

Sunset Public Hearing Questions for
Interstate Mining Compact
Created by Section 59-10-101, Tennessee Code Annotated
(Sunset Termination June 2018)

1. Provide a brief introduction to the Interstate Mining Compact, including information about its mission, purpose, and duties. Who, in Tennessee, has primary responsibility for execution of the provisions of the compact?

The Interstate Mining Compact Commission (IMCC) is advisory in nature and not regulatory. Its members are states with mining programs and interest. The purpose of the IMCC, in part, is to advance the protection and restoration of natural resources affected by mining and to maintain an efficient and productive mining industry. For more detail please refer to page 2 of the 2015 Interstate Mining Compact Commission (IMCC) Annual Report (Attachment #1) "History and Purpose of the Compact". A copy of the IMCC Strategic Plan is also enclosed (Attachment #2).

The Commissioner of Environment and Conservation, Mr. Robert J. Martineau, serves as the Governor's official representative to the Compact for the state of Tennessee. He was appointed to this position by the Honorable Bill Haslam, Governor of the state of Tennessee.

2. What other states have entered into the compact with Tennessee? Have any party states withdrawn from the compact under the provisions of Article VIII(b) during the last five years? If so, which states and what were their stated reasons for withdrawing?

There are currently 26 member states in the IMCC, including 24 full member states and 2 associate member states. Member states are Alabama, Alaska, Arkansas, Illinois, Indiana, Kentucky, Louisiana, Maryland, Mississippi, Missouri, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia and Wyoming. Associate member states are Colorado and Arizona.

In May 2015, Nevada withdrew from the IMCC as an associate member state due to financial constraints. However, Nevada still provides a financial donation to the IMCC for services rendered. During the last five years although one associate member state (Nevada) withdrew from the IMCC another associate member (Arizona) joined, and former associate members Wyoming, Mississippi and New Mexico became full member states.

3. What is the cost to Tennessee for the state to participate in the compact and what types of expenses are involved?

Tennessee's annual assessment for IMCC membership for Fiscal Years 2018 and 2019 will be \$20,493 per year. The assessments in Fiscal Years 2016 and 2017 were \$17,676 per year. There are no expenses to Tennessee other than the annual assessments and

any necessary travel expenses to IMCC meetings. Tennessee did not attend any IMCC meetings in FY 16-17 or 15-16 due to budget constraints. It should also be noted that IMCC has offered to pay for Tennessee's attendance to annual meetings, including accommodations and airfare, if necessary, to supplant the budget travel constraint.

The annual assessment increase for FY 2018-2019 is the result of increased operational costs within the IMCC. The annual assessment amount varies year-to-year because the amount is based on the value of mineral production in each state.

Please refer to page 26 of the enclosed 2015 Annual Report (Attachment #1) for a listing of IMCC budgeted expenses for the year ending June 2015. Also, please see the enclosed annual audits for Fiscal Years 15 and 16 for a listing of IMCC budgeted expenses for the years ending June 2015 and June 2016. (Attachments #3 and #4) [The Annual Report for 2016 will be published in the summer of 2017, and the audit for FY 2017 will be released in September of 2017.]

4. How many times has the commission met during fiscal years 2016 and 2017, and did Tennessee have a voting representative present at each meeting?

The IMCC meets twice a year. The IMCC met on April 2 – 5, 2017, in Williamsburg, Virginia for its annual meeting. The IMCC met on October 18 – 19, 2016, in Park City, Utah for its mid-year Meeting. Various standing committees of the Commission meet throughout the year, including Executive, Awards, Finance and Administrative, Mine Safety and Health, and Environmental Affairs.

Tennessee did not attend any in-person meetings due to travel budget constraints; however, Tennessee participated via phone conference in several committee meetings and executive sessions. Tennessee served as Vice Chairman of the 2016 Awards Committee. A report on the IMCC's meetings can also be found in the annual reports (Attachment #1) under "Yearly Commission Meetings" and "Activities of the Standing Committees".

5. Are meetings of the commission and committees open to the public? Are full minutes of meetings kept and are they open for inspection? If so, who maintains the minutes and where are they maintained?

All meetings of the IMCC and its committees are open to the public pursuant to IMCC policy. All records of the IMCC, including minutes of all meetings, are open to the public for inspection at the IMCC's office in Herndon, Virginia. Minutes are prepared by IMCC staff following each meeting. Each member state is provided with copies of the minutes of all meetings. The 2016 Annual Meeting minutes are enclosed as Attachment #5. [Minutes for the 2017 Annual Meeting held on April 2 – 5 are expected to be distributed in the summer of 2017.]

6. Describe the nature and extent of the compact's activities and any major accomplishments during fiscal years 2016 and 2017.

A detailed listing of the IMCC's activities and major accomplishments is contained in the IMCC's annual report under the "Report of the Executive Director" (pages 3-8 of the 2015 annual report (Attachment #1) and under "Activities of the Standing Committees" (pages 11 - 13 of the 2015 annual report (Attachment #1). Copies of the most recent Executive Director's reports from 2016 and 2017 are also enclosed (Attachment #6).

7. Article III of the compact requires Tennessee to establish an effective program for the conservation and use of mined land. Describe Tennessee's program and how it ensures the protection of the public, including adjoining and other landowners, from damage resulting from mining operations.

The Tennessee Mineral Surface Mining Law of 1972, Tenn. Code Ann. § 59-8-201 et seq., provides for permitting of mining operations and regulates mining types and processes. All permits require bonding to ensure proper reclamation of mined lands.

Tennessee controls discharges to waters of the state from mining activities through implementation of the Tennessee Water Quality Control Act of 1977. Appropriately protective permits are required for all discharges to state waters, as per the Federal Clean Water Act and the Tennessee Water Quality Control Act.

In addition, Tennessee's Abandoned Mine Lands Program (AML) provides for reclamation of abandoned mine lands by assessing threats to public safety and the environment pursuant to Title IV of the Surface Mining Control and Reclamation Act of 1977 (SMCRA). Tennessee receives federal funding from the Department of Interior under Title IV of SMCRA as well as state bond monies to conduct reclamation activities. The AML acts to remove dangerous health and safety hazards that threaten Tennessee citizens and restores resources impaired by past mining, making them available for economic development, recreation, and ecological function.

8. The commission is empowered, by Article V(h) of the compact, to accept "any and all donations, and grants of money, equipment, supplies, materials and services, conditional or otherwise," from a variety of governmental and private sources. What were the commission's revenues and expenditures for fiscal years 2016 and 2017?

The IMCC's revenues and expenditures for Fiscal Year 2017 will be similar to those for Fiscal Years 2015 and 2016. For more detail please refer to Attachments #3 and #4. The audit for FY 2017 will be available in September 2017.

9. Article VII of the compact provides for the appropriation of funds for the operations of the commission, based upon the commission's budget. How much was budgeted for and paid by each member during fiscal years 2016 and 2017?

Please refer to Attachments #3 and #4. Updated information will be provided in the FY 2017 audit available in September 2017.

10. Article V of the compact provides that the governor of each member state, as the commissioner from that state, will have the assistance of an advisory body whose membership represents mining interests, and other public and private interests within the state. What organization, if any, is currently serving as the advisory body called for in the compact?

Pursuant to Tenn. Code Ann. § 69-3-104(h) the Water Quality, Oil and Gas Board serves as the advisory body for Tennessee.

11. Article V(j) of the compact provides that the commission will make an annual report to the Governor, General Assembly and the advisory body. Please attach a copy of each of the last two annual reports.

The 2016 annual report will be available later this year. Attachment #1 is the 2015 annual report and Attachment #9 is the 2014 annual report.

12. Article VI of the compact authorizes the commission to establish advisory, technical, and regional committees as necessary to assist it in the commission's work. What such committees are currently functioning or have concluded activities during fiscal years 2016 and 2017? What role did Tennessee serve on these committees and how have the committees' activities affected Tennessee?

All of the standing committees of the IMCC are currently functioning and undertook action during fiscal years 2016 and 2017. The standing committees are the Executive, Awards, Finance and Administrative, Mine Safety and Health, and Environmental Affairs Committees. Each of these committees provides opportunities for the views and perspectives of the state to be heard and addressed.

Tennessee served as Vice Chairman of the Awards Committee in 2016 and Chairman of the Committee in 2017. Tennessee is also active on the Finance and Administrative Committee and the Environmental Affairs Committee.

Tennessee has been nominated for consecutive years (FY 16 and 17) to serve on the Awards Committee for Non-coal and Coal Reclamation. Tennessee's non-coal industry grows proportionately each year, and because the state mines more and different kinds of minerals than any other state east of the Mississippi River other than North Carolina (who typically chairs this committee), Tennessee is called upon for its expertise in the non-coal industry to evaluate other states success in non-coal reclamation. Again, Tennessee often serves on the Awards Committee to determine if

other states are utilizing their reclamation funds in the most advantageous manner. This committee helps Tennessee gauge its own progress and goals in active reclamation.

Tennessee has benefited greatly during FY 16-17 from being active in the Finance and Administrative Committee and the Environmental Affairs Committee. The Finance and Administrative Committee allows Tennessee to have an active voice in the Interstate financial condition, including operating budget and membership dues. Tennessee was active in the Environmental Affairs Committee of the Non-coal Section due to proposed EPA rulemaking on financial assurance requirements for hardrock mines under Section 108(b) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).

13. How does the compact ensure that it is operating in an impartial manner and that there are no conflicts of interest?

The IMCC's member states all operate under respective conflict of interest rules and regulations that have a "spill-over" effect on the way the states do business in and through IMCC. It is an IMCC policy to conduct its affairs in an impartial manner and to avoid any conflict of interest. In this regard, the Finance Committee recently adopted a policy to not solicit or accept any donations received from the mining industry to support events at annual meetings.

14. Describe any items related to the compact that require legislative attention and your proposed legislative changes.

None, other than to reauthorize Tennessee's continued participation in the IMCC.

15. Should Tennessee's participation in the compact be continued? To what extent and in what ways would the absence of the compact effect the public health, safety, or welfare of Tennessee citizens?

The Commissioner of Environment and Conservation recommends that Tennessee continue its participation in the IMCC. The benefits to the State in terms of interstate cooperation, sharing of ideas, legal and regulatory advice and counsel, research and study are significant. IMCC has become an effective multi-state voice in Congress, defending the authority and integrity of state mining regulatory programs nationwide, and has helped ensure continued federal funding to states for reclamation activities.

For more detail on the benefits to member states, see the attached Briefing Paper regarding Membership in the Interstate Mining Compact Commission (Attachment #7). This paper was produced by the IMCC, but Tennessee concurs with this assessment of the services and benefits of Compact membership.

16. Please list all compact programs or activities that receive federal financial assistance. Include the amount of federal funding received by program/activity.

The Commission does not receive federal financial assistance.

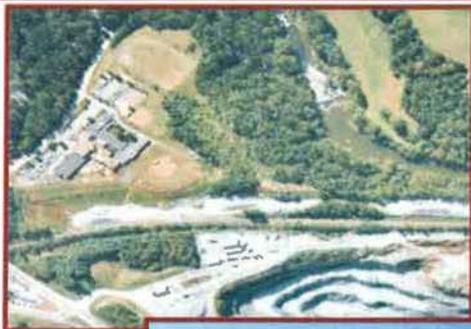
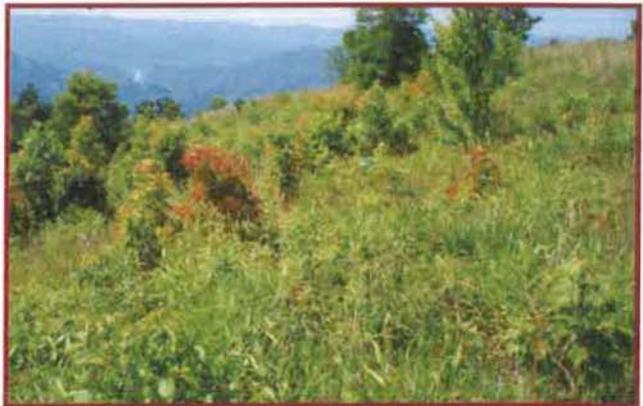
17. Please list all compact contracts and include information about the services provided and the amount of the contract. **N/A**

18. Please provide a list of current compact staff by name and job title.

The IMCC is served by a full time staff of three people: Mr. Gregory E. Conrad, Executive Director, Ms. Beth Botsis, Deputy Executive Director and Mr. Ryan W. Ellis, Legislative and Regulatory Affairs Specialist.

INTERSTATE MINING COMPACT COMMISSION

2015 ANNUAL REPORT



About the Cover Photos:

The cover photos are of the Interstate Mining Compact Commission's 2015 National Reclamation Award winning sites. The two top photos are of Harlan Reclamation Services, LLC – Right Fork Mine in Kentucky (winner in the Coal Category). The three photos on the bottom are of Luck Stone Company – Charlottesville Plant (winner in the Noncoal Category).

Chairman's Message

It is my privilege to present the annual report of the Interstate Mining Compact Commission (IMCC) for 2015. This is an overview of the significant issues on which the Commission has been active in support of state primacy in the natural resource and environmental protection arenas. Consistent with our purposes as a compact, IMCC advocated for a strong state lead in critical program areas under the Surface Mining Control and Reclamation Act (SMCRA), the Mine Safety and Health Act (Mine Act), the Clean Water Act and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). In particular, IMCC worked to ensure adequate funding for state regulatory and abandoned mine land programs under SMCRA and for state training grants under the Mine Act.

A particular focus was a proposed rule and accompanying draft environmental impact statement (EIS) and draft regulatory impact analysis (RIA) on stream protection under SMCRA by the Office of Surface Mining Reclamation and Enforcement. In advance of the rule's publication in July, IMCC testified at two congressional hearings in May that examined the role of the states as cooperating agencies under the National Environmental Policy Act. I was proud to have my state testify at the hearing before the House Oversight and Investigations Subcommittee. In October, IMCC submitted extensive comments on the proposed rule, draft EIS, and draft RIA and worked extensively with the cooperating agency states to secure a meaningful role in this process .

