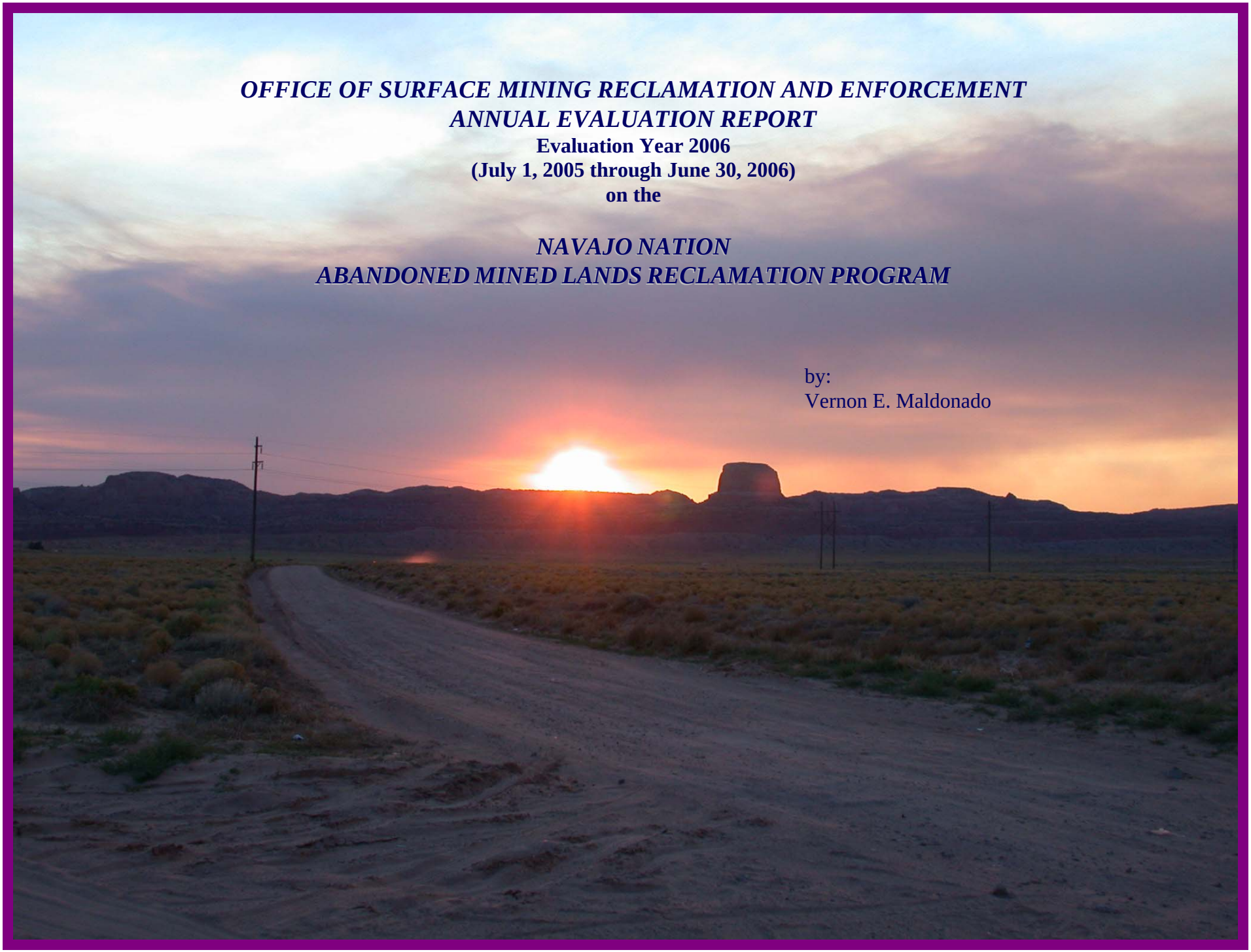

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT
ANNUAL EVALUATION REPORT

Evaluation Year 2006
(July 1, 2005 through June 30, 2006)
on the

NAVAJO NATION
ABANDONED MINED LANDS RECLAMATION PROGRAM

by:
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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)] to annually assess the accomplishments of the Navajo Abandoned Mine Lands Reclamation Program (NAMLRP). The NAMLRP is under the Executive Branch of the Navajo Nation Division of Natural Resources. The annual report consists of OSM's oversight findings based on field inspections and meetings with the Navajo Abandoned Mine Lands Program during the 12-month evaluation period beginning July 1, 2005 and ending June 30, 2006.

The Office of Surface Mining Reclamation and Enforcement (OSM) is responsible for approving State and Tribal AML Reclamation Programs to carry out the goals of Title IV of SMCRA. The primary goal of Abandoned Mine Lands (AML) Programs approved under SMCRA, is to mitigate the effects of past coal mining by reclaiming abandoned coal mines and coal processing facilities. Emphasis is placed on first correcting the most serious problems endangering public health, safety, general welfare, and property. SMCRA provides for reclamation of both coal and non-coal mines abandoned prior to May 1977; however, coal mines generally have funding priority. Once a State or Tribal Program has certified that all of its priority one coal hazards have been reclaimed, SMCRA authorizes the use of State or Tribal AML funds for Public Facility or Infrastructure Projects (PFP's), as a means of compensating affected communities for exposure to past and present mining related impacts.

On behalf of the Secretary of Interior, OSM administers the Abandoned Mine Lands (AML) Reclamation Fund by awarding grants to States and Indian Nations, to cover the costs associated with both Program administration and AML/PFP construction. The OSM Western Region's (OSM-WR), Albuquerque Field Office (AFO) provides assistance to the NAMLRP by evaluating NEPA compliance, inspecting reclamation and PFP construction sites and annually summarizes the NAMLRP's 12-month accomplishments in an annual evaluation report (AER).

PART I. GENERAL INFORMATION

Program History:

On May 16, 1988, OSM approved the Navajo Abandoned Mine Lands Reclamation Program and associated Navajo AML Code / Plan. This approval provided authority for the Navajo Nation to use AML funds to reclaim abandoned mines on the Navajo Nation. NAMLRP did not apply for an Emergency Program, so OSM retained the authority for reclamation of "emergency" AML projects. OSM completed some emergency coal fire projects in the late 1980's and early 1990's.

On May 4, 1994, the Secretary of Interior concurred with the NAMLRP's certification that all known eligible priority-1 and priority-2 abandoned coal mines were reclaimed. Since receiving certification in May 1994, the NAMLRP used its AML funds almost exclusively for reclamation of eligible abandoned non-coal (uranium and some copper) mines. The Northern Navajo AML Reclamation Project was the final major non-coal reclamation project in the NAMLRP's AMLIS inventory. It was successfully completed in May 2004. For the most part, this project completed their AML inventory of non-coal sites, however, a few small abandoned coal mine sites; and gob piles have since been identified that were added to the inventory for reclamation. In addition, NAMLRP also continually monitors and addresses any maintenance needs that arise on past reclamation work. NAMLRP contracts carry a 2-year warranty; however, any older reclamation maintenance needs must be completed under new contracts. NAMLRP has also secured funding for a couple of small coal outcrop fires in 2004 and 2005 and has applied for coal outcrop fire funding in 2006.

In 2001, the NAMLRP amended its Navajo AML Reclamation Plan/Code to provide the authority to use AML funds for the construction of public facilities as a means of mitigating or offsetting current and past mining related impacts to impacted communities. In 2002, the NAMLRP funded its first Public Facility Projects (PFP). In 2006, AML construction funds were used not only for the construction of PFP's, but also for reclamation of newly identified coal sites and for maintenance of previously reclaimed coal and non-coal sites.

Maintenance projects entail the repair of previously reclaimed sites that have visibly eroded or where erosion appears eminent and where safety concerns reappear. PFP's primarily repair, expand or add new infrastructure (water, sewer, electric power, roads) or public buildings (schools, offices, senior centers, recreation centers, other public buildings).

The NAMLRP operates under an annual budget of approximately $2.28 Million. This figure represents the 10-year average distribution for the period beginning October 1, 1995 through September 30, 2005 and it translates to approximately 67% of its annual state share collections. State share collections averaged $3.42 M during this same period. The 33% of the NAMLRP fee collections that have not been distributed to the Navajo Nation; is called the Navajo Nation Tribal Share Balance. As of September 30, 2005 the undistributed Navajo Nation Tribal Share Balance was $32,610,879. It is not currently known when Congress will release these funds to the Navajo Nation. Congress again extended the AML fee for another 12 months (until September 30, 2007). It is possible that if Congress eventually allows the AML fee to expire that it will begin to release the State share balance to individual AML Programs. (For a complete history of the AML fee go to: http://cnie.org/NLE/CRSreports/06May/RL32993.pdf)

It is anticipated that the percentage of NAMLRP funds that will be used for AML reclamation or maintenance, in the future, may vary widely. Aside from maintenance of past AML reclamation and reclamation of any newly reported or previously undiscovered abandoned mine sites, most of the workload and spending will likely consist of public facility / infrastructure construction.

