



Legislation Text

File #: 18-1022, **Version:** 1

Community Development Services, Department of Transportation, recommending the Board adopt and authorize the Chair to sign Resolution **153-2018** sanctioning the revision to the financial assurance for the Somerset Mine:

- 1) Increase the Pledge of Revenue amount to between \$150,000 and \$210,000; and
- 2) Make the financial assurance mechanism effective for five (5) years from the signed date of this Resolution.

FUNDING: Road Fund. (Local - 100%)

DEPARTMENT RECOMMENDATION

Community Development Services, Department of Transportation (Transportation), recommending the Board approve and authorize the Chair to sign the Resolution sanctioning the revision to the financial assurance for the Somerset Mine:

- 1) Increase the Pledge of Revenue amount to between \$150,000 and \$210,000; and
- 2) Make the financial assurance mechanism effective for five (5) years from the signed date of this Resolution.

DISCUSSION / BACKGROUND

Transportation operates an open pit mine known as Somerset Mine for the purpose of mining decomposed granite which is used to control snow and ice conditions on the West Slope. The Surface Mining and Reclamation Act of 1975 and Public Resources Code Section 2710 requires the surface mining operator to provide lead agencies with financial assurance for reclamation of mined sites. With such financial assurances, the public is not held responsible for the reclamation of the site. In the event of such abandonment or financial incapability by the operator, the financial assurance funds will be used by the lead agency (State Mining and Geology Board) to reclaim both the mined lands and those surrounding affected lands.

Resolution 084-2015 was approved by the Board on June 9, 2015 and provided a pledge of revenue amounts between \$135,000 and up to \$180,000 for a period of five (5) years expiring June 9, 2020 (Item No. 16). Each year, the Department provides the State Mining and Geology Board (as lead agency) with a financial assurance cost estimate (Cost Estimate). The Cost Estimate must remain between the amounts within the financial assurance pledge of revenue. For calendar year 2018, the Cost Estimate amount is \$190,703.82. It was approved on June 14, 2018 by the State Mining and Geology Board (SMGB). A new pledge of revenue must be approved due to the 2018 cost estimate amount required by the Public Resources Code Section 2773.4(e).

ALTERNATIVES

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel

CAO RECOMMENDATION

It is recommended that the Board approve this item.

FINANCIAL IMPACT

In the event of reclamation of the Somerset Mine site, the pledge of revenue will be provided by the Road Fund. There is no Net County Cost associated with this item.

CLERK OF THE BOARD FOLLOW UP ACTIONS

1. The Clerk will obtain the Chair's signature on the Resolution.
2. The Clerk will forward (1) copy of the Resolution to Cierra Garcia, Department of Transportation, Headington Facility.

STRATEGIC PLAN COMPONENT

Public Infrastructure

CONTACT

Rafael Martinez, Director
Community Development Services, Department of Transportation