IMCC also saw a flurry of activity in the bonding arena triggered primarily by the downturn in the coal market that resulted in unexpected bankruptcies of major coal companies. IMCC sponsored a series of conference calls to assess the situation and position the states to respond. IMCC also continued to provide input to the Environmental Protection Agency regarding a proposed rule on financial assurance for the hardrock mining industry under CERCLA. All of these efforts were anticipated to continue unabated into 2016.

IMCC weighed in on legislation to establish a meaningful critical minerals policy for the United States, testifying at a hearing before the Senate Energy and Natural Resources Committee in May. In a related initiative, IMCC continued its active participation as a member of the U.S. Extractive Industry Transparency Initiative representing the interests of the mining states in this international undertaking.

We were pleased to welcome Wyoming as the newest full member state of the Compact and looked forward to the potential involvement of several new states.

It was my honor to serve as your Chairman. I encourage all member states to continue their involvement in the Compact as we seek to develop our abundant natural resources in an environmentally protective manner.

Sincerely,



Robert Bentley, Governor of Alabama
Chairman, Interstate Mining Compact Commission

**2015 Annual Report
of the
Interstate Mining Compact Commission**

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2015 Officers



Governor Robert J. Bentley
Alabama – Chairman



Governor Terry McAuliffe
Virginia – Vice Chairman



Governor Bill Walker
Alaska – Treasurer

History and Purpose of the Compact

The Southern Governors' Conference Meeting in San Antonio, Texas in 1964 recognized and came to grips with the problems of surface mining. Governor Edward R. Breathitt of Kentucky and Governor Bellmon of Oklahoma sponsored a resolution which in part read: "Whereas the Council of State Governments sponsored an interstate conference, in which surface mining problems of the states were reviewed, and whereas such conference underlined the desirability of action by industry to utilize techniques designed to minimize waste of our natural resources and the desirability of action by the states to assure adherence to sound standards and procedures by the mining industry: **Now, therefore, be it resolved by the Southern Governors' Conference that the Council of State Governments be requested to assist representatives of the states in which surface mining takes place in exploring the possible role of interstate action,** through Compact and otherwise, in this field."

The Interstate Mining Compact Commission (IMCC) was thus conceived and Kentucky became its first member followed by Pennsylvania and North Carolina. With the entry of Oklahoma in 1971, the Compact was declared to be in existence and operational. In February 1972, permanent headquarters were established in Lexington, Kentucky and an executive director was retained. Since that time, twenty-two additional states — West Virginia, South Carolina, Maryland, Tennessee, Indiana, Illinois, Texas, Alabama, Virginia, Ohio, Louisiana, Arkansas, New Mexico, Missouri, New York, North Dakota, Utah, Wyoming, Alaska, Colorado, Nevada, and Mississippi — have become members. New Mexico withdrew from the Compact in 1991 as a full member but rejoined as an associate member in 2000. New York joined the Compact as its first associate member state in 1994. Since then the following states have also joined as associate members: North Dakota (2000), Utah (2004), Wyoming (2005), Alaska (2006), Colorado (2007), Nevada (2012), and Mississippi (2013).

Mississippi, New York, North Dakota, Utah, Alaska and Wyoming are now all full members. Due to financial constraints, Nevada chose to withdraw its associate membership in May of 2015.

The Mining Compact is designed to be advisory, not regulatory in nature, and its defined purposes are to:

- ▶ Advance the protection and restoration of the land, water, and other resources, affected by mining;
- ▶ Assist in the reduction or elimination or counteracting of pollution or deterioration of land, water, and air attributable to mining;
- ▶ Encourage (with due recognition of relevant regional, physical, and other differences) programs in each of the party states which will achieve comparable results in protecting, conserving, and improving the usefulness of natural resources, to the end that the most desirable conduct of mining and related operations may be universally facilitated;
- ▶ Assist the party states in their efforts to facilitate the use of land and other resources affected by mining, so that such may be consistent with sound land use, public health, and public safety, and to this end study and recommend, wherever desirable, techniques for the improvement, restoration, or protection of such land and other resources; and
- ▶ Assist in achieving and maintaining an efficient and productive mining industry and increasing economic and other benefits attributable to mining.

Report of the Executive Director

It was a rigorous but efficacious year for the Interstate Mining Compact Commission (IMCC). 2015 saw the emergence and/or advancement of a variety of substantial policy actions and initiatives. Significant federal activity dominated much of the year, beginning in February with the introduction of the Administration's Power + Plan. Over the summer, the Office of Surface Mining Reclamation and Enforcement (OSMRE) released its long-awaited proposed Stream Protection Rule, resulting in a massive effort and bustling pace for IMCC staff and the member states as state comments were developed and coordinated in short order for the immense rule. Throughout the year, IMCC was involved with many other legislative and regulatory issues including several related to the Abandoned Mine Land (AML) program under the Surface Mining Control and Reclamation Act of 1977 (SMCRA); the U.S. Extractive Industries Transparency Initiative; potential listing decisions under the Endangered Species Act; and a variety of issues related to reclamation bonding at both coal and hardrock mines.

Congress approved an omnibus appropriations bill in December 2014, which funded all agencies except the U.S. Department of Homeland Security through the end of the fiscal year (FY). In the end, the states fared quite well. State assistance grants under the Mine Safety and Health Act (Mine Act), which were forecast to be completely eliminated, were restored once again to the FY 2012 level of \$8.4 million. Much of this turn around can be attributed to a concerted effort by IMCC member states to inform Congress about debilitating impacts resulting from such drastic cuts, especially for small miners. We also saw Congress reject a proposed 15% cut for state regulatory grants under SMCRA and instead approve a reinstatement of the \$68.6 million based on FY 2012 levels of funding.

With the New Year, the fledgling 114th Congress spent considerable time organizing itself, particularly on the Senate side. As a result, legislative activity did not really begin to gear up

until about February. The most significant action early in the year involved the President's proposed budget for FY 2016, which was released on February 2. In addition to various new funding proposals for OSMRE and the Mine Safety and Health Administration (MSHA), it also contained several new legislative proposals.

IMCC helped facilitate a conference call with OSMRE to discuss the agency's FY 2016 budget on February 2. E-memos were sent to the IMCC member states, as well as members of the National Association of the Abandoned Mine Land Programs (NAAML) on January 6 regarding the FY 2015 AML grant distribution, and on January 28 regarding a briefing by OSMRE on the agency's FY 2016 budget.

IMCC met with congressional staff from the House Interior Appropriations Subcommittee and the House Energy and Mineral Resources Subcommittee to discuss the proposed FY 2016 budget for OSMRE on February 24. IMCC testified at a hearing on OSMRE's proposed budget before the House Interior Appropriations Committee on March 18, with John Stefanko of Pennsylvania serving as IMCC's witness. A similar statement was submitted to the House Energy and Mineral Resources Committee for a hearing that was also held on March 18. Statements were also provided to the Senate Interior Appropriations Committee and the Senate Energy and Natural Resources Committee. IMCC also prepared and submitted testimony and a written statement on behalf of the NAAML.

IMCC provided briefings and held consultations with various groups on the general status of SMCRA Title V and Title IV issues. On May 4, IMCC staff met with the National Academy of Science's Board of Mineral Resources to discuss mutual interests and concerns. Mr. Conrad presented a paper entitled "Moving Targets and Sitting Lame Ducks: A Washington, D.C. Update" at the 29th Annual Technology Transfer Seminar of the Indiana Society of Mining and Reclamation on December

8 in Evansville, Indiana. IMCC provided briefings on both Title V and Title IV issues at two OSMRE/states meetings: one in Roanoke, Virginia on August 18 and 19 and a Western OSMRE/states meeting held on December 15 and 16 in Denver, with IMCC participating via conference call.

The most notable of the Administration's legislative proposals, the Abandoned Mine Land Economic Revitalization or "AMLER" proposal, was given much time and attention throughout the year. The AMLER proposal, which is one portion of the Administration's larger Power + Plan, seeks to aid economic revitalization efforts in depressed coal-field communities through the AML program.

IMCC met with Senior Policy Advisor Jason Walsh of the White House Chief of Staff's office on March 10 to discuss AMLER and its implications for state AML programs. A conference call followed between Mr. Walsh, OSMRE Director Pizarchik, IMCC, and NAAMLPL President Eric Cavazza on March 16, during which a revised version of the AMLER proposal was presented and discussed. A meeting among various representatives of the Administration, the environmental community, IMCC, and NAAMLPL was held on April 2 to further discuss the proposal and to receive input regarding its implementation. After these meetings, IMCC and NAAMLPL proceeded with written comments that were submitted to the Administration on April 10.

IMCC facilitated conference calls with NAAMLPL and the IMCC AML Committee on August 20 and 31 to discuss the states' positions regarding the AMLER proposal. IMCC met with congressional staff from the House Interior Appropriations Subcommittee and the House Energy and Mineral Resources Subcommittee either in person or via conference call to discuss the proposal on several occasions throughout the year. IMCC met again with Jason Walsh and Interior Department officials to discuss the proposal and its implications for state AML programs on August 5.

With regard to AML issues more generally, IMCC continues its working relationship with NAAMLPL pursuant to a contract for services in the amount of \$20,000. IMCC participated in the NAAMLPL Winter Meeting from March 3 - 5 in Orange Beach, Alabama, providing a regulatory and legislative affairs briefing. IMCC also participated in the NAAMLPL Annual Conference in Santa Fe, New Mexico, and provided a report to the NAAMLPL membership concerning the status of the AML trust fund. Several conference calls were held concerning the status of the AML trust fund in preparation for the conference. A conference call with the Virginia AML program staff was held on December 16, to discuss preparations for the 2018 NAAMLPL Annual Conference in Williamsburg, Virginia.

IMCC initiated a series of conference calls with OSMRE AML staff and NAAMLPL representatives to discuss AML reauthorization and the background materials that will be needed as part of any legislative effort. Calls were held on January 15, 22, 29 and February 12. Conference calls were held with the NAAMLPL officers and the newly established NAAMLPL Reauthorization Subcommittee on January 29 and February 3. IMCC facilitated a meeting of NAAMLPL and IMCC's AML Committee on June 10 in St. Louis to discuss a legislative options paper concerning AML reauthorization.

IMCC also facilitated a series of conference calls with NAAMLPL officers and membership to discuss a proposed survey of the states regarding the implementation of their respective AML programs that was requested by The Alliance for Appalachia as part of an effort by the Alliance to prepare a white paper on the status of the national AML program. IMCC also prepared a summary for the results from the survey. The Alliance's paper, along with its recommendations for legislative revisions as part of any reauthorization effort, was released in July.

At the Pennsylvania AML Campaign's annual conference in State College, PA on June 26, IMCC and Eric Cavazza of Pennsylvania, gave a joint presentation titled "Preparing for SMCRA

Reauthorization in 2021.” IMCC, together with Trout Unlimited, participated in a briefing for congressional staff and county commissioners from around the country regarding the status of the AML program and reauthorization efforts on February 24. Separate meetings with staff from the House Energy and Mineral Resources Subcommittee were held on January 22, February 24, and April 9 to discuss AML issues. IMCC staff also attended a meeting with Pennsylvania Watershed Groups on December 12 in Juniata, Pennsylvania and provided an update on budget issues, sequestration impacts, and reauthorization.

IMCC was involved with a variety of activities related to Good Samaritan legislation, particularly in the wake of the Gold King Mine Spill in August, which drew increased attention to AML water treatment issues. IMCC testified at an oversight hearing by the Subcommittee on Water Resources and Environment of the House Transportation and Infrastructure Committee on October 21 regarding Good Samaritan protections for AML remediation projects. Eric Cavazza of Pennsylvania served as IMCC’s witness. IMCC also testified at a legislative hearing by the Subcommittee on Energy and Mineral Resources of the House of Natural Resources Committee on November 4 regarding Good Samaritan protections for AML remediation projects. Mr. Cavazza again served as IMCC’s witness.

In preparation for the potential movement in the House and Senate of Good Samaritan legislation, IMCC staff worked with representatives from the Commonwealth of Pennsylvania, Trout Unlimited, and Pennsylvania watershed groups to explore the development of an amendment that specifically addresses Good Samaritan protections for coal AML sites. A conference call with these groups was held on December 9. IMCC also worked with the Keystone Center in Colorado to explore potential Good Samaritan solutions under CERCLA, a conference call for which was held on November 9.

IMCC staff spent considerable time during the period wrapping up its work on

USEITI. IMCC attended meetings of the Multi-Stakeholder Group (MSG), on which IMCC served as a member, in Washington, DC on February 24 - 25, May 20 - 21, September 16 - 17, and December 16 - 17. During the December meeting, the USEITI reconciliation report was approved. The majority of IMCC’s efforts were in the context of the Contextual Narrative Work Group and the State and Tribal Opt-in Subcommittee. A total of 14 conference calls and/or meetings of the subcommittees and work groups were held during the year. As part of our work on these various committees, IMCC staff prepared several discussion documents and clarification memos. IMCC terminated its participation on the MSG effective December 31.

IMCC participated as a member of a steering committee that included OSMRE, U.S. Fish and Wildlife Service (FWS), and several states to develop a Bat Technical Symposium held in conjunction with the American Society for Mining and Reclamation (ASMR) Conference on June 10 in Lexington, Kentucky. In preparation for the Symposium, conference calls were held on January 15 and March 17. IMCC coordinated and facilitated a panel session for the Symposium titled, "State Perspectives on Bat Protection Issues at Mine Sites." Representatives from Indiana, Kentucky, Pennsylvania, and Virginia served as panelists, and IMCC moderated the session. In preparation, conference calls with IMCC and the panelists were held on February 18 and May 20.

IMCC also continues to serve as a member of the executive management team on bat protection issues and guidelines, along with OSMRE, FWS, and representatives from Bat Conservation International (BCI). Conference calls were held on January 15, March 17, April 21, July 14, September 15, and November 15 to discuss bat protection issues, particularly focused on the Northern Long-Eared Bat (NLEB), for which an Endangered Species Act (ESA) listing decision was published on April 2.

IMCC helped to facilitate and attended an OSMRE/states briefing on March 25 in St. Louis regarding a draft Memorandum of Understanding

(MOU) between OSMRE and the US Fish and Wildlife Service (FWS) concerning implementation of the 1996 Biological Opinion under SMCRA for protection of threatened and endangered species. A follow up letter was sent to OSMRE Director Pizarchik on April 2.

