



COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT

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TOM BURNS, PLANNING DIRECTOR

September 30, 2005

Agenda Date: October **12, 2005**

Planning Commission
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

Subject: Study Session on Status of Mining Permits, Reclamation, and End Use Considerations

Members of the Commission:

At the July 27, 2005 Planning Commission meeting Commissioner Shepherd requested information from staff regarding the status of the quarries in Santa Cruz County. This letter summarizes the information requested for all the active quarries in Santa Cruz County, including the permit status of each quarry, the process of quarry closure, and how the reclamation plan relates to future land use. A similar report was prepared for the Commission in October 2003. After two years this is a good opportunity to review current information and upcoming agenda items for the Commission.

Introduction

The mining operations in Santa Cruz County discussed below operate pursuant to approvals consistent with the mining regulations. Each has an approved mining plan and reclamation plan, as well as a specific set of conditions of approval that address potential hazards, and other adverse effects that may occur as a result of a particular mining operation. County staff inspects the mines during active mining and throughout the reclamation phase on a quarterly basis. The operators are required to prepare and submit comprehensive annual reports to the County. For each quarry, approximately every five years, the Planning Commission performs a Permit Review for compliance with approval conditions. In addition, the Commission considers applications for permit amendments.

Currently the reclamation plans for each of the mines in Santa Cruz County designate the end use as some form of open space. The one exception is Cabrillo Sand and Gravel, which has an active landscape supply business on the site. Because mining has ceased at the Hanson Quarry and Olympia Quarry, these operators have begun to informally discuss potential alternative end uses.

If uses other than open space are proposed, an amendment to the Reclamation Plan would be required, as well as other applicable permits and approvals. In addition, any

future development proposal would be subject to Environmental Review according to provisions of the California Environmental Quality Act and County of Santa Cruz Environmental Review Guidelines.

In accordance with the mining regulations, financial assurances made payable to the County and the California Department of Conservation have been submitted by each quarry operator to ensure that adequate reclamation is performed in accordance with the approved Reclamation Plan. The financial assurances are reviewed each year by the County and adjusted, as needed, to account for current conditions. Only when the County is satisfied that the Quarry has completed reclamation pursuant to the approved Reclamation Plan, will the Financial Assurance be released. If the mining operation is abandoned (idle for over one year) and the operator has failed to commence reclamation in accordance with the approved Reclamation Plan in a timely manner, the Planning Director would commence enforcement proceedings, which could lead to forfeiture of the Financial Assurance and reclamation of the site by the County.

For each quarry, the following information is a summary of the permit status, reclamation status and future considerations for each quarry. In addition, a table has been included with this report as Exhibit A that contains general information regarding permit history and the projected lifespan of each quarry.

Discussion

Olive Springs

The Olive Springs Quarry is located at the northern end of Olive Springs Road, approximately 1.5 miles east of Old San Jose Road on the easterly face of Sugarloaf Mountain. The property encompasses a total of approximately 295 acres and is located adjacent to Soquel Creek to the east, and the California Department of Forestry's Soquel Demonstration Forest to the north. Rural residential uses exist to the southeast, south and west. The mining area is approximately 75 acres in size. The remainder of the property is undeveloped and has been harvested for timber periodically.

The Planning Commission certified the Olive Springs Quarry EIR and approved Mining Approval 88-0233 on January 26, 1994. The 1994 approval expires in 50 years and mining is expected to continue for this entire period. The Commission completed the first Permit Review on June 27, 2001 and the quarry was found to be in substantial compliance with their permit conditions. The next Permit Review is due in 2006. Currently, staff is processing an application to amend permit conditions related to drainage and production limits. It is anticipated that the amendment request will be brought before the Commission, along with the second Permit Review, early next year.

The mineral resource at Olive Springs Quarry consists of fractured granite. Process water and storm water are managed utilizing four ponds located adjacent to Soquel Creek. Quarry products include baserock, granitic fines, and aggregate, in addition to the asphaltic concrete plant products.

The mining method of moving resources from the upper bench to the lower bench within the limited Quarry area prevents concurrent reclamation of the site. The reclamation plan consists of a planting plan for the final slope benches, which will start at the top of the mine and continue down slope as the final benched mine face is created. Following cessation of mining the ponds will remain.

Planning staff is not aware of any consideration of alternative end use at this time. It should be noted that the property contains mineral resources that extend well beyond the currently permitted mining limits; therefore, a future request to expand the mine is likely.

Hanson Quarry

The Hanson Quarry property is located southwest of the intersection of Mt. Hermon Road and Conference Drive and encompasses a total area of approximately 270 acres. The site is surrounded by rural and urban residential uses, and the Mt Hermon Conference Center is located west of the site. Sand mining ceased in 2004. As the Commission may recall, in March 2004, a Permit Review was completed and a Major Mining Approval Amendment was approved, which included changes to the Reclamation Plan, but did not change the proposed end use of open space.

