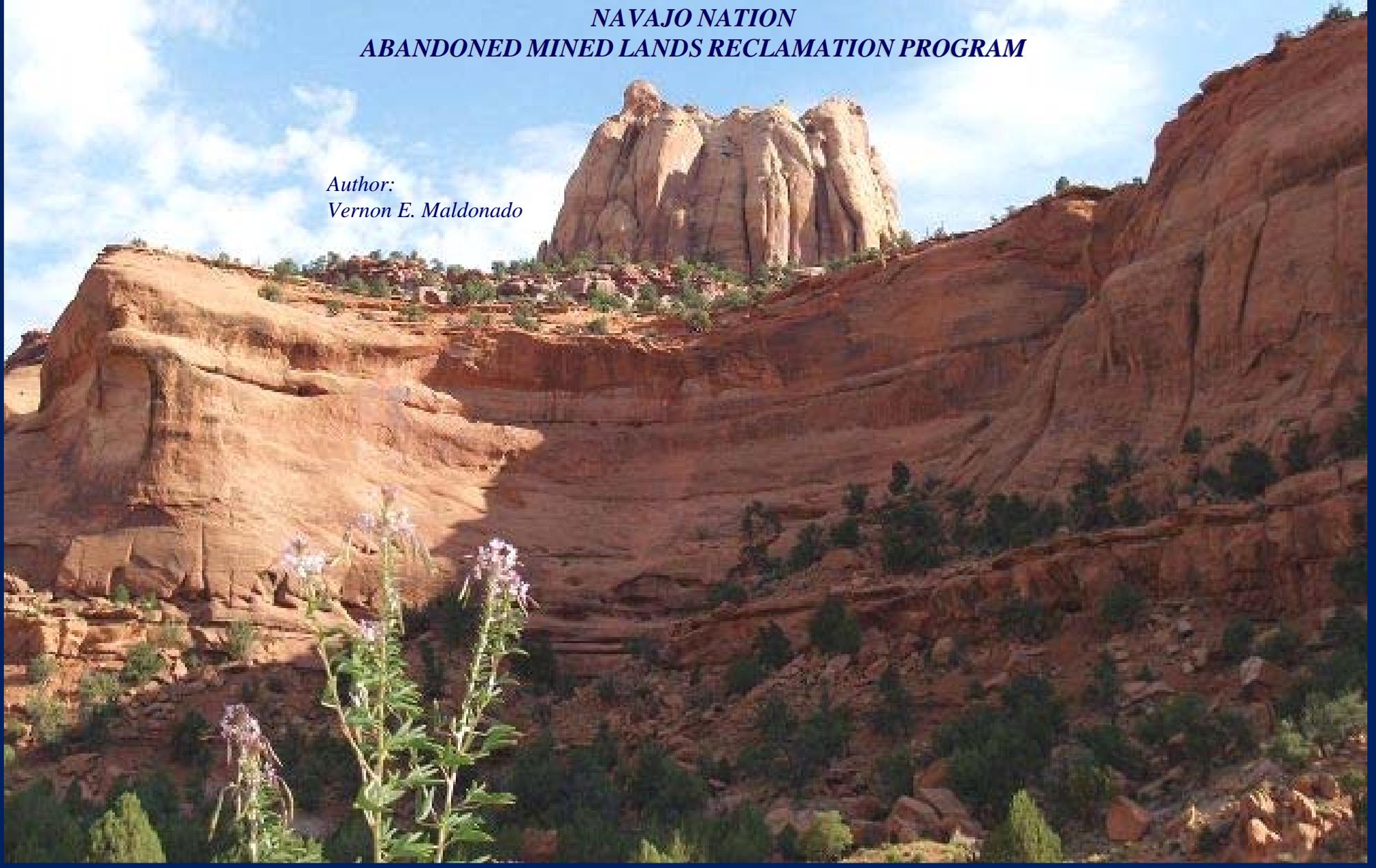


***OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT  
ANNUAL EVALUATION REPORT***

***Evaluation Year 2009  
(July 1, 2008 through June 30, 2009)  
on the***

***NAVAJO NATION  
ABANDONED MINED LANDS RECLAMATION PROGRAM***

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# Table of Contents

<b>TABLE OF CONTENTS.....</b>	<b>1</b>
<b>INTRODUCTION .....</b>	<b>2</b>
<b>PART I. GENERAL INFORMATION .....</b>	<b>2</b>
NAVAJO NATION TRIBAL GOVERNMENT: .....	2
AML PROGRAM HISTORY:.....	3
COAL OUTCROP FIRES:.....	4
AML MAINTENANCE AND 2-YEAR WARRANTIES: .....	4
AWARD NOMINATIONS:.....	4
PROGRAM FUNDING:.....	4
NAMLRP’S STATED GOALS AND OBJECTIVES:.....	7
PFP OVERVIEW:.....	7
PROGRAM STAFFING: .....	8
PUBLIC FACILITY & INFRASTRUCTURE PROJECT SELECTION PROCESS:.....	9
<b>NAMLRP PUBLIC FACILITY PROJECT HISTORY:.....</b>	<b>10</b>
GRANTS ADMINISTRATION:.....	12
INDEPENDENT FINANCIAL AUDITS: .....	12
PLAN MAINTENANCE:.....	12
<b>PART II. NOTEWORTHY ACCOMPLISHMENTS.....</b>	<b>13</b>
PROGRAM AND PROJECT MANAGEMENT:.....	13
COMPUTER NETWORK: .....	15
OSM SPONSORED TIPS AND NTPP TRAINING AND TECHNICAL ASSISTANCE: .....	15
GPS DATA COLLECTION: .....	16
NEPA COMPLIANCE:.....	16
2009 ARBOR DAY EVENT:.....	16
<b>PART III. RESULTS OF ENHANCEMENT AND PERFORMANCE REVIEWS.....</b>	<b>17</b>
2009 OVERSIGHT ACTIVITIES:.....	18
<i>Principle 1: Public Facility Project Accomplishments.</i> .....	18
<i>Principle 2: AML Reclamation Accomplishments</i>	
MORRISON AML RECLAMATION PROJECT.....	20
<b>PART IV - ABANDONED MINE LAND INFORMATION SYSTEM .....</b>	<b>23</b>
<i>AMLIS DATABASE AND OVERALL PROGRAM ACCOMPLISHMENTS:</i> .....	23
TABLE 1_ RECLAMATION & PFP PROJECTS BY GRANT NUMBER.....	25
TABLE 2_ PUBLIC FACILITY PROJECTS FUNDED IN EY-2002.....	26
TABLE 3 PUBLIC FACILITY PROJECTS FUNDED IN EY-2003.....	26
TABLE 4 PUBLIC FACILITY PROJECTS FUNDED IN EY-2004.....	27
TABLE 5 PUBLIC FACILITY PROJECTS FUNDED IN EY-2005.....	27
TABLE 6 PUBLIC FACILITY PROJECTS FUNDED IN EY-2007.....	27
TABLE 7 PUBLIC FACILITY PROJECTS FUNDED IN EY-2008.....	28
TABLE 8 PUBLIC FACILITY PROJECTS FUNDED IN EY-2009.....	28
TABLE 9 CUMULATIVE PFP FUNDING BETWEEN EY-2002 THROUGH EY-2009.....	28
TABLE 10 EY-2009 AMLIS ACCOMPLISHMENTS .....	29
TABLE 11 CUMULATIVE AMLIS ACCOMPLISHMENTS TO DATE .....	30
<b>PART V. ISSUES AND RECOMMENDATIONS.....</b>	<b>31</b>

## **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's Division of Natural Resources. This 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, 2008 and ending June 30, 2009 (EY-2009).

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 August 3 1977; however, coal mines with physical hazards have funding priority. After a State or Tribal Program has certified that all of its priority-1 & -2 coal hazards have been reclaimed, SMCRA authorizes the use of State or Tribal AML funds for either non-coal mine reclamation or Public Facility and Infrastructure Projects (PFs), 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 project construction. The OSM Western Region's (OSM-WR), Albuquerque Area Office (AAO) provides assistance to the NAMLRP by evaluating compliance with the National Environmental Policy Act (NEPA), inspecting final reclamation and inspecting PFP construction. The twelve month accomplishments of the Program are summarized every year by the OSM-AAO in an annual evaluation report (AER).

## **PART I. GENERAL INFORMATION**

### **Navajo Nation Tribal Government:**

The Navajo Nation is the largest reservation in the United States, situated on over 27,000 square miles of land within the states of Arizona, New Mexico, and Utah. The Navajo Nation consists of a tribal government and 110 local governing bodies called Chapters. According to Census Bureau statistics, the Navajo are the second-largest group among Native American tribes. (Cherokees numbered largest.) In the 2000 census, 269,202 people in the U.S. claimed Navajo ancestry.

