

Biennium: 2008-10 ▾

Mission and Vision**Mission Statement**

It is the mission of the Department of Mines, Minerals and Energy (DMME) to enhance the development and conservation of energy and mineral resources in a safe and environmentally sound manner to support a more productive economy.

Vision Statement

We envision DMME as a nationally recognized energy, geology, and mineral extraction customer service agency that showcases worker and public safety and environmental protection. Further, we see ourselves as a model agency known for the leadership of our people -- one that uses strategic planning and management to provide the high quality, innovative, one-stop service and information that adds value in the eyes of our customers and the public; is trusted to exhibit high standards of competency and fairness in all aspects of our work and relationships; and empowers, develops, and treats our employees with fairness and respect creating the workplace of choice in our communities.

Agency Values

- Fairness & Respect in External Communications
In dealing with our customers, we value demonstrating fairness, respect, responsiveness, straightforwardness, and deliberateness in our actions and communications.
- Seamless Customer Service
In dealing with our customers, we value operating in a seamless manner to deliver quality customer services.
- Setting Priorities
In dealing with each other, we value setting priorities to ensure that critical/essential services are delivered with quality by staff who are properly supported and equipped with adequate resources.
- Innovation & Creativity
In dealing with each other, we value innovation and creativity, acknowledging that mistakes will be made from which we can learn.
- Doing Right Things
In dealing with each other, we value doing the right things, ethically and honestly.
- Going Beyond
In dealing with each other, we value going beyond normal duties to help others and to seek and provide accurate and helpful advice.
- Accountability for Quality
In dealing with each other, we value assuming accountability for work quality, while at the same time, accepting responsibility for working seamlessly.
- Safety and Well-being
In dealing with each other, we value our safety and well-being.

Executive Progress Report**Service Performance and Productivity**

- *Summary of current service performance*
DMME measures its service performance through performance measures tied to its strategic goals and objectives.

DMME's first goal is to provide for safe and environmentally sound mineral resource extraction.

The agency's first objective under this goal is to eliminate accidents, injuries, and fatalities at mineral extraction sites.
 - DMME measures the five-year rolling incident rate of serious personal injuries and fatalities at mineral extraction sites to assess its current service performance. The incident rate for calendar year 2006 was 0.25 incidents per 200,000 work hours. This compares to a five-year rolling average of 0.31. The incident rate has shown a decreasing trend since 1997.
 - DMME also is measuring the percentage of safety violations issued to mineral extraction operators that have been successfully eliminated by the violations' abatement due dates. DMME has five years of baseline data showing that mineral extraction operators successfully abated 98.2% of safety violations by their due dates. Mineral extraction operators successfully abated 99.5% of safety violations by their due date during FY 2007.
A second objective under this goal is to eliminate adverse environmental conditions and public safety hazards resulting from mineral and fossil fuel extraction.
 - DMME measures the five-year rolling average of mineral extraction sites with no adverse off-site environmental damage or public safety hazards. The FY 2007 rate was 99.7%. This compares to the five-year rolling average of 99.5%.
 - DMME also is measuring the percentage of environmental protection violations issued to mineral extraction operators that have been successfully eliminated by the violations' abatement due dates. The last five years five years of baseline data show that mineral extraction operators successfully mitigated 82.0% of environmental violations by their due dates. Mineral extraction operators successfully mitigated 79.5% of environmental violations by their due dates during FY 2007.
A third objective under this goal is to improve the health, safety, and environmental knowledge and skills of mineral and fossil fuel workers.
 - DMME measures the percentage of miners who rate DMME mine safety training as very helpful or very effective in helping them work more safely. DMME has three years of baseline data that show 82.7% of miners rated the training as very helpful or very effective. The rate for FY 2007 was 81.1%.
DMME's second goal is to encourage economic development through its customers' wise management of Virginia's energy, mineral, land, and water resources.

DMME's first objective under this goal is to improve its customers' ability to establish and maintain efficient, viable operations.

- DMME measures the percentage of timely permit decisions made on initial permit applications for mineral mines, coal mines, and gas and oil operations. In FY 2007, DMME made 96.8% of its permit decisions within established deadlines. DMME's five-year average is 97.8% of permit decisions made within the deadlines.

DMME's second objective under its second goal is to improve its customers' capabilities in the development and wise use of rock, mineral, land, water, and energy resources.

- DMME measures the availability of geologic and mineral resource information through the Virginia Geospatial Data Index. This is a measure of the availability of geologic and mineral resource information from DMME. It is based on the level of detail and degree of completion of geologic datasets, adjusted by a relevance weight related to the population growth in the county covered by the data. The index has grown by an average of 8.5% per year over the last five fiscal years, with 4.8% growth in FY 2007.

- DMME also measures the percentage of forms submitted electronically by its customers. DMME's customers electronically submitted 59.8% of total forms in FY 2007. This compares to an average of 54.7% over the five previous fiscal years.

DMME's third objective under its second goal is to reduce future state government energy costs.

- DMME measures the amount of saved state government energy costs achieved through energy conservation and procurement strategies. Cost savings of \$7.7 million were achieved in FY 2007, compared to \$5 million in FY 2006.

DMME's third goal is to provide for the effective performance of DMME personnel. DMME strives to do "the right things well".

Internal DMME performance objectives include enabling all employees to meet or exceed their annual employee objectives and for the agency to remain in compliance with external administrative mandates, achieve a rating of meets or exceeds expectations from 90 percent of customers surveyed regarding the delivery of DMME services, provide for the most efficient and effective application of DMME's resources, and enable DMME's employees to effectively utilize available technology.

- DMME measures the performance of its administrative functions through a wide variety of performance measures. These include measures such as the percentage of employees at contributor or higher level in performance evaluations (100% in FY 2007); prompt pay compliance (98.8% of dollars paid within 30 days in FY 2007; target is at least 95%); payroll accuracy (100% accuracy on the first entry for FY 2007; target is at least 98%); proportion of vehicle service hours on direct repair services (74.7% of time for FY 2007; target is at least 70%); proportion of purchases made within 24 hours of requisition (98.3% in FY 2007; target is at least 95%); proportion of DMME staff rating administrative services as meeting or exceeding expectations (96% in FY 2007; target is at least 90%); and average hours of training per DMME employee (41.0 hours/employee for FY 2007; annual target is 40 hours/employee).

- **Summary of current productivity**

DMME productivity has increased markedly over time. DMME has provided more services to a greater number of customers over the years. DMME has increased services in areas that include special mine safety services to small coal mines, such as training, mining plan technical assistance, and on-site job safety analysis; and registering and providing services to over 1,500 independent contractors on mineral extraction sites. DMME also established a separate gas and oil regulatory program, with no new funding or employees, out of what was a small part of its mine safety division. Today, the gas and oil program has 6,651 sites under permit, including wells and pipelines; and Virginia's natural gas industry produces as much natural gas as is used by all residences in the state.

The agency has provided the increased services with fewer employees and resources than in past years, reflecting increased productivity.

- DMME currently has 240 FTE (full-time equivalent) positions. DMME's FTE number has ranged from a high of 298 to FY 2005's low of 235 FTEs.
- DMME's FY 2008 budget is approximately \$30.4 million, only 12% more in nominal dollars than its FY 1986 budget, the agency's first full fiscal year of operation. Adjusted for inflation, this 1986 budget is equivalent to \$47.5 million today. In FY 2007 DMME provided an expanded level of customer service with only 647% of the FY 1986 inflation-adjusted budget.

Initiatives, Rankings and Customer Trends

- **Summary of Major Initiatives and Related Progress**

DMME has initiatives underway to increase the safety and business capability of its customers.

- DMME is scanning and digitally placing maps of underground coal mines into a comprehensive mapping and data system. To date, DMME has scanned 40,000 underground mine maps into its records. DMME estimates there are at least an additional 5,000 maps available to be scanned. DMME is then geo-referencing these mines in a geographic information system and recording data on each mine into a searchable database. This will allow underground coal mine operators, gas well operators, consultants, economic development officials, the public, and DMME staff to find the locations of abandoned coal mines near proposed operations. This will enable coal mines to be operated with reduced risks such as mining into adjacent active or abandoned workings or gas wells. Mining into abandoned workings exposes miners to dangers from water, carbon monoxide, or methane inundation. Mining into a gas well exposes miners to increased risk of explosion. Economic development officials can find new sources of water for projects or avoid areas with mine subsidence risk. The mine mapping system also is being used to identify new blocks of coal available for mining.

- Virginia experienced a horrible mining accident in August 2004 that resulted in the death of a three-year boy in his sleep when a rock was dislodged by mining activity located upslope from his home. As a result of the investigation into the accident, Virginia enacted, as emergency legislation, amendments to the Virginia Coal Mine Safety Act and the Virginia Coal Surface Mining and Reclamation Act. These amendments, among other changes, require coal mine operators to submit, for DMME approval, ground control plans that will address control of mining operations located above residences or other occupied buildings. Additionally, civil penalties for incidents resulting in personal injury or fatality to persons are being increased from up to \$5,000 per incident to up to \$70,000 per incident. DMME also worked with Virginia's coal mining industry to develop needed amendments to the Virginia Coal Mine Safety Act. These changes also were included in the emergency legislation. DMME is working with Virginia's coal mining industry to implement these changes.

- There was a jump in coal mining fatalities nationwide in early 2006. Lessons learned from the initial review of the fatalities led to amendments to the Virginia Coal Mine Safety Act to expand the requirements for mine emergency response plans and for availability of self-rescuers in underground coal mines. Additionally, DMME is charged with evaluating the capabilities and availability of underground coal mine wireless communication and tracking systems. DMME may require use of such communication and tracking systems when they are found effective. DMME is working with Virginia's coal mining community to implement these requirements.

- Virginia enacted provisions in 1990 to enable development of coalbed methane resources. Prior to 1990, these natural gas resources were wasted by venting into the atmosphere during mining operations. The coalbed methane resources were undeveloped due to conflicts over ownership of the gas. The measure provided for escrowing funds when the ownership of the coalbed methane was in conflict. This allowed an exponential growth in Virginia's coalbed methane industry. A 2004 Virginia Supreme Court decision resolved the conflict for some of these conflicting claimants, opening the door for payments out of the escrow account to the rightful owners. DMME and the Virginia Gas and Oil Board are working to facilitate the processing of the escrow payments.

- Sharp increases in energy costs and interest in offshore natural gas development led to passage of significant energy policy legislation in 2006. DMME will be developing a 10-year Virginia Energy Plan and will implement a new biofuels incentive program in response to these activities.

- Executive Order 54 (2003) directed state agencies to reduce energy use by 10% by 2006 compared to 2002. Agencies were directed to use energy savings performance contracting as a primary method to achieve these savings. DMME, working with the Departments of General Services, Treasury, and Planning and Budget, is assisting agencies to implement energy savings performance contracts. DMME estimates that more than \$150 million in performance contracts are being developed or are in place. DMME estimates that these energy savings performance contracts should save the Commonwealth nearly \$30 million in energy costs per year by FY 2010.

- DMME is implementing a safety award program in cooperation with Virginia Transportation and Construction Alliance to recognize both company and individual contribution to mineral miner safety in Virginia.

- DMME is implementing the use of e-forms to provide customers with faster access for submittal of amendments, renewals, annual reporting, and updating of permit and company information.

- DMME is enhancing electronic business-to-government capability for its mineral mining operators. The e-Forms Center will provide mineral mine operators with the ability to electronically submit permitting applications and annual tonnage reports, manage contractor lists, register for training classes, provide EFT and otherwise conduct their business with DMME online. In addition, DMME is converting all paper mineral mining permitting files to electronic format in an effort to provide a seamless, paperless environment in conjunction with the electronic business-to-government capability provided by the e-Forms Center. This effort will result in an electronic file cabinet for use by the field staff and office staff, as well as our operators. DMME continues to work with mineral mine operators to expand the use of this e-government system through the next fiscal year. DMME is also extending this system developed for the mineral mining program to develop similar e-government systems for its gas and oil and coal mine safety programs.

- DMME is implementing a complaint risk assessment program to take a more proactive position on factors contributing to complaints involving blasting, tracking of mud and debris on roadways, and generation of dust from mineral mine sites.

