

## NAVAJO COUNTY AGENDA ITEM REQUEST FORM

<b>Meeting Date:</b> 5/11/2015	<b>Time Needed:</b> Consent												
<b>Requesting Department:</b> Public Works	<b>Presenter(s) Name</b> William R. Bess; P.E., CFM												
<b>Motion before the Board:</b> Approve the Chairwoman to Sign the amended lease agreement of the First Knolls Cinder Pit with the USFS, located along SR 60 and First Knoll Drive (USFS Road 9710).													
<b>Recommendation:</b> (who, what, where, when, how, etc.) Public Works Staff recommends approving motion.													
<b>Background:</b> (why should it be done, what will happen if not approved, etc. include resolution)  The Cinder Pit material is an integral portion of the County's roadway maintenance program throughout the County.  In 2014, a heritage site was identified prompting changes to the southern boundary of the lease to avoid damaging the identified site. Approving the amended lease will allow the County to continue mining operations until the end of the calendar year.													
<b>Fiscal Impact:</b> (what will it cost, where funds will come from, is it budgeted, etc.) No Fiscal Impact													
<b>Reviewed and approved by:</b>	<table style="width: 100%; text-align: center;"> <tr> <td>County Manager</td> <td>County Attorney</td> <td>Human Resources</td> <td>Finance</td> <td>IT</td> <td>Public Works</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	County Manager	County Attorney	Human Resources	Finance	IT	Public Works	<input type="checkbox"/>					
County Manager	County Attorney	Human Resources	Finance	IT	Public Works								
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>								
<b>Board Action Taken</b>													
Approved <input type="checkbox"/>	Denied <input type="checkbox"/>												
No Action <input type="checkbox"/>	Continued <input type="checkbox"/>												
Continued to: _____													
Approved with changes as follows: _____													
<b>Clerk's Notes</b>													
<b>Date:</b>	<b>Initial:</b>												

**REMINDER:** Email this coversheet and all backup documentation to **BOS.Clerk** by **Noon the Tuesday before the BOS meeting.**



United States  
Department of  
Agriculture

Forest  
Service

Apache-Sitgreaves  
National Forests  
Lakeside Ranger District

2022 W. White Mountain Blvd.  
Lakeside, AZ 85929  
(928) 368-2100  
FAX: (928) 368-6476

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File Code: 2820

Date: December 18, 2014

William R. Bess, P.E.  
Asst. PW Director/County Engineer  
Navajo County  
Department of Public Works  
100 E. Carter Drive, PO Box 668  
Holbrook, AZ 86025

Dear Mr. Bess:

Enclosed for your signature are three copies of your Mineral Materials permit MM-LAK11601. This permit is for the extraction of cinders at First Knoll Cinder Pit and will expire on December 31, 2016 as identified in Exhibit B, Development and Mining Plan. Please review, sign and return all three copies to the Lakeside Ranger District for further processing.

As you may note from the map the southern boundary of your permit area has been moved to the north in order to avoid a heritage site as identified in the Inventory Standards and Accounting survey that was prepared on December 17, 2014. The fees for material have been waived as pursuant to CFR 251.57 (b) (1). A statement of volume showing the amount of material removed shall be submitted annually to the District Ranger on or before January 10.

Please feel free to contact Tina Sorenson at (928) 368-2119 with any question you may have pertaining to this permit.

Sincerely,

EDWARD W. COLLINS  
District Ranger

Enclosure

cc: Stephen G James



USDA FOREST SERVICE CONTRACT FOR THE SALE OF MINERAL MATERIALS (Ref. FSM 2850)	For Forest Service Use Only  Forest Service Unit Name <u>030107</u> Contract Number <u>MM-LAK11601</u>
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NOTE: This information is being collected to process your application and effect a binding contract agreement. This information will also be used to identify and communicate with applicants. Response to this request is required to obtain a benefit.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0081. The time required to complete this information collection is estimated to average 2 hours 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

**THIS AGREEMENT**, made this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under authority of the Acts of July 31, 1947 (61 Stat. 681), as amended (30 U.S.C. 601 et seq.), March 4, 1917 (16 U.S.C. 520), and June 11, 1960 (74 Stat. 205), and the regulations set forth in 36 CFR 228, Subpart C, between the UNITED STATES OF AMERICA (hereinafter called the "Government"), acting through the Authorized Officer of the Forest Service (hereinafter called the "Authorized Officer"), and NAVAJO COUNTY BOARD OF SUPERVISORS (hereinafter called the "Purchaser.")