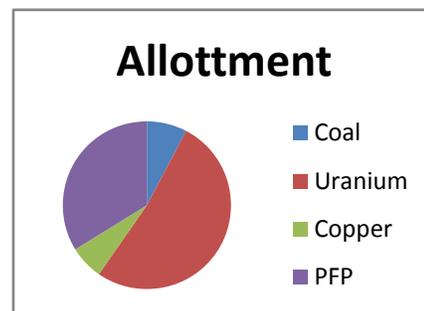
<b>Demographic Data for Navajo Nation</b>	
Land Area:	Navajo County 10,000 mi <sup>2</sup> ; Arizona 113,000 mi <sup>2</sup>
Persons per sq. mi.:	Navajo County 10; Arizona 45
2008 Population Estimate:	Navajo County 113,000; Arizona 6,500,000
Labor Force:	comprised of 28% of the population
Median Household Income:	\$20,005
Unemployment:	42%
Annual Revenue:	\$137 Million
	51% from mining
	32% from taxes
	17% from tourism & other
(Navajo Nation gets approximately 3 Million visitors a year.)	

**AML Program History:**

OSM approved the Navajo Abandoned Mine Lands Reclamation Program (NAMLRP) and associated Navajo AML Code / Plan on May 16, 1988. From the time of program approval thru May 4, 1994, the NAMLRP completed reclamation of all of the high priority coal hazards in its inventory and applied for certification. The Secretary of Interior concurred with the NAMLRP’s certification that all known eligible priority-1 and priority-2 abandoned coal mine hazards were reclaimed. Since receiving certification in 1994, the NAMLRP used its AML funds almost exclusively for reclamation of eligible abandoned non-coal (uranium and copper) mines.

In 2000 and 2001, the NAMLRP amended its Navajo AML Reclamation Plan to use AML funds for the construction of public facilities or infrastructure projects as a means of mitigating or offsetting current and past mining related impacts to impacted communities. PFPs primarily repair, expand or add new infrastructure (water, sewer, electric power, roads) or public buildings (schools, offices, senior centers, recreation centers, other public buildings). Since 2002, PFPs have been an important part of the Program’s annual construction budget. In addition, the Program has annually funded reclamation maintenance contracts to address maintenance concerns on past coal and non-coal reclamation projects. NAMLRP also secured funding (Federal and Tribal) for a couple of small coal outcrop fires in 2004, 2005 and 2006.

Cumulatively, the NAMLRP has spent over \$25 Million in on-the-ground construction to reclaim coal and non-coal (uranium and copper) hazards on Navajo lands. In addition, it has spent another \$14 Million on PFPs. Total construction costs for all efforts to date are just over \$39 Million. The annual funding for administration of the program is about \$830,000 per year which is not included as part of the construction cost.



**Coal Outcrop Fires:**

Navajo AML did not fund any coal outcrop fires during EY-2009.

**AML Maintenance and 2-Year Warranties:**

As part of all NAMLRP’s contracts, all projects are subject to a 2-year warranty period starting from the date of the final contract closeout. Two projects, High Desert (completed in October 2007) and Morrison Reclamation Maintenance project are currently subject to the 2-year warranty provision. NAMLRP routinely inspects completed reclamation for erosion and other problems prior to the end of the warranty period.

**Award Nominations:**

No projects were submitted to OSM in 2009.

**Program Funding:**

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. NAMLRP 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) <b><u>Prior Un-appropriated State / Tribal Share Balance funds</u></b> – 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 this portion of the Historic Coal Share is to be distributed solely to uncertified Programs beginning in 2023. <b>Because NAMLRP is a certified Program, it is not eligible to receive these funds.</b></p>   |
| <p>2) <b><u>Prior Balance Replacement funds</u></b> – 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 exactly the same amount of money out of this fund that they were previously entitled to out of the 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</p> |

over the 7-year period beginning in 2008 and extending through 2014.

Certified Programs like NAMLRP are not restricted in how this money is used, however, uncertified Programs can only 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, **NAMLRP will receive its share of this Fund (\$36,277,450) over a seven year period beginning in 2008 and can use these funds for any eligible project it chooses. NAMLRP will receive approximately \$5,182,000 out of this Fund annually.**

- 3) **State / Tribal Share** – 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 NAMLRP received its 50% annual fee collections from active coal mine during the previous year (2006 production). Under the 2006 SMCRA Amendment, beginning in 2008, **NAMLRP is no longer eligible to receive its 50% annual fee collections; it will instead receive an equivalent amount of U.S. Treasury funds (these Treasury funds are called 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% Navajo Nation Share collections will henceforth be transferred (allocated) annually to OSM's Historical Coal Share Fund, for distribution by OSM to uncertified AML Programs.**

- 4) **Historical Coal Share Funds** –Historical Coal Share funds are reserved exclusively for uncertified AML 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 collection 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 NAMLRP 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 Navajo, now receive an amount equivalent to their annual 50% State/Tribal Share collections, from the US Treasury funds. So, **the NAMLRP is not losing any net funding as a result of the reallocations.**]

- 5) **Minimum Program Makeup Funding** – 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 NAMLRP is a certified AML Program, it is not eligible to receive Minimum Program Makeup Funding [See 402(g)(8)(A)].**

OSM’s November 14, 2008, final rule Federal Register notice implements the SMCRA revisions arising from the Tax Relief and Health Care Act of 2006 (P.L. 109-432). The final rule defines “the Fund” to mean collectively any and all funds collected through AML fee collections. Monies coming directly from U.S. Treasury distributions (such as Certified In-lieu funds or Prior Balance Replacement funds) are not considered to be part of “the Fund.” The final rule also clarifies that all future AML funds will continue to be distributed as Federal grants; therefore, the use of such funds will continue to be restricted to the purposes prescribed by SMCRA and subject to Federal oversight.

For NAMLRP, this means that funds used for Public Facility and Infrastructure Projects, pursuant to §411(e) and (f), must continue to be used in accordance with Tribal Council direction, with priority given to addressing the impacts of past or present mineral (coal and non-coal) development (mining). The NAMLRP remains essential to receiving AML funding in that NAMLRP remains accountable for maintaining its certified status by maintaining past coal reclamation and addressing any new coal hazards that should be identified.

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

NAMLRP funding for 2008 was \$5.2M. The table below shows projected funding for NAMLRP for the next 15 years (2008 through 2022).

Projected Funding Levels for NAMLRP by Year* (in millions)															
2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
\$5.2	\$6.0	\$6.8	\$7.6	\$8.4	\$8.4	\$8.0	\$2.8	\$2.8	\$2.7	\$5.1	\$5.1	\$2.7	\$2.7	\$2.7	\$77.0

\* These numbers are more accurate than what was reported in the 2007 Annual Report.

Over the 16-year period 2008 through 2022, NAMLRP will have been awarded \$77M. Much of these funds will be used for project construction or reclamation maintenance and the rest for administration of the Program. The AML funds that will be dedicated to the construction of PFPs, combined with those funds available from other sources with a vested interest in such projects, present a substantial opportunity for the Navajo Nation and its constituent Chapters to address some longstanding social, health and economic needs.

### **NAMLRP's Stated Goals and Objectives:**

As previously mentioned, in 1994, NAMLRP certified that reclamation of its high priority coal inventory (in the AMLIS database) was completed. Aside from: 1) maintenance of past AML reclamation sites; 2) reclamation of mine features that are inaccessible with current technology; and 3) the reclamation of newly reported coal fires or newly discovered or reported abandoned mine sites, the coal inventory workload identified in the AMLIS database is essentially completed.

Post-certification, NAMLRP has informed OSM that its current priorities are: 1) Abandoned Mine Lands Reclamation (coal and non-coal); 2) Public Facility and Infrastructure Projects; 3) Partnership Initiatives; and, 4) Public Relations.

### **PFP Overview:**

The Navajo Resources Department and the NAMLRP have excellent leadership that has facilitated the continual productivity of its workforce relative to completing AML construction projects for both mine reclamation and public facilities.

Together, they have successfully managed to match available funds to potential projects and found innovative ways to design projects based upon the total funds available from the various contributing sources. Finding potential funding sources and getting the various funding entities to come to agreement on projects has been an art in itself. In some cases NAMLRP sought out the other sources and in other cases those sources sought out NAMLRP's involvement. In either case, they have been able to cooperate on project development and construction, and have seen projects through to completion. Current Navajo Nation policy allows funding of only one proposal/project per Chapter.

The on the ground construction results are visible to the many Chapters of the Navajo Nation that have completed such projects. Other Chapters now anxiously await their projects to be realized and are encouraged by the successes of those Chapters that have completed projects. At the same time some Chapters are looking forward to the design, development and funding of their next project, some of which have already submitted another project proposal.

