to come play in the waters of the Klamath River during the summer. The more serious commercial miners were moving to town and purchasing second homes. The rundown properties left over from the lumber industry boom and busts were being renovated. The old Evans Mercantile Building was purchased by new owners. They added hardware and gardening section to meet the new residents remodeling needs.

My husband and I opened a land development company, Jade Springs

09-1254 2C 1 of 21

Development. We purchased six rentals. Happy Camp was the hottest rental market. If one tenant moved out, we didn't have to run an ad. Word of mouth would have several people clamoring to move in. There were numerous applicants for the units. All the indicators were in place for the Klamath River Corridor to have decent turn in the real estate market A business opportunity to purchase the Happy Camp Mall and the Bigfoot Trailer Park presented itself. The elderly owner was motivated. The price was reasonable. I did my research. Interviewing local motels and RV Parks. The common comment, "There needs to be more places to stay".

We pulled in an investor, purchased the property and began the repairs on the property. We were getting ready to open and hadn't gotten mattress yet.

The neighboring motel manager came and told us she was completely full and could we take her overflow so she didn't have to turn away guests. We borrowed mattresses from friends to get started. We had a really healthy first season. Recreational gold miners made up 75% of our guests. As the gold prices rose so did our numbers.

Another fabulous season came and so did the moratorium. On the week it came into effect our park was filled to capacity. The vacation cabins were booked. We had money to pay our bills and continue to repair the properties. On the day the moratorium went into effect we literally lost all of our RVers. I stood in the yard waving to our guests with a stiff upper lip. They all told me they would be back as soon as dredge mining open up again. They were off to Oregon where it was still allowed.

That fateful day was the beginning of a very rapid decline in our financial world. We had very little business. The help was the first to go. Repairs stopped. Advertising stopped. The emerging economy for our area went down to absolutely nothing.

While recreational gold miners come visit and spend money dredging. The locals miners had no income. The service businesses in town began to suffer. The layoffs started. The hardware store eventually went out of business.

Community members wrote letters and attended meetings. We attempted to educate our state officials about what was happening to our economy with no success. People were becoming more desperate for income sources. Locals started growing pot. Methamphetamine use began to increase again. Crime

and domestic violence rose. Are these number directly related to dredge mining closure? There is no doubt in my mind or my bank account that dredge mining closure has affected my family business and the entire region detrimentally.

I have been self-employed for 30 years. I knew I had to do something quickly or we were closing up. Selling off the property wasn't an option. The real estate market was spiraling downward. New business startup costs, dredge mining closure, followed by no business. Our saving was depleted and then, the recession hits. Oh boy.

We had to short sell the family home. We sold off the retirement accounts. Cut every possible expense. We had already let help go. We are doing all of the work ourselves. Park tax, insurance, water, sewer and electric rates all went up. We started living on credit cards. The mining guests were replaced by retired folks fleeing from urban areas. They left the city because they can't afford it. We had to keep our rates down or the new customers couldn't afford it. We tried everything. Then, we started to sell off our belongings.

I took a second job out of town caring giving elders for less than minimum wage. I start cold calling motorcycle shops and equipment supply houses. I hit all of the fishing equipment stores, cycling shops, Visitors Centers, regional Chamber of Commerce, rafting companies, and outdoor outfitters. You name it we sold them on the idea of coming out to Happy Camp to visit. Three years later, we still have not made enough money to pay our monthly bills let alone pull a salary. If my husband and I don't work second jobs to supplement our business, we wouldn't eat. Period.

In my spare time: I serve on two Siskiyou County economic committees. These committees are composed of other desperate people trying to figure out a way to stay afloat. We are trying anything and everything to replace the revenue lost from dredge mining. Is there enough time to establish another industry before our resources are completely depleted? I think the real question is: Will I have enough physical and mental stamina to last until we get a break?

Do I think this lawsuit will make a difference? Honestly, no. Not

09-1254 2C 3 of 21

unless
someone with decision making capabilities rises up against the tide and
has
the courage to say, Enough Foolishness! Enough of this politically
motivated regulation that is destroying our country's economy. If this
person stepped forward would the decision be overturned at a later date?
Probably. But, for the love of God, please, please just give us a season
to
start to get back on our feet.

Respectfully,

Rick Eddy

5477 Russell Hollow Rd.

Pilot Hill, CA 95667

To Whom It May Concern,

I have been suction dredge mining for 25 years. In May of 2008 I was laid off from my construction job and decided to suction dredge mine full time. On August 6, 2009 I was notified by Fish and Game that we had to quit due to SB-670, an emergency bill to protect the salmon on the Klamath and Salmon Rivers. I was mining on the South Fork of the American River above Folsom Dam. There are no salmon in that area. One week later the Trinity Herald reported on the best salmon runs on the Trinity, Klamath and Salmon Rivers in many years. Approximately 30 days later, NOAA fisheries reported the best salmon numbers in ten years.