WITNESSETH, That the parties hereto mutually agree as follows:

**Sec. 1. Contract area.** The Government hereby sells to Purchaser and Purchaser hereby buys from Government, under the terms and conditions of this contract, all of the mineral materials described in Sec. 2 below, for severance, extraction, or removal, on the following described lands situated in the Apache-Sitgreaves National Forest, County of Navajo, State of Arizona as shown on the operating plan marked "Exhibit B", attached hereto and made a part hereof, viz: Section 24, Township 10N, Range 22E, Meridian Gila and Salt River, containing 50 acres, more or less.

**Sec. 2. Amount and price of materials.** The total purchase price will be determined by multiplying the total quantity of each kind of mineral material designated by the respective unit price as set forth below, or as changed through reappraisal hereunder.

KIND OF MATERIALS	QUANTITY (Units Specified)	PRICE PER UNIT	TOTAL PRICE
Cinders	120,000 Cubic Yards	.39	\$46,800.00
	per year		
Total	120,000 Cubic Yards per year		Waived fee CFR 251.57 (b) (1)

Determination by the Authorized Officer of the quantity of materials taken is binding on Purchaser subject to appeal only as provided in Sec. 14. All materials in the contract area in excess of the estimated quantity listed above are reserved by Government.

**Sec. 3. Payments, passage of title, and risk of loss.** Title to materials sold hereunder passes to Purchaser immediately before excavation and upon proper payment for such materials. No part of the material sold hereunder may be

severed, extracted, or removed by Purchaser until payment for such materials has been made in accordance with the following:

(a) Unless materials sold under this contract are paid for in full in advance, payment for materials must be made in installments of not less than \$ N/A each. The first installment must be paid upon approval of this contract.

(b) Each additional installment is due and payable as billed by the Authorized Officer in advance of removal of the remaining material. The first installment will be retained as additional security for the full and faithful performance of this contract by Purchaser, and will be applied in whole or in part to the payment of the last installment required hereunder to make the total payment equal the total price set forth in Sec. 2, above.

The total purchase price must equal the sum of the total quantities severed, extracted, or designated therefor, multiplied by their respective unit prices. The balance due where less than a full installment remains to be paid upon the total price will be the value of material remaining to be severed or extracted. Each installment will be held in suspense until the quantity of material covered thereby has been determined. The total purchase price must be paid at least 60 days before the expiration date of the contract.

Upon termination, if the total payments made under the contract exceed the total value of the actual materials removed, the excess will be returned to Purchaser, except as noted in 36 CFR 228.66.

(c) Risk of loss shall be borne by the party holding title to the mineral material at the time of loss except that nothing herein shall be construed to relieve either party from liability for breach of contract or any wrongful or negligent act.

**Sec. 4. Stipulation and reserved items.** The rights of Purchaser are subject to the regulations in 36 CFR 228, Subpart C, which are made a part of this contract, and to the stipulation, if any, which are attached hereto and made a part hereof as Exhibit A.

**Sec. 5. Bonds.**

(a) Purchaser must file with the Authorized Officer and must maintain at all times the bond required under the regulations to be furnished as a condition to the award of this contract in the amounts established by the Authorized Officer and to furnish additional bonds or security as the Authorized Officer may require.

