

DEPARTMENT of PUBLIC WORKS

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County of Lassen



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B-1
2020/7

January 21, 2020

To: Board of Supervisors
From: Department of Public Works
Subject: Resolution establishing Pledge of Revenue for Financial Assurance on the Westside Pit, CA Mine ID# 91-18-0043, in the amount of \$90,000.

RECOMMENDATION: That the Board of Supervisor's approve Resolution No. 20-____, "Resolution Establishing Pledge of Revenue For Westside Pit (CA MINE ID# 91-18-0043) To Satisfy Requirements Of Section 2773.1 Public Resources Code For Financial Assurance To Reclaim Open Pit Mines."

DISCUSSION: The Road Department has obtained Use Permit #1998-2 for the operation of an open pit mine, Westside Pit, CA Mine 91-18-0043, located on Coyote Road off West Side Road near Madeline, California.

The existing Pledge of Revenue for this site needs to be revised to reflect the recently approved cost estimate, in the amount of \$76,648.58, for the 2019 Financial Assurance Cost Estimate (FACE). The current Pledge of Revenue is being revised to update and include current language.

It is recommended that the current required Pledge of Revenue for the Westside Pit be increased to \$90,000 to provide some capacity for minor changes in future Financial Assurances Cost Estimates.

The attached Resolution replaces the current Pledge of Revenue for the Westside Pit, Resolution 08-051 approved on October 28, 2008, in the amount of \$88,975.90.

ALTERNATIVES: Do not approve financial assurance.

FINANCIAL IMPACT: A Pledge of Revenue from the Road Fund 122 for financial assurance for the reclamation plan on the Westside Pit in the amount of \$90,000.

OTHER AGENCY INVOLVEMENT: None

DEPARTMENTAL APPROVAL: Larry O. Miller

REVIEWED FOR AGENDA: Larry O. Miller

RESOLUTION NO. 20 –

RESOLUTION ESTABLISHING PLEDGE OF REVENUE FOR THE WESTSIDE PIT (CA MINE ID#91-18-0043) TO SATISFY REQUIREMENTS OF SECTION 2773.1 PUBLIC RESOURCES CODE FOR FINANCIAL ASSURANCE TO RECLAIM OPEN PIT MINES

WHEREAS, Lassen County Department of Public Works (Road Division) operates an open pit mine known as the Westside Pit; and

WHEREAS, this pit shall remain a valid aggregate source until the year 2044; and

WHEREAS, Lassen County has control of a portion of State Gas Tax and Forest Reserve Funds for road purposes, known as the Road Fund, which is a separate budget account from the General Fund; and

WHEREAS, the Lassen County Community Development Department as Lead Agency approved Use Permit #1998-2, Reclamation Plan and 2019 Financial Assurance of \$75,648.58 for the operations at the Westside Pit.

WHEREAS, Lassen County Department of Public Works (Road Division) recommends that the current required Pledge of Revenue be increased to \$90,000 to provide some capacity for minor changes in future Financial Assurance Cost Estimates.

NOW, THEREFORE, BE IT RESOLVED by the Lassen County Board of Supervisors, State of California that \$90,000 of the Road Fund be used as a Pledge of Revenue for the above stated purpose, to be renewed each fiscal year and adjusted annually, if necessary, to a minimum equal the current approved Financial Assurance Cost Estimate (FACE), which will be prepared annually, in accordance with the requirements of the Surface Mining and Reclamation Act (SMARA).

BE IT FURTHER RESOLVED that the Pledge of Revenue shall remain in place until release has been approved by written consent and authorized signatures of both the lead agency (Lassen County) and the Department of Conservation.

BE IT FURTHER RESOLVED that if the Lassen County Department of Public Works (Road Division) ceases at any time to retain control of its ability to allocate any pledged revenue to conduct and complete reclamation, the Department shall notify the lead agency and the Department of Conservation and shall obtain alternative coverage within 60 days after control lapses.

BE IT FURTHER RESOLVED by this resolution which authorizes the lead agency or the Department of Conservation to use the proceeds of said pledge to conduct and complete reclamation as the lead agency or the Department of Conservation determines the operator is incapable of performing (pursuant to California Public Resources Code § 2773.1).

The foregoing resolution was adopted at a meeting of the Board of Supervisors of Lassen County, California, held on the 21st day of January, 2020 by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

Chairman of the Board of Supervisors
County of Lassen, State of California

ATTEST:

Julie Bustamante
Clerk of the Board

BY _____
Michele Yderraga, Deputy Clerk of the Board

I, MICHELE YDERRAGA, Deputy Clerk of the Board of Supervisors, County of Lassen, do hereby certify that the foregoing resolution was adopted by the said Board of Supervisors at a regular meeting thereof held on the 21st day of January 2020.

Deputy Clerk of the County of Lassen
Board of Supervisors