
AML

Water Project

Review Manual

Prepared By



Division of Mined Land Reclamation
Abandoned Mine Land Section

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INTRODUCTION

This manual is the result of a joint collaboration between the Cumberland Plateau Planning District Commission and the LENOWISCO Planning District Commission. This activity was completed under an agreement with the Virginia Department of Mines, Minerals, and Energy¹ (DMME). This manual is intended to be used as a guide for water project applications to DMME's Abandoned Mine Land (AML) Program. The AML Program is a program with a variety of priorities to address needs created by pre-law² mining activities.

The DMME located in Big Stone Gap, has been designated to assume administrative responsibilities for the AML funds in Virginia that are made available by the U.S. Department of Interior, Office of Surface Mining Reclamation and Enforcement (OSMRE). Congress makes an annual appropriation from the fund to OSMRE, which then awards the funds to eligible states and tribes through grants.

This review manual incorporates the many years of experience gained by DMME in AML program administration.

The AML fund was established pursuant to the federal Surface Mining Control and Reclamation Act (SMCRA) of 1977, Public Law 95-87, which was enacted on August 3, 1977. Funds are obtained from reclamation fees collected from coal mine operators on a per ton basis of coal mined. The fees are collected by the OSMRE. Through the first 12 years of the program, emphasis was placed primarily on high priority land reclamation projects.

In 1990, Congress amended SMCRA to recognize the severe public health hazards associated with water supplies contaminated by abandoned coal mines. Legislation was enacted to authorize states with eligible coal problems to expend up to 30 percent of the AML funds granted annually for protecting, repairing, replacing, constructing or enhancing facilities relating to water supply, including water distribution facilities, treatment plants, and water sources adversely affected by past coal mining practices. In 2006, Congress amended SMCRA again and removed the 30 percent cap for funding AML water projects.

The purpose of this manual is to provide guidance to water project applicants in order to structure the best application possible. Information in this manual concerning application procedures and evaluation criteria will enhance the applicant's chances for successfully obtaining project funding. The only eligible applicants for these AML funds are the Coalfield Water

¹ Administered by the Department's Division of Mined Land Reclamation (DMLR) Abandoned Mine Land Program.

² Prior to December 15, 1981, the date Virginia received primacy to implement the requirements of the federal Surface Mining Control and Reclamation Act of 1977,

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Development Fund, Inc.³, counties, cities and towns in the Commonwealth of Virginia.

Copies of this manual are available from the LENOWISCO Planning District Commission, the Cumberland Plateau Planning District Commission, or the DMME/DMLR.

LENOWISCO P.D.C.
P.O. Box 366
Duffield, VA 24244
(276) 431-2206

Cumberland Plateau P.D.C.
P.O. Box 548
Lebanon, VA 24266
(276) 889-1778

or

Department of Mines, Minerals and Energy
Division of Mined Land Reclamation
P.O. Drawer 900
Big Stone Gap, VA 24219
(276) 523-8100

AML PROGRAM OBJECTIVES

The objective of the AML program, as stated in SMCRA, is to "promote the reclamation of mined areas left without adequate reclamation prior to enactment of this Act and which continue, in this unreclaimed condition, to substantially degrade the quality of the environment, prevent or damage the beneficial use of land or water resources, or endanger the health or safety of the public."

The reclamation priorities of SMCRA are set forth in Section 403 (a) (30 U.S.C. 1233(a)) and are, in order of priority, as follows:

- (1) The protection of public health, safety, general welfare, and property from extreme danger of adverse effects of coal mining practices;

³ The CWDF is a non-profit 501(c)(3) charitable organization providing grant assistance for water system construction in the counties of Lee, Scott, Wise, Dickenson, Russell, Tazewell, Buchanan, and the City of Norton. The initial funding for the CDWF endowment was provided through a federal grant and will be supplemented with private contributions. The endowment income will be used to make construction grants in the coal-producing counties of Southwest Virginia.

The CWDF will be known as a "gap financing" fund. Applications must leverage the maximum funding from traditional financing sources and only utilize grants from the CWDF to fill the gaps in funding needed for project construction. Projects which can be funded totally utilizing other federal programs will not be considered as CWDF projects.

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- (2) The protection of public health, safety and general welfare from adverse effects of coal mining practices;
- (3) The restoration of land and water resources and the environment previously degraded by adverse effects of coal mining including measures for the conservation and development of soil, water (excluding channelization), woodland, fish, wildlife, recreation resources, and agricultural productivity;
- (4) The protection, repair, replacement, construction, or enhancement of public facilities such as utilities, roads, recreation, and conservation facilities adversely affected by coal mining practices; and
- (5) The development of publicly owned land adversely affected by coal mining practices including and acquired as provided in this title for recreation and historic purposes, conservation, and reclamation purposes and open space benefits.