(b) If all terms of this contract are not faithfully and fully performed by Purchaser, the bond in the sum of \$N/A filed at the time of the signing of this contract will be forfeited to the amount of damages determined by the Authorized Officer. If damages exceed the amount of the bond, Purchaser hereby acknowledges liability for such excess. Upon satisfactory performance of this contract, the bonds will be canceled, or if cash or United States securities were furnished in lieu of a security bond, such cash or securities will be returned to Purchaser.

(c) Whenever any bond furnished under this contract is found unsatisfactory by the Authorized Officer, the Authorized Officer may require a new bond which is satisfactory.

**Sec. 6. Expiration of contract and extensions of time.** This contract will expire on December 31, 2016, unless an extension of time is granted in accordance with the provisions of 36 CFR 228.53(b). Written application for an extension of time may be made by Purchaser between 30 and 90 days before the expiration date of the contract.

**Sec. 7. Duties of Purchaser.** Purchaser must take fire precaution and conservation measures and must dispose of slash and other debris resulting from operations hereunder in accordance with written instructions from the Authorized Officer.

**Sec. 8. Notice of operations.** Purchaser must notify the Authorized Officer immediately of the commencement and termination of operations hereunder. A report of production will be furnished at least annually by Purchaser to the Authorized Officer.

**Sec. 9. Responsibility for damages.** Purchaser is liable in damages for the loss or destruction of all Government property for which Purchaser is directly or indirectly responsible under this contract, or resulting from Purchaser's failure to perform under this contract in accordance with the instruction of the Authorized Officer, as well as for costs incurred by Government resulting from Purchaser's breach of any of the terms hereof, or Purchaser's failure to engage in proper conservation practice. For damages resulting from willful action or gross negligence of Purchaser, Purchaser's contractors or subcontractors, or any of their employees, Purchaser is liable for triple the appraised value of damaged or destroyed materials as determined by the Authorized Officer. If the Authorized Officer determines that the damage or destruction did not result from Purchaser's willful action or gross negligence, lesser damages may be charged, but not less than the actual appraised value of the materials. Purchaser must pay the Government for such damages within 30 days after a written demand therefor by the Authorized Officer.

**Sec. 10. Violations, suspension, and cancellation.**

(a) If Purchaser violates any provision of this contract, the Authorized Officer may, after giving written notice, suspend any further operations for the Purchaser under this contract, except such operations as may be necessary to remedy any violations. The Authorized Officer may grant Purchaser an additional 30 days, after service of written notice, to correct any violations. If Purchaser fails to remedy all violations, the Authorized Officer may, by written notice, cancel this contract and take appropriate action to recover all damages suffered by the Government by reason of such violations, including application toward payment of such damages of any advance payments and bonds.

(b) If Purchaser extracts or removes any mineral materials sold under this contract during any period of suspension, or if Purchaser extracts any of such material after expiration of the time for extraction or the cancellation of this contract, such extraction or removal is in trespass and renders Purchaser liable for triple damages.

**Sec. 11. Time for removal of personal property.** Purchaser has the right within one months after expiration of the time for extraction and removal of mineral materials, if not in default, to remove equipment, improvements, or other personal property from Government lands or rights-of-way. Any improvements such as road surfacing, culverts, and bridges which have become a permanent part of a Government road may not be removed. Any equipment, improvements, or other personal property remaining on Government lands and rights-of-way at the end of the period for removal as set forth herein becomes the property of the Government.

**Sec. 12. Assignments.** This contract or any portion of it may not be assigned without written approval of the Authorized Officer.

**Sec. 13. Tenure.** Unless otherwise provided by this contract, Purchaser has the right to extract and remove the materials until the termination of the contract, notwithstanding any subsequent appropriation or disposition under the general land laws, including the mining and mineral leasing laws.

**Sec. 14. Appeal.** Unless specifically excluded by 36 CFR 214. Purchaser may appeal any decision by the Authorized Officer regarding this sale of mineral materials.