During EY-2006, NAMLRP had 12 PFP's in construction and one reclamation maintenance project in construction, the Chaco Plains Reclamation & Maintenance Project. The Burnham #1 coal outcrop fire was fully addressed and extinguished in EY-2005 and the Burnham #2 coal outcrop fire project was completed in EY-2006. Project development was also ongoing for the Shonto Coal Outcrop fire that has not yet been funded (NAMLRP is currently seeking OSM funds to supplement NAMLRP funding).

This is the fifth consecutive year that the NAMLRP used AML funds to construct Public Facility Projects (PFP's). Almost all PFP's funded by the NAMLRP are jointly funded projects. Jointly funded projects are often referred to as leveraged projects, meaning that funding for the project consists not only of NAMLRP funds but may also consist of funds from individual Navajo Nation Chapters, Tribal funds, State funds (both Arizona and Utah), or funds from other Federal agencies. In accordance with the NAMLRP's approved AML Plan, the amount of leverage funding is one of the items considered when selecting PFP's for funding. The concept of leveraged funding is intended to increase the overall benefit obtained from the limited amount of AML funds available to the Navajo Nation.

PFP submissions that were funded thus far can be grouped into four main categories:

1) Facilities projects such as Chapter Houses, Community Centers, Multi-Purpose Buildings, Senior Citizen Centers and Head Start facilities;
2) Building renovation & improvement projects such as upgrades of plumbing and electrical systems.
3) Infrastructure projects such as water wells, water lines, sewer lines and electrical power lines, sanitation facilities, road improvements and the Shonto Industrial / Infrastructure Project;
4) Commercial/business development projects such as the Monument Valley Vendor Village.

Program Staffing:

The NAMLRP has three office locations to serve the Navajo Nation. The main office is in Window Rock, Arizona, where the NAMLRP Department Manager and administration / support personnel are located as well as two field personnel. Two field offices, the Shiprock, New Mexico Office, and the Tuba City, Arizona Office are primarily responsible for AML and PFP field activities however some projects are also handled out of the Window Rock, Arizona office.

The NAMLRP currently has a staff of 16 full-time equivalent (FTE's) positions. Both the reclamation work and the public facility / infrastructure projects are being accomplished with this staffing. Approximately six of the 22 occupied positions currently share time with the Navajo Nation's Uranium Mill Tailings Remedial Action Program (UMTRA), which is also under the direction of Ms. Madeline Roanhorse, Department Manager.

Grants and Financial Information:

According to data published on OSM's Web Page, the State (Tribal) share distribution for FY-2006 was $2,055,772. [Note: The Tribal Share Balance data for the end of the evaluation period (June 30, 2006) is not yet published and available.]

Through FY-2005 (as of June. 30, 2005), $96,754,139 in Navajo Nation (Tribal Share) fees has been collected from active mining on Navajo Nation land and a total of $64,143,260 of those Tribal Share fees has been distributed, leaving an "undistributed" Tribal Share Balance of $32,610,879. The vast majority of the AML funds expended by NAMLRP has gone toward coal and uranium mine reclamation and mine safeguard projects. PFP's are new on the scene so relatively few dollars have been spent on PFP's. Although there exists some controversy over whether AML fees should be used for PFP's, SMCRA was amended by the Energy Policy Act of 1992 to allow Programs that certified the completion of their coal hazard inventory to use State share money for PFP's. SMCRA has always maintained that 50% of the AML money collected from coal mining production within a State or Tribe should rightfully go back to that State or Tribe. SMCRA was amended in 1992 to include PFP's when it was recognized that some AML Programs would complete their AMLIS mine hazard inventory and still have State share funds available. PFP funds are intended as a means of offsetting impacts to communities impacted by past coal and mineral mining.

The following AML grants were either active or closed out during the evaluation period:

Grant Number	3-yr Const. Grant Period Ends	Amount (Incl.s Admin. & Const.)
GR207810	12/31/04	$8,249,799.
GR307810	12/31/05	$3,202,765.
GR407810	12/31/06	$4,044,524.
GR507810	12/31/07	$3,112,749
GR607810*	12/31/08	$2,788,006

* This is the FY-2006 grant award.

Grants Administration

In October 2003, the Navajo Nation Contract Accounting Department converted to new Financial Management Information System (FMIS) accounting software for all of its operations. Although the Contract Accounting Department converted in October 2003, the Grant Agreement Accounting Division did not have full access to archived records until February 2004. Access to these records is essential to reconciling accounts.

The NAMLRP accounting staff informed OSM during EY-2004 that this is causing delays in submitting programmatic and financial reports to OSM on time. OSM was aware that the situation is beyond the control of NAMLRP and therefore continued to approve the Navajo Nation's requests for late mandatory report submittals as a result of this situation.

In April 2005, NAMLRP again reported that the new electronic accounting system was still not working, although Navajo Nation Finance Department was working to fix the problem. NAMLRP informed OSM-AFO in both 2005 and 2006 that it has formally expressed to the Navajo Nation Finance Department the importance of accurate bookkeeping and expedient close-out reporting of NAMLRP grants to OSM. Two meetings were held during EY-2006 with NAML, OSM-AFO and Navajo Nation Finance Department to ascertain a resolution to the problem. Although improvements have been made, OSM is still not getting timely reports.

The NAMLRP accountant is still not able to generate electronic reports, only hard copies of data are available when he requests it from Navajo Finance Department. As a result of this problem, the OSM-AFO grants specialist obtains drawdown information but cannot verify where or how money is being spent. OSM does not anticipate any accounting problems with expenditure data or the use of funds, once the system is fully upgraded. It is more a matter of getting the new system to function properly so that the proper reports can be generated. However, until then OSM cannot close out the grants (construction and administration) without this information in the form of financial status reports and closeout reports (interim and final).

In May 2005 the OSM grants specialist provided to NAMLRP a written listing of due dates for late reports for their transmittal to Navajo Finance Department. He also requested that the Program submit official requests for time extensions for overdue grant reports. NAMLRP has complied with OSM requests.

2005 Independent Audit

Audit reports for 2004 did not identify any problems with NAMLRP that OSM needs to follow up on, aside from what is noted above regarding Grants. A 2005 audit identified numerous problems. OSM-AFO attended two on site meetings in Window Rock, Arizona, with NAMLRP and the independent auditor (KPMG). Additional information was provided to the auditor and all of her questions were answered. As a result, all of the audit findings were addressed to the auditor's satisfaction and were eventually dropped. NAMLRP ended up with another clean audit.

Program Maintenance:

To date, the NAMLRP amended their AML Plan only twice. There are no oversight issues with regard to maintenance of the Navajo AML Plan and the Plan is considered to be consistent with SMCRA.

PART II. NOTEWORTHY ACCOMPLISHMENTS

OSM would like to highlight the following items that NAMLRP has excelled in. Program accomplishments are also summarized in Part IV of this report.

Program and Project Management:

The Office of Surface Mining AFO is very pleased with the NAMLRP. The management and leadership have consistently proven to be honest, dedicated and highly productive. The NAMLRP Department Manager (Director) also has responsibility for the Navajo UMTRA Program which operates in unison with the U.S. Department of Energy.

As mentioned before, the NAMLRP has office locations in Window Rock, Arizona, Tuba City, Arizona and Shiprock, New Mexico. All three offices work on both reclamation projects and public facility projects, including NEPA compliance. The three AML offices support each other and coordinate well on projects. Enthusiasm has been demonstrated in both ridding the Navajo Nation of mine related physical and environmental hazards and in developing and completing infrastructure and public facility projects for impacted Chapters. All three offices provide support and assistance to OSM in gathering information for oversight purposes and in leading and coordinating oversight inspection tours in the field for both PFP's and AML reclamation. This cooperation facilitates OSM's oversight of the Program and the preparation of annual reports.

NAMLRP staff continues to exhibit high dedication to the Program's objectives and morale is high. NAMLRP routinely invites OSM to important events and meetings, both managers and staff are always professional and cordial. Action items and recommendations are always well received by the NAMLRP and are always carried out. The grants concern discussed above is beyond the control of NAMLRP, however, NAMLRP has fully cooperated with OSM-AFO to get that concern resolved with their Finance Department. This is mostly an issue with the modernization of the Navajo Nation's accounting system and associated software. Independent audit findings showed a clean audit for both 2004 and 2005.

For EY-2006, the first thing that NAMLRP should be recognized for is its successful performance of annual inspections and maintenance of past coal reclamation and non-coal mineral reclamation work. Upon determining which reclamation projects were in need of maintenance work, the Program prioritized that list based upon the urgency of the problems. This translated into the incorporation of large maintenance work projects into both of the reclamation contracts awarded during EY2006. Project development and designs were successfully completed, contracts were awarded, and both projects were successfully completed prior to June 30, 2006.

