

# Department for Natural Resources

## Energy and Environment Cabinet

# Update 2016

**Allen Luttrell, Commissioner**

**Professional Engineers in Mining**

**August 26, 2016**



# Overview – DNR Topics

New Frankfort Building

Reduction of Reclamation Bond Liability

OSM Oversight

AML Pilot Project

Field Office Consolidation

Kentucky Reclamation Guaranty Fund

# New Building

All DNR and DEP Divisions at 300 Sower  
Viewing Stations for the Public  
SMCRA and KPDES permits here!



# New Faces

**John Small**, Deputy Commissioner,  
Director of Mine Safety

**Courtney Skaggs**, Director of Mine  
Reclamation and Enforcement

**Jeff Baird**, Director of Mine Permits

**Danny Hall**, Exec. Director, Kentucky  
Reclamation Guaranty Fund

# **DNR Strategies to Reduce Reclamation Liability**

- 1. Reduce the length of open highwall and close old slurry impoundments in the eastern coalfield.**
- 2. Assist and facilitate the continued progression of reclamation phases to bond release**
- 3. Monitor mines in temporary cessation and promote reclamation when appropriate**

**Assist and facilitate the continued progression of reclamation phases to bond release**

**The successful transition of A2 permits to Phase I release will greatly reduce the bond liability. Ex: If the A2 permits of Company A achieved P1, the posted bond would be reduced by \$ 12.1 million.**

**Monitor time and revegetation requirements for P1 and P2 phase releases. Expedite permitting actions to achieve P2 or bond release status.**

# OSM Oversight

Increased staff levels at OSM has resulted in increased oversight involvement:

- CHIA
- Underground Mine Pools
- Bond Release Inspections

and a National spotlight on  
SMCRA Enforcement



## United States Department of the Interior

### OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

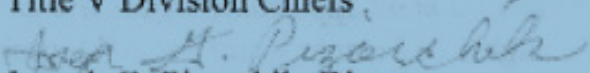
Washington, D.C. 20240



July 27, 2016

#### Memorandum

To: Assistant Director Program Support, Regional and Field Office Directors and Title V Division Chiefs

From:   
Joseph G. Pizarchik, Director  
Office of Surface Mining Reclamation and Enforcement

Subject: A More Complete Enforcement of SMCRA and Its Implementing Regulations

#### **Purpose of Memorandum:**

The Office of Surface Mining Reclamation and Enforcement (OSMRE) is responsible to ensure SMCRA and the associated regulations are directly implemented in Federal program states and through oversight, ensure that State Regulatory Authorities enforce the state counterparts in accordance with their approved state programs. While it is OSMRE's responsibility to assist the



# AML Pilot Project

Effective September 1, 2016:

\$ 30 million for economic development in the eastern coalfield

- 3 years to spend
- Reviewed 20 applications
- 8 projects awaiting OSM approval
- Additional information at [eec.ky.gov](http://eec.ky.gov)

# Field Office Consolidation

## Division of Mine Safety

**Martin Office to Pikeville Office**

**Barbourville Office to Harlan Office**

**Mine Rescue unit to Middlesboro**

More to come....

# Kentucky Reclamation Guaranty Fund (KRGF)

Formed in 2013 in response to OSM part 733 letter to fund reclamation in the event of an insufficient bond.

The KRGF has 4 full time employees and a 6 member Commission

Currently working on the final draft of FY14 & FY15 Actuarial Study

Current Fund Balance as of 08/08/2016 is \$38,381,953.10

# KRGF Revenues and Expenditures

◆ Bond Forfeitures    ■ Total Revenues (Includes Bond Forfeitures)    ▲ AML Payouts    ✕ Admin Costs

KRGF Fund Balances  
Beginning: \$23,564,251.84  
Current: \$38,381,953.10