- *Summary of Virginia's Ranking*

DMME has used the United States Senate and Productivity and Quality Award (SPQA) process to evaluate the effectiveness and efficiency of its services against the SPQA criteria. The SPQA criteria are based on the Malcolm Baldrige Award criteria. The criteria address leadership, strategic planning, customer and market focus, information and analysis, human resources, process management, and business results. DMME received the Medallion of Quality in 1997 and the Award for Continuing Excellence (ACE Award) in 2002. DMME was the first Virginia state executive agency to receive the Medallion and remains the only state agency or institution to receive the ACE Award.

DMME's activities are regularly benchmarked against other states' activities in a number of areas. For example, other states and the federal Office of Surface Mining and Mine Safety and Health Administration have used DMME's underground mine mapping initiative as a national example of how to make information available about locations of abandoned underground coal mines. Based on DMME's experience with performance measurement, the Office of Surface Mining has used DMME as a key partner in developing its national performance measurement system. DMME's coal mining electronic permitting process has been benchmarked by numerous other states.

DMME has received awards in a number of other areas. For example, the DMME Division of Mines has received the federal Mine Safety and Health Administration's (MSHA) Annual Training Materials Competition first place and grand prize awards in 2003 and 2004 for its mine emergency and remote control miner training materials. The DMME Division of Mineral Mining's trucker safety training program, "Drive Home Safely", received MSHA's first place award in the 2002 State Metal/Nonmetal division competition. MSHA has also recognized and complimented DMME on its successful safety training and safety awareness program implemented as part of MSHA's State Grant's Program.

The DMME Orphaned Land Program has been recognized for its achievements by the US EPA and other state and federal agencies.

- *Summary of Customer Trends and Coverage*

Mineral extraction operations

- The number of permitted coal mining operations and gas and oil sites and coal and gas production historically changes based on the price of energy. Non-fuel mineral production historically changes based on the health of Virginia's economy. Energy prices are very high and are projected to remain high for at least the next five years. Virginia's economy has been expanding. These factors have caused an increase in the number of permitted mines and gas and oil sites and an increase in energy and mineral production.

Mineral extraction workers

- Coal mine employment in Virginia is related to the amount of coal produced in the state and the mechanization of mining. The number of Virginia coal miners peaked in 1949 at 18,341, coincident with the introduction of continuous mining machines. Since that time, coal mine employment peaked in 1977 at 15,742. There were 4,782 coal mine production employees in 2006. The average age of a coal miner in Virginia has risen to 52. A large percentage of working miners will be reaching retirement age in the next five years. Mining companies are already facing difficulties

replacing these miners with new employees. This need for new miners is causing an increasing demand for coal miner certification training and other new miner services.

- Mineral mine employment in Virginia fluctuates based on the amount of tonnage produced in Virginia's mineral mines and changes in miner productivity. The number of mineral miners also is affected by the use of independent contractors on mineral mine sites. Some operators have shifted parts of operations away from their employees to contractor employees. Virginia had 3,836 production workers in 2006. This compares to 4,816 mineral miners working in 1989, 4,104 mineral miners working in 1994, 4,258 mineral miners in 1999, and 3,603 mineral miners in 2004. DMME anticipates the number of mineral miners to remain relatively stable in the coming years.

- As DMME does not have primary jurisdiction for worker safety on gas and oil exploration and production sites, it does not maintain records of the number of persons working on gas and oil exploration and production operations in Virginia. However, as the number of permitted wells, gathering pipelines, and associated facilities increases in Virginia, the number of workers drilling the wells, constructing the pipelines and associated facilities, and maintaining the facilities will continue to increase. Virginia expects this trend to continue over the next three or more years.

Public affected by mineral extraction operations

- Public located near mineral extraction operations may be affected by activities at those operations. Such affects may include ground vibrations from blasting; degradation of groundwater quantity or quality; uncontrolled release of material such as flyrock or pushed or tracked material from the site; slides; dust from blasting, construction, or travel on soft-surfaced roads; noise or light pollution; or truck traffic. DMME's regulations control many, but not all, of these impacts. While some impacts, such as light, noise, local truck traffic, and hours of operation may be subject to local government land use controls, DMME receives and must investigate most complaints on all of the mining effects.

- Public located near abandoned mineral extraction sites may be affected by hazards on the abandoned sites, such as open shafts or portals, landslides, ground or surface water pollution discharges, sediment buildup causing flooding, land subsidence, or hazardous gases.

- DMME expects there will be additional people affected by mineral extraction operations in the coming years because surface coal mining operations are locating closer to developed areas as the available remotely located coal reserves suitable for surface mining dwindle. Development is moving into areas containing historic, unreclaimed coal mine lands, increasing the number of people at risk from these abandoned sites. More natural gas wells and pipelines are being constructed near built-up areas, and sprawl has reached areas where mineral mines have traditionally been located.

Affiliated mineral extraction business interests

- Numerous businesses support mineral extraction operations. These range from engineering firms that assist with permit preparation and facility design, to independent contractors providing non-mining services at mine sites (such as blasting, mobile equipment lubrication and maintenance, logging, overburden removal, plant construction), to independent trucking companies hauling mined material from a mine, to title attorneys, and others.

- DMME expects there will be an increase in the number of affiliated business interests. Mining companies are increasingly outsourcing work on mines. DMME has been given expanded responsibility for regulation of activities of independent contractors on coal and mineral mines. DMME served over 2,500 independent mineral mining contractors in 2007. The department expects the number of independent contractor customers to continue to grow.

General public and businesses

- DMME provides information on the state's mineral resources, geology, energy efficiency, and alternative energy development to the general public, educational customers (teachers, faculty, and students), facility managers, economic development officials, real estate developers, and other similar customers.

- With increasing energy prices and growing concerns about global warming, the general public and businesses are becoming more interested in energy conservation, energy efficiency, and alternative energy sources. The release of the Virginia Energy Plan in September 2007 has also generated increased interest in these subjects and will likely expand DMME's customer base.

- DMME also works with vendors to supply goods and services to the department. Most procurement is made through the eVA system. DMME strives to use businesses located in Southwestern Virginia as a way to support the regional economy where most of its operations are located. DMME also strives to procure goods and services through small, women-owned, or minority-owned (SWAM) businesses consistent with its SWAM plan.

- DMME expects the general public and business customer base to increase over the next few years. DMME has expanded the number of businesses it works with as it implements eVA and SWAM purchase requirements. DMME also is expanding the information it provides across the Internet. As information is more readily available in electronic form, additional customers will become aware of its availability, thereby increasing DMME's customer base.

Other governmental agencies

- DMME works with numerous other state agencies, as well as federal and local agencies, to meet management and administrative requirements. There has been an increasing mandate to meet centralized management standards in such areas as procurement, lease management, and information technology. Further centralized mandates are being developed for areas such as facility maintenance and general administrative support services.

- DMME expects the number of governmental agency customers to grow in the next few years. These will increase the need for administrative coordination with the agencies.

- Consolidation of the mineral mining companies continues to take place mainly in the crushed stone industry resulting in fewer and larger operators dominating the marketplace.

- Mineral mining companies are experiencing greater difficulty in obtaining zoning and conditional use permits from counties for both new operations and expansion of existing operations.

- Companies are increasingly using outside contractors to perform many of the tasks previously performed by company employees. Many of these contractor workers are immigrants with limited English language skills, which generates a need for multilingual supervision.

Future Direction, Expectations, and Priorities

- *Summary of Future Direction and Expectations*

With the increasing number of new employees needed in the coal industry to replace retiring workers (average age is over 50) and in the mineral mining industry to account for worker turnover (approximately 1/3 of mineral miners and 1/2 of supervisors every 5 years), DMME will be asked to provide additional training. This will require DMME to expand partnerships with community colleges, develop standard training curriculum for use by company trainers, and implement other initiatives to meet the demand. Additional challenges in training will be due to the increase in non-English speaking workers entering the mineral mining industry.

Implementation of total maximum daily load (TMDL) water quality limits, regulation of mining activities near and in ephemeral and intermittent streams and wetlands, increased emphasis on protection of endangered and threatened species, and settlement of court cases challenging national regulatory standards will make it more difficult to permit new coal mining operations. Coal mining customers will expect coordination among multiple regulatory agencies, using methods such as a consolidated mining permit application and consolidated agency review to streamline the permitting process. DMME will be expected to take a lead in developing and managing such a consolidated permitting process in the face of increasing federal involvement in all aspects of mining regulation.

State agencies and institutions, as all consumers, are facing higher energy costs. They will increase their demands for DMME's services to help minimize energy expenditures, reserving their funds for direct service delivery. The release of the Virginia Energy Plan in September 2007 has elevated DMME's profile as a provider of information and services in energy efficiency and alternative energy.

Development of the Coalfields Expressway (CFX) will require DMME to coordinate its coal mining regulatory programs with the construction activities to minimize disruption of the highway construction. DMME also will be asked to facilitate surface coal mining operations to provide new, flat sites for economic development along the CFX route.

Increasing development of mineral extraction sites near built-up areas will result in increased conflicts between the mineral extraction and other land uses. This will increase citizen opposition to new mines or gas or oil operations. There may be a growth of NIMBY groups and of environmental activists willing to use civil disobedience to stop development. DMME will be increasingly asked to referee these conflicts through its permitting process and handle increased numbers of formal and informal hearings about permitting activities.

Recent accidents involving the coal mining industry have made the public more aware of the hazards associated with all types of mining. These events have resulted in new legislation at the federal and some state levels to provide greater protection to miners (e.g. MINER Act). These types of initiatives may ultimately affect the mineral mining industry as well.

Greater citizen involvement in the permitting process as well as an increase in citizen complaints regarding mine operations will increase the workload on both permitting staff and mine inspectors/supervisors.

Proposed changes to the 1872 Mining Law in Congress could generate significant impacts on the mineral mining industry, possibly to the same extent as the 1977 Surface Mining Control and Reclamation Act had on the coal industry.

DMME's new website and the electronic business-to-government system will provide self-service information to the public, increasing public awareness of the mining industry.

- *Summary of Potential Impediments to Achievement*

DMME is facing the need to replace a significant proportion of its workforce in the next five years. The average DMME employee is 51.5 years old and has 18.3 years of state service. A significant number of employees will be eligible for retirement in the coming biennium. This change in workforce will eliminate a significant amount of the institutional knowledge that helps DMME understand and face the challenges of providing high quality customer service in the worker safety, environmental protection, geology, and energy conservation arenas. DMME recruitment and retention will be made more difficult as the industry offers higher wages to deal with its labor shortage. DMME is expanding the use of mentoring to preserve the knowledge of employees in critical positions.

There are a number of efforts underway to centralize state government activities, including leases in some geographic areas, information technology services, and enterprise applications. DMME maintains low-cost, efficient systems that provide many of these functions. A move to use of centralized systems will cause at least a temporary loss in efficiency as the new systems are put in place, requiring transfer of information from agency legacy systems to the new systems, slower processing of the activities during retraining of agency employees, and increased agency costs to cover any new fees.

Counties could impose stiffer ordinances controlling blasting and other mine related activities, creating challenges to our customers in meeting their business goals.

Service Area List

Service Number	Title
409 506 01	Geologic and Mineral Resource Investigations, Mapping, and Utilization
409 506 02	Mineral Mining Environmental Protection, Worker Safety and Land Reclamation
409 506 03	Gas and Oil Environmental Protection, Worker Safety and Land Reclamation
409 506 04	Coal Environmental Protection and Land Reclamation
409 506 05	Coal Worker Safety
409 507 05	Energy Conservation and Alternative Energy Supply Programs
409 507 06	Financial Assistance for Energy Economic Development
409 599 01	General Management and Direction

Agency Background Information

Statutory Authority

DMME's authority is found at Title 45.1 of the Code of Virginia.