The second major NAMLRP accomplishment for EY-2006 is the successful completion and/or startup of several Public Facility Projects. OSM-AFO was impressed at how many projects that NAMLRP has been able to successfully manage concurrently while also implementing intense cooperation with other leverage funding sources and Chapters / Tribal offices.

The following 12 PFP's were all either in start-up, in active construction, or completed at some time during EY-2006.

1) San Juan - Multi-Purpose Building …….……..(completed)
2) Coalmine Canyon - Waterline Extension …….….(completed)
3) Bodaway/Gap - Hardy Powerline Extension ……..…(completed)
4) Moenave – Electrical Wiring Project ……(completed)
5) Monument Valley - Vendor Village ……..(completed)
6) Nenahnezad - Navajo Preparatory School Renovation, Phase 2 ...(ongoing)
7) Bread Springs - Water Well & Chlorinator Building ……(ongoing)
8) Upper Fruitland – Chapter House Facility ……...….(ongoing)
9) Shonto - Infrastructure Development Project ……(ongoing)
10) Shiprock - Veterans Center Building …….(ongoing)

11) Shiprock – Infrastructure Project ……...(pending)
12) Crownpoint – Youth Center Renovation ……(pending)

The San Juan - Multi-Purpose Building and the Coalmine Canyon Waterline Extension were projects that started construction during EY-2005 and were completed by June 30, 2006. The other completed or ongoing projects were started in EY-2006. The two pending projects are currently in early startup or project development.

For the past five years, the NAMLRP has been one of three western States that have been heavily involved in construction of Public Facility and Infrastructure projects as authorized under SMCRA Sec. 411(e) and (f). This provision of SMCRA has proven to be an effective mechanism for off-setting the negative impacts that coal and uranium mining has had on the Navajo people and their lands. A diversity of projects and building designs were completed within the four year period that NAMLRP has funded the construction of PFP's. PFP's continue to be completed in a timely manner, within budget and each has delivered the product specified by the relevant contract. In all instances, AML funds have been used exclusively for SMCRA authorized and eligible projects that are public in nature. There have been no abuses of AML funds and funds have been awarded only to mining impacted Chapters. NAMLRP has adhered to all OSM regulatory mandates and grant requirements. It continues to strive to achieve the best long term benefit for the residents of the Navajo Nation.

The benefit and positive impact that PFP's have provided to the communities (Chapters) of the Navajo Nation cannot be adequately expressed and likely exceed the expectations of 1990 the revisions to SMCRA through the Omnibus Reclamation Act, which incorporated the authority for AML funds to be used for PFP's and infrastructure projects. Thanks to PFP's, many Navajo homes now have access to electricity, running water, bathroom facilities, health care, or recreation opportunities for the first time. Navajo Chapters and Tribal entities hold the NAMLRP in such high regard. NAMLRP is known within the Navajo community for being responsive to community needs and concerns and for following through on its goals and objectives.

Communities have also openly expressed their appreciation for the technical assistance that the NAMLRP has provided. That technical assistance has enabled Chapters to finalize project proposals by fulfilling grant requirements, facilitating the negotiation of other sources of leveraged funds and by assisting with the completion of project descriptions and justifications. Projects selected for funding have already addressed the needs of the elderly, the mentally ill, teenagers, preschoolers, and the general public as a whole by providing health facilities, recreational facilities, educational facilities and senior centers as well as water, electricity and wastewater treatment. PFP's have already and will continue to improve the lives of people on the Navajo Nation.

In 2004, the Shiprock and Tuba City offices were reorganized (streamlined) to facilitate joint cooperation on AML reclamation work and a mixture of PFP's. Staff and management also pursued various training opportunities. Many employees now have extensive experience with NEPA and the understanding of federal requirements for obtaining funding for PFP's has greatly improved. This knowledge is translating into improved project proposals (both in terms of ideas and content) coming from Chapters to the AML Program. Federal, State (Arizona, Utah and New Mexico) and Tribal entities have all shown a willingness to partnership with NAMLRP on various projects.

Thirdly, NAMLRP has been able to efficiently use its administration and construction grant funds. The NAMLRP is considered by OSM to be very cost effective. The amount of construction activities completed annually easily justifies the Program's staffing level, in fact, the multi-faceted Program accomplishes a lot with a staff of only 26 FTE's, given the number of contracts active at one time, the distances between projects, the vastness of the Navajo Nation, the number of impacted Chapters, and the difficult terrain.

What has been most important to OSM is that AML reclamation and PFP's have been consistently brought on line every year, contracts are awarded, and construction is completed on schedule. As a result, the AMLIS inventory of non-coal reclamation was essentially completed in 2004, aside for annual maintenance projects and a few newly identified mine hazards that are addressed each year.

The NAMLRP has done an excellent job with short term and long term planning and budgeting for both its program administration and construction sub-accounts. Although it is a difficult task because of the Program's multi-faceted involvement in both mine reclamation work and public facility project work. Reclamation work includes field data collection, project development, design engineering, NEPA compliance, maintenance work, and two-year contractor warranties / inspections. Public Facility work includes project development, contracting for project designs /engineering, NEPA compliance, public outreach, project selection, contracting, coordination with other agencies on jointly funded (leveraged) PFP's, and technical assistance to Chapters. Also, NAMLRP continues to work to gather GPS data on all of its AML sites. This data will serve to document locations of projects as well as locations of highly radioactive burial sites for previously reclaimed uranium sites. Should issues arise years from now, this data may prove to be quite valuable.

NAMLRP has done an excellent job of planning and budgeting over the years. This is possible because most of these non-construction activities are performed in-house and not contracted out. This year again, despite having both public facility projects and reclamation projects in construction simultaneously; the NAMLRP has again accomplished its fiscal objectives.

In 2005, NAMLRP has also prepared a 5-year Strategic Plan (FY 2006–2010) for submission to the Navajo Division of Natural Resources (DNR). The Strategic Plan contains a plan of action for meeting NAMLRP's internal goals and objectives and for concurrently merging them with the goals and objectives of other Departments within the Navajo DNR.

Award Nominations:
NAMLRP nominated the recently completed Burnham #2 AML Coal Reclamation project (completed in September 2004) for an OSM reclamation award this year. It involved the reclamation of a coal outcrop fire. A total of three projects were addressed under the project contract, for a total of 34 acres including 17 acres of mine pits, 1,700 linear feet of highwall, 36,000 bank cubic yards of gob piles, 3,140 linear feet of drainage channels and 16 acres were re-vegetated. The project effectively eliminated the physical and environmental hazards and returned the land to a more natural setting. The project was not one of those selected to receive an award, however, it was a quality job and a competitive project! OSM appreciates the project nomination.

Public Outreach:
The NAMLRP has gone beyond what is required by OSM regulations with regard to public involvement, by holding public orientation meetings with Chapters impacted by past or present mining activities, to explain responsibilities, and the eligibility & selection requirements for funding PFP's, to provide technical assistance in development / refinement of project proposals and to resolve NEPA concerns and get projects designed, contracted out, and ultimately to construction. The demand for PFP's continues to demand substantial involvement in public outreach by the NAMLRP. Public involvement for PFP's also includes substantial involvement in working with Tribal, State, Federal and Private entities.

There remains a tremendous need for new infrastructure and facilities such as schools, day care, health care, senior citizen centers, office space, etc., on the Navajo Nation. There are 110 Chapters on the Navajo Nation, 67 of which have been determined to be "impacted by past or present mining" (impacted chapters), thus qualifying them for receiving PFP funds.

As previously mentioned, so far project submissions can be grouped into four main categories:

1) Facility projects such as Chapter Houses, Community Centers, Senior Citizen Centers, Health Facilities, Multi-Purpose Buildings and Head Start or School facilities;
2) Building renovation & improvement projects such as upgrades of plumbing and electrical systems.
3) Infrastructure projects such as water lines, sewer lines, electrical lines, sanitation facilities, sewer/waste disposal sites and road improvements;
4) Commercial/business development projects such as an Arts and Crafts Mall.

The NAMLRP again has worked with its oversight committee, the Navajo Nation Resources Committee of the Navajo Nation Council. It was decided that the Navajo Nation AML Program should fund several of the projects that did not receive funding in 2002. NAMLRP may choose to seek a new round of proposals in fiscal year 2007 for review by the Resources Committee.

Navajo Nation Project Selection Criteria:
The NAMLRP in cooperation with the Resources Committee have formally adopted the following criteria for use in selecting PFP's for funding.

