



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 13-1072, **Version:** 1

Public hearing to consider adopting a resolution to amend the 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 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 to amend the 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 Fiscal Year 2013-2014 to cover the reasonable cost of inspections.

SUMMARY:

The Board of Supervisors approved an update of the 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 the state inspection requirements.

DISCUSSION:

The Surface Mining and Reclamation Act (SMARA) requires annual inspections of surface mining operations. Under section 2774 (b) of the Public Resources Code, section 3504.5(e) of Title 14 of the California Code of Regulations, and section 16.04.100 of the Monterey County Code, the mine operator shall be solely responsible for the reasonable cost of the annual inspection conducted by the lead agency. The current fee is \$3,227.91 which covers the cost of inspections. This proposal is to increase the fee to \$7,600.00 due to increased costs stemming from new state requirements.

The State Mining and Geology Board has implemented a new Surface Mining Inspection Report Form (form MRCC-1) to be used for all Mine Site Inspections. The new form requires that much more detailed information be provided (e.g., graphics, photographs, documentation) as necessary to document observed mine operations and reclamation conditions relative to the requirements of the approved reclamation plan. Gathering the information for each mine on the new form requires more time and effort by the Consultant, currently Benchmark Resources. Because the fee adjustment is a significant increase for the mine operators, staff is not requesting additional funds to cover the administrative costs incurred by RMA-Planning to administer the program.

On October 22, 2013, the Board of Supervisors will be asked to approve Amendment No. 3 to PSA A-11561 (**Attachment B**) to increase the amount payable by \$127,520.00 for a total amount not to exceed \$306,113.50 and to extend the term to January 31, 2014 in order to complete the annual inspections for the sixteen (16) mine sites for 2013 and to assist with a response to comments made by Lead Agency Review Team (LART)/State Mining and Geology Board (SMGB) Executive Officer's review of the 2013 SMARA annual inspection reports to meet the requirements of the County's SMARA compliance program.

A new Request for Proposals (RFP #10443) is currently being processed to select a Consultant to conduct the required SMARA annual inspections for the new term of 2013 through 2017. Once a consultant is selected,

staff will review the costs of the program and will return to the Board of Supervisors for an adjustment to the Surface Mine Annual Inspection fee for FY 2014-15 based upon the results of the RFP.

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 of Supervisors does not approve the fee adjustment. We collect fees from mines and land use fees are being updated and will be presented to the Board of Supervisors for consideration in November/December 2013. We will consider appropriate fees to reimburse County for costs associated with this contract. The proposed fee adjustment is intended to cover the costs for the Consultant to complete the annual inspections for the sixteen (16) mine sites for the remainder of the calendar year 2013. The fee adjustment imposed covers 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 reviews. 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.

Prepared by: Laura M. Lawrence, REHS, Planning Services Manager, Ext. 5148

Approved by: Mike Novo, Director, RMA-Planning, Ext. 5192

Benny Young, Director, Resource Management Agency

This report was prepared with assistance by County Counsel.

Attachments:

| | |
|-----------------|--|
| Attachment A: | Draft Resolution to Adopt Fee Change |
| Attachment A-1: | Article IX (RMA-Planning) |
| Attachment B: | Amendment No. 3 to Benchmark Resources PSA A-11561 |