In 2005, NAMLRP 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. NAMLRP continues to operate in accordance with this Strategic Plan. The Strategic Plan is revised and updated annually. It was updated in 2008 to incorporate changes needed as a result of the passage of the 2006 SMCRA amendment. Changes to the NAMLRP's AML Plan are needed for it to comport with the 2006 SMCRA amendment and OSM's final rule published in the Federal Register on November 14, 2008. OSM is currently working with the NAMLRP to address these Plan deficiencies.

Thus far, the Program has exceeded OSM's expectations by its high productivity and its continual willingness to accept new challenges. This high productivity will likely continue to be a characteristic of the NAMLRP over the next decade as their experience continues to grow and as the Chapters gain experience in developing viable project proposals. NAMLRP is providing assistance and instruction to Chapters on project development and proposal writing. This outreach is resulting in a continuous stream of applications for project funding. OSM finds this effort consistent with the goals of SMCRA. Public impacts from past and present mining are being effectively mediated by the public projects funded and coordinated by the NAMLRP. The Navajo Nation has implemented an effective process for prioritization of public projects for funding.

### **Program Staffing:**

The NAMLRP has three office locations to serve the Navajo Nation. The main administrative 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 though several projects are also handled out of the Window Rock, Arizona office.

NAMLRP currently has a staff of 21 full-time equivalent (FTE's) positions, two (2) of which are currently vacant. This is the same staffing level as last year. Both the reclamation work and the public facility / infrastructure projects are being accomplished with this staff. Approximately seven (7) of the 21 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, AML/UMTRA Department Manager. As the UMTRA workload gradually decreases in the distant future, staff whose salary is now shared with the UMTRA Program may eventually be fully funded by the AML Program.

Beginning in 2008, NAMLRP annual funding increased to \$5M from its past funding level which ranged between \$2.5 to \$3M annually. The 2009 funding increased to \$6M and 2010 funding will be close to \$7M. Future funding will then stabilize for a few years at close to \$8M. Although funding has doubled from past levels, NAMLRP anticipates staffing levels to remain relatively level. OSM has recommended that NAMLRP retain all necessary staff expertise needed to do reclamation work in order that it will remain capable of maintain certification and its capability to effectively address mine related hazards by assessing, designing and constructing safeguards to protect and inform the public.

OSM continues to observe high morale at all three AML office locations and a dedication to the mandate of the Program. NAMLRP staff and management understand the importance of their work at all levels and have a strong interest in each of the communities being served.

### **Public Facility & Infrastructure Project Selection Process:**

SMCRA originally 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 from which it originates. In 1990, Congress passed the Omnibus Budget Reconciliation Act which added Section 411(e) and (f), to authorize certified programs to use AML funds for the protection, repair, replacement, construction, or enhancement of public facilities in communities impacted by mining.

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-AAO uses to evaluate PFPs authorized under SMCRA.

PFP submissions that have been funded by NAMLRP to date can be grouped into four main categories:

- 1) Facility projects to newly construct or renovate existing Chapter Houses, Community Centers, Multi-Purpose Buildings, Senior Citizen Centers and Head Start facilities;
- 2) Building improvement projects to upgrade plumbing, heating, cooling or electrical systems;
- 3) Infrastructure projects such as development of new water wells, water lines, sewer lines and electrical power lines, sanitation facilities, road improvements and industrial projects;
- 4) Commercial/business development projects that provide land and utilities to encourage business development in specific areas.

Certified AML Programs like NAMLRP are required to do whatever is required in order to maintain their certified status as their top priority, by reclaiming any newly discovered coal mine hazards as well as maintaining stable reclamation on previously reclaimed sites. To maintain certification, NAMLRP may use prior balance replacement funds, certified in-lieu funds or any monies available from the Fund (past AML funds from fee collections).

As a result of the 2006 SMCRA amendment, the only requirements for the expenditure of either Prior Balance Replacement funds or Certified In-lieu funds stem from grants requirements such as the Federal Assistance Manual and from Circulars published by the Office of Management and Budget such as A-87 (allowable cost principles), A-102 (management of AML funds), and A-133 (audit requirements). In general, a certified AML Program is eligible to apply for and receive the grant awards from OSM. Funds awarded as Prior Balance Replacement funds under SMCRA 411(h)(1) may only be used for the purposes established by the State Legislature or Tribal council giving priority to addressing the impacts of mineral development (30 CFR 872.31). Funds awarded to certified AML programs after October 1, 2008 as Certified In-lieu funds, under SMCRA 411(h)(2), come from general funds of the U.S. Treasury and these funds do not have any restrictions on their use (30 CFR 872.32 thru 872.34).

The Navajo Nation in cooperation with the Navajo Nation Resources Committee has formally adopted the following criteria for use in selecting PFPs for funding. They may continue to implement these criteria if desired.

- 1) *Projects to Mitigate Threats of Public Health and Safety.* 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) *Projects Related to Basic Service and Infrastructure.* Second priority will be given to projects that provide the basic human necessities to improve the quality of life. (Category-2)
- 3) *Secondary /Optional Services.* 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. (Category-3)

In addition to these three criteria, NAMLRP also self imposed the requirement that project proposals have more than one source of funding (leverage funding). In accordance with the NAMLRP's approved AML Plan, the amount of leverage funding is one of the items considered when selecting a PFP 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. This concept is reinforced by the NAMLRP's 5-year Strategic Plan.

Therefore, most PFPs currently funded through NAMLRP are jointly funded projects. Joint funded projects are often referred to as leverage funded projects, meaning that funding for the project consists not only of NAMLRP funds but may also consist of funds from any combination of individual Navajo Nation Chapters, Tribal funds, State funds (New Mexico, Arizona or Utah), or funds from other Federal agencies.

Funding of \$300,000 has been reserved for each impacted chapter to construct a PFP. The Navajo Policy/Procedures criteria for PFPs are used when preparing project proposals for submission and when reviewing submissions for selection and funding.

Navajo AML performs an initial in-house review of project submissions to verify and ensure that all necessary documents and details are included to determine the construction readiness of the proposal. The project submissions are then given to the Project Review Committee (PRC), which consists of a group of engineers, architects, environmental specialists and construction managers who rank projects and make funding recommendations. Those that are deemed to be construction ready are then given to the Navajo Nation Resources Committee (NNRC) and Navajo Nation President accept or modify the list for approval and ultimately for submission of the recommended list to OSM for funding. Final project selections are submitted by NNRC to NAMLRP for funding.

#### **NAMLRP Public Facility Project History:**

**EY-2009** - Proposals were due for submission to NAMLRP on June 30, 2008. NAMLRP received 14 new proposals.

In summary, with regard to its Public Facilities segment of the Program, NAMLRP is doing an effective job of public participation, project development 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 its AML funds in accordance with SMCRA, Section 411(e) and (f).

Section 401 of SMCRA imposed a fee on active coal mining. From its conception, SMCRA envisioned that 50% of all fees collected from active mining would be returned to the States or Tribe whose minerals were the source of those fees. When it became apparent in 1990, that some States and Tribes would soon certify that they have complete all of their high priority coal reclamation, SMCRA was modified to provide for other allowable uses of those fee collections, such as public utility and infrastructure projects. Hence, SMCRA §411(e) and (f), has proven to be an effective way to offset impacts to Navajo communities impacted by past or present coal and mineral mining. Many of the Nation's Chapters have embraced the idea that AML funds can and should be used to "offset mining related impacts to communities." They recognize that structures and facilities are desperately needed in several areas. This also allowed SMCRA to deliver on its promise that 50% of fee collections will be returned to the owners of the coal that was mined.

Beginning with the first public facility built in 1992, NAMLRP has worked to help provide safe and dependable drinking water, electrical power, facilities for health and fitness, education, facilities to address the needs of children such as child care facilities and National Head Start Programs, and facilities to address the need of the elderly such as senior citizen centers, mental health centers and group homes. In one way or another, these facility projects have either directly or indirectly served to address mining related impacts to Navajo people. Uranium mining and processing has had a huge impact on the health of several Navajo communities. The AML funding of public facility projects to address past and present mining related impacts on communities has been embraced by the Navajo Nation. It has provided a tangible benefit to impacted communities in several ways. More importantly, these are Navajo projects selected by Navajo communities and built and designed by Navajo desires and visions for their future.

