
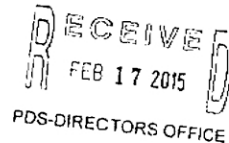


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February 11, 2015

Mr. Mark Wardlaw, Director
 Planning & Development Services, County of San Diego
 5510 Overland Avenue, Suite 310
 San Diego, California 92123



Re: Notice of Public Review – Statement of Reasons to Permit Proposed Use and Extinguish Access to Mineral Resources of Statewide Significance Findings Pursuant to Section 2762 of the California Public Resources Code, Shadow Run Ranch (SCH No. 20020610066)

Dear Mr. Wardlaw:

On behalf of the State Mining and Geology Board (SMGB), I have reviewed the County of San Diego's Notice of Public Review and Statement of Reasons to permit the proposed use and extinguish access to mineral resources of statewide significance findings pursuant to Public Resources Code (PRC) Section 2762, dated December 18, 2014. The SMGB works closely with the California Geological Survey (CGS), to establish policy for the conservation and development of mineral resources throughout the state. Pursuant to Division 2, Chapter 9, Article 4, PRC Sections 2763(a) and 2763(b), if an area is designated by the SMGB as an area of regional or statewide significance, and the lead agency either has designated that area in its general plan as having important minerals to be protected pursuant to subdivision (a) of Section 2762, or otherwise has not yet acted pursuant to subdivision (a) of Section 2762, then prior to permitting a use which would threaten the potential to extract minerals in that area, the lead agency shall prepare a statement specifying its reasons for permitting the proposed use, in accordance with the requirements set forth in subdivision (d) of Section 2762. Lead agency land use decisions involving areas designated as being of regional or statewide significance shall be in accordance with the lead agency's mineral resource management policies and shall also, in balancing mineral values against alternative land uses, consider the importance of these minerals to their market region as a whole and not just their importance to the lead agency's area of jurisdiction.

PRC section 2762(d) further states that prior to permitting a use which would threaten the potential to extract minerals in the proposed project area, the lead agency shall prepare, in conjunction with preparing any environmental document required by Division 13 if required, a statement specifying its reasons for permitting the proposed use, and shall forward a copy to the State Geologist and the SMGB for review. In this context, the following discussion and comments are offered for your consideration.

Proposed Project Description

The proposed project under review is referred to as the Shadow Run Ranch (PDS2000-3100-5223, PDS2000-3300-00-030, PDS2000-3700-00-0205, LOG No. PDS2000-3910-00-02-035; SCH. No. 20020610086). Proposed is a major subdivision of 248 acres that will be subdivided into 44 residential lots, one biological open space lot (91.31 acres), one agricultural open space lot (39.12 acres), and one recreational open space lot (7.96 acres). A major Use Permit filed concurrently for a Planned Residential Development (PRO) would cluster the residential lots on two acre minimum lots to maximize the overall open space for the project. A boundary adjustment totaling 260 net acres is also included. The project's main access will be directly off SR-76. The Draft Environmental Impact Report and Draft Habitat Loss Permit for this project were made available for public review and comment from August 21, 2014 to October 17, 2014. As part of this proposed project, approximately 110 acres of the 248-acre project has been previously designated by the SMGB as an area that contains mineral resources of regional significance (i.e., Mineral Resources Zone 2; MRZ-2). The proposed project would effectively eliminate access for mineral extraction to these designated areas.

Classification and Designation of Mineral Lands

Classification is the process of identifying lands containing significant mineral deposits. The proposed project is situated in an area that was, in part, classified by CGS (formerly the Division of Mines and Geology). Designation is the formal recognition by the SMGB, after consulting with lead agencies and other interested parties, of areas containing mineral deposits of regional or statewide significance.

