MINUTES MINING AND RECLAMATION ADVISORY BOARD (BOARD) April 25, 2019

VOTING MEMBERS OR ALTERNATES PRESENT:

Robert Burns (Member)

Cynthia Carrow (Citizens Advisory Council (CAC)- Member) (via Skype)

Jack Chamberlin (Member)

John St. Clair (Citizens Advisory Council (CAC) - Member)

Timothy Collins (PA Senate - Alternate)

Rachael Gleason (Alternate)

Tara Hazelwood (PA House – Alternate)

Leda Lacomba (PA House - Alternate)

Darrel K. Lewis (Alternate)

Keith Salador (CAC - Alternate)

James Schmid (CAC – Member)

Benjamin Wren (PA Senate - Alternate)

OTHER ATTENDEES

Joe Iole (DEP – Legal)

Brian Bradley (DEP – Bureau of Abandoned Mine Reclamation (BAMR))

Bill Allen (DEP – Mining Programs)

Bruce Carl (DEP – Mining Programs)

Sharon Hill (DEP – Mining Programs)

Gregory Greenfield (DEP – Mining Programs)

Dan Koury (DEP – Pottsville District Mining Office (DMO))

Paul Pocavich (DEP – Mining Programs)

Jennifer Gulden (DEP – Mining Programs)

Daniel E. Snowden, D.Ed. (DEP Mining Programs/Board Liaison)

Dan Sammarco (DEP – Bureau of District Mining Operations)

Jeff Painter (PA Game Commission)

MEETING CALLED TO ORDER/INTRODUCTIONS

The meeting was called to order at approximately 10:00 a.m. Board members and DEP personnel introduced themselves.

APPROVAL OF MINUTES

The minutes from the last meeting were approved with minor clerical changes.

CORRESPONDENCE

There was no correspondence since the last meeting.

COMMITTEE REPORTS

The Board's Reclamation Committee met on March 28, 2019. The committee discussed the current calculation methods for bid data relating to bonding. The committee identified an error with the bond

rate calculations (note: DEP – Bureau of Mining Programs (Bureau) corrected this error prior to the full Board meeting) and recommended the addition of another category relating to haulage. The date and location of the next meeting has yet to be determined.

PRESENTATIONS

Coal Mining Program Updates

Mr. Carl, Ms. Hill and Mr. Greenfield provided the following updates to the Board regarding the coal mining program:

- National Pollutant Discharge Elimination System (NPDES) Permitting: Mr. Carl presented the Board with the status of many of the NPDES permitting issues. The checklist implemented in July 2018 is still awaiting feedback from the United States Environmental Protection Agency (US EPA), and the non-discharge alternatives are in the comment and discussion phase. Mr. Carl also provided the number of draft permits (as of March 2019) which were sent to the US EPA and, the number of those permits which had comments. In general, the US EPA continues to comment or object to fewer permits.
- <u>Initiatives</u>: The New Bituminous Surface Mine and Coal Notice of Intent to Explore electronic applications have been developed, with applications already being processed. Company participation with the eDMR process continues to grow. Although about 800 permits have yet to be entered into the eDMR system, the number of permits registered through the eDMR system has continued to grow, with 80 permits processed so far.
- <u>Trust Agreements/Bond Status</u>: Mr. Carl provided details on a variety of items regarding this topic:
 - Number and value of total agreements (between December 2015 and March 2019); i.e., bonds, fully-funded trusts and partially-funded trusts (including Alternative Bond System (ABS) sites.
 - The amount of partially and fully funded trusts have slight increases from the information presented during the meeting.
- <u>Historical Application Progress and the Permit Decision Guarantee (PDG)</u>: Ms. Hill provided updates on the following:
 - Number of coal-related permit applications disposed, along with those remaining for action and their specific District Mining Office (DMO) locations.
 - Nearly all of the remaining historical applications have been processed, with less than 1% of the total remaining for action. Of the seven permit applications remaining, four are NPDES.
- <u>Land Reclamation Financial Guarantees (LRFG)</u>: Ms. Hill provided details on the increase of LRFG permits and the total underwritten amount, which, as of the morning of the meeting, was \$46.3 million.
- Regulatory Agenda: Mr. Greenfield mentioned developments with the following items:

- Office of Surface Mining (OSM) Program Consistency was included in the October 2018 PA Bulletin. It received three public comments, resulting in minor changes. The Board was given the revised document to review. The Board accepted the revisions and voted to continue the rulemaking process.
- Water Supply Replacement, Chapters 87 and 88, received minor changes from Legal, but should be included in the Environmental Quality Board (EQB) meeting scheduled for June. The Board will be updated as changes continue.
- <u>Non-Regulatory Agenda</u>: Several documents are nearing the end of the revision process and will be published once approved; these included:
 - Surface Water Protection Underground Bituminous Coal Mining Operations (no plans at present)
 - o Engineering Manual (under review by Legal)
 - Subchapter F and Liners: Progressing through the draft process. The Federal government shutdown from earlier this year has continued to impact several of the documents which involved the US EPA and OSM.
 - o Alkaline Addition: Published as draft (comments due on 4/29/19)
 - o Biosolids: Completed legal review (final draft to be published)
- Reclamation Fee Operations and Maintenance (O & M) Trust Accounts: The Board was shown the current information as of 1st Quarter 2019 for the Reclamation Fee Account, including Coal Civil Penalties, LRFG Premiums, and the Civil Penalty transfer from 2017.
- <u>ABS Project Funding Strategy</u>: Mr. Greenfield provided the Board with the Restricted and Released Bond Account Balances as of February 2019.
- <u>Application Fee Revenues</u>: Mr. Greenfield provided revenue figures for the Surface Mining Conservation and Reclamation Act (SMCRA) and Clean Water Fund (CWF) for the fiscal years between 2012 to 2018 (as of March 2019).

Bond Rate Guidelines

Mr. Carl discussed the 3 abandoned mine land reclamation projects awarded so far for 2019, in terms of grading costs. Two projects had grading costs for over 1,200,000 cubic yards. The average of the three lowest bids on these two projects was \$0.92/cubic yard. These are similar costs to the 2019 under 500-foot grading rate.

One project had grading costs for over 608,000 cubic yards with a three lowest bid average of \$2.05/cubic yard. This project appears to involve haulage of material and is more in line with the 500-foot or greater/haulage 2019 grading rate.

Mr. Carl discussed various options for determining the bond rates proposed at the March 28th Reclamation Committee Meeting. The Bureau will review these options. Further discussion on the options and implementation will be discussed at upcoming MRAB meetings.

Updates from BAMR

Mr. Bradley updated the Board on the most recent current projects by BAMR, as well as the Abandoned Mine Lands (AML) projects that are currently being constructed/reclaimed and, the future projects the Bureau is advancing through the design phase. A complete list of the projects was provided in the Board's meeting materials.

The Board was also advised of several Federal legislative movements introduced recently which could impact the industry, including:

- o The OSM AML Grant: \$53.8 million for Pennsylvania in 2019.
- o The OSM Pilot Program Grant: \$25 million for PA in 2019.
- Federal legislation sponsored by Senator Joseph Manchin (D-WV) to reauthorize the AML fee for an additional 15 years (as the current fee expires in 2021).
- Federal legislation sponsored by Representative Matthew Cartwright (R-PA) to
 establish the Revitalizing the Economy of Coal Communities by Leveraging Local
 Activities and Investing More (RECLAIM) Act to authorize \$1 billion from the
 unappropriated balance in the AML Fund (Pennsylvania could get \$58.3 million per
 year for 5 years under this legislative proposal).
- Federal legislation sponsored by Representative Darin Lahood (R-IL) to establish the Community Reclamation Partnerships Act, which would provide federal liability protection for water treatment work at AML sites.

OPEN TIME

Reclamation and Remining Incentives Annual Report (2018)

The Bureau provided the Board with updated amounts for Financial Guarantees and welcomed comments from the Board on the Reclamation and Remining Incentives Annual Report. Comments are due by the end of May. The Bureau will provide the draft report and any received comments for Board approval before forwarding the report for legislative action.

Pottsville DMO Presentation for 2019 MRAB Field Trip

The Board received a presentation from Mr. Koury of the Pottsville DMO, on the Acid Mine Drainage Treatment site at BET Associates IV; this will be the site for the July 17, 2019 MRAB Field Trip.

Adjournment/Next Meeting

The Board adjourned its meeting at approximately 11:45 a.m. The Board will meet again 9:00 A.M., July 18, 2018 at the Pottsville District Mining Office, 5 West Laurel Boulevard, Pottsville, PA 17901, with the field trip occurring on the previous day, July 17, 2019.