1) *<u>Project to Mitigate Threats of Public Health and Safety</u>. Highest priority will be given to projects dealing with imminent threats to human life by addressing existing conditions that have caused or could cause substantial physical harm to persons, property and /or the immediate environment. (Category 1)*
2) *<u>Projects Related to Basic Service and Infrastructure</u>. Second priority will be given to projects that provide the basic human necessities to improve the quality of life. (Category 2)*
3) *<u>Secondary /Optional Services</u>. These projects, which will receive the third or lowest priority for AML funding, will include community service projects, such as recreational and cultural facilities, mining-related research facilities, projects for open-space benefits or those which address economic development. (Category3)*

<u>Active Public Facility Projects</u>:
In 2002, the NAMLRP received their first PFP proposals in response to a Request for Proposals (RFP). In all, a total of 110 proposals were submitted to NAMLRP. A five member "Project Review Committee" was established, from respective Navajo Nation departments, to review and rank each of the proposals, in accordance with the project proposal procedures developed by the NAMLRP. Twenty (20) of the 110 project proposals were selected for funding. Nineteen of the 20 were funded using regular AML funds and one project was funded with AML set-aside funds. Some of the twenty project proposals were construction ready and others required assistance from NAMLRP in getting the Environmental Assessment or Categorical Exclusion ready for submission to OSM.

By the end of EY-2002 (September 30, 2002), NAMLRP had submitted 15 of the twenty PFP packages to OSM, each requesting that OSM issue a Findings of No Significant Impact (FONSI) and an Authorization to Proceed (ATP). OSM was able to issue a FONSI and an ATP for 14 of the 15 project submissions. One of the packages required additional NEPA documentation and was returned to NAMLRP (it was resubmitted during EY-2003). Thus, six of the original 20 projects remained to be approved.

During EY-2003 (October 1, 2002 through June 30, 2003), two of the remaining six PFP application packages were submitted to OSM for approval. Both were approved, thus leaving 4 yet to be approved.

In EY-2004 the remaining four (4) of the original 20 projects were submitted to OSM for approval. FONSI's and authorizations to proceed were issued for all four. Thus, all 20 projects have been approved within two years. During EY-2004, seven of the original 20 PFP proposals from the 2002 RFP were either in active construction or completed. The other 13 were in project development. In EY-2004 NAML again worked with the Chapters and entities whose projects were selected for funding, to provide guidance regarding project development and construction management, so that the projects could begin construction. Several of these projects entered construction in either 2004 or 2005, and most of them are currently completed and are fully functional (see Tables 2 through 4 for a detailed tabulation of project status).

NAMLRP issued a second RFP in Navajo FY-2003. In response to the RFP, NAMLRP received 38 new PFP proposals. NAMLRP reviewed the proposals internally for eligibility and then forwarded all eligible projects on to the Project Review Committee for review and selection. The Project Review Committee determined that six (6) of the 38 were eligible and complete and selected them for funding. By EY-2004, contracts were awarded for two of the six projects and both were in active construction (Chinle Valley School- Group Home Renovation and the Huerfano Chapter- Multi-Purpose Building). NAMLRP and Navajo Design Engineering Department were assisting with project development, project design specifications and contract administration for the other four projects so that they could reach construction in 2005.

Among the 38 PFP proposals received in response to the 2003 Request for Proposals (RFP), a lot of eligible projects were not selected funded. Consequently, NAMLRP decided to not issue a third RFP in FY-2004 but instead, to select from among the remaining 32 (eligible but unfunded) projects from the previous list of 38 proposals. So, in FY-2004 the Project Review Committee selected another six (6) proposals from the list. Thus, a total of 12 of the 38 proposals from the 2003-RFP were selected for funding so far.

In EY-2005, NAMLRP submitted four (4) new PFP's to OSM for approval (Bodaway/Gap - Hardy Power-line Extension, Moenave – Electrical Wiring, Nenahnezad - Navajo Preparatory School Phase 2, and Bread Springs - Water Well & Chlorinator). All of these projects construction sometime during EY-2006 and all except for Bread Springs are completed. Bread Springs is a joint project with BIA and US Army Corps of Engineers.

During EY-2006, NAMLRP also completed the Monave Electrical Upgrade Project, the Dilkon Sewage Lagoon Project, and the Monument Valley Vendor Village Project. Not completed but in some phase of construction were the Navajo Preparatory School Renovation Project, the Shonto Business Development Infrastructure Project and the Shiprock Veterans Center Project.

In summary, with regard to its Public Facilities segment of the Program, NAMLRP is doing an effective job of project development, public participation and construction management. With this workload NAMLRP staff is being utilized very effectively, the Program is highly productive and it is making efficient use of it's AML funds in accordance with SMCRA, Section 411(e) and (f).

Active AML Reclamation Projects:
The Northern AML contract included the Beclabito-4, Cove-4 and Sanostee-1 and was completed in EY-2004. This completed the bulk of non-coal mine reclamation inventory in AMLIS for the Navajo Nation, pending any new sites being reported.

During EY-06 NAMLRP successfully completed twelve maintenance and four reclamation projects. In addition to construction activities, NAMLRP conducted site assessments at over fifty AML sites to assess the need for any maintenance work through the Maintenance Surveillance and Assessment Team (MSAT). MSAT conducts assessments and report the status of each AML sites with GIS maps, photos, MSAT forms, and a written report. The MSAT reports serve as the initial value engineering for developing maintenance projects and for development of the grant application for the following fiscal year.

Project development for the Burnham AML Coal Reclamation Project was completed in EY-2004 and construction was completed during EY-2005. This project included one coal outcrop fire (Burnham #1 Coal Outcrop Fire, NA-0055) and two adjacent AML reclamation sites (NA-0056 and NA-0057). The coal outcrop fire was especially challenging because water had to be delivered from 18 miles away over dirt roads. Approximately 120,000 gallons of water was used in the excavation of the fire. The entire project consumed over 300,000 gallons of water. This project was nominated for an OSM Award (see previous discussion under Awards, Pg. 9).

Project development for the Chaco Plains AML Reclamation Project was completed in EY-2005 and construction was completed during EY-2006. Chaco Plains included one coal outcrop fire, the Burnham #2 Coal Outcrop Fire (NA-0058). Two maintenance project sites (NA-0044 and NA-0047) and three newly identified abandoned mine sites (NA-0059, NA-0060, NA-0061) were also included as part of the Chaco Plains Project. The coal outcrop fire involved a partnership with the Navajo Nation Solid Waste Management department because the surface above the coal fire was covered with solid waste from illegal dumping. Navajo Solid Waste removed and disposed of 250 cubic yards of solid waste to a certified landfill. These activities were scheduled in sequence in order to reduce mobilization costs. NAMLRP incorporated two new techniques into the reclamation. First, was the use of rock to develop rock ledges to simulate natural rock outcrops and which serve as a stabilizer or bench support. Second, is the use of gabion structures. The project was completed on time and within budget.

Project development for the Wupatki AML Maintenance Project was completed in EY-2005 and construction was completed in EY-2006. Wupatki included ten maintenance project sites (NA-0041, NA-0105, NA-0113, NA-0129, NA-0149A, NA-0149B, NA-0194, NA-0198, NA-0204, NA-0234). The project was completed on time and within budget.

The Midlands AML Reclamation Project will include the Shonto Coal Fire (NA-0062) and five maintenance AML projects (NA-0001, NA-0008, NA-0011, NA-0051, and NA-0031). Project development to address this coal fire is completed. NAMLRP estimates that it will cost somewhere between $600,000 and $700,000 to extinguish the Shonto Coal Fire. The Midlands Project should cost nearly $1,000,000 in all. In July 2005, OSM contributed funding in the amount of $18,000 for this project. NAMLRP is working to form a partnership with Hopi AML Program in order to share the high cost associated with this project. The fire is on Navajo Nation Partition Land (surface) so the coal resource is jointly owned with the Hopi Tribe. Hopi AML will be contributing to the project by donating a water truck to haul water to the site. NAMLRP also requested assistance from Peabody Western Coal Company. Peabody Western Coal Company offered to haul water from Kayenta Mine. Water for the project will be a key factor in extinguishing the coal fire and the partnership should help considerably to lessen the financial burden on NAMLRP.

NAMLRP uses contractors to complete all of the on the ground construction work and all other aspects of reclamation such as project design and environmental compliance are done in-house by the NAMLRP. NAMLRP provided the project specifications, held pre-proposal tours and pre-construction conferences, awarded the contracts, and then monitored the construction work.

Construction contractors proved to be reliable by completing construction work on schedule and by adhering to project specifications. OSM field inspections of recent AML reclamation projects demonstrated state of the art reclamation & techniques that have proven to be effective in this area of the southwest (New Mexico and Arizona). Visual inspection of past (early 1990's) and current reclamation sites and the techniques (late 1990's to present) used by NAMLRP contrast strongly. The more recent reclamation techniques require far less repair and maintenance, are better vegetated and are much more stable.

Overall Program Accomplishments:

- Table 1 at the end of this report lists reclamation projects, by grant number, that were active during EY-2005;
- Tables 2 through 5 list by evaluation year, PFP's that have been funded to date;
- Table 6 lists EY-2005 AMLIS hazard accomplishment data; and.
- Table 7 lists cumulative data (year to date) for AMLIS hazards.

