



**Resource Management
Agency
COUNTY OF TULARE
AGENDA ITEM**

BOARD OF SUPERVISORS

ALLEN ISHIDA
District One

CONNIE CONWAY
District Two

PHILLIP A. COX
District Three

J. STEVEN WORTHLEY
District Four

MIKE ENNIS
District Five

AGENDA DATE: April 1, 2008

Public Hearing Required	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Published Notice Required	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Advertised Published Notice	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Meet & Confer Required	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Electronic file(s) has been sent	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Personnel Resolution attached	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Resolution, Ordinance or Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

CONTACT PERSON: Celeste Perez PHONE: 733-6291

SUBJECT: Transfer of Ownership of Surface Mining Permit and Reclamation Plan PMR 05-001

REQUEST(S):

That the Board of Supervisors:

Approve the transfer of ownership of Surface Mining Permit and Reclamation Plan (PMR 05-001) from Lee McClatchey to Orosi Rock, relinquishing Lee McClatchey from any further responsibility originating from said permit, including the Conditions of Approval and approved Financial Assurances.

SUMMARY:

As stipulated by Tulare County Ordinance Code Section 7-25-1145, any change in ownership of a Surface Mining Operation from one party to another will not be effective until the new owners have secured the necessary Financial Assurances. The new owner must agree to meet all Conditions of Approval for the Surface Mining Permit and Reclamation Plan. In addition, the existing owner will be released from any further responsibility originating from the permit, the reclamation plan, the conditions of approval, and approved financial assurances. At such time as new financial assurances have been secured, the Director of Planning shall give notify the Board of Supervisors, placing the matter on the Board of Supervisors agenda for action as set forth in section 7-25-1150.

Orosi Rock LLC of Lockeford, California assumed ownership of the approved

SUBJECT: Transfer of Ownership of Surface Mining Permit and Reclamation Plan
DATE: PMR 05-001 April 1, 2008

Surface Mining Permit and Reclamation Plan (PMR 05-001) for Whiterock Sand and Gravel, of Visalia, from the current owner, Lee McClatchey on May 14, 2007.

Orosi Rock has posted the necessary Financial Assurances with Tri Valley Bank, San Ramon, California (see Exhibits A & B) and has agreed to assume full responsibility for the approved permit and reclamation plan, including all conditions of approval.

Ownership of the entire 35.13 acre parcel, located on the northeast corner of Road 144 and Avenue 420, one half mile east of East Orosi (APN #035-240—011, lots 97 & ptn 98 of Orosi Farms), subject property of PMR 05-001, has also transferred from Lee McClatchey, owner of Whiterock Sand and Gravel, to Orosi Rock, LLC.

FISCAL IMPACT/FINANCING:

None

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

Economic Well-Being: Promote economic development opportunities, effective growth management, and a quality standard of living.

ALTERNATIVES:

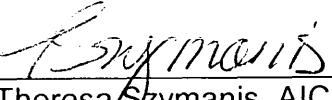
None

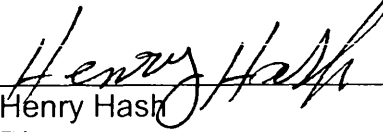
INVOLVEMENT OF OTHER DEPARTMENTS OR AGENCIES:

California Department of Conservation, Office of Mine Reclamation

SUBJECT: Transfer of Ownership of Surface Mining Permit and Reclamation Plan
DATE: PMR 05-001 April 1, 2008

ADMINISTRATIVE SIGN-OFF:


Theresa Szymanis, AICP
Chief Planner – Long Range Planning


Henry Hash
Director

cc: Auditor/Controller
County Administrative Office (3)
County Counsel
Applicant

Attachments:

Exhibit A: A copy of the Financial Assurance Mechanism for Orosi Rock LLC
(California Mine ID Number 91-54-0035)

Exhibit B: Letter from Department of Conservation, Office of Mine Reclamation
February 15, 2008, accepting the Financial
Assurance Mechanism for
CA Mine ID # 91-54-0035

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF TRANSFER)
OF OWNERSHIP OF SURFACE)
MINING PERMIT AND)
RECLAMATION PLAN PMR 05-001)

RESOLUTION NO. _____

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____
_____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JEAN ROUSSEAU
COUNTY ADMINISTRATIVE OFFICER
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

Approved the transfer of ownership of Surface Mining Permit and Reclamation Plan (PMR 05-001) from Lee McClatchey to Orosi Rock, relinquishing Lee McClatchey from any further responsibility originating from said permit, including the Conditions of Approval and approved Financial Assurances.

EXHIBIT A:
Copy of the Financial Assurance Mechanism for
Orosi Rock LLC (California Mine ID # 91-54-0035)



IRREVOCABLE STANDBY LETTER OF CREDIT

Standby Letter of Credit # 4000019700

April 30, 2007

Beneficiary:

- 1) County of Tulare
Resource Management Agency
5961 South Mooney Blvd
Visalia, CA 93277-9394
- 2) California Department of Conservation
Office of Mine Reclamation
801 K Street, MS 09-06
Sacramento, California 95814-3529

To Whom It May Concern:

We, **Tri-Valley Bank**, hereby issue our **IRREVOCABLE STANDBY LETTER OF CREDIT** No. **4000019700** in your favor for the account of **Sigma Rock, Inc.** regarding **Orosi Rock, CA Mine I.D. #91-54-0035**, for the amount of **One hundred twenty five thousand six hundred eighty eight and 25/100 Dollars (\$125,688.25)**.

