

**OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT
ANNUAL EVALUATION REPORT**

on the

HOPI ABANDONED MINE LAND RECLAMATION PROGRAM

Evaluation Year – 2009

(July 1, 2008 through June 30, 2009)



Photo: Lower First Mesa
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INTRODUCTION

This annual evaluation report is produced by the Office of Surface Mining (OSM) in fulfillment of its statutory responsibility under the Surface Mining Control and Reclamation Act of 1977, (SMCRA). The purpose of this report is to annually assess the effectiveness and report on the accomplishments of the Hopi Abandoned Mine Lands Reclamation Program (Hopi AML Program). The annual report consists of OSM's oversight findings based on field inspections, data provided by the Hopi, and based upon meetings with the Hopi AML Program during the 12-month evaluation period beginning July 1, 2008 and ending June 30, 2009.

The OSM has responsibility under SMCRA for approving State and Tribal Abandoned Mine Land Programs, to carry out the goals of Title IV of SMCRA. The primary goal of Abandoned Mine Land Programs is to mitigate the effects of past coal mining, by reclaiming abandoned mines. The primary emphasis is placed on correcting the most serious problems endangering public health, safety, general welfare, and property. Once this is accomplished, secondary emphasis is placed on the remediation of mining related impacts to impacted communities. This remediation is accomplished through the funding of public facility or infrastructure projects.

On behalf of the Secretary of the Department of the Interior, OSM administers the Abandoned Mine Reclamation Fund by awarding grants to States and Tribes, to cover the administration and reclamation costs of running their Programs. The OSM Western Regional Center's (WRC) Albuquerque Area Office (AAO) provides assistance to the Program and, through oversight, annually monitors the Hopi AML Program's performance.

PART I GENERAL INFORMATION

Program History:

The Hopi inhabit twelve villages and one community on the Hopi Reservation. Under its 1936 Constitution and By-Laws, the Hopi Tribe consists of a Union of 12 self-governing Villages or Communities.

- June 28, 1988 - OSM approved the Hopi AML Program. The Hopi AML Program did not apply for an Emergency AML Program, so OSM retains the responsibility for reclamation of "emergency" AML projects.
- June 9, 1994 - approximately six years after the Program was approved, the Secretary of the Interior concurred with the Hopi AML's certification that all known eligible priority-1 and priority-2 abandoned coal mines were reclaimed. A total of \$1,188,524 was spent by Hopi AML reclaiming abandoned coal mines on the Hopi Reservation.

Aside from its responsibility to "maintain" past mine reclamation work or to reclaim any newly identified abandoned coal mine hazards, the Program is no longer actively involved with mine hazard remediation work of either coal or non-coal mines. Having certified completion of all known coal reclamation, the Program is eligible to use AML funds to construct Public Facility Projects (PFPs) or Community Impact Projects (CIPs). Since June 1994, the Program has almost

exclusively focused its efforts on the construction of PFPs and a couple of reclamation maintenance projects.

Program Staffing:

The Hopi AML Program currently consists of three 3.4 full time employees, including the Office of Mining and Mineral Resources (OMMR) Director (40% funded by AML), the AML Program Manager, the Equipment Pool Coordinator (Hopi Equipment Rental portion of the Hopi AML program) and an Administrative Secretary. All but the Director position are 100% funded by the Hopi AML Program. There have been no staffing changes from what was reported last year's annual oversight report.

Recently, the OMMR Director has indicated that he is discussing with the Tribal government, some minor restructuring in 2010. Currently his responsibilities include some green energy assignments as well as his SMCRA Title IV and Title V responsibilities. He is considering concentrating his efforts on coal and PFP and having someone else deal with wind and solar energy projects, perhaps under a different organizational structure.

The Hopi AML office is currently located in a pre-manufactured building located in Kykotsmovi, Arizona on the north side of Highway 264. The Hopi AML Program Manager is considering relocating the office in 2010 or 2011 and is hoping to build a new office structure for the program. This is necessitated due to ongoing issues with the current building and landowner and the cost of the existing property lease. Of course, this building relocation plan cannot be pursued until future funding is available.

