



Legislation Text

File #: 15-0532, **Version:** 1

Community Development Agency, Transportation Division, recommending the Board approve and authorize the Chair to sign Resolution **084-2015** sanctioning the revision to the financial assurance for the Somerset Mine, pending review, minor modification and approval from County Counsel and Risk Management for the following:

- 1) Increase the Pledge of Revenue amount to between \$135,000 and \$180,000; and
- 2) Make the financial assurance mechanism effective for five (5) years from the signed date of this Resolution.

FUNDING: Road Fund. (No Federal Funds)

DEPARTMENT RECOMMENDATION

Community Development Agency, Transportation Division recommending the Board approve and authorize the Chair to sign Resolution sanctioning the revision to the financial assurance for the Somerset Mine for the following:

- 1) Increase the Pledge of Revenue amount to between \$135,000 and \$180,000.
- 2) Make the financial assurance mechanism effective for five (5) years after the signed date of this Resolution.

DISCUSSION / BACKGROUND

The Community Development Agency, Transportation Division (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 112-2010 was approved by the Board on July 27, 2010 and provided a pledge of revenue amounts between \$125,615 and up to \$150,000 for a period of five (5) years expiring July 26, 2015 (Item No. 24). Each year, the Division 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 2014, the Cost Estimate amount is \$163,700. A new pledge of revenue must be approved due to the 2014 cost estimate amount and the expiration of Resolution 112-2010.

ALTERNATIVES

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Pending County Counsel approval.

CAO RECOMMENDATION

CAO recommending the Board move staff's recommendations.

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 Transportation.

STRATEGIC PLAN COMPONENT

Public Infrastructure

CONTACT

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