- Chapter 14.1 provides for the establishment of the department and its divisions, and establishes the authority of the department director.
- Chapters 14.2 through 14.4, known as the Virginia Coal Mine Safety Act, establish the minimum requirements for coal mine safety in Virginia. The DMME Division of Mines implements the Virginia Coal Mine Safety Act. Virginia's coal mine safety program is implemented independent of the federal mine safety program. However, the federal Department of Labor, Mine Safety and Health Administration recognizes Virginia's state certifications of persons completing specialized duties on coal mines such as mine foremen and mine electricians.
- Chapters 14.4:1 through 14.6, known as the Virginia Mineral Mine Safety Act, establish the minimum requirements for mineral mine safety in Virginia. The DMME Division of Mineral Mining implements the Virginia Mineral Mine Safety Act. Virginia's mineral mine safety program is implemented independent of the federal mine safety program. However, the federal Department of Labor, Mine Safety and Health Administration recognizes Virginia's state certifications of persons completing specialized duties on coal mines such as mine foremen and mine electricians.
- Chapter 15.1, known as the Geothermal Energy Act, establishes requirements for geothermal energy operations in Virginia. There currently are no permitted geothermal operations in Virginia. The DMME Division of Gas and Oil would implement the Geothermal Energy Act if geothermal resources in Virginia were to be developed.
- Chapter 16 establishes environmental protection requirements for operation and reclamation of mineral mines in Virginia. The DMME Division of Mineral Mining implements the mineral mine reclamation act.
- Chapters 18 and 18.1 establish requirements for construction and operation of refuse piles, and water and silt retaining dams on coal and mineral mines in Virginia. The DMME Divisions of Mines and Mineral Mining respectively implement the mine impoundment requirements for coal and mineral mines.
- Chapter 19, known as the Virginia Coal Surface Mining Control and Reclamation Act (SMCRA), establishes environmental protection requirements for operation and reclamation of coal mines in Virginia and issuance of water discharge permits on coal mines. The DMME Division of Mined Land Reclamation implements the Virginia SMCRA. DMME implements this Act under primacy from the federal Department of Interior, Office of Surface Mining. The federal authority is established through the federal Surface Mining Control and Reclamation Act, Public Law 95-87.
- Chapter 21 establishes requirements for exploration for uranium ore in Virginia. Note that mining of uranium ore is prohibited under current Virginia law. There are currently no uranium exploration activities in Virginia. The DMME Division of Mineral Mining would implement this act were companies to permit uranium exploration activities in Virginia.
- Chapter 22.1, known as the Virginia Gas and Oil Act, establishes environmental protection and worker safety requirements for drilling, operation, plugging, and reclamation of gas and oil wells and related facilities; requires replacement of certain water supplies damaged by gas or oil well drilling; and sets rules for protection of the correlative rights of persons owning the gas and oil near producing wells. The DMME Division of Gas and Oil implements the Virginia Gas and Oil Act.
- Chapter 25 establishes the geologic and mineral resource investigation and information responsibilities of the DMME Division of Mineral Resources.
- Chapter 26 establishes the energy efficiency program requirements of the DMME Division of Energy.
- Chapters 20 and 24 establish Virginia's membership in the Interstate Mining Compact Commission and Interstate Oil and Gas Compact Commission.

Customers

Customer Group	Customers served annually	Potential customers annually
Affiliated mineral extraction business interests	2,800	3,000
General public and businesses	1,600,000	7,500,000
Mineral extraction operators	350	350
Mineral extraction workers	9,000	9,000
Other governmental agencies	170	300
Public affected by mineral extraction operations	250,000	250,000

Anticipated Changes To Agency Customer Base

Detailed analyses of anticipated changes to the agency customer base are given in the individual service area accounts.

Partners

Partner	Description
[None entered]	

Products and Services

- *Description of the Agency's Products and/or Services:*
 - Customer assistance:
 - Job safety analysis, risk assessment, hazard identification, training, technical assistance, education, and cooperative projects – in such areas as mine safety, environmental protection and land reclamation during mineral extraction, geologic investigation and mapping, economic mineral information, energy efficiency, and alternative energy development.
 - Customer assistance services assist customers maintain safe and environmentally protective mineral extraction sites in compliance with regulatory requirements, use geologic and mineral resource information to manage development and natural resources, and appropriately use or conserve energy resources.

Inspection and enforcement:

- Thorough and consistent inspection and enforcement of laws and regulations addressing worker safety on mineral extraction sites, operational and reclamation environmental controls, and water quality. Assess company and individual responsibility and liability as appropriate. Investigate accidents and complaints. Civil penalty assessment.
- Inspection and enforcement services assist customers to maintain safe and environmentally protective mineral extraction sites in compliance with regulatory requirements.

Certification:

- Certification of persons performing mining and other specialized tasks on mineral extraction sites, such as certification of general coal miners, general mineral miners, mine foremen, blasters, electricians, underground diesel equipment mechanics, gas detection, hoisting engineer, and others.
- Mineral extraction worker certification services assure workers performing specialized tasks necessary to maintain safe mineral extraction sites are qualified to perform these tasks.

Permitting:

- Permit and plan review and approval, financial bonding, coordination with other agencies' regulatory requirements.
- Permitting and plan review services ensure mineral extraction operations can be conducted safely and protective of the environment (operations, land reclamation, water quality) and in compliance with mineral extraction laws and regulations.

Regulatory development:

- Establishing minimum operational and reclamation requirements consistent with governing laws for mineral extraction operations.
- Regulatory services ensure the legal standards governing mineral extraction operations will result in safe and environmentally protective operations while establishing the minimum required intrusion in permitted and licensed operations.

Land reclamation:

- Reclamation of abandoned coal mine lands, orphaned mineral mine lands, and orphaned gas and oil wells, and bond forfeiture sites; replacement of water supplies damaged from historic coal mining operations; emergency reclamation of imminent dangers caused from abandoned mined lands; and restoration of streams damaged by acid mine drainage and sedimentation.
- Land reclamation services correct damage and mitigate risks of future damage from improperly reclaimed mineral extraction lands.

Correlative rights protection:

- Establishment of orders protecting the property interests for persons owning gas or oil interests around producing gas and oil wells (called correlative rights). Management of escrow accounts where ownership of coalbed methane gas is contested and when owners of the gas or oil interests are unknown or unlocatable.
- Protects the ownership interests of persons owning oil or gas rights, ensuring that the proper owners will receive the proceeds from sales of produced gas or oil.

Grants and financing:

- Providing direct grants, serving as a grants manager for federal funds, and developing alternative financing sources for energy efficiency.
- Grant services provide funds to facilitate mineral and energy projects that would not be undertaken without the extra financial support.

Economic development:

- Managing economic development incentives for energy industry development and providing information in support of economic development (site geology, mineral availability, sources of water, and similar information).
- Economic development services support efforts to increase jobs and economic activity in Virginia such as the biofuels incentive program.

Management and administrative support:

- Grant management, budgeting, accounting, accounts payable, human resources, procurement, inventory, information technology services and computer security, document retention, media relations, public information, regulatory and legislative review and development, intellectual properties management, internal auditing, fleet management, and issues management services.
- Management and administrative support services assure compliance with externally mandated program and administrative laws, regulations, and policies (state and federal) and internal management standards, and promotes effectiveness and efficiency (doing the right things well) in DMME's operations.

- **Factors Impacting Agency Products and/or Services:**

Detailed analyses of the factors impacting agency products and services are given under the individual service area accounts.

- **Anticipated Changes in Products or Services:**

Detailed analyses of anticipated changes to agency products and services are given under the individual service area accounts.

Finance

- **Financial Overview:**

DMME's funding comes from federal funds (42%); general funds (35%); permit and license fees paid by mineral extraction operators (7%); bond forfeiture proceeds (8%); indirect cost recovery revenue (4%); and miscellaneous sources, such as state designated mine rescue team dues, civil penalty payments, and orphaned mineral mine or well reclamation or plugging revenues (4%).

- **Financial Breakdown:**

	FY 2009		FY 2010	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$11,787,097	\$18,601,968	\$11,787,097	\$18,601,968
Change To Base	\$1,124,949	\$2,242,880	\$1,257,466	\$2,242,880

Agency Total	\$12,912,046	\$20,844,848	\$13,044,563	\$20,844,848
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This financial summary is computed from information entered in the service area plans.

Human Resources

• *Overview*

As of October 1, 2007, the Department of Mines, Minerals and Energy has an authorized FTE level of 240, with 226 positions filled and 14 vacancies. DMME has offices in Richmond, Abingdon, Charlottesville, Keen Mountain, and Big Stone Gap, Virginia. There are 18 Division of Energy and Division of Administration employees working in Richmond; 41 Division of Mineral Mining and Division of Mineral Resources employees working out of the Charlottesville office; 39 Division of Mines and Division of Mined Land Reclamation employees working out of the Keen Mountain office; 16 Division of Gas and Oil and Division of Mineral Resources employees working out of the Abingdon office; and 126 Division of Mines, Division of Mined Land Reclamation, and Division of Administration employees working out of the Big Stone Gap office. We use 46 role codes, with the largest employee population (119) in the Minerals Specialist I role (inspection/permit/administrative staff). Field inspection staff are located throughout the state, with the highest concentration in the seven southwest coalfield counties. They work out of four-wheel drive vehicles and telecommute via cell phone, laptop computers, and two-way radios. DMME will face human resource issues as the current workforce approaches retirement and as the mineral extraction industry increases its salaries in response to labor shortages.

• *Human Resource Levels*

Effective Date	10/24/2006	
Total Authorized Position level	240	
Vacant Positions	-10	
Current Employment Level	230.0	
Non-Classified (Filled)	3	<i>breakout of Current Employment Level</i>
Full-Time Classified (Filled)	227	
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	2	
Contract Employees	4	
Total Human Resource Level	236.0	<i>= Current Employment Level + Wage and Contract Employees</i>

• *Factors Impacting HR*

Detailed analyses of the factors impacting the agency workforce are given under the individual service area accounts.

• *Anticipated HR Changes*

Detailed analyses of the potential changes to the agency workforce are given under the individual service area accounts.

Information Technology

• *Current Operational IT Investments:*

DMME has robust internal IT capabilities, with modern hardware and extensive business applications for our office and field staff. DMME has advanced capabilities in the areas of mapping and enforcement tools for our field staff. DMME has implemented web-based and E-Government services for a majority of our industry customers. These changes have had a positive impact on agency service delivery and customer satisfaction. During the past year DMME has been recognized as a finalist by NASCIO for its IT Student Internship program. DMME, in partnership with VDOT, has also recently piloted the implementation of PKI-based digital signatures for coal and gas and oil industry customers with funding from the Governor's Productivity Investment Fund. IT related service and operation costs for the agency have increased substantially in recent years due to the implementation of VITA/NG chargeback models.

• *Factors Impacting the Current IT:*

Increasing IT costs have made it operationally difficult for DMME to continue to develop new and innovative services. Customers continue to express a high demand for electronic government services and information. DMME has been awarded several PIF grants for implementing new IT systems in order to improve customer services.

• *Proposed IT Solutions:*

DMME has developed web-based government-to-business applications for customers to submit permit-related forms in the Gas and Oil Environmental Protection, Worker Safety and Land Reclamation and Mineral Mining Environmental Protection, Worker Safety and Land Reclamation service areas. These applications will continue to be expanded during the coming biennium to provide additional services to our industry customers. The award-winning DMME electronic permitting system in the Coal Environmental Protection and Land Reclamation service area and related regulatory applications will be expanded to provide additional functionality to DMME and its customers. DMME has upgraded the Mineral Mining and Gas and Oil E-Government systems, and will expand web functionality to Surface Mining and Underground Mining customers in the coming biennium.

• *Current IT Services:*

Estimated Ongoing Operations and Maintenance Costs for Existing IT Investments

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Projected Service Fees	\$1,613,019	\$113,402	\$1,637,214	\$115,103
Changes (+/-) to VITA Infrastructure	\$0	\$0	\$0	\$0

Estimated VITA Infrastructure	\$1,613,019	\$113,402	\$1,637,214	\$115,103
Specialized Infrastructure	\$0	\$55,771	\$0	\$55,771
Agency IT Staff	\$0	\$0	\$0	\$0
Non-agency IT Staff	\$0	\$0	\$0	\$0
Other Application Costs	\$265,181	\$115,392	\$265,181	\$115,392
Agency IT Current Services	\$1,878,200	\$284,565	\$1,902,395	\$286,266

Comments:

[Nothing entered]

• *Proposed IT Investments*

Estimated Costs for Projects and New IT Investments

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Major IT Projects	\$0	\$0	\$0	\$0
Non-major IT Projects	\$14,000	\$0	\$0	\$0
Agency-level IT Projects	\$0	\$0	\$0	\$0
Major Stand Alone IT Procurements	\$0	\$0	\$0	\$0
Non-major Stand Alone IT Procurements	\$0	\$0	\$0	\$0
Total Proposed IT Investments	\$14,000	\$0	\$0	\$0

• *Projected Total IT Budget*

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Current IT Services	\$1,878,200	\$284,565	\$1,902,395	\$286,266
Proposed IT Investments	\$14,000	\$0	\$0	\$0
Total	\$1,892,200	\$284,565	\$1,902,395	\$286,266

[Appendix A](#) - Agency's information technology investment detail maintained in VITA's ProSight system.