Classification of MRZ-2 lands was published in 1982 by CGS as Special Report 153 titled "Mineral Land Classification: Aggregate Materials in the Western San Diego County Production-Consumption Region. In 1985, the SMGB subsequently designated certain mineral resources lands as published in the Designation Report 4 titled "*Designation of Regionally Significant Construction Aggregate Resource Areas in the Western San Diego County Production-Consumption Region*". A large portion of the proposed project (approximately 110 acres) is situated within a portion of Sector E which has been designated by the SMGB. Section D which has also been designated by the SMGB borders the proposed project to the southwest. Sector D and Sector E are described as follows:

Sector D – Alluvial deposits of the upper San Luis Rey River, extending discontinuously from the Interstate 15 bridge upstream to the community of Rincon in Pauma Valley

Sector E – A hillside alluvial fan deposit located northeast of the San Luis Rey River, extending from the community of Pala to Pauma Valley.

1. The County agrees with the summary of the project description provided in the comment; however, the Draft EIR was circulated from August 21, 2014 through October 6, 2014 rather than October 17, 2014 as stated in the comment. No changes were made to the DEIR documentation as a result of this comment.

2. The County appreciates the descriptions of the differences between classification and designation of mineral lands. The County also confirms that the project site is located in Sector E (designated) of the area classified as MRZ-2. No changes were made to the DEIR documentation as a result of this comment.

Comments and Recommendations

In recognition that the proposed project will diminish an important mineral resource area, the SMGB offers the following comments and recommendations:

Comment No. 1 – Clarification Regarding Statewide versus Regional Significance: The mineral aggregate resources have been historically and continue to be designated as being of regional significance, not statewide significance.

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Comment No. 2 – Clarification Regarding Classification versus Designation: The distinction between classified mineral resources lands that have been classified (i.e., MRZ-2) by CGS and those that have been designated by the SMGB, are not accurately noted in the Statement of Reasons.

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Comment No. 3 – Aggregate Sustainability Projections: The justification for the regional loss of these mineral resources is important since the potential loss of available, permitted PCC aggregate resources from the designated area may have a strong deleterious effect on the northern San Diego County and southern Riverside County areas. In its most recent and comprehensive study of *Aggregate Sustainability in California, Map Sheet 52, CGS (Updated 2012)* reported that only about 16 percent of the projected construction aggregate demand over the next 50 years for the areas will be met by currently permitted resources 167 million tons permitted; whereas, the 50-year demand is on the order of 1,014 million tons). This estimate indicates that fewer than 10 years of permitted aggregate reserves within the western San Diego County's Production-Consumption region remains.

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3. The County agrees with the comment. Please see response to no. 2.

4. The County agrees that the Statement of Reasons does not accurately note the distinction between classification and designation of mineral lands. Text under the heading “Background Information” in the Statement of Reasons has been revised as follows: “As mandated by the Surface Mining and Reclamation Act of 1975 (SMARA), the California State Geologist classifies California mineral resources with the MRZ system.” However, this does not change the determination of a significant and unmitigable impact to mineral resources that was identified in the DEIR. No changes were made to the DEIR documentation as a result of this comment.

5. The County agrees with the information presented concerning California Geological Survey Map Sheet 52, updated in 2012. However, the County would like to clarify the mineral resources on the project site are not currently permitted and therefore would not contribute to a loss of permitted PCC aggregate. If the amount of aggregate identified in Chapter 2.1 and Appendix T of the DEIR, and in response to comment H-5 (4.7 million tons) were ultimately mined, it would amount to three percent of currently permitted resources, and less than 0.5 percent of the amount needed for the 50-year supply in the

Comment No. 4 – Lack of Clarity in Description of Acreage: The Notice points out that the potential reasons why the County may permit the loss of potential resources as a result of the subject proposed project being implemented, is 1) the presence of single-family residences within a quarter mile of the project site which are incompatible with the future extraction of mineral resources (i.e., significant increase in noise, air quality, traffic, among other adverse impacts), 2) the proposed project would conserve 91.31 acres of biologically valuable habitat, and 3) the proposed project would conserve 39.2 acres of existing onsite agriculture in a dedicated open space easement. It is unclear as to whether the "Site" boundary provided on the accompanying map incorporates all 248 acres, or simply the area planned for residential development; a map showing the areas for residential development, biological, agricultural and recreational areas relative to areas that have been designated by the SMGB would be helpful. Should this proposed project be implemented, it could be inferred that a minimum one-quarter mile buffer would also be established (i.e., one-quarter mile at minimum) and further preclude the future extraction of mineral resources in the region.

