



Legislation Details (With Board Report)

File #: 13-1151 **Name:** SMARA Inspection Fees
Type: General Agenda Item **Status:** Passed
File created: 10/25/2013 **In control:** Board of Supervisors
On agenda: 11/5/2013 **Final action:** 11/5/2013
Title: Public hearing continued from October 22, 2013 to consider adopting a resolution to amend Article IX (RMA-Planning) of the Monterey County Fee Resolution to increase the Surface Mine Annual Inspection fee from \$3,227.91 to \$7,600.00 for all mines or only those with a disturbed area of greater than 20 acres, for Fiscal Year 2013-2014 to cover the reasonable cost of inspections. (Adjust Fees - REF130098/Surface Mine Annual Inspection Fee)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Attachment A - Discussion, 2. Attachment B-1 - Article IX (RMA-Planning), 3. Attachment B-2 Article IX (RMA-Planning), 4. Completed Board Order and Resolution

Date	Ver.	Action By	Action	Result
11/5/2013	1	Board of Supervisors	approved	Pass

Public hearing continued from October 22, 2013 to consider adopting a resolution to amend Article IX (RMA-Planning) of the Monterey County Fee Resolution to increase the Surface Mine Annual Inspection fee from \$3,227.91 to \$7,600.00 for all mines or only those with a disturbed area of greater than 20 acres, for Fiscal Year 2013-2014 to cover the reasonable cost of inspections. (Adjust Fees - REF130098/Surface Mine Annual Inspection Fee)

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution for one of two optional methods to amend Article IX (RMA-Planning) of the Monterey County Fee Resolution to increase the Surface Mine Annual Inspection fee:

Option 1:

Increase the inspection fee from \$3,227.91 to \$7,600.00 for all mining operations for Fiscal Year 2013-2014 to cover the reasonable cost of inspections (Attachment B-1).

Option 2:

Increase the fee from \$3,227.91 to \$7,600.00, only for mining operations with over 20 acres of disturbed area (as identified in the 2012 inspection reports), for Fiscal Year 2013-2014 to cover the reasonable cost of inspections (Attachment B-2). The increased fee would apply to seven of the 16 mine operations.

SUMMARY:

The Board of Supervisors approved an update of land use fees on May 7, 2013 (Resolution 13-143). Staff is recommending an adjustment to the Surface Mine Annual Inspection fee for FY 2013-2014 only due to changes in state inspection requirements. The Board of Supervisors held a public hearing on this matter on October 22, 2013, and directed staff to return with an analysis of what other counties are charging. Research shows that most counties responding are full cost recovery, with an hourly rate charged, while other counties have a fee of

between \$1,440 and \$2,740. However, Monterey County's fee also includes condition compliance and mitigation monitoring verification. Some counties do not appear to include those tasks as part of the inspection process, with at least one doing a separate inspection for those types of activities. Also, these fees are based on work conducted using the old state requirements.

DISCUSSION:

See Attachment A.

OTHER AGENCY INVOLVEMENT:

The State Office of Mine Reclamation has created a new inspection form, requiring more time and effort to complete the new forms to the satisfaction of the state. County staff has reviewed the requirements with mining inspectors from other counties, and the expectation is that approximately twice as much effort will be needed to complete the new form. County Counsel has assisted in the preparation of the fee resolution.

FINANCING:

There may be an impact to the General Fund if the Board chooses not to adopt Option 1. The proposed fee adjustment for Option 1 would provide full cost recovery of Consultant costs for mining inspections, and related activities, for FY 13-14. Staff functions would be funded from the General Fund. The proposed fee adjustment for Option 2 will partially cover the costs for the Consultant to complete the annual inspections for the sixteen (16) mine sites for 2013. The revenue realized from the adjusted inspection rate, if approved, would be \$79,451.19, resulting in a shortfall of \$35,748.81 for direct Consultant costs. Either fee adjustment imposed would fully or partially cover the reasonable costs of the governmental activity and does not exceed the reasonable and actual costs to the County of providing these services. We will want to revisit the fee for next year for two reasons: 1) we will have experience with the new inspection form, and 2) we will have a proposal from consultants with new cost estimates to conduct the inspections and related work. The expectation is that the first year using the new forms will require more effort than subsequent year inspections and, therefore, the cost may be lower in subsequent years.

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Benny Young, Director, Resource Management Agency

This report was prepared with assistance by County Counsel.

Attachments:

Attachment A: Discussion
Attachment B-1: Article IX (RMA-Planning) (full cost recovery)
Attachment B-2: Article IX (RMA-Planning) (partial cost recovery)