SMCRA requires AML resources be directed at the highest priority problems. OSMRE only allows lower priority projects (priority 3 and below) to be undertaken if all higher priority projects have been addressed or are in the process of being addressed. In 1990, SMCRA was amended when Congress recognized the severe public health hazards associated with water supplies adversely affected by abandoned coal mine workings. The Congressional Committee Report on the SMCRA amendment stated the Committee's belief "that when abandoned mines have degraded groundwater quality or depleted groundwater quantity to such an extent that citizens no longer have an acceptable supply, an adverse impact on health, safety, and the general welfare is self-evident."

The 1990 amendment allowed for possible AML funding of water projects, including the protection, repair, replacement, construction, or enhancement of facilities relating to water treatment, supply or distribution to qualify for possible funding.

Proposed water projects are prioritized by DMME in accordance with SMCRA. Several factors are considered in determining the priority of projects and in evaluating project applications, such as:

- evidence that demonstrates the impacts of the quantity and quality of the water supply on the public health, safety, and general welfare;
- the extent to which the problems with the water supply source are predominately the result of eligible AML problems. A connection between mining practices and damage done to a water supply system is not always clear. Such other factors as public use, weather, materials used, method of construction, or other pollution sources may also have contributed to the degree of damage (e.g. a water supply

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system may be affected by industrial, agricultural or public waste, agricultural sedimentation, or active mining);

- reclamation or abatement of the AML problems compared to construction of a water supply system is not cost effective or will not solve the problem;
- the construction of the water supply system will eliminate or greatly minimize the existing danger to the public;
- the extent to which the problems resulted from deterioration through aging of facilities due to lack of normal or routine maintenance or replacement; and
- the extent to which the AML project is limited to the restoration of water service to the same number of persons originally served or adversely affected. An enhanced water supply project for a new population or service district not adversely affected by past coal mining problems would not qualify for funding. Costs associated for extending water services to communities not affected by AML problems would have to be paid from non-AML sources.

FUND DISTRIBUTION STATEMENT

DMME's authority for funding water projects, including the protection, repair, replacement, construction or enhancement of facilities relating to water treatment, supply or distribution is based upon 30 CFR, Section 874.14.

The amount of funding available for water projects changes from year to year, depending on several factors, including the AML fees collected, number of emergencies which may occur for any given year, and the number and cost of other critical non-water projects. Due to limited funds available, DMME/DMLR must make difficult choices on project selection.

WATER PROJECT POLICIES

This section describes eligible AML project sites, allowable activities, funding policies, and the selection system for awarding AML Water Projects.

AML may fund projects where the adverse effects are due predominantly to the effects of mining processes undertaken and abandoned prior to December 15, 1981.

Sites mined and abandoned between August 3, 1977 and November 5, 1990 may also be

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eligible for funding, where the surety of the mining operator became insolvent and funds immediately available from other sources are not sufficient to provide adequate reclamation may also be eligible for funding.

ALLOWABLE ACTIVITIES

30CFR 874.14 provides the regulatory basis for funding water projects, including the protection, repair, replacement, construction, or enhancement of facilities relating to water treatment, supply, or distribution.

The following activities or items are allowable for AML funding:

- (1) Basic Engineering Services, including design, bidding and contracting, and construction management.
- (2) Financial records keeping, reporting, and related administrative costs required under the AML agreement.
- (3) Pre-approved additional engineering services, such as surveying, geotechnical and soils analysis.
- (4) Source development, construction of water lines and appurtenances, tanks and pumping stations to serve AML impacted areas.

Activities or items not covered under the AML funding:

- (1) Permit Fees
- (2) Land Acquisition, including easements
- (3) Purchase and installation of water meters and service lines beyond the customer's meter
- (4) Legal costs
- (5) Preliminary Engineering Reports and Residential Surveys
- (6) Construction of water line extensions to areas not impacted by the AML problem
- (7) Contingencies

FUNDING POLICIES

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Funding policies for water projects are as follows:

- The Coalfield Water Development Fund, Inc. and units of local government are the only potential recipients of AML funds. However, local governments may contract with public service authorities, water authorities, non-profit organizations, or other organizations to undertake project activities.
- All applications should be sent to the Planning District Commissions after an annual solicitation. The Planning District Commissions will be responsible for submitting all project applications to DMME for review and evaluation. The Planning District Commissions will review applications for completeness and assist in obtaining all necessary information required by DMME for project review and evaluation.
- Local governments may submit only one application per year. The project ranking system included in this manual will be used by DMME to determine which projects, if any, will be funded with the allocation for that year.
- Applications for water projects shall identify the total cost and scope of work for the entire water system. If DMME determines that AML funding cannot be provided for a potential project with a single grant, DMME will consider funding the project in phases. The phased project will be considered as a single project application.
- Applicants are limited to \$1.8 million in “open⁴” AML contracts. Applicants must have received administrative closeout from DMME by October 1 of the water project application year in order for a contract NOT to count against the \$1.8 million limit.
- The applicant is required to contact its local Planning District Commission (PDC) when seeking water project funding from the AML fund. The PDC should use its knowledge of funding programs and contacts with other state and federal funding agencies, such as the Virginia Community Development Block Grant Program, Rural Development Water and Waste Disposal Loans and Grants, Appalachian Regional Commission, Virginia Water Project, Inc., Virginia Resources Authority, and others, to determine the availability of other project funding.
- Applicants must demonstrate that a water supply system was significantly affected or damaged by impacts associated with abandoned mine lands and that such predominate AML impacts generated health and safety problems to the users of the

⁴ Open contracts are those in which all required funding has not been expended, all contractual obligations have not been made, and/or closeout forms have not been submitted to DMME.