In EY-2010, it is entirely possible that the Hopi AML Program manager may add one or two employees if funding continues in accordance with the 2006 SMCRA revisions. Right now, there are no plans proposed in the administration grant to increase the level of staffing.

Hopi Reclamation Program:

Because the Hopi AML Program has certified that all of its coal reclamation inventory work was completed, it no longer has any ongoing reclamation project workload. However, under SMCRA the Program has committed to monitor its previous reclamation work to determine if any past projects are in need of maintenance due to erosion or the reappearance of safety hazards to the public. If any repairs are determined to be necessary, Hopi AML will perform the necessary reclamation or safeguard work. Hopi AML has honored this commitment and continues to monitor all previously reclaimed project(s) on Hopi land.

In 2005, Hopi conducted a complete survey of previously completed reclamation projects to look for reclamation maintenance issues. In EY-2006 and 2007, those issues that were identified were logged and plans & designs were prepared to address these maintenance issues. The construction work was completed in late EY-2008 and early EY-2009 and is discussed later in within this Annual Evaluation Report.

In addition, this year the Hopi AML Program is actively investigating a coal fire known as the Blue Point Coal Fire. The Hopi AML Program is working to assess the extent of the coal fire and will then decide if the Program is able to fund work to extinguish the fire. Hopi AML is an

extremely small Program and only has one technical person on staff, so it will take time for this assessment work to be completed and may continue into 2010.

Hopi AML's Public Facility Program:

Sections 411(e) and (f) of SMCRA provide for infrastructure development projects as a means of offsetting both current and past mining related impact to Hopi village communities. PFPs are perceived in SMCRA as a means of off-setting or mitigating mining related impacts to communities, by contributing to the development or expansion of local infrastructure and public facilities. The Hopi Villages and Tribal government (for Tribal-wide PFPs) determined their own funding priorities by selecting what type of Project(s) to fund and construct. The Hopi AML Program provided outreach and instruction along the way.

The needs for infrastructure and public facilities on the Hopi Reservation greatly exceed the funds available from AML and other funding sources (Tribal, State, and Federal). The Hopi AML Program initially reserved \$200,000 for each of its 12 Hopi villages to use for a Village Public Facility Project of their own choosing. Some Villages came in with project proposals and those projects were designed and constructed. However, three Villages never submitted a project proposal so after waiting over ten years, Hopi AML ultimately was forced to impose a deadline for submission of a viable project proposal. Three Hopi Villages, Shungopavi, Mishoungnovi and Old Orabi, did not meet the imposed May 2006 deadline for submission of a project proposal.

As of this report, the Hopi AML Program funded and completed construction of a PFP in eight (8) Villages. Hopi AML established a deadline of May 31, 2006 to submit a project proposal for funding or the funds would be diverted to other uses. The other four Villages did not submit a project proposal by the established deadline. At OSM's request, the Hopi AML Program has agreed to fund other types of projects such as Tribal-wide facility or infra-structure projects.

PFPs currently undergoing project development include Lower Moencopi Village (planning the construction of a water development project as a PFP) and the Village of Sichomovi (planning for the construction of an elderly/senior center. [See Table-1 of this report for a listing of Public Facility Projects and their funding status.]

In EY-2009, the Hopi AML Program initiated the construction of the Walpi Village Bath House and Office Addition. OSM inspected the project during construction and found the project to be on schedule and going as planned. The building is expected to be completed by winter of 2009 and should be occupied and operational by early 2010.

Several of the PFPs completed to date were funded in partnership by the Hopi AML Program and other sources. Other sources of funding have included Village, Tribal, State, Private funds, or funding from other Federal agencies. OSM is confident that the Hopi AML Program will be able to effectively use its increased level of funding by pursuing Tribal-wide PFPs along with the above mentioned Village projects that are currently in the planning stage.

