

MINUTES

COAL SURFACE MINING RECLAMATION FUND ADVISORY BOARD Conference Room 211

April 19, 2017
9:30 a.m.

Present

Gavin Bledsoe
Randy Casey
John Jones
Chris Stanley
Donna Stanley

Also Present

Greg Baker
Becky Sanders

A meeting of the Coal Surface Mining Reclamation Fund Advisory Board (RFAB) was held on April 19, 2017 at 9:30 a.m. at the Department of Mines, Minerals and Energy (DMME) Office in Big Stone Gap. Randy Casey called the meeting to order.

Status of Pool Bond Fund

Greg Baker reported on the financial status of the pool bond fund. The current bond amount is \$125,878,200.00. That amount includes CDs, cash, letters of credit, etc. The fund balance as of March 30, 2017 is \$8,235,681.62. There are 158 permits in the pool bond fund.

The report shows total tonnages in the pool bond as 4,000,000.00 in the first quarter and 4,390,000.53 in the second quarter (October – December) and over 5,000,000.00 tons the last quarter (through March). There is an increase in production.

Update on Current Regulations Awaiting OSM Approval

The RFAB submitted a letter to the Director of the Department of Mines, Minerals and Energy (DMME) in 2012 with recommendations to amend certain statutes and regulations implementing the Fund so as to strengthen the alternative bonding process.

A letter dated September 12, 2016 was written to Thomas Shope, Office of Surface Mining (OSM). The letter contained a chronology of the actions taken by the Board, DMME, and OSM. OSM was asked to review the proposed regulatory amendments so that DMME could finalize the proposed amendments under the Virginia Administrative Process. As of this date, OSM has not responded.

Update on OSM Bonding Proposals

There has been no response from OSM concerning the bonding regulation proposals. On the National Technical Training Program side, a bonding training plan on how to review bonds is being rewritten. The Interstate Mining Compact Commission wrote a letter with the different categories of bonds and the Division's comments about the different types of bonds. In September, 2016, the Division of Mined Land Reclamation (DMLR) presented to OSM what it thinks is secure bonding; what may not be as secure; how to treat each of those documents; and some of the options concerning the different types of bonds. OSM did not have any different ideas.

Update on Justice Permits and Compliance Agreement Status

The Justice Low Seam Mining in Tazewell County is the only active mine at the present time. The active jobs in Wise County are in temporary cessation. Justice is doing reclamation work, beginning in Lee County, getting one permit at a time reclaimed. They have been behind schedule under the last agreed modification to the compliance agreement and are being fined on a daily basis until the reclamation is done. It is expected the reclamation in Lee County will be completed within a month. DMLR wants to work with Justice and not force them into bond forfeiture. There is approximately \$200,000,000.00 overall in total reclamation liabilities against Justice.

The calculated reclamation liabilities against A & G Coal Corporation are \$134,000,000.00. Nineteen of A & G Coal permits are under self-bond. A & G Coal is the largest liability to the pool at this time.

Update on Circle L Bond Forfeiture

There is no activity in terms of DMLR contracting to reclaim Circle L. Some people have looked at the property and showed some interest. They wanted to take over the permit, but were told they would have to repermit. There has been no further action from them. DMLR may do some work on the permit to get rid of the drainage and create fill stability.

Other Business

The merging of the Governor's Mined Land Reclamation Advisory Committee and the Coal Surface Mining Reclamation Fund Advisory Board did not get through the legislature this year. It will be presented again at a later date. There was discussion among Board members of combining the two boards.

There being no further discussion, the meeting was adjourned.