The reclamation plan essentially consists of grading the quarry floor to achieve proper drainage patterns and revegetation of the quarry floor and slopes. Due to the habitat characteristics, including soil type and plant species, the revegetation process will be slow. Planting of the entire site will take a number of years, and monitoring for success will occur over a period of 15 years after planting. Plant establishment and achievement of success criteria throughout the entire site could take 30 years or more.

Current reclamation activities include revegetation of final slopes, monitoring and maintenance activities on older slopes, and new plantings on recently completed slopes. It is anticipated that approximately 10 acres of the quarry floor will receive initial planting this winter in conformance with the reclamation plan timeline. It is anticipated that the 2006 construction (dry) season will see major reclamation activities at the site including grading the quarry floor, removal of plant equipment, and repair of Conference Drive and associated drainage improvements. In the meantime, Granite Construction Company has been contracted to maintain the site, which primarily involves storm water management in the winter. A local representative of Hanson responds to any neighborhood inquiries or complaints. Regular compliance monitoring continues during the reclamation phase, including quarterly and annual inspection and annual reporting by the quarry to both the County and State.

Planning staff is aware of previous discussions regarding the end use alternative of moving the propane tanks out of the City of Scotts Valley to the Hanson quarry. However, at this time a different site for the propane tanks has been proposed.

The Santa Cruz County Flood Control and Water Conservation District has completed a scope of work and selected a consultant for a future feasibility study regarding conjunctive use of water resources in the lower San Lorenzo Valley watershed. The District is seeking grant money to fund the feasibility study. This process is moving forward in collaboration with the Scotts Valley Water District and San Lorenzo Valley Water District. The Hanson and Olympia Quarry sites are located within the subject watershed and have been identified as potentially useful components in a conjunctive use project involving surface water storage and groundwater recharge.

In addition, because the property is large and contains some intact "sandhills" habitat it is a candidate for habitat conservation purposes. Planning staff is aware of some preliminary discussions involving the owners, agencies and the Trust for Public Land regarding a possible purchase and transfer of quarry property into public ownership for conservation purposes. As well, over the years there has been informal discussion of using a portion of the site for sports playing fields.

Felton Quarry

The Granite Construction Company Felton Quarry is located approximately two miles southwest of the town of Felton in the Santa Cruz Mountains between State Highway 9 and Empire Grade Road. The quarry properties encompass an area of approximately 262 acres and mining is approved on approximately 85 acres. The site is surrounded by timberland, state park land and rural residential uses.

As the Commission may recall in 2004 a Permit Review was completed, which resulted in some improvements to the mining operation in terms of dust control, noise reduction and odor control. The operation was found to be in substantial compliance with the permit conditions.

The mineral resource at Felton Quarry consists of fractured granite. Process water and storm water are managed utilizing a series of ponds. Quarry products include baserock, California Gold and other landscape aggregates, crushed stone, sand and gravel, rip-rap and hot mix asphalt and emulsions.

The Felton Quarry operations are currently in their 25th year of mining under the current mining approval. The remaining lifespan of the Quarry, under the current permit, is estimated to be 25 years. Reclamation activities have occurred on one previously mined face and other areas of the quarry outside of the current mining area. Similar to Olive Springs Quarry, mining on the active face consists of moving material from the upper bench to the lower bench and this method of operation prevents concurrent reclamation of the active face. However, at Felton Quarry, revegetation will commence in previously mined sections of the face as mining activities move laterally across the face. Following cessation of mining, ponds will remain to control storm water.

space. The Olympia Quarry and Hanson Quarry have been identified as potentially useful components in a conjunctive use water supply project, the status of which is described above under Hanson Quarry.

In addition, because the property is large and contains some intact "sandhills" habitat, it is a candidate for habitat conservation purposes. Planning staff is aware of discussions involving the owners, agencies and a private group interested in developing a "mitigation

bank". Although a number of meetings and discussions regarding this proposed scheme have occurred in the past, Planning staff is not aware of any current negotiations between the property owners and the private mitigation bank.

Bonny Doon Quarry

The RMC/Cemex Bonny Doon Limestone and Shale quarries are located on either side of Bonny Doon Road approximately 2 miles east of Highway 1. The quarries are operating under a Certificate of Compliance and Reclamation Plan approved in 1997. In 1999 the operator submitted an application to expand the limestone quarry. That application has been the subject of review, including a series of hearings before the Planning Commission and the Board of Supervisors primarily regarding vested rights. Currently, an EIR is being prepared for the expansion application. It is anticipated that the proposed project will come before the Commission in 2006.