The Navajo Nation has 110 Chapters, approximately 55 or more of which are currently considered to be directly impacted by mining. The impacted Chapters are scattered over the Navajo Nation's 27,000 square miles of reservation land, so obviously the Navajo Nation is in need of a lot of new buildings and infrastructure. AML funds can help to address some of these needs, but alone they are grossly insufficient to address all the diverse need for public facilities and infrastructure over such an extensive reservation. By working as partners with the mutual goal of improving the lives of Navajo people, many Tribal, State, and Federal entities have managed to pull together funding for several large projects and look forward to the future rather than back at the past.

### **Grants Administration:**

The following AML grants were active during the evaluation period:

<b>Grant Number</b>	<b>3-yr Const. Grant Period Ends</b>	<b>Grant Amendment</b>	<b>Amount (Incls. Admin. &amp; Const.)</b>
<b>GR207810</b>	12/31/04	Ext. to 12/31/05	\$8,249,799.
<b>GR307810</b>	12/31/05		\$3,202,765.
<b>GR407810</b>	12/31/06	Ext. to 07/31/07	\$4,044,524.
<b>GR507810</b>	12/31/07	Adds \$713,000.	\$3,112,749.
<b>S06AP11660*</b>	12/31/08		\$2,788,006.
<b>S07AP12344*</b>	12/31/09	Adds \$1,119,504	\$1,119,504.
<b>S08AP12527*</b>	01/01/08 to 12/31/2012		\$5,182,493.

\* *The numbering system changed now that OSM has switched its accounting software from ABACIS to the Department-Wide FBMS.*

The EY-2008 annual evaluation report for NAMLRP reported an issue with regard to cost reports being overdue. During EY-2009, NAMLRP and Navajo Office of Contract Accounting reconciled its past AML Grant Agreements and OSM was then able to de-obligate unused AML funds. This action has finally allowed OSM to bring its grant accounting system up to date and has fully resolved OSM's grants/financial accounting concerns. Grant programmatic reports should now continue to be submitted within the timeframes prescribed by the OSM Federal Assistance Manual, with accurate detailed descriptions of program/project accomplishments.

The FY-2009 AML grant application was submitted within the timeframes set forth in the OSM Federal Assistance Manual (FAM) and was approved in the amount of \$5,851,308 effective January 1, 2009. The grant term is set to end December 31, 2011. OSM will continue to monitor Navajo AML grants administration activities throughout EY-2010.

### **Independent Financial Audits:**

The Navajo AML Program was not scheduled for an external OMB A-133 audit during this evaluation year.

### **Plan 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. OSM sent a letter to NAMLRP on June 11, 2009 that listed significant changes in the 2006 SMCRA Amendment that may require corresponding revisions to the Navajo AML Plan. OSM and NAMLRP plan to meet to determine what changes in this list will need to be made to bring the NAMLRP up to date with SMCRA requirements. OSM will then send a formal Part 884 Letter to NAMLRP that details required amendment that will need to be made to the Navajo AMLRP and a deadline will be specified for making those revisions. AML Programs nationwide are currently undergoing this amendment process.

## **PART II. NOTEWORTHY ACCOMPLISHMENTS**

OSM would like to highlight the following areas where NAMLRP has excelled. Program accomplishments are also summarized in the tables contained in Part IV of this report.

### **Program and Project Management:**

The Office of Surface Mining, Albuquerque Area Office (OSM-AAO) is very pleased with the NAMLRP. The management and leadership have consistently proven to be honest, dedicated and highly productive. The NAMLRP Department Manager 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. 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 PFPs and AML reclamation. This cooperation facilitates OSM's oversight of the Program and the preparation of annual reports such as this one.

For EY-2009, NAMLRP should be recognized for the following items:

- Its successful performance of inspection and assessment 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. Project development and designs for maintenance projects were timely. This work resulted in large reclamation maintenance projects entering construction for each of the last three years.
- OSM does not need to push the Program to get projects going and constructed, the Program is fully self reliant. AML reclamation and PFPs have been consistently brought on line every year, contracts are awarded, and construction is completed on schedule and usually within budget.
- NAMLRP has been able to efficiently use its administration and construction grant funds. The NAMLRP is considered by OSM to be a very cost effective Program given the number of contracts active at one time, the distances between projects, the vastness of the Navajo Nation, the number of impacted Chapters, the difficult terrain and extreme weather conditions.
- 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.
- 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 continues to partner with EPA and other State and Federal Agencies to jointly plan for remediation of hazards and contamination problems regarding uranium mining and processing facilities. These have included management and disposal of physical mine waste and ground and surface water contamination issues.

Most importantly, NAMLRP should be recognized for its overall contributions to the Navajo people in accordance with the overall goals and objectives of SMCRA.

The benefit and positive impact that PFPs have provided to the communities (Chapters) of the Navajo Nation cannot be adequately expressed and likely exceed the expectations of the 1990 SMCRA revisions to the Omnibus Reclamation Act, which incorporated the authority for AML funds to be used for PFPs and infrastructure projects.

Thanks to PFPs, many Navajo homes now have access to electricity, running water, bathroom facilities, health care, or recreation opportunities for the first time. NAMLRP is known within the Navajo community for being responsive to community needs and concerns and for following through on its goals and objectives. This type of reputation is earned one day at a time and not by any single project.

Chapter communities have continuously and candidly expressed to OSM their appreciation for the technical assistance that the NAMLRP has provided. That technical assistance has enabled Chapters to develop project proposals that meet OSM grant requirements. In addition this technical assistance has facilitated the negotiation of leveraged funds from other Tribal, State and Federal sources. PFPs completed thus far have already addressed needs of the elderly, the disabled, developmentally challenged, teenagers, preschoolers, and the general public as a whole by providing health facilities, recreational facilities, educational facilities and senior centers as well as providing new water sources, electricity, solid waste disposal and waste-water treatment.

The funding and construction of PFPs have and will continue to improve the lives of people on the Navajo Nation. OSM would like to commend the entire Navajo Nation's AML Staff for the outstanding dedication they exhibited to their work and their community. Also, OSM appreciates the time and cooperation that it receives from NAMLRP in performance of its oversight responsibilities and in the development of this annual report.

The NAMLRP has gone beyond what is required by OSM regulations with regard to public involvement for project selection, by holding public orientation meetings with Chapters impacted by past or present mining activities to explain Program responsibilities and the eligibility and selection requirements for PFP funding, to provide technical assistance in development / refinement of project proposals, to resolve NEPA concerns and to get projects designed, contracted out, and ultimately to construction. The demand for PFPs continues to require substantial involvement by the NAMLRP, including substantial involvement in working with Tribal, State, Federal and Private entities. Some important events that the NAMLRP was involved in during EY-2009 included the DNR EXPO, in Poquaque, New Mexico during April 2009, the Navajo Nation Fair held in Window Rock, Arizona during September 2009, the Northern Navajo Fair held in Shiprock, New Mexico during October 2009 and the Western Navajo Fair held in Tuba City, Arizona during October 2009.

### **Computer Network:**

During EY-2009 Navajo AML has been without a Network Specialist. On July 9, 2009, Navajo AML interviewed four (4) possible candidates for the Network Specialist Position, but did not fill the position from the list of applicants. Navajo AML has been getting limited assistance from NDIT. No computer software or hardware have been upgraded in the mean-time. Navajo AML is continuing to advertise the Computer Network Specialist position and hopes to find a well qualified candidate.

In the absence of an in-house computer specialist, Navajo AML has been utilizing the services of OSM's Western Region. OSM conducted an on-site visit to Window Rock on September 11, 2008. During this meeting (between OSM, the Navajo Department of Information Technology (NDIT) and NAMLRP), the Navajo AML wide-area network (WAN) structure, software and hardware were discussed. Since then, Navajo AML and NDIT started work on the Window Rock AML computer system and are transitioning to the NDIT network and other technical services.

### **OSM Sponsored TIPS and NTTP Training and Technical Assistance:**

Four training instances (4 students) were recorded for Navajo Nation tribal employees at a cost of approximately \$2000. NAMLRP requested GPS training in 2009, but it was not provided by OSM. NAMLRP will submit the request for GPS training again in EY-2010.

The Navajo Nation used TIPS and Technology Transfer shared equipment (such as the Real Time Kinetic GPS unit (RTK), and, the FLIR thermal camera). The Navajo Nation and the state of New Mexico EMNRD collaborated on a FLIR thermal camera training session.

TIPS and Technology Transfer also continue to work on the development of "on the job" training with the Navajo Nation. This involves the use of geo-database development, and, the use of many types of TIPS software and shared equipment.

On four different occasions the Navajo Nation was provided remote sensing imagery via OSM's remote sensing department, in response to requests for information. Managers from both the Title-V Regulatory Program and the Title-IV AML Program, participated in most of the monthly WRTT calls and continued to provide valuable input to WRTT.

A service manager visit to the Navajo Nation was conducted in March. The office was informed of all new aspects of the TIPS and Technology Transfer programs.