Existing PFP Project Management Process:

Once a project is funded, the Hopi AML Program works with a project development task team. The team typically consists of Village administrators, contractors and tribal representatives from other Departments or representatives from other Federal agencies such as Indian Health Service. Project development typically includes:

- 1) Obtaining environmental clearances and hiring contractors if necessary to perform biological or cultural & historic surveys and to write environmental documents;
- 2) Securing all necessary permits to satisfy National Environmental Policy Act (NEPA) requirements;
- 3) Developing geo-technical surveys, to perform legal property assessments;
- 4) Performing hazardous property assessments; and,
- 5) Developing architectural / engineering specifications and contract specifications for the project.

As a result of the 2006 SMCRA amendment and its implementing regulations that were published in the Federal Register on November 14, 2008, several important changes are implemented that affect certified programs such as the Hopi AML Program. Some notable examples are:

- 1) Certified AML Programs are no longer authorized to conduct non-coal reclamation programs under SMCRA. They may use prior balance replacement funds, certified in lieu funds, or other funds to conduct “their own” noncoal reclamation program to address noncoal AML hazards, however, this can no longer be done under the authority or legal umbrella of SMCRA and the limited liability protections of 30 CFR Part 875 no longer apply.
- 2) NEPA compliance is only required for coal reclamation projects and is no longer required by OSM for non-coal reclamation or for public facility projects.
- 3) OSM now has more relaxed criteria for what is considered eligible for funding. Certified Programs now have much greater latitude with regard to how certified programs can use their funding.

AML funds must still be accounted for by both OSM and the Hopi AML Program and must meet the requirements of the Federal Assistance Manual and other federal laws governing grants accounting and financial assistance. However, the only funding test remaining under SMCRA for certified Tribal programs that use Prior Balance Replacement funds is that these funds be used only for the purpose that the Tribal council establishes, with priority given to addressing the impacts of mineral development. The Hopi AML Program also receives Certified In-lieu funds. There are no restrictions on the use of Certified In-lieu funds under SMCRA aside from compliance with the FAM and other federal laws governing federal grants accounting and financial assistance.

2006 SMCRA Revisions:

Title IV of SMCRA was substantively revised by the passage of the Tax Relief and Health Care Act of 2006, P.L. 109-432 which was signed into law in December 2006. This Act amended SMCRA by extending AML fee collections (at reduced rates) through FY-2021, which amounts to a 14-year extension of AML fee collections, albeit at a reduced rate. The SMCRA Amendment also makes important distinctions between Certified AML Programs and Uncertified AML Programs. These changes affected the funding mechanism(s), the AML Program priorities and OSM’s level of oversight involvement. Certified programs were given greater flexibility in how their funds can be used and uncertified programs now have increased emphasis placed on high priority coal reclamation. In both instances the Programs are to receive higher levels of funding than was distributed to them in the past.

OSM published a Final Rule Federal Register notice on November 14, 2008, to amend the relevant parts of 30 CFR Parts 700 through end, to fully implement the 2006 SMCRA amendment.

For a complete history of the AML fee go to:
<http://cnie.org/NLE/CRSreports/06May/RL32993.pdf>

Under the 2006 amendment to SMCRA, there are six (6) possible sources of Program funding. The availability of these funding sources varies depending upon whether or not an AML Program has “certified” that it’s high priority coal hazards in its Abandoned Mined Land Inventory System (AMLIS) have been addressed. Certified Programs are AML Programs that have completed reclamation of all the high priority abandoned coal mines identified in their AML Inventory. The Hopi AML Program is a certified AML Program and therefore is only eligible to receive Prior Balance Replacement funds (item 2 in the following table) and Tribal Share Replacement funds (item 4 in the following table). Potential funding for AML Programs, under each of the six (6) OSM funding sources identified by the 2006 SMCRA Amendment, is explained below:

<p>1) <u>Prior Un-appropriated State / Tribal Share Balance funds</u> – As of 10/01/07, this funding source contained \$1.2 Billion. Approximately half of this money (\$600M) stemmed from the un-appropriated 50% State Share collections of currently un-certified Programs and the other half (\$600M) stemmed from the un-appropriated 50% State Share collections of currently certified Programs. As a result of the 2006 SMCRA Amendment, all of the money in this fund was reallocated to the Historic Coal Share and is to be distributed solely to uncertified Programs beginning in 2023. Because Hopi AML is a certified program, it is not eligible to receive these funds.</p>
<p>2) <u>Prior Balance Replacement funds</u> – As stated above, as of 10/01/07 approximately \$1.2 Billion existed in the Prior Un-appropriated State/Tribal Share Balance, which was all reallocated to the Historic Coal Share. However, the 2006 SMCRA Amendment replaced all of these funds with \$1.2 Billion of US Treasury money and this money is referred to as the Prior Balance Replacement funds. Each AML Program is entitled to the exact equivalent amount of money out of this fund that they were previously entitled to out of the</p>

Prior Un-appropriated State/Tribal Share Balance before it was reallocated to the Historic Coal Fund in October 2007. The money in this fund will be fully awarded to both certified and uncertified Programs in seven (7) equal payments over the 7-year period beginning in 2008 and extending through 2014.

Certified Programs like the Hopi AML Program are not restricted in how this money is used, however, uncertified Programs are only allowed to use these funds for high priority “coal” reclamation or to maintain an AML inventory and these funds cannot be used for Acid Mine Drainage Set-Asides. Thus, the **Hopi AML Program will receive its share of this Fund (\$6,156,670) over a seven year period beginning in 2008 and can use these funds for any eligible project it chooses. The Hopi AML Program will receive approximately \$879,524 of Prior Balance Replacement funds annually.**

- 3) **State/Tribal Share funds** – This funding source consists of 50% of the annual AML fee collections from active coal production in each State or Tribal Reservation. Money from this Fund is distributed in the year subsequent to the year it was collected. EY-2007 was the last year that The Hopi AML Program received these funds (2006 production). Under the 2006 SMCRA Amendment, beginning in 2008, **The Hopi AML Program is no longer eligible to receive its 50% annual fee collections, it will instead receive an equivalent amount of U.S. Treasury funds (Certified In-lieu funds).** The actual 50% collections are instead reallocated to the Historical Coal Share Fund for distribution to uncertified AML Programs. **Under the 2006 SMCRA Amendment, the annual 50% Hopi Tribal Share collections will henceforth be transferred (allocated) annually to OSM’s Historical Coal Share Fund, for distribution by OSM only to uncertified AML Programs.**

- 4) **Certified In-lieu funds (previously called State / Tribal Share Replacement funds)** – Under the 2006 SMCRA Amendment, beginning in 2009, the portion of the 50% State/Tribal Share fund mentioned above, that is collected annually from active mining in certified States and Tribal Reservations, and which is reallocated to the Historic Coal, will be replaced with an equivalent amount of U.S. Treasury funds. These matching Treasury funds constitute the “Certified In-lieu funds”. It is intended to replace the 50% AML fee collections from active coal production relative to certified Programs, which is now being reallocated to uncertified Programs via the Historic Coal Share Fund.

This “replacement” money is awarded to certified Programs in-lieu of their 50% annual State/Tribal Share collections. No new restrictions were placed on this money by the 2006 SMCRA amendment but the allowable use for these funds is less restricted. For example, NEPA compliance is no longer required when using this money. However, **payments will be reduced down to 25%, 50% and 75% of the full amount for the first three years (2009, 2010 and 2011) respectively.** The difference (the annual 3-year reduction amount of 75%, 50% and 25% respectively) will be added together **and awarded to certified Programs, in the form of two separate and equal annual payments, one to be awarded in 2018 and the other in 2019. Overall, the Hopi AML Program will receive an amount equal to its annual 50% Tribal Share collections, however, the money will come from the U.S. Treasury instead of from AML**

fee collections. AML fee collections from active mining during 2007, that would normally have been awarded to the Hopi AML Program in 2008, were instead transferred to the “Prior Balance Replacement” fund. The Hopi AML Program will also eventually receive the 2007 funds that were transferred to the Prior Balance Replacement funds because those funds will be distributed to the Hopi AML Program over a seven year period (as discussed above in item 2).