It has been over 3 years now since I was able to dredge. I have been struggling to keep my home. I have lost more than \$150,000 in 3 years due to what was supposed to be a temporary moratorium. I have had to cut and sell firewood for 3 years just to get through the winter. Construction work is still very slow with few jobs available. I have been forced to take money from my 401K just to keep from losing my home. Suction dredging was my only viable means to get gold from my mining claims. The gold is at the bottom of the river, not along the banks. I now have over \$15,000 worth of suction dredge equipment sitting and making no money whatsoever.

In my local area of Pilot Hill, Coloma and Auburn there has been a significant loss to the local economy as well. In 2010 the Pioneer Mining Store in Auburn had to shut down from the loss of dredge and equipment sales. The store in Pilot Hill where I bought all of my gas and groceries closed for good. My gold buyer had to go out of state to get more business.

My goal is to get back to work mining gold this year before all I have worked so hard for is lost.

Sincerely,

Rick Eddy

3/4/2013

November 24, 2009

Mark Stopher
California Dept. of Fish and Game
601 Locust Street
Redding CA. 96001

Mark Stopher:

I am submitting this document per your request for economic impacts of the ban of suction dredging in Calif. I have been making 30% to 70% of my income from the production of gold by using a suction dredge since 1979, 30 years ago. I have personally recovered hundreds and hundreds of ounces of placer gold during that time to help support my family in El Dorado County. I have logbooks going back to 1984 and have income tax records dating back to 1987 verifying this production. This illegal ban on mining in California has cost my family and my partners no less than \$32,500 considering the present price of gold in this year alone. This can be verified from reasonable estimates based on current financial statements, log book entries for 2009, testing logs and production logs from the mining of adjacent river gravels in recent years. Not included in this estimate are the weeks of extra labor that will be required next year, to remove the many yards of gravel that will inevitably infill and erase our work from this year. This infilling will most certainly occur during the first few major storm events of the coming winter. What do you think a months extra work for two professional divers and one other experienced miner is worth these days? I would say something on the order of \$9,000 is a very conservative estimate. **WE ARE NOT** recreational gold miners. Any delay in the restoration of Federally and Constitutionally protected private property and mining rights will only add to an ever-increasing debt owed to gold miners in California by those obstructing this valuable work. Your efforts to restore these rights as soon as possible and produce an accurate, unbiased, factual EIR based on indisputable peer reviewed studies would be appreciated.

Thanks for your consideration.

Sincerely,

Steve Tyler
5601 Bumper Road
El Dorado CA. 95623

Enclosures

Cc: El Dorado County Board of Supervisors
Governor Arnold Schwarzenegger
Jerold Hobbs, PLP

Amended economic losses as of May 6, 2011

In addition to losses previously documented in 2009 on my mining business caused by the ban on suction dredge mining, the legality of which is questionable, the devastating economical impacts on my lively hood and business are as follows.

1. Due to the legally questionable ban on my dredge business, in 2010 the loss of production of gold is in excess of \$50,000 in value, substantiated by past production logs, income tax records and documented reserves remaining in "My" private property mineral estate.
2. Since the questionable ban on my dredge business I have been forced to liquidate over 10% of my retirement savings at a time in my life when I should be adding to it.

Your consideration of these losses to my business and the effects that your DSEIR on Suction Dredge mining will have on the private property estates of the suction dredge community is of great importance. Thank your for your objective consideration.

Steve Tyler
6501 Bumper Road
El Dorado, Ca. 95623

Plumas County Economic Recovery Committee

"To enhance Plumas County's economic vitality through our natural resources"

Ken George
Business Owner

Tom Hayes,
CEO,
Eastern Plumas
Health Care

Traci Holt
Alliance for Workforce
Development

John Kimmel
Certified Public
Accountant

Mark Lathrop
Sierra Pacific
Industries

Chuck Leonhardt
Plumas Tax Assessor

Bob Marshall
Plumas-Sierra
Rural Elec. Co.

Doug Self,
CEO,
Seneca Health Care

John Sheehan
QLG Member; Plumas
Corp. Director

Lori Simpson
County Supervisor

Mike Taborski
Publisher,
Feather Publishing

Ron Taylor
President, Feather
River College

Sherrie Thrall
County Supervisor

Jeff Titcomb
Indian Valley
Chamber

Bill Wickman
Consultant,
American Forest
Resource Council

Mike Wood
Union Rep.,
CIC, UBC,
QLG member

Mr. Ted Hadzi-Antich
The Pacific Legal Foundation
National Litigation Center
930 G Street
Sacramento, CA 95814

24 February 2012

Dear Mr. Hadzi-Antich

The Plumas County Economic Recovery Committee (PCERC) wishes to express our support for the Western Mining Alliance's petition for legal support.

Plumas County is a primary location for suction dredging and also the headwaters of the Feather River which is so critical to the supply of water to agriculture in the Central Valley and drinking water in Southern California. The perception of conflict has galvanized opposition to suction dredging, an important sector of our local economy. The County has been consistent in its support of the miners' rights and the current regulations that are applied to suction dredging.

