

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

June 11, 2024

FROM

NOEL CASTILLO, Director, Department of Public Works – Solid Waste Management

SUBJECT

Resolution of Financial Assurance to the City of Rialto and the State Department of Conservation for Mining Reclamation Work at the Mid-Valley Sanitary Landfill

RECOMMENDATION(S)

Adopt **Resolution No. 2024-95** providing the City of Rialto and the State Department of Conservation with a Pledge of Revenue, in the amount of \$4,167,860, for the reclamation of mined lands at Mid-Valley Sanitary Landfill in compliance with State Surface Mining and Reclamation Act, Public Resources Code Section 2773.1. (Presenter: Noel Castillo, Director, 387-7906)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost) as the Department of Public Works – Solid Waste Management Division (SWMD) is financed by fee revenue. SWMD establishes fees that are charged to the public and other agencies for utilization of the County's Waste Disposal System. The Resolution pledges future tipping fee revenue as an assurance of funds for reclamation of the remaining site area in the event it is not used for landfilling. Sufficient appropriation and revenue will be included in SWMD's future recommended budgets to accommodate the Pledge of Revenue.

BACKGROUND INFORMATION

The County's Mid-Valley Sanitary Landfill (MVSL) is located in the City of Rialto, northwest of the intersection of Alder Avenue and State Route 210. The site occupies approximately 448 acres, of which 408 are permitted for refuse disposal.

The excavation that is part of construction of the expanded MVSL is considered mining under the State Surface Mining and Reclamation Act (SMARA). SMARA requires that the operator of a mine have a financial assurance mechanism in place prior to commencing operations to guarantee that environmental and health and safety concerns are addressed in the event of operator default.

The standard types of financial assurance mechanisms for governmental operators are listed in California Code of Regulations, Title 14, Section 3803, as surety bonds, irrevocable letters of credit, trust funds, pledges of revenue, or a budget set-aside. The financial assurance is

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payable to the Lead Agency, in this case, the City of Rialto, jointly with the administering regulatory agency, the State Department of Conservation.

SWMD, as the mine operator, may choose the financial assurance mechanism and is proposing to establish a pledge of revenue for the MVSL project as it is the most cost effective and efficient mechanism. In this case, a pledge of revenue is a financial assurance mechanism by which a governmental entity proposes to make specific, identified future revenue available to perform reclamation. The financial assurance will be held until the State Department of Conservation determines that reclamation has been completed and no further assurances are needed. Once that is done, the financial assurance, in this case the pledge of revenue, will be released. A pledge of revenue requires adoption of a resolution under Code of Regulations, Title 14, Section 3806.1. Similar assurances have been approved by the Board of Supervisors (Board) for flood control related borrow sites.

The \$4,167,860 Pledge of Revenue amount for MVSL is based on the cost estimate for reclaiming the remaining site area in the event it is not used for landfilling. Reclamation activities include but are not limited to removal of mining infrastructure, revegetation, and establishment of a perimeter sight barrier in compliance with the site's Development Agreement. The cost estimate can be revised annually as landfill development and mining operations progress.

On October 24, 2023 (Item No. 54), the Board approved Resolution No. 2023-192 providing the City of Rialto and the State Department of Conservation with a Pledge of Revenue, in the amount of \$3,617,260, which is the 2023-24 estimate for the reclamation of mined lands at MVSL in compliance with SMARA. On February 28, 2023 (Item No. 48), the Board approved Resolution No. 2023-27 providing the City of Rialto and the State Department of Conservation with a Pledge of Revenue, in the amount of \$3,456,206, which is the 2022-23 estimate for the reclamation of mined lands at MVSL in compliance with SMARA.

The establishment of this Pledge of Revenue has been reviewed by the Department of Public Works, Environmental Management Division (EMD) for compliance with the California Environmental Quality Act (CEQA). EMD concluded the Resolution and Pledge of Revenue do not constitute a project per CEQA guidelines, and no CEQA actions are required.

This Resolution and Pledge of Revenue align with the County and the Chief Executive Officer's goals and objectives of providing for the safety, health, and social service needs of county residents by providing landfill services in compliance with SMARA and the Development Agreement between the City of Rialto and the County and allows continued progress of the landfill expansion to provide necessary disposal services.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Maria Insixiengmay, Deputy County Counsel, 387-5455) on April 19, 2024; Finance (Jessica Trillo, Administrative Analyst, 387-4222) on May 20, 2024; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 24, 2024.

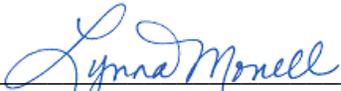
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 11, 2024



cc: File - PW/Solid Waste Management w/ attachments
JLL 06/26/2024