- 5) **Historical Coal Share funds** – Historical Coal Share funds are reserved exclusively for uncertified Programs that still have un-reclaimed high priority coal hazards in their AMLIS inventory. In 2007 the accumulation of previously undistributed (Unallocated State/Tribal Share Balance) 50% State/Tribal Share collections, was reallocated to the Historic Coal Share. In addition, current annual collections from the 50% State/Tribal Share, is also annually reallocated to the Historical Coal Share. These reallocations are intended to increase the amount of funding available to uncertified AML Programs (Programs with remaining un-reclaimed high priority “coal” hazards in their AMLIS inventory).

Because the Hopi AML Program is a certified AML Program, it is not eligible to receive Historical Coal Share funds. [As previously mentioned above, in lieu of receiving their State/Tribal 50% Share funding, certified AML Programs like Hopi, now receive an amount equivalent to their annual 50% State/Tribal Share collections, from the US Treasury funds. So, **The Hopi AML Program is not losing any net funding as a result of the reallocations.**]

- 6) **Minimum Program Makeup Funds** – Minimum Program funding has always been reserved exclusively for uncertified Programs. This has not changed. However, prior to the 2006 SMCRA Amendment, SMCRA set the minimum level of funding for uncertified Programs at \$2.0M. For various reasons, Congressional appropriations only allowed OSM to bring the minimum level of funding for uncertified Programs up to \$1.5M. The 2006 SMCRA amendment specifically raised the minimum program funding level to a mandatory \$3.0M per year, but made it subject to a four year phase-in period (2008 to 2011). Under the new Law, these funds will come from the Secretary’s 50% Federal Share of annual fee collections. These funds are no longer subject to Congressional appropriation, therefore, neither the Congressional budget nor OSM can limit or decrease the minimum program funding level from the mandatory \$3M level set by the new Law. **Because the Hopi AML Program is a certified AML Program, it is not eligible to receive Minimum Program Makeup Funding** [See 402(g)(8)(A)].

Status of Program Funding:

Historically, between \$1.0 and \$1.5 million in AML fees have been collected annually from active coal production on Hopi land. The Hopi AML Program operated under an average annual budget of approximately \$700,000, or about 60% of its annual 50% state share collections. Over the years AML fee collections from coal mining on Hopi lands that were not distributed to Hopi AML, accumulated in the Hopi Tribal-Share Balance. As of the end of FY-2007 (September 30, 2007), the total undistributed Hopi Tribal Share-Balance was \$6,156,670.

During the EY2009 evaluation period the Hopi FY-2008 AML Grant application was submitted within the timeframes set forth in the OSM Federal Assistance Manual (FAM) and was approved effective September 1, 2008 to August 31, 2013 in the amount of \$1,856,324.55. The Hopi AML Program was not scheduled for an external OMB A-133 audit this evaluation year. Grant programmatic reports were submitted within the timeframes prescribed by the FAM, with accurate detailed descriptions of program and project accomplishments. OSM will continue to monitor Hopi AML grants administration activities throughout EY-2010.

Below is an OSM table showing a preliminary funding estimate for the Hopi AML Program. The table shows the funding projection for Hopi AML Program over the 15-year period extending from 2008 through 2022, from all six (6) of the possible AML funding sources mentioned above. These amounts do not include carry over funding from amounts deobligated from previously awarded grants. The funding projection ranges from a low of half a million dollars to a high of \$1.4 Million. Total funding over the 15 year period is estimated to be \$13.3 Million.

In the past, the Hopi AML Program funding was close to half a million dollars, most of which went to project construction and the rest to program administration. Construction grants were previously limited to a three year term. Under the 2006 SMCRA Amendment, certified Programs can now request a construction grants for longer than three years. Administration grants are still awarded for a one year term.