NAMLRP has expressed appreciation and continued interest in the services provided by both NTTP and TIPS. NAMLRP also has two staff members who serve as instructors for the NTTP training program. Based on the NTTP Training concept that OSM provides to States and Tribes, the Navajo Nation Division of Natural Resources (NNDNR) had the Instructor Training Course on October 2008 in Santa Fe, New Mexico. Sixteen NNDNR staff attended this training course. NNDNR also conducted six (6) training modules for Managers and Supervisors during EY-2009.

### **GPS Data Collection:**

Navajo AML has continued to work on additional training/funding opportunities through the Office of Surface Mining (OSM) and the U.S. Army Corp of Engineers (USACE). The partnership with OSM began back in November of 2007, with an initial site visit to Shiprock AML. During this meeting, we showed OSM the current Navajo AML GIS database. Plans were made to initiate a GPS class for Navajo AML. Upon discussions on the data dictionary for the GPS collectors and agreements, the planned GPS and GIS trainings for the year of 2009 never happened. These plans appear to be on-hold. Navajo AML will continue to pursue this opportunity as time allows.

As for the USACE partnership, Navajo AML was awarded a \$97,000 Remediation of Abandoned Mine Sites (RAMS) grant to work on the GIS database. This award was made in July of 2009 and will end in May of 2010. Navajo AML plans to get additional training and incorporate more data fields into the GIS database. The additional training will enable us to update the GIS database with our Coal and Public Facilities Projects. Under RAMS, the emphasis is on Non-coal mines and projects.

NAMLRP currently 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. 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. NAMLRP and Navajo EPA completed the development of an Abandoned Uranium Mines (AUM) database. The database contains information for the following topics and is continually being updated:

- 1) Brown-fields Grant Development
- 2) Development of a site-specific work plan for AUM sites
- 3) EPA training on US-EPA regulations; and,
- 4) Comprehensive review of Regional Chapter Atlases.

### **NEPA Compliance:**

In EY-2009, NAMLRP submitted one reclamation project for NEPA compliance and authorization to proceed. NAMLRP did an excellent job preparing the documents for National Environmental Policy Act (NEPA) compliance. The Morrison reclamation maintenance project addressed two previously unreclaimed sites and one unreclaimed vertical shaft at Round Rock (Cove Chapter), three previously reclaimed sites as Red Valley, four previously reclaimed sites at Teec Nos Pos, one previously reclaimed site and one never reclaimed vertical shaft at Sweetwater, and tailings at the Shiprock Transfer Station.

2006 SMCRA revisions have revised OSM requirements for NEPA compliance for non-coal projects. NEPA compliance is no longer required for any non-coal projects funded by certified AML programs. This means that NEPA is no longer required by OSM for either non-coal reclamation or for Public Facility Projects funded by NAMRP.

### **2009 Arbor Day Event:**

OSM and BHP Mine jointly funded the purchase of about 40 trees to plant at two Navajo Nation public facility projects (PFP's). Navajo AML is a certified AML Program and therefore has been authorized to use AML funds for non-coal or Public Facility Projects (PFPs) since 1994. The two PFPs selected by Navajo AML for the Arbor Day celebration were Cove Chapter Senior Center in Cove, Arizona and the Navajo Preparatory School in Farmington, New Mexico. Navajo AML had contributed funds to both of these completed PFPs. BHP Mine graciously contributed and participated in sponsoring the event.

Six fruit trees were planted behind the Cove Senior Center to enhance the landscape at the facility and to provide fruit and shade. Navajo AML, OSM and people from the Chapter all worked together to plant the trees. Madeline Roanhorse, Director Navajo AML and Allen D. Klein, Director OSM Western Region addressed the group on the history of Arbor Day and the celebration by tree planning.

The remaining trees were planted on the campus grounds of the Navajo Preparatory School, a boarding school for grades 9 through 12. The trees were planted both to enhance the landscape of the school campus and to provide tree specimens for student education. The selection of the tree species and planting locations on the campus was done by the students as part of their environmental science class, in cooperation with the teacher and school officials. Prior to planting the trees, students of Mr. Keeley's environmental science class gave presentations on their research and how they determined what trees to purchase and where to plant them. Mrs. Betty Ojaye, CEO Navajo Preparatory School; Mr. Tim Ramsey, Mine Manager for BHP's Navajo Mine; Madeline Roanhorse, Director Navajo AML Program and Allen D. Klein, Director OSM Western Region addressed the entire student body at a school assembly, on the history of Arbor Day and the tree planning celebration. Everyone present participated in the tree planting activity with the students. It was a little work and a lot of fun.

## **PART III. RESULTS OF ENHANCEMENT AND PERFORMANCE REVIEWS**

For AML Reclamation work, the 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.

For Public Facility or Infra-structure work, the objective of the annual evaluation process is to document how the AML funds were used and to monitor Program accounting and grant drawdowns. NAMLRP continues to focus its efforts on both AML reclamation and PFP related activities. Each of these functions is discussed in the evaluation principles below.

### **2009 Oversight Activities:**

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. Four field visits were made during the evaluation period some to inspect construction at AML reclamation project sites and some to document construction work being done at Public Facility Projects.

NAMLRP continues to provide assistance to Navajo EPA with the assessment of reclaimed Abandoned Uranium Mines (AUM). As a partnership initiative, NAMLRP provides assistance to Navajo EPA with regard to reclaimed mines by providing information and data on reclaimed sites. Navajo AML serves as a contractor to Navajo EPA to perform project and contract administration on special projects for CERCLA. This partnership is trying to expand upon reclamation efforts performed under SMCRA by pursuing other funding sources to address environmental problems related to mostly abandoned uranium mines.

Partnership efforts with the Navajo Public Relations program continue to inform residents of AML activities and accomplishments. Partnerships are also serving as a forum to exchange reclamation and safeguard technology among Tribal, State and Federal agencies. NAMLRP currently partners with Navajo EPA, US EPA, US Army Corp of Engineers, NM AML, Hopi AML and OSM on numerous mine related activities.

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

OSM annually evaluates the NAMLRP's effectiveness with regard to its accomplishments with Public Facility and Infrastructure Projects. For the past six years, the NAMLRP has been one of three AML Programs in OSM's Western Region that have been heavily involved in construction of Public Facility and Infrastructure projects, as authorized under SMCRA Sec. 411(e) and (f).

The Window Rock, Shiprock and the Tuba City offices all worked to coordinate with the Tribal government, the Resources Committee of the Navajo Nation Council and other Federal, State or Tribal Agencies to secure finding and to construct PFPs. The three AML offices also coordinate with Navajo Design and Engineering Services and Navajo Division of Finance Department to design and engineer projects for construction, develop contracts, to bid them out, and to get them through the Navajo Nation's signature and approval process.

During EY-2009, PFPs 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 within its control. It continues to serve the best interests of the Navajo Nation in mind. OSM has received no negative comments from the public regarding the NAMLRP.

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. For a complete listing of active projects during 2009 see Table 2 through 5 beginning on page 25, which list the status of all PFPs and their individual funding levels.

PFPs 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.

Now that NAMLRP is receiving money under the new funding provisions of the 2006 SMCRA Amendment, OSM's oversight will change to accommodate the increased flexibility allowed by the new funding sources. Certified Programs are now afforded tremendous flexibility in how AML funds can be used now that the funds to certified programs stem from the US Treasury as replacement funds rather than AML fees. Aside from requiring that AML expenditures have a logical nexus to addressing mining related impacts and that grants be administered in compliance with the Federal Assistance Manual (FAM), not much more is required as far as restrictions for how new money (replacement funds) are expended.

Certified AML Programs are no longer required to comply with the National Environmental Policy Act (NEPA) when expending new money (grants awarded during or after EY-2008) for non-coal projects. Compliance with NEPA is still required for coal reclamation and maintenance work.

To accomplish this EY-2009 evaluation, OSM visited the following public facilities:

- Chilchinbeto Chapter - Light Industrial Tract Infrastructure Project
- Naschitti Chapter - Power line Extension
- Smith Lake Chapter - Veterans Services Bldg.
- Dennehotso Chapter - New Multi-Purpose Bldg.
- Monument Valley Chapter – Vendor Village

These PFPs were inspected either during or immediately or shortly after construction, except for the Vendor Village which had already been constructed and is now fully operational. No concerns were noted or raised to OSM's attention by the communities visited.