Various studies have shown that suction dredge mining has a negligible effect on fisheries and can have a positive rehabilitative effect in the restoration of spawning gravels. We have found no published peer reviewed scientific field studies to the contrary.

The 1997 California Department of Fish and Game's Draft Environmental Impact Report, Adoption of Amended Regulations for Suction Dredge Mining (Page V27) observed that suction dredge mining is an activity that requires a substantial investment. The report cited a survey which established that dredgers spend an average of 35 days a year suction dredging. During this time, they spent about \$6,250 each on expenses, including groceries, restaurants, motels, camp fees and other living expenses. In addition, they reported spending about \$3,000 dollars on gas, oil, equipment maintenance and repairs to suction dredge equipment. In total, the survey results indicated that, in California, more than \$20 million may be spent by suction dredgers on living expenses related to suction dredge operations.

Suction dredge mining provides seasonal income to sustain local grocery stores, gas stations and other businesses. Without tourism revenue to support these basic services, continued residence in the small communities along the Feather River will become difficult.

109 Cottonwood Ct., Quincy, Calif. 95971
530-283-0973

In Plumas County we currently have 1,727 individual claims filed. The total assessed value for mining claims in 2009 was \$7,900,522.00 according to the Plumas County Assessor's Office. The approximate revenue to the County for that year was \$15,801, to our County Schools: \$51,354.00 and to the Local Hospital and Fire Districts \$11,851.00 for a total of \$79,006.00. Our Plumas County Clerk Recorder's Office reports that approximately \$19,219.00 in mining claims recordings revenue for the 2008 calendar year.

The legal issue that the Western Mining Alliance (WMA) has presented is far reaching and the issue to be decided will affect rule making in California for years into the future. In our particular case the citizens of Plumas County will be victims of an incomplete environmental analysis under CEQA which inadequately presents the breadth of negative economic effects in our county. At issue is the ability of a State agency to set regulations that impact private property rights; economic freedoms; the protection of Endangered Species and the use of science in making these decisions. The Western Mining Alliance alleges that the California Department of Fish and Game improperly reached conclusions in a Subsequent Environmental Impact Report that resulted in regulations that are severely restrictive on gold mining with insufficient basis. The WMA alleges that significant evidence was presented to the CDFG that had it been considered would have reached a completely different conclusion. The results of the SEIR close broad and general areas of the State to protect threatened and endangered species with no evidence that this ban has any impact or that the species is actually found in the areas that are closed.

PCERC believes that these allegations are best settled by the courts and your assistance in representing the miners would be beneficial to establishing sound policy making processes for the State of California. Your favorable consideration of their petition is requested.

Respectfully,



Bill Wickman

Chairman, PCERC

cc. Assemblyman Logue
State Senator Gaines
Herb Miller, Western Mining Alliance

AGENDA REQUEST AND SUMMARY

For: 4/3/12 (Date of Board Meeting)
_____ (Time, if appointment scheduled with the Clerk)

Consent Calendar: Yes ___ No X
Public Hearing: Yes ___ No X

1. **WORDING FOR AGENDA** (Include precise wording for required action, authorizing, etc. as it will appear on the Board Agenda, generally not to exceed 20 words).

Consideration of approving a letter of support for the Western Mining Alliance.

2. **FINANCING-ESTIMATED COUNTY COST:** (Enter "none" if no cost)

3. **FUNDS BUDGETED:** Yes _____ Acct. # or Fund _____ No
Requested from _____ Fund

4. **REVIEWED WITH:**
- | | | | |
|-------------------------------|---|--------------|----|
| COUNTY ADMINISTRATIVE OFFICER | - | YES <u>X</u> | NO |
| COUNTY COUNSEL | - | YES <u>X</u> | NO |
| ADMINISTRATIVE ANALYST | - | YES <u>X</u> | NO |
| OTHER DEPARTMENTS (List) | | | |

5. **THE FOLLOWING OUTSIDE AGENCIES OR INDIVIDUALS TO BE NOTIFIED OF BOARD ACTION:** (Minute Excerpt – Include complete mailing address and indicate number of copies to whom)

A.
B.
C.
D.

6. **Number OF COPIES REQUIRED BY REQUESTING DEPARTMENT:**
(Indicate Minute Excerpt, Resolution, Agreement, etc.)

7. **COMMENTS** (i.e. has this item come before the Board previously and when?):

Requesting Department: CAO Submitted by: Tracie M. Riggs

Approved by:  Date: 3/17/12
(Department Head Signature)



County Administrator's Office

Craig L. Pedro
County Administrator

Tuolumne County Administration Center
2 South Green Street
Sonora, CA 95370
Phone (209) 533-5511
Fax (209) 533-5510
www.tuolumnecounty.ca.gov

March 15, 2012

TO: Board of Supervisors

From: Craig L. Pedro, County Administrator
Tracie M. Riggs, Administrative Analyst

Subject: Dredging

On August 6, 2009 SB670 was signed into law placing a temporary prohibition on the use of vacuum or suction dredge equipment for in-stream mining in any California river, stream or lake regardless of whether the operator had an existing permit issued by Department of Fish and Game. This moratorium affected by individuals and businesses. This moratorium was to remain in effect until the Dept of Fish and Game conducted a subsequent Environmental Impact Report. Dept of Fish and Game estimated that this process would take until late summer of 2011. A public review period was held and closed on May 10, 2011. Since that time Dept of Fish and Game has been reviewing comments and related information and determined that revisions to the proposed regulations were appropriate.

