

MINUTES

COAL SURFACE MINING RECLAMATION FUND ADVISORY BOARD

CONFERENCE ROOM #211

April 9, 2019

10:00 a.m.

Members Present

Gerald Collins
John P. Jones
Chris Stanley
Brad Kreps
Randy Casey

Others Present

Matt Hepler, Appalachian Voices
Greg Baker, DMME
Bradley Lambert, DMME
Darlene Gibson, DMME

Randy Casey, Director of DMLR called the meeting of the Coal Surface Mining Reclamation Fund Advisory Board (RFAB) to order on April 9, 2019 at 10:01 a.m. at the Department of Mines, Minerals and Energy (DMME) office in Big Stone Gap, VA.

Welcome and Introductions

Randy Casey introduced new DMME staff member, Darlene Gibson. Board members and others made a brief self-introduction. Open discussion occurred in regards to the combining of the Coal Surface Mining Reclamation Fund Advisory Board and the Governor's Mined Reclamation Advisory Committee to now be recognized as the Coal Surface Mining Reclamation Fund Advisory Board. Three new members have been added to the combined Board since the last meeting.

Status of Pool Bond Fund

Greg Baker of DMME provided updated numbers to the Pool Bond Fund balance effective April 9, 2019:

Fund Balance End of March, 2018:	\$ 8,773,180.43
Fund Balance End of March, 2019:	\$ 9,326,303.40**
The Fund Balance increased by:	\$ 553,122.97
Amount of Pool Bond Posted:	\$ 116,882,300.00
<i>(Includes mix of Sureties, Letter of credits, CD's, etc..)</i>	
Self-Bond amounts	\$ 24,964,425.00
<i>(All being A & G Coal Corp.)</i>	

150 Permits are participating in the Pool.

No Self-Bonds released but a reduction of liabilities has occurred.

In the past year, some other bonds were released with some conversions from Pool Bonds to Cost Bonds having occurred due to transfers of Permits to companies not meeting the qualification to be in the Pool Bond Fund.

Forfeited

Circle L Land Company, Inc. Permit No. 1102091
\$123,000.00 Bond Posted.

***The Balance reflects the \$41,700 salary paid by the Fund. Current regulations allow for one salary to be paid out of the Pool Bond Fund as part of the management of the Pool Bond Fund with the position being within the Accounting Department at DMME.*

Update on current regulations awaiting OSM Approval

Randy Casey, Greg Baker and Bradley Lambert provided updates as follows: There are no changes to the status from the last meeting of March 14, 2018. The first regulation is removing the self-bond and the acceptance of the Pool Bond changes. It was noted in the last quarterly meeting with OSM that OSM was working to clear out these requests. However; there is an amended Virginia regulation now in effect to not accept any further self-bonds.

Update on Justice Permits and Compliance Agreement Status

Randy Casey provided updates that Justice Companies are currently working under a compliance agreement and making some progress. There are some deadlines quickly approaching on a few of their permits and some due to start within the next year. Past fines of approximately \$600,000 had been paid however; in the last few months they have accumulated fines again approaching six figures. All of Justice's Virginia jobs are in Reclamation status with no mining revenue occurring to offset the required reclamation with the exception of Baden. DMME are doing everything possible such as fines and enforcement actions to keep them working toward final reclamation.

Follow-up discussion on qualifications for entry into the Pool Bond

A presentation was made of the proposed changes to the *Participation in Virginia's Pool Bond Fund* with the initial part listing requirements per the Virginia Coal Surface Mining Reclamation Regulations section 4VAC25-130-801.11 with the remainder reflecting the additional changes.

The proposed changes were openly discussed with recommendations from the Board to add further detail listing processes *to include but not limited to* what the Division will check to determine the permittee qualification along with any required fees.

Minute's approval

Motion and seconded to approve the March 14, 2018 meeting minutes by Chris Stanley and John P. Jones, respectively. All members present were in favor.

Bond Forfeiture Status

After open discussions were made, it was determined that Gerald Collins will reach out to Wayne Johnson, a previously interested permittee of the forfeited Circle L Land Company permit # 1102091. It

is noted if he or another party is no longer interested in taking over the permit, the board recommended moving forward and proceeding with contracting for reclamation of the site.

Other Business

Barnette Energy is in Cost Bond forfeiture with no effects to the Pool Bond.

Open discussions were made in regards to MapTech on possibility for peer review of the Bull Creek Phase TMDL. It is our understanding that the lead developer of the TMDL has left MapTech leaving us unsure as to the completion of the TMDL study. Further discussion with VADEQ is forthcoming.

A meeting was held this week between DMLR representatives and a company by the name of Coking Coal, LLC from Australia with an interest in purchasing and transferring some existing permits.

There are several current new permits in for review; DMME's technical staff is currently processing these reviews.

Next Meeting

Next scheduled meeting is tentatively set for October 8, 2019 @ 10:00 a.m.

Adjournment

Motion and seconded to adjourn the meeting at 11:25 a.m. by Chris Stanley and Brad Kreps, respectively. All members present were in favor.