NAMLRP enters its project development costs in AMLIS under "other" such as NEPA compliance, Indirect Costs, Value Engineering, surveying and technical design / plans, etc. Project development is a valid construction cost (rather than an administrative cost). Construction contracts awarded by NAMLRP combine several mine sites (or Problem Area Descriptions) under one contract. This is done as a cost saving measure. Construction costs are broken down into key construction costs as a percentage of the total cost for each site so that they can be entered into AMLIS.

Coal Outcrop Fires:

In EY-2004, NAMLRP received $16,000 from OSM for elimination of the Burnham #1 coal outcrop fire located in the Burnham area of the Navajo Nation. The construction work to address this coal outcrop fire was completed in 2004.

In EY-2005, NAMLRP submitted another application to OSM to fund a coal outcrop fire in the same general area. This coal outcrop fire is referred to as Burnham #2 coal outcrop fire and was addressed in the Chaco Plains contract. Project development for this fire was completed in the fall of 2005 and construction on the fire project was completed in April 2006. The cost of the Chaco Plains project was about $400,170.

Computer Network:

During EY-2006, NAMLRP continued to maintain a secure WAN/LAN connection with a VPN Security Firewall between the three (3) NAMLRP offices in Window Rock, AZ, Tuba City, AZ and Shiprock, NM. This allows NAMLRP network to create shared folders on each LAN user workstation to transfer large files which are unable to due with email. Specifically, NAMLRP accomplished the following tasks during the evaluation period:

- NAMLRP's desktop workstations are all running Windows XP Professional which allows Remote Desktop Access possible across the WAN/LAN at remote offices.

- The ISP provider used by NAMLRP (DSL internet connection) provides good access to OSM-TIPS AutoCAD and GIS software License Servers. NAMLRP relies on it's ability to access TIPS and GIS commercial software programs to develop their technical specification for AML projects.
- Due to OSM consolidating servers and implementing new IT policies being implemented by the US Government, on November 01 & 02, 2005, Greg Morlock, OSM-TIPS Service Manager, assisted NAMLRP with moving off of the OSM-TIPS Web Server to its present URL location (www.aml.navajo.org).
- NAMLRP provided comments, recommendations and needs to Willis Gainer, OSM Field Office Director for input at the TIPS Steering Committee meeting.
- NAMLRP with the cooperation of Army Core of Engineers hired a contractor (TerraSpectra Geomatics) to development a tracking database for all past NAMLRP projects using ArcGIS 9.1 software.
- To enhance performance NAMLRP upgraded the RAM memory to 2GB and installed 128MB video cards on desktop computers that are used to access ArcGIS and AutoCAD software.
- NAMLRP has installed and maintained its computer workstations by installing current or critical Microsoft Security Patches, updating the antivirus software.

AML Maintenance Work:
Projects done early on by the NAMLRP, when it did not have much experience in reclamation work, have needed more maintenance than later reclamation work. NAMLRP has greatly improved its quality of reclamation over the years. For several years now NAMLRP has been incorporating a 2-year warranty period in all their reclamation contracts. NAMLRP conducts field inspections of previously reclaimed projects before the expiration of the warranty period to see if any maintenance work is needed. If so, NAMLRP schedules and coordinates the work with the original contractor.

In 2004, NAMLRP revised the checklist it uses for maintenance inspections on early reclamation sites that are not under warranty, to determine if any maintenance work is needed. The checklist is a tool to make sure that they catch everything during inspections that would require corrective action. Another change is that NAMLRP now also uses GPS to record AML site locations, boundaries, etc. when visiting these old sites. Almost all reclaimed sites in their inventory now have GPS data on file.

In 2005 and 2006, the contracts awarded for the Chaco Plains and Wupatki Projects respectively both included project maintenance work. These contracts included maintenance work at six sites including Burnham, Naschitti, Newcomb, Cameron 2, Cameron 4 and Monument Valley 2 projects. The Chaco Plains and Wupatki AML Reclamation Projects are discussed in detail below in Part III, Principle 2 of this report.

Project development for both the Midlands AML Reclamation Project and the High Desert AML Maintenance Project was initiated in EY-2006 due to the maintenance assessments discussed above. Further work is ongoing to develop project specifications and NEPA compliance documents. These projects will enter construction during EY-2007.

PART III. RESULTS OF ENHANCEMENT AND PERFORMANCE REVIEWS

The regulatory objective of the annual evaluation process is to evaluate the effectiveness of AML Programs in:

1) Administering the responsibilities of their AML Plan and the obligations under approved grant(s);
2) Complying with Title IV of SMCRA by eliminating high priority hazards associated with abandoned mines; and,
3) Complying with any special initiatives important to OSM as the lead Federal agency.

Aside from reclamation maintenance work and reclamation of newly undiscovered mine sites that are added to the AMLIS inventory, NAMLRP has completed its non-coal (uranium and copper) reclamation inventory. The Northern AML Reclamation Project was the last major AML reclamation project to address hazards in the AMLIS inventory. It was completed in 2004. With the completion of the Northern AML Project 90% of the Navajo Nation's non-coal mine reclamation inventory is completed. The remaining 10% of the inventory consists of low priority (priority-3) sites which NAMLRP has determined will not be addressed by the Program. In most cases, these sites are either impossible to safely access with heavy equipment are of very low priority.

Although NAMLRP has been actively involved in both AML reclamation and PFP projects, most of work that NAMLRP will undertake eventually will consist of public facility / infrastructure construction projects. Consequently, OSM currently uses two principles of excellence to annually evaluate the effectiveness of the NAMLRP, one for PFP's and the other for AML reclamation. Together, these two evaluation topics allow OSM to assess Program accomplishments, administration, compliance with the National Environmental Policy Act (NEPA) and cost effective use of grant funds.

Principle 1: Accomplishments in Planning and Implementation of Public Facility Projects under Section 411 (e) and (f) of SMCRA

Under this principle, OSM annually evaluates the AML Program's effectiveness three ways:

1) Its ability to get Public Facility or Infrastructure Development projects through the project development (address environmental compliance issues, develop project designs and contract scope of work, and gain project approvals & funding) and into construction in a timely manner.
2) Its ability to complete projects on schedule and in accordance with contract specifications.
3) Its ability to develop, coordinate and administer projects in a cost effective manner that meets their intended purpose/function.

[*Disclaimer: OSM does not evaluate the quality of construction or compliance with applicable building code. Although DOI and OSM expects any federally funded building construction to meet applicable building code, that is not a function of SMCRA nor is OSM equipped to make such assurances or inspections. OSM recommends that compliance with uniform building codes be included in the contract specifications for all building structures.*]

NAMLRP is one of the first AML Programs in the nation to implement provisions of Section 411(e) and (f) of SMCRA which govern the funding and construction of Public Facility Projects. Therefore, NAMLRP pioneered and inspired much of the process & basis that OSM-AFO uses to evaluate PFP's authorized under SMCRA. OSM-AFO has also gained valuable experience from its review, approval and oversight of this aspect of the Program. Two other Programs, the Hopi AML and Wyoming AML also use AML funds for Public Facility / Infrastructure Projects.

There are no performance standards in SMCRA or its implementing regulations that govern the construction of PFP's. However, regulations for public facility projects at 30 CFR 875.15 (c), (d), (e) and (f), require substantial public involvement in the prioritization and selection of projects and they specify what types of projects are considered eligible.

For projects funded under 30 CFR 875.15 (public facility projects), Program effectiveness is based upon timely getting projects to construction and successful completion of projects in accordance with the approved grant(s). In other words, accomplishing what was set out in the grant application in a cost effective manner that ensures that completed projects meet the original scope of work and the intended function of the facility.

In EY-2002 and EY-2003 NAMLRP was able to successfully get several project proposals through project selection and development. By EY-2003 NAMLRP had reviewed a total of 110 project proposals and selected 19 of these PFP's for funding. Several of these 19 projects reached construction during EY-2004 and many of them were completed. Two additional projects were funded with set-aside funds by the NAMLRP (the renovation of Navajo historic building for AML office space in Window Rock, Arizona and the Cane Valley water & sanitation project). The Cane Valley project was completed in EY-2003 and the historic building office renovation project was completed in EY-2005.

In 2004, 2005, and 2006 NAMLRP continued to do a substantial amount of public outreach to eligible (impacted) Chapters. Numerous project coordination meetings were held with project entities, Chapters and their officials to discuss projects selected for "funding" in order to get them to construction. NAMLRP Program & Project Specialists (PPS) were assigned to each funded project to work with the Chapters and other partners to resolve issues and keep projects moving forward. For each PFP under construction, the PPS assigned to coordinate individual projects made routine site visits to monitor construction and to keep projects on schedule and to assist in contract management.

In EY-2006 NAMLRP continued to do an excellent job of preparing Categorical Exclusions (CX), Environmental Assessments and other documents to address compliance with the National Environmental Policy Act (NEPA). Categorical Exclusions (CX) are being used appropriately by NAMLRP and continue to result in very cost effective use of AML funds. In addition, NAMLRP has developed and refined an official format for submission of NEPA packages for Public Facility Projects. This new format has substantially improved the quality and consistency of the PFP packages being submitted to OSM for approval.