On February 17, 2012 new proposed regulations were released with the statement that suction dredging was not harmful to fish and further defined suction dredging as: Use of vacuum or suction dredge equipment utilizing a motorized suction system to vacuum material from the bottom of a river, stream, or lake and to return all or some portion of that material to the same river, stream or lake for the extraction of minerals. A person is suction dredging when all of the following components are present:

- A hose which vacuums sediment from the river, stream or lake; and
- A motorized pump; and
- A sluice box

Motorized is defined as mechanical device powered by electricity or an internal combustion engine. Period for public comment closed March 5, 2012.

The new regulations also requires permits, such permits must be carried at all times. The caveat to this is that the Dept of Fish and Game will be issuing only 1,500 permits annually and that is on a first come, first serve basis. Permit holders must submit an annual report and in the event they do not submit a report or their reports are not submitted timely, they are at risk of losing their permit altogether. If

...serving the Board of Supervisors, departments, and the community as good stewards of the County's fiscal and human resources through collaborative, professional and ethical leadership.

a permit is revoked, they not only lose it for the current year for the following year as well.

The regulation goes on to state restrictions on suction dredging in reservoirs as well as restricting equipment used for suction dredging. A copy of the entire edited regulation (87 pages) can be obtained through the County Administrator's Office or by going to the following website:

<http://www.dfg.ca.gov/suctiondredge/> The document also contains a table that clearly delineates each lake, reservoir, stream and river in California (by County) with the corresponding class. Each class specifies the level of suction dredging allowed.

A local resident recently contacted the County with concerns related to this most current regulation. More specifically, he is concerned that miners must obtain permits to mine on their own claims as well as the fact that the regulation has restricted hundreds of miles of rivers and private property. He has stated that a group has formed known as the Western Mining Alliance (<http://westernminingalliance.org>) who has sought support from Senator Ted Gaines and Senator Doug La Malfa. The individual also states that they have letters of support from several counties (Butte, Siskiyou, and El Dorado), and are in the process of soliciting letters of support from other counties as well. In addition to seeking support from legislative representatives and counties, they have also petitioned The Pacific Legal Foundation to take on their case. The Western Mining Alliance has requested a letter of support from Tuolumne County. They have provided a sample letter (attached).

This issue was discussed during the March Natural Resources committee with the recommendation to request your Board write a letter of support for the Western Mining Alliance.

Recommendation

Consideration of approving a letter of support for the Western Mining Alliance.

March 15, 2012

Suction Dredge Program
Revisions to Proposed Amendments
Department of Fish and Game, Northern Region
601 Locust Street
Redding, CA 96001

To Whom It May Concern:

The Tuolumne County Board of Supervisors shares the Western Mining Alliance's (WMA) concerns regarding the most recent regulations pertaining to dredging and supports the WMA in their endeavors to resolve this issue out of court. Tuolumne County is one of the original 27 counties in the State of California and has a rich history in gold mining, making this issue a priority for our County. Our Board also has concerns related to the relatively short comment period, as the new proposed regulations were released on February 17, 2012 and the comment period closed on March 5, allowing for less than three weeks for stakeholder comments.

The issues presented by WMA have the potential to negatively impact miners for years into the future. Specifically the issue of dredging in California rivers, streams or lakes. Of further concern, is the issuance of only 1,500 permits annually, issuing such a low number of dredging permits will potentially limit miners the ability to mine on privately owned property.

The Tuolumne County Board of Supervisors believes that these issues are best settled by working together collaboratively in a way that supports the rights of claim owners as well proactively protecting the environment. Our Board respectfully requests that this issue be reopened for stakeholder input and further evaluation.

Respectfully,

Richard H. Pland, Chair

YOU CAN HELP

The purpose of this letter is to support all efforts to preserve the constitutional, historical and property rights of miners in El Dorado County and the State of California. And to share a perspective of the impact that mining and suction dredging have on public health and safety.

Alarming attacks against the mining industry in El Dorado County and other parts of the state suggest, based on flawed science, that suction dredging “may”, “might” “could” harm the environment. This is not reliable science when other studies i support of suction dredge mining give specific facts the prove suction dredge mining cleans rivers and streams of mercury, lead, trash and other harmful substances and improves wildlife habitat.

We are concerned about the constitutionality and legality of the tactics and strategies used to enforce the laws that deny miners their rights to earn a living. There often seems to be an imbalance between laws implemented to protect the environment and those that impact people.