This amount is available upon presentation of your sight draft drawn upon us, and accompanied by the following:

- 1) County of Tulare Resource Management Agency may draw hereunder by means of its draft(s), accompanied by this original Letter of Credit and the following signed and dated statement appropriately completed:

The amount of our accompanying draft \$125,688.25 represents a sum due to the County of Tulare Resource Management Agency pursuant to Public Resources Code Section 2773.1(b). The County of Tulare Resource Management Agency has determined, following a public hearing, that Sigma Rock, Inc. is financially incapable of performing reclamation in accordance with its approved reclamation plan, or has abandoned its surface mining operation without commencing reclamation, and Sigma Rock, Inc. has been provided with notice and opportunity to cure (which cure period has expired), all in accordance with the provision of Public Resources Code Section 2773.1(b). The

individual signing below certifies that the foregoing statements are true and correct and that the signatory is authorized to sign and deliver this statement on behalf of The County of Tulare Resource Management Agency, and that a copy of this statement has been forwarded by certified mail or courier service to the Department of Conservation.

County of Tulare
Resource Management Agency

By: _____

Name: _____

Title: _____

(2) The Department of Conservation may draw hereunder by means of its draft(s), accompanied by this original Letter of Credit and the following signed and dated statement, appropriately completed:

The amount of our accompanying draft \$ 125,688.25 is due to the Department of Conservation pursuant to Public Resources Code Section 2773.1(b). The State Mining and Geology Board, or the County of Tulare Resource Management Agency has determined, following a public hearing, that Sigma Rock, Inc. is financially incapable of performing reclamation in accordance with its approved reclamation plan, or has abandoned its surface mining operation without commencing reclamation, and notice and opportunity to cure have been given (with the cure period having expired), all in accordance with Public Resources Code Section 2773.1(b) and (d). The individual signing below certifies that the foregoing statements are true and correct and that the signatory is authorized to sign and deliver this statement on behalf of the Department of Conservation, and that a copy of this statement has been forwarded by certified mail or courier service to the County of Tulare Resource Management Agency.

California State Department of
Conservation

By: _____

Name: _____

Title: _____

This Letter of Credit expires at 5:00 PM Pacific Standard Time on **March 1, 2008**. It is a condition of this Letter of Credit that it shall be automatically renewed, without amendment, for a period of one year unless one hundred twenty (120) days prior to such expiration date or any future expiration, we notify you by certified mail that we will not renew this Letter of Credit. Upon receipt of that notice, you have the right to draw against the balance of this Letter of Credit by presentation of your clean sight draft on us presented at the address stated below.

All drafts drawn under this Letter of Credit must contain the following statement: "Drawn under Tri-Valley Bank Irrevocable Letter of Credit No. **4000019700** dated **April 30, 2007**." Partial draws are not permitted.

We hereby agree with the drawers, endorsers, and holders in due course of all drafts drawn under and in compliance with the terms of this Letter of Credit that such drafts will be duly honored by us upon presentation. The terms of this Letter of Credit will be duly honored at:

Tri-Valley Bank
2410 San Ramon Valley Blvd., Suite 115
San Ramon, CA 94583

This Letter of Credit is irrevocable, unconditional, nontransferable and non-assignable. Unless otherwise expressly stated, this Letter of Credit is subject to the International Chamber of Commerce, Uniform Customs and Practice for Commercial Documentary Credits; 1993 Revision - International Chamber of Commerce Publication No. 500.

Sincerely,

Tri-Valley Bank

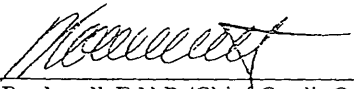
By: 
John Rockwell, E.V.P./Chief Credit Officer

EXHIBIT B:

**Letter from Department of Conservation, Office of Mine Reclamation
February 15, 2008, accepting the Financial Assurance Mechanism for CA
Mine ID # 91-54-0035**

**DEPARTMENT OF CONSERVATION****OFFICE OF MINE RECLAMATION**

801 K STREET • MS 09-06 • SACRAMENTO, CALIFORNIA 95814

PHONE 916 / 323-9198 • FAX 916 / 445-6066 • TDD 916 / 324-2555 • WEB SITE conservation.ca.gov

February 15, 2008

Ann Chapman
Planner
Resource Management Agency
5961 So. Mooney Blvd
Visalia, CA 93277-9394

**ACCEPTANCE OF FINANCIAL ASSURANCE MECHANISM FOR MINE
ID NUMBER 91-54-0035, OROSI ROCK, LLC**

Based on the current cost estimate for mine 91-54-0035, Orosi Rock, LLC, OMR finds that the existing Financial Mechanism fulfills the reclamation requirements for this mine site.

On the next annual report for 2007, we will require an amended reclamation plan incorporating the expansion of this mine site as well as a new cost estimate.

If you have any questions please call me at 916-324-1236.

Sincerely,

Candace Mapel
Reporting Analyst