**PURCHASER**

**THE UNITED STATES OF AMERICA**

Navajo County Board of Supervisors

(Individual or Firm Name)

PO Box 668 Holbrook, AZ 86025

(Address, Including Zip Code)

(Signature)

(Signature)

(Authorized Officer)

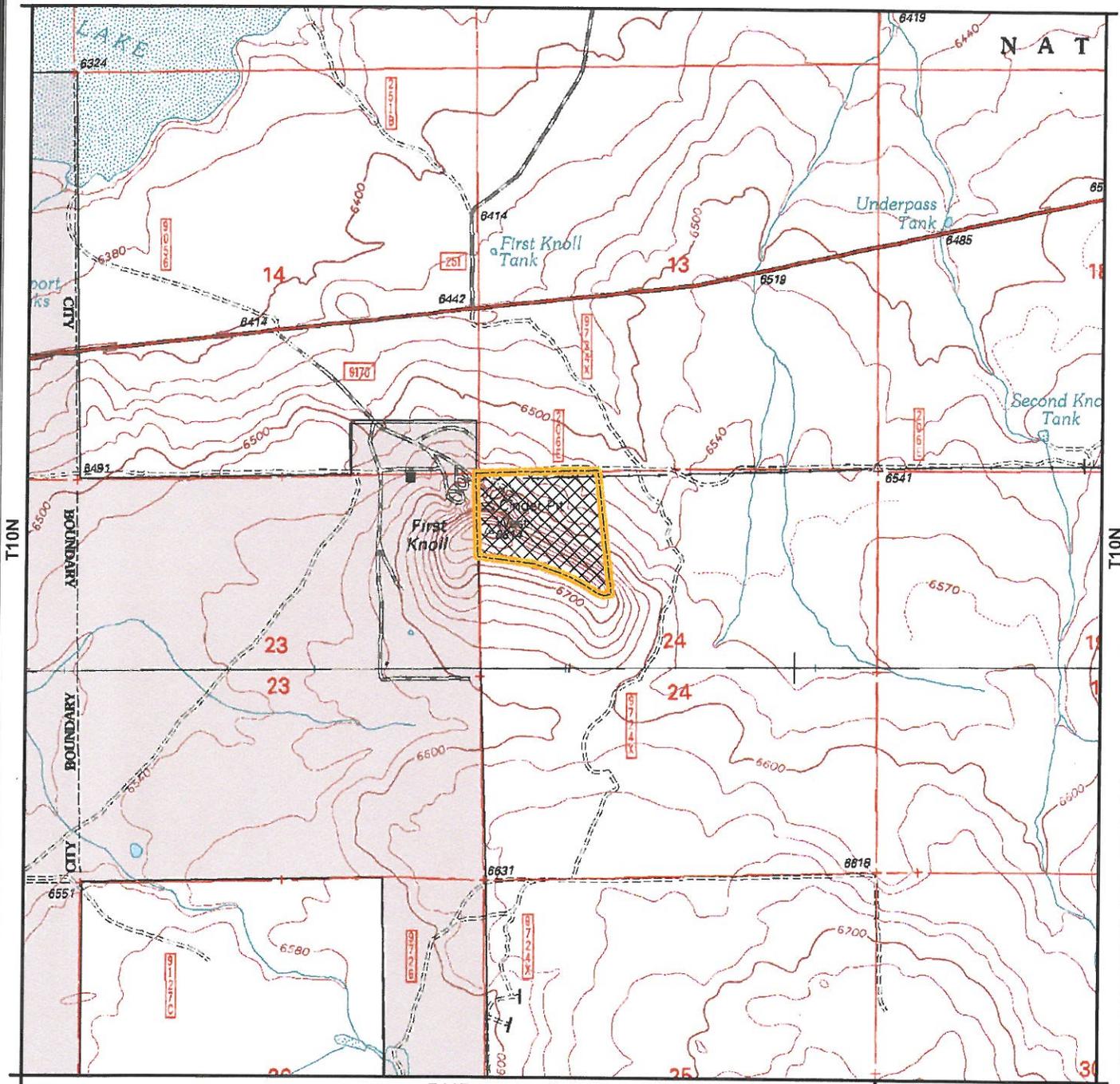
Forest Supervisor

(Title)

(Date) [mm/dd/yy]

If this contract is executed by a corporation, it must affix its corporate seal.