Projected Funding Levels for the Hopi AML Program by Fiscal Year* (in millions)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
\$0.9	\$1.0	\$1.1	\$1.3	\$1.4	\$1.4	\$1.4	\$0.5	\$0.5	\$0.5	\$0.9	\$0.9	\$0.5	\$0.5	\$0.5	\$13.30

*The Federal Fiscal Year starts October 1, of every year (i.e., FY-08 funding is awarded in EY-2009).

These figures do not include deobligated funds from previous grants that may be applied for.

Grants and Financial Information:

The following table shows grants that were active during the evaluation period:

Grant Number	Awarded	Closes	Admin.	Const.	Total
S06AP12218*	09/01/06	08/31/09	249,023.00	\$200,000.00	\$449,023.00
S07AP12457*	09/01/07	08/31/09	\$354,468.00	\$200,000.00	\$554,468.00
S08AP12887*	09/01/07	08/31/09	\$953,785.00	\$902,540.00	\$1,856,325.00

* New Grant using Numbering System under DOI's FBMS.

In addition to the active grants listed above, the Hopi AML Program has over \$1.0 M available for construction projects in its unallocated Tribal-share balance. The Program can request these funds at any time. This money stems from carry over money, from prior grants that were not fully obligated or drawn down (prior year de-obligations).

Program Maintenance (AML Plan):

There are no current oversight issues with regard to program maintenance (maintaining a current AML Plan / regulations). However, OSM is now in the process of identifying program maintenance deficiencies that are the result of changes to 30 CFR Subchapter R that were necessitated by the 2006 SMCRA Amendment. OSM sent preliminary correspondence to the Hopi AML on June 11, 2009 that identifies changes to 30 CFR Subchapter R that may necessitate corresponding revisions in the approved Hopi AML Plan. OSM plans to meet with the Program Director and Program Manager to reach consensus on what changes need to be addressed in the existing AML Plan. Subsequently, OSM will send the program official correspondence in accordance with 30 CFR 884.15(b) identifying specific changes that need to be incorporated into the approved AML Plan. Timeliness of program maintenance has never been an issue with Hopi AML, and OSM is not anticipating any difficulty in getting the appropriate AML Plan revisions accomplished in a timely manner.

Southwest AML Partnership:

The Hopi AML Program is an active member of the Southwest Partnership and sponsored the May 2008 partnership meeting in Sedona, Arizona. Hopi AML brings a perspective to the partnership in that it is one of the few programs doing public facility and infrastructure projects on Tribal land, including unique applications related to cultural and religious structures.

PART II. NOTEWORTHY ACCOMPLISHMENTS

In addition to ongoing project development work, the Hopi AML Program had a good year. Construction work was completed on the Tewa Village Administration and Community Project leading to release of the project to the Village. Construction work was initiated on the Walpi Village Bath and Office Addition. These construction accomplishments represent a lot of planning and coordination on the part of the Hopi AML Program in cooperation with the Villages. The EY-2009 work is described below:

Walpi Bathhouse Renovation and Office Addition Project

The Village of Walpi is one of the oldest inhabited establishments in North America. The Tewa Village Council submitted a Council Resolution for PFP projects, which include expansion of the existing bathhouse and the construction of a new addition for village office space. The new addition will include an administrative office, a maintenance office, a kitchen area with storage space. The existing bath house provides shower facilities for area residents whose homes do not currently have running water and associated facilities.

The project would potentially impact less than one acre. A categorical exclusion was prepared for NEPA compliance. During EY-2008, the Hopi AML Program secured the archaeological and SHPO clearances for the building and worked with the village and architect to finalize the design specifications and engineering drawings. The project entered construction in the summer of 2009 and will likely be completed by the end of the year. This was the major accomplishment of the program for EY-2009.

Tewa Village Administration and Community Center Project

The Hopi AML Program completed this public facility project last year, and is involved in achieving occupancy for the building. The Project involved the construction of a new 5,590 square foot building, generally referred to as the Tewa Administration Building. It will serve as office space, a conference/meeting facility and provide restroom and kitchen facilities. The construction went slightly into EY-2009. This building has an impressive design with a lot of attention to details both inside and outside. It was discussed in last year's evaluation report and photos of the project were included in the report.