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Comment No. 5 – Consistency with the County's Mineral Resources Management Policies (MRMP): The Purpose and scope of the County's Conservation and Open Space Policies is to "manage the remaining mineral deposits while striving to ensure that adequate resources are available to support the economic prosperity of future generations of San Diego County residents." Three specific policies are:

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"COS-10.1 Siting of Development. Encourage the conservation (i.e., protection from incompatible land uses) of areas designated as having substantial potential for mineral extraction. Discourage development that would substantially preclude the future development of mining facilities in these areas. Design development or uses to minimize the potential conflict with existing or potential future mining facilities. For purposes of this policy, incompatible land uses are defined by SMARA Section 3675.

COS-10.2 Protection of State-Classified or Designated Lands. Discourage development or the establishment of other incompatible land uses on or adjacent to areas classified or designated by the State of California as having important mineral resources (MRZ-2), as well as potential mineral lands identified by other government agencies. The potential for the extraction of substantial mineral resources from lands classified by the State of California as areas that contain mineral resources (MRZ-3) shall be considered by the County in making land use decisions.

COS-10.9 Overlay Zones. Provide zoning overlays for MRZ-2 designated lands and a 1,500-foot-wide buffer area adjacent to such lands. Within these overlay zones, the potential effects of proposed land use actions on potential future extraction of mineral resources shall be considered by the decision-makers."

It is unclear how the County has discouraged the development or balanced the needs of the proposed project with the future needs for aggregate for the San Diego County production-consumption region and maintained adhered to its MRMP.

6. The site boundary map provided with the notice is the boundary of the entire 248-acre project site. If the proposed project is approved and implemented it may preclude the extraction of mineral resources on an additional 60 acres west of the site as described in Chapter 2.1 and Appendix T of the DEIR. Please also see the response to comment H-5. No changes were made to the DEIR documentation as a result of this comment.
7. The County agrees that the Mineral Resources Policies from the current General Plan are correctly stated. However, the project was granted "pipeline" status in 2003 by the Board of Supervisors and is being processed under the General Plan that existed prior to August 2011. The Mineral Resources Policies from the previous General Plan (located in the Conservation Element at <http://www.sandiegocounty.gov/content/dam/sdc/pds/advance/oldgp/conservationelement.pdf>) that apply to the project include:

Policy 1 - The County will, to the extent practicable and appropriate, conserve construction aggregate resources in the entire County to ensure a minimum of 50 years supply; and,

Regarding Policy 1 - As pointed out in comment I-5, the permitted aggregate reserves in the Western San Diego County Production-Consumption region currently amounts to only about 10 years of supply. A significant and unmitigable project impact for the loss of access to 4.7 million tons of mineral resources has been identified in Chapter 2.1 of the DEIR. As pointed out in response to comment H5, this loss would amount to three percent of currently permitted resources, and less than 0.5 percent of the amount needed for the 50-year supply in the Western San Diego County Production-Consumption region.

Policy 3 - The extractive overlay designation, as defined in Policy 2.6 of the Land Use Element, will be applied to appropriate areas throughout the County.

Regarding Policy 1 - As pointed out in comment I-5, the permitted aggregate reserves in the Western San Diego County Production-Consumption region currently amounts to only about 10 years of supply. A significant and unmitigable project impact for the loss of access to 4.7 million tons of mineral resources has been identified in Chapter 2.1 of the DEIR. As pointed out in response to comment H5, this loss would amount to three percent of currently permitted resources, and less than 0.5 percent of the amount needed for the 50-year supply in the Western San Diego County Production-Consumption region.