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water supply system. Furthermore, applicants must show that reclamation of the AML problems either will not solve the water problem, or be cost effective compared with construction of a new system. Finally, applicants must prove that construction of the proposed water supply system will eliminate or greatly reduce the danger to the public health and safety.

- All applicants must provide citizens an adequate opportunity to participate in the development of the proposals by holding one public hearing to notify citizens of the proposed project and the level of funding requested.
- A Preliminary Engineering Report⁵ (PER) prepared by the applicant will be required as part of the AML application.
- The level of user charges will be considered in evaluating a project to determine reasonableness of water rates.
- Applicants must comply with the PDC's review as required by Title 15.1-1410 of the *Code of Virginia*.
- The applicant's ability to obtain funding from other sources or provide local funds will be considered when evaluating a project. Documentation of efforts to secure other funding is required. However, an applicant's inability to qualify for other funding or provide local funding and maintain reasonable rates, will not, in itself, prevent that local government from receiving AML funding for an AML eligible project.
- It is DMME's intent that AML dollars will not be substituted for other financing already committed to a project.
- Review and ranking of the proposals should be completed within 90 days of submission deadline.
- DMME may enter into preliminary funding negotiations with those applicants that receive funding offers to determine the final funding amounts and any conditions that may arise relative to funding approval. Following these negotiations, DMME will submit its annual AML grant request containing the selected water project applications to the OSMRE. Upon receipt of the "Authorization to Proceed" from OSMRE, DMME will enter into final contract negotiations with the selected applicants. It is anticipated that contracts for funding will be completed within 90 days of the contract negotiation session. If a contract has not been executed between DMME and the locality within 120 days of the contract negotiation session, DMME

⁵ The PER addresses applicable items listed in the next section - Project Ranking System

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may withdraw the funding offer.

- Funding recipients must complete project activities within 24 months of executing a contract with DMME, except in the case of unforeseen delays due to factors beyond the control of the funding recipient (i.e., regulatory agency approvals, such as, Virginia Department of Health, Marine Resources Commission, U.S. Army Corps of Engineers, weather, etc.) In such instances, DMME will consider time extension requests from the funding recipient.

PROJECT RANKING SYSTEM

This section assists prospective applicants in understanding the ranking criteria for project selection and helps them to plan projects appropriately. (An example of the evaluation form has been included for your information on page 11.) Only proposed projects in which a relationship is demonstrated between abandoned mining and water problems will be evaluated.

Ranking criteria comprise five areas of evaluation as explained below:

1. Public Health and Safety Impacts

Each proposed project will be evaluated on impacts, objectives, and priorities of the AML program. The level of the adverse impact on the health and safety of the public will be evaluated as minor, moderate, or major using the evidence and information supplied in the application. These terms are defined as follows:

Major = extreme adverse impacts

Moderate = readily apparent, but not extreme

Minor = detectable, but slight

2. Number of Households to Benefit

It is the intent of the AML program to award funding to those projects that provide water service to the maximum number of households. For purposes of this scoring criterion, only those households that have been determined to be in the eligible AML project area will be considered as a "benefited household." AML water projects will be evaluated on the type and extent of service provided.

AML water projects will be evaluated on the number of households to benefit – as documented with signed user agreements from the service to be provided relative to the need identified for such service in the project area.

3. Appropriate Project Costs / Water Rates

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The project budget will be reviewed to ensure that project costs are reasonable and realistic for the types and level of activities proposed. Water projects, which characteristically produce revenues, will be reviewed to determine if AML funding would result in an unusually low user charge. The intent of this rating criterion is to favor those projects with appropriate water rates.

4. Level of Commitment

Consideration will be given to the degree of commitment to a project demonstrated through the use of non-AML funds, i.e., other federal, state or local funds. Examples of local funds would include appropriations from local revenues or funds borrowed by local government. Applications that include such other funds will receive greater consideration than those totally funded by AML. The intent of this rating criteria is to award points to projects which will have the ability to "share" in the cost of the project utilizing other resources.

5. Application Data Provided

It is the intent to award points to applicants who have thoroughly and concisely responded to each question in Part II of the AML Water Project Application Instructions and Requirements (DMLR-AML-WP1).

RELATIVE VALUE AMONG RANKING CRITERIA

Not all the criteria involved in project selection are of equal importance. Consequently, differences in emphasis must be established. Each criterion will be assigned a number representing a measure of emphasis, or a weight factor. Weights for the entire system total 100 percent. Following is a list of the program rating criteria and their relative weights:

Criteria	Percent Weight
1. Public Health and Safety Impacts	30
2. Number of Households to Benefit	25
3. Appropriate Project Costs / Affordability	15
4. Level of Commitment	15
5. Application Data Provided	<u>15</u>
Total Project Impact	100

If an error occurs in computing a project's score, the error will be corrected and the score adjusted. If the adjusted score would have made the project eligible for a funding offer, the project will be offered funds that remain from the current year. If funds from the current year are not sufficient, the project will be the next water project funded from an AML award.