A conference call with six member states (WV, IL, IN, KY, AL, VA) was held on July 14 to develop comments that were submitted to FWS that same day regarding a draft Interim Protection and Enhancement Plan (PEP) for the NLEB dated July 10, 2015.

IMCC also helped to facilitate and attended an OSMRE/FWS/States meeting on October 15 in St. Louis to further discuss the draft MOU concerning implementation of the 1996 Biological Opinion.

IMCC was involved with two legislative efforts related to critical minerals production over the course of the year. IMCC presented testimony jointly with the state of Alaska, with Ed Fogels of Alaska serving as witness, at a legislative hearing conducted by the Senate Energy and Natural Resources Committee on May 12 regarding S. 883, the "American Minerals Security Act of 2015." IMCC also submitted a statement for the record at this hearing. The bill was eventually incorporated into S. 2012, the "North American Energy Security and Infrastructure Act." IMCC also submitted a written statement for a related measure, H.R. 1937, "The National Strategic and Critical Minerals Production Act," following a legislative hearing held by the House Subcommittee on Energy and Mineral Resources on June 25. H.R. 1937 passed the House in October.

Throughout the year, IMCC pursued a number of issues related to mine safety and health. IMCC continued its work with regard to state assistance grants under the Mine Safety and Health Act. IMCC participated in a conference call with Mine Safety and Health Administration (MSHA) Assistant Secretary Joe Main on February 3 to receive an update on the requested actions in IMCC's letter of October 30, 2014

regarding the potential for interim state assistance grants and expediting grant approvals. A memo was sent to the states on February 3 regarding MSHA's FY 2016 proposed budget, which included increased funding for states assistance and training grants. IMCC submitted a statement to the House and Senate Appropriations Committees and the committees of jurisdiction on March 27 regarding MSHA's budget requests. On March 17, IMCC held a meeting with OSM and MSHA officials at MSHA headquarters in Arlington, Virginia along with representatives from Pennsylvania, Kentucky, and Maryland to discuss MSHA jurisdiction at AML projects under SMCRA. IMCC submitted comments to MSHA on June 19 concerning a Request for Information (RFI) that included potential adjustments to miner certification requirements under the Mine Safety and Health Act.

Several IMCC member states met via conference call on October 5 and November 16 to discuss and make final revisions to the eligibility criteria for new IMCC Mine Safety Training Awards Program, which will be presented for the first time at IMCC's 2016 Annual Meeting in Lake Placid, NY.

The Stream Protection Rule (SPR), which was published by OSMRE on July 27, was undoubtedly the most demanding and prominent issue with which IMCC was engaged in 2015. In the beginning of the year, leading up to the proposed rule's release, IMCC continued to facilitate discussions among the various cooperating agency states involved with the rule's accompanying Draft Environmental Impact Statement (DEIS). Conference calls of the cooperating agency states were held on January 27 and February 10 to decide upon next steps with respect to their continued involvement in the EIS process. IMCC prepared a legal analysis regarding the role of cooperating agency states, which was distributed to the states via e-memo on January 4. A draft letter to OSM concerning the matter was prepared by IMCC and sent to the states for their review via e-memo on January 27. Revised versions of the letter were sent to the states on February 11 and 18, and a final version was

signed by all of the cooperating agency states and sent to OSMRE Director Pizarchik on February 27. A follow up letter was also sent to the Chairman of the House Energy and Minerals Resources Subcommittee on March 27 to clarify the interaction between the cooperating states and OSMRE since 2011. The letter was included in the hearing record of the March 18 oversight hearing on OSMRE's FY 2016 Budget.

IMCC was involved in two congressional hearings related to the SPR prior to its release. IMCC testified at a legislative hearing on May 14 held by the House Energy and Mineral Resources Subcommittee regarding S. 1664, the "Supporting Transparent Regulatory and Environmental Action in Mining Act" (or "STREAM Act") with Russ Hunter of West Virginia serving as IMCC's witness. IMCC also facilitated the identification and preparation of three state witnesses for an oversight hearing on May 20 by the House Oversight and Investigations Subcommittee of the House Natural Resources Committee titled, "State Perspectives on the Status of Cooperating Agencies of the Office of Surface Mining's Stream Protection Rule." Witnesses included Randy Johnson of Alabama, Russ Hunter of West Virginia, and Greg Baker of Virginia.

OSMRE unveiled its proposed SPR and accompanying DEIS and draft Regulatory Impact Assessment (RIA) on July 16, with a conference call facilitated by IMCC. All relevant documents were distributed by IMCC to the states and a meeting was held in Herndon, Virginia from August 25-27 to begin preparation of comments on the documents. IMCC contracted with Engineers-Consultants-Scientists-International, LLC (ECSI) of Lexington, Kentucky to assist with the preparation of IMCC's comments. Several conference calls were held with ECSI during the period to coordinate work on IMCC's comments. IMCC's comments on the proposed rule, DEIS, and draft RIA were submitted on October 23 following review by the member states.

IMCC was involved in several events related to the SPR following its publication.

IMCC testified at a public hearing on the rule on September 10 in Pittsburgh, Pennsylvania. IMCC also produced a template for the member states to use in preparing their own testimony. IMCC submitted requests for extensions of the comment period to the Interior Department on July 27 and October 6 and provided a template for the member states to do the same. IMCC convened and facilitated a conference call of the cooperating agency states on October 9 regarding the DEIS and the potential for these states to re-engage in the process. IMCC also assisted with the preparation of state witnesses for an oversight hearing on the proposed rule held by the Senate Energy and Natural Resources Committee on October 27. IMCC attended a joint hearing of the House Committee on Oversight and Government Reform's Subcommittee on the Interior and Subcommittee on Health Care, Benefits, and Administrative Rules on December 8, 2015 titled, "Examining the Stream Protection Rule." The sole witness for the hearing was Janice Schneider, Interior Assistant Secretary for Land and Minerals Management. The purpose of the hearing largely revolved around examining the nature of OSMRE's consultation with cooperating state agencies during the development of the DEIS related to the SPR, and touched on the RIA associated with the SPR.

IMCC held and facilitated five conference calls regarding reclamation bonding requirements under SMCRA and other state noncoal mining regulatory programs. The first call was held on May 26 and served as a brainstorming session to identify key issues and concerns that could be pursued going forward. On July 16, a second conference call was held at which several state agency representatives presented their perspectives on key bonding issues within their borders that served as the basis for discussion among the member states. A third conference call was held on July 30 at which participants heard from three surety company representatives, as well as the Surety Association of America, regarding their respective perspectives on the availability of surety bonds for the mining industry. In preparation for this call, IMCC staff met with the sureties via conference call on July 28 to prepare

the discussion topics. A fourth call and webinar was held on August 6, at which participants heard from coal market analysts and investors regarding the health of the mining industry (coal and hardrock) with respect to potential bond forfeitures and bankruptcies. Finally, on September 2, participants heard from five bankruptcy experts (three lawyers and two representatives from OSMRE) who discussed how states can best position themselves in bankruptcy proceedings that involved bond reclamation liabilities, especially self-bonds. A conference call with the presenters was held on August 28 to prepare for the call. IMCC also met via conference call with OSMRE's Financial Assurance Coordination Team (FACT) on December 16, 2015 and also with a group of investors via a separate conference call the same day to discuss bonding concerns.

IMCC distributed via e-memo a joint motion filed in a mandamus action by several environmental groups to force EPA to move forward with its proposed rule under section 108(b) of CERCLA to establish financial assurance requirements for the hardrock mining sector. IMCC participated in a webinar regarding the status of the proposed rulemaking on September 29. IMCC convened and facilitated a conference call between the states and EPA officials on October 21 to discuss the proposed rule.

IMCC sponsored a benchmarking workshop on August 11 and 12 in Chicago titled, "Developing a Defensible CHIA (or Cumulative Hydrologic Impact Assessment)." There were 65 state and federal agency personnel in attendance over the two-day workshop, which consisted of a plenary session and three breakout sessions. All of the materials from the workshop have been placed on IMCC's website or sent to the participants. Several conference calls were held with workshop presenters in the months leading up to the workshop.

IMCC continues to participate on the Geomine Pilot Project Steering Committee. A conference call was held on April 1 to discuss

critical issues, with IMCC providing a briefing.

IMCC continues to serve on the National Technology Transfer Team, which coordinates OSMRE's applied science and related technical initiatives. Conference calls were held on July 22 and October 7 to discuss the future of the team and to prepare for review of applied sciences projects in Fiscal Year 2016.

IMCC presented a statement regarding state perspectives on the federal coal-leasing program during a listening session held by the Bureau of Land Management in Washington, DC on July 29. IMCC also provided a template for Western states to submit a similar statement at other sessions being held in the West.

During the year, IMCC published four e-newsletters and updated its website with several new enhancements, including a message board that can be utilized by the member states as a forum for sharing information and posting questions for response. Several recent presentations by the Executive Director were also posted on the website. An updated membership directory, as well as meeting announcements and other information, continue to be available on the website.

The state of Wyoming passed legislation bringing them in as the newest full member of IMCC, which was signed by Governor Mead on February 25. The state of New Mexico also saw considerable legislative action on a bill to bring the state in as a full member of the Compact. IMCC has discussed membership with the states of Montana and Arizona and continues to work with the state of Colorado on proposed legislation to bring it into the Compact as full members. The state of Nevada chose to withdraw as an associate member of the Compact in May citing financial constraints. The IMCC Membership Workgroup met via conference call on December 17 to discuss strategies for moving forward with meetings to encourage IMCC participation and membership and to prepare various materials for use during the meetings.

The IMCC Executive Committee met via conference call on February 23 to discuss the potential establishment of a Western State Issues Work Group. The Executive Committee met again on March 26 via conference call to discuss IMCC strategies for action regarding several key issue areas and initiatives. On July 27, the Executive Committee met via conference call to discuss the involvement of federal agencies in future IMCC meetings. The final IMCC Executive Committee conference call for the year was convened on December 17 to discuss the IMCC Annual Meeting format and the role of committee chairs in furthering the work and leadership of the commissions.

The IMCC Reclamation Awards Committee met on March 16 via conference call to select the winners of the 2016 national reclamation awards. The IMCC Education Work Group met on March 11 via a conference call to select the winners of the 2015 Mineral Education Awards. The IMCC Finance and Administrative Committee met via conference call on April 1 to discuss the proposed budget for FY 2016, the projected budget for FY 2017, and related staff compensation and state dues assessments.

An Audit of IMCC's accounting and financial statements was conducted July 23.

The year 2015 repeated a pattern that we have seen over the past several years, with the number and intensity of issues growing and the challenges facing the states increasing. **The importance of advocating for state authority and jurisdiction under the various national environmental laws that our members implement continues unabated and remains our highest priority.** We are indebted to the many public servants in state government who actively and meaningfully engage in our work and insure the integrity and credibility of the Compact. Our effectiveness as an organization is fully dependent on your commitment and participation. Results of this collaborative effort abound in 2015 and are a testament to the efficacy of IMCC. We as a staff are honored to represent our member states in Washington, D.C. and count it a distinct privilege

to do so. Onward and upward!

[NOTE: For expanded versions of the most recent Executive Director's Reports prepared on a semi-annual basis in preparation for IMCC's Annual and Mid-Year Meetings, see the IMCC website at www.imcc.isa.us.]

2015 Standing Committees

Environmental Affairs Committee

Coal Section

Steve Weinzapfel, Indiana, Chairman

Michael Bograd, Mississippi, Vice Chairman

Noncoal Section

Kent Coleman, South Carolina, Chairman

Jonathan Burr, Tennessee, Vice Chairman

Abandoned Mine Lands Committee

Eric Cavazza, Pennsylvania, Chairman

Lanny Erdos, Ohio, Vice Chairman

Mine Safety and Health

William Gerringer, North Carolina, Chairman

Eugene White, West Virginia, Vice Chairman

Finance and Administrative Committee

Ed Fogels, Alaska, Chairman

John Baza, Utah, Vice Chairman

Resolutions Committee

Brian Wittwer, Alabama, Chairman

Butch Lambert, Virginia, Vice Chairman

Awards Committee

Abby Alkire, Louisiana, Chairman

John Caudle, Texas, Vice Chairman

(Members of the 2015 Awards Committee: Louisiana, Utah, Nevada, West Virginia, Texas)

Legal Advisor

Steve Adler, Utah

Minerals Education Work Group

Beth Wilson, Ohio, Chairman

Activities of the Standing Committees

Finance and Administrative Committee

The committee met on three occasions during 2015. The committee met via conference call on April 1 to discuss and tentatively approve the proposed budget for Fiscal Year (FY) 2016 and to prepare recommendations for staff compensation and benefits. On April 29, the committee met in Baltimore, Maryland in conjunction with the Compact's Annual Meeting. The committee reviewed the Compact's financial condition; reviewed and approved the proposed FY 2016 Budget; were updated on membership status and dues assessments; were presented with an update by current associate member states regarding their membership status; and discussed several administrative matters.

On October 28, the committee met in Santa Fe, New Mexico in conjunction with the Compact's Mid-Year Meeting. The committee reviewed the Compact's current financial condition; reviewed and approved the Compact's FY 2015 Audit; were presented with an update by current associate member states regarding their membership status and legislative initiatives to pursue full membership; and were updated on IMCC's membership outreach efforts.

Resolutions Committee

The committee met jointly with the Finance and Administrative Committee twice in 2015. On April 30 in conjunction with the Compact's Annual Meeting in Baltimore, Maryland, the committee met and recommended approval of two resolutions of appreciation. (See *Resolutions* section of this Annual Report.)

On October 28 in conjunction with the IMCC Mid-Year Meeting in Santa Fe, New Mexico, the committee met and recommended

adoption of three resolutions of appreciation. (See *Resolutions* section of this Annual Report.)