Apache-Sitgreaves National Forests  
 Lakeside Ranger District  
 Authorization ID: LAK11601  
 Navajo County - First Knoll Cinder Pit



Permit Prepared By: Tina Sorenson  
 Date Map Prepared: 12/17/2014

R22E

R23E



Permitted Area



Forest Land



Private

T.10 N., R.22 E., Sec 14 & 24  
 Quad: Silver Springs 235SW  
 NAD 83 UTM12N  
 Map Scale 1:24,000

*Disclaimer Statement:*  
 The USDA Forest Service uses the most current and complete data available. GIS data and product accuracy may vary. Using GIS products for purposes other than those for which they were intended may yield inaccurate or misleading results. The USDA Forest Service reserves the right to correct, update, modify, or replace GIS products without notification. This map is not a legal land line or ownership document. Public lands are subject to change and leasing, and may have access restrictions; check with local offices. Obtain permission before entering private land.

Map Prepared By: pMeIntaylor  
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# NAVAJO COUNTY

## Public Works Department

*"Best Customer Service"*

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### EXHIBIT "B" DEVELOPMENT AND MINING PLAN FIRST KNOLL CINDER PIT September 13, 2011

#### I. OBJECTIVES:

Navajo County Department of Public Works, as the Permit Holder, is committed to the safe and efficient removal of materials from this pit. Navajo County will accomplish this work through adherence to approved safe mining practices. Navajo County will also implement a coordinated resource management plan, to include long term strategies toward eventual restoration of the mining area. Safety is the primary concern and this plan is presented to recognize these factors and to address as many of these issues as practical.

#### II. DESCRIPTION:

The **First Knoll Cinder Pit** is located approximately three (3) miles east of Show Low, Arizona, south of Highway 60. It is located in the Northwest Quarter (NW ¼) of Section 24, Township 10 North, Range 22 East, Gila and Salt River Meridian, Navajo County, Arizona which encompasses approximately 50 acres. The pit is accessible by an all weather road, surfaced with cinders with adequate drainage improvements in place. The access road is identified as First Knoll Drive USFS Road 9710) and is publicly accessible off SR 60. Two additional mining operations, Perkins Cinders and Fullhouse Cinders are located adjacent to First Knoll Cinder Pit, with Perkins Cinders with the largest pit.

All three mining operations are independently controlled, with a common access road (First Knoll Drive). There is a perimeter fence to control access and livestock. Each pit is separately accessed and controlled by locked barriers, either gates or cable barricade. As in all mining activities, there are traffic hazards and Navajo County installs and maintains appropriate barriers, such as berms to minimize these exposures. Traffic control signs are also an integral part of this safety procedure. Navajo County will be responsible for its mining operations, within its lease area only.

Navajo County routinely stockpiles mined materials for normal County operations such as, snow removal and icing control on various roadways. Erosion control materials are also a major component of the materials stockpiled. Cinders are also used in a variety of applications throughout the County, both as surface or base stabilization treatments. Navajo County through the operation of this pit, extracts a significant portion of its inventory from this source. As the County experiences a continuing growth trend, the need for materials will increase accordingly.

