

AML ADVISORY COMMITTEE
Minutes
Semi-Annual Meeting
April 21, 2010

A regular meeting of the AML Advisory Committee was called to order at the Dept. of Mines, Minerals, and Energy's Buchanan-Smith Building at 1:30 pm., pursuant to the notice sent to all committee members.

Present: Jerry Baird, Chairman, Retired from Equitable Resources; Ian Dye, Office of Surface Mining; Glenn Graham, Lonesome Pine Soil and Water; Carol Doss, Upper Tennessee River Roundtable; Martha Podren, TVA; Jackie Davis, Roger Williams, Richard Davis, Randy Casey, Department of Mines, Minerals and Energy. Blaine Delany participated via telephone. Others in attendance were VISTA Volunteers, Sarah and Samantha.

Absent: Phil Shelton, citizen; Gerald Ramsey, Consolidation Coal; Eddie Hannah, Lonesome Pine Soil and Water.

Minutes were transcribed by Dawn F. Bays.

Jerry Baird presided. Jackie Davis welcomed and thanked everyone for attending. The minutes of the September 9, 2009, meeting were approved unanimously.

DMLR Program Update – Roger Williams

Roger asked the group, on behalf of Dawn Bays, if in the future the meeting notices and correspondence regarding the committee could be emailed. Everyone was in agreement, however Glenn asked that we contact him by phone.

Budget – The biggest surprise was the media coverage on the budget issue was that the program that was specifically mentioned by the White House as being a prime target for funding reduction and cuts to help out balance the federal budget was none other than the Federal AML Program. They wanted to eliminate funding to states that already completed clean-up of their abandoned mine land problems which is the western states that are “certified” as completing their coal reclamation problems. OSM has proposed to cut discretionary spending for Title IV approximately by \$174,000,000. That includes eliminating the federal funding for the emergency program that currently Virginia and several states operate, as well as elimination of all funding to certified states and tribes. That is significant.

There was a careful compromise worked out in 2006 when the AML Program got extended. The western states gave up half of their AML fees for the right to get the other half and be able to use for whatever they wanted. Mostly for non-coal and special projects that they would choose. The emergency funding cut was not supposed to happen until next year, but this year we were cut about \$800,000 on emergency funding. We have historically gotten about \$1.4 million for both administration and construction for the emergency program. This year it was

reduced to \$600,000 which was a major hit. All the other project budgets get reduced. This will have a big impact.

Of all the things changed in the Law, there was no change to the emergency program. It has been a Federal responsibility since day one. We still don't know how all this will work. Next year they propose to zero out the emergency funding which means the responsibility falls back to the states. One option proposed by some states would be that this is a Federal program and if they don't fund it, they will not pick it up. If there is an emergency and people call they will be referred to OSM and let them deal with it. The other option is that states would have to cannibalize their list of projects and move them back down the list if they get a bunch of emergencies.

We have really tried to focus on water projects. The last two projects funded were the Hurley Regional Water Line at \$3.2 million, and the Dunbar project in Wise County about \$1.5 million. We are now up to over \$30 million of AML funds being put into public water supplies replacement, almost 8,000 people that have gotten replacement water due to AML funding. We have basically covered the mine impact areas that do not have public water. We are down to about one county, Buchanan. It presents new opportunities. In this week's Coalfield Progress, the Wise County PSA at their meeting called for Congress to amend the AML law to allow the money to be spent on sewer projects. I think we will hear more about this.

Just recently Butch Lambert, Deputy Director, presented testimony to Congress on behalf of The Interstate Mining Compact and the National Association of Abandoned Mine Land Programs Association talking about the budget cuts asking them to restore the funding for these critical programs. On the Title V side they want more regulations of the industry and they want more work done on water and permitting. At the same time they are cutting the budget for that. The money on Title IV has not gone up as much as projected. Now some of these changes the surplus in the fund will start to build again, especially if they do not fund the emergencies out of the Federal discretionary sharing. That is about \$20 million nationally. The bottom line is for OMB, OSM, and The White House to make these cuts will require re-opening of SMCRA, I do not think Congress will do this on the legislative side. We think we will continue with the same amount of money because of continuing budget resolutions due to Congress not being able to pass a budget.

A lot of this is still uncertain. We know the first deadline is when we have the pay-out of the prior year replacement funds in 2015. A lot of the increase and stability in funding is now coming from the balances that have built up for many years when they collected AML fees, then Congress did not appropriate the money. The 2006 Act basically called for paying out these big balances. In Virginia we had about \$28 million in the account that had not been appropriated. The payout option was over a seven year period. That has started and will end in 2015. About 60% of this 2010 money came from that prior carry forward balance. In 2015 that money will all be paid out. We will see a significant reduction in money after 2015. This will compound the problem with the emergency funding for a lot of the eastern states.

Special Projects: One of the sites is the Midlothian Mine Park. We have been working with Chesterfield County on a unique site and project that I think will be special for us. This will be a true partnership between DMME and Chesterfield County. It is a site where we have the last remaining coal structures in that Richmond Coal Basin under the ownership of the county. There are still some hazards there we would like to eliminate. The county wants to develop and enhance the area into a park.

