AML History and Background

Joint Minerals, Business and Economic Development Committee

May 14, 2020

Todd Parfitt, Director
Alan Edwards, Deputy Director & AML Administrator
AML History and Background

- Surface Mining Control and Reclamation Act (SMCRA)
  - Public Law 95-87 Adopted by Congress in 1977
  - Created Title V to address permitting, enforcement and reclamation for surface coal mines
  - Created Title IV to address reclamation of coal mines abandoned before 1977 for which no responsible party exists.
    - Established an AML Reclamation Fee to be collected on every ton of coal produced
    - Different fees for surface coal, underground and lignite with surface coal being the highest at 28 cents per ton of coal mined.
    - AML Reclamation Fee paid by industry to Department of Interior each fiscal year
    - Established priorities and eligibility criteria for AML reclamation
AML History and Background

- Wyoming Reclamation Plan Approved by Interior 1983 and Wyoming AML Program Established
  - AML identified projects to include on the abandoned mine land inventory
  - Project priority in the inventory is established using criteria established by the Office of Surface Mining and Reclamation Enforcement (OSMRE)
  - SMCRA provides that 50% of the AML Reclamation Fee collected on coal production in Wyoming is returned to WY AML for reclamation
AML History and Background

- Wyoming was approved as a certified program May 25, 1984
  - Certification provided greater flexibility for use of WY AML funds
    - Allowed funding of non-coal reclamation
    - Allowed funding of public facilities under certain circumstances
AML History and Background

- **WY AML Inventory**
  - Many projects have been identified and added to inventory since inception
  - After two years of field inventory investigations about $125 million was added to the inventory in December 2019
  - Dramatic advancements in technology improve investigation
  - Public use of public lands has increased significantly – sites are discovered and reported to AML
  - Age and weather
    - Heavy rain or other weather conditions can result in subsidence
    - Over time, underground mines have a tendency to collapse. With time, the collapse can reach the surface resulting in subsidence or collapse.
AML History and Background

- **2006 Amendments to SMCRA**
  - Made payments to AML states mandatory
    - Subject to Congressional appropriation prior to 2006
  - Added new funding category – Prior Balance
    - Prior to 2006 Amendments Congress had not paid the full 50% share to states
    - Funds not paid were held in the AML Trust Fund
    - 2006 Amendments required unappropriated balance to be repaid to programs in seven (7) equal payments (Prior Balance Payments)
    - WY as certified state had flexibility in use of those prior balance funds
      - SMCRA 411(h) (1)(D) – funds can be used “for the purposes established by the State legislature or tribal council of the Indian tribe, with priority given for addressing the impacts of mineral development
    - Wyoming has received all of the prior balance funding
AML History and Background

- 2006 Amendments to SMCRA (cont.)
  - WY AML now receives funding equal to the 50% AML
  - Reclamation funds from Treasury in-lieu of the 50% share from the AML Trust Fund
  - WY AML in-lieu funding received must be:
    • For the purposes established under SMCRA,
    • In conformance with AML Federal Regulations, and
    • In accordance with the conditions of Interior’s 1984 approval of certification for Wyoming
AML History and Background

- Expenditures of moneys for lands, waters, and facilities shall reflect the following objectives and priorities in the order listed:
  - (1) The protection of public health, safety, general welfare, and property from extreme danger of adverse effects of mineral mining and processing practices.
  - (2) The protection of public health, safety, and general welfare from adverse effects of mineral mining and processing practices.
  - (3) The restoration of land and water resources and the environment previously degraded by the adverse effects of mineral mining and processing practices.
AML History and Background

- 2006 Amendments to SMCRA
  - First priority is still to address high priority coal reclamation prior to doing non-coal
  - General rule is that non-coal reclamation can be done for projects of equal or higher priority than remaining coal reclamation
AML History and Background

- Sequestration – AML payments to all states and Tribes subject to Congressional sequester since 2013
- Annual sequestration around 7% per year
- Total funds sequestered to date - $24.2 million
Current Status

- All prior balance funds have been returned to Wyoming.
- WY AML will continue field inventory work to update the inventory.
- Advancements in technology increase ability to identify sites.
- Results of the investigation will be updated and added to the inventory at the end of each field season.
- When all coal and non-coal AML reclamation sites have been funded, AML funding can be applied to specific public facilities projects in coal impacted communities.
Public Facilities Process

- Public facilities can be considered only after all known coal and non-coal AML work has been **funded**
- Eligible communities submit project proposals to WY AML
- AML reviews projects for eligibility and to determine priority of all projects proposed
- AML makes recommendations to Governor based on funds available.
- Governor reviews and makes recommendations to the State Land and Investment Board
- SLIB provides recommendation to Governor for consideration
AML History and Background

- Certified programs were allowed to fund public facility projects prior to 2006 under certain conditions. Prior to 2006 approximately $94 million in public facilities projects were funded.

- After the 2006 Amendments public facilities could only be considered after funding all known coal and non-coal reclamation.
AML History and Background

- Funding available under the 2019 grant distribution announced in February was sufficient to fund all known reclamation at the time.
- $20.6 million was then available for public facilities.
- Funding availability was announced and 84 project proposals were received.
- Ten projects were approved by the Governor based on the recommendations of SLIB.
## AML History and Background

### Public Facilities Projects Selected for Grants in 2019

<table>
<thead>
<tr>
<th>Entity Name</th>
<th>Project Name</th>
<th>Funding Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memorial Hospital of Converse County</td>
<td>Power Upgrade at Memorial Hospital of Converse County</td>
<td>$2.0M</td>
</tr>
<tr>
<td>Town of Baggs</td>
<td>Sewage Lagoon Improvements</td>
<td>$2.1M</td>
</tr>
<tr>
<td>Town of Dayton</td>
<td>Dayton Wastewater Treatment Plant Improvements</td>
<td>$2.4M</td>
</tr>
<tr>
<td>Town of Hanna</td>
<td>Old Town Water System Rehabilitation Project</td>
<td>$2.0M</td>
</tr>
<tr>
<td>City of Sundance</td>
<td>Sundance Kid Tanks &amp; Waterline Replacement Project</td>
<td>$1.4M</td>
</tr>
<tr>
<td>Campbell County</td>
<td>Southern Campbell County Arterial Road Reconstruction</td>
<td>$1.8M</td>
</tr>
<tr>
<td>City of Lander</td>
<td>City of Lander Tanks &amp; Pump Station Project</td>
<td>$3.6M</td>
</tr>
<tr>
<td>Town of Wright</td>
<td>Sagebluff Drive Reconstruction</td>
<td>$1.2M</td>
</tr>
<tr>
<td>City of Rock Springs</td>
<td>Bitter Creek Restoration - Phase 1</td>
<td>$3.8M</td>
</tr>
<tr>
<td>Popo Agie Conservation District</td>
<td>Popo Agie Flood Control and River Restoration</td>
<td>$0.3M</td>
</tr>
</tbody>
</table>
AML History and Background

- Since inception AML has:
  - Reclaimed 25,255 acres
  - Reduced 619,000 feet of dangerous highwalls
  - Closed 2,473 dangerous shafts and mine openings
  - Reclaimed 127 miles of impaired streams
  - Funded 50 public facilities projects (40 prior to 2006, 10 in 2019)
AML History and Background

- In 2019
  - 86 construction contracts for $41.7M
  - 30 consulting contracts for $14.0M
  - AML reclamation provided 577 direct jobs
  - Many indirect jobs and expenditures for material, fuel, etc.
  - One project in the Gas Hills in 2019 used 248,000 gallons of diesel fuel
AML History and Background

- For 2020
  - Wyoming AML has small staff – 12
  - AML Administration – 4.5% of grant amount including project oversight and management
  - Emphasis is to maximize funding for Wyoming contractors and consultants
Map of WY Abandoned Mines
Schreibeis Mine subsidence sinkhole in access road
Subsidence at doorstep in Elmo
Bullrush Pit and Spoils
Acid Forming Mine Waste
Day Loma Pit
Flames in Grass Creek mine vent shaft surface breakthrough
Grass Creek fire shaft collapse and surface scorching
Grass Creek fire reclamation area
Lionkol hidden shaft collapse under dozer
Dozer just backed off collapsed shaft area
Blairtown Park, Rock Springs
subsidence
Pronghorn with fawn on reclaimed land
Sage Grouse on reclaimed land