

AML ADVISORY COMMITTEE
Minutes
Semi-Annual Meeting
September 15, 2010

A regular meeting of the AML Advisory Committee was called to order at the Powell River Project at 3:00 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; Earl Bandy, OSM Knoxville Field Office Director,; Phil Shelton, citizen; Jackie Davis, Roger Williams, Richard Davis, Randy Casey, Department of Mines, Minerals and Energy.

Absent: Martha Podren, TVA, Carol Doss, Upper Tennessee River Roundtable Gerald Ramsey, Consolidation Coal; 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. Earl Bandy asked for clarification in the minutes regarding the AML Emergency funds. After a brief discussion the minutes of the April 21, 2010, meeting was approved unanimously.

Jackie Davis

Jackie expressed appreciation for everyone attending. We want to continue to emphasize reminding and the AML enhancements. We are very pleased with all that has been happening. We want to continue to go forward.

DMLR Program Update – Roger Williams

Budget - Virginia's AML funding will likely have a major reduction due to the cessation of the OSM funding of the emergency program. We received about \$1.2 million in emergency funding this year. We previously had a high budget for emergencies of a little over \$2.5 million but that has slowly dropped. Last year our total AML funding was about \$9.8 million. The projections OSM has given us shows in 2011 we should get about \$9.9 million. Our coal production is not trending well. We have gone to about half the production since 1985. The surface mining is trending downward also. Underground continues to dwindle downward. In summary the overall impact is less AML fees. We still have to do emergencies and that money will have to come out of our regular budget funds in the future.

On the federal legislative side there are several bills dealing with AML budget and program issues. One is HR5780, dealing with termination of payments to certified states and Indian tribes. This is basically terminates funding for certified western states. The last action on this Bill was in late July. There is an AML Conference in Pennsylvania next week and this particular piece of legislation is on the agenda for discussion. If this does pass, the western states may decertify and this would affect the eastern states funding.

Another Bill introduced by Representative Nick Rayhall of West Virginia is the HR5479, the Care Act, which translates to Coal Accountability and Retired Employee Act of 2010. It was co-sponsored by Congressman Rick Boucher of the Ninth District and several other representatives. It calls for expanding the transfer of interest from AML fund to cover shortfalls in 1974 United Mine Workers of America (UMWA) Pension Plan. Originally legislation covered only transfers to the health benefits of the United Mine Workers Trust Fund.

Water Projects – Last year we funded the Hurley Regional Water Line Phase II at \$3,258,000 and we funded a water replacement project in Dunbar in the amount of \$1,505,000. Because of the reduction in the emergency money we had to cut back on the funding amount for water projects. We have proposed to limit the water project money in 2011 to about \$2.5 million. We are expecting to receive one submittal at our application deadline of the first of October. The only project we are aware of is the next phase of the Hurley project.

In 2009 we funded the Horsepen Project in Tazewell County. We have had complications with this project due to bidding and the fact that a portion of the project is in West Virginia. We partnered with the WV AML program, the Virginia Coalfield Water Development Fund, Arcelor (a coal company) and both the Tazewell County, Virginia and McDowell County West Virginia PSA's to fund the project. This project is now awarded.

NRCS Program Update - Roger Williams

Roger gave the update as Blaine Delaney was unable to attend. As most are aware the NRCS and DMME have entered into a joint agreement to fund abandoned mine land projects targeting AMD down in Lee County. The North Fork of the Powell River Watershed in Lee, County has approval for 39 sites. I'm please to report that the first two construction sites have been launched which are referred to as Gilbert Creek I and II. Construction is now complete with a total budget of \$160,000. NRCS total was around \$103,000 and our total was about \$56,000. Pictures of the completed reclamation work performed at the site were provided to the committee.

A second project containing three additional sites has been designed and advertised for bids. Bids are to be opened on September 21, 2010 for the M & H, Lenges and Knuckles sites. Total construction funding for all the sites is estimated at around \$267,510. We hope to make an award to a contractor before the end of the month.

Richard Davis

Our agency submitted the Cranes Nest Gob Pile Removal project to OSM. This project was the winner of the 2010 Small Project Award for AML Projects. This award will be given at the AML Conference in Pennsylvania next week. As indicated in the previous minutes, our construction cost was \$3,600 for this AML project. The committee was provided photos to view.

There was some discussion on the AMLIS update and the problems with the process. OSM staff Ian, Brent, and Debbie have been very good to work with on the inventory.

We received notice from Dominion regarding the EPA rulemaking in reference to burning gob piles. We reviewed the proposed rules and our take on this was to persuade EPA to allow gob to be burned and not considered as hazardous waste.

Randy Casey

The Park Ave. Highwall Project in the town of Norton is still ongoing. The final draft has been submitted by the consultant of the preliminary engineering report. The next phase will be with the environmental folks. There is a meeting scheduled for next week to discuss it further. It may be difficult for the construction to begin in 2011 as planned. The Grundy Airport project is in OSM's hand at the present time

Earl Bandy

It seems the AML funds are getting a lot of attention from OMB. When OMB gives you attention it requires a lot of reporting. The big change is in the emergency programs, particularly Pennsylvania, Kentucky, Tennessee, and West VA.

Glenn Graham

There is a bill coming up that is going to be on the Chesapeake Bay clean-up and will give EPA total control of all water which scares all the agriculture community. They will be dictating what you can do in everything.

Committee Business

The next meeting of the AML Advisory Committee will be in April, 2011. Notification will be emailed to everyone.

Meeting adjourned.

Roger L. Williams
DMME Abandoned Mine Land Services Manager

RLW/dfb