**Principle 2:** AML Reclamation Accomplishments during the EY-2009 (Directive AML-22, Principle 5)

OSM annually reports on the status and accomplishments of each State and Tribal AML Program within its jurisdiction. This principle enables OSM to annually submit relevant 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 essentially completed reclamation of all scheduled and safely accessible sites listed in its non-coal Abandoned Mined Lands Inventory. The Program continues to inspect its previously reclaimed sites to determine if any erosion or other problems are threatening the stability of the reclamation. The inspections and assessments of prior reclamation projects are referred to as Monitoring and Surveillance Assessments. If so, the Program devises a schedule and plan to perform any necessary maintenance work. These inspection and site assessments resulted in awarding one reclamation maintenance contract every year. The scope of work for each maintenance contract included several previously reclaimed sites from past AML projects. During EY-2009, a contract was awarded for the Morrison Reclamation Maintenance Project. The Morrison Project involved reclamation maintenance on several previously reclaimed sites and some new previously unreclaimed sites.

Morrison AML Reclamation Project

The project was funded in the 2007 grant. It was originally named the Northern Navajo Phase-III AML Maintenance Project. The project development phase of the Morrison AML Maintenance Project started in late EY-2007 and continued into EY-2008. The project finally entered construction in September 2008. It is a large project in that 16 sites that were identified for maintenance work based on information collected during the two most recent Monitoring and Surveillance Assessments. These 16 sites are located in the Tse Tah, Beclabito, Oak Spring, Cove and Shiprock areas. Some scattered waste piles located on the Shiprock (planned future location for Navajo Fairgrounds) Transfer Station were also included in the scope of work. Not all of the 16 sites are discussed in this report.

Early in the Navajo AML Program, it could only address priority-one non-coal sites and could not address priority-3 mine waste problems. It was at that time that the Program addressed several open portals on this site, leaving the mine waste problems unaddressed. The mine openings were safeguarded by collapsing the mine opening with explosives. That method of closure, did not address any of the mine waste (soils containing uranium). In some areas, the mine waste was considered to be inaccessible based upon the technical capability of the heavy equipment available at that time.

Since then, the Navajo AML Program has received certification, and can therefore reclaim priority-3 mine waste. In addition, modern heavy equipment is capable of reaching / working on grades previously considered too steep and hazardous to operate on. Because of this, NAMLRP Program included three priority-3 previously reclaimed non-coal mine sites (abandoned uranium mines) in Morrison AML Maintenance Project. These sites are NA-0907 & NA-0922 in the Teec Nos Pos Chapter and NA-0402 in Beclabito Chapter.

Tse Tah AML site NA-0907 – involved the reclamation of priority-3 mine waste and previously inaccessible waste piles. Work done at this site included the following:

- (1) All drainages, up gradient, were diverted. All drainages (channels and berms) are either reinforced with geo-textile and rock combination or positioned on rock outcrops to ensure minimum amount erosion is subjected to the drainages.
- (2) Two containment cells were constructed (both reinforced with geo-textiles);
- (3) Two waste piles (1860 cubic yards) were excavated and backfilled into the containment cells;
- (4) Both containment cells were capped with clean soils (also, reinforced with geo-textiles); and,
- (5) All drainage generated on the project area is collected in a settlement pond.
- (6) In an effort to further stabilize the containment cells artificial rock ledges were constructed down gradient of the containment cells. The artificial rock ledges are part of the containment cells.

Tse Tah AML site NA-0922 - is also a previously reclaimed site where open mine portals and mine waste piles were previously reclaimed. The portal closures remain stable, but the containment cell (formerly referred to as a burial cell) for the mine waste had since been compromised. The cap of the containment cell had eroded, mostly due to the lack of surface water runoff control and the type of soil material (sand) it consisted of. The containment cell was also located at the edge of a natural rock cliff which further subjected it to erosion.

Maintenance work done on this site under the Morrison Project consisted of the following:

- (1) First, all drainage up gradient of the project area was diverted to collect in a retention pond above the containment cell.
- (2) Next, the natural rock ledge was increased (extended with artificial rock ledge) by stacking rocks (boulders), 12 feet high, 400 feet long, and 6-8 feet wide.
- (3) Also a geo-textile lining on/under existing soils, up gradient of the artificial rock ledge, was installed in order to ensure that none of the soils will be washed out of the rock ledge during rain storm events. During the lining of the soils, another layer of clean soils was used to fill in eroded areas and ensure a complete cap was reestablished.
- (4) Finally the entire cap was lined with geo-textile filter fabric and further capped with a layer of rocks that were collected on-site.

During the oversight inspection visit to this project area, construction was ongoing and access to the site was limited. Our inspection observed the construction activities and heavy equipment from an adjacent BIA school road several yards away.

Beclabeto AML site NA-0402 - is a mine site where open portals and mine waste were addressed by a previous NAML reclamation project. The portal closures remain stable, but the containment cell for the mine waste was compromised. The cap of the containment cell had eroded, mostly due to the type of soil material (sand) the cap consisted of and due to the steep slope it was subjected to.

During maintenance, 800 linear feet of artificial rock ledges (3' high, 3' wide) were constructed on the face of the containment cell. These ledges were placed almost parallel with the contour of

the cell. Immediately up gradient of the ledges, perforated HDP (perforated) pipes were wrapped with filter fabric (geo-textile) and covered with rock (river bed rocks). The purpose is to collect drainage from the cell and to route it to rock out crop areas on the sides of the ledge. This was done to minimize erosion on the cell cap. All drainages generated on the project area will ultimately collect in a settlement pond. Also, additional drainages up gradient of the settlement pond were diverted by a 500 foot channel and berm combination.

During the oversight inspection, NAMLRP explained to OSM that project areas NA-0907 and NA-0402 are part of a more advanced type of maintenance surveillance initiative currently being performed by NAMLRP on a trial basis. Because settlement ponds, to be constructed in these areas as part of the reclamation / maintenance, will be collecting rain run-off from project areas whose soils contain uranium, NAMLRP wants to monitor the collection and transport of uranium materials from the project areas into the ponds. The hope is that if the containment cells prove to be effective, there will be no net change in the amount of radioactive soils in the settlement pond. If however the radioactivity level within the settlement pond increases, then the containment cells may not be effective.

Oaksprings AML site NA-0812 - lies within the Red Valley Chapter boundaries. It was the last project area inspected and was inspected late in the afternoon. NAMLRP had previously completed closures of underground mine workings and mine waste containment cells at this site. Although the portal closures remain stable, the cap over the containment cell had been compromised by erosion from water runoff.

The maintenance work consisted of the construction of numerous drainage channels and berms, designed to prevent or eliminate any surface water drainage from contacting the containment cell. Drop structures, using locally available rocks, were also implemented to reduce head cutting from rain run-off. In general, the project was designed to control surface water (rain) run-off. This work involved a series of diversion berms and check-dams. Berm #1 includes a perforated pipe to further control erosion; Berms #2 and #3 are on the eastern slope; a channel was placed on the western slope and a check-dam was placed was put in place at the drainage exit.

Cove site NA-0325 – The maintenance work at this site involves the installation of a diversion channel and berms and the construction of rock ledges. This is a large area on some steeply sloping terrain (see photo appendix). The intent is to catch and divert the upper most drainage to the east away from the slope as soon as possible to prevent erosion. The channel is constructed of all earthen material. A middle diversion berm also diverts runoff to the east and is constructed of both earthen material and a rock liner. Overall the slope has a total of 16 rock ledges/check-dams, for a total length of 400 linear feet. The rock ledges have filter fabric and straw waddles installed on the upper slope, for further stabilization.

Sites NA-0806, NA-0812, NA-0824 and NA-0829 – Site NA-0829 is the Shiprock Transfer Station, which has scattered mine waste on the surface. Excess volumes of radiological mine waste and earthen material from NA-0829 are being hauled to the subsidence area NA-0806 at Oakspring for burial as part of the Morrison Project. Sites NA-0812 and NA-0824 involve the installation of a diversion berm, contouring and the installation of a “simulated” rock

ledge/check-dam. An excavator was extensively used to precisely place large rock boulders in place to create the rock ledge and the use of natural rock gives the ledge a natural appearance that blends into the surrounding terrain and hillside. The ledge entails a rock structure, then fabric is installed and finally a cover of rocky material and earthen material.

Log Cabin: As a supplement to the mine site visits we toured a log cabin being built under the direction of US EPA. The cabin is a replacement home for a home dismantled and disposed of because it was built from hazardous mine waste rock. The homes being replaced were built during (post) the mining of uranium by what was thought to be clean waste material. The homes were built with materials (rocks) collected from mine sites. These homes were considered unsafe for habitat, hence the replacement homes.

## **PART IV - ABANDONED MINE LAND INFORMATION SYSTEM (AMLIS)**

### **AMLIS Database and Overall Program Accomplishments:**

Navajo Finance Department collects financial information and processes draw downs for NAMLRP and other Navajo Nation programs. In EY-2004, OSM-AAO and NAMLRP met and agreed that NAMLRP will wait until the construction grant is closed to enter coal and non-coal reclamation cost data into AMLIS. Until the closeout, detailed reclamation cost information is not available from the Navajo Nation Finance Department. This is the office that processes the payments to construction contractors based upon the contract payment schedule.