Regulatory provisions have increased unemployment, reduced the miner’s ability to survive, have eliminated precious tax revenues, threaten businesses and jeopardized the constitutional rights of our miners.

No evidence has been presented that show that proper coordination and consistency has been initiated or achieved pursuant to federal and state law. The unreasonable environmental policies implemented at the expense of people and jobs adversely impacts wages and tax revenues and is having a negative impact on our economy and heritage.

The El Dorado County Chamber supports our miners and their constitutional rights. The decline of once thriving industries such as, mining, timber, farming and ranching is impacting our economy, traditions, heritage and health and safety.

Please join the Chamber in our support of miners by writing to;

Public Lands for the People
President Jerry Hobbs
7194 Conejo Drive
San Bernardino, CA 92404

For any questions or more information, please contact me at 530 621 5885.

Laurel Brent-Bumb
Chief Executive Officer

The Economic Impact of Suction Dredging in California

(Updated 3-31-2011)

by Scott Harn

It Starts With the Statistical Analysis Completed by the State of California

An Environmental Impact Report on suction gold dredging was completed by the State of California in 1994. As part of this process, the State sent out two survey questionnaires. The first questionnaire was sent to over 4,000 individuals. Nearly 2,000 were returned completed. The surveys covered dredge locations, annual spending activity, amount invested in dredging equipment, nozzle size and related questions. The second survey was sent to county Boards of Supervisors, Chambers of Commerce and mining businesses to determine the importance of suction gold dredging on local economies. A sample of 1,257 of the individual surveys was used by the State to complete a statistical analysis.

The State of California determined, "Suction dredging is an activity that requires a substantial investment."

According to the State, each dredger spent approximately \$6,250 on expenses, which included groceries, restaurants, motels, camp fees and other living expenses. In addition, they reported spending about \$3,000 each on gas, oil, equipment maintenance and repairs to suction dredge equipment.

The surveys also found that each permit holder spent an additional \$6,000 to purchase a suction dredge and related equipment.

It Includes the Number of Suction Dredge Permits

According to the California Department of Fish & Game, 3,523 permits (2,966 resident and 557 non-resident) were issued in 2008. The State of California collected \$126,055 in resident permit fees, and \$93,158 in non-resident fees in 2008, for a total of \$219,213.

Adjusted for Inflation

Using the CPI to adjust for inflation, suction dredge miners spent approximately \$8,967 each on expenses including groceries, restaurants, camp fees and other living expenses in 2008; and \$4,304 each on gas, oil, equipment maintenance and repairs to suction dredge equipment in 2008. These two expense categories combined amount to \$13,271 for each permit holder.

Using the CPI to adjust for inflation, each permit holder spends approximately \$8,608 on a suction dredge and related equipment.

Property Tax Collected

The County Assessors official assessment of mining claims in 6 of the 58 counties is \$170,108,821. Mining claim property taxes collected in these counties in 2008 was \$1,701,088.

Property tax revenue generated from mining claims was not included in the State's statistical analysis completed in 1994, though it is a matter of fact and is included in our economic impact report.

Known Economic Impacts

- A total of 3,523 suction dredge permit holders spent approximately \$8,967 on expenses including groceries, restaurants, camp fees and other living expenses in 2008, for a total of \$31,590,741.
- A total of 3,523 suction dredge permit holders spent approximately \$4,304 on gas, oil, equipment maintenance and repairs in 2008, for a total of \$15,162,992.
- A total of 3,523 suction dredge permit holders spend approximately \$8,608 on a suction dredge and related equipment every four years for a total of \$7,581,496 per year.
- Six out of 58 California counties collected \$1,701,088 in property taxes.
- The State of California collected \$219,213 in dredge permit fees.
- Gold is currently \$1,600.00 per troy ounce. Just three troy ounces recovered per dredger adds \$15.13 million to the economy.

Additional Economic Impacts

- Commercial retail rents for manufacturers of suction dredges, such as Keene Engineering, and suppliers and retailers of mining equipment should be added.
- Payroll and property taxes for the above business sectors should be added.
- Suction dredging is regularly conducted by more than just the license holder, but in this report only the permit holder's contributions are included.
- Three of the largest small-scale mining associations are located in California, with a combined membership of over 30,000 paying members and should be added.
- The two largest trade magazines marketed toward small-scale mining are located in California, with a combined circulation of 65,000 and should be added.
- Professional service providers; including geologists, refiners, assayers and mining lawyers should be added.
- Recreational vehicles; including RV's, 4x4's, trailers, all-terrain vehicles and motorcycles should be added.

Conclusion

The 1994 Environmental Impact Report, along with additional information provided here, proves without a doubt that suction dredge miners contribute significant wealth to the economy of California.

These conservative figures demonstrate the known economic impact of suction dredging at \$71,385,530 million in 2008. The Additional Economic Impacts cited above obviously increases the total to well above \$100 million.

(This report originally was published in the September 2009 (Vol. 79, No. 1) edition of ICMJ's Prospecting and Mining Journal. It was authored by Rachel Dunn of Gold Pan California, Pat Keene of Keene Engineering, and Scott Harn, Editor/Publisher, ICMJ's Prospecting and Mining Journal, with the assistance of over 100 additional businesses and individuals who provided supporting documentation.)