This is located between Route 60 and Route 360. There is a lot of history and a lot of coal mining took place in this area that most people are not aware of in the area. This site is the only place remaining you can preserve for the mine history. We are trying to preserve this into a safe area and an area we can use for historic mine history. There is development which has just about surrounded the area.

The agreement on this should be signed shortly. It will be about a \$200,000 for historic, stability and environmental study. It will be cost shared, 75/25. The county will be putting in 25% of the funding with DMME putting in 75%.

On the AMD projects, we are still working with both the Corps and NRCS on projects in the lower Lee County area. We are heavily involved with the NRCS in trying to launch a project with the America Recovery Investment money. We are making progress and hope to wrap up some realty issues so we can facilitate those projects. We have a deadline of getting the realty done by May 15, 2010, so they can get the money contracted and bid before the end of June. We have hired a consulting firm through the Daniel Boone Soil and Water Conservation District to help us with the real estate. Blaine and the NRCS staff have been heavily involved on this with me.

We have been struggling with the money on the other project with the Corps. We do have one feasibility study funded with them on the Clinch. We have targeted that for the tipple site in the center of Norton. We may have some opportunity to get Corps money for work along that river.

We are looking at a new technology in the treatment of AMD. It is called bio-reactor. It is different from the technology that we've been using. It uses biological activity to neutralize acid mine drainage rather than limestone. Many other states are looking at using the bio-reactor treatment for acid mine drainage. It is simple technology. Hopefully we can learn from this technology and incorporate it on our's.

Richard Davis

Each year the OSM invites state and tribal programs to submit projects for consideration of the National AML Reclamation award. The project Virginia submitted was the Cranes Nest Gob Pile, located in Coeburn, VA. This is in the Tom's Creek area of the Guest River Watershed which is a tributary to the Clinch River. The construction cost was \$3600. This is a Government financed construction exemption and more commonly referred to as Abandoned Mine Land Enhancement. The AML contractor can remove coal from the project which is strictly incidental to the project and use the proceeds from the coal sales to offset the cost of

reclamation. Gobco, LLC was the contractor. A little over a year ago we had community volunteers planting donated native hardwoods over this site. This site was also used as a training site and model for geomorphic stream restoration class last May.

AML Inventory: This is a catalog of abandoned mine land problems throughout the State of Virginia. All state and tribal programs have inventory. This was largely done in the late 70's and 80's. Inventory teams were sent to the coalfields and did this with maps and compasses. The data was recorded on mylar maps and USGS topographic maps. We still have those maps, but in the past 30 years there have been so many technological innovations and check to see that we covered everything. There has been a tremendous amount of re-mining in the past years that we wanted to mark through those abandoned mine land features that have been reclaimed through re-mining. If an area was mined before 1977 and hazards were left, the area might have been re-mined through mining innovations which have occurred since then. Through the re-mining process all those features are reclaimed through today's current and effective standards. Our GIS personnel have added a lot of technological innovation to this abandoned mine land inventory. They have created an inventory GIS application with all these layers. The USGS topographic maps are of great use. The highest priority watershed is Dumps Creek in Russell County.

Richard provided the group a demonstration of the GIS application.

Randy Casey

The Park Ave. Highwall Project in Norton – DMME / AML has funded a preliminary engineering report and hired DRH Design Group to devise a plan in conjunction with the VDOT. It is a partnership with the City of Norton, VDOT, and DMME. The VDOT portion is called the Safe Route to Schools. This is a project where they encourage children to walk to school with a safety aspect to it. A more prominent retaining wall will probably be constructed around the curve where the slopes are. There may be some soil nailing to hold the slopes. The sidewalk will be re-routed and widened where the children will be off the street while walking to school. There will be protection from dangerous rocks. DMME will be doing the inventory. Projected construction will be in 2011.

Blaine Delany - NRCS

The North Fork Powell Watershed dealing with AMD, this is a major effort for NRCS for PL 566 Program. This is a 10-year project and we work closely with DMME on the first five sites of 39 sites. There are no other watershed projects like in Virginia where we are dealing with pollution. We are working on a number of aging dams, built in the 60's and 70's where we have a dam rehabilitation program. This takes the biggest part of our staff time including the engineers. We hope to submit funding to work on additional sites of the North Fork Powell and we need to get our request to Congress by June 18th. Input from this committee will be very valuable. Which sites should we tackle next? Your top five, then we could determine cost and funding and get them this next round. Federal funding is an unknown for us also, but we are going to make requests.

Jackie Davis

We are trying to get projects that will give us flexibility. We rank the projects and all the people like Randy and Roger have really done a great job in getting a decision matrix in getting the projects ranked. The bad projects we will try to get out immediately, some based on budgets we will hold back on. A number of projects are going to be put on the shelf and we will move on them quickly if things improve.

We have made a concentrated effort to go out and educate EPA and the CORP that remining is the key. EPA has embraced the fact that remining is something they want to promote. When we are proposing these projects we have to have high quality monitoring before, during and 10 years after the project.

Committee Business

The next meeting of the AML Advisory Committee will be in September, 2010 at the Powell River Project. A recommendation was made that the meeting start earlier than normally scheduled.

Roger L. Williams
DMME Abandoned Mine Land Services Manager

RLW/dfb