Environmental Affairs Committee — Coal Section

The Coal Section of the Environmental Affairs Committee met on April 28, 2015 in Baltimore, Maryland in conjunction with the Compact's Annual Meeting. Among the topics discussed were: the Office of Surface Mining Reclamation and Enforcement's (OSMRE) budget and appropriations issues; IMCC's testimony submitted to Congress regarding OSMRE's 2016 proposed budget; current expenditures and future needs of state Title V grants under the Surface Mining Control and Reclamation Act (SMCRA); pending OSMRE rulemakings; follow-up efforts to the OSMRE/state Government Efficiency Work Groups; a presentation on Coal Export issues in Wyoming; bat protection guidelines and pending listing decisions; a bonding issues update; an Environmental Protection Act (EPA) Region III mining work groups update; and an update on plans for an IMCC workshop on hydrology issues.

On October 27, 2015, the committee met in conjunction with the IMCC Mid-Year Meeting in Santa Fe, New Mexico. Among the topics discussed were: OSMRE's budget and appropriations issues; OSMRE pending rulemakings; IMCC comments on and other activity related to an OSMRE Stream Protection Rulemaking; the status of federal coal-leasing activity; an update on the Fish and Wildlife Service (FWS)/OSMRE Memorandum of Understanding (MOU) regarding the 1996 Biological Opinion; an update on bat protection issues and pending listing decisions; a potential IMCC bonding workshop; an update on EPA Region III workgroups; two bills developed by the House Natural Resources Committee; and an update on bonding issues.

Environmental Affairs Committee — Noncoal Section

The Noncoal Section of the Environmental Affairs Committee met twice in 2015. On April 28 in Baltimore, Maryland, the committee met in conjunction with the Compact's Annual Meeting. The committee met again on October 27 in Santa Fe, New Mexico, in conjunction with the Mid-Year Meeting. Topics discussed at the April 28 meeting included: an update on the Extractive Industries Transparency Initiative (EITI); an update on the Environmental Protection Agency's (EPA) rulemaking on financial assurance requirements under Section 108(b) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA); hardrock mining legislation and Good Samaritan legislation; an update on Sage Grouse protections and potential listing; and an update on the EPA/U.S. Army Corps of Engineers Rulemaking related to Waters of the United States (WOTUS).

Topics of discussion at the committee meeting held on October 27 included: an update on the EITI; an update on EPA's ruling on financial assurance requirements under Section 108(b) of CERCLA; hardrock mining legislation; Good Samaritan legislation; an update on Sage Grouse protections and potential listing; an update on WOTUS; an update on Critical Minerals legislation; and potential topics for a possible IMCC Noncoal workshop.

Abandoned Mine Lands Committee

The Abandoned Mine Lands (AML) Committee met jointly with the Coal Section of the Environmental Affairs Committee on two occasions — April 28 in Baltimore, Maryland in conjunction with the IMCC Annual Meeting, and October 27 in Santa Fe, New Mexico in conjunction with the Compact's Mid-Year Meeting. At the April 28 meeting, the committee discussed the following topics: state Title IV (AML) grants under

SMCRA; sequestration impacts on AML programs and the IMCC/National Association of Abandoned Mine Land Programs (NAAML) joint efforts to secure an exemption from sequestration for AML grants; legislative proposals in OSMRE's FY 2016 budget request; and IMCC/NAAML AML reauthorization efforts and strategy.

At the October 27 meeting, topics discussed included: the status of OSMRE's Abandoned Mine Land Economic Revitalization (AMLER) legislative proposal and the state's positions; AML reauthorization legislative options; and IMCC/NAAML ongoing efforts to secure reauthorization.

Mine Safety & Health Committee

The Mine Safety & Health Committee met jointly with the Noncoal Section of the Environmental Affairs Committee on two occasions in 2015 – on April 28 in Baltimore, Maryland in conjunction with the Compact's Annual Meeting, and on October 27 in Santa Fe, New Mexico in conjunction with IMCC's Mid-Year Meeting. Topics of discussion at the April 28 meeting included: the Mine Safety and Health Administration's (MSHA) FY 2016 budget; the status of MSHA's 2015 state assistance grants; a report on an MSHA/states meeting held on March 17, 2015 related to MSHA jurisdiction at SMCRA AML sites; the status of a new template for respective state/MSHA MOU's regarding coal waste impoundments; the status of underground mine mapping efforts; the status of an MSHA request for information regarding miner certifications; and a proposal to institute a Mine Safety Awards program to be conducted through IMCC.

Topics discussed at the October 27 meeting included: MSHA's FY 2016 appropriation as related to the recent Continuing Resolution (CR); the status of MSHA's FY 2015 state assistance grants; the status of MSHA jurisdiction at SMCRA AML sites; plans for future meetings with MSHA officials;

and the status of the development of IMCC's Mine Safety Awards program.

Awards Committee

The Awards Committee met via conference call on March 16, 2015 to select winners of the 2015 Kenes C. Bowling National Mine Reclamation Awards. The Education Work Group met via conference call on March 11, 2015 to select winners of the 2015 IMCC National Minerals Education Awards.

The award recipients are listed elsewhere in this Annual Report. The awards were presented at the Annual Awards Banquet on April 28, 2015, which was held in conjunction with IMCC's Annual Meeting in Baltimore, Maryland.

Committees and Committee Chairmen and Vice Chairmen for 2016

Environmental Affairs Committee

Coal Section

James Matheny, Mississippi, Chairman

Allen Luttrell, Kentucky, Vice Chairman

Noncoal Section

Tracy Davis, North Carolina, Chairman

Matt Podniesinski, New York, Vice Chairman

Abandoned Mine Lands Committee

Lanny Erdos, Ohio, Chairman

Alan Edwards, Wyoming, Vice Chairman

Mine Safety and Health

Eugene White, West Virginia, Chairman

Mary Ann Pritchard, Oklahoma, Vice Chairman

Finance and Administrative Committee

John Baza, Utah, Chairman

James Matheny, Mississippi, Vice Chairman

Resolutions Committee

Butch Lambert, Virginia, Chairman

Ed Fogels, Alaska, Vice Chairman

Awards Committee

John Caudle, Texas, Chairman

Bryan Epperson, Tennessee, Vice Chairman

(Members of the 2016 Awards Committee: Texas, Tennessee, Indiana, Pennsylvania, Colorado)

Legal Advisor

Russ Hunter, West Virginia

Minerals Education Work Group

Colleen Baughman, Indiana, Chairman

Yearly Commission Meetings

2015 Annual Meeting — Baltimore, Maryland

The 2015 Annual Meeting was held at the Royal Sonesta Harbor Court Hotel in Baltimore, Maryland from April 26 - 29, 2015. Twenty-two of the twenty-six member states were in attendance. A representative from the state of Montana was also in attendance. Attendees consisted of approximately 65 persons, including IMCC members, other state representatives, federal officials, Congressional staff, a member of the press, and industry representatives. The meeting was highlighted by committee meetings, the annual commission business meeting, the annual awards banquet, a welcome reception, and a social dinner.

The meeting began with welcoming remarks from Maryland Secretary of the Environment Ben Grumbles on Monday, April 27. The balance of the morning was spent in federal and state meetings with the Office of Surface Mining Reclamation and Enforcement (OSMRE) and Mine Safety and Health Administration (MSHA), respectively. The day concluded with a traditional Maryland crab feast social dinner at a local seafood restaurant located in the Fells Point neighborhood of Baltimore on the harbor.

IMCC standing committee meetings commenced in the morning on April 28 (see *Activities of the Standing Committees*). Following a luncheon, IMCC standing committee meetings resumed. That evening, the IMCC annual awards banquet was held and the 2015 National Reclamation and Minerals Education Awards were presented. (See *Awards* section later in this report for details.)

The Commission's annual business meeting was held on April 29. The meeting was chaired by Randy Moore of the Commonwealth of Virginia on behalf of the Compact's Vice-Chairman, Governor Terry McAuliffe. Mr. Moore served in place of the current chairman,

Alabama Governor Robert Bentley, due to the early departure of Alabama's IMCC representative, who had been present for the majority of the Annual Meeting. Subjects of action and discussion included: approval of minutes of the Compact's October 17, 2014 Mid-Year Business Meeting in Washington, D.C.; the Executive Director's Report (see *Report of the Executive Director*); standing committee reports (see *Activities of the Standing Committees*); approval of standing committee action items; the potential for a Western states issues work group; strategies for concerted state action on key issues; and future IMCC meetings.

2015 Mid-Year Meeting — Santa Fe, New Mexico

The Mid-Year Executive Commission Meeting of the IMCC was held in Santa Fe, New Mexico at La Fonda Hotel, October 26 - 28, 2015. Twenty of the twenty-six member states were in attendance. A representative from the state of Montana was also in attendance. A day of federal and state meetings was held on October 26, prior to the start of the Mid-Year Meeting. A meeting between the Bureau of Land Management (BLM) and the states featured presentations from Lonny R. Bagley, BLM Deputy State Director for Energy, Lands and Minerals, and Bill Auby, BLM Geologist within the Division of Environmental Quality and Protection. Following the meeting with BLM, a separate meeting was held between the states and OSMRE. The day concluded with a welcome reception.

IMCC standing committee meetings commenced in the morning of October 27. A luncheon was held which included a presentation from New Mexico Secretary of Environment and Natural Resources Trustee Ryan Flynn, who spoke on the state's experience with the U.S. Environmental Protection Agency related to the August 5, 2016 Gold King Mine waste water release into the

Animas River, and the ongoing impacts of the release on the state and its citizens. Standing committee meetings resumed in the afternoon following the luncheon. Committee meetings recommenced the morning of October 28, followed by the Commission's business meeting, which concluded the Mid-Year Meeting. The business meeting was chaired by Brian Wittwer on behalf of the Compact's Chairman, Alabama Governor Robert Bentley. Among the topics addressed at the meeting were: approval of minutes of the April 29, 2015 business meeting in Baltimore, Maryland; an Executive Director's report (see *Report of the Executive Director*); reports from standing committees of the Compact (see *Activities of Standing Committees*); approval of standing committee action items; election of officers for 2016; appointment of committee chairs for 2016; the results of the most recent Member State Survey; an overview of an IMCC workshop regarding Hydrology issues titled, "Developing a Defensible CHIA"; and future IMCC Meetings.

Officers Elected for 2016



Chairman:
Governor Terry McAuliffe
Virginia



Vice Chairman:
Governor Bill Walker
Alaska



Treasurer:
Governor Gary R. Herbert
Utah

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, The Interstate Mining Compact Commission's Annual Meeting in Baltimore, Maryland from April 26 - 29, 2015 was honored by the presence of The Honorable Ben Grumbles, Secretary of the Maryland Department of the Environment; and

WHEREAS, Secretary Grumbles presented the Welcoming Address during the Opening Session on April 27, 2015;

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission expresses its gratitude to Secretary Grumbles for his participation in making this year's meeting an outstanding success and for his support of IMCC.

Issued this 29th day of April, 2015

ATTEST:



Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, Ed Larrimore arranged an informative and interesting annual meeting for the Interstate Mining Compact Commission in Baltimore, Maryland from April 26 - 29, 2015; and

WHEREAS, Mr. Larrimore also served as the Moderator for the Opening Session on April 26 and as the Master of Ceremonies at the Awards Banquet on April 28; and

WHEREAS, our host warmly welcomed and generously extended Free State hospitality to all attendees;

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission expresses its deep appreciation to Ed Larrimore for assisting the IMCC staff to assure a successful meeting.

Issued this 29th day of April, 2015

ATTEST:



Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, The Interstate Mining Compact sponsored a “Developing a Defensible CHIA” benchmarking workshop in Chicago, Illinois on August 11 - 12, 2015 where regional breakout groups were essential to the success of the workshop; and

WHEREAS, Steve Weinzapfel of Indiana, Richard Wahrer of Kentucky, and Chris Yde of Montana served as facilitators of the regional breakout groups and provided excellent leadership and guidance in conducting the discussions and developing regional CHIA templates; and

WHEREAS, the Commission is most appreciative of the time and effort the facilitators put into preparation for the breakout groups and for their participation;

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission expresses its gratitude to:

*Steve Weinzapfel
Richard Wahrer
Chris Yde*

Issued this 17th day of August, 2015

ATTEST:



Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, The Interstate Mining Compact Commission sponsored a “Developing a Defensible CHIA” benchmarking workshop in Chicago, Illinois on August 11 - 12, 2015 where attendees were privileged to hear many excellent speakers; and

WHEREAS, it is through these speakers sharing their expertise that the Commission was able to present an informative and productive workshop that provided insightful information and ideas that will assist the member states in the writing of Cumulative Hydrologic Impact Assessments (CHIAs) as a required part of their regulatory programs; and

WHEREAS, the Commission is most appreciative of the time and effort the speakers expended in the preparation and presentation of their remarks;

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission expresses its gratitude to:

*Deborah Dale
Dana David
Pete Schade
Tim Walter
Muthu Kuchanur*

*Tom Clarke
Nick SanDiego
Richard Wahrer
Jay Hawkins
Nick Schaer*

Issued this 17th day of August, 2015

ATTEST:



Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, throughout the years, The Interstate Mining Compact Commission has been privileged to hear many excellent speakers at its meetings; and

WHEREAS, it is through these speakers that the Commission is able to keep abreast of new developments, new policies, and new technology in the fields of mining and environmental protection; and

WHEREAS, the Commission is most appreciative of the time and effort the speakers have expended in the preparation and presentation of their remarks;

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission expresses its sincere gratitude to Bill Auby, Geologist, Division of Environmental Quality and Protection; U.S. Bureau of Land Management.

Issued this 28th day of October, 2015

ATTEST:



Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, throughout the years, The Interstate Mining Compact Commission has been privileged to hear many excellent speakers at its meetings; and

WHEREAS, it is through these speakers that the Commission is able to keep abreast of new developments, new policies, and new technology in the fields of mining and environmental protection; and

WHEREAS, the Commission is most appreciative of the time and effort the speakers have expended in the preparation and presentation of their remarks;

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission expresses its sincere gratitude to Lonny R. Bagley, Deputy State Director for Energy, Lands and Minerals, U.S. Bureau of Land Management.