AML BONUS CRITERIA (0-5 POINTS)

Bonus points may be awarded for projects that demonstrate a “regional approach” toward provision of water service for project beneficiaries.

Regional projects will be considered as such if any of the following are addressed:

- Interconnections with other authorities, municipal water providers or other water districts;
- Consolidation of management operations including billing or operation and maintenance of treatment facilities or distribution systems. This may include elimination of “layers”, such as smaller water authorities or providers being absorbed into larger entities;
- Evidence of significant local funding from more than one service provider in a regional (multi-jurisdictional) project.

It is the intent of the AML program to assist in keeping long-term *operating costs* for all coalfield water systems as low as possible. The degree to which an applicant meets the “spirit” of this intent by working cooperatively with other jurisdictions will be reflected in the amount of points awarded under this criteria.

For instance, projects with a regional scope will be awarded a greater number of points if executed contracts for purchase/sale of water are included with the application versus those projects where there has been merely a discussion of a regional project but no specific activities completed which demonstrate progress toward regionalization.

AML WATER PROJECT EVALUATION

Project Name: _____

County: _____ Planning District _____ Date: _____

<i>Criteria</i>	<i>Points</i>	<i>Points</i>
I. Public Health & Safety Impacts (30 points)		
Major	= 30 points	_____
Moderate	= 20 points	_____
Minor	= 10 points	_____
II. Number of Households to Benefit Documented With Signed User Agreements (25 points)		
76 or more	= 25 points	_____
51 - 75	= 18 points	_____
26 - 50	= 12 points	_____
25 or less	= 6 points	_____
III. Appropriate Project Cost / Water Rates (15 points)		
A. Appropriate Project Costs (10 points)		
Costs per residential connection:		
(Total Project Cost / Total Number of Residential Connections)		
\$0 - \$14,999	= 10 points	_____
\$15,000 - \$19,999	= 7 points	_____
\$20,000 - \$24,999	= 5 points	_____
\$25,000 or more with maximum of 70% AML Funding for Total Project Cost	= 3 points	_____
\$25,000 or more no other funding	= 0 points	_____
B. Affordability (5 points)		
Costs for 4,500 gal. of treated water:		
\$35.00/mo or more	= 5 points	_____
\$30.00/mo.-\$34.99/mo.	= 3 points	_____
\$25.00/mo.-\$29.99/mo.	= 2 points	_____
\$0 - \$24.99/mo	= 1 point	_____
IV. Level of Commitment of Non-AML Funds (15 points)		
51% or more of total project cost	= 15 points	_____
26% - 50% of total project cost	= 13 points	_____
11% - 25% of total project cost	= 10 points	_____
6-10% of total project cost	= 5 points	_____
1-5% of total project cost	= 1 point	_____
V. Application Data Provided (15 points)		
Excellent	= 15 points	_____
Good	= 10 points	_____
Fair	= 5 points	_____
VI. AML Bonus Award (0-5 points)		
TOTAL (maximum points = 105)		_____

AML

Water Project

Application



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AML WATER PROJECT APPLICATION INSTRUCTIONS & REQUIREMENTS

The Department of Mines, Minerals and Energy (DMME)⁶, in conjunction with the LENOWISCO and Cumberland Plateau Planning District Commissions (PDC), has devised a format and guidelines for water project funding applications. The DMME will contact the PDCs in June of each year requesting the submittal of water project proposals for consideration. The PDCs would have until the deadline set in DMME's water project application solicitation to submit water project applications.

It is critically important that all guidelines be followed and requirements met when completing this application. Careful adherence will allow DMME to review, in a timely manner, each proposal's stated needs, objectives, and common variables while maintaining consistency in the evaluation. While each problem or project area may be unique, a standard procedure for submittal is necessary to eliminate any inconsistency in the decision-making process. With this in mind, please carefully read and comply with all the following instructions and requirements.

I. General Instructions

1. Respond to each question thoroughly and concisely. Do not include any information that is not applicable or clearly referenced to a question. An application may be disqualified for insufficient data, incompleteness, failure to follow the stated format, or excessive, irrelevant information.
2. The complete application shall be bound with all narratives assembled in the following order.
 1. Application Cover Sheet
 2. Project Need Description
 3. Eligibility Description
 4. Project Description
 5. Results and Benefits Description
 6. Budget Descriptions
 7. Maps
 8. Section A
Budget Summary
 9. Section B Source of Funds
 10. Section C Forecasted Cash
 11. Water Project Application
Residential Surveys

Each application shall include a table of contents that references the specific sections to page numbers. All parts of the application must be included in the bound package. No attachments or addendum shall be accepted following initial submittal or beyond the submittal deadline. Maps shall be enclosed in pockets within the bound package and referenced in the table of contents.