The mining operation consists of a limestone pit on the east side of Bonny Doon Road and a shale pit on the west side of the Road, both connected to the Davenport cement plant by a conveyor system. Quarry products are not hauled over public roads. Limestone is mined by blasting and shale is mined by ripping with mobile equipment. Limestone and shale are alternately placed on a conveyor system and transported to the cement plant for processing. Overburden from the limestone quarry is placed in a canyon below the quarry. Reclamation of previously mined quarry slopes and the disposal area is ongoing. Operations at the limestone quarry are nearing the approved limits of mining, but it is not clear exactly how much longer approved reserves will last. As with other quarries, following cessation of mining, grading, planting and monitoring will take a number of years, and possibly decades, to complete.

Planning staff is not aware of any consideration of end use alternatives other than open space at the Bonny Doon quarry. It should be noted that the shale quarry and disposal area are located on land leased from Coast Dairies & Land Company, which will be transferred into public ownership.

Wilder Sand Plant

A Permit Review and Minor Amendment application is currently before the Commission. The staff report regarding the Wilder Sand Plant appears as a separate item on your agenda today, and provides information on permit status, reclamation status and future considerations for the quarry.

Quail Hollow Quarry

The Quail Hollow Quarry property is located on Quail Hollow Road near the community of Ben Lomond and encompasses a total area of approximately **240** acres. As with Hanson and Olympia Quarries, mining operations consist of excavating, washing, classifying and shipping of sand, which occur within the Santa Margarita Formation underlying the property. The Quail Hollow Quarry is unique, however, in that it also produces fine,

industrial grade sand used in the production of glass. Mining is ongoing and is likely to continue for decades. The operation is due for a Permit Review and this item should appear on the Commission's agenda sometime in 2006.

A 1998 Mining Approval and Certificate of Compliance allows mining of the site and provides for conservation, enhancement and protection of other lands surrounding the mining area. The 1998 Approval was the culmination of a lengthy process to resolve litigation between the County, Graniterock Company, and other parties.

As required by the Conditions of Approval, Graniterock has been working to complete a Long Term Management and Maintenance Plan (LTMMP) for the conservation areas surrounding and the mining area after mining. The LTMMP is a requirement of the 1998 Habitat Conservation Plan (HCP) and Implementing Agreement. The purpose of the LTMMP is to implement the conservation goals of the HCP by describing management and maintenance activities that will be undertaken. The LTMMP is essentially the permanent end use plan for the mine. A draft of this plan was completed in 2005 and is now under review by all parties before a final plan is submitted to the County. Graniterock has created an endowment fund, which will be used to guarantee funding of the LTMMP in perpetuity after mining ceases. The current balance of the fund will be adjusted based on a revised calculation of the amount necessary, which will be provided in the final plan, as well as the rate of return on the invested funds each year.

Cabrillo Sand & Gravel

Cabrillo Sand & Gravel is a relatively small operation located on Freedom Boulevard near Hames Road. The operation has consisted of mining sand and blending it with organic material to produce various soil amendments for landscaping. Aptos Landscape Supply is a local business that operates on the site and sells a variety of landscape products.

Mining has ceased and the operator has planted the entire mined slope. Irrigation, maintenance and monitoring of the plantings are ongoing. The reclamation plan requires the construction of a fill slope to buttress a portion of the toe of the mined slope. Construction of this buttress requires the importation of fill to the site. The operator has agreed to allow the Department of Public Works to supply clean fill soil. Public Works has a need to dispose of excess soil from emergency road clearing activities during the winter. This material is typically stockpiled in road turnouts, which are commonly located near creeks. To avoid potential sedimentation of creeks, Public Works has been seeking out appropriate disposal sites such as Cabrillo quarry.

It appears that the proposed end use for this site will be the continuation of the landscape supply business.

Conclusion and Recommendation

In summary, 2006 could be a very busy year for quarry-related items, with potentially four different Permit Reviews, a Major Amendment, and an EIR project coming before the

Commission. Planning Department Staff will be present to answer any questions you may have regarding the quarry program in general or the information provided above.

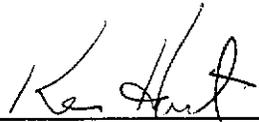
It is, therefore, RECOMMENDED that your Commission accept and file this status report regarding the various quarry operations located within Santa Cruz County.

Sincerely,



David Carlson
Resource Planner

Reviewed By:



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Exhibits:

- A. Quarry Program Summary Table

Quarry Program Summary

Mine	Approval Year	Major Amendments	Permit Reviews	Lifespan
Olive Springs Quarry	1994	Pending	2001*	2044
Hanson Quarry	1979	2004	1988, 1995, 2004	Mining completed
Felton Quarry	1979	1993, 1999	1990, 1999, 2004	2029
Olympia Quarry	1986	1994	1994, 2000*	Mining completed
Bonny Doon Quarry	1997	EIR pending; approval would extend lifespan	None*	Near completion
Wilder Sand Plant	1996	2006	2005	2010
Quail Hollow Quarry	1997	1998	None*	2060±
Cabrillo Quarry	1990	None	1996	Mining completed

* Subsequent Permit **Review** should **occur** in 2006