



# COUNTY OF HUMBOLDT

## Legislation Text

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File #: 19-1323, Version: 1

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**To:** Board of Supervisors

**From:** Public Works

**Agenda Section:** Consent

**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.

**SOURCE OF FUNDING:**

Roads Maintenance 1200-325

**DISCUSSION:**

The Roads Division of the Humboldt County Department of Public Works has been using the Bald Hills-Coyote Peak Quarry Site since 1972. The March 25, 2014 License Agreement has expired and a new License Agreement is necessary. The new License Agreement (Attachment 1) shall permit the county to enter upon said property (APN 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 shall commence upon the date of execution, with the first term extending from the date of execution through December 31, 2019. The License Agreement shall renew automatically for four (4) successive one-(1) year terms upon the same terms and conditions herein, unless either party provides the other party written notice of termination at any time and effective after sixty (60) days. The county shall have sixty (60) days beyond termination date to remove equipment and stockpiled aggregate material from site.

The proposed License Agreement shall increase the royalty rate for pit-run aggregate from One Dollar (\$1.00) per cubic yard to 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 Fifty Dollars (\$50) per month, payable in advance, on an annual basis, at the sum of Six Hundred Dollars (\$600) per 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 April 21, 1994. On August 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.

FINANCIAL IMPACT:

The new License Agreement provides for royalty payments when surface mining occurs and an annual rental payment of Six Hundred Dollars (\$600). Per county records, between two hundred (200) and one thousand (1,000) cubic yards are mined per year; therefore, annual royalty payments per year are anticipated to range from Two Hundred and Fifty Dollars (\$250) to One Thousand, Two Hundred and Fifty Dollars (\$1,250). The Roads Maintenance budget 1200-325-2121 shall bear the cost of all payments. There is no impact to the General Fund.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by providing for and maintaining infrastructure

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 in duplicate

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-20

Meeting of: March 25, 2014

File No.: N/A