The Preliminary Engineering Report (PER) is considered a separate supporting document and may be bound separately but must be submitted with the application. The absence of a PER at the time of submittal shall eliminate the application from consideration in this application round. Regulatory approval of the PER is required from the Virginia Department of Health prior to application

⁶ Administered by the Department's Division of Mined Land Reclamation (DMLR) Abandoned Mine Land section.

submission.

The Applicant shall utilize the Residential Survey form to interview all residents who are to be serviced by the water project. Responses to the survey questions should be as concise as possible. All questions must be addressed.

3. Submit two copies each of the application and PER to the appropriate planning district commission. The planning district commissions will forward all applications to DMME for project ranking by the deadline set in the water project application solicitation.

The Planning District Commissions are:

LENOWISCO PDC
P.O. Box 366
Duffield, Virginia 24244
(276) 431-2206

Cumberland Plateau PDC
P.O. Box 548
Lebanon, Virginia 24266
(276) 889-1778

II. Application Format

1. Project Need Description

Describe the need for the project, specifying the problem(s) and how the project will correct the problem(s). Summarize the existing danger to the public, health, and safety. Describe how this will be minimized or eliminated. Include any relevant data based on plans, studies, statistics, engineering reports, etc. Discuss only those problems that would be addressed by the proposed project. Include in the discussion any information on the background conditions of the quantity and quality of the water supply and mine related problems with the water supply source. Discuss present water condition relative to current safe drinking water standards.

2. Eligibility Description

- A. Describe the degree to which the AML problems affected the current water supply. Water quality problems shall be compared to safe drinking water standards. Refer to mapping and water information provided under item 6 of this section. Current water sources are to be sampled and analyzed at a minimum for conductivity, pH, temperature, total iron, manganese, total suspended and total dissolved solids, hardness, chloride, sulfate, alkalinity, acidity and total or fecal coliform. A minimum of twenty five percent of the households to be serviced by the project is to be analyzed. Location of sample sites are to be identified on a map as instructed in Section 6, Maps.

Note: A connection between mining practices and damage done to a water

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supply system is not always clear. Such other factors as public use, weather, materials used, method of construction, lack of normal or routine maintenance, and other pollution sources may also have contributed to the damage. Account for these factors in the description and describe their degree of influence.

- B. Applicant must provide available mine history data such as company names, start and completion dates of mining, permit numbers, mine index numbers, coal seam names, type of mining, etc. Include dates of water loss and/or impacts in relation to mining dates.
- C. Identify the portion of the project eligible for AML funding and any areas not eligible for AML funding.

3. Project Description

List the objective(s) of the project and describe the work to be accomplished as it relates to each objective. Provide descriptions in concise layman's terms and list project activities in quantifiable terms whenever possible. (Example: Installation of 4,800 linear feet of 10-inch water line to the community of *Bad water*.) Designate and describe work that will be done with AML funds. Give the projected start and completion dates and indicate the timetable for major project components.

4. Results and Benefits Description

- A. Briefly describe the results/benefits of the project in terms of public health and welfare, environmental quality, social impacts, educational impacts, etc. Describe any negative results as well as positive ones. In addition, list the following quantitative information.
 - Number of water customers served
 - Cost affordability to beneficiaries (Monthly rates based on average monthly water usage of 4,500 gallons)
 - Increased system capacity
 - Present and projected plant capacity
 - Other applicable quantitative information
- B. Provide a projected annual operation and maintenance cost comparison to projected revenue over a five (5) year period following construction.

5. Budget Description

- A. Complete the budget form (DMLR-AML-WP3) provided and include it in this section.

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- B. Describe the status of all non-AML funds to be used on the project. Information about non-AML matching dollars should be specific, firm and well documented. Include a narrative description of the provider, its normal function and the person contacted. Give appropriate dates such as dates contacts were made, dates funds were formally requested or expected dates of application submittal(s), and approval date(s). Include in this section local government resolutions and/or letters of commitment for all non-AML and in-kind resources. Provide separate information about each source of funds.

6. Maps

Submit the following maps:

- A. A location map with a minimum of 10 mile radius, clearly showing roads and appropriate service areas.
- B. A composite map showing the extent of both underground and surface mining. Cross-reference this date with the mining history data, proposed water project service areas, and affected residences. The mining areas eligible for AML funding must be delineated from the total mining areas shown.
- C. A project map showing total proposed activities. A clear delineation of AML and non-AML funded areas must be provided.
- D. A map showing locations of Residential Surveys, water samples, and all known water sources (well, springs, cisterns) in the area. Water survey and sample reports shall be indexed to map locations. Provide cross sections showing depths of wells in reference to coal seams mined.