Issued this 28th day of October, 2015

ATTEST:



Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, The Interstate Mining Compact Commission's (IMCC) Mid-Year Meeting in Santa Fe, New Mexico was honored by the presence of Ryan Flynn, Secretary of Environment and Natural Resources Trustee for the state of New Mexico; and

WHEREAS, Secretary Flynn presented the Keynote Address at the IMCC luncheon on October 27th; and

WHEREAS, Secretary Flynn has been a strong supporter of state primacy under various federal laws that attend mineral development in the United States, particularly in the area of abandoned mine lands remediation;

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission expresses its gratitude to Secretary Flynn for his participation in making this year's meeting an outstanding success.

Issued this 28th day of October, 2015

ATTEST:



Executive Director

Resolution

Interstate Mining Compact Commission

BE IT KNOWN THAT:

WHEREAS, Fernando Martinez arranged an informative and interesting Mid-Year Meeting for the Interstate Mining Compact Commission (IMCC) in Santa Fe, New Mexico from October 26 - 28, 2015; and

WHEREAS, our host warmly welcomed and generously extended Land of Enchantment hospitality to all attendees;

NOW THEREFORE BE IT RESOLVED:

That the Interstate Mining Compact Commission expresses its deep appreciation to Fernando Martinez and his staff for assisting the IMCC staff to assure a successful meeting.

Issued this 28th day of October, 2015

ATTEST:



Executive Director

Financial Reports

*Interstate Mining Compact Commission
Statement of Financial Position for the Year Ended June 30, 2015*

ASSETS

Cash	\$ 145,883.00
Certificates of deposit	400,000.00
Interest receivable	6,175.00
Prepaid expenses and deposits	9,749.00
Property and equipment, net	2,153.00
Total assets	\$ 563,960.00

LIABILITIES AND NET ASSETS

Liabilities:	
Accrued vacation	53,434.00
Deferred revenue	14,090.00
Total liabilities	67,524.00
Net assets:	
Unrestricted	496,436.00
Total net assets	496,436.00
Total liabilities and net assets	\$ 563,960.00

Financial Reports

**Interstate Mining Compact Commission
Statement of Activities
For the Year Ended June 30, 2015**

Unrestricted revenue and support	
Assessments	\$619,124
Government grants and contracts	15,000
Conferences and meetings	22,360
Interest income	5,011
Other income	193
Total revenue and support	661,688
Expenses	
Government programs	15,000
Administrative and general	651,573
Total expenses	666,573
Change in net assets	(4,885)
Net assets, beginning of year	501,321
Net assets, end of year	\$496,436

Financial Reports

**Interstate Mining Compact Commission
Schedule of Comparison of Expenses and Budget
For the Year Ended June 30, 2014**

Description	Government Programs	Admin. & General	Totals	Budget	Variance Over (Under)
Salaries	\$15,000	\$387,181	\$402,181	\$398,500	\$3,681
Employee benefits	-	112,721	112,721	112,000	721
Rent	-	38,592	38,592	39,000	(408)
Conference and meetings	-	44,264	44,264	30,000	14,264
Travel	-	22,956	22,956	25,000	(2,044)
Legal	-	350	350	-	350
Publications	-	3,333	3,333	5,000	(1,667)
Telephone	-	6,833	6,833	10,000	(3,117)
Auditing	-	4,963	4,963	5,500	(537)
Postage	-	1,279	1,279	2,500	(1,221)
Equipment expenses	-	1,171	1,171	3,000	(1,829)
Office supplies	-	3,662	3,662	3,000	662
Other expenses	-	3,384	3,384	2,500	884
Insurance	-	4,977	4,977	5,500	(523)
Printing	-	581	581	2,000	(1,419)
Registration fees/ subscriptions	-	933	933	1,500	(567)
Utilities	-	1,397	1,397	2,000	(603)
Depreciation	-	967	967	-	967
Bad debt	-	11,979	11,979	-	11,979
Total expenses	\$15,000	\$651,573	\$666,573	\$647,000	\$19,573

Member State Permitting Data

PERMITS ISSUED AND ACRES OF LAND DISTURBED AND RECLAIMED
JANUARY 1 - DECEMBER 31, 2015 FOR COAL SURFACE MINING

State/Enforcement Agency	# Permits Issued	# Acres Permitted	# Acres Disturbed	# Acres Reclaimed
Alabama Surface Mining Commission	3	714	17 (newly bonded)	1624 ¹ (phase III bond release)
Alaska Dept. of Natural Resources, Division of Mining, Land & Water	0	0	47	0
Arkansas Dept. of Environmental Quality, Surface Mining and Reclamation Division	4	1,688	974	0
Colorado Division of Reclamation, Mining & Safety, Coal Program	0	170,638.38	17,995.61	12,997
Illinois Dept. of Natural Resources, Office of Mines & Minerals, Land Reclamation Division	5	2,401.35	1,230.33	788.65
Indiana Dept. of Natural Resources, Division of Reclamation	2	3,084.6 ²	2,392.0 ³	1,438.20
Kentucky Dept. for Natural Resources, Division of Mine Reclamation and Enforcement	440 ⁴	34,796.30 (new); 1,997,101.84 (total)	227,524.36	14,946.04 (phase III bond release)
Louisiana Dept. of Natural Resources, Office of Conservation	0	44,179	700	236
Maryland Bureau of Mines ⁵	7	251	2,426	118
Mississippi Dept. of Environmental Quality	0	0	315	20
Missouri Department of Natural Resources, Land Reclamation Program	1	348	100	80
New Mexico Energy, Minerals & Natural Res. Dept., Coal Mine Reclamation Program ⁶	0	0	442	0
North Dakota Public Service Commission	0	501	2,530	1,470
Ohio Dept. of Natural Resources, Division of Mineral Resources Management	6 (new); 8 (adjacent); 1 (exploration)	2,047.9 (surface) 15,171.2 (underground)	27,535.23 ⁷ (1,419.9)	4,732.14 ⁸
Oklahoma Dept. of Mines	*	21,800	10,900	900
Pennsylvania Dept. of Environmental Protection	42	7,993	3,806	1,821
Texas Railroad Commission	1 (renewals and revisions)	54 ¹⁰	7,220.1 ¹¹	5,424.5 ¹²
Utah Division of Oil, Gas and Mining	0 (new); 27 (total)	16 (new); 123,645 (total)	39 (new); 2,955 (total)	100 (phase III bond release)
Virginia Dept. of Mines, Minerals & Energy, Division of Mined Land Reclamation	5 (3 new; 2 transfers)	75,054.14	52,767.76; 63,850.99 (acres bonded)	2,983.78; 32,507.38 ¹³
West Virginia Dept. of Environmental Protection, Division of Mining and Reclamation	38 (2015 new and amendments)	6,753 (2015); 338,215 (total)	129,074 (total) ¹⁴	1,305 (2015 released - Phase III)
Wyoming Dept. of Environmental Quality, Land Quality Division	0	412,164.70 (total); 0 (new)	3,430 (new); 168,568 (total)	3,399 (new); 78,588 (total)

See footnotes on following page...

- ¹ Land use percentages based on the 1624 acres of Phase III bond release in 2015.
- ² Surface Acres 3,084.6 + Underground Shadow Acres 0 = 3,084.6 Acres Permitted.
- ³ Acres Mined 1,968.0 + Acres Disturbed 424.0 = 2,392.0 Total Acres Disturbed.
- ⁴ These numbers reflect all the permitting activity that occurred in CY 2015; however a significant amount of this permitting activity occurred on existing permits. Only 21 (4.7%) were newly permitted coal mining operations.
- ⁵ Acres Permitted reflects number of acres for which bond was posted during the reporting period. Acres Disturbed reflects number of actual disturbed acres that have not been approved for phase III bond release as of 12/31/2015. Acres Reclaimed reflects number of acres for which phase III release was approved during the reporting period.
- ⁶ The numbers shown are for permitting and mining/reclamation activity taking place during calendar year 2015. These numbers do not represent cumulative acreage. Reclaimed lands means full bond release has been approved.
- ⁷ Sum total of coal "reclamation due" plus "to be affected" through 12/31/2015 (the 1,419.9 figure indicates new coal acres bonded 1/1/2015 - 12/31/2015).
- ⁸ Phase III acres released 1/1/2015 - 12/31/2015.
- ⁹ 0 permit issued; 56 permits on IUL; 10 revisions approved; 5 permits pending.
- ¹⁰ Total permit acreage as of 12/31/2015 (324,091.43) minus total permit acreage as of 1/01/2015 (324,037.43) = 54.0 acres.
- ¹¹ 2,435.4 acres mined and 4,784.6 acres non-mined disturbed = 7,220.1 acres.
- ¹² Phase III bond release approval (may not have been removed from permitted acreage).
- ¹³ 32,507.38 reflects total reclaimed and currently permitted.
- ¹⁴ "Disturbed Acres - Total" means the total number of disturbed acres, including acreage disturbed and reclaimed but not yet receiving final bond release, associated with permits that as of 12/31/2015 were not final release or revoked.

Member State Permitting Data

PERMITS ISSUED AND ACRES OF LAND DISTURBED AND RECLAIMED
JANUARY 1 - DECEMBER 31, 2015 FOR NONCOAL SURFACE MINING

State/Enforcement Agency	# Permits Issued	# Acres Permitted	#Acres Disturbed	# Acres Reclaimed
Alabama Department of Labor ¹	354	13,133	20,000	190
Alaska Dept. of Natural Resources, Division of Mining, Land and Water	2	1	1	248
Arkansas Dept. of Environmental Quality	258	25,787.223	9,727.9	852.79
Colorado Division of Reclamation, Mining and Safety, Minerals Program	30 (new); 1,607 (total)	1,257 (new) 187,581.00 (total)	111,790 (total)	1,292.5 (new in 2015)
Illinois Dept. of Natural Resources, Mine Safety & Training Div., Blasting and Explosives Unit	15	472	595.84	954.7
Indiana Dept. of Natural Resources, Division of Reclamation	6	569.2	15.0	9.6
Kentucky Dept. for Natural Resources, Division of Mine Reclamation and Enforcement	79 ²	534.31 (2015); 48,216.12 (total)	22,572.56	2,739.30
Maryland Minerals, Oil & Gas Division ³	87	2,938.41	14,144.07	5,268.26
Mississippi Dept. of Environmental Quality	25	636.76	N/A	1,246
Missouri Department of Natural Resources, Land Reclamation Program	330 (permits); 834 (sites) ⁴	35,072	35,072	524
New Mexico Energy, Minerals and Natural Resources Dept., Mining Act Reclamation Prog. ⁵	23	10	117	31
New York State Dept. of Environmental Conservation, Div. of Mineral Resources	29 (new in 2015); 1,929 (total active)	149,070 (total) ⁶	61,149 (total) ⁶	826 (2015); 36,560 (total) ⁶
North Carolina Dept. of Environment & Natural Resources	823	75,496	46,229	287
Ohio Dept. of Natural Resources, Division of Mineral Resources Management	22	1,036	913.9 ⁷	512.5 ⁸
Oklahoma Dept. of Mines	⁹	142,421	57,287	2,053.31
Pennsylvania Dept. of Environmental Protection	52	2,137	1,195	466
South Carolina Dept. of Health and Environmental Control	26	1,922.8	954.3	228.9
Tennessee Department of Environment and Conservation, Mining Unit	21	5,189	3,892	38
Utah Division of Oil, Gas and Mining	14 (new); 600 (total)	324 (new); 66,434 (total)	324 (new); 66,434 (total)	324
Virginia Dept. of Mines, Minerals and Energy, Division of Mineral Mining	28 (total); 9 (new); 19 (transfers)	44,098.6	23,139.9	1,620.0
West Virginia Dept. of Environmental Protection, Division of Mining and Reclamation	2	177 (new); 12,382 (total)	5,924 (total) ¹⁰	423
Wyoming Dept. of Environmental Quality, Land Quality Division	6	8,650 (new)	N/A	N/A

See footnotes on following page...

¹ Limestone, dolomite, or marble are not included. They are exempt from regulation

² These numbers reflect all the permitting activity that occurred in CY 2015. However a great deal of this permitting activity occurred on existing permits. On the noncoal sites 7 (8.8%) were newly permitted operations.

³ Acres permitted reflects number of acres for which bond was posted during the reporting period. Acres disturbed reflects number of actual disturbed acres that have not been approved for phase III release as of 12/31/2015. Acres reclaimed reflects number of acres for which phase III release was approved during the reporting period.

⁴ For noncoal permits, many sites can be on one permit, therefore the distinction between permits and sites.

⁵ The majority of permits issued represent Exploration (1) and General Permits (22). General Permits include recreational miners. Noncoal does not include sand and gravel operations. Acres reclaimed means regrading and seeding has occurred, not necessarily bond release. The numbers shown are for permitting and mining/reclamation activity taking place during CY 2015. These numbers do not represent cumulative acreage.

⁶ Total statewide acreage figures since New York State Mined Land Reclamation Law enacted in 1975.

⁷ Noncoal mineral acres bonded 1/1/2015 - 12/31/2015.

⁸ IM-7 acres released 1/1/2015 - 12/31/2015.

⁹ 39 permits issued; 49 revisions; 12 transfers; 45 limited use permits issued; 737 permits on TUL.

¹⁰ "Disturbed Acres – Total" means the total number of disturbed acres, including acreage disturbed and reclaimed but not yet receiving final bond release, associated with permits that as of 12/31/2015 were not final release or revoked.