© ICMJ's Prospecting and Mining Journal, CMJ Inc. PO Box 2260, Aptos, CA 95001
(831) 479-1500 • www.icmj.com



The BOSTWO <bostwo@edcgov.us>

FW: FW: economic impact of suction dredge mining

VOL IT <jerhobbs2@verizon.net>

Thu, Feb 21, 2013 at 6:30 PM

To: ric eddy <reddy2ctsp@aol.com>, Ray _Nutting <bostwo@edcgov.us>

Kitty and Rick,

First of all we did receive the letter from your Sheriff and we thank you for getting it to us. Second, The email below is people from Siskiyou county that are working with our attorney to do more declarations on the economic impact to their business's since suction dredging's moratorium. Maybe the local Chamber of Commerce also. If you guys could maybe get some of the business in Eldorado to do the same thing it would help alot. If you give them David Youngs phone number or mine we will help them. David 310-575-0308 and mine is 909-889-3039 or 909-884-7060

Thanks

Jerry Hobbs

— On Thu, 2/21/13, David Young <dyounglaw@verizon.net> wrote:

From: David Young <dyounglaw@verizon.net>
 Subject: FW: FW: economic impact of suction dredge mining
 To: "VOL IT" <jerhobbs2@verizon.net>, jerhobbs2@aol.com
 Date: Thursday, February 21, 2013, 5:54 PM

From: Jim Foley [mailto:jfoley@sisqtel.net]
Sent: Thursday, February 21, 2013 5:00 PM
To: dyounglaw@verizon.net
Subject: Re: FW: economic impact of suction dredge mining

Thanks David. I took a trip downriver this morning and talked to the following people. All said they would like to participate. I gave them your email address with instructions to write you with information about what business they were in and how they were negatively impacted by the moratorium.

Trista Parry = Parry's Market parrysmarket@sisqtel.net 493-2621 **Actually talked to her husband, Bob.**

Roberta Collum (Elk Creek Campground) cclan@sisqtel.net 493-2208 **She is travelling in the Bay area at present, called her.**

Seiad Valley Store rjones@sisqtel.net 530 496 3399 **Talked to him in person.**

Rainbow Resort \$ Grocery Store 496-3242 **Business closed down.**

09-1254 2C 17 of 21

mid river rv park 496-3400 **Talked to owner Bruce in person.**

Klamath River Resort Inn 493-2735 **owner absent, talked to manager. She will have the owner contact me.**

I will contact the following three tomorrow morning. ran out of time today.

Fisher's Klamath River Trailer Park (Shirley Fisher) 465-2297
 Quigley's General Store and Trailer Park 465-2224
 River Connection Realty 496-3657

At 10:53 AM 2/21/2013, you wrote:

Jim:

This is what Marcia Armstrong sent me that we talked about last night. Since we have a March 15, 2013 filing deadline, I would appreciate knowing as soon as possible which of these business people would be willing to sign a declaration stating how they have been adversely economically impacted by the prohibition of suction dredge mining.

Thank you for your help,

David Young

From: Marcia Armstrong [mailto:armstrng@sisqtel.net]
Sent: Monday, February 18, 2013 7:02 PM
To: dyounglaw@verizon.net
Subject: economic impact of suction dredge mining

"I attempted to rise, but was not able to stir: for, as I happened to lie on my back, I found my arms and legs were strongly fastened on each side to the ground; and my hair, which was long and thick, tied down in the same manner. I likewise felt several slender ligatures across my body, from my arm-pits to my thighs. I could only look upwards; the sun began to grow hot, and the light offended my eyes."

Jonathan Swift, GULLIVER'S TRAVELS, Chapter 1.

[Quote from Karuk Tribe v. U.S. on banning suction dredge mining M. SMITH, Circuit Judge, with whom KOZINSKI, Chief Judge, joins, and with whom IKUTA and MURGUIA, Circuit Judges, join as to Parts I through VI, dissenting]

all area code 530

Happy Camp Chamber of Commerce <http://www.happycampchamber.org/> 493 2900

Trista Parry = Parry's Market parrysmarket@sisqtel.net 493-2621

Roberta Collum (Elk Creek Campground) cclan@sisqtel.net 493-2208

Seiad Valley Store rjones@sisqtel.net 530 496 3399

Rita Manley King (micemen123@aol.com) trailer park and cabins 493-2884

Mark Crawford owns fuel station 496-3272

Thompson Creek Lodge 496 3505

Rainbow Resort \$ Grocery Store 496-3242

big foot shop smart 493 5100

big foot rv & cabins 4932885

bigfoot outlet store 493-5333

09-1254 2C 18 of 21

mid river rv park 496-3400
 Happy Camp Family Resource Center 493-5117 derrykaren@yahoo.com
 Indian Creek trailer park 493-5353
 forest lodge motel 493 5296
 Klamath Inn Motel 493-2860
 Klamath River Resort Inn 493-2735
 The Pizza House 493-5454
 Fisher's Klamath River Trailer Park (Shirley Fisher) 465-2297
 Oaks RV Campground 465-2323
 Quigley's General Store and Trailer Park 465-2224
 River Connection Realty 496-3657

