

AML ADVISORY COMMITTEE

Minutes

Semi-Annual Meeting

September 12, 2012

A regular meeting of the AML Advisory Committee was called to order at the Powell River Project, Wise, VA at 3:00 p.m.

Present: Jerry Baird, Chairman, citizen; Glenn Graham, Lonesome Pine Soil and Water; Ronnie Vicars, Office of Surface Mining; Jeff Jones, NRCS; Richard Davis; Lewis Garrett, Department of Mines, Minerals, and Energy.

Absent: Roger Williams, Department of Mines, Minerals, and Energy; Carol Doss, Upper Tennessee River Roundtable; Gerald Ramsey, Consolidation Coal; Phil Shelton, citizen; Martha Podren, TVA; Eddie Hannah, Lonesome Pine Soil and Water.

Minutes were transcribed by Dawn F. Bays.

Jerry Baird presided. Jerry opened the meeting with a discussion of the minutes of the previous meeting. The minutes of the April 18, 2012, meeting were approved unanimously.

DMLR Program Update – Richard Davis

Roger sends his regrets for not being here. Randy Casey, DMLR Director, and Butch Lambert, DMLR Director, are both unable to attend. DMLR/DMME did receive a record AML grant this year of \$11.3 million. We have started NEPA Consultation for a record number of projects for FY2012. We initially had around 30 AML projects in our NEPA Consultation process. In advancing some of these projects we have seen fit in other grants that we are needing to move some projects forward and some back where there is sufficient funding. The result of all this is that some projects from FY10 or FY11 are being moved back to FY09 grant and some from FY09 are being moved forward into projects where there is plenty of money available. We do have several big ticket projects on the horizon. We have a partnership project with the City of Norton (Park Ave. Highwall). Hopefully, this project can get under construction around the end of this year. It will be a multi-million dollar project to eliminate dangerous highwalls and stabilize landslides along Park Ave. between Norton Elementary School and Park Ave. and downtown Norton. We will have the Cloverleaf Highwalls within the City of Norton. It is at the intersection of Routes 23 and 58 where we propose to fully eliminate 600' of dangerous highwall directly adjacent to Route 23 north. We are very close to going out for a construction contract on the Derby Gob Pile project. This is an abandoned coal mine refuse pile that has burned completely to red dog and our contractor will completely remove this gob pile to natural ground, restore a natural stream, and eliminate abandoned mine land and highwall with the old red dog pile. This may be a \$700,000 - \$800,000 project. We look at it as the most significant adverse impact to water quality in the Callahan Creek Watershed at this time. We are advancing projects in the Richmond coalfields. We will likely have a project showing for a shaft closure in Chesterfield County near the end of this year or first part of 2013. This coming Friday we will have a bid showing for a project in Montgomery County, just west of Blacksburg, the Fairview Church Portals. We should also have another project in Montgomery County within a couple of months. We have more projects coming up soon in Buchanan County. We have a bid showing

tomorrow on Lester Fork Portals. The bid estimate is \$225,000 stabilizing a landslide and sealing portals. Friday we open bids for a project near Whitewood in Buchanan County, Dismal Portals. Here we propose to seal a number of mine portals directly adjacent to an occupied dwelling. It may be in the neighborhood of \$300,000. Between now and our next AML Advisory Committee Meeting we will have lots of big ticket projects underway.

There is the prospect that our grant money may decrease for FY2013. Several things that might impact our funding for 2013 include the decreased coal production in Virginia. We received word last week that Consolidation's Buchanan #1 mine has been shut down. It is Virginia's largest producer. Last year this mine produced 5.65 million tons. The production decline over all in Virginia with the number of surface mines decreased their production and the shutdown of Buchanan #1 may impact on our funding for 2013. On the more immediate picture, there was a law passed last month and signed by the President that caps the payout of the historic share balances. Initially this was directed to limit the funding that the Wyoming AML program received, indirectly it impacts the historic share balances and payments of the Eastern non-certified states would receive. Roger will be on a conference call right now to discuss this. Pennsylvania, West VA, and Kentucky stand to have funding decreases as much as \$700 million over the life of the AML program. Virginia's impact might be \$16 - \$17 million over the life of our program. It will be significant to us, devastating to Kentucky, Pennsylvania, and West Virginia where there has been a lot more historic share mining and funding. There are some legislative fixes that are in the works but we will know more after the conference call today. Greg Conrad, IMCC, notes that it doesn't look too good for getting a fix right now. Also impacting the funding picture is the reduction in the reclamation fee. Beginning October 1, 2012, reclamation fees will be \$0.28/ton for surface coal and \$0.12/ton for underground coal. This is an effective 20% cut in the fees initially approved in SMCRA.

Richard noted that AML has hired a civil design engineer to accomplish in-house AML designs. AML has also hired an additional AML specialist, but this was a promotion for an existing AML employee. A recruitment for an AML specialist closed on September 7, and DMME received 52 applications. AML also has approval for a Division of Geology and Mineral Resources employee to provide GIS support for AML inventory in the Richmond coalfields.

Richard noted there is a pending DCR grant to Daniel Boone Soil and Water Conservation District for \$600,000. This is targeted to construction funding for project to abate acid mine drainage. DMME will provide match funding for the DCR grant, and will also provide funding for design and property acquisition. DMME will use AMD set-aside money for this.

Roger and Richard will attend the National Association of AML Programs conference later this month in Des Moines, Iowa. Richard will give a technical presentation on DMME's AML inventory work partnering with The Nature Conservancy.

NRCS-PL566 Program- Jeff Jones

Jeff said a farm bill has stalled in Congress. There was some opportunity for funding in the farm bill legislation, but it may not be acted upon until after the elections.

Committee Business-Members

Richard noted a DMLR submittal won a national award for exemplary mining and reclamation. The National Association of State Land Reclamations will present Paramount Coal Company Virginia, LLC, permit 1102008, a 2012 national award for mining and reclamation. This permit is located on South Fork of the Pound River. Another Virginia company, Clintwood Elkhorn Mining, won the OSM regional reforestation award for its reforestation of the Bearwallow Surface Mine in Buchanan County.

Richard wanted to express DMLR's appreciation to OSM for their work in reviewing and approving NEPA documents. With the retirement of an OSM staffer dedicated to AML reviews in June of this year, the other Big Stone Gap OSM staff have done a commendable job in accomplishing AML duties in addition to their traditional oversight of active permits.

There was no other business. Chairman Jerry Baird adjourned the meeting at 4 PM.

Roger L. Williams
DMME Abandoned Mine Land Services Manager

RLW/dfb