Lower Moenkopi Village

Lower Moenkopi met the application deadline for submission of a proposed project. The Hopi AML Program allowed Lower Moenkopi Village to amend or modify their proposed Water Distribution Upgrade Project to a Water Well Development Project. The Well Development Project proposes the development of a water-well for a new residential development area in Lower Moenkopi Village.

During this evaluation period, the Hopi AML Program has continued to work with the Lower Moenkopi Village Board of Directors to ensure that other funding sources are identified, and have committed funding to complete infrastructure planning and construction of the new development area.

Hopi Rental Program

The Hopi Rental Program is intended to provide affordable infrastructure and heavy equipment work to the Hopi Tribe and public, through a rental assistance program by providing ready local access to heavy equipment and equipment operators. In addition, the Hopi Rental Program provides low cost construction and equipment to Hopi AML's Public Facilities such as site development, and excavation for utilities. The Hopi Rental Program generates Program income which is used to maintain and purchase heavy equipment and accessories. It is an innovative idea that has proven to be successful to the Tribe, to the community and to the AML Program in providing access to heavy equipment at a bargain price. The Rental Program is being managed and operated by the Hopi AML Program.

During EY-2009, the Hopi AML Rental Program purchased four (4) new pieces of heavy equipment and traded in some old equipment (Loader, Back-hoe, and flatbed trailer and an L-9000 Diesel Truck). The total cost of the purchase plus trade-ins was \$450,000.00 Purchased equipment included:

1. Motor Grader
2. Front-End Loader
3. Back-hoe
4. Trailer (Tow Master)

OSM-Technical Innovation Professional Services (OSM-TIPS)

OSM-TIPS sponsored TIPS instructor led training throughout the reporting period. Two Hopi AML staff members took advantage of the training opportunity at a cost of \$1,500.

The Hopi Tribe requested and used shared equipment provided by the TIPS and Technology

Transfer Program. The FLIR thermal camera was used to evaluate a burning coal seam on Hopi Land. The Hopi AML Program Director participated in several of the monthly Western Region Technology Transfer (WRTT) telephone conference calls and has provided valuable input.

TIPS also provided a service manager visit to the Hopi AML Program in March, 2009. The visit was conducted to inform the AML staff of new features offered by the TIPS and Technology Transfer Programs.

PART III. RESULTS OF PERFORMANCE REVIEWS

AML Reclamation Accomplishments During EY-2009

Hopi AML continued to monitor previously reclaimed sites to assess any maintenance needs. Hopi AML has committed to maintain its certification status by standing ready to address any coal reclamation needs that arise. The program has plans to do another round of reclamation surveys of past work to ensure that reclaimed sites remain stable.

OSM commends the Hopi AML Program for its reclamation efforts and the quality of the work performed.

PFP Accomplishments During EY-2009

Hopi AML has initiated construction of the Walpi Office and Bath addition and will likely complete the project in late 2009 or early 2010. The project was inspected by OSM in May 2009 at which time it was under construction. The village is using a light weight aggregate concrete to construct the exterior walls. Project photos were taken and some are attached to this report as Attachment-A.

Project Development During EY-2009

During the evaluation period, Hopi AML worked to develop the following projects 1) OMMR Administration Building this will be a 5,000 square foot building (100ft.x 50ft.). The building will be used to house the AML, OMMR and other tribal offices. Hopi AML is working with Kikotsmovi Board of Directors to obtain a land withdrawal to locate the OMMR Administration Building.

Lower Moencopi Village, Mishongnvi Village and Old Oribi Village have all expressed an interest in having a public facility project (three separate water well projects). Hopi AML is assisting them by answering their questions and is prepared to provide assistance to the Villages as necessary to develop a project proposal.