The Window Rock office and two field offices worked continually throughout the year to coordinate with the Tribal government, the Resources Committee of the Navajo Nation Council and other Federal, State or Tribal joint funding Agencies to ensure that projects reached construction in a timely manner. The three AML offices also coordinated with Navajo Design & Engineering Services and Navajo Division of Finance Department to develop contracts, to bid them out, and to get them through the Navajo Nation's final signature / approval process.

The Navajo Design and Engineering Department and the Navajo Capitol Improvement Office were recognized by OSM-AFO in 2006 for substantial contributions to the success of the NAMLRP efforts to promote PFP's on the Navajo Nation. Acrylic Plaque awards were presented to each entity. Navajo Design and Engineering Department provided the technical engineering designs for several PFP's including both buildings and infrastructure. These designs complement other buildings on the Navajo Nation and provide a mix of southwest / Indian and modern architectural theme. The Navajo Nation building designs & architecture has proven to result in cost effective, sturdy, modern, and beautiful products. The Navajo Nation Division of Community Development, Capitol Improvement Office also made significant contributions to the innovation seen in several public facility project designs and has thereby contributed to the cost effectiveness of PFP's undertaken by the NAMLRP.

The fact that engineering designs have been provided by Navajo Nation together with the fact that NAMLRP has secured leveraged funds from various other Tribal, State, and local sources, has made the Program extremely cost effective. The Navajo Nation has already enabled their limited amount of AML funds to go further and accomplish more for the Navajo people. On the average, NAMLRP has funded only 40% of the total cost of each PFP and leverage funds have provided the other 60% of funding.

EY-2003 saw the following four projects (all funded in 2002) completed:

1. Antelope Canyon Access Road,
2. Black Mesa Powerline Extension,
3. To'Hajiilee Behavioral Health Center and,
4. Cane Valley Water Systems Project (set aside funds).

Four other projects started construction but were not completed until 2004.

One of the original 20 projects (Rock Springs Chapter – Chapter House Building) was relatively behind in their project development schedule so funds were returned to NAMLRP which in turn were reallocated the other projects. The remaining eleven projects were either in the procurement process (SAS process) or in project design & development.

EY-2004 saw construction completed on the six (6) projects. The first five (5) were funded in 2002, and started construction in 2003. The last one was started and completed in 2004.

1. Oljato Senior Citizen Center,
2. Coppermine Powerline Extension,
3. Cove Senior Citizen Center
4. Coalmine Canyon Multi-purpose Building

5. Beclabito Head Start Building
6. Lake Valley Senior Citizen Center

Six PFP's were funded in EY-2003. One of which, the Chinle Valley- School Group Home & Dormitory Renovation, entered into construction in EY-2004 and was completed in early EY2005. The other five PFP's were in the design, planning or contracting phases (Cameron-Dzil Li Bei Elementary School Plumbing Upgrades, Standing Rock- Chapter House Renovation, Tuba City- Moenave Powerline Extension, White Cone- Multi-Purpose Building, and Huerfano-Multi-purpose building).

In EY-2005, NAMLRP had 11 PFP's in construction. Eight (8) of these PFP's were completed during EY-2005, two were completed in EY-2006 and one was still in construction as of June 30, 2006.

1. Dilkon - Sewage Lagoon …….……..(completed in 2005)
2. Ft. Defiance - Power Line Extension ……...……..(completed in 2005)
3. Chinle Valley School - Group Home Renovation……..(completed in 2005)
4. Standing Rock - Chapter House ……...……...……..(completed in 2005)
5. Twin Lakes - Infrastructure development for Senior Center..(completed in 2005)
6. Rough Rock - Senior Center ……..(completed in 2005)
7. Tache/Blue Gap - Senior Center ……..……..(completed in 2005)
8. San Juan - Multi-Purpose Building ……..……..(completed in 2005)
9. Coalmine Canyon - Waterline Extension ……...……(completed in 2006)
10. Moenave - Power Line Extension ……...(completed in 2006)
11. Nenahnezad - Navajo Preparatory School Renovation .....(ongoing)

In EY-2006, NAMLRP had 11 PFP's in construction, many of which are completed.

1. Moneave – Power Line Extension
2. Dilkon – Sewage Lagoon
3. Bodaway Gap – Power Line Extension
4. White Cone – Infra-Structure & Multi-Purpose Building
5. Monument Valley - Vendor Village
6. Nenahnezad – Navajo Prepatory School Renovation
7. Shonto - Infra-Structure for Business Development
8. Shiprock - Veterans Center Building
9. Shiprock – Infra-Structure Development
10. Crown Point - Dine' Youth Recreation Facility
11. Bread Springs – Water Well & Chlorinator

Another project, the Upper Fruitland - Chapter House Building was about to commence construction at the end of EY-2006. The project has gone through the Navajo Nation's SAS process and the contract is currently being written.

Tables 2 through 5, at the end of this report, list the status of all PFP's and their individual funding levels.

Summary:
PFP's continue to be a huge success for NAMLRP, the Navajo Nation, OSM and the Department of Interior. This OSM oversight review has concluded that NAMLRP is doing an outstanding job of:

1) Community outreach and working with Chapters to get a PFP proposal developed for submission to NAMLRP for funding consideration;
2) Objectively evaluating and ranking PFP proposals received in accordance with the selection criteria for referral to the Resources Committee. Funded PFP's meet the intent of Section 411(f) of SMCRA. The types of PFP's being selected for funding by NAMLRP directly relate to public infrastructure, water development and safety and health as intended and outlined by SMCRA.
3) Projects that are selected for funding are entering construction in a timely manner and being completed on schedule. NAMLRP has completed a tremendous amount of work in getting Public Facility Projects funded, contracted out and ready for construction.
4) PFP's are being constructed in accordance with approved designs. (I.e., the products being delivered are consistent with design specifications and the completed buildings are being used for their intended purpose.)
5) Continued its positive working relationship with the Navajo community, Navajo Nation governmental, and State agencies and continues to seek outside funding sources to complement AML funds.
6) No individuals, Chapters or other government agencies have reported any concerns regarding the NAMLRP or any of its projects during EY-2006.

Reliance on leveraged funding from Chapters, Navajo Nation, State entities, and other Federal Agencies, ensures that the NAMLRP is cost effective. In many cases project construction was made possible because of AML funding. In other cases, AML funding was but a small part of the overall funding contributed from other sources for the project.

To accomplish this evaluation, OSM:

1) Inspected PFP's before, during and after construction.
2) Documented the status of all PFP's selected for funding by the Navajo Nation Resources Committee including if the projects are in the project development or construction stage;
3) Evaluated whether the stated goals and objectives for the project (scope of work) was completed and within budget.

Principle 2 AML-Reclamation Accomplishments During the Evaluation Period (Directive AML-22, Principle 5)

The OSM-AFO annually reports on the status and accomplishments of each State and Tribal AML Program within its jurisdiction. This principle enables OSM-AFO to submit current information to OSM-HQ regarding the NAMLRP's coal and non-coal reclamation accomplishments. With the completion of the Northern AML reclamation project in EY-2004,

NAMLRP completed reclamation of all scheduled and safely accessible sites listed in its non-coal Abandoned Mined Lands Inventory.

NAMLRP reclamation contracts contain a 2-year warranty clause. The NAMLRP also updated the Maintenance & Surveillance Plan (form) to use when assessing reclaimed sites for stability and the need for maintenance work. It ensures that the engineering designs are working and that radioactive burial sites are not being exposed.

NAMLRP performed a 2-year warranty inspection on April 2004 of the Monument Valley 4 AML project (22 previously performed AML reclamation projects located from Monument Valley to Bluff). As a result of these field assessments performed under the NAMLRP Maintenance and Surveillance Plan, ten previously reclaimed coal projects were selected for correction of minor erosion problems (maintenance work).

AML Reclamation:
During EY-2005 NAMLRP had one reclamation maintenance project (Burnham AML Coal Reclamation) and a coal outcrop fire (Burnham #1 Coal Outcrop fire) in construction. The Program was also busy doing project development for the Chaco Plains Reclamation Project.

In EY-2006, Navajo completed construction on the Burnham #2 coal fire, reclaimed a couple of newly identified abandoned coal mine sites and also did some maintenance work on several previously reclaimed areas. This work was accomplished in two projects each under separate contract, the Chaco Plains Reclamation Project and the Wupatki Reclamation Project.