Table-10, on page 28 of this report, contains a list of accomplishments for 2009 in terms of hazard keywords and associated costs. Table-10 shows that \$475,975 was spent in to achieve the AMLIS accomplishments listed for EY-2009. Table-11 shows that since the NAMLRP has been in existence, it invested \$25,234,515 into AML reclamation and safeguarding of coal and non-coal mine sites and the types of AMLIS hazards that were addressed.

NAMLRP is commended by OSM for accomplishing the goals and 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 need for any maintenance work was both identified and performed on previously reclaimed sites each of the last six years. OSM commends the NAMLRP for this ongoing effort.

This maintenance work ensures that AML funds spent on past reclamation work is not lost due to large precipitation events, other types of erosion or failures, or vandalism and also ensures that mine hazards continue to be properly safeguarded. Because of the remote nature of most reclaimed sites, NAMLRP does not experience a substantial amount of vandalism, but some does occur. Navajo AML has also address these issues without the need for OSM encouragement or involvement.

Although not part of the National Inventory of mine hazards, NAMLRP is also commended for its continued success with development, and construction management of PFPs. PFPs have proven to be an effective use of AML funds on Navajo Lands. NAMLRP has demonstrated that SMCRA, Sections 411(e) and 411(f) provisions for PFPs can be a viable use of AML funds and that this use is welcomed by the public. Table-9 shows that as of the end of EY-2009, NAMLRP has spent over \$14M of AML funds on Public Facility Projects and another \$123.5M in leverage funds (funds from other sources) for a total amount spent from all sources of over \$137M. This is a total expenditure over a nine year period has resulted in the construction of approximately 45 PFPs. Certainly, this amount of construction spread across the vast Navajo Nation has benefited communities sometimes in small ways and sometimes in life changing ways.

**Table 1  
Reclamation & PFP Projects by Grant Number**

Grant Number	Grant term		AML Reclamation Projects	Year Completed
<b>GR207810</b>	01/01/02 to 12/31/04	1	Northern AML Reclamation Project (Sanostee-1, Cove-4, Beclabito-4)	2004
	Extended to 2005	2	AML Maintenance - Wupatki (10 sites)	2005
		3	AML Maintenance - Chaco Plains (Noncoal)	2006
<b>GR307810</b>	01/01/03 to 12/31/05	1	(no reclamation, only PFPs funded)	
<b>GR407810</b>	01/01/04 to 12/31/06	1	Burnham Coal Project	2004
		2	Wupatki AML Recl. Maint. Project (10 sites)	2006
		3	Chaco Plains (Coal) Maintenance Project	2006
<b>GR300816</b>	2004 - 2005	1	Burnham Coal Fire #1 \$16,000 Federal Share (Part of the Wupatki Recl. Maint. Contract)	2004
<b>GR400816</b>	2005 - 2006	1	Burnham Coal Fire #2 \$27,000 Federal Share (Part of Chaco Plains Reclamation Maint. Contract)	2006
<b>GR500816 / S06AP12203</b>	2006 - 2007	1	Shonto Coal Fire-Phase #2 \$18,000 Fed Sh. (Part of the Midlands Reclamation Maint. Contract)	2007
<b>GR507810</b>	01/01/05 to 12/31/07	1	Chaco Plains -Coal AML Maintenance (K050407)	2006
		2	Wupatki AML Project (K050407 & K050408)	2006
<b>S06AP11660</b>	01/01/06 to 12/31/08	1	Midlands - AML Maintenance (K060407)	2006
		2	High Desert AML Maintenance (K060408)	2007
<b>S07AP12344</b>	01/01/07 to 12/31/09	1	High Desert – AML Recl. of Coppermine (K070401)	2007
		2	Midlands AML Maintenance (K070401)	2006
		3	Morrison AML Maintenance (K070408)	2009
<b>S08AP12527</b>	01/01/08 to 12/31/11	1	Dineh AML Project (K080408)	2010
<b>S09AP15118</b>	01/01/09 to 12/31/13	1	Morrison II –AML Reclamation & Maint. (K090409)	2011

- Items in Green are Projects that were either in project development or active construction during EY-2009.
- Items in Blue are Coal Outcrop Fire Projects.

**Table 2**  
**Public Facility Projects Funded in EY-2002<sup>1</sup>**

Grant GR207810					
	Chapter / Entity	PFP	AML Funding	Leverage Funding	Total Funding
1	Aneth, Rockwell	Waterline Ext.-Well	300,000.	674,030.	974,030.
2	Beclabito	Head Start	200,000.	476,000.	676,000.
3	Black Mesa	Power line	297,032.	675,458.	972,490.
4	Coalmine Canyon	MPF	300,000.	1,251,680.	1,551,680.
5	Coalmine Canyon2	Waterline Ext. (37%Set-Aside funds)	101,400.	732,200.	833,600.
6	Coppermine, West	Powerline Ext.	60,140.	1,019,221.	1,079,361.
7	Cove	Senior Center	300,000.	300,000.	600,000.
8	Dennehotso, Cane Valley <sup>3</sup>	Water System (All Set-Aside funds)	124,000.	1,291,000.	1,412,000.
9	Ft. Defiance, BlueCanyon	(Ph-2) Power line Extension	189,530.	95,540.	285,070.
10	Lake Valley	Senior Center	300,000.	300,000.	600,000.
11	MV A&C Council	Vendor Village/Mall	300,000.	3,760,500.	4,060,500.
12	N.N.Parks & Rec. Dept.	Antelope Canyon Access Rd.	129,000.	54,692.	183,692.
13	Oljato	Senior Center	295,000.	80,000.	375,000.
14	Rough Rock	Senior Center	300,000.	516,715.	816,715.
15	San Juan	MPF	300,000.	1,199,950.	1,499,950.
16	Tachee-Blue Gap	Senior Center	300,000.	517,064.	817,064.
17	To'Hajiilee	Behavioral Health Clinic	300,000.	137,052.	437,052.
18	Twin Lakes	Infrastructure	214,730.	618,000.	832,730.
	<b>TOTALS</b>		<b>\$4,310,832.</b>	<b>\$13,699,102.</b>	<b>\$18,006,934.</b>

1 Cost information in this table is subject to change as projects are completed.

2 Items in purple were either funded or partially funded with Set-Aside funds.

**Table 3**  
**Public Facility Projects Funded in EY-2003**

Grant GR307810					
	Chapter/ Entity	PFP	AML Funding	Leverage Funding	Total Funding
1	Chinle Valley School	Group Home / Dormitory Renovation	\$300,000.	\$404,973.	\$704,973.
2	Standing Rock	Chapter House Renovation	140,000.	103,533.	243,533.
3	Tuba City	Moenave Power line Ext.	9,480.	791,137.	800,617.
4	Cameron	Dzil Li Bei Elem. Plumbing	299,700.	110,000.	409,700.
5	White Cone	Infrastructure for MPB	300,000.	30,000.	330,000.
6	Huerfano	Multi-purpose Bldg./Gym.	150,000.	1,976,051.	2,126,051.
7	<b>TOTALS</b>		<b>\$1,199,180.</b>	<b>\$3,415,694.</b>	<b>\$4,614,874.</b>

**Table 4  
Public Facility Projects Funded in EY-2004**

Grant GR407810					
	Chapter/ Entity	PFP	AML Funding	Leverage Funding	Total Funding
1	Shonto RBDO	Industrial Park	\$300,000.	\$40,000.	\$340,000.
2	Hogback	Shiprock Vet. Office Bldg.	300,000.	475,000.	775,000.
3	Shiprock	M/P, Infrastructure Dev., Phase 2	300,000.	500,000.	800,000.
4	Crownpoint	Dine' Youth Rec. Facil.	22,010.	500,000.	522,010.
5	Upper Fruitland	Chapter House Bldg.	300,000.	475,000.	775,000.
6	Dilkon	Sewage Lagoon Exp. Phase-2	107,590.	107,590.	215,180.
7	Shiprock	Veterans Ctr. Bldg.	\$300,000.	\$775,000. NM \$175,000. NN \$380,000. Fed.	\$1,535,000.
<b>TOTALS</b>			<b>\$1,629,600.</b>	<b>\$3,427,590.</b>	<b>\$4,962,190.</b>

- Items in Green are Projects that were in Active Construction during EY-2007.

