



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 17, 2024

FROM: PUBLIC WORKS DEPARTMENT WARD: 3

SUBJECT: RESOLUTION TO ADJUST FINANCIAL ASSURANCE AMOUNT REQUIRED BY CALIFORNIA SURFACE MINING AND RECLAMATION ACT OF 1975 FOR CITY OF RIVERSIDE GRANITE PIT

ISSUE:

Adopt a resolution to adjust the Financial Assurance Amount required by the Surface Mining and Reclamation Act of 1975 (California Public Resources Code) for the surface mining activities conducted at the City of Riverside Granite Pit located at Fremont Street and Mountain View Avenue in Riverside, California.

RECOMMENDATION:

That the City Council:

1. Adopt a Resolution to adjust the Financial Assurance Amount required by the Surface Mining and Reclamation Act of 1975, reserving funds required to reclaim the City of Riverside-owned mining operation, in accordance with California Public Resources Code section 2710 and repeal Resolution No. 21880.
2. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a reservation of General Fund resources in the amount of \$335,851.92 as of June 30, 2024, to comply with the State's financial assurance requirement for the City of Riverside Granite Pit.

LEGISLATIVE HISTORY:

The California Surface Mining and Reclamation Act of 1975 (Public Resources Code sections 2710 et. seq.) requires financial assurances of each California surface mining operation to ensure that reclamation is performed in accordance with the surface mining operation's approved reclamation plan. The purpose of the reclamation plan is to ensure that funds are reserved for the mined land to be restored to a condition suitable for other land uses.

DISCUSSION:

The City of Riverside Public Works Department owns and operates a surface mining operation (Granite Pit) located at Fremont Street and Mountain View Avenue in Riverside. The facility is used by the Public Works Department Street Division to mine decomposed granite, backfill the facility, and for temporary materials storage.

On July 14, 2009, the City Council approved Resolution No. 21880, establishing a budget reserve as the financial assurance mechanism required by the Surface Mining and Reclamation Act of 1975 for surface mining operations and set by the California Department of Conservation Office of Mine Reclamation at the amount of \$184,738. The amount is subject to annual review and change pursuant to the Act.

The City of Riverside was recently notified that the California Department of Conservation Office of Mine Reclamation has completed their annual review, and that the financial assurance amount has increased from \$184,738 to \$335,851.92. The attached resolution increases the amount of the financial assurance and will amend Resolution No. 21880.

The Finance Director/Assistant Chief Financial Officer has reviewed and concurs with this report.

STRATEGIC PLAN ALIGNMENT:

This item supports **Strategic Priority 4 – Environmental Stewardship** and the Granite Pit aligns with **Goal 4.5 – Maintain and conserve 30% of Riverside’s natural lands in green space including, but not limited to, agricultural lands, parkland, open space and urban forests in order to protect and restore Riverside’s rich biodiversity and accelerate the natural removal of carbon, furthering our community’s climate resilience.**

Furthermore, this project aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The Granite Pit will continue to reduce various costs street maintenance projects with preserving the 13.5 acres to be used as an open and natural space for the community.
2. **Equity** – Once the Granite Pit is closed, the land will be reclaimed as an open and natural space for the adjacent community and for all residents within the City of Riverside.
3. **Fiscal Responsibility** – The Granite Pit is used to excavate decomposing granite and store/deposit other aggregate material which minimizes costs for street maintenance projects.
4. **Innovation** – Although the primary purpose of the Granite Pit is to reduce costs for various street maintenance projects, the end purpose for the Granite Pit is to return the property to the community as a 13.5 acre open and natural space.
5. **Sustainability & Resiliency** – The City Granite Pit has many long-term benefits such as extracting decomposing granite, depositing aggregate materials, and storing various project materials as Class II Base, slurry sand, and clean fill dirt.

FISCAL IMPACT:

While adoption of the attached resolution to comply with the State's financial assurance requirement does not require a direct expenditure, an allocation of General Fund resources in the amount of \$335,851.92 will be required to be set aside as Restricted Fund Balance, making these funds unavailable for spending until the mine is reclaimed. The reserve will be recorded during the 2023/24 fiscal year-end processes and in preparation for the annual audit of the City's financial statements.

The Public Works Department will conduct an annual review of the required reserve and recommend increase or decreases of the reserve per the analysis. The reserve will remain intact until the mine is fully reclaimed, at which point specific appropriations of the reserve will be requested.

Prepared by: Robert Rivers, Principal Management Analyst
Approved by: Gilbert Hernandez, Public Works Director
Certified as to
availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachment: Resolution