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COMMONWEALTH OF VIRGINIA
DEPARTMENT OF MINES, MINERALS AND ENERGY
DIVISION OF MINED LAND RECLAMATION
P. O. DRAWER 900; BIG STONE GAP, VIRGINIA 24219
TELEPHONE: (276) 523-8206

APPLICATION COVER SHEET

Project Title: _____ Locality/County: _____
 Project Location: _____ Proposed Water Source: _____
 Applicant: _____ Application Date: _____
 Contact Person: _____ Title: _____
 Address: _____ Phone No.: _____

Project size: _____ (linear feet)

No. of households to benefit: _____

No. of signed User Agreements _____

Phased project: () Yes () No () Undecided

Projected Total Cost (all phases): \$ _____

Amount requested this application: \$ _____

Non-AML funding provided: \$ _____

Previous AML project(s) funded: () Yes () No

If yes, give name(s): 1. _____

2. _____

Projects Cost(s): 1. _____

2. _____

Open Contracts: 1. _____ (Project Name) \$ _____

2. _____ (Project Name) \$ _____

Public hearing held at: _____ on _____ (Date)

PER prepared by: _____

I DO HEREBY CERTIFY THAT AML WATER PROJECT FUNDS WILL NOT SUPPLANT ANY EXISTING FUNDS FOR THE PROJECT. I ALSO CERTIFY THAT THE PROJECT MEETS THE REQUIRED CRITERIA AS SET FORTH IN THE DMME AML WATER PROJECT REVIEW MANUAL.

(Signature of Authorized Official)

(Date)

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SECTION A - BUDGET SUMMARY

(See Back for Instructions)

ACTIVITY:

1. Applicant: _____

A. _____

2. Project Name: _____

B. _____

3. Total Project Cost: _____ 4. Date: _____

C. _____

Cost Elements	A. Activity A	B. Activity B	C. Activity C	D. Total AML\$	E. Total Non-AML\$	F. Combined Cost
1. Construction						
2. Basic Engineering						
3. Additional Engineer- ing						
4. Project Inspection						
5. Legal				N/A		
6. Acquisition				N/A		
7. Contingency				N/A		
8. Administrative						
9. Other						
10. Total Activity Cost						
11. Amount of Column AML\$						
12. Amount of Column AML\$						
13. TOTAL PROJECT COST						

INSTRUCTIONS FOR SECTION A - BUDGET SUMMARY

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1. Applicant - Legal name of single unit of local government that is assuming the role of applicant. This must correspond to the applicant from page 1.
2. Project Name - Project name that corresponds with the project name from page 1.
3. Total Project Cost - This figure must represent the total of all cost funds involved in the project. In addition, this will be the same figure represented in line 13, column F.
4. Date - Date of this project application.

Columns A, B, and C are for different project activities. Outline the specific activity in the upper right corner of the Section A - AML Water Project Budget Summary sheet. i.e. water distribution line, water pump station, water source development, etc.

Column D shows the subtotal cost for each element on the budget sheet that will be charged to the AML program.

Column E shows the subtotal cost for each element on the budget sheet that will be charged to non-AML resources.

Column F shows the total cost of each cost element on the budget sheet across all activities.

Cost Element 1-9 shows the costs as outlined in the project's Preliminary Engineering Report.

Cost Element 10 shows the sum of cost elements 1 through 9.

Cost Element 11 shows the subtotal cost for each project activity that will be charged to the AML program.

Cost Element 12 shows the subtotal cost for each project activity that will be charged to non-AML resources.

The following definitions are used for completion of this section:

Construction: This includes the cost of construction, reconstruction, rehabilitation, or installation of physical improvements and facilities associated with the implementation of project activities.

Basic Engineering: This includes engineering design, construction management, and basic fees for the project.

Additional Engineering: This includes those fees not included in the above category. Please itemize these costs individually under item 4, *Project Description* in the project narrative.

Project Inspection: This includes the fee for inspection of construction projects.

Legal: This includes all legal costs associated with the project including bond council, title opinions, etc. Legal services performed by the chief legal officer of a local government or his staff solely for the purpose of discharging his general responsibilities as a legal officer are unallowable. Legal expenses for the prosecution of claims against the Federal Government of State Government are unallowable. AML funds may not be used for legal costs.

Administrative: This includes all financial records keeping, reporting and related administrative costs required under the AML agreement.

Acquisition: This includes the costs of acquiring real property (i.e., air rights, water rights, and other interests therein). These properties should be used for the provision of public improvements and facilities that are eligible under the grant. AML funds may not be used for acquisition costs.

Contingency: This includes an amount or contribution to a contingency reserve for unforeseen events related to project construction. AML funds may not be used for contingency costs.

Other: This includes items not specifically spelled out above. Please list the specific item in the blank.

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SECTION B - SOURCE OF FUNDS

	Amount	%	Source / Program/Commitment Date
A. AML	\$ _____	_____	_____
B. State	\$ _____	_____	_____
C. Local	\$ _____	_____	_____
D. Federal	\$ _____	_____	_____
E. Private	\$ _____	_____	_____
Total	\$ _____	100.0	_____

SECTION C - FORECASTED CASH NEEDS

Source	1st Qtr. 20__	2nd Qtr 20__	3rd Qtr. 20__	4th Qtr. 20__	Total for Year 1	5th Qtr. 20__	6th Qtr. 20__	7th Qtr. 20__	8th Qtr. 20__	Total for Project
AML										
State										
Local										
Federal										
Private										
Total										

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INSTRUCTIONS FOR SECTION B - SOURCE OF FUNDS

This section requires a breakout of all funds involved in the project by amount, percentage of total project cost that the amount represents, and source or program.