**Table 5  
Public Facility Projects Funded in EY-2005**

Grant GR507810					
	Chapter/ Entity	PFP	AML Funding	Leverage Funding	Total Funding
1	Bread Springs	Water Well & Chlorinator	300,000.	700,000.	1,000,000.
2	Bodaway/Gap	Hardy Power-line Ext.	112,451.	26,640.	139,091.
3	Nenahnezad	Navajo Prep. School Ph-2	300,000.	11,916,461.	12,216,461.
<b>TOTALS</b>			<b>\$712,451.</b>	<b>\$12,643,101.</b>	<b>\$13,355,552.</b>

[Note: No PFPs were funded in EY-2006 so there is no table for 2006.]

**Table 6  
Public Facility Projects Funded in EY-2007**

Grant S07AP12344					
	Chapter/ Entity	PFP	AML Funding	Leverage Funding	Total Funding
1	Leupp Chapter	Leupp CH- Addition	\$300,000.	\$124,783.	\$424,783.
2	Lupton Chapter	Lupton MPB	\$300,000.	\$16,124.	\$316,124.
<b>TOTALS</b>			<b>\$600,000.</b>	<b>\$140,907.</b>	<b>\$740,907.</b>

**Table 7**  
**Public Facility Projects Funded in EY-2008**

Grant S08AP12344					
	Chapter/ Entity	PFP	AML Funding	Leverage Funding	Total Funding
1	Chilchinbeto Chapter	Light Industrial Tract Infrastructure	\$300,000.	\$115,697.	\$415,697.
2	Hardrock Chapter	New Multi-Purpose Bldg. (60' x20' metal)	\$300,000.	\$1,300,000	\$1,600,000
3	Dennehotso Chapter	New Multi-Purpose Bldg. (8,000 sq. ft.)	\$300,000.	\$1,500,000	\$1,800,000
4	Thoreau Chapter	Dental Clinic Building	\$300,000.	\$668,000.	\$968,000.
5	Sheepsprings Chapter	Visitor Center Parking Lot	\$300,000.	\$700,000.	\$1,000,000.
6	Torreon/Star Lake Chap.	Senior Citizen Center Bldg.	\$300,000.	\$305,785.	\$605,785.
7	Whitehorse Lake Chap.	Water Transmission Lines	\$300,000.	\$16,420,000.	\$16,720,000.
8	Smith Lake Chapter	Veterans Services Bldg.	\$300,000.	\$925,000.	\$1,025,000.
	<b>TOTALS</b>		<b>\$2,400,000.</b>	<b>\$21,934,482.</b>	<b>\$24,134,482.</b>

\* Projects in green were in construction during 2009

**Table 8**  
**Public Facility Projects Funded in EY-2009**

Grant S09AP12344					
	Chapter/ Entity	PFP	AML Funding	Leverage Funding	Total Funding
1	Naschitti Chapter	Power line Ext.	\$300,000.	\$614,103.	\$914,103.
2	Teec Nos Pos Chapter	Power line Ext.	\$300,000.	180,000.	\$311,992.
3	Pueblo Pintado Chapter	Water Transmission Lines	\$300,000.	\$28,397,000.	\$28,697,000.
4	Mariano Lake Chapter	Water Transmission Lines	\$300,000.	\$6,100,000.	\$6,400,000.
5	Ojo Encino Chapter	Water Transmission Lines (Lev. w/Mariano Lk)	\$300,000.	\$28,397,000.	\$28,697,000.
6	Tiis Tsoh Sikaad Chapter	Veterans-MPC Bldg	\$300,000.	\$1,790,000.	\$2,090,000.
7	Kayenta –Oljato Chapter	Water Treatment Plant Improv.	\$272,000.	\$38,000.	\$310,000.
8	Teetso Chapter	Senior Citizens Center Bldg	\$300,000.	\$1,312,048.	\$1,612,048.
9	Coyote Canyon Chapter	Chapter Renovation	\$300,000	\$420,289.	\$720,000.
10	Steamboat Chapter	Power line Ext.	\$300,000	\$617,915.	\$917,915.
11	Tsaile/Wheatfields Chapter	Head Start Bldg. Rehab.	\$300,000	\$400,000.	\$700,000.
	<b>TOTALS</b>		<b>\$3,272,000.</b>	<b>\$68,266,355.</b>	<b>\$71,370,058.</b>

\* Projects in green were in construction during 2009

**Table 9**  
**Cumulative PFP Funding between EY-2002 through EY-2009**

	Grant Number	Total Funding from Navajo AML Program	Leverage Funding from non-AML Sources	Total Funding from all Sources
1	Grant GR207810	\$4,310,832.	\$13,699,102.	\$18,006,934.
2	Grant GR307810	\$1,199,180.	\$3,415,694.	\$4,614,874.
3	Grant GR407810	\$1,629,600.	\$3,427,590.	\$4,962,190.
4	Grant GR507810	\$712,451.	\$12,643,101.	\$13,355,552.
5	Grant S07AP12344	\$600,000.	\$140,907.	\$740,907.
6	Grant S08AP12344	\$2,400,000.	\$21,934,482.	\$24,134,482.
7	Grant S09AP12344	\$3,272,000.	\$68,266,355.	\$71,370,058.
	<b>GRAND TOTAL</b>	<b>\$14,124,063.</b>	<b>\$123,527,231.</b>	<b>\$137,184,997.</b>

**Table 10**  
**EY-2009 AMLIS Accomplishments \***

Problem Type and Description	Completed EY-2009	Costs**
Benches	0.0 acres	\$0.
Clogged Stream Lands	0.0 acres	\$0.
Dangerous Highwalls	0.0 linear feet	\$0.
Dangerous Impoundments	0 (count)	\$0.
Dangerous Piles & Embankments	14.5 acres	\$223,000.
Dangerous Slides	0.0 acres	\$0.
EF-Equipment/Facilities	0 (count)	\$0.
Gobs	0.0 acres	\$0.
Highwalls	0.0 feet	\$0.
Hazardous Equipment & Facilities	0 (count)	\$0.
Haul Roads	3.4 acres	\$23,000.
Industrial/Residential Waste	0.0 acres	\$0.
Mine Openings (prospects)	0 (count)	\$0.
Other (Erosion Maintenance)		\$0.
Other (Drainages w/ rock lining)	7120 linear ft.	\$162,675.
Portals	6(count)	\$60,300.
Pits	0.0 acres	\$0.
Polluted Water: Agric. & Industrial	0 (count)	\$0.
Subsidence	0.5 acres	\$7,000.
Spoil Areas	0 acres	\$0.
Surface Burning	0.0 acres	\$0.
Slump	0 acres	\$0.
Underground Mine Fires	0 acres	\$0.
Vertical Openings	0.0 (count)	\$0.
Water Problems	0 (count)	\$0.
<b>NAVAJO TOTAL COSTS</b>		<b>\$475,975</b>

\* 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 either in construction or completed during EY-2009.

**Table 11  
Cumulative AMLIS Accomplishments To Date**

<b>Problem Type and Description</b>	<b>Completed To Date</b>	<b>Costs**</b>
Benches	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	<b>538.87 acres</b>	<b>7,806,391</b>
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	<b>268.96 acres</b>	<b>1,150,190</b>
Industrial/Residential Waste	7.5 acres	121,162
Mine Openings (prospects)	87 (count)	259,723
Other (Erosion Maintenance)	1,268.1 acres	2,793,484
Other (Drainages)	<b>7120 linear ft.</b>	<b>162,675</b>
Portals	<b>872 (count)</b>	<b>3,320,847</b>
Pits	139.4 acres	1,037,555
Polluted Water: Agricultural & Industrial	19.0 (count)	185,901
Subsidence	<b>18.64 acres</b>	<b>529,759</b>
Spoil Areas	264.6 acres	432,334
Surface Burning	3.24 acres	26,000
Slump	0.0 acres	0
Underground Mine Fires	8.1 acres	458,988
Vertical Openings	382 (count)	382,434
Water Problems	1 (count)	4,337
<b>NAVAJO TOTAL COSTS</b>		<b>\$25,234,518</b>

*Items in Green are for Projects that were in Active Construction during EY-2009.*

*\* Keywords include EY-2009 accomplishments; however,*

*\*\* Costs & total costs may not include all costs associated with EY-2009 accomplishments as some grant(s) may not be closed out.*

## **PART V. ISSUES AND RECOMMENDATIONS**

No problems or concerns currently exist with regard to the function or management of the NAMLRP. OSM is fully satisfied with the performance of the NAMLRP during EY-2009. The NAMLRP is responsive to OSM's needs and concerns and seeks community input in its activities. The NAMLRP is a pleasure to work with and is a very productive and accomplished AML Program. OSM continues to be impressed by the level of productivity exhibited by the NAMLRP and congratulates the staff and management for its many accomplishments under SMCRA.