

AGGREGATE ADVISORY BOARD (BOARD)
Wednesday, February 19, 2025
Hybrid Meeting (via Microsoft Teams)

VOTING MEMBERS OR ALTERNATES PRESENT:

Paul Detwiler, III (Member – New Enterprise Stone and Lime Co., Inc.)
Jonathan Kolbe (Member – Allegheny Mineral Corporation)
John St. Clair (Member – Rosebud Mining Co. / Citizens Advisory Council (CAC))
R. Timothy Weston (Member -- K & L Gates, LLP / CAC)
Thaddeus Stevens (Member – Sylvan Glen, Inc. / CAC)
Rep. Kristin Marcell (Member – PA House of Representatives)
Andrew Gutshall (Alternate – Heidelberg Materials, LLC)
D. Michael Hawbaker (Alternate – Glenn O. Hawbaker, Inc.)
Ian Irvin (Alternate – Executive Director, CAC)
Peter Vlahos (Alternate – PA Aggregates and Concrete Association (PACA))
Glendon King (Alternate -- PA House of Representatives)
Emily Eyster (Alternate – PA Senate)
Matthew Osenbach (Alternate – PA Senate)
Nathan Houtz (Alternate – DEP -- Active and Abandoned Mine Operations (AAMO))

OTHER ATTENDEES:

Greg Greenfield (DEP – Bureau of Mining Programs (BMP))
Randy Shustack (DEP -- Bureau of District Mining Operations (BDMO))
Sharon Hill (DEP – BMP)
Gregory Shuler (DEP – BMP)
Daniel E. Snowden, D.Ed. (DEP – BMP/Board Liaison)
Christopher Stewart (DEP – BMP)
Alexandra Eberly (DEP – BMP)
Rachel Colyer (DEP – BMP)
Jennifer McLuckie (DEP - AAMO)
Jack Palumbo (DEP – Policy Office)
Richard Marcil (DEP – Regulatory Council)
Louie Krak (DEP – Infrastructure Implementation Coordinator)
Trent Machamer (Guest – PA Senate (Research))
Jamie Stilley (Guest – Amerikohl Aggregates, Inc.)
Emily Wildman (Guest – Clean Air Action)
Megan Dennis (Guest – PACA)
Michael Clark (Guest – New Enterprise Stone and Lime Co., Inc.(NES&L))
Carolyn Spiecher (Guest – NES&L)
Stephanie Stewart (Guest – NES&L)
Mike ? (Guest -- Unknown)

CALL TO ORDER

The meeting was called to order at approximately 10:00 a.m. by Nathan Houtz, Chair.

ROLL CALL/INTRODUCTIONS

Board members and Alternates answered to a roll call to determine a quorum, and other attendees and Guests in the room then introduced themselves, facilitated by Daniel Snowden.

PACA ANTI-TRUST STATEMENT

The Board reaffirmed its adherence to PACA's anti-trust statement, both in letter and spirit. This requirement extends to industry members and alternates on the Board.

APPROVAL OF MINUTES

The Board approved the meeting minutes from the November 6, 2024 meeting unanimously and without changes.

CORRESPONDENCE

Dan Snowden, Board Liaison, reported that there is a new Board Member, appointed by the Speaker of the PA House: Representative Kristin Marcell. Dr. Snowden asked Representative Marcell to introduce herself to the Board.

PUBLIC COMMENTS

The floor was opened for public comments; none were submitted to the board.

COMMITTEE REPORTS

The Board's Regulatory, Legislative and Technical (RLT) Committee wanted to note that there is a meeting for the Committee in conjunction with the MRAB that is scheduled for February 25, 2025, to discuss water loss bonding for the noncoal and coal industries respectively.

DELIVERABLES

Greg Greenfield, Director for the Bureau of Mining Programs (BMP) indicated there were no deliverables to report.

BUREAU OF MINING PROGRAMS (BMP) UPDATES

The Board was provided with updates from Sharon Hill on the following topics:

- **Noncoal Applications Breakdown**

Ms. Hill provided the Board with information regarding the distribution of applications across the District Mining Offices (DMOs). Data encompasses the summary of the 2024 calendar year. The tables presented shows applications in and out, with detailed graphic showing all applications per office, as well as the number of denials, as requested in previous meetings, which Ms. Hill indicated were all related to small noncoal mining operations. Ms. Hill also provided a snapshot of in-process applications, from approximately mid-January 2025, which shows the distribution of the different applications each office has.

- **Regulatory Agenda**

Ms. Hill reported that the only item is the final omit blast clarification, which had been discussed at previous meetings. Its status is that it will need to go to Independent Regulatory Review Commission (IRRC) once the committees are designated, with the anticipation that this will happen in March-April. There will be publication in the PA Bulletin when finalized.