Capital

• *Current State of Capital Investments:*

DMME owns only one facility, its office and garage buildings which are co-located in Big Stone Gap. The agency does not intend to make any substantial capital investments during the 2008-2010 biennium.

• *Factors Impacting Capital Investments:*

DMME's facilities in Big Stone Gap were completed and opened in 1991. As these buildings age, a moderate amount of maintenance funding will be required, which will be supplied from the maintenance reserve.

• *Capital Investments Alignment:*

DMME's concentration of office and field staff in the coalfield of Southwest Virginia warrants the agency owning a building located there. Office space leased or provided through cooperative agreements with other agencies in other parts of Virginia provides some flexibility in adjusting available space to future needs.

Agency Goals

Goal 1

Provide for safe and environmentally sound mineral and fossil fuel extraction.

Goal Summary and Alignment

Virginia needs energy and mineral resources to support its economy. Persons working at Virginia's mineral extraction sites, persons living in the vicinity of the sites, and Virginia's environment should be protected from the negative effects of producing these energy and mineral resources.

Goal Alignment to Statewide Goals

- Be a national leader in the preservation and enhancement of our economy.
- Protect, conserve and wisely develop our natural, historical and cultural resources.
- Protect the public's safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds.
- Ensure that Virginia has a transportation system that is safe, enables easy movement of people and goods, enhances the economy and improves our quality of life.

Goal Objectives

- We will eliminate accidents, injuries, and fatalities at mineral and fossil fuel sites.

Objective Strategies

- The DMME Divisions of Mines, Mined Land Reclamation, Mineral Mining, and Gas and Oil will identify and eliminate unsafe conditions and practices through assistance and consistent, thorough inspections to ensure compliance with laws and regulations.
- The DMME Divisions of Mines, Mineral Mining, Gas and Oil, Mined Land Reclamation, and Mineral Resources will provide assistance to enhance safe mining and well site conditions and practices, including:
 - Regular evaluation of customer operational risk factors, safety performance, and emergency preparedness and response capabilities.
 - Proactive review and consultation with customers and stakeholders concerning identified safety risks and needed improvements.
 - Follow-up contacts with customers and stakeholders to evaluate the extent that risk and safety concerns are addressed.
- The DMME Divisions of Mines, Mineral Mining, and Gas and Oil, with assistance from the DMME Divisions of Mineral Resources and Mined Land Reclamation, will investigate accidents and complaints and take actions to prevent future occurrences of unsafe acts and conditions.
- The DMME Divisions of Mines, Mineral Mining, and Gas and Oil will assess company and individual responsibility for violations of laws and regulations and take appropriate actions to prevent future violations.
- The Division of Mines, with assistance from other DMME Divisions, will take actions to implement coal mine emergency response plans for all underground coal mines and provide assistance to operations in achieving compliance with other provisions of the federal MINER Act.
- The DMME Divisions will collaborate on safety issues involving mining and gas and oil activities, including:
 - Developing comprehensive automated mapping of all DMME's mine, gas well, and geological data.
 - Communicating on issues of mutual concern related to mining and gas well activities.
 - Increasing coordination of DMME's inspection activities.

Link to State Strategy

- nothing linked

Objective Measures

- Number of serious injuries and fatalities at mineral and fossil fuel extraction sites per 200,000 worker hours.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Frequency Comment: Based on calendar year reporting.

Measure Baseline Value: Date:

Measure Baseline Description: 0.30 (average CY 2002 - CY 2006)

Measure Target Value: Date:

Measure Target Description: 0.26 (CY 2010)

Data Source and Calculation: Data is collected from reports of serious personal injuries and fatalities submitted by permitted mine operators throughout the year and the reports of employee work hours reported by permitted mine operators on their annual tonnage reports submitted to DMME. The rate is calculated as the number of serious personal injuries and fatalities per 200,000 work hours. DMME evaluates the five-year rolling average of this rate to determine the trend.

- Percentage of safety violations successfully eliminated by the violations' due dates

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 98.2% (FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=95% (FY 2009 - FY 2010)

Data Source and Calculation: This measure is calculated using information from DMME's automated enforcement systems. Records of violations show date issued, target date for correcting the violation, and date the violation is corrected. The percentage is calculated based on total number of safety violations corrected by their due dates and of total safety violations issued.

- We will eliminate adverse environmental conditions and public safety hazards resulting from mineral and fossil fuel extraction sites .

Objective Strategies

- The DMME Divisions of Mined Land Reclamation, Gas and Oil, and Mineral Mining will provide assistance and consistent, thorough inspections to ensure compliance with laws and regulations and to identify and eliminate adverse environmental conditions and public safety hazards. Assistance and inspections will be coordinated among DMME's Divisions and with other local, state, and federal agencies.
- The DMME Divisions of Mined Land Reclamation, Gas and Oil, and Mineral Mining, with assistance from the DMME Divisions of Mineral Resources, Mines, and Administration, will investigate health, safety, and environmental issues, concerns, and complaints.

- The DMME Divisions of Mined Land Reclamation, Gas and Oil, and Mineral Mining, with assistance from the DMME Division of Mines, will provide timely review and approval, consistent with laws and regulations, of permits, certificates, and plans.
- The DMME Division of Mineral Mining, with assistance from other DMME Divisions, will plan for and administer the permitting, exploration, and reclamation of uranium prospecting.
- The DMME Divisions of Mined Land Reclamation, Gas and Oil, and Mineral Mining will reclaim high priority and emergency, abandoned, orphaned, and forfeited sites using all available resources.
- The DMME Divisions of Mined Land Reclamation, Gas and Oil, and Mineral Mining, with assistance from the DMME Division of Mineral Resources, will enhance inventory lists of abandoned, orphaned, and forfeited sites by using criteria such as watershed, wetland, carbon sequestration, and economic development site information.
- The DMME Divisions of Mined Land Reclamation, Gas and Oil, Mineral Mining, Administration, and Mineral Resources will pursue methods, such as external funding, partnerships, leveraging, and cooperating with other state and federal projects, to advance the elimination of adverse environmental and public health and safety hazards.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of permitted sites with no adverse off-site environmental damage or public safety hazards.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 99.5% (average FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=95% (average FY 2006 - FY 2010)

Data Source and Calculation: This measure is calculated using information from DMME's automated enforcement systems. Records of violations show whether there was any off-site damage or public safety hazard related to a violation of environmental laws or regulations. The number of sites with no violations causing off-site impacts is calculated as a percentage of permitted sites. This measure is reported by fiscal year quarters.

- Percentage of environmental violations successfully eliminated by the violations' due dates.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 82.0% (average FY 2003 - 2007)

Measure Target Value: Date:

Measure Target Description: >=80% (FY 2009 - 2010)

Data Source and Calculation: This measure is calculated using information from DMME's automated enforcement systems. Records of violations show date issued, target date for eliminating the violation, and date the violation is eliminated. The total number of environmental violations eliminated by their due date is calculated as a percentage of total environmental violations issued.

- To improve the health, safety, and environmental knowledge and skills of mineral and fossil fuel extraction workers.

Objective Strategies

- The DMME Divisions of Mines and Mineral Mining will provide for certification and related training programs that:
 - Ensure required competency in critical job skills.
 - Address the needs of mine operators and miners.
 - Develop and promote web delivery capabilities.
- The DMME Divisions of Mines and Mineral Mining will develop and provide educational services and training materials based upon trends to reduce accidents, injuries, and health and safety violations.
- The DMME Divisions of Mines, Mineral Mining, Mined Land Reclamation, and Gas and Oil will assess the education and training needs of mineral and fossil fuel workers and provide leadership for the development and delivery of innovative and effective training concepts and methods.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of miners rating DMME provided mine safety training as very helpful or very effective.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 82.7% (average FY 2005 - FY 2007)

Measure Target Value: 80 Date: 6/30/2010

Measure Target Description: >=80% (FY 2009 - FY 2010).

Data Source and Calculation: This measure is calculated using results of evaluations completed by miners attending DMME's mine safety training. The percentage of miners rating the information as very helpful or very effective in helping them work more safely (level 5 on a 1 to 5 scale) is calculated from the total number of miners in the training sessions.

Goal 2

Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.

Goal Summary and Alignment

Virginia should use its energy mineral resources in a way that minimizes waste of and enhances conservation of the resources, so that the resources are available to support the state and the national economy.

Goal Alignment to Statewide Goals

- Be a national leader in the preservation and enhancement of our economy.
- Protect, conserve and wisely develop our natural, historical and cultural resources.

Goal Objectives

- To improve our customers' ability to establish and maintain efficient, viable operations.

Objective Strategies

- Each DMME Division will provide effective, timely, and useful assistance to its customers through site visits, referrals, training, consultative services, technology transfer, partnerships, or leveraging other resources.
- Each DMME Division will involve its customers and stakeholders in continually identifying, developing, and implementing process improvements to include e-government, regulatory guidance, electronic information/data distribution, and technical assistance.
- The DMME Division of Mined Land Reclamation, in collaboration with other DMME Divisions, will work with federal agencies, coal mine operators, utilities, landholders, public-private partnerships, and community interests to expand land reclamation and development through re-mining.
- The Division of Mines, with assistance from other Divisions, will develop a plan for assisting operators in complying with provisions of Section 4 of the federal MINER Act (Mine Rescue Teams).
- The DMME Division of Mineral Resources, in collaboration with other DMME Divisions, customers, and stakeholders, will identify, prioritize, conduct, and make available results of geologic and mineral resource investigations that facilitate economic development.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of timely decisions on initial permit applications.

Measure Class: Other Measure Type: Outcome Measure Frequency: Quarterly Preferred Trend: Up

Measure Baseline Value: 97.8 Date:

Measure Baseline Description: 97.8% (average FY 2003 - FY 2007)

Measure Target Value: 95 Date: 6/30/2010

Measure Target Description: >=95% (FY 2009 - FY 2010)

Data Source and Calculation: This measure is calculated using permit-tracking data from DMME's divisions. Each division totals the number of permit decisions made within the time deadlines for that program as compared to total permit decisions due that quarter. These numbers are used to calculate the percentage of timely permit decisions.

- To improve our customers' capabilities in the development and wise use of rock, mineral, land, water, and energy resources.

Objective Strategies

- Each DMME Division will identify, prioritize, develop, and make available information that meets customers' needs.
- The DMME Division of Energy will finalize recommendations, build support among stakeholders, and obtain necessary funding to implement the Virginia Energy Plan.
- Each DMME Division will collaborate with economic development organizations and other stakeholders to advance opportunities associated with mineral resources, infrastructure, and energy technologies, such as:
 - Carbon sequestration.
 - Carbon to liquids.
 - Highway construction.
 - Uranium industry.
- The DMME Public Information and Education Work Group will finalize its recommendations for initiatives to address increasing public interest in energy and resources extraction activities. The recommendations will be reported to the DMME Strategic Team, which will review them and then task the Divisions to implement

specific activities.

- Each DMME Division will seek opportunities to partner with stakeholders to develop mined land for economic development and other beneficial land uses, such as carbon sequestration projects, industrial development sites, and other types of facilities and uses.
- Each DMME Division, with assistance from the Office of Management Information Systems, will expand the number of products that are electronically available.
- Each DMME Division will identify emerging issues, such as Total Maximum Daily Load requirements, uranium exploration, offshore drilling, and consolidated federal coal permitting, and work with its customers to address potential impacts.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage annual growth in the Virginia Geospatial Data Index

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 9.9% (average FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >= 4% annually (FY 2009 - FY 2010)

Data Source and Calculation: This measure is calculated based on the level of detail and degree of completion of geologic information and maps available in web, digital, published paper, or open file form, adjusted based on a relevance factor related to population growth in each county covered by the data. The index is used to calculate percentage growth per year.

- Percentage of customer forms submitted electronically.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 54.7% (average FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: 75% (FY 2010)

Data Source and Calculation: DMME's divisions count the number of electronic form submissions using activity logs. The total number of form submissions is estimated by DMME's program managers based on the level of business activity. This measure is calculated as a percentage of the number of forms submitted electronically as compared to an estimate of the total number of forms submitted by DMME's customers.