From my April 23, 2011 Suction Dredge Program Draft SEIR Comments to the California Department of Fish and Game

"There is a Current moratorium on Suction Dredge Mining, proposed restrictive rules under the CA Department of Fish and Game and Klamath TMDL which will render dredging which will prohibit or render most dredging economically non- in the Klamath River and its tributaries. An excerpt from Chapter 4.6.2 of CA DFG's prior CEQA document describes the local economic impact of suction dredge miners. This quotes from a 1993 survey which indicates that the average investment in suction dredge equipment was approximately \$6,000; that suction dredgers spent about \$6,250 on expenses per year, including groceries, restaurants, motels, camp fees and other living expenses. It is further calculated that an average of 35 days per year was spent on dredging, equaling about \$179 expenditure per day per miner. In addition, dredgers spend about \$3,000 on gas, oil, maintenance and repair.

In an e-mail dated July 6, 2010 from Trista Parry of Parry's market Ms. Parry provides figures from her small grocery business in Happy Camp that reflect the impact of the loss of suction dredge miners since the moratorium of SB 670 was passed by the CA legislature last year. It shows a decrease of \$11,467 in receipts for May 2010 and a loss of \$58,739.42 for June of 2010. This is contrasted with the April 2010 receipts which show a modest increase in receipts of about \$3,0000 to show that this is not due to the economic downturn.

SUMMARY COMMENT: Suction dredge mining occurs in the small, economically depressed communities of the Klamath River. The small business dynamic for the grocery stores, convenience stores, cardlock gas, camp grounds and motels is to use summer tourist income to sustain the business in the rest of the season. The year-round local clientele is very small. The loss of dredge miners may result in the closing of vital local service stores along the Klamath. This would likely require residents to travel to Yreka to shop. In the case of the cardlock station, it is the only one on the Klamath River in Siskiyou County. The 1994 EIR indicated a total statewide economic impact of \$ 200 million for each year that dredgers did not mine. In Siskiyou County, when considered in the context of cumulative social and economic impacts to the County and to the fragile socio-economic fabric of a distressed area such as the Klamath River, the negative impact is both considerable and alarming. "

<http://www.icmj.com/UserFiles/file/recent-news/Review-of-Available-Suction-Dredging-Studies.pdf>
 (Excerpts)

California Department of Fish and Game
SUCTION DREDGE PERMITTING PROGRAM Literature Review 2009
4.6.2 Socioeconomic Impacts of Suction Dredge Mining

Expenditures by Recreational and Commercial Suction Dredgers The literature review revealed that virtually all of the information available on expenditures made by recreational and commercial suction dredgers, including investments in equipment, costs to operate and maintain suction dredging equipment, trip expenses, and other annual expenses, is available from a 1993 survey of miners conducted for the 1994 EIR. Most, if not all, of the expenditure data found in subsequent studies referred to data produced by this survey. The 1993 Department survey of over 4,000 individuals, which resulted in 2,000 returned surveys produced the following expenditure information:

1. The average investment in suction dredging equipment by those surveyed was approximately

\$6,000

2. Suction dredgers spent about \$6,250 each on expenses per year, including expenditures on groceries, restaurants, motels, camp fees, and other living expenses. Based on an average of 35 days per year spent suction dredging, these expenditures suggest daily spending of \$179.
3. Suction dredgers reported spending about \$3,000 each on gas, oil, equipment maintenance, and repairs to suction dredging equipment.

A study conducted by the Federal Energy Regulatory Commission (2006) estimated that gold mining in the downstream region of the Klamath River (i.e., downstream of Iron Gate Dam) generated total expenditures ranging from \$451,350 to \$586,350, based on 10,000 user days (all private, non-commercial) in Curry, Humboldt, and Del Norte counties. These expenditures and user days suggest daily expenditures ranging from \$45-\$59, substantially lower than the spending estimated by 1993 survey.

It should be noted that the Waldo Mining District collected economic information about suction dredge mining by distributing a questionnaire to miners in 2001. Although no detailed information was found on the results of this survey, the results were reportedly very comparable to the results from the 1993 Department survey (USFS 2001). The Waldo Mining District is located in southwest Oregon in the Illinois River Valley, which is situated in the Siskiyou National Forest.

Characteristics of Suction Dredgers Similar to expenditure data, most of the information available about the characteristics of suction dredgers, such as average years of participation and frequency of participation in suction dredging mining activities, is available from the 1993 Department survey of suction dredge miners. This survey produced the following information:

- Of those surveyed, 9.6 percent considered themselves commercial dredgers and 90.4 percent considered themselves recreational dredgers.
- Suction dredgers spent an average of 35 days per year on suction dredging
-

While dredging, about 7 percent of suction dredgers reported occasionally staying in motels, 40 percent sometimes lived at home, 38 percent sometimes lived in recreational vehicles and 61 percent camped out.