Line A: List the amount of AML funds requested (this figure should correspond to Item D-11 of Section A - AML Water Project Budget Summary).

Line B: List the total amount of state funds (grants) included in the project cost; state the percentage of the total project cost which the amount represents; list the state agency and program which is providing the funds. If the amount is from more than one source or program, list each separately.

Line C: List the total amount of local contributions to the project cost; state the percentage of the total project cost that the amount represents. If this is a regional proposal, identify the local share by each participating locality. Specify the source (general revenue, bond, loan) of the local money. Note: Loan funds are considered to be local money and should be included here.

Line D: List the total amount of federal funds (grants) included in the project cost; state the percentage of the total project cost which the federal funds represent; list the federal agency and program which is providing the funds. If the funds are from more than one source or program, list each separately.

Line E: List the total amount of private funds included in the project cost; state the percentage of the total project cost which the total private funds represents; list the source of these funds under Source/Program. If the funds are from more than one source or program, list each separately.

INSTRUCTIONS FOR SECTION C - FORECASTED CASH NEEDS

This section requires a breakout of all funds involved in the project by the anticipated date the funds will be needed for the project. Be as specific as possible including filling in the year in the Quarter column. Note: Quarters are not necessarily calendar quarters, but three month periods commencing with the project start date. The **Total for Project** column should equal the totals included for Section B - Source of Funds.

Map House Number _____

RESIDENTIAL SURVEY

Name: _____ Number in Household: _____
Address: _____
Phone: _____ Own or Rent: _____ Years in Residence: _____
Prior Owner or Renter (if applicable): _____

Water Source(s): (Circle appropriate source.)

Well, Cistern, Spring, Surface Impoundment, Auger Hole, Adit, Other: _____
Relationship of source to coal seam(s); probable aquifer: _____
Relationship of source to gas/oil well: _____

Description of Well: (If applicable)

Elevation: _____ Depth: _____ Depth of Casing: _____
Diameter: _____ Date Drilled: _____ Static Water Level: _____
Does owner have well log? _____
Did you drill well(s) currently not in use: _____
Reason for not using: _____

Uses: (check all that apply)

Drinking ___ Bathing ___ Cooking ___ Pool ___
Washing ___ Stock ___ Irrigation ___ Other ___

(if not used for drinking, where do you get drinking water?)

Has water been tested before? _____ By Whom? _____

Quality:

Description: "Color, Odor, Hardness, Soft Crust, Foam, etc.?" (In resident's own words.)

Has there been a change in water quality over the years? _____
If yes, worse or better: _____ When did change begin? _____
Does water quality change during wet weather? _____
Does water quality change during dry weather? _____
Is water suspected of causing any illnesses, skin rashes, or other health problems? _____

Treatment: (if applicable) Type: _____ Cost/Month: _____
Effectiveness: _____
Comments: _____

Quantity:

Is supply sufficient for daily needs? _____
Has source ever gone dry (or been severely depleted)? _____
Has there been a change in water quantity over the years? _____ When? _____

Sampling:

Would owner allow samples for test results? _____ Yes _____ No

Person or firm performing survey: _____

PRELIMINARY ENGINEERING REPORT

OUTLINE

Introduction - A Preliminary Engineering Report (PER) should clearly describe the owner's present situation, analyze alternatives, and propose a specific course of action, from an engineering perspective. The level of effort required to prepare the report and the depth of analysis within the report are proportional to the size and complexity of the proposed project. Abandoned Mined Land projects must be modest in design, size and cost, and be constructed and operated in an environmentally responsible manner. The following should be used as a guide for the preparation of Preliminary Engineering Reports for AML financed water systems.

- I. **PROJECT PLANNING AREA.** Describe the area under consideration. The project planning area may be larger than the service area determined to be economically feasible. The description should include information on the following:
 - A. **Location.** Maps, photographs, and sketches. These materials should indicate legal and natural boundaries, major obstacles, elevations, etc.
 - B. **Environmental Resources Present.** Maps, photographs, studies, and narrative. These materials should provide information on the location and significance of important land resources (farmland, rangeland, forestland, wetlands and 100/500 year floodplains, including stream crossings), historic sites, endangered species/critical habitats, etc., that must be considered in project planning.
 - C. **Growth Areas and Population Trends.** Specific areas of concentrated growth should be identified. Population projections for the project planning area and concentrated growth areas should be provided for the project design period. These projections should be based on historical records with justification from recognized sources.
- II. **EXISTING FACILITIES.** Describe the existing facilities including at least the following information:
 - A. **Location Map.** Provide a schematic layout and general service area map (may be identified on project planning area maps).
 - B. **History.** Elaborate regarding the history of the mining in the area as it relates to the location of the community. Be as specific as possible regarding dates.
 - C. **Condition of Facilities.** Describe present condition; suitability for continued use; adequacy of water supply; and, if any existing central facilities, the treatment, storage, and distribution capabilities. Also, describe compliance with Safe Drinking Water Act and applicable State requirements.
 - D. **Financial Status of any Operating Central Facilities.** Provide information regarding rate schedules, annual operating and maintenance (O&M) cost, tabulation of users by monthly usage categories and revenue received for last three fiscal years. Give status of existing debts.
- III. **NEED FOR PROJECT.** Describe the needs in the following order of priority:

- A. **Health and Safety.** Describe concerns and include relevant regulations and correspondence from/to Federal, and State regulatory agencies.
 - B. **System O&M.** Describe the concerns and indicate those with the greatest impact. Investigate water loss, management adequacy, inefficient designs, and problem elimination prior to adding additional capacity.
 - C. **Growth.** Describe the reasonable growth capacity that is necessary to meet needs during the planning period. Facilities proposed to be constructed to meet future growth needs should generally be supported by additional revenues. Consideration should be given to designing for phased capacity increases. Provide number of new customers committed to this project. Be prepared to provide separate cost estimates including cost to correct problems versus provision for future growth.
- IV. **ALTERNATIVES CONSIDERED.** This section should contain a description of the reasonable alternatives that were considered in planning a solution to meet the identified need. The description should include the following information on each alternative:
- A. **Description.** Describe the facilities associated with the alternative. Describe all feasible water supply sources and provide comparison of such sources. Also, describe treatment, storage and distribution facilities.
 - B. **Design Criteria.** State the design parameters used for evaluation purposes. These parameters must follow the criteria established in AML Water Project Review Manual.
 - C. **Map.** Schematic layout.
 - D. **Environmental Impacts.** Describe direct and indirect impacts on floodplains, wetlands, other important land resources, endangered species, historical and archaeological properties, etc., as they relate to a specific alternative. The engineer must conduct an environmental assessment prior to project approval.
 - E. **Land Requirements.** Identify sites and easements required. Further specify whether these properties are currently owned, to be acquired, or leased.
 - F. **Construction Problems.** Discuss concerns such as subsurface rock, high water table, limited access, or other conditions that may affect cost of construction or operation of facility.
 - G. **Cost Estimates.**

Identify cost for the following:
 - 1. Construction
 - 2. Non-Construction
 - 3. Annual Operation and Maintenance
 - H. **Advantages/Disadvantages.** Describe the specific alternative's ability to meet the owner's needs within its financial and operational resources, to comply with

regulatory requirements, its compatibility with existing comprehensive area-wide development plans, and to satisfy public and environmental concerns. A matrix rating system could be useful in displaying the information.

V. **PROPOSED PROJECT (RECOMMENDED ALTERNATIVE).** This section should contain a fully developed description of the proposed project based on the preliminary description under the evaluation of alternatives. At least the following information should be included:

A. **Project Design.**

1. **Water Supply.** Include requirements for quality and quantity. Describe recommended source, including site.
2. **Treatment.** Describe process in detail and identify location of plant and site of any process discharges.
3. **Storage.** Identify size, type and site location.
4. **Pumping Stations.** Identify size, type, size location and any special power requirements.
5. **Distribution Layout.** Identify general location of line improvements: lengths, sizes and key components.
6. **Hydraulic Calculations.** This information should provide sufficient detail in a tabular format to determine compliance with design requirements. The engineer may use automation tools. The submittal should include a map with a list of nodes and pipes and the associated characteristics, such as elevation of node, pipe diameter, pipe segment length, reservoir elevation, domestic and industrial water demands, fire flow, etc.

B. **Cost Estimate.** Provide an itemized estimate of the project cost based on the anticipated period of construction. Include development and construction, land and rights, legal, engineering, interest, equipment, contingencies, and other costs associated with the proposed project.

C. **Annual Operating Budget.**

1. **Income.** Provide a rate schedule. Project income, realistically based on user billings, water treatment contracts, and other sources of incomes. In the absence of other reliable information, for budget purposes, base water use on 150 gallons per residential-sized connection per day, or 4,500 gallons per residential-sized connection per month. When large agricultural or commercial users are projected, the report should include facts to substantiate such projections and evaluate the impact of such users on the economic viability of the project. The number of users should be based on equivalent dwelling units, which is the level of service provided to a typical rural residential dwelling.

2. **Operations and Maintenance Costs.** Project costs realistically. In the absence of other reliable data, base on actual costs of other existing facilities of similar size and complexity. Include facts in the report to substantiate operation and maintenance cost estimates. Include salaries, wages, taxes, accounting and auditing fees, legal fees, interest, utilities, gasoline, oil and fuel, insurance, repairs and maintenance, supplies, chemicals, office supplies and printing, and miscellaneous. If purchase or treatment of water is being treated from another utility, these costs should be included in the operating and maintenance budget.
3. **Debt Repayments.** Describe existing and proposed project financing from all sources.
4. **Project Viability.** Provide projected annual operation/maintenance cost comparison to projected revenue over a five (5) year period.

VI. **CONCLUSIONS AND RECOMMENDATIONS.** Provide any additional findings and recommendations that should be considered in development of the project. This may include recommendations for specific studies, the need for special coordination, and a recommended plan of action to expedite project development, etc.