



COUNTY OF HUMBOLDT

For the meeting of: 1/14/2025

File #: 24-1569

To: Board of Supervisors

From: Public Works

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

License Agreement with Green Diamond Resource Company for the Bald Hills-Coyote Creek Borrow and Stockpile Site, APN 531-022-002

RECOMMENDATION(S):

That the Board of Supervisors:

1. Authorize the Chair of the Board to sign, in duplicate, the License Agreement between the County of Humboldt and Green Diamond Resource Company (Attachment 1); and
2. Direct the Clerk of the Board to return both executed License Agreements to the Department of Public Works Land Use Division for further processing.

STRATEGIC PLAN:

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Core Services/Other

Strategic Plan Category: 1009 - Expand county infrastructure resilience

DISCUSSION:

The Road Division of the Humboldt County Department of Public Works has been using the Bald Hills-Coyote Peak Quarry Site since 1972. The Oct. 1, 2019, License Agreement expired Dec. 31, 2023, and a new License Agreement is necessary. The new License Agreement (Attachment I) shall permit the County to enter upon said property (AP 531-022-002) for the purpose of a surface mining operation, which will include processing of pit-run material and stockpiling of construction material, as well as storage of equipment appurtenant to County Road repair and maintenance.

The new License Agreement would have an effective date of Jan. 1, 2024 and remain in full force and effect until December 31, 2029. This retroactive effective date of January 1, 2024 would cover the county's continued use of the stockpile site after the expiration date of the last extension, which was December 31, 2023. The county shall have sixty (60) days beyond termination date to remove equipment and stockpiled aggregate material from site.

The proposed License Agreement for pit-run aggregate royalty rate is one dollar twenty-five cents (\$1.25) per cubic yard, consistent with royalty rates at other aggregate resource sites rented by the county. Said material shall be measured by truck capacity and said total shall be paid monthly, verified by truck tickets, volume reporting shall include capacity documentation.

The rental rate for use of said site shall be \$1,000 per year, payable in advance, on an annual basis, at the sum of \$1,000 each year. The new License Agreement stipulates that annual site payments shall be made payable prior to January 1 of each calendar year.

The county's surface mining operation has been reviewed and permitted in accordance with the California Environmental Quality Act (CEQA). A Negative Declaration was originally adopted by the Planning Commission for the approval of Conditional Use, Surface Mining, and Reclamation Plan permits on Apr. 21, 1994. On Aug. 5, 2010, the Planning Commission adopted a subsequent Mitigated Negative Declaration pursuant to the provisions of CEQA, extending the existing County owned surface mining permits. The License Agreement requires the County to comply with all applicable laws, regulations, and permits.

SOURCE OF FUNDING:

Roads Maintenance 1200-325-2121

FINANCIAL IMPACT:

<i>Expenditures (Fund, Budget Unit)</i>	FY23-24	FY24-25 Projected*	FY25-26 Projected*
<i>Budgeted Expenses</i>	\$1,418.00	\$1,418.00	\$1,418.00
<i>Total Expenditures</i>	\$1,418.00	\$1,418.00	\$1,418.00

**Projected amounts are estimates and are subject to change.*

<i>Funding Sources (Fund, Budget Unit)</i>	FY23-24	FY24-25 Projected*	FY25-26 Projected*
<i>Use of Fund Balance</i>	\$1,418.00	\$1,418.00	\$1,418.00
<i>Total Funding Sources</i>	\$1,418.00	\$1,418.00	\$1,418.00

**Projected amounts are estimates and are subject to change.*

Narrative Explanation of Financial Impact:

The new License Agreement provides for royalty payments when surface mining occurs and an annual rental payment of \$1,000. Per County records, roughly 1,000 cubic yards are mined every 3-5 years, or 200 to 334 cubic yards per year; therefore, annual royalty payments per year would range from \$250.00 to \$418.00. The Roads Maintenance budget 1200-325-2121 shall bear the cost of all payments.

STAFFING IMPACT:

Narrative Explanation of Staffing Impact:

None

OTHER AGENCY INVOLVEMENT:

N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to execute a new License Agreement. The Department of Public Works recommends executing the new License Agreement because of the county's need for aggregate resource sites strategically located throughout the County's road system and stockpiling and storage sites located throughout the county's road system. By executing this new License Agreement, the continued utilization of this aggregate source shall offset expenses associated with importing road construction materials from more distant locations and would reduce the cost of road maintenance and repairs by allowing for advanced staging of materials and equipment in the immediate area of planned projects.

ATTACHMENTS:

New License Agreement

PREVIOUS ACTION/REFERRAL:

Meeting of: October 1, 2019

File No.: 19-1323