- **Non-Regulatory Agenda**

- Ms. Hill reported that there are upcoming revisions to the water supply replacement Technical Guidance Documents (TGDs), which is the subject of the upcoming joint RLT Committee meeting, because the TGDs cover both coal and noncoal.
- Additionally on the agenda is the noncoal civil penalty assessment, which is not ready for a draft, but the Board will be presented with the draft when it is ready, later this year per Laura Mensch's estimation.
- Ms. Hill indicated that the Engineering Manual and the Review Guide and Written Findings are both out of date, and we use different tools to handle those products, so they will be rescinded.
- Finally, Ms. Hill noted that published for comment right now is the draft Technical Guidance for submittal of benching plans for underground noncoal, and this is available for public comment until February 24, 2025.

- **Bonding and Bond Forfeitures**

- Standing in for Ms. Mensch, Ms. Hill reported on the forfeitures for the full calendar year of 2024, the table showing the numbers as of December 31, 2024. There were a total of four small noncoal forfeitures: three of those in Susquehanna, one in Fayette. Two bluestone forfeitures occurred in 2024: one bluestone GP105 bond forfeiture which occurred since the last meeting, in Wyoming County and, the other was in Wayne County.
- She then shared the current noncoal Surface Mining Conservation and Reclamation Act (SMCRA) fund obligations, the first number being the cash collateral bond that the Department is holding, with those bonds returned to the operator following reclamation. The second number is the total amount of bonds underwritten in the Payment in Lieu of Bond Program (PILB). The third number shows the amount of reclamation liability for forfeited noncoal mines as of 2021.
- Ms. Hill moved on to review the fund from the fiscal report, showing the current amount in the general operations fund in the first number. The second number shows another view of the cash collateral bonds being held by the department, which appears slightly different from before due to the timing of the report. She indicated that the restricted bond amount is the amount of bonds collected to be used for noncoal reclamation.
- Ms. Hill then reviewed the amount generated into the Clean Water Fund mining fee revenue, which shows in the table the amount of revenue which mining has contributed into the Clean Water fund, including both coal and noncoal, comprised of amounts from NPDES, Chapter 105 fees, and wetland encroachment fees. This table, requested at the May 2024 meeting, presents the total revenue and expenditures by fiscal year (July 1 to June 30) for the last ten years. Ms. Hill noted this will be updated once a year, and we will continue to update it in that manner, if that is acceptable to the Board. There were no objections from the Board to that proposal.
- Ms. Hill then shared the Expenditures Report dating from July 1 through to December 31, 2024, for the noncoal fund. Personnel costs are still being charged to the General Fund to allow the noncoal fund to recover. She noted the amount of revenue, broken out by fee categories, of what has been collected between July 1 to December 31, 2024. Ms. Hill then showed the graph on the third page of the report

which showed the comparison of the revenue versus expenditures together for the Board.

The Board had a question about what impacts the federal funding freeze may have had in the State. Nate Houtz answered that there has been no impact to the noncoal side, though Greg Greenfield indicated that there may be potential impact to Abandoned Mine Lands (AML) Hard Rock fund that remains to be seen.

UPDATE FROM BUREAU DISTRICT MINING OPERATIONS (BDMO)

Randy Shustack, BDMO Director, shared his updates from the various DMOs.

- The California DMO recently hired a Professional Engineer (PE) and a geoscientist. The PE previously worked for California and has experience and knowledge of NPDES. The geoscientist is coming from the federal government and has a strong background in permitting in Pottsville. It was reported noted that the California DMO is also in the process of looking to hire another PE.
- Mr. Shustack noted that work on the permitting backlog list continues, and a plan was just finalized. The objective is to have the backlog eliminated by the end of June, by utilizing tech staff from other offices and voluntary overtime, watching the numbers weekly to reach a certain reduction per month or week until it reaches zero. Between coal and noncoal, the backlog is around 125 permit applications, and he is confident the goal can be met for the end of June 2025.
- Mr. Shustack also noted that there are three district offices which have zero backlog, and their tech staff will be utilized to help meet the backlog elimination goal for the end of June 2025.

The Board had a question about progress on the Cambria DMO Manager position, and Mr. Shustack indicated that they have a strong list of potential internal candidates for replacements for that position, as well as other anticipated vacancies from impending retirements.

Reducing Industrial Sector Emissions in Pennsylvania (RISE PA)

Louie Krak, DEP's Infrastructure Implementation Coordinator, joined the Board meeting to discuss the \$396 million funding from the United States Environmental Protection Agency (US EPA) to launch a statewide industrial decarbonization grant program, called RISE PA. Mr. Krak indicated that the goal of RISE PA is to reduce both greenhouse gas and co-pollutant emissions from PA's industrial sector, as defined in the DEP Annual Greenhouse Gas Inventory.

This is the second-largest competitive award which PA has ever received to help address climate emissions, also helping industrial companies increase their competitiveness while reducing operating costs, and simultaneously creating high-paying jobs, benefitting impacted communities. Emissions from four subgroups are listed: industrial; fossil fuel combustion; industrial process emissions; and "fugitive emissions" from coal mines (including abandoned mines), mining, and natural gas productions and distribution, a.k.a. natural gas and oil systems. The industrial sector accounts for 30% of PA's pollutant emissions, the largest statewide.