TABLE 1
Cummulative Status of Hopi AML's Public Facility Projects

Project	Village	Status (Funded or Completed)	Funded to Date
Bacavi Plaza Restoration	Bacavi	Completed 01/98	\$200,000. AML \$ 62,722. Az. H.Fnd.
Hopi HS reverse osmosis water purification	Tribal-wide	Completed 11/98	\$100,000. AML \$250,000. BOR
Moenkopi community & youth center	Moenkopi	Completed 09/99	\$235,000. AML \$100,000 Moenkopi
Sipaulovi cultural & historic resources	Sipaulovi	Completed 03/01	\$225,000. AML \$ 54,185. Sipaulovi
Mishongnovi sewage facility	Mishongnovi	Project abandoned	\$ 13,225. AML for EA
Polacca day school multi-purpose bldg.	Polacca	Project abandoned. (new school built in lieu of project).	\$ 2,066. AML for EA
Westside Wildland Fire Station	Tribal-wide	Completed 2002	\$ 36,073. AML for NEPA only.
Kykotsmovi -Sewage Lagoon Treatment Facility Project	Kykotsmovi	Construction began 10/17/01 and was completed 09/17/02.	\$215,000. AML \$200,000 IHS \$350,000. USDA-RD
Yu-Weh-Loo Pah-ki (Spider Mound) water well & fluoride treatment Project	Spider Mound	Well Completed 2003.	\$215,000. AML (\$55K not used & remains for Village)
Shongopavi Community Bldg. Renovation	Shongopavi	Project abandoned (no matching funds).	\$35,000 AML spent for project development.
Hopi Conference & Wellness Center	Tribal-wide	Completed 12/24/04	\$1.8 Million AML
Hotevilla Youth / Elderly Center	Hotevilla	Completed 11/01/04	\$235,414. AML \$300,000 Hotevilla
Equip. Rental Pgm. (aka., Public Coal Project)	Tribal-wide PFP	Completed	\$341,352 AML, (mostly Self-sustaining)
Tewa Office Building	Tewa	Completed July 2008	\$200,000. AML \$712,253. Tewa
Water Development Project	Lower Moencopi	Project Proposal Stage	\$0 Pending
N/A	1 st Mesa Consol.	Missed proposal deadline	\$0
N/A	Old Oraibi	Missed proposal deadline	\$0
Water Development Project	Mishongnovi	Missed proposal deadline	\$0
Walpi – Bath-house and office addition Project	Walpi	Hist. Renov. & Planning	\$200,000 In Construction
Turquoise Community	Tribal-wide	Planning ongoing by Tribal government	\$4,888. - AML for Arch. & Eng.
Sichomovi – Elderly Center	Sichomovi	Met proposal deadline, Withdrew Land so money given to Tewa.	\$0 Pending
Total Hopi AML Funding (to date)	(to date)		\$3,422,604
Total Funding (all sources) (to date)	(to date)		\$4,739,511

PART IV. SUMMARY AND RECOMMENDATIONS

OSM evaluation of the Hopi AML Program determined that the Program is operating in a cost effective manner; PFPs are being designed and constructed in a manner that serves their intended purpose; the Program has performed admirably in assessing the maintenance needs of previously reclaimed coal projects.

OSM commends the Hopi AML Program for making necessary operational changes over the last few years to get more projects into the pipe line. The Hopi AML Program has developed and instituted the necessary policy and procedural changes to achieve funding and construction of planned AML and PFP projects. These new procedural and policy changes have removed the delays previously experienced from waiting on Villages which were non-responsive. The Hopi AML Program has indicated a desire to pursue more Tribal-wide projects. OSM fully supports this strategy. The increased funding level should help support the higher cost associated with Tribal-wide projects.

OSM recognizes that the Hopi AML Program is a small Program and that many of the obstacles that the Program faces are in large part due to limited funding and small number of staff. OSM realizes that even with its increased funding, the Hopi AML Program will only have about \$1M annually for project construction, after paying for administrative overhead.

OSM has no concerns or recommendations to offer the Hopi AML Program. OSM appreciates the efforts of the Hopi AML Program to continue their legacy of successful work to remove mine related hazards and other impacts to the public and to offset mining related impacts to Village communities through public facility and infra-structure projects.