Member State Reclaimed Land Use Data

USE OF LAND FOLLOWING RECLAMATION (PERCENT)
JANUARY 1 - DECEMBER 31, 2015 FOR COAL SURFACE MINING

State	Pasture	Wildlife	Forest	Commercial	Other
Alabama ¹	0	4	0	2	96
Alaska	0	100	0	0	0
Illinois	5	6	0	2	85 (crop)
Indiana	7 (94.1 acres)	9 (124.1 acres)	29 (418.4 acres)	1 (15.2 acres)	55 ² (786.4 acres)
Kentucky	32	47	17.5	1.6	1.9
Louisiana	49	0	49	0	2
Maryland	62	0	31	0	7
Mississippi	0	0	0	0	20
Missouri	56	17	0	1	26
North Dakota	34	3	1	6	56 (cropland)
Ohio	91.5	1.7	0	0.6	6.2
Oklahoma	96	1	0	1	2
Pennsylvania ³	30	5	50	2	13
Texas	2,867.8 acres	1,280.4 acres	392.0 acres	505.0 acres	375.5 acres (water); 3.8 acres (undeveloped)
Utah	0	0	0	0	100 (grazing & wildlife habitat) ⁴
Virginia	19.27 (629.36 acres)	3.71 (118.53 acres)	52.73 (1,683.06 acres)	5.79 ⁵ (184.96 acres) (indus./commercial)	18.05 ⁶ (575.88 acres)
West Virginia	12.5	8	38	12.5	29 ⁷
Wyoming	0	0	0	0	95 ⁸

¹ Land use percentages based on the 1624 acres Phase III bond released in 2015

² For coal, "Other" includes: 37.1% (533.2 acres) cropland; 14.8% (213.0 acres) water; 1.2% (17.7 acres) other; 1.1% (16.3 acres) roads; and < 1% (6.2 acres) residential.

³ Land use percentages are estimates based on observations.

⁴ This reflects the total permitted acres of all mines at the end of 2015.

⁵ Industrial/commercial includes - 0.10 acres commercial; 164.89 acres industrial - gas wells; and 19.97 acres industrial manufacturing.

⁶ "Other" includes: 552.37 acres public roads, buildings and facilities.

⁷ "Other" includes: of the 29% "other", 71% is combined use (i.e. two or more land uses on one permit) with the remaining 29% being a category other than listed above.

⁸ The other 5% includes a mix of commercial, agricultural, and pasture.

Member State Reclaimed Land Use Data

USE OF LAND FOLLOWING RECLAMATION (PERCENT)
 JANUARY 1 - DECEMBER 31, 2015 FOR NONCOAL SURFACE MINING

State	Pasture	Wildlife	Forest	Commercial	Other
Alabama	35	30	30	5	0
Alaska	0	100	0	0	0
Arkansas	101.5 acres	10 acres	395.29 acres	193 acres	153 acres
Illinois	27	1	32	20	20 (crop)
Indiana	0	100 (9.6 acres)	0	0	0
Kentucky	42	4	12	7	35
Maryland	60	10	5	20	0
Missouri	10	12	0	74	4
New Mexico ¹	0	100	0	0	0
New York	0	70.4	1.1	0.6	27.9 ²
Ohio ³	26.9	12.1	0	2.5	58.5
Oklahoma	95	0	0	4	1
Pennsylvania ⁴	10	5	10	15	60
South Carolina	40 (91.6 acres)	0	1.3 (3.0 acres)	0.3 (0.7 acres)	58.4 (133.6 acres) (lakes/ponds)
Tennessee	100	0	0	0	0
Utah	0	100	0	0	0
Virginia	76.8 (1,243.9 acres)	14.8 (240 acres)	6.8 (111.15 acres)	1.6 (24.95 acres)	0
Wyoming	0	0	0	0	95 ⁵

¹ The percentages for Use of Land Following Reclamation are for mined lands reclaimed in 2015.

² Includes 10.9% agricultural farmland and 17% wetland/lake.

³ Post-mining landuse on noncoal mineral sites was tracked and reported for the period of 5/5/2015 through 12/31/2015. Subsequent year reports will reflect a full calendar year.

⁴ Land use percentages are estimates based on observations.

⁵ The other 5% includes a mix of commercial, agricultural, and pasture.

2015 Kenes C. Bowling Reclamation Award Winners

2015 Winners

The following companies were winners of the Compact's 2015 national reclamation awards and were presented with plaques at the 2015 awards banquet:

Coal Category Winner:

Harlan Reclamation Services, LLC – Right Fork Mine (Kentucky)

Noncoal Category Winner:

Luck Stone Company – Charlottesville Plant (Virginia)

2015 Honorable Mention Recipients:

Coal Category: *Paramont Coal Company Virginia, LLC – Red Onion Surface Mine (Permit #1101849) (Virginia)*

Noncoal Category: *Kinross Fairbanks Gold Mining, Inc. – True North Gold Mine (Alaska)*

2015 Minerals Education Award Winners

2015 Winners

The Compact's annual minerals education award was presented during the awards banquet held in conjunction with the 2015 Annual Meeting in Baltimore, Maryland. Annually, the mining educator awareness award is presented to a teacher or school from one of the Compact's member states. The winner receives an engraved plaque and a \$500 award to go toward teaching materials. The public outreach award is presented to an industry, environmental, citizen, or other group from one of the Compact's member states, or to a member state government body. The public outreach award winner is presented with an engraved plaque of recognition.

Mining Awareness Educator Category Winner:

Karen Swacker, 6th Grade Life Science & 7th Grade Earth Science Teacher, Rickover Junior High School (Illinois)

Public Outreach Category Winner:

McCaw School of Mines (Nevada)

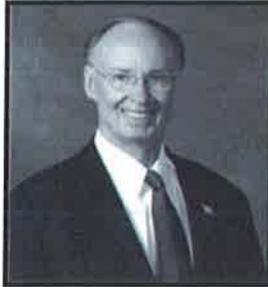
2015 Honorable Mention Recipients:

Public Outreach Category:

Alaska Resource Education (Alaska)

2015 IMCC Membership

Commissioners



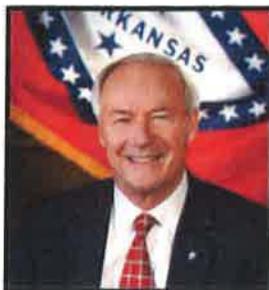
Governor
Robert J. Bentley

Alabama



Governor
Bill Walker

Alaska



Governor
Asa Hutchinson

Arkansas

Commissioner's Official Representative



Jonathan D. Bargainer Jr.
Deputy Chief of Staff for
Policy
Office of Governor Bentley

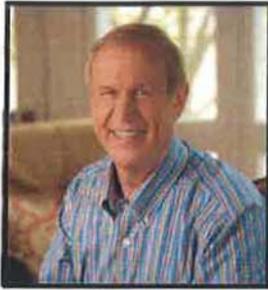


Ed Fogels
Deputy Commissioner
Department of Natural
Resources

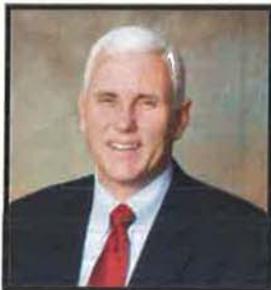


James F. Stephens
Chief
Surface Mining and
Reclamation Division
Department of
Environmental Quality

Commissioners



Governor
Bruce Rauner



Governor
Mike Pence



Governor
Steven L. Beshear

Illinois

**Commissioner's Official
Representative**



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Director
Department of Natural
Resources

Indiana



Chris Smith
Deputy Director
Department of Natural
Resources

Kentucky



Dr. Leonard K. Peters
Secretary
Environmental and Public
Protection Cabinet

Commissioners

Commissioner's Official Representative



Governor
Bobby Jindal

Louisiana



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Vacant



Governor
Lawrence J. Hogan, Jr.

Maryland



C. Edmon Larrimore
Program Manager
Department of the
Environment, Mining
Program



Governor
Phil Bryant

Mississippi



James L. Matheny
Director
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Division, Office of
Geology

Commissioner



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Missouri

**Commissioner's Official
Representative**



Sara Parker Pauley
Director
Department of Natural
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Governor
Andrew M. Cuomo

New York



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North Carolina



George Howard
Co-Founder/CEO
Restoration Systems, LLC.

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Director
Reclamation Division
Public Service Commission



Jim Zehringer
Director
Department of Natural
Resources



Vacant

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Deputy Secretary
Active and Abandoned
Mine Operations

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South Carolina Mining
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Railroad Commission of
Texas

Utah



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Mining

Virginia



Butch Lambert
Deputy Director
Department of Mines,
Minerals and Energy

Commissioner



Governor
Earl Ray Tomblin

West Virginia

**Commissioner's Official
Representative**



Randy Huffman
Cabinet Secretary
Department of
Environmental Protection

2014 IMCC Associate Member States

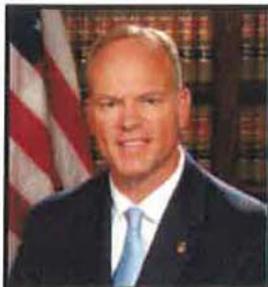
Commissioners



Governor
John Hickenlooper



Governor
Susana Martinez



Governor
Matt Mead

Colorado

New Mexico

Wyoming

Commissioner's Official Representatives



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Division of Reclamation,
Mining & Safety



Fernando Martinez
Director
Division of Mining and
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Todd Parfitt
Director
Department of
Environmental Quality

2016 Commissioners and Their Representatives

2016 Commissioners

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Alaska

Governor Bill Walker – Vice Chairman

Utah

Governor Gary R. Herbert – Treasurer

Alabama

Governor Robert J. Bentley

Arkansas

Governor Asa Hutchinson

Illinois

Governor Bruce Rauner

Indiana

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Department of
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Allen Luttrell
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Natural Resources

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New Mexico

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and Minerals

New York

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Ryan Sitton
Commissioner, Railroad
Commission of Texas

Utah

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Deputy Director, Department of
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Randy Huffman
Cabinet Secretary, Department
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Associate Member State

Colorado

Virginia (Ginny) Brannon
Director, Division of
Reclamation, Mining & Safety



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**Serving the States
In the 21st Century:
Strategies for Action**

Revised 2017

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***WHAT IS THE INTERSTATE MINING
COMPACT COMMISSION?***

The Interstate Mining Compact Commission (IMCC) is a multi-state governmental organization representing the natural resource and environmental protection interests of its member states. The Compact was established in April of 1971 following eight years of discussion and developmental action by a group of interested mining states under the auspices of the Southern Governors Conference. The Compact presently consists of 24 member states and 2 associate member states with representation from throughout the country, all of whom have significant interests in the mining of both coal and noncoal minerals.

Participation in the Compact is gained through the enactment of legislation by the states authorizing their entry into the Compact. The states are represented by their respective Governors who serve as Commissioners. The Compact acts through several committees that have responsibility for particular subject matter or policy areas including: Environmental Affairs, Mine Safety and Health, Abandoned Mine Lands, Resolutions and Finance. The Governors are represented on these committees by duly appointed delegates from their respective states.

The Compact's purposes are to advance the protection and restoration of land, water and other resources affected by mining through the encouragement of programs in each of the party states that will achieve comparable results in protecting, conserving and improving the usefulness of natural resources and to assist in achieving and maintaining an efficient, productive and economically viable mining industry.

Among the Compact's powers are the study of mining operations, processes and techniques; the study of conservation, adaptation, improvement and restoration of land and related resources affected by mining; the gathering and dissemination of information; making recommendations; and cooperating with the federal government and any public or private entities having an interest in any subject within the purview of the Compact.

The IMCC was founded on the premise that the mining industry is one of the most basic and important to the Nation. Our manufacturing activities, transportation systems, and the comfort of our homes depend on the products of mining. At the same time, it is essential that an appropriate balance be struck between the need for minerals and the

protection of the environment. We recognize that individual states have the power to establish and maintain programs of land and other resource development, restoration and regulation appropriate to cope with the surface effects of mining. The IMCC would not shift responsibility for such programs. On the other hand, our member states believe a united position in dealing with the federal government affords us a decided advantage. Our commission feels strongly that the collective voice of many is important in our efforts to preserve and advocate the regulatory and policy role of the states in the mining arena.

The IMCC provides several meaningful and critical benefits and services that greatly assist the states in their efforts to promote development of their abundant mineral resources while assuring adequate protection of the environment. In particular, the Compact provides opportunities and forums for interstate action and communication on issues of concern to member states. The Compact is actively engaged in a variety of state/federal partnerships and programs under the auspices of such statutes as the Surface Mining Control and Reclamation Act (SMCRA), the Mine Safety and Health Act, the Resource Conservation and Recovery Act (RCRA), the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Endangered Species Act (ESA), the Federal Water Pollution Control Act and the Federal Land Policy and Management Act (FLPMA). On the coal side, the IMCC deals extensively with the federal Office of Surface Mining (OSM) on such issues as state program grants under Titles IV and V of SMCRA, administration of the Abandoned Mine Land (AML) program, significant OSM rulemakings, and federal oversight of state regulatory programs. We work extensively with the U.S. Environmental Protection Agency (EPA) on such matters as mine placement of coal combustion wastes under subtitle D of the Resource Conservation and Recovery Act (RCRA), financial responsibility requirements under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), and water quality requirements associated with active mining and re-mining operations. We also interact with the Bureau of Land Management on federal coal leasing issues and with the U.S. Fish and Wildlife Service on endangered species matters.

The Compact also is active in recognizing the accomplishments of the industry that we regulate. Each year, the Compact presents a national reclamation award in both the coal and non-coal categories. We believe such a program highlights the positive work that the industry and the states together are doing in the way of environmental protection.

IMCC=s Education Work Group has published a nationally recognized educational poster regarding mine land reclamation and

conducted several teacher training workshops. IMCC also presents annual Mineral Education Awards in the mineral educator awareness and public outreach categories to recognize the valuable work being accomplished by teachers and others to advance the knowledge of the public concerning the importance of minerals to our society.

Over the years the IMCC has become an organization of national scope serving as the spokesperson for the mining states in Washington, D.C. It strives to effectively represent the interests of the mining states in their dealings with Capitol Hill and the executive agencies in an effort to articulate the concerns and recommendations of the states in their role as primary regulators of mining activities within their borders.

INTRODUCTION

During 1995, as the IMCC reflected upon 25 years of progress and anticipated the next generation of service to the states, the Commission formulated a strategic plan to carry it into the 21st century. Following an examination of the nature, functions and activities of the organization, the Commission identified the critical issues or areas that should be the focus of the IMCC in the future, based on an updated and enhanced vision statement and set of goals. The Commission also found that the basic purposes and functions of the IMCC, as set forth in its governing document (the ACompact@), continue to be sound and effective.

This strategic plan was updated and revised by the Interstate Mining Compact Commission (IMCC) at its annual meeting in Williamsburg, Virginia on April 5, 2017.