The Chaco Plains AML Reclamation Project consisted of:

1. Burnham #2 Coalfire Project (NA-0058, a newly identified AML site)
2. Burnham BIA Pit Reclamation Project (NA-0060, a newly identified AML site)
3. Dozer Cut Pit Reclamation Project (NA-0059, a newly identified AML site)
4. John Joe, Little Water Mine Reclamation Project (NA-0044, a recl. maintenance site)
5. Naschitti 2 Mine Reclamation Project (NA-0061, a newly identified AML site)
6. Newcomb Mine - Drainage Reconstruction Project (NA-0047, a recl. maintenance site)

The Wupatki Reclamation Project consisted of:

1. Cameron Project #2 Maintenance Project
2. Cameron Project #4 Dam & Spillway Reconstruction Project
3. Monument Valley #4 Maintenance Project

The Midlands AML Reclamation Project consists of:

1. Shonto Coalfire Project (NA-0062, a newly identified site)
2. Cow Spring Mine (NA-0011, a reclamation maintenance site)
3. Montezuma Chair Mine (NA-001, a reclamation maintenance site)
4. Twin Peaks Mine (NA-0051, a reclamation maintenance site)
5. Chindee Wash Mine (NA-0031, a reclamation maintenance site)

During the evaluation period, NAMLRP scheduled and coordinated a field tour for OSM inspection of construction at the completed Burnham#1 and Burnham#2 coal outcrop fire projects. In May and June 2006, post-construction inspection tours were conducted for both the Chaco Plains and the Wupatki coal maintenance and reclamation projects.

Reclamation work at all sites inspected was of excellent quality, hazards were effectively abated or safe-guarded, and biological restrictions specified for NEPA compliance were always complied with (such as scheduling of construction around the breeding season). Cultural resources were clearly flagged in the field to ensure protection or avoidance of damage by contractors.

OSM found that all reclamation work inspected was designed to enhance long-term stability of the reclaimed land. Reclamation work was also found to be both timely and cost effective.

In addition to field inspections, OSM and NAMLRP met on several occasions during the year in Albuquerque and Shiprock, New Mexico and in Window Rock and Flagstaff, Arizona. Both parties attended the Southwest Partnership meeting in Flagstaff, Arizona. Five field visits (only four trips) were made during the evaluation period, one to look at pre-construction and two to inspect completed Public Facility Projects and two to inspect AML reclamation work.
[See Project photos in appendix.]

NEPA Compliance:
NAMLRP did an excellent job of preparing National Environmental Policy Act (NEPA) Packages for the Burnham Projects and for the Chaco Plains and Wupatki Reclamation Projects this year. Impacts were accurately assessed in the environmental documents and biological studies and clearances were contained in the package.

OSM Findings:
AML Maintenance & 2-Year Warranties:
NAMLRP routinely inspects past reclamation for erosion and other problems. Problems identified are prioritized, logged for engineering design to address the problem and collected into a large project for contract award and for OSM approval / funding.

Coal Outcrop Fires:

- NAMLRP applied for and received $16,000 in FY-2005 Federal Share funding to address the Burnham #1 coal outcrop fire located in Burnham Chapter. The site was reclaimed and the fire was fully addressed.
- In 2005, NAMLRP applied for and received $26,000 in Federal Share funding to address the Burnham #2 coal outcrop fire. The site was reclaimed and the fire was addressed in EY-2006.
- In 2006, NAMLRP applied for and received supplemental funds of $18,000 in Federal Share funding to be added to Tribal set-aside funds to address the Shonto coal outcrop fire. The site is currently undergoing project development and will enter construction in either later 2006 or early 2007. NAMLRP has partnered with Hopi AML and Peabody Western Coal Company to address this coal fire.

PART IV. ACCOMPLISHMENT AND INVENTORY REPORTS (AMLIS)

AMLIS Database:

Navajo Finance Department collects financial information and processes draw downs for NAMLRP and other Navajo Nation programs. In EY-2004, OSM-AFO and NAMLRP met and agreed that NAMLRP will enter all non-coal reclamation and cost data into AMLIS when the construction grant is closed out. That is the earliest time that the AMLIS cost information is available to the NAMLRP for entry into AMLIS. Until the closeout, detailed cost information is not available from the Navajo Nation Finance Department to NAMLRP.

Table-7 at the end of this report, contains a list of accomplishments for 2006.
Table-8 contains a cumulative tabulation (year to date) of hazards and the cost associated with safeguarding all AMLIS hazards.

NAMLRP is commended by OSM for accomplishing the goals & priorities identified under SMCRA by completing its coal and non-coal inventory, subject to newly discovered sites or problems. When NAMLRP received Certification in May 1994, NAMLRP formally agreed to perform any necessary maintenance work on previously reclaimed sites. Consistent with this agreement, the both the need for any maintenance work was assessed and needed reclamation maintenance was performed on previously reclaimed sites in 2004, 2005 and 2006 reclamation projects. OSM commends the NAMLRP for this ongoing effort.

Although not really part of the National Inventory of mine hazards, NAMLRP is also commended for its continued success with development and management of PFP's. PFP's are an effective use of AML funds on Navajo Lands. NAMLRP has demonstrated that SMCRA, Sections 411(e) and 411(f) provisions for PFP's can be an effective means of off-setting past and current mining related impacts on the Navajo Nation.

Table 1
NAMLRP – Active Grants
(Reclamation Projects by Grant Funding)

Grant Number	Grant term		AML Recl. & PFP Projects	06/30/06 Status
GR207810	01/01/02 to 12/31/04	1	Aneth, Rockwell - Waterline Ext.	Completed
	Extended to 2005	2	Beclabito - Head Start	Completed
		3	Black Mesa - Powerline	Completed
		4	Coalmine Mesa - MPF	Completed
		5	Coalmine Canyon -Waterline Ext./B.Rm.	Completed
		6	Coppermine - Powerline Ext.	Completed
		7	Cove - Sr. Citizen Center	Completed
		8	Ft. Defiance - Powerline Ph-2	Completed
		9	Lake Valley - Sr. Citizen Center	Completed
		10	Manuelito – Powerline Ext.	Pending
		11	Monument Valley – Vendor Mall $300,000 in AML pd. Dec 2005.	Completed
		12	Antelope Canyon - Access Rd.	Completed
		13	Oljato - Sr. Citizen Center	Completed
		14	Rough Rock - Sr. Citizen Ctr.	Completed
		15	San Juan - Multi-Purpose Bldg.	Completed
		16	Tachee / Blue Gap - Sr. Citizen Ctr.	Completed
		17	ToHajiilee - BHS Ctr.	Completed
		18	Twin Lakes - Infrastructure	Completed
		19	Northern AML Reclamation Project	Completed
			Includes: Sanostee-1	
			Cove-4	
			Beclabito-4	
		20	AML Maintenance - Wupatki (10 sites)	Completed
		21	AML Maintenance - Chaco Plains (Noncoal)	Completed
Set-Aside funded	2002	1	Dennehotso, Cane Valley (set-asides)	Completed
GR307810	01/01/03 to 12/31/05	1	Chinle Valley School	Completed
		2	Standing Rock - Chap. House Renovation	Completed
		3	Tuba City – Moenave Powerline Ext.	Completed
		4	Cameron Dzil Lebei –School Water Project	Completed
		5	White Cone – MPB, Ph. 2	Ongoing
		6	Huerfano – MPB	Completed
GR407810	01/01/04 to 12/31/06	1	Wupatki AML Recl. Maint. Project (10 sites)	Completed
		2	Shonto – Infrastructure (Scheduled for completion in Dec. 2006)	Ongoing
		3	Shiprock / Hogback - Veterans Bldg.	Ongoing
		4	Shiprock - Infrastructure	Pending
		5	Crownpoint - Dine' Youth Center Renovation	Pending
		6	Upper Fruitland - Chapter House Renovation	Pending
		7	Dilkon - Sewage Lagoon Ph-2	Completed
		8	AML Maintenance - Chaco Plains (Coal)	Completed
Set-Aside funded	2004	1	Window Rock - Historic Bldg. Restoration	Completed
GR300816	2004 - 2005	1	Burnham Coal Fire #1 $16.000 Fed.Sh.	Completed
GR400816	2005 - 2006	1	Burnham Coal Fire #2 $26,000 Fed. Sh.	Completed
GR500816	2006 - 2007	1	Shonto Coal Fire-Phase #2 $18,000 Fed Sh.	Pending
GR507810	01/01/05 to 12/31/07	1	Chaco Plains - Coal AML Maintenance	Completed
		2	Bread Springs - School Well/Chlorinator	Ongoing
		3	Bodaway/Gap - Hardy Power-line Ext.	Completed
		4	Nenahnezad - Navajo Prep. School Ph-2	Ongoing
GR607810	01/01/06 to 12/31/09	1	Midlands - AML Maintenance (ATP issued)	Pending

- **Items in Orange were funded with Set-Aside funds.**
- **Items in Green are Projects that were in Active Construction during EY-2006.**

Table 2
NAMLRP
Status of Public Facility Projects Funded in EY-2002[1]

