

County of Santa Clara

Department of Planning and Development
Administration

County Government Center, East Wing, 7th Floor
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October 10, 2006

John Giovanola
Hanson Permanente Cement, Inc.
24001 Stevens Creek Road
Cupertino, CA 95014

ORDER TO COMPLY/NOTICE OF VIOLATION (Pub. Res. Code § 2774.1)

Dear Mr. Giovanola:

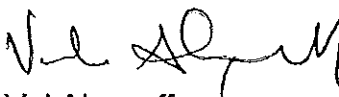
On September 22, 2006, the Department of Conservation's Office of Mine Reclamation (OMR) issued a "15-Day Notice" to the County of Santa Clara pursuant to Public Resources Code § 2774.1 (f)(1). The 15-Day Notice alleged several SMARA violations at Hanson Permanente Cement, Inc.'s (Hanson's) Permanente Quarry. Pursuant to § 2774.1(f), if the County does not take appropriate enforcement action in response to this notice, OMR may initiate enforcement.

Accordingly, the County hereby issues a Notice of Violation (NOV) and Order to Comply to Hanson's Permanente Quarry for mining-related disturbance outside the approved reclamation plan with the exception of the cement plant. At this time, the County is not requiring Hanson to include the adjacent cement plant site within the amended reclamation plan boundaries. As you know, the cement plant is a separately permitted and vested industrial facility which pre-dates SMARA by nearly 40 years and the County expressly excluded the cement plant from the approved reclamation plan in 1985. To date, the County has also been unable to find any clear guidance in the law or regulation regarding whether, under these circumstances, SMARA requires the cement plant to be included in the reclamation plan. Please note, however, that OMR may decide to take enforcement action on this issue. If this issue ultimately reaches the State Mining and Geology Board (SMGB), the County will adhere to the SMGB's decision on this issue.

The issues addressed in this NOV have already been the subject of numerous discussions between the County and Hanson. As a result of these meetings, Hanson at this time has agreed to file an amended reclamation plan encompassing all disturbed areas (except the cement plant and former aluminum plant sites) and to comply with the County's compliance schedule (attached). The amended reclamation plan will address, among other things, the slope instability along the north wall of the pit, and encompass all mining-related access roads, structures, stockpiles and storage areas, including the rock processing facility to the south of the cement plant. The amendment will also calculate, for posting on an interim basis pending final reclamation plan approval, new financial assurances. Hanson at this time has also agreed to waive the hearing requirement in Public Resources Code § 2774.1(b). Please confirm that this accurately represents Hanson's position.

We appreciate Hanson's cooperative attitude in this matter and express the County's commitment to work diligently with Hanson to expeditiously resolve all outstanding issues.

Sincerely,



Val Alexeeff
Director of Planning

cc: Douglas W. Craig, Assistant Director, OMR
Allen M. Jones, Chair, SMGB
Stephen M. Testa, Executive Officer, SMGB
Pete Kutras, County Executive, Santa Clara County
Jane Decker, Deputy County Executive, Santa Clara County
Ann Ravel, County Counsel, Santa Clara County
Lizanne Reynolds, County Counsel, Santa Clara County

COMPLIANCE SCHEDULE – HANSON PERMANENTE

Deadline	Action
11/15/06- 11/30/06	Pre-application meeting between County Planning Department and Hanson concerning reclamation plan amendment.
12/15/06- 12/31/06	Hanson to submit an application for an amended reclamation plan, and interim financial assurance calculations.
1/15/07- 1/31/07	The County to complete its 30-day review of the application, and inform Hanson in writing whether the application is complete for processing or additional information is required.
No later than 3/16/07	Hanson to resubmit a revised application containing additional information required by the 30-day review letter.
4/16/07	<p>The County to inform Hanson that the application is complete for processing.</p> <p>The County to provide approval for interim financial assurances, for immediate posting.</p> <p>The County to forward the amended reclamation plan and financial assurances to OMR for comments pursuant to Public Resources Code section 2774, subdivision (c).</p>
4/20/07	The County to begin processing and CEQA review of the amended reclamation plan.
5/15/07	OMR to provide any comments regarding the amended reclamation plan, pursuant to the 30-day review period of Public Resources Code section 2774, subdivision (d)(1).
6/1/07	OMR to provide any comments regarding the updated financial assurances, pursuant to the 45-day review period of Public Resources Code section 2774, subdivision (d)(1).
7/20/07- 8/17/07	The County to complete the CEQA review. Based on assumption that the document will be a Mitigated Negative Declaration and that public participation will not be unusually strong.
8/20/07	Public release of the proposed CEQA environmental document and beginning of the public comment period.

10/8/07	Close of CEQA public comment period.
10/15/07	Prepare early response to OMR of public hearing on amended reclamation plan and revised financial assurances, pursuant to SB 668.
11/15/07	County to prepare staff report concerning application for amended reclamation plan and financial assurances.
11/30/07- 12/30/07	Public hearing on application for amended reclamation plan and financial assurances.