- Less than 15 percent of suction dredgers use a nozzle size larger than 6 inches. Most of these operators suction dredge on the larger rivers where an 8-inch nozzle is permitted.
-

The survey indicated that 27 percent of suction dredgers were registered claim holders.

A 1983 field survey of dredge mining operations estimated that about half of the 317 dredge miners interviewed claimed to be recreational and the other half professional. Recreational miners, however, accounted for only 20% of total suction dredge mining effort and used smaller dredges than did professionals. According to the survey, suction dredge miners averaged 235 hours in mining activities per season (McCleneghan and Johnson 1983). It should be noted that the distribution of mining between recreational and professional miners has likely changed since 1983.

Agency Costs for Cleanup of Suction Dredge Camps No information in the reviewed literature was available concerning the costs to local, State, and Federal agencies for cleanup of suction dredge camps. This lack of information points to the need to collect cost data directly from agencies responsible for cleanup of camps.

Taxes Paid on Gold Produced by Suction Dredging Under Public Resources Code Section 2207(d)(4) (B), miners are assessed \$5 per ounce of gold mined by any operator within the State to fund the remediation of abandoned mines. Revenue from this assessment goes to the States Abandoned Mine Reclamation & Minerals Fund Subaccount of the Mine Reclamation Account (California Department of

Finance 2009). According to the California Department of Mine Reclamation, the agency is unaware of any suction dredge operation paying this fee, although it was noted that failure to pay is a violation of the Surface Mining and Reclamation Act (SMARA) and subject to daily fines (OBryant, pers. comm.). To expand upon this, according to the California Department of Finance (Bralley, pers. comm.), tax revenues from suction dredge gold mining would fall into an other or miscellaneous revenue category. As such, any revenue in this category would include revenue from a variety of other activities, including jewelry sales, gold sold to retailers, and other things unrelated to gold in general. The State Board of Equalization confirmed that the tax records are not kept in a manner in which this specific data can be extracted (Bralley, pers. comm.).

Revenue Generated by Dredge Permit Fees For 2009, dredge permit fees for residents are established at \$47, and respective non-resident fees are \$185.25. Approximately 3,200 permits are issued annually. The Department has acknowledged that the dredging program's fees are inadequate to cover the cost of the program. The Department has estimated that it costs an average of \$450 to process the permits and to cover the costs of the program, which, if extrapolated to the approximate 3,200 permits, would result in an expenditure of about \$1.4 million (California State Senate Committee on Natural Resources and Water 2009). According to McCleneghan and Johnson (1983), 12 percent of miners did not have Department suction dredge permits when surveyed in 1983.

Economic Impacts of Suction Dredging on Local Economies Virtually all information available concerning the estimated impacts of suction dredging activities on local economies is based on information from the 1993 Department survey of suction dredge miners from the 1994 EIR. Even that survey produced little quantified information on local impacts, acknowledging that little to no data are available on the amount of income attributable to suction dredging.

According to the Department study, suction dredging affects local communities by providing additional income to businesses located near popular dredging areas because miners from outside the local area visit local communities to purchase goods and services.

Some suction dredgers live year round in these local communities while suction dredging, and therefore provide income to businesses in these communities throughout the year. This additional spending generates retail sales, income, and employment in motels, restaurants, and retail stores. Given the amount the surveyed suction dredgers annually spend, suction dredging can have significant impacts on small communities located in areas of high suction dredging activity. Additionally, the Department survey and the resulting study produced the following information on the number of suction dredgers and expenditures related to regional/local impacts

- In 1992, over 4,000 suction dredge permits were issued to recreational and professional/commercial suction dredgers. Many recreational suction dredgers probably spend more money on the activity than they receive in returns through recovered gold. ?
- The average investment in suction dredge equipment was about \$6,000 per year.
- Suction dredgers spent, on average, about 35 days per year participating in suction dredging, expending about \$6,250 per participant on trip-related items, including groceries, restaurants, motels, camp fees, and other living expenses. ? Suction dredgers spent, on average, about \$3,000 a year on gas, oil, equipment maintenance, and repairs to suction dredge equipment.

Little information is available concerning the amount of income suction dredge mining directly produces for miners. Three articles in The New 49er Newsletter (McCracken 2003a, 2003b, and 2009), a publication of the New 49ers mining club based in Happy Camp, CA, provide anecdotal information on gold produced during three week-long group mining outings on the Salmon and Klamath Rivers. According to these articles, gold production ranged from about 3.5 grams to 1.0 ounce per miner. Average gross income per miner produced by this yield ranged from \$110-\$855 per week, suggesting daily income ranging from about \$16-\$122 per miner. It should be noted that these relatively large mining groups, ranging in size up to 22 miners, included several inexperienced miners, suggesting that average mining-related income for experienced suction dredge miners could be higher than income reported in these articles.