VISION

The Interstate Mining Compact Commission will be an advocate for the member states and will serve the states through information exchange, effective communication, benchmarking initiatives, liaison with the federal government and others, and educational outreach in an effort to assist the states in fulfilling the dual responsibilities of assuring development of their abundant and strategically important natural resources while protecting and improving the environment.

GOAL:

The Interstate Mining Compact Commission (IMCC) will improve methods for communication with and information exchange among the member states (and state government organizations) to enhance state regulatory program implementation.

OBJECTIVE:

To increase the communication between the IMCC and member states and provide updated information on issues that may impact state programs.

STRATEGIES FOR ACTION:

- The IMCC staff will continue to publish e-newsletters at least annually and at other times when information needs to be distributed to meet the needs of member states.
- The IMCC staff will distribute minutes of all commission and standing committee meetings.
- The IMCC staff will distribute e-memos on a regular basis regarding topics of interest and concern to the member states.
- The IMCC staff will pursue development of an e-alerts/issue tracking system to be included on the IMCC website or sent electronically.

- The IMCC will host benchmarking workshops and roundtable discussions as well as national and regional state forums, that will focus on local, regional, and national topics of interest or concern to the member states.
 - The IMCC staff will design a new website using any resources available. The website will be updated on a regular basis to contain the most current information.
 - The IMCC staff will coordinate conference calls as necessary to brief member states and seek input on critical, time-sensitive issues.
 - The IMCC staff will coordinate special studies on topics of interest identified by the member states. Results of the studies will be distributed to member states electronically, at workshops, or at annual meetings.
 - The IMCC staff will publish the annual report of the Compact.
 - Pursue opportunities to advance the goals and objectives of the Compact by establishing partnerships and coordinating activities with like-minded state government organizations, including the National Association of Abandoned Mine Land Programs; the Western Governors' Association; the National Association of State Mine Inspection Agencies; the American Association of State Geologists; the Association of State and Territorial Solid Waste Management Officials; the Environmental Council of the States; the National Association of State Land Reclamationists; and the National Governors Association.
-

MEASURES:

The IMCC measurement of these strategies will include:

- Number of communications distributed, including at least two e-newsletters and six e-memos each year.
 - Track and report on partnerships maintained or entered into with other agencies/organizations.
 - Track participation by member states in meetings and conference calls.
 - Hold at least two interactive workshops or roundtables each year (e.g. benchmarking or regional).
-

GOAL:

The Interstate Mining Compact Commission (IMCC) will enhance relationships with federal government agencies and Congress to effectively communicate state positions on key issues and to foster partnerships.

OBJECTIVE:

Provide for a continued exchange of information between the IMCC and federal agencies and Congress.

STRATEGIES FOR ACTION:

- IMCC staff will communicate regularly with congressional staff from the committees of jurisdiction (House Natural Resources; Senate Energy and Natural Resources) and the Appropriations Committees in the House and Senate, ideally with IMCC member state representatives to discuss issues of concern.

- Meet regularly with appropriate agencies such as the Mine Safety and Health Administration, the U.S. Department of the Interior and/or its various bureaus, the Environmental Protection Agency, and the U.S. Army Corps of Engineers to discuss issues of concern to the member states, ideally with IMCC member state representatives.
-

MEASURES:

- Number of contacts and types made with congressional staff (including at least two meetings/briefings).
 - Number of contacts and types made with other federal agencies (including at least two meetings).
 - Executive Director will report on number of resolutions and/or position papers developed on emerging issues and legislation to key state and federal decision-makers in advance of congressional or federal agency actions/initiatives.
-

GOAL:

The Interstate Mining Compact Commission will advance the organizational, institutional, financial and administrative integrity of IMCC, pursue additional member states and retain existing member states.

OBJECTIVE:

The IMCC staff will continue to promote and advance the IMCC organizational structure.

STRATEGIES FOR ACTION:

- IMCC staff will develop and distribute informational packages about the IMCC for potential new member states.
- IMCC staff will meet with potential new member states. Meetings will be followed up with phone calls and e-mails.
- The IMCC staff will meet with each associate member state annually to discuss Compact legislation for bringing the state into the Compact as a full member. Staff will perform all necessary follow up research and information to facilitate membership.
- Conduct annual audit and distribute to the Finance and Administrative Committee to review financial condition, compensation, and benefits programs before presenting to member states.
- Pursue opportunities to leverage funding from federal government sources to support Compact goals and objectives and advance state regulatory programs and state/federal partnerships.
- The IMCC staff will develop and distribute a survey to the member states every two years and distribute results.

MEASURES:

- Report on types and amount of funding obtained.
 - Perform a survey of member states every two years and distribute results.
 - Strive to add at least one new member state every five years.
 - Meet with IMCC Finance and Administrative Committee at least two times in person, via e-mail, or via conference call per year.
-

Interstate Mining Compact Commission

Financial Statements
and Independent Auditors' Report

June 30, 2015

Interstate Mining Compact Commission

Financial Statements
June 30, 2015

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INDEPENDENT AUDITORS' REPORT

To the Commissioners of
Interstate Mining Compact Commission

We have audited the accompanying financial statements of the Interstate Mining Compact Commission ("the Commission"), which comprise the statement of financial position as of June 30, 2015, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 11-12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "ROGERS + COMPANY PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia
October 19, 2015

Interstate Mining Compact Commission

Statement of Financial Position
June 30, 2015

Assets	
Cash	\$ 145,883
Certificates of deposit	400,000
Interest receivable	6,175
Prepaid expenses and deposits	9,749
Property and equipment, net	<u>2,153</u>
Total assets	<u>\$ 563,960</u>
Liabilities and Net Assets	
Liabilities	
Accrued vacation	\$ 53,434
Deferred revenue	<u>14,090</u>
Total liabilities	<u>67,524</u>
Net Assets	
Unrestricted	<u>496,436</u>
Total net assets	<u>496,436</u>
Total liabilities and net assets	<u>\$ 563,960</u>

See accompanying notes.

Interstate Mining Compact Commission

Statement of Activities
For the Year Ended June 30, 2015

Unrestricted Revenue and Support	
Assessments	\$ 619,124
Government grants and contracts	15,000
Conferences and meetings	22,360
Interest income	5,011
Other income	193
	<hr/>
Total unrestricted revenue and support	661,688
	<hr/>
Expenses	
Government programs	15,000
Administrative and general	651,573
	<hr/>
Total expenses	666,573
	<hr/>
Change in Net Assets	(4,885)
Net Assets, beginning of year	501,321
	<hr/>
Net Assets, end of year	<u>\$ 496,436</u>

See accompanying notes.

Interstate Mining Compact Commission

Statement of Cash Flows
For the Year Ended June 30, 2015

Cash Flows from Operating Activities	
Change in net assets	\$ (4,885)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	967
Allowance on accounts receivable	11,979
Change in operating assets and liabilities:	
Increase in interest receivable	(142)
Increase in prepaid expenses and deposits	(3,111)
Increase in accrued vacation	3,144
Decrease in deferred revenue	<u>(49)</u>
Net cash provided by operating activities	<u>7,903</u>
Cash Flows from Investing Activities	
Purchase of property and equipment	<u>(1,332)</u>
Net cash used in investing activities	<u>(1,332)</u>
Net Increase in Cash	6,571
Cash, beginning of year	<u>139,312</u>
Cash, end of year	<u><u>\$ 145,883</u></u>

See accompanying notes.

Interstate Mining Compact Commission

Notes to Financial Statements
June 30, 2015

1. Nature of Operations

The Interstate Mining Compact Commission (“the Commission”) is a multi-state member organization that represents the natural resource interests of its member states. First envisioned in 1964, the Commission came into existence in 1970 with the entry of its first four states. The Commission established its first headquarters in the Commonwealth of Kentucky in February 1972, and then later relocated its headquarters to the Commonwealth of Virginia in August 1988. The Commission serves as a forum for interstate action and communication on issues of concern to the member states. Its mission includes stimulating the development and production of each state’s mineral wealth with corresponding protection of the environment through effective regulatory programs that draw many of the states together in the prosecution of the Commission’s work.

2. Summary of Significant Accounting Policies

Basis of Accounting

For accounting purposes, the Commission possesses qualities in varying degrees of a not-for-profit, charitable membership organization, as defined in the American Institute of Certified Public Accountants’ *“Audit and Accounting Guide for Not-for-Profit Organizations.”* Accordingly, the accompanying financial statements are presented utilizing generally accepted accounting principles for not-for-profit organizations.

Classification of Net Assets

The Commission follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 *Not-for-Profit Entities*. Net assets are classified based on the presence or absence of donor-imposed restrictions. At June 30, 2015, all of the Commission’s net assets were unrestricted and represent funds that are available for support of operations.

Certificates of Deposit

At June 30, 2015, the Commission held certificates of deposit with original maturity dates greater than a period of ninety days that are carried at amortized cost. Certificates of deposit totaled \$400,000 at June 30, 2015. Interest earned on the certificates of deposit is included in interest income in the accompanying statement of activities. These certificates of deposit do not qualify as securities as defined in FASB ASC 320, *Investments – Debt and Equity Securities*. Therefore, these investments are not included in the fair value disclosures required by FASB ASC 820, *Fair Value Measurements and Disclosures*.

Interstate Mining Compact Commission

Notes to Financial Statements
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable for assessment dues are carried at original invoice amounts. The Commission provides an allowance for doubtful accounts using the allowance method, which is based on management's judgment considering historical information. Accounts are individually analyzed for collectability, and all balances outstanding for more than two years are 100% reserved. When all collection efforts have been exhausted, the accounts are written off against the related allowance. At June 30, 2015, a bad debt expense of \$11,979 was recognized and recorded as a credit to accounts receivable and a debit to bad debt expense. The total accumulated allowance for doubtful accounts at June 30, 2015 was \$71,754. The allowance consists of NY State assessment dues outstanding for the years 2009 through 2013.

Property and Equipment

Property and equipment with a projected useful life exceeding one year and in excess of \$500 are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from five to seven years.

Revenue Recognition

The Commission offers memberships to all qualifying states that express interest in the protection and restoration of land, water, and other resources affected by mining. Membership dues are based on a dues structure approved by the Commissioners and dues are recognized as revenue over the assessment period, which is on the Commission's fiscal year basis. Dues received that are applicable to the following year are recorded as deferred assessments. At June 30, 2015, there was \$14,090 of deferred assessments revenue.

Grants and contributions are recorded as revenue when received or promised. The Commission reports gifts of cash and other assets as temporarily restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to a certain purpose or to a future year. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets are reported as unrestricted net assets if the restrictions are met in the period received.

Revenue from other sources is recognized as earned.

Interstate Mining Compact Commission

Notes to Financial Statements
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of the Commission's activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs benefited. Administrative and general includes expenditures incurred to run core initiatives of the Commission and are funded primarily through assessments. Government programs represent programs funded exclusively through government grants and contracts.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

In preparing these financial statements, the Commission has evaluated events and transactions for potential recognition or disclosure through October 19, 2015, the date the financial statements were available to be issued.

3. Concentration of Credit Risk

Financial instruments that potentially subject the Commission to significant concentrations of credit risk consist of cash and certificates of deposit. The Commission maintains cash deposit and transaction accounts with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Depository Insurance Corporation (FDIC). The Commission has not experienced any credit losses on its cash and certificates of deposit to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Interstate Mining Compact Commission

Notes to Financial Statements
June 30, 2015

4. Property and Equipment

The Commission held the following property and equipment at June 30, 2015:

Furniture and fixtures	\$	27,990
Computers and equipment		<u>27,170</u>
Total property and equipment		55,160
Less: accumulated depreciation		<u>(53,007)</u>
Property and equipment, net	\$	<u>2,153</u>

5. Commitment

The Commission leases office space under an operating lease that contains restricted cancellation clauses. The lease was amended in October 2013 for an additional five years ending in April 2019. The amended lease provides for an annual rental increase of 5%; however, due to a termination clause stating that the lease can be terminated by either party with 90 days' notice before the end of each April, deferred rent is not calculated and recorded in the accompanying statement of financial position. Total rent expense for the year ended June 30, 2015 was \$38,592 and is reported as rent expense in the accompanying schedule of comparison of expenses and budget.

Future minimum lease payments are as follows for the years ending June 30:

2016	\$	39,750
2017		40,942
2018		42,170
2019		<u>36,016</u>
Total future minimum payments	\$	<u>158,878</u>

In December 2013, the Commission entered into an operating lease agreement for storage space to store office files and furniture. The lease runs on a month-to-month basis with a monthly payment of \$113.50.

Interstate Mining Compact Commission

Notes to Financial Statements
June 30, 2015

6. Government Grants and Contracts

The Commission has a contract with the National Association of Abandoned Mine Land Programs (NAAML P) to provide legislative and regulatory affairs consulting services to NAAML P. Expenses incurred under this contract were \$15,000 for the year ended June 30, 2015.

7. Retirement Plans

Effective January 1, 2009, the Commission adopted a new amended defined contribution retirement plan qualified under Section 403(b) of the Internal Revenue Code (IRC). All employees who meet certain age and employment requirements are eligible to participate in the plan. For the year ended June 30, 2015, the Commission made non-elective contributions equal to approximately 12% of compensation. The Commission made contributions to the plan totaling \$31,530 for the year ended June 30, 2015, which is included in employee benefits expense in the accompanying schedule of comparison of expenses and budget.

In addition, the Commission maintains a tax deferred annuity plan. Employees are eligible to participate in this plan immediately. The Commission makes no contributions to this plan.

8. Income Taxes

The Commission qualifies as a tax-exempt organization under Section 115(1) of the IRC. Accordingly, no provision for income tax is made. In addition, the Commission qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Commission had no significant uncertain tax positions for the year ended June 30, 2015.

