

MINUTES

COAL SURFACE MINING RECLAMATION FUND ADVISORY BOARD

March 21, 2023

10:00 a.m.

Members Present

John P. Jones
Brad Kreps
Chris Stanley
Tim Browning
Donna Stanley
Barbara Altizer
Greg Baker

Others Present

Randy Moore, Virginia Energy
Darlene Gibson, Virginia Energy
Josh Bolling, Virginia Energy
Mike Skiffington, Virginia Energy
(via teleconference)

The polling of members by Darlene Gibson was conducted to establish a quorum.

Chris Stanley, Chairman of the Board opened the meeting at approximately 10:05 a.m.

Minute's approval

After a brief discussion, the minutes of October 16, 2019, were approved with a motion and seconded by Barbara Altizer and Tim Browning, respectively. All members present were in favor.

Vote of Chairman and Vice-Chairman

Motion and seconded to nominate Tim Browning for Chairman by Chris Stanley and John Jones, respectively. All members were in favor.

Motion and seconded to nominate Chris Stanley for Vice-Chairman by Barbara Altizer and John Jones, respectively. All members were in favor.

Status of Pool Bond Fund

Josh Bolling of Virginia Energy provided updated numbers to the Pool Bond Funds:

Current Fund Balance as of March 21, 2023:	\$ 11,295,466.33
Fund Balance Ended of June 30, 2022:	\$ 10,940,745.45
The Fund Balance increased since July 1, 2022:	\$ 324,720.88

(This reflects the salary and benefits of \$41,700.00)

Permits- currently a total of 280 permits with bonds totaling \$ 278,507,500.00
A breakdown of the permits are as follows:
Cost Bonded- 142 permits with bonds totaling \$ 165,436,300.00
Pool Bonded- 138 permits with bonds totaling \$ 113,071,200.00

Cost Bonds 142 permits- Permitted acreage 16,617.12 acres
 Pool Bond 138 permits- Permitted acreage 51,541.30 acres

Self-Bond Amounts: \$ 24,224,025.00
There are 19 Self-Bonded Permits, and all are A & G Coal Corporation permits- some of the 19 permits are bonded with additional forms of bond (surety, etc.)

Bond Forfeitures: there are currently no bond forfeitures on pool bonded permits.

Blackjewel/Revelation Bankruptcy: There is only one pool bonded permit involved in the bankruptcy that has not already been transferred to another entity.

Participation in the Fund

Based upon the previous vote of the Board on October 16, 2020, the Board had approved to amend the requirements of the entrance of the Pool Bond to have least *3 years of compliance in Virginia and to be a qualifying company of the Pool, they must be an Officer of the company for at least 1 year in that company.* Though, it was approved through the Board, there was never a law or regulation change. A motion and a second by Donna Stanley and Tim Browning, respectively to submit and follow-through for a change to the Virginia Law and Regulation to reflect the amendment of the Pool Bond entrance requirements voted and approved on October 16, 2020, by the Board. All members were in favor.

Actuarial Study

A motion and a second by Brad Krepps and Donna Stanley, respectively to prepare a scope of work for an Actuarial Study, that the Scope of Work be sent out to the Board Members to review and once all members agree via email, to proceed with the procurement. All members were in favor after a lengthy open discussion occurred regarding the following:

20-million-dollar cap

Removing the 20-million-dollar cap for the collection of reclamation tax revenues from operators in the pool from the law and the concern for increased cost to do reclamation.

Assessment of Reclamation Tax revenues for Fund

Recommendation to consider removing the cap and any reference to the cap be removed from the Law.

Per acre bond rate

Regarding the need to increase per acre fees and/or acreage amounts to participate in the pool.

Entrance Fees

Recommendation of any increases or changes to the entrance fees required to get into the Pool.

Reclamation Fund tonnage tax rates

Any recommendation of current rate and if the rates are still sufficient.

Extended time and distance

Any recommendation for changes on extended times or distances for any mining operation bonded.

Justice Permit

Open discussion regarding the approximately \$25 million in self-bonds from the Justice Group. Currently, the fund no longer accepts new self-bonds and the decision to not was not made retroactive when the law was changed. The regulations are pending change until OSM approves. There is an active reclamation settlement agreement between Justice and the Sierra Club on three permits (Permit #1101905, 1101914 and 1101918/1101800).

Recommendation if any one company shows interest outside the Justice Group for any of these permits, a discussion could take place with Sierra Club to agree to dismiss the permit out of their agreement.

Next Meeting

Next scheduled meeting is tentatively set:

Adjournment

Motion and seconded to adjourn at 1:09 p.m. was made by Tim Browning and John Jones, respectively. All members were in favor.