- We will reduce future state government energy costs.

Objective Strategies

- The DMME Division of Energy, in collaboration with other DMME Divisions, customers, and stakeholders, will promote energy savings, use of alternative energy providers, and use of alternative energy sources with a focus on state facilities, communities, and local governments, and will provide support for energy emergency response.

Link to State Strategy

- nothing linked

Objective Measures

- Amount of saved energy costs achieved through energy conservation and procurement strategies.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: \$4.5 million in saved costs (FY 2006)

Measure Target Value: Date:

Measure Target Description: To increase cost savings by 20% per year, to save \$9.3 million annually by 2010

Data Source and Calculation: Records of executed performance contracts and state agency utility accounts employing alternative energy strategies or rate schedules are compared to previous years to determine the annual growth in cost savings.

Provide for the effective performance of DMME personnel.

Goal Summary and Alignment

By maximizing the effectiveness and efficiency of its personnel, DMME will ensure that it is a benchmark for excellence in providing value-added services to its customers in an atmosphere of trust.

Goal Alignment to Statewide Goals

- Engage and inform citizens to ensure we serve their interests.
- Be recognized as the best-managed state in the nation.

Goal Objectives

- To perform administrative functions in compliance with externally mandated and internal performance standards.

Objective Strategies

- Each DMME Division will perform administrative functions to include grant management, budgeting, accounting, accounts payable, human resources, procurement, inventory, information technology services and computer security, document retention, media relations, public information, regulatory and legislative review and development, intellectual properties management, internal auditing, fleet management, and issues management in compliance with state, federal, and agency regulations and policies.
- DMME will evaluate the results of external audits and Governor's Management Scorecard measures to assess compliance with performance standards.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of Governor's Management Scorecard categories marked as "meets expectations" for the agency.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 83.3% (Q4 FY 2007)

Measure Target Value: Date:

Measure Target Description: 100% (FY 2009 - FY 2010)

Data Source and Calculation: DMME's results are entered into the Management Scorecard in the Virginia Performs website for each management category. Scores are presented on the website.

- To enable all DMME employees to meet or exceed their annual employee objectives established in their Employee Work Profiles each year.

Objective Strategies

- DMME employees will work with their supervisors to update their Employee Work Profiles to successfully implement the strategic and operational plans through: ·Documentation of work by position to facilitate cross training and mentoring. ·Safety performance measurement. ·Inter-divisional job exchange. ·Technology and other skills training (recommended at 40 hours per year). ·Development of communication skills. ·Addressing the authority to accomplish expectations. ·Increased employee recognition and the use of rewards. ·Interaction necessary to ensure buy-in.
- The DMME Training Team will develop training opportunities by: ·Updating the Training Needs Assessment. ·Securing specific advanced courses. ·Coordinating emergency preparedness training in conjunction with the Continuity of Operations Plan. ·Coordinating annual training days.
- Each DMME Division will include personal health and safety topics in staff, section, and other meetings.

Link to State Strategy

- nothing linked

- To provide for the most efficient and effective application of DMME resources.

Objective Strategies

- Each DMME Division, with assistance from the DMME Division of Administration, will monitor their financial needs and projected revenues, and their impacts on services.
- Each DMME Division will survey customers using techniques that emphasize comments to measure the extent the department has met or exceeded expectations for key services from 90% of customers, looking at both process and results.

Link to State Strategy

- nothing linked

- To enable DMME employees to effectively expand the use of technology.

Objective Strategies

- The DMME Strategic Team will, on a quarterly basis, review and prioritize agency information technology needs and projects.
- The DMME Technology Management Team will develop and recommend agency technology upgrades, changes, and acquisitions to the Strategic Team and ensure delivery of IT services.
- Each DMME Division will work with the Office of Management Information Systems, Office of Financial Services, and Office of Program Support to implement expanded electronic-government services for its customers.

- The Office of Management Information Systems and the Office of General Services will expand high-speed remote access for DMME's staff to support telecommuting and expanded electronic-government services.
- All DMME Divisions will review processes to eliminate duplication and enhance utilization of electronic systems, as they are developed or rewritten, in order to move towards a paperless environment while maintaining existing services.

Link to State Strategy

- nothing linked

Goal 4

We will strengthen the culture of preparedness across state agencies, their employees, and customers

Goal Summary and Alignment

This goal ensures compliance with federal and state regulations, policies and procedures for Commonwealth preparedness, as well as guidelines promulgated by the Assistant to the Governor for Commonwealth Preparedness, in collaboration with the Governor's Cabinet, the Commonwealth Preparedness Working Group, the Department of Planning and Budget and the Council on Virginia's Future. The goal supports achievement of the Commonwealth's statewide goal of protecting the public's safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds.

Goal Alignment to Statewide Goals

- Protect the public's safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds.

Goal Objectives

- We will be prepared to act in the interest of the citizens of the Commonwealth and its infrastructure during emergency situations by actively planning and training both as an agency and as individuals.

Objective Strategies

- The agency Emergency Coordination Officer will stay in continuous communication with the Office of Commonwealth Preparedness and the Virginia Department of Emergency Management.
- DMME will review its Continuity of Operations Plan annually and make changes necessary to improve preparedness.

Link to State Strategy

- nothing linked
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Service Area Strategic Plan

Department of Mines, Minerals & Energy (409)

3/13/2014 9:04 am

Biennium: 2008-10

Service Area 1 of 8

Geologic and Mineral Resource Investigations, Mapping, and Utilization (409 506 01)

Description

This service area provides information on Virginia's geology and mineral resources. Geologic maps, reports, commodity information, and consultations are used by mineral producers, local, state, and federal agencies, developers, consultants, and other. They use this information for land use planning, environmental assessments, identification of mineral deposits needed for manufacturing, highway, and infrastructure construction, locating producible groundwater resources, and other uses. The Director of DMME's geologic service area is designated as the State Geologist. Many activities in this service area are coordinated with the United States Geological Survey (USGS). Products and services include:

- Customer assistance, such as examination of the state's geology, geologic and topographic mapping, geologic reports, technical assistance, information on mineral and energy reserves, identification of natural hazards, assistance with mine and public safety concerns, mineral industry statistics, and information on geology and mineral resources on state-owned lands.
- Assistance with regulatory development through providing geologic information about mining areas.
- Identification, investigation, and cataloging of abandoned/orphaned mine lands.
- Providing information in support of economic development, such as site geology, mineral availability, and on-site sources of groundwater.

Background Information

Mission Alignment and Authority

- Describe how this service supports the agency mission

This service area directly aligns with DMME's mission of enhancing the development and conservation of mineral resources in a safe and environmentally sound manner to support a more productive economy.

- Describe the Statutory Authority of this Service

Chapter 25 of Title 45.1 of the Code of Virginia establishes the geologic and mineral resource investigation and information responsibilities of the geologic and mineral resource investigation, mapping, and utilization service area.

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Affiliated mineral extraction business interests	Affiliated mineral extraction business interests	142	3,000
General public and businesses	General public and businesses	408,305	7,500,000
Mineral extraction operators	Mineral Extraction Operators	44	300
Other governmental agencies	Other governmental agencies	95	300

Anticipated Changes To Agency Customer Base

General public and businesses

- DMME provides information on the state's mineral resources and geology to the general public, industry, educational customers (teachers, faculty, and students), economic development officials, real estate developers, and other similar customers.

- DMME expects the general public and business customer base to increase over the next few years. As development moves into new areas, there is increasing need for geologic and mineral resource information to properly plan for and support new development. DMME also is expanding the information available across the Internet. As information is more readily available in electronic form, additional customers will become aware of its availability, thereby increasing DMME's customer base.

Other governmental agencies

- DMME provides geologic and mineral resource information to a wide variety of governmental agencies.
 - Economic development entities use mineral resource information in their business development activities. Other government agencies use geologic information to plan their projects. For example, this information is critical to proper planning of transportation projects and for completion of environmental impact assessments. Local governments use geologic information as an input to local land use planning processes. Local and state agencies use geologic information when addressing groundwater issues. They also use geologic information for disaster mitigation planning and request assistance in response to natural disasters. Agencies are increasingly assessing mineral resource information when evaluating land for conservation easements.
 - DMME provides information on the mineral extraction industry to other state and local agencies that have business relationships with the mineral extraction industry. These agencies look to DMME for guidance on how the extraction industry operates.

- DMME expects the number of governmental agency customers to grow in the next few years. Economic development organizations and localities will increasingly need information from DMME as the Coalfield Expressway is developed across Southwest Virginia. VDOT and other agencies need geologic information and information on sources of aggregate for planning the I-81 expansion. Local governments will increasingly need mineral resource information to assess how geologic conditions affect land development plans.

Mineral extraction operators

- Increases in energy and mineral commodity prices increase interest in companies looking to locate new mineral extraction operations in Virginia. Recently there has been a sharp increase in energy costs, with benchmark grades of oil selling for over \$50/barrel in March and April 2005. Spot Appalachian natural gas prices have ranged near \$6-7/thousand cubic feet through 2004 and 2005. The price of coal has increased from around \$20/ton to over \$50/ton for steam grade coal and over \$100/ton for metallurgical coal in mid-2005. This has increased the number of customers seeking natural gas, coal, and mineral information needed to facilitate exploration and development of these resources.

- Significant volumes of minerals are exported from Virginia. The volume of these exports may increase as Asian markets

demand more mineral and energy commodities to meet their economic growth. Additionally, DMME has seen an increase in the number of domestic mining companies contacting the Division of Mineral Resources for information on deposits of industrial minerals. These factors are expected to continue and will increase the number of companies exploring for mineral deposits in Virginia.

Affiliated mineral extraction business interests

- Numerous businesses support mineral extraction operations such as consulting firms that assist with permit preparation and facility design.
- DMME expects to see an increase in the number of mineral industry consulting customers. Mining companies must find and permit new greenfield mine locations. These consulting firms have increasingly come to DMME for mineral resource and geologic information to assist in these efforts.

Partners

Partner	Description
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[None entered]

Products and Services

• *Factors Impacting the Products and/or Services:*

Customer assistance requests are expected to increase as energy costs remain high. Coal mining and gas and oil companies will request more assistance to locate available resources for new operations

- Expansion of web-based electronic government capability will increase the sales potential of geologic information and maps.

- The U.S. Minerals Management Service (MMS) has increased its interest in offshore sand and mineral resources. The MMS is requesting DMME undertake new geologic investigation activities to locate potential usable offshore deposits. Locating new offshore sand deposits will help provide cost-effective sources of sand for beach replenishment and for industrial mineral production. This will enhance economic development in coastal Virginia communities.

- Increased availability of digitized underground mine maps will allow mine permits and plans to account for the presence of the old mine works and result in a safer mining environment. DMME has thousands of digital underground coal mine maps that must be georeferenced in geographic information systems to accurately show their relationship with planned mines and other land uses. This is critical to ensure that new mines can be safely operated in the vicinity of the old workings. Accurate underground mine mapping is also critical to the design of the Coalfields Expressway and other economic development or infrastructure projects.

- Permitting of new mineral extraction sites will become more difficult as surface coal sites move closer to built-up areas (due to the limited areas of remaining coal reserves) and sprawl reaches areas where mineral mines are located. Companies will need additional geologic information to properly permit sites in areas with increasing land use conflicts and in new, more remote areas.

- DMME will need to replace a significant proportion of its workforce in the near future. This will eliminate a significant amount of the institutional knowledge that helps DMME understand and face the challenges of providing high quality customer service. DMME will be faced with increasing difficulty in finding these high quality workers at state salary rates as mining and other energy industries increase the amount they pay employees to combat their labor shortages.

• *Anticipated Changes to the Products and/or Services*

The demand for DMME's customer services are anticipated to increase as the mineral extraction industry faces continuing business challenges and as energy costs remain high.

- DMME has the potential to increase sales of geologic maps and information across the Internet as electronic government is more widely implemented.

- Interest in offshore sand, mineral, and natural gas deposits will increase the need for geologic investigations in offshore waters.

- Geologic support to digitize underground mine maps will increase as DMME is faced with georeferencing its backlog of scanned underground mine maps.

- DMME anticipates losing more employees to mine operators as these companies increase their salaries to respond to labor shortages. We will also be faced with increasing difficulty attracting the same level of experienced employees at current state salaries.