	Grant GR207810					
	Chapter/ Entity	**PFP**	**AML Funding**	**Leverage Funding**	**Total Funding**	**06/30/06 Status**
1	Aneth, Rockwell	Waterline Ext.-Well	300,000	674,030	974,030	Completed
2	Beclabito	HeadStart	200,000	476,000	676,000	Completed
3	Black Mesa	Powerline	297,032	675,458	972,490	Completed
4	Coalmine Canyon	MPF	300,000	1,251,680	1,551,680	Completed
5	Coalmine Canyon2	Waterline Ext. (37%Set-Aside funds)	101,400	732,200	833,600	Completed
6	Coppermine, West	Powerline Ext.	60,140	1,019,221	1,079,361	Completed
7	Cove	Senior Center	300,000	300,000	600,000	Completed
8	Dennehotso, Cane Valley[3]	Water System (All Set-Aside funds)	124,000	1,291,000	1,412,000	Completed
9	Ft. Defiance, BlueCanyon	(Ph-2) Powerline Extension	189,530	95,540	285,070	Completed
10	Lake Valley	Senior Center	300,000	300,000	600,000	Completed
11	Manuelito, South	Powerline Ext.	300,000	55,000	355,000	Pending
12	MV A&C Council	Vendor Vill./Mall	300,000	3,760,500	4,060,500	Completed
13	N.N.Parks & Rec. Dept.	AntelopeCanyon Access Rd.	129,000	54,692	183,692	Completed
14	Oljato	Senior Center	295,000	80,000	375,000	Completed
15	Rough Rock	Senior Center	300,000	516,715	816,715	Completed
16	San Juan	MPF	300,000	1,199,950	1,499,950	Completed
17	Tachee-Blue Gap	Senior Center	300,000	517,064	817,064	Completed
18	To'Hajiilee	Behav. Health Clinic	300,000	137,052	437,052	Completed
19	Twin Lakes	Infrastructure	214,730	618,000	832,730	Completed
	TOTALS		**$4,610,832.00**	**$13,754,102.00**	**$18,361,934.00**	

1 Cost information in this table is subject to change as projects are completed.
2 Projects No. 5 funded with $37,384 in set-aside funds and with $64,016 in regular AML funds.
3 Project No. 8 was funded entirely with set-aside funds.
- Items in Green are Projects that were in Active Construction during EY-2006.

Table 3
NAMLRP
Public Facility Projects Funded in EY-2003

	Grant GR307810					
	Chapter/ Entity	**PFP**	**AML Funding**	**Leverage Funding**	**Total Funding**	**06/30/06 Status**
1	Chinle Valley School	Group Home & Dorm. Rennov.	$300,000	$404,973	$704,973.00	Completed
2	Standing Rock	Chapter House Rennovation	140,000	103,533	243,533	Completed
3	Tuba City	Moenave Powerline Ext.	9,480	791,137	800,617	Completed
4	Cameron	Dzil Li Bei Elem. Plumbing	299,700	110,000	409,700	Completed
5	White Cone	Infrastructure for MPB	300,000	30,000	330,000	Completed
6	Huerfano	MPB-Gym.	150,000	1,976,051	2,126,051	Completed
	TOTALS		**$1,199,180.00**	**$3,415,694.00**	**$4,614,874.00**	

- **Items in Green are Projects that were in Active Construction during EY-2006.**

Table 4
NAMLRP
Public Facility Projects Funded in EY-2004

	Grant GR407810					
	Chapter/ Entity	**PFP**	**AML Funding**	**Leverage Funding**	**Total Funding**	**06/30/06 Status**
1	Shonto RBDO	Industrial Park	$300,000	$40,000	$340,000.00	Ongoing
2	Hogback	Shiprock Vet. Office Bldg.	300,000	475,000	775,000	Ongoing
3	Shiprock	M/P, Infrastructure Dev., Phase 2	300,000	500,000	800,000	Pending
4	Crownpoint	Dine' Youth Recr. Facil.	22,010	500,000	522,010	Pending
5	Upper Fruitland	Chapter House Bldg.	300,000	475,000	775,000	Pending
6	Dilkon	Sewage Lagoon Exp. Phase-2	107,590	107,590	215,180	Completed
7	Shiprock	Veterans Ctr. Bldg.	$300,000	$775,000 NM $175,000 NN $380,000 Fed.	$1,535,000	Ongoing
	TOTALS		**$1,329,600.00**	**$3,427,590.00**	**$4,962,190.00**	

- **Items in Green are Projects that were in Active Construction during EY-2006.**

Table 5
NAMLRP
Public Facility Projects Funded in EY-2005

	Grant GR507810					
	Chapter/ Entity	**PFP**	**AML Funding**	**Leverage Funding**	**Total Funding**	**06/30/06 Status**
1	Bread Springs	Water Well & Chlorinator	300,000	700,000	1,000,000	On-Going
2	Bodaway/Gap	Hardy Power-line Ext.	112,451	26,640	139,091	Completed
3	Nenahnezad	Navajo Prep. School Ph-2	300,000	11,916,461	12,216,461	Ongoing*
	TOTALS		**$712,451.00**	**$12,643,101.00**	**$13,355,552.00**	

- **Items in Green are Projects that were in Active Construction during EY-2006.**

* Navajo Prep. School Ph-2 is 97% complete, $275,000 has been spent. NAMLRP will consider it fully complete when all AML funded construction items are finished and paid out.

Table 6
NAMLRP
Public Facility Projects Funded in EY-2006
[Note: No PFP's were funded in EY-2006.]

	Grant GR607810			Leverage Funding		
	Chapter/ Entity	**PFP**	**AML Funding**		**Total Funding**	**06/30/05 Status**
1						
2						
	TOTALS		**$ 0.00**	**$ 0.00**	**$ 0.00**	

Table 7
NAMLRP
EY-2006 AMLIS Accomplishments *

Problem Type and Description	Completed EY-2006	Costs**
Benchs	0.0 acres	$0.
Clogged Stream Lands	0.0 acres	$0.
Dangerous Highwalls	303 linear feet	$13,000.
Dangerous Impoundments	3 (count)	$21,800.
Dangerous Piles & Embankments	0.85 acres	$37,500.
Dangerous Slides	0 acres	$0.
EF-Equipment/Facilities	0 (count)	$0.
Gobs	1.5 acres	$27,650.
Highwalls	2100 feet	$119,725.
Hazardous Equipment & Facilities	0 (count)	0.
Haul Roads	0 acres	$0.
Industrial/Residential Waste	1.0 acres	$12,500.
Mine Openings (prospects)	0 (count)	$0.
Other (Erosion Maintenance)	960 Lin. Ft.	$2000.
Portals	0 (count)	$0
Pits	1.1 acres	$65,120.
Polluted Water: Agric. & Indust.	0 (count)	$0.
Subsidence	0 acres	$0.
Spoil Areas	0 acres	$0.
Surface Burning	0.24 acres	$16,000.
Slump	0 acres	$0.
Underground Mine Fires	3.1 acres	$100,175.
Vertical Openings	1.0 (count)	$700.
Water Problems	0 (count)	$0.
NAVAJO TOTAL COSTS		**$400,170.00**

* This table is based on a Problem Type Unit and Cost Detail Report from the Abandoned Mine Land Inventory System. The Navajo coal inventory is completed. Neither AMLIS nor this table contains an inventory of un-reclaimed non-coal. Non-coal hazards are not tracked by the AMLIS inventory, until they are funded or fully reclaimed.

** Costs associated with AMLIS keywords/ hazards are not entered by NAML until the grant is closed out.

- **Items in Green are Projects that were in Active Construction during EY-2006.**

Table 8
Navajo Abandoned Mine Reclamation Program
Cumulative AML Reclamation Accomplishments To Date

Problem Type and Description	Completed To Date*	Costs**
Benchs	58.25 acres	329,313
Clogged Stream Lands	0.8 acres	0.
Dangerous Highwalls	92,411 linear feet	5,130,086.
Dangerous Impoundments	7 (count)	123,359.
Dangerous Piles & Embankments	569.37 acres	7,583,391.
Dangerous Slides	7 acres	220,394.
Equipment/Facilities	2.0 (count)	12,405.
Gobs	168.74 acres	843,846.
Highwalls	4,070 feet	203,561.
Hazardous Equipment & Facilities	5 (count)	29,087.
Haul Roads	230.56 acres	949,702.
Industrial/Residential Waste	7.5 acres	121,162.
Mine Openings (prospects)	87 (count)	259,723.
Other (Erosion Maintenance)	1,260.1	2,157,359.
Portals	862 (count)	3,235,897.
Pits	139.4 acres	1,037,555.
Polluted Water: Agric. & Indust.	19.0 (count)	185,901.
Subsidence	12.14 acres	428,496.
Spoil Areas	264.6 acres	432,334.
Surface Burning	3.24 acres	26,000.
Slump	0.0 acres	0.
Underground Mine Fires	3.1 acres	100,175.
Vertical Openings	382 (count)	382,434.
Water Problems	1 (count)	4,337.
NAVAJO TOTAL COSTS		**$23,067,034.00**

- **Items in Green are Projects that were in Active Construction during EY-2006.**

* Keywords include EY-2006 accomplishments; however,

** Costs & total may not include all costs associated with EY-2006 accomplishments as the grant(s) May not be closed out.