RISE PA will be offering grant awards across three tracks: small (500 or fewer employees on site), medium, and large, for a wide range of projects at industrial facilities and manufacturers, and which

are designed to help offset the capital costs associated with project implementation. This is because there is no one-size-fits-all solution for decarbonizing industry. Mr. Krak stated that there are several different types of eligible applicants who can submit project proposals: they include manufacturers, industrial facilities, coal mine owners and operators, and the owners and operators of natural gas and oil systems. He noted that there is also another basket of eligibility, where if one is: a) an energy service company; b) a sustainability service company; or c) a landlord of an industrial facility, then, one can apply on behalf of an eligible industrial facility.

The award track for the small-to-medium sized manufacturers (i.e., those with 500 or fewer employees at the assessed plant site with manufacturing process occurring on site), will be administered by the PA Technical Assistance Program (PENTAP), which is part of Penn State. To be eligible to apply, a company must either get an energy audit from PENTAP or an equivalent audit from another source. Catalyst Connection is another RISE PA partner that will be offering free greenhouse gas assessments and, providing technical assistance to help build out the pipeline of small projects. Mr. Krak indicated that there is no minimum greenhouse gas emissions reduction requirement for the small-scale projects, but that the total amount of emissions reduced over the lifetime of the project will be considered in the evaluation.

There is \$40 million available in the small-scale award track, with awards ranging from \$25,000 up to \$500,000, with the applicant providing a 50% cost match; this means that if the total project cost falls between \$50,000 and \$1 million, then that project would be in the small-scale award track. The medium- and large-scale award tracks will be administered by DEP. Additionally, there is \$100 million allocated to the medium-scale award track, with awards issued ranging from \$300,000 to \$20 million, with the applicants providing a 70% cost match. If the total project cost is greater than \$1 million up to about \$66 million, the project falls into the medium-scale award track. Lastly, the large-scale projects, between \$66 million and up to \$366 million, will have \$220 million allocated, meaning a range from \$20 million up to \$110 million, with the applicant again providing a 70% cost match. These medium and large-scale projects must achieve a minimum 20% reduction in the total greenhouse gas emissions at the facility where the project will be implemented. It will be up to the applicant to define the boundaries of the industrial facility.

There will also be bonus awards available to increase the size of the grant and decrease the applicant's cost share requirement, if they can meet the additional requirements. First, the Community Benefits Bonus is worth 10% of the total project cost and, is awarded to those projects located in and benefitting low-income, disadvantaged communities. Second, the Fair Labor Bonus, which is also worth up to 10% of the total project cost, increases the award size for applicants who can commit to Good Neighbor agreements, adhere to collective bargaining commitments (including a commitment to negotiate a project labor agreement for project construction) as well as participate in a program called the Commonwealth Workforce Transformation Program (providing on-the-job training for new employees brought on to the construction site). Lastly, there is a bonus that is only available for medium- and large-scale projects: the Greenhouse Gas Emissions Reduction Bonus; this one comes into play when the 20% minimum emissions reduction threshold is exceeded. This incremental emissions reduction bonus is worth up to 10% of the total project cost.

Both DEP and PENTAP have released program guidance documents with the rules and requirements and how to apply outlined for the respective award tracks. DEP's medium- and large-scale award track guidance is on the RISE PA web page, along with two fact sheets (one general information and one for potential applicants); additional program resources and all, information on

all future program updates to be made available, along with the small-scale award track information, all appear on PENTAP's web page.

The applications, for medium and large-scale projects are anticipated to be available soon in the first quarter of 2025, with first round review and award issuance expected in mid-2025. Once available, will remain open with multiple rounds annually, until all funds have been obligated. The program will only be carried out over five years, until late 2029, to not only spend all the money, but complete all the projects as well.

The Board raised a question about the funding, and how secure it is. Mr. Krak indicated the grant agreement is fully executed, legally binding, with the US EPA. This means that DEP is legally entitled to every dollar. Mr. Krak indicated that the approach that the DEP is taking will be to continue moving forward with the implementation of the program and, it will begin accepting applications once that window opens. Given that it is difficult to determine what the situation will be in six to eight months, moving forward with selecting successful applicants and issuing grant awards will happen only if the awards are ensured to be fulfilled.

NEW BUSINESS

The Aggregate Advisory Board's Annual Report for 2023 was approved. Ms. Megan Dennis, from PACA, was suggested by the Chair to begin working on the 2024 report, and Dr. Snowden indicated that he could provide the information from 2024 to Ms. Dennis. The Board approved this motion unanimously. The second item of new business was the National Stone, Sand and Gravel Association's report for asbestos contaminated sites. It was noted that the purpose of the submitted report was for information purposes, for DEP Mining to use as a resource moving forward.

ADJOURNMENT/NEXT MEETING

A motion to adjourn was unanimously accepted by the Board. The meeting concluded at approximately 11:00 a.m. The next scheduled meeting is to be held on May 21, 2025, at 10:00 a.m., in Conference Room 105 of the Rachel Carson State Office Building in Harrisburg.