• *Listing of Products and/or Services*

- Customer assistance • Hazard identification, technical assistance, education, and cooperative projects in such areas as environmental protection and land reclamation, geologic investigation and mapping, and economic mineral resource assessment. • Customer assistance services help customers maintain safe and environmentally protective mineral resource extraction sites, use geologic and mineral resource information to manage development and natural resources, and incorporate geologic information in land use planning.
- Regulatory development • Provide geologic information needed to establish minimum operational and reclamation requirements consistent with governing laws for mineral extraction operations. • These services ensure the legal standards governing mineral extraction operations are based on a clear understanding of how regulated operations must account for the underlying geologic conditions.
- Land reclamation • Identification and investigation of abandoned/orphaned mine lands to allow prioritization and design of needed reclamation. • Land reclamation services correct damage and mitigate risks of future damage from unreclaimed or improperly reclaimed mineral extraction lands.
- Economic development • Provide information in support of economic development (site geology, mineral availability, natural hazards, sources of water, and similar information). • Economic development services support efforts to increase jobs and economic activity in Virginia.

Finance

Base				
Service Area	\$1,737,654	\$397,000	\$1,737,654	\$397,000
Total				

Human Resources

• *Human Resources Overview*

The Division of Mineral Resources, which is responsible for this service area, relies predominantly on salaried workers to deliver its products and services. The average age of workers in the Division is 50.5, suggesting that a substantial portion of the workforce is nearing retirement age. Given the high salaries being paid to geoscientists in industry, the agency will face challenges in recruiting, training, and retaining workers with the necessary skill sets.

• *Human Resource Levels*

Effective Date	10/1/2007	
Total Authorized Position level	24	
Vacant Positions	4	
Current Employment Level	20.0	
Non-Classified (Filled)	0	breakout of Current Employment Level
Full-Time Classified (Filled)	20	
Part-Time Classified (Filled)		
Faculty (Filled)		
Wage	1	
Contract Employees		
Total Human Resource Level	21.0	= Current Employment Level + Wage and Contract Employees

• *Factors Impacting HR*

The workforce in this service area is aging. Approximately 50% of the staff is either eligible for retirement now or will become eligible within the next three years. Therefore, the agency faces challenges in recruiting, training and retaining qualified workers. High salaries are being paid to geoscientists in industry, creating additional challenges at a time when funding is declining.

• *Anticipated HR Changes*

It is anticipated that, due to retirement, approximately half of the staff in this service area will need to be replaced within the next five years.

Service Area Objectives

- To enhance worker and public safety related to geologic conditions.

Objective Description

This objective ensures that we focus on worker and public safety during our studies of geologic conditions. DMME's regulatory divisions use geologic information to enhance their safety and environmental protection services. They need information about geologic conditions that could affect worker or public safety, and accurate digital maps showing abandoned mine workings and locations of geologic and mineral resources and abandoned surface mines.

Alignment to Agency Goals

- Agency Goal: Provide for safe and environmentally sound mineral and fossil fuel extraction.
 Comment: DMME's divisions use geologic information to enhance their safety and environmental protection services. They need information about geologic conditions that could affect worker or public safety, and accurate digital maps showing abandoned mine workings and locations of geologic and mineral resources and abandoned surface mines.

Objective Strategies

- The DMME Division of Mineral Resources will address unsafe conditions within the mineral and fossil fuel extraction industries through: ·Meeting with the DMME Divisions of Mines, Mined Land Reclamation, and Mineral Mining to assess the potential impact of geologic factors on worker safety and public health. ·Roof-fall identification and analysis. ·Creating a roof-fall training module. ·Locating and characterizing hazards around active and abandoned resource extraction sites. ·Geologic investigations. ·Participating, as requested, with other DMME divisions and state and local agencies in accident investigations. ·Inventorying, cataloging, and georeferencing mine maps and other related information. ·Incorporating available oil and gas geophysical logs into 3D modeling. ·Working with the DMME Division of Mineral Mining to enhance inventory lists of abandoned and orphaned sites.
- The DMME Division of Mineral Resources will assess and define the scope of a geohazards program for Virginia.
- To assess the effectiveness of our efforts, the DMME Division of Mineral Resources will: ·Analyze safety statistics, including reported accidents, serious injuries, and fatalities on mineral extraction sites on a quarterly basis. ·Track the number of accidents and incidents such as roof-falls and hole-throughs where geologic conditions are a factor on a quarterly basis.

Link to State Strategy

- nothing linked

Objective Measures

- Mine accidents where geologic factors contributed to cause.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: Two-year average CY2006 - CY2007

Measure Target Value: Date:

Measure Target Description: Maintain below baseline.

Data Source and Calculation: Data is collected from reports of serious personal injuries and fatalities submitted by permitted mine operators throughout the year and the reports of employee work hours reported by permitted mine operators on their annual tonnage reports submitted to DMME. Accident causes are reviewed to determine whether geologic factors contributed to the accident. The rate where geologic factors contributed to the accident is calculated as the number of accidents with contributing geologic factors per 200,000 work hours. DMME evaluates the five-year rolling average of this rate to determine the trend.

- To improve our customers' ability to mitigate environmental problems by providing appropriate geologic information.

Objective Description

This objective assures that we focus on the mitigation of environmental problems when carrying out geologic studies. In order to understand Virginia's geology, geologic and mineral resource investigations are needed in priority areas. Geologic and mineral resource information must be available to the public and business community. Technical assistance to customers helps them understand how geology affects their areas.

Alignment to Agency Goals

- Agency Goal: Provide for safe and environmentally sound mineral and fossil fuel extraction.

Comment: This objective is consistent with DMME's mission of enhancing the development and conservation of mineral resources in a safe and environmentally sound manner. Geologic and mineral resource activities are mandated in Chapter 25 of Title 45.1 of the Code of Virginia. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources" and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources, to protect the public's safety, and be a national leader in the preservation and enhancement of our economy.

Objective Strategies

- The DMME Division of Mineral Resources staff will confer as requested with DMME regulatory staff and other state agencies to define geologic conditions that adversely affect the environment.
- The DMME Division of Mineral Resources Orphaned Land Advisory Committee representatives will review results of annual assessments of abandoned mine sites with regard to geologic conditions that adversely affect the environment and provide recommendations to facilitate reclamation.
- The DMME Division of Mineral Resources will provide, through geologic investigations and reports, information on geologic conditions that may pose environmental problems.

Link to State Strategy

- nothing linked

Objective Measures

- Agency rating in customer satisfaction survey.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 3.4 out of 4 (Average FY 05 - FY 07)

Measure Target Value: Date:

Measure Target Description: Exceed the three-year average of 3.4

Data Source and Calculation: A sample of customers are surveyed online and by telephone interview. Customers respond to standardized questions with a score from 1 (lowest) to 4 (best). Survey data are compiled and averaged to generate an overall score.

- To improve customer capabilities in the wise use of mineral, land, water, and energy resources.

Objective Description

This objective assures that we focus on assisting our customers in their wise use of natural resources. In order to understand Virginia's geology, geologic and mineral resource investigations are needed in priority areas. Geologic and mineral resource information must be available to the public and business community. Technical assistance to customers helps them understand how geology affects their areas.

Alignment to Agency Goals

- Agency Goal: Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.

Comment: This objective is consistent with DMME's mission of enhancing the development and conservation of mineral resources in a safe and environmentally sound manner. Geologic and mineral resource activities are mandated in Chapter 25 of Title 45.1 of the Code of Virginia. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy,

mineral, land, and water resources" and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources, to protect the public's safety, and be a national leader in the preservation and enhancement of our economy.

Objective Strategies

- The DMME Division of Mineral Resources will identify, prioritize, conduct and make available the results of geologic and mineral resource investigations that meet the needs of our customers.
- The DMME Division of Mineral Resources will continue to provide maps, publications, and other geologic information through the sales office, Web Store, the DMME Division of Mineral Resources' website, and presentations at professional meetings, and will take steps to improve the delivery of customer service and expand the number of products made available electronically.
- The DMME Division of Mineral Resources will provide effective, timely, and useful assistance to its customers through site visits, referrals, consultative services, technology transfer, partnerships, and leveraging other resources.
- The DMME Division of Mineral Resources will establish points of contact to provide coordinated responses to outside groups on emerging issues. These issues may include: ·Offshore drilling ·Uranium prospecting ·Virginia Energy Plan ·Geothermal energy ·Coalmine subsidence in Richmond Basin

Link to State Strategy

- nothing linked

Objective Measures

- Annual percent increase in the Virginia Geospatial Data Index.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 9.9% (Average FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >= 4% (FY 2009 - FY 2010)

Data Source and Calculation: This measure is calculated based on data showing the level of detail and degree of completion of geologic information and maps available in web, digital, published paper, or open file form, adjusted based on a relevance factor related to population growth in each county covered by the data. The index is used to calculate percentage growth of available information per year.

- To improve the organization, distribution, and preservation of new and existing geologic information.

Objective Description

This objective assures that we focus on organizing, distributing, and preserving new and existing geologic information. Identification of information on availability of needed mineral commodities is necessary to support Virginia's mineral and manufacturing industries.

Alignment to Agency Goals

- Agency Goal: Provide for safe and environmentally sound mineral and fossil fuel extraction.
- Agency Goal: Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.

Comment: This objective is consistent with DMME's mission of enhancing the development and conservation of mineral resources in a safe and environmentally sound manner. Geologic and mineral resource activities are mandated in Chapter 25 of Title 45.1 of the Code of Virginia. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources" and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources, to protect the public's safety, and be a national leader in the preservation and enhancement of our economy.

- Agency Goal: Provide for the effective performance of DMME personnel.

Objective Strategies

- The Geologic Information and Support Services Section, assisted by the Office of Management Information Systems and with guidance by the Operational Team, will create a Geologic Information Catalog
- The Geologic Information and Support Services Section will update and maintain the DMME Division of Mineral Resources' website in accordance with VITA Standards and meet with Section Managers quarterly to review web content.
- The Geologic Information and Support Services Section will develop a publication process guidance document by November 30, 2007 to include the following components: ·Manuscript preparation ·Digital product preparation ·Web distribution considerations

Link to State Strategy

- nothing linked

Objective Measures

- Results of Internal Improvement Survey

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: Internal satisfaction rating out of possible 100

Measure Target Description: Increase above baseline each year

Data Source and Calculation: The agency will survey staff to measure the improvement of the organization and preservation of geologic information.

- To improve the ability of our staff to identify and respond to new business opportunities.

Objective Description

This objective assures that we focus on the development of new business opportunities.

Alignment to Agency Goals

- Agency Goal: Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.
- Agency Goal: Provide for the effective performance of DMME personnel.

Link to State Strategy

- nothing linked

Objective Measures

- Customer satisfaction rating.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 3.4 (Average FY 2005 - FY 2007)

Measure Target Value: Date:

Measure Target Description: Exceed the three-year average of 3.4

Data Source and Calculation: The DMME Division of Mineral Resources (DMR) surveys customers about the value and use of information provided by the Division through the DMR Customer Assistance Tracking System. Questions addressing the value of the information are reviewed to calculate average rating given by customers on a 0 to 4 scale.

Biennium: 2008-10

Service Area 2 of 8

Mineral Mining Environmental Protection, Worker Safety and Land Reclamation (409 506 02)

Description

This service area implements the Virginia Mineral Mine Safety Act and Virginia's mineral mining reclamation laws. The laws and regulations protect workers on mineral mines and other public affected by the operations from risks due to unsafe conditions and unsafe acts on the operations, and protect the public safety and health from the possible harmful environmental effects of mineral mining operations. Products and services include:

- Customer service, such as training, technical assistance, and risk assessment.
- Inspection and enforcement of the mine safety and reclamation laws and regulations.
- Certification of general mineral mine workers and miners performing specialized mineral mining tasks.
- Permitting and licensing of mineral mine sites.
- Regulatory development to establish minimum requirements for worker and public safety and operation and reclamation of mineral mine sites.
- Land reclamation through use of financial guarantees to ensure proper reclamation on permitted sites and reclamation of orphaned (abandoned) mineral mine lands.
- Economic development support through helping ensure adequate supplies of non-fuel mineral products are available to support Virginia's economic needs.