Comment No. 6 - Loss of Aggregate Justification: The Notice and Statement of Reasons provides inadequate justification, since it fails to consider the importance of these minerals to their market region, as a whole, and not just their importance to the lead agency's area of jurisdiction. For example, the potential loss of aggregate from this proposed project could reach close to one-third of the estimated reserves currently permitted. Thus, how does the County plan to recover the loss of aggregate resources should the proposed project be implemented when the County already has limited supply of permitted reserves (projected to be less than 10 years)? Prior to proceeding with this proposed project, it is recommended that the Notice address the justification for the loss of this mineral resource as required by State law under PRC Sections 2762 and 2763, and how the County plans to make up the loss of available aggregate should the project move forward, including, but not limited to, identifying specific areas that are both accessible and will make up the resource loss if the County chooses to proceed with the proposed project

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7 cont. Regarding Policy 3 - The project site was not classified with an extractive overlay designation or zoning classification pursuant to the pre-August 2011 General Plan and zoning classification, and is not designated for extractive use pursuant to the current General Plan and zoning classification. The nearest land with this designation lies over five miles to the west of the site along the San Luis Rey River on the south side of SR-76.

County staff is required to process the proposed project and make a recommendation to the San Diego County Planning Commission prior to any future public hearing. The Planning Commission will consider whether the project is consistent with these policies and also determine if CEQA overriding findings can be made regarding the significant and unmitigable impact to mineral resources. No changes were made to the DEIR documentation as a result of this comment.

8. The Mineral Resource Investigation that was performed for the project indicates that access to 75 acres of on-site mineral resources and 60 acres of off-site resources would be lost as a result of this project. The total estimated loss of resource was estimated at about 4.7 million tons, rather than 50 or 60 million tons as indicated by the comment. The evaluation was conducted in accordance with the County Guidelines for Determining Significance - Mineral Resources and relied upon geologic information gathered during onsite surveys. A significant and unmitigable impact was identified in Section 2.1.6 of the DEIR, page 2-7. Please also see the responses to comments H-4 and H-5.

In terms of future resources in northern San Diego County, the County has two mines for which increases in their permitted reserves was recently approved as follows:

1. Rosemary's Mountain Quarry (P87-021W1, RP87-001W1, approved August 2012), increased reserves from 22 million to 24 million tons.
2. Inland Valley Materials (RP78-003W1 approved June 2014), increased reserves from 538,500 to 963,600 cubic yards.

Additionally, the National Quarries Quarry (now known as Twin Oaks Quarry) in northern San Diego County, has total reserves of 50,000,000 tons of aggregate according to the most recent Reclamation Plan amendment (RP79-005W1,

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approved October 2008). The estimated depletion date within the Reclamation Plan is the year 2106.

In other portions of the Western San Diego County Production - Consumption Region, the County is currently processing permit applications for four mining projects that will expand permitted aggregate resource reserves if approved. These project applications are as follows:

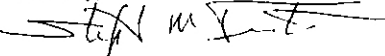
1. Otay Hills Quarry (P04-004, RP-04-001), 19 to 89 million tons of aggregate from rock/decomposed granite;
2. East County Sand Mine (P09-016, RP-09-001), 1.1 million cubic yards of sand;
3. El Monte Sand Mine (MUP-98-014W2, RP-15-001), 10 million tons of sand; and,
4. Turvey Pit (P01-009W1, RP-01-001), 305,000 cubic yards of additional D.G.

No changes were made to the DEIR documentation or Statement of Reasons as a result of this comment.

9. The County will provide these responses to comments and notice of future public hearings regarding this project to the State Mining and Geology Board at least 10 days in advance of any hearing.

The SMGB appreciates the opportunity to review and provide comments on the Notice, and would appreciate being included on future notices or notice of public hearings concerning this matter. Should you have any questions regarding the contents of this correspondence, or if I can be of further assistance, please do not hesitate to contact me.

Sincerely,



Stephen M. Testa
Executive Officer

cc: Dr. John G. Parrish, State Geologist and Director of the California Geological Survey
John Clinkenbeard, Senior Engineering Geologist, California Geological Survey