SUPPLEMENTARY INFORMATION

Interstate Mining Compact Commission

Schedule of Assessments from Member States
For the Year Ended June 30, 2015

Member State:	<u>Assessments Received</u>	<u>Assessments Receivable</u>	<u>Assessments</u>
Alabama	\$ 26,317	\$ -	\$ 26,317
Arkansas	17,046	-	17,046
Illinois	29,767	-	29,767
Indiana	24,878	-	24,878
Kentucky	43,308	-	43,308
Louisiana	14,502	-	14,502
Maryland	14,095	-	14,095
Missouri	23,639	-	23,639
New York	16,718	71,754	88,472
North Carolina	17,069	-	17,069
North Dakota	15,637	-	15,637
Ohio	22,709	-	22,709
Oklahoma	16,096	-	16,096
Pennsylvania	36,921	-	36,921
South Carolina	14,811	-	14,811
Tennessee	17,029	-	17,029
Texas	33,382	-	33,382
Virginia	26,955	-	26,955
West Virginia	49,364	-	49,364
Alaska	28,277	-	28,277
Colorado	15,000	-	15,000
Nevada	5,000	-	5,000
New Mexico	22,000	-	22,000
Mississippi	13,339	-	13,339
Utah	30,265	-	30,265
Wyoming	45,000	-	45,000
Bad debt allowance (<i>NY state</i>)	-	(71,754)	(71,754)
Total assessments	<u>\$ 619,124</u>	<u>\$ -</u>	<u>\$ 619,124</u>

Interstate Mining Compact Commission

Schedule of Comparison of Expenses and Budget
For the Year Ended June 30, 2015

	Government Programs	Administrative and General	Totals	Budget	Variance Over (Under)
Salaries	\$ 15,000	\$ 387,181	\$ 402,181	\$ 398,500	\$ 3,681
Employee benefits	-	112,721	112,721	112,000	721
Rent	-	38,592	38,592	39,000	(408)
Conference and meetings	-	44,264	44,264	30,000	14,264
Travel	-	22,956	22,956	25,000	(2,044)
Legal	-	350	350	-	350
Publications	-	3,333	3,333	5,000	(1,667)
Telephone	-	6,883	6,883	10,000	(3,117)
Auditing	-	4,963	4,963	5,500	(537)
Postage	-	1,279	1,279	2,500	(1,221)
Equipment expenses	-	1,171	1,171	3,000	(1,829)
Office supplies	-	3,662	3,662	3,000	662
Other expenses	-	3,384	3,384	2,500	884
Insurance	-	4,977	4,977	5,500	(523)
Printing	-	581	581	2,000	(1,419)
Registration fees and subscriptions	-	933	933	1,500	(567)
Utilities	-	1,397	1,397	2,000	(603)
Depreciation	-	967	967	-	967
Bad debt	-	11,979	11,979	-	11,979
Total Expenses	\$ 15,000	\$ 651,573	\$ 666,573	\$ 647,000	\$ 19,573

Interstate Mining Compact Commission

Financial Statements
and Independent Auditors' Report

June 30, 2016

Interstate Mining Compact Commission

Financial Statements

June 30, 2016

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INDEPENDENT AUDITORS' REPORT

To the Commissioners of
Interstate Mining Compact Commission

We have audited the accompanying financial statements of the Interstate Mining Compact Commission ("the Commission"), which comprise the statement of financial position as of June 30, 2016, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 11-12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "ROGERS + COMPANY PLLC". The word "ROGERS" is written in a stylized, cursive font, followed by a plus sign and the words "COMPANY PLLC" in a more standard, slightly cursive font.

Vienna, Virginia
August 15, 2016

Interstate Mining Compact Commission

Statement of Financial Position
June 30, 2016

Assets	
Cash	\$ 51,837
Certificates of deposit	400,000
Interest receivable	6,126
Prepaid expenses and deposits	10,044
Property and equipment, net	<u>10,109</u>
Total assets	<u><u>\$ 478,116</u></u>
Liabilities and Net Assets	
Liabilities	
Accrued vacation	\$ 54,503
Deferred revenue	<u>60,825</u>
Total liabilities	<u>115,328</u>
Net Assets	
Unrestricted	<u>362,788</u>
Total net assets	<u>362,788</u>
Total liabilities and net assets	<u><u>\$ 478,116</u></u>

See accompanying notes.

Interstate Mining Compact Commission

Statement of Activities
For the Year Ended June 30, 2016

Unrestricted Revenue and Support	
Assessments	\$ 630,257
Government grants and contracts	20,000
Conferences and meetings	34,547
Interest income	<u>3,958</u>
Total unrestricted revenue and support	<u>688,762</u>
Expenses	
Government programs	20,000
Administrative and general	<u>802,410</u>
Total expenses	<u>822,410</u>
Change in Net Assets	(133,648)
Net Assets, beginning of year	<u>496,436</u>
Net Assets, end of year	<u><u>\$ 362,788</u></u>

See accompanying notes.

Interstate Mining Compact Commission

Statement of Cash Flows For the Year Ended June 30, 2016

Cash Flows from Operating Activities	
Change in net assets	\$ (133,648)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	1,022
Change in operating assets and liabilities:	
Decrease in interest receivable	49
Increase in prepaid expenses and deposits	(295)
Increase in accrued vacation	1,069
Increase in deferred revenue	46,735
	<hr/>
Net cash used in operating activities	(85,068)
Cash Flows from Investing Activity	
Purchase of property and equipment	(8,978)
	<hr/>
Net cash used in investing activity	(8,978)
	<hr/>
Net Decrease in Cash	(94,046)
Cash, beginning of year	145,883
	<hr/>
Cash, end of year	<u>\$ 51,837</u>

See accompanying notes.

Interstate Mining Compact Commission

Notes to Financial Statements
June 30, 2016

1. Nature of Operations

The Interstate Mining Compact Commission (“the Commission”) is a multi-state member organization that represents the natural resource interests of its member states. First envisioned in 1964, the Commission came into existence in 1970 with the entry of its first four states. The Commission established its first headquarters in the Commonwealth of Kentucky in February 1972, and then later relocated its headquarters to the Commonwealth of Virginia in August 1988. The Commission serves as a forum for interstate action and communication on issues of concern to the member states. Its mission includes stimulating the development and production of each state’s mineral wealth with corresponding protection of the environment through effective regulatory programs that draw many of the states together in the prosecution of the Commission’s work.

2. Summary of Significant Accounting Policies

Basis of Accounting

For accounting purposes, the Commission possesses qualities in varying degrees of a not-for-profit, charitable membership organization, as defined in the American Institute of Certified Public Accountants’ *“Audit and Accounting Guide for Not-for-Profit Organizations.”* Accordingly, the accompanying financial statements are presented utilizing generally accepted accounting principles for not-for-profit organizations.

Classification of Net Assets

The Commission follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 *Not-for-Profit Entities*. Net assets are classified based on the presence or absence of donor-imposed restrictions. At June 30, 2016, all of the Commission’s net assets were unrestricted and represent funds that are available for support of operations.

Certificates of Deposit

At June 30, 2016, the Commission held certificates of deposit with original maturity dates greater than a period of ninety days that are carried at amortized cost. Certificates of deposit totaled \$400,000 at June 30, 2016. Interest earned on the certificates of deposit is included in interest income in the accompanying statement of activities. These certificates of deposit do not qualify as securities as defined in FASB ASC 320, *Investments – Debt and Equity Securities*. Therefore, these investments are not included in the fair value disclosures required by FASB ASC 820, *Fair Value Measurements and Disclosures*.

Interstate Mining Compact Commission

Notes to Financial Statements
June 30, 2016

2. Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable for assessment dues are carried at original invoice amounts. The Commission provides an allowance for doubtful accounts using the allowance method, which is based on management's judgment considering historical information. Accounts are individually analyzed for collectability, and all balances outstanding for more than two years are 100% reserved. When all collection efforts have been exhausted, the accounts are written off against the related allowance. There was no accumulated allowance for doubtful accounts at June 30, 2016.

Property and Equipment

Property and equipment with a projected useful life exceeding one year and in excess of \$500 are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from five to seven years.

Revenue Recognition

The Commission offers memberships to all qualifying states that express interest in the protection and restoration of land, water, and other resources affected by mining. Membership dues are based on a dues structure approved by the Commissioners and dues are recognized as revenue over the assessment period, which is on the Commission's fiscal year basis. Dues received that are applicable to the following year are recorded as deferred assessments. At June 30, 2016, there was \$60,825 of deferred assessments revenue.

Grants are recorded as revenue when received or promised. The Commission reports gifts of cash and other assets as temporarily restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to a certain purpose or to a future year. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets are reported as unrestricted net assets if the restrictions are met in the period received.

Revenue from other sources is recognized as earned.

Interstate Mining Compact Commission

Notes to Financial Statements
June 30, 2016

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of the Commission's activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs benefited. Administrative and general includes expenditures incurred to run core initiatives of the Commission and are funded primarily through assessments. Government programs represent programs funded exclusively through government grants and contracts.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

In preparing these financial statements, the Commission has evaluated events and transactions for potential recognition or disclosure through August 15, 2016, the date the financial statements were available to be issued.

3. Concentration of Credit Risk

Financial instruments that potentially subject the Commission to significant concentrations of credit risk consist of cash and certificates of deposit. The Commission maintains cash deposit and transaction accounts with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Depository Insurance Corporation (FDIC). The Commission has not experienced any credit losses on its cash and certificates of deposit to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Interstate Mining Compact Commission

Notes to Financial Statements
June 30, 2016

4. Property and Equipment

The Commission held the following property and equipment at June 30, 2016:

Furniture and fixtures	\$	27,990
Computers and equipment		<u>36,148</u>
Total property and equipment		64,138
Less: accumulated depreciation		<u>(54,029)</u>
Property and equipment, net	\$	<u><u>10,109</u></u>

5. Commitment

The Commission leases office space under an operating lease that contains restricted cancellation clauses. The lease was amended in October 2013 for an additional five years ending in April 2019. The amended lease provides for an annual rental increase of 5%; however, due to a termination clause stating that the lease can be terminated by either party with 90 days' notice before the end of each April, deferred rent is not calculated and recorded in the accompanying statement of financial position. Total rent expense for the year ended June 30, 2016 was \$41,284 and is reported as rent expense in the accompanying schedule of comparison of expenses and budget.

Future minimum lease payments are as follows for the years ending June 30:

2017	\$	40,942
2018		42,170
2019		<u>36,016</u>
Total future minimum payments	\$	<u><u>119,128</u></u>

In December 2013, the Commission entered into an operating lease agreement for storage space to store office files and furniture. The lease runs on a month-to-month basis with a monthly payment of \$131.50. Subsequent to year-end, the monthly payment increased to \$147.50.

Interstate Mining Compact Commission

Notes to Financial Statements
June 30, 2016

6. Government Grants and Contracts

The Commission has a contract with the National Association of Abandoned Mine Land Programs (NAAML) to provide legislative and regulatory affairs consulting services to NAAML. Expenses incurred under this contract were \$20,000 for the year ended June 30, 2016.

7. Retirement Plans

Effective January 1, 2009, the Commission adopted a new amended defined contribution retirement plan qualified under Section 403(b) of the Internal Revenue Code (IRC). All employees who meet certain age and employment requirements are eligible to participate in the plan. For the year ended June 30, 2016, the Commission made non-elective contributions equal to approximately 12% of compensation. The Commission made contributions to the plan totaling \$43,995 for the year ended June 30, 2016, which is included in employee benefits expense in the accompanying schedule of comparison of expenses and budget.

In addition, the Commission maintains a tax-deferred annuity plan. Employees are eligible to participate in this plan immediately. The Commission makes no contributions to this plan.

8. Income Taxes

The Commission qualifies as a tax-exempt organization under IRC Section 115(1). Accordingly, no provision for income tax is made. In addition, the Commission qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Commission had no significant uncertain tax positions for the year ended June 30, 2016.

SUPPLEMENTARY INFORMATION

Interstate Mining Compact Commission

Schedule of Assessments from Member States
For the Year Ended June 30, 2016

	<u>Assessments Received</u>	<u>Assessments Receivable</u>	<u>Assessments</u>
Member State:			
Alabama	\$ 26,528	\$ -	\$ 26,528
Alaska	28,180	-	28,180
Arkansas	17,170	-	17,170
Colorado	26,571	-	26,571
Illinois	29,946	-	29,946
Indiana	24,855	-	24,855
Kentucky	37,356	-	37,356
Louisiana	15,366	-	15,366
Maryland	14,289	-	14,289
Mississippi	13,864	-	13,864
Missouri	23,540	-	23,540
New Mexico	22,992	-	22,992
New York	18,637	-	18,637
North Carolina	18,287	-	18,287
North Dakota	15,829	-	15,829
Ohio	23,021	-	23,021
Oklahoma	16,145	-	16,145
Pennsylvania	34,783	-	34,783
South Carolina	15,183	-	15,183
Tennessee	17,676	-	17,676
Texas	34,823	-	34,823
Utah	33,577	-	33,577
Virginia	24,344	-	24,344
West Virginia	50,560	-	50,560
Wyoming	46,735	-	46,735
	<u>630,257</u>	<u>-</u>	<u>630,257</u>
Total assessments	\$ 630,257	\$ -	\$ 630,257

Interstate Mining Compact Commission

Schedule of Comparison of Expenses and Budget
For the Year Ended June 30, 2016

	Government Programs	Administrative and General	Totals	Budget	Variance Over (Under)
Salaries	\$ 20,000	\$ 396,199	\$ 416,199	\$ 415,000	\$ 1,199
Employee benefits	-	116,828	116,828	115,000	1,828
Rent	-	41,284	41,284	41,500	(216)
Conference and meetings	-	47,698	47,698	31,000	16,698
Travel	-	28,252	28,252	25,000	3,252
Legal	-	133,152	133,152	-	133,152
Publications	-	3,358	3,358	5,000	(1,642)
Telephone	-	9,182	9,182	8,000	1,182
Auditing	-	5,113	5,113	5,500	(387)
Postage	-	1,329	1,329	2,000	(671)
Equipment expenses	-	1,533	1,533	1,500	33
Office supplies	-	4,186	4,186	3,500	686
Other expenses	-	3,610	3,610	2,000	1,610
Insurance	-	4,413	4,413	6,000	(1,587)
Printing	-	1,817	1,817	1,000	817
Registration fees and subscriptions	-	2,305	2,305	1,000	1,305
Utilities	-	1,129	1,129	2,000	(871)
Depreciation	-	1,022	1,022	-	1,022
Total Expenses	\$ 20,000	\$ 802,410	\$ 822,410	\$ 665,000	\$ 157,410