### III. OPERATION GUIDELINES:

1. For the Navajo County Lease Area, Navajo County will be the sole operator manager of the mining operation. Other governmental entities may utilize materials that have been extracted, through approval by the County.
2. Any work by forces other than Navajo County will require prior approval by the District Ranger. Any such activity will adhere to these operational guidelines.
3. First Knoll Drive (FS Rd 9710), as the designated access road, will be maintained by Navajo County as specified in the easement. This maintenance will be sufficient for all weather access and two lanes of traffic.
4. Navajo County and the District Ranger will actively cooperate in assessment and identification of any cultural or archaeological resources. Each will actively promote and protect such sites, if any, from disturbance by these mining activities.
5. All personnel engaged in mining activities on the lease site, will be certified by the appropriate requirements of the U.S. Department of Labor, Mine Safety and Health Administration. This will be in conformance with the applicable provisions of PL 91-173 and other amendments as appropriate.
6. Before any new expansion work of the existing pit, all overburden (topsoil) will be removed and stockpiled, separate from the active mining area, for future reclamation work.
7. Navajo County will be responsible for the installation and maintenance of the perimeter fencing of the lease area.
8. Navajo County will operate the Lease Area with regard to the aesthetic qualities for the mining area. Existing vegetation and tree growth will not be disturbed along the access road and Highway 60.
9. Haul Roads within the lease area change often as the mining process advances, thus mining operations equipment is subject to move as mining operations advance.

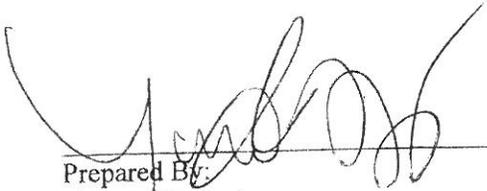
#### IV. MINING PLAN:

1. Navajo County has plans to continue to extract cinder materials from this pit for the next 5 years and beyond, as long as the cinder pit will support continued activity.
2. The estimated annual production based on prior years of operations is approximately 50,000 cubic yards of processed materials per production year. This material is based on screened and separated stockpiles, including materials hauled and placed.
3. The current Lease Area is divided into two quadrants identified as the North and South sectors. The area is shown on an Attachment A, taken from a recent aerial photograph and USGS topography. This mapping was completed in the 1998 calendar year, to include elevation contours for determining slopes and volumes. This will also be used to plan and establish the transition areas to natural ground surrounding the Lease Area.
4. Navajo County estimates that there is in excess of 2,000,000 cubic yards of material remaining within the Lease Area that can be removed for processed material. A "bottom depth" elevation shall not exceed beyond a maximum elevation of 6550-feet. This will take into consideration the mining of the current peak area and the transition being made on the back slope. It is Navajo Counties estimate that there is over 5,000,000 cubic yards of material within the limits of the current lease, if mining is allowed at the current elevation. Such a plan would leave a pit similar to the "Perkins" pit adjacent to the County's Lease Area. It is not our intent to mine in this manner.
5. The following listing is the estimated annual production for the next five years: We will continue to mine from the South portion of the existing pit by pushing material from the south section to the existing screening operation to mine from the top down. A statement of volume showing the amount of material removed shall be submitted annually to the District Ranger on or before January 10.

Fiscal year 2011-2012	100,000 CY processed material
Fiscal year 2012-2013	100,000 CY processed material
Fiscal year 2013-2014	100,000 CY processed material
Fiscal Year 2014-2015	100,000 CY processed material
Fiscal Year 2015-2016	120,000 CY processed material

6. Future plans include development of a proposed expansion to the South and East depending on future site approvals. Some tree removal will be required for the proposed and continued operations to the eastern lease limits. All organic material removed will be stockpiled for later disposal. County will request NEPA study's from USFS and all pertinent approval process to begin in 2015.

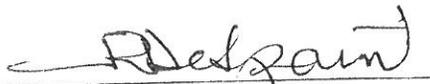
These estimates are only a projection based on the anticipated growth of Navajo County and the continued increase in the total miles of maintained roads. Navajo County is a rural county and the current trend is in growth, however the growing number of paved miles is not expected to decrease the amount of materials needed from this pit. If the North County (Reservation Areas) becomes a part of the maintenance coverage area, the total volume of mining will necessarily increase to meet this added demand for materials. This could impact the amount of materials the County would be mining from the Lease area.



Prepared By:  
Norman R. Cody  
Senior Engineering Project Manager  
Navajo County



Approved By:  
William R. Bess, P.E.  
Asst. PW Director/County Engineer  
Navajo County



Approved By:  
J.R. DeSpain, Chairman  
Board of Supervisors  
Navajo County