TENNESSEE ABANDONED MINE LAND

PERFORMANCE AGREEMENT/WORK PLAN

FISCAL YEAR 2016

TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

CONTENTS PAGE

Performance Agreement 3
Attachment A 7
Non-Emergency Construction Management 9
Drawdowns and Disbursements of OSMRE Grant Funding 10
Public Participation 10
Focused Oversight Area 11
Attachment B 12
NEPA 13

OSMRE FY 2016 PERFORMANCE AGREEMENT

This performance agreement is between the Office of Surface Mining Reclamation and Enforcement's (OSMRE) Knoxville Field Office (KFO) and the Tennessee Department of Environment and Conservation (TDEC). The purpose of this agreement is to:

- Continue to build an effective working relationship between the KFO and the TDEC.

- Assure each agency accomplishes the goals of Title IV of the Surface Mining Control and Reclamation Act (SMCRA) and the Tennessee Statute 59-8-324, States Program to Acquire and Reclaim Land Disturbed by Past Mining; and Rules of the Tennessee Department of Environment and Conservation, Chapter 400-1-24, Abandoned Mine Lands Reclamation Program, and

- Assure that oversight of the Tennessee Abandoned Mine Land (AML) Program is accomplished as required by OSMRE Directives AML 22, Evaluation of State and Tribal Abandoned Mine Land Programs.

The provisions, understandings and agreements necessary to assist KFO and TDEC in achieving these common goals are:

1. KFO is required by OSMRE Directive AML-22 to:

    - Develop and execute a performance agreement and work plan with the state.
    - Plan and conduct oversight activities including enhancement and performance reviews.
    - Prepare reports and documents in accordance with national and regional policies or procedures.
    - Develop operational procedures consistent with national and regional policies.
    - Coordinate technical and other assistance with the Regional Director.
    - Interact on a routine basis with citizens and environmental organizations to identify their areas of concern, which will be major factors in determining where OSMRE will focus its resources.
    - Provide assistance to the state, if requested and/or necessary.
    - OSMRE will provide maintenance of the AML inventory as mandatory; e-AMLIS will be monitored continuously.
    - Provide an email address, phone number, and physical address where the public can provide input or seek information. This contact information, along with information on AML in Tennessee, is available on OSMREs website.
    - OSMRE will complete annual evaluation report(s) for Fiscal Year 2016 on the Tennessee AML Program by October1, 2016.

2. KFO and TDEC will be governed by the provisions of this agreement for FY 2016 beginning on October 1, 2015 and ending on September 30, 2016.

3. KFO and TDEC will, pursuant to OSMRE Directive AML-22, prepare and execute a performance agreement and work plan for FY 2017 prior to September 1, 2016.

4. KFO will announce the opportunity to provide comment, recommendations or suggestions for the development of the FY 2016 Performance Agreement/Evaluation Plan by:

   - Publishing a public notice in local newspapers;
   - Emailing the public notice to stakeholders;
   - Emailing the public notice to county mayors; and
   - Posting the public notice on KFO's website.

5. KFO and TDEC have established, with the opportunity for citizen or public input, program areas targeted for special review emphasis during FY 2016 (described in Attachment A). The evaluation of the target areas will be conducted jointly by teams of both OSMRE and TDEC personnel. We have outlined the review scope and methodology to be used in conducting the reviews.

   It is recognized that additional review topics may be added to this document based upon review findings, stakeholder suggestions, unplanned events, or OSMRE regional or national directives. Changes to this document will be developed by the OSMRE and TDEC. TDEC will be afforded the opportunity to participate in other oversight studies conducted during the fiscal year, if they choose to do so.

6. KFO and TDEC agree they will, as necessary and as time permits, conduct joint site visits of AML projects, once before, during and after construction completion. For scheduling purposes TDEC will provide KFO notice via email when a project enters the active construction phase.

7. TDEC is the entity responsible for investigating citizen complaints relating to abandoned coal mining operations in the State. When KFO staff receives an oral complaint, determined to not constitute either a significant imminent environmental harm to land, air, or water resources; or an imminent danger to the health and safety of the public; KFO will record the data and refer the complaint to TDEC by telephone. TDEC agrees to promptly contact the complainant and appropriately address the citizen's concern.

   If KFO determines an alleged condition involving any Tennessee abandoned coal mine constitutes either a significant imminent environmental harm to land, air, or water resources or an imminent danger to the health and safety of the public, KFO will orally notify TDEC who will conduct an immediate inspection.

8. Each OSMRE NEPA determination (Finding of No Significant Impact, Categorical Exclusion, or Environmental Impact Statement) for an AML project will be posted on

KFO's website and TDEC will place a link to such on its website. NEPA documents will also be forwarded to the county mayor the project lies within as a one-time courtesy.

9. Under current policy, OSMRE does not provide specific funding for an emergency program, therefore, TDEC may submit a project for consideration as an expedited ATP from OSMRE when there is a sudden danger or impairment that presents a high probability of substantial physical harm and the danger cannot be abated quickly enough under the normal AML program procedures. KFO will expedite the review process, and authorization for most approved emergencies will be provided within two working days of receiving TDEC's information. Compliance with environmental requirements is needed, however if there is an immediate threat of substantial physical harm, some emergency action may be necessary before the NEPA documents can be prepared. Verbal coordination and approval is required prior to the expenditure of any funding on an emergency declaration. .

10. KFO and TDEC staff will promptly address and discuss implementation issues and problems identified during the fiscal year. We will develop action plans or solutions which are mutually agreeable to both the KFO and the TDEC. KFO and TDEC management will work to promptly resolve concerns once a joint agency review team advises them of the need for management assistance.

11. KFO and TDEC will periodically review any areas of the Tennessee AML program identified as problematic or deficient during previous fiscal years to determine whether or not satisfactory resolution of issues has been achieved.

12. KFO will prepare annual evaluation reports and maintain evaluation files pursuant to the applicable federal file management regulations. The annual report will include summary data tables and graphics of annual and cumulative AML accomplishments.

13. KFO will serve as TDEC's external source for technical and policy information related to implementing Title IV of SMCRA, and respond to all TDEC requests for assistance or information in a timely manner.

14. KFO encourages TDEC to conduct internal reviews of its own program areas consistent with OSMRE's special oversight studies or routine oversight. KFO will report the results of any such reviews provided by TDEC in the OSMRE annual evaluation report. TDEC will provide to KFO the data necessary to fulfill its AML reporting requirements.

15. KFO and TDEC will continue to share a responsibility to assure 100 percent of the environmental documents prepared for AML construction projects and/or sites adequately describe the work scope and ensure National Environmental Policy Act (NEPA) compliance prior to obligating Federal funds for construction. (See Attachment B).

16. KFO and TDEC will hold periodic staff and management meetings to discuss any ideas and/or concerns and facilitate communication, as needed.

17. TDEC will consider use of the Forest Reclamation Approach on abandoned mine land projects to encourage a forested post-mining land use.

18. TDEC agrees to follow the provisions of OSMRE directive AML-1 Abandoned Mine Land Inventory System (AMLIS) which governs implementation and maintenance of the AML Inventory.

19. TDEC will ensure, prior to it awarding any AML contract, that contractors and subcontractors involved in projects are in compliance with Federal regulations at 30 CFR §874.16. TDEC will verify through OSMRE's Applicant Violator System (AVS) and other applicable measures that all company officials have no outstanding environmental violations at the time of award which would preclude them from obtaining such AML contract award.

Representing the Tennessee Department of Environment and Conservation, and the Office of Surface Mining Reclamation and Enforcement, Knoxville Field Office the following parties agree to the purpose, goals and anticipated actions proposed in this Performance Agreement.

Trevor Martin 11/30/15

Trevor Martin
AML Program Manager
Land Reclamation Section
Division of Water Resources
Tennessee Department of
Environment & Conservation

Date

11/25/15

Earl Bandy, Jr.
Director
Knoxville Field Office
Office of Surface Mining
Reclamation & Enforcement

Date

Attachment A

OSMRE FY 2016 OVERSIGHT WORK PLAN

TENNESSEE

ENHANCEMENT AND PERFORMANCE REVIEW

AML Program Element #1: Non-Emergency Construction Management

Population size: All non-emergency abandoned mine land (AML) reclamation projects in active construction status or completed between October 1, 2015 and September 30, 2016.

Sample size: All (or a maximum of six) active or completed AML reclamation projects will be selected randomly to reflect, to the extent possible, reclamation activities over all Tennessee coalfield regions.

Review scope and methodology:

TDEC will designate a representative or representatives to participate in the review and report development. TDEC will provide OSMRE the subject AML non-emergency construction project site population at the start of the review. TDEC will also notify OSMRE when any AML site construction starts during the review period and will provide the estimated construction completion timeframe. Project site files and respective grant files will be reviewed, TDEC personnel interviewed, and joint OSMRE/TDEC site visits scheduled and conducted for the sampled project sites. The goal of these measures is to evaluate TDEC performance in managing AML non-emergency construction and on-the-ground AML hazard abatement success. The results of each sampled project site visit will be documented in an OSMRE report.

Sampled project file and respective grant file documents considered for review will include:

- Correspondence generated during document development and interagency or intergovernmental consultation processes which may require specific permit conditions or mitigation measures for the construction project site.
- Environmental documents developed for the project site (i.e. environmental assessments, categorical exclusions, and findings of no significant impact).
- Engineered project site designs.
- Project site construction contracts, technical specifications, and invoices.
- Any written procedures used by TDEC in AML construction management.
- TDEC inspection reports.
- Construction grant performance reports, and

- Previous OSMRE site visit reports.

The review will determine whether TDEC AML non-emergency contract monitoring and construction management effectively ensured:

- Project construction was carried out or is being carried out in accordance with contract terms and technical specifications.

- Compliance with any specific permit conditions or mitigation measures required pursuant to the interagency and intergovernmental NEPA consultation process, and

- Construction achieved or is progressing toward achieving the project design goals to effectively reclaim the AML features involved.

Beginning date: 10/01/2015
Completion date: 09/30/2016

Assistance requested from Appalachian Region None

OSMRE FY 2016 OVERSIGHT WORK PLAN

TENNESSEE

ENHANCEMENT AND PERFORMANCE REVIEW

Program Element #2: Drawdowns and Disbursements of OSMRE Grant

Population Size: All drawdowns from OSMRE grant occurring within Fiscal Year 2016.

Sample Size: A minimum number of drawdowns occurring within Fiscal Year 2016 are required to determine whether there have been any changes in the method of drawing funds, the accounting for the funds within the State's accounting system, or the time frames established in the previously conducted Level I review.

Review Scope and Methodology:

Review of Tennessee Department of Environment and Conservation (TDEC) drawdowns and disbursements of OSMRE grant funding will be conducted to determine whether the drawdowns and disbursements of Federal funds are in conformity with the Grants Management Common Rule codified by the U.S. Department of the Interior at 43 CFR Part 12, Subpart C; the OSMRE Federal Assistance Manual Chapter 5-55; and the following criteria:

- Drawdowns are limited to the minimum amount needed and timed to correspond with the actual, immediate cash requirements of TDEC in order to carry out the approved Tennessee abandoned mine land (AML) program and cooperative agreements.
- Drawdown timing and amounts are as close as administratively feasible to actual disbursement by TDEC for direct program costs and the proportionate share of any allowable indirect costs.
- Drawdowns are properly accounted for and in accordance with Federal grant and cooperative agreement funding requirements.

Beginning Date: 10/01/2015
Completion Date: 09/30/2016

Assistance Requested from the Appalachian Regional (AR) Office: An AR Grants Specialist will conduct this review.

OSMRE FY 2016 OVERSIGHT WORK PLAN

TENNESSEE

ENHANCEMENT AND PERFORMANCE REVIEW

Focused Oversight Area: Review of Applicant Violator System (AVS)

Population Size: Any project in an active grant for which construction is underway or complete occurring within Fiscal Year 2016.

Sample Size: All (or a maximum of six) active or completed AML reclamation projects will be selected randomly to reflect, to the extent possible, reclamation activities over all Tennessee coalfield regions

Review Scope and Methodology:

TDEC will designate a representative to serve on the review team. Project file reviews will be conducted to determine if the State is timely and accurately verifying AVS ownership and control information for the contractors/subcontractors selected. OSMRE AVS System Advisory Memoranda will be referenced in conducting the AVS oversight review.

Beginning Date: 10/01/2015
Completion Date: 09/30/2016

Assistance Requested from the Appalachian Regional (AR) Office: None

OSMRE FY 2016 OVERSIGHT WORK PLAN

TENNESSEE

PUBLIC PARTICIPATION

KFO and TDEC are committed to continuously interacting with citizen, environmental, and industrial organizations. KFO maintains a mailing list of organizations and individuals who have previously participated in the AML Program and during the fiscal year KFO requests input from these organizations and individuals and encourage them to provide suggestions for program reviews and improvements. Draft performance agreements and Annual Reports are posted on OSMRE's website. In addition, KFO staff is available to meet with individual citizens or organizations at any time during the fiscal year. TDEC routinely participates in these meetings. The KFO public review file will contain a record of any of these meetings. Each individual and organization will also receive a copy of the final report. KFO encourages citizen groups to request and schedule meetings related to specific issues. We will pursue other opportunities for public outreach throughout the fiscal year, as appropriate.

Attachment B

PROCESSING OF ENVIRONMENTAL DOCUMENTS REQUIRED BY NATIONAL ENVIRONMENTAL POLICY ACT OF 1969 (NEPA)

TDEC and KFO agree to cooperatively and jointly develop an environmental document required by the National Environmental Policy Act of 1969 (NEPA) for each AML project federally funded under all Tennessee Abandoned Mine Land (AML) Consolidated Grants. TDEC agrees to exercise due diligence in developing projects and will prepare an accurate description of planned construction activities and impacts to environmental features such as, but not limited to, streams, floodplains, wetlands, and threatened or endangered species and their habitat. TDEC will provide the description to applicable State and Federal jurisdictional or environmental agencies and request they provide NEPA consultation comments for use in the environmental document preparation. KFO, being responsible for ensuring NEPA compliance, will, if requested by TDEC, assist in securing or resolving NEPA consultation comments.

Upon receipt of the consultation comments TDEC will develop a draft of the appropriate environmental document, Environmental Assessment (EA), or Categorical Exclusion Certification and Determination (CE), which resolves all consultation comments. TDEC will send the NEPA document along with the consultation comment responses and a request for an OSMRE authorization to proceed (ATP) to the KFO. The environmental document package will include an AML eligibility statement, new or updated Problem Area Description (PAD); and an Abandoned Mine Land Inventory System (AMLIS) printout markup showing the features that will change from "unfunded" to "funded" immediately prior to ATP issuance.

KFO will review each environmental document and will promptly schedule and conduct a joint OSMRE/TDEC site visit as warranted. KFO will verify, prior to ATP issuance, that planned work is accurately described, consultation comments are resolved in the draft environmental document, and all necessary permits and proposed borrow/disposal areas have been identified. KFO will work with TDEC to revise the environmental document if revision is needed and will provide TDEC a copy of the site visit report or email outlining any needed revisions. KFO will issue a Finding of No Significant Impact/ATP or Categorical Exclusion Certification and Determination/ATP within fourteen working days following receipt of a complete NEPA request package from TDEC.

Immediately prior to project ATP issuance KFO will request TDEC provide a copy of the AMLIS data sheet documenting AML feature units and costs that have been moved from unfunded to funded categories.

If following ATP issuance TDEC identifies additional AML features or previously unidentified borrow or disposal areas it wishes to incorporate into the construction contract, TDEC agrees to advise KFO of such, provide an AML eligibility statement for the added AML features, and obtain KFO concurrence that the AML feature(s) or areas are covered by the approved environmental document prior to the changes being implemented. TDEC agrees to submit any required AMLIS revisions for all such AML features when requesting KFO concurrence.