Background Information

Mission Alignment and Authority

- Describe how this service supports the agency mission

This service area directly aligns with DMME's mission of enhancing the development of mineral resources in a safe and environmentally sound manner to support a more productive economy.

- Describe the Statutory Authority of this Service

Chapters 14.4:1 through 14.6, known as the Virginia Mineral Mine Safety Act, establish the minimum requirements for mineral mine safety in Virginia. Virginia's mineral-mine safety program is implemented independent of the federal mine safety program. However, the federal Department of Labor, Mine Safety and Health Administration recognizes Virginia's state certifications of persons completing specialized duties on coal mines such as mine foremen and mine electricians.

- Chapter 16 establishes environmental protection requirements for operation and reclamation of mineral mines in Virginia.
- Chapter 18.1 establishes requirements for construction and operation of refuse piles, and water and silt retaining dams on mineral mines in Virginia.
- Chapter 21 establishes requirements for exploration for uranium ore in Virginia. Mining of uranium ore is prohibited under Virginia law. There are currently no uranium exploration activities in Virginia.

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Affiliated mineral extraction business interests	Affiliated mineral extraction business interests	1,253	2,530
Mineral extraction operators	Mineral extraction operators	437	437
Mineral extraction workers	Mineral extraction workers	3,836	3,836
Other governmental agencies	Other governmental agencies	13	150
Public affected by mineral extraction operations	Public affected by mineral extraction operations	24,000	24,000

Anticipated Changes To Agency Customer Base

Mineral extraction operations

• The tonnage of non-fuel minerals produced in Virginia historically changes in relation to the state of Virginia's economy. As the economy is strong, mineral mine production increases. As the economy is weaker, production decreases. The production of construction aggregates is also affected by the amount of highway construction and repair and amount of housing, commercial, industrial, and institutional development. However, the number of mineral mines producing these materials remains fairly stable, ranging from 450 to 500 mines from approximately 280 companies.

• Recently, the aggregate industry has grown based on residential, commercial, and institutional construction. In 2006, 102.2 million tons of non-fuel minerals were produced from 451 mines and quarries. DMME expects that there will be a similar number of permitted mineral mines and an increase in mineral production as long as Virginia's economy remains strong and interest rates remain relatively low. Any offset in residential or commercial construction due to rising interest rates may be offset by additional funds available for transportation projects. Most of the increase in production will come from existing mines. New mineral mines are increasingly hard to open due to population growth and development over the mineral deposit locations.

Mineral extraction workers

• Mineral mine employment in Virginia changes based on the amount of tonnage produced in Virginia's mineral mines and changes in miner productivity. The number of mineral miners also is affected by the use of independent contractors on mineral mine sites. Some operators have shifted parts of operations away from their employees to contractor employees.

• Virginia had 3,788 production workers in 2006. This compares to 4,816 mineral miners working in 1989; 4,104 mineral miners working in 1994; 4,258 mineral miners in 1999; and 3,603 mineral miners in 2004. DMME anticipates the number of mineral miners to remain relatively stable in the coming years. However, approximately one-third of mineral miners and one-half of mineral mine supervisors are replaced every five years, causing an ongoing demand for new mineral miner

training and certifications.

- Mineral miner productivity increased from 18,647 tons/miner/year in 1989 to 26,972 tons/miner/year in 2006. This has been caused by improved equipment and systems, and increasing use of independent contractors on mineral mines.

Public affected by mineral extraction operations

- Public located near mineral extraction operations may be affected by activities at the operations. These effects may include such items as ground and air vibrations from blasting; effects on groundwater quantity or quality; effects from uncontrolled release of material such as flyrock or pushed or tracked material from the site; dust from blasting, construction, or travel on soft-surfaced roads; noise; light; or truck traffic. DMME’s regulations control many of these impacts. While some impacts, such as light, ambient noise, and local truck traffic, are subject to local government land use controls, DMME receives and must investigate most complaints on all of the mining effects.

- Mineral mine operators are required to notify property owners within 1,000 feet of the permit area boundary when applying for new permits. DMME used this distance to measure the number of public affected by mineral extraction operations. The applicant for a typical new mineral mine permit notifies 20 property owners. The actual number notified may range from one or two for rural operations to hundreds of property owners in more built-up areas. DMME uses an average of 20 affected property owners per mine times 2.54 average people per household times the number of mines totals to approximately 24,000 people affected.

- DMME expects there will be additional people affected by mineral extraction operations in the coming years. Mineral mines have typically been located on the fringes of built-up areas. As suburban sprawl moves farther out from urban areas, residential and commercial development comes closer to mineral mine locations. This results in increasing numbers of persons affected by the operations.

- The increasing proximity between mineral mines and the public is expected to result in increased opposition to the locations of existing and new operations. This may cause an increased number of public interest advocacy groups to become active on mineral mine site issues.

- Public are affected by orphaned (abandoned and not reclaimed) mineral mine lands. Such lands may cause water pollution from nonpoint source runoff or acid mine drainage. Abandoned quarries or other mines may be public safety hazards from abandoned equipment, water-filled pits, unprotected highwalls, or other features. DMME does not have a count of the numbers of people affected by these orphaned mineral mine sites.

Affiliated mineral extraction business interests

- Numerous businesses support mineral extraction operations. These range from engineering firms that assist with permit preparation and facility design; to independent contractors providing non-mining services at mine sites (such as blasting, mobile equipment lubrication and maintenance, logging, overburden removal, plant construction); to independent trucking companies hauling mined material from a mine; to title attorneys and others.

- DMME expects to see an increase in the number of affiliated business interests. Mining companies are increasingly outsourcing work on mines. DMME has been given expanded responsibility for regulation of activities of independent contractors on mineral mines. DMME has registered approximately 2,000 independent mineral mining contractors in 2004. Of these, approximately 1,350 were reported as working on mineral mines during 2004. The department expects the number of independent contractor customers to continue to grow.

General public and businesses

- All Virginia residents are potentially served through DMME’s mineral mining activities. All Virginians travel on Virginia roads constructed with Virginia-produced aggregates. All Virginians use public infrastructure and private facilities constructed with Virginia-produced aggregates. DMME does not track actual numbers of individual people served.

- DMME expects the general public and business customer base to increase over the next few years. As development moves into new areas, there is increasing need for geology and mineral resource information to properly plan for and support new mineral mine development. DMME also is expanding the information available across the Internet. As information is more readily available in electronic form, additional customers will become aware of its availability, thereby increasing DMME’s customer base.

Other governmental agencies

- DMME provides geologic, mineral resource, and energy information to a wide variety of governmental agencies.
 - Economic development entities use mineral resource information in their business development activities. Economic development organizations contact DMME for information about the availability of specific minerals in response to companies wishing to locate operations in Virginia. Availability of construction aggregate is critical to proper planning of transportation projects. Local governments use mineral resource information as an input to local land use planning processes. Mineral mine information is used by local or state agencies addressing groundwater issues.
 - DMME provides information on the mineral extraction industry to other state and local agencies that have business relationships with the mineral extraction industry. These agencies look to DMME for guidance on how the extraction industry operates.
 - DMME coordinates mineral extraction regulatory activities with the similar regulatory agencies in neighboring states and in the federal government. Environmental impacts such as water pollution can cross state lines.

- In accordance with state law, DMME does not conduct regular safety inspections on mineral mines inspected by the federal Mine Safety and Health Administration (MSHA). DMME instead uses its mineral mine safety resources to provide training and technical support to enhance worker safety. Both DMME and MSHA investigate accidents that result in serious personal injuries or fatalities on mineral mines. MSHA recognizes Virginia mineral mine worker certifications. This requires coordination between DMME and MSHA.

- Virginia’s mineral mining reclamation law allows localities, at their discretion, to regulate the operation and reclamation on mineral mine sites. The local programs must provide for at least the same level of regulatory coverage as DMME’s mine reclamation activities. DMME periodically reviews the local programs to ensure they maintain this minimum level of regulatory coverage. Fairfax and Henrico counties exercise this authority.

Partners

Partner	Description
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[None entered]

Products and Services

- *Factors Impacting the Products and/or Services:*

Increasing demand from customers for providing expanded e-government services is driving several initiatives:
 · Implementing the use of e-forms to provide customers with faster access for submittal of amendments, renewals,

annual reporting, and updating of permit and company information.

DMME is enhancing electronic business-to-government capability for its mineral mining operators. The e-Forms Center will provide mineral mine operators with the ability to electronically submit permitting applications and annual tonnage reports, manage contractor lists, register for training classes, provide EFT and otherwise conduct their business with DMME online. In addition, DMME is converting all paper mineral mining permitting files to electronic format in an effort to provide a seamless, paperless environment in conjunction with the electronic business-to-government capability provided by the e-Forms Center. This effort will result in an electronic file cabinet for use by the field staff and office staff, as well as our operators. DMME continues to work with mineral mine operators to expand the use of this e-government system through the next fiscal year. DMME is also extending this system developed for the mineral mining program to develop similar e-government systems for its gas and oil and coal mine safety programs. Increased emphasis on mine safety is driving an initiative to implement a safety award program in cooperation with Virginia Transportation and Construction Alliance to recognize both company and individual contribution to mineral miner safety in Virginia.

Increased public scrutiny of mineral mining operations regulated by our agency is driving a new complaint risk assessment program to take a more proactive position on factors contributing to complaints involving blasting, tracking of mud and debris on roadways, and generation of dust from mine sites.

- Renewed interest in nuclear power and the associated steep increase in uranium prices have made formerly uneconomic deposits of uranium more attractive to prospectors and investors. This will drive an increased need for issuing exploration permits under this service area. Uranium mining in Virginia is currently prohibited by statute, but possible future lifting of the moratorium would require the promulgation of a whole new chapter of regulations by the agency, and new procedures and activities to enforce them.
- Mineral mine operators will increasingly use independent contractors for a wide variety of services on mineral mines.
- The mineral mining industry competes with the construction industry for workers. As the construction workforce is increasingly made up of Spanish-speaking workers, mineral mine workers will also become increasingly Spanish speaking.
- Permitting of new mineral extraction sites will become more difficult as expanding areas of residential and commercial development reach areas where mineral mines are located.
- Past reductions in DMME's budgets have caused the agency to increasingly rely on permit and license revenue. DMME will spend down fund balances from these sources in the coming year.
- DMME will need to replace a significant proportion of its workforce in the near future. This will eliminate a significant amount of the institutional knowledge that helps DMME understand and face the challenges of providing high quality customer service. DMME will be faced with increasing difficulty in finding these high quality workers at state salary rates as mining and other energy industries have substantially increased the amount they pay employees to combat their labor shortages.
- *Anticipated Changes to the Products and/or Services*

The agency is expanding e-government services, including electronic customer forms served through a web-based interface. The agency is also taking a more proactive role in assisting customers in abating conditions that cause public complaints.

 - The demand for DMME's customer services is anticipated to increase as the mineral extraction industry faces continuing business challenges.
 - More DMME permitting and reporting activities will be shifted to electronic government systems as web-based tools are implemented.
 - DMME training and certification services are anticipated to increase as the construction industry competes with the mineral mining industry for workers, causing a substantial turnover in mineral mine workers. These services will need to be adapted to account for increasing numbers of workers with Spanish as their primary language.
 - Increased use of contractors on mineral mine sites also will increase the demand for training and assistance services.
 - Increasing conflict between mineral mines and expanding areas of residential and commercial development will increase the likelihood of challenges to permitting decisions. This will increase use of formal litigated-issues hearings and court challenges.
 - DMME anticipates losing more employees to mine operators as these companies increase their salaries to respond to their labor shortages. We will also be faced with increasing difficulty attracting the same level of experienced employees at current state salaries.
 - Projected spending down of permit fee fund balances will cause DMME to have to either reduce services or find additional funding in the new biennium.
- *Listing of Products and/or Services*
 - Customer assistance • Job safety analysis, risk assessment, hazard identification, training, technical assistance, education, and cooperative projects – in such areas as mine safety, environmental protection, and land reclamation during mineral extraction. • Customer assistance services assist customers to maintain safe and environmentally protective mineral extraction sites in compliance with regulatory requirements and use mineral production information to manage development and natural resources.
 - Inspection and enforcement • Thorough and consistent inspection and enforcement of laws and regulations addressing worker safety on mineral extraction sites and operational and reclamation environmental controls. Assess company and individual responsibility and liability as appropriate. Investigate accidents and complaints. Note that DMME does not inspect for worker health and safety on those mineral mines inspected by the federal Mine Safety and Health Administration (MSHA). The agency does complete these inspections on those mines not inspected by MSHA. DMME does investigate accidents and complaints and complete reclamation inspections on all mine sites. Appeals to DMME's reclamation enforcement actions are taken to the Board of Surface Mining Review. • Inspection and enforcement services assist customers to maintain safe and environmentally protective mineral extraction sites in compliance with regulatory requirements

To Base	\$220,667	\$0	\$220,667	\$0
Service Area Total	\$1,529,244	\$1,190,000	\$1,529,244	\$1,190,000
Base Budget	\$1,308,577	\$1,190,000	\$1,308,577	\$1,190,000
Change To Base	\$220,667	\$0	\$220,667	\$0
Service Area Total	\$1,529,244	\$1,190,000	\$1,529,244	\$1,190,000
Base Budget	\$1,308,577	\$1,190,000	\$1,308,577	\$1,190,000
Change To Base	\$220,667	\$0	\$220,667	\$0
Service Area Total	\$1,529,244	\$1,190,000	\$1,529,244	\$1,190,000

Human Resources

• *Human Resources Overview*

The Division of Mineral Mining, which is responsible for this service area, relies entirely upon a salaried workforce to deliver products and services to its customers. The average age of the workforce is 47.9, with their average years of service at 11.2. Therefore, the staff of this Division is not likely to be affected by a large percentage of retirements in the near future.

• *Human Resource Levels*

Effective Date	10/1/2007	
Total Authorized Position level	22	
Vacant Positions	0	
Current Employment Level	22.0	
Non-Classified (Filled)	0	breakout of Current Employment Level
Full-Time Classified (Filled)	22	
Part-Time Classified (Filled)		
Faculty (Filled)		
Wage		
Contract Employees		
Total Human Resource Level	22.0	= Current Employment Level + Wage and Contract Employees

• *Factors Impacting HR*

The division responsible for this service area has experienced several retirements in recent years. Therefore, they have a relatively young workforce, with an average age of 47.9 and average state service of 11.2 years.

• *Anticipated HR Changes*

The existing workforce will become more experienced. A relatively small number of retirements will affect the workforce in this service area.

Service Area Objectives

- To eliminate injuries and fatalities at mineral mine sites.

Objective Description

This objective assures that we focus on safety programs that decrease the number of injuries and fatalities at mineral mine sites. Protection of worker and public safety from the dangers on mineral mine sites is of critical importance to ensure the safety of Virginians working on or living near mineral mine sites. Dangers may be present due to improper conditions or improper actions by miners. The DMME Division of Mineral Mining provides customer assistance and inspection and enforcement of mine safety based on a risk assessment of mines, with the riskiest mines receiving a higher level of services.

Alignment to Agency Goals

- Agency Goal: Provide for safe and environmentally sound mineral and fossil fuel extraction.

Comment: This objective is consistent with DMME's mission of enhancing the development of mineral resources in a safe manner. The mineral mine safety program is mandated in Chapters 14.4:1 through 14.6 of Title 45.1 of the Code of Virginia, known as the Virginia Mineral Mine Safety Act. This act establishes the minimum requirements for mineral mine safety in Virginia. Safety around impoundments on mineral mines is mandated in Chapter 18.1 of Title 45.1 of the Code of Virginia. This objective aligns with DMME's strategic direction under goal 1, "Provide for safe and environmentally sound mineral and fossil fuel extraction", and with the long-term objectives of Virginia to

protect the public's safety and to protect, conserve, and wisely develop our natural resources.

Objective Strategies

- The DMME Division of Mineral Mining will provide customer assistance and conduct thorough and consistent inspections, utilizing the risk assessment process to achieve compliance with mine safety laws and regulations.
- The DMME Division of Mineral Mining (DMM) will investigate accidents and resolve safety and health complaints associated with mineral mine sites. DMM will provide timely and complete reporting and take actions to prevent future occurrences of unsafe practices and conditions.
- The DMME Division of Mineral Mining will assist Division of Mines to implement a mine emergency response capability for coal and mineral mines.
- The DMME Division of Mineral Mining (DMM) will develop and provide site-specific educational services and products targeted to eliminate accidents, injuries, fatalities, and adverse health effects. DMM will improve quality and accessibility of training services provided to miners by: ·Using accident data and risk assessment analysis to develop training materials. ·Improving timeliness of posting training materials on the web.
- The DMME Division of Mineral Mining (DMM) will provide certification and related training programs and services that ensure required competency and improve safe mining practices. In particular, the Safety Engineer, with assistance from DMM staff, will: ·Update certification training materials to reflect changes to laws and regulations, and updated accident statistics and trends. ·Continue to develop the certification exam data banks and implement the electronic testing and grading system.

Link to State Strategy

- nothing linked

Objective Measures

- Serious personal injury-fatality rate on mineral mine sites.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Frequency Comment: This is an industry-standard measure which is based on a CALENDAR YEAR.

Measure Baseline Value: Date:

Measure Baseline Description: 0.16 (avg. CY 2002 - CY 2006)

Measure Target Value: Date:

Measure Target Description: <0.16 (avg. CY 2006 - CY 2010)

Data Source and Calculation: Data is collected from reports of serious personal injuries and fatalities submitted by permitted mineral mine operators throughout the year and the reports of employee work hours reported by permitted mineral mine operators on their annual tonnage reports submitted to DMME. The rate is calculated as the number of serious personal injuries and fatalities per 200,000 work hours. DMME evaluates the five-year rolling average of this rate to determine the trend.

- Percentage of safety violations on mineral mine sites successfully eliminated by the violations' due dates.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 94.4% (avg. FY 2005 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=95% (FY 2009 - FY 2010)

Data Source and Calculation: This measure is calculated using information from DMME's automated enforcement systems. Records of violations show date issued, target date for correcting the violation, and date the violation is corrected. The percentage is calculated based on total number of safety violations corrected by their due dates and of total safety violations issued.

- To eliminate adverse environmental conditions and public safety hazards at mineral mine sites.

Objective Description

This objective assures that we focus on protecting the environment and the safety of the public by eliminating adverse conditions at mineral mine sites. Protection of the public safety and the environment from the off-site effects of activities on mineral mine sites is of critical importance, including protecting against harm to people near the mines from such items as blasting, discharge of materials, and protecting against the deleterious effects mining may have on the environment. The DMME Division of Mineral Mining provides customer assistance, hazard identification, and inspection and enforcement of mine reclamation to meet this objective.

Alignment to Agency Goals

- Agency Goal: Provide for safe and environmentally sound mineral and fossil fuel extraction.

Comment: This objective is consistent with DMME's mission of enhancing the development of mineral resources in an environmentally sound manner. The mineral mine reclamation program is mandated in Chapter 16 of Title 45.1 of the Code of Virginia. The uranium exploration regulatory program is mandated in Chapter 21 of Title 45.1 of the Code of Virginia. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources", and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources and to

protect the public safety.

Objective Strategies

- The DMME Division of Mineral Mining will provide assistance, inspections and investigations in a manner that is efficient, customer oriented and coordinated with other local, state and federal agencies.
- The DMME Division of Mineral Mining will provide a timely and complete review of mine permit applications and amendments consistent with laws and regulations.
- The DMME Division of Mineral Mining will use the complaint risk assessment process to identify public concerns. Information learned from the process will be used to: 1) identify high- and low-risk activities and operators; 2) identify model practices for communicating with the public; and 3) create and share information on successful practices with operators and the public.
- The DMME Division of Mineral Mining will communicate with and provide assistance to county governments on issues related to mineral mining activities and monitor and evaluate waiver programs to ensure consistency with laws and regulations.
- The DMME Division of Mineral Mining (DMM) will assess all potential bond forfeiture sites and take actions to prevent bond forfeitures using customer and stakeholder involvement. DMM will maintain a bond forfeiture inventory.
- The DMME Division of Mineral Mining will evaluate the current approaches to the control of the effects of blasting on the surrounding locale to determine the effectiveness of DMM blasting requirements.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of mineral mine sites with no adverse off-site environmental damage or public safety hazards.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 98.8% (avg. FY 2005 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=98% (avg. FY 2008 - FY 2010)

Data Source and Calculation: This measure is calculated using information from DMME's mineral mining automated enforcement system. Records of violations show whether there was any off-site damage or public safety hazard related to a violation of environmental laws or regulations. The number of sites with no violations causing off-site impacts is calculated as a percentage of permitted sites. The percentages for the most recent three years are then averaged.

- Percentage of environmental violations on mineral mine sites successfully eliminated by the violations' due dates.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 88.3% (avg. FY 2005 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >= 85% (FY 2007 - FY 2008)

Data Source and Calculation: This measure is calculated using information from DMME's mineral mining automated mineral mining enforcement system. Records of violations show date issued, target date for eliminating the violation, and date the violation is eliminated. The total number of environmental violations eliminated by their due date is calculated as a percentage of total environmental violations issued.

- To eliminate environmental and public safety hazards associated with orphaned mineral mines and bond forfeiture sites.

Objective Description

This objective assures that we focus on eliminating environmental and public safety hazards in our programs related to orphaned mineral mines and bond forfeiture sites. Orphaned (abandoned and not reclaimed) mineral mine lands and permitted mine sites not properly reclaimed by the permit holder may cause water pollution from nonpoint source runoff or acid mine drainage. Abandoned mineral mines may cause public safety hazards from abandoned equipment, water-filled pits, unprotected highwalls, or other features. This objective directs DMME's work to reclaim the highest priority orphaned mineral mine sites.

Alignment to Agency Goals

- Agency Goal: Provide for safe and environmentally sound mineral and fossil fuel extraction.

Comment: This objective is consistent with DMME's mission of enhancing the development of mineral resources in an environmentally sound manner. Reclamation of orphaned and bond forfeiture mineral mines are mandated in Chapter 16 of Title 45.1 of the Code of Virginia. The uranium exploration regulatory program is mandated in Chapter 21 of Title 45.1 of the Code of Virginia. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources", and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources and to protect the public safety.

Objective Strategies

- The DMME Division of Mineral Mining, with the involvement of customers and stakeholders, will reclaim watershed restoration orphaned sites, bond forfeiture sites, and the highest priority orphaned mineral mine sites by using all available funds and resources. In addition DMM will pursue innovative methods and additional sources of funding to advance the elimination of adverse environmental and public health and safety hazards on orphaned and bond forfeited mineral mine sites.
- The DMME Division of Mineral Mining will administer the nonpoint source (NPS) pollution control program for orphaned mineral mines and apply for additional funding to continue the NPS coordinator position.
- The DMME Division of Mineral Mining will increase the watershed inventory of orphaned mineral mines and forfeited sites. The inventory, which includes existing or potential wetlands, carbon sequestration potential, and economic development site information for orphaned/forfeited mineral mines will be provided to all DMME divisions.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of orphaned mineral mine sites assessed with data entered into the orphaned mineral mine inventory.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 71.0% (FY 2007)

Measure Target Value: Date:

Measure Target Description: >71.0% (FY 2009 - FY 2010; subject to available funding).

Data Source and Calculation: DMME has estimated that there are 3,000 orphaned mineral mine sites based on historical records of mineral mining activity in the state. The total number of inventoried mineral mine sites is taken from the orphaned mined land information system. The percentage is calculated from these data.
- Percentage of orphaned mineral mine sites on which safety and health hazards have been eliminated.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 3.1% (FY 2007)

Measure Target Value: Date:

Measure Target Description: >3.1% (FY 2009 - FY 2010; subject to available funding).

Data Source and Calculation: DMME has estimated that there are 3,000 orphaned mineral mine sites based on historical records of mineral mining activity in the state. The total number of reclaimed mineral mine sites is tracked by DMME staff after the final inspection of the reclamation work is completed. The percentage is calculated from these data.
- To improve our customers' ability to establish and maintain efficient, viable operations.

Objective Description

This objective assures that we focus on assisting customers in a way that helps them improve their ability to establish and maintain efficient, viable operations. Activities under this objective are aimed at providing timely, effective and useful service to customers, involving customers and stakeholders in process improvement, and making timely permit decisions. DMME helps regulated entities establish and maintain economically viable operations that will be both profitable and operate safely and respectfully of the environment. DMME works with its customers to implement process improvements to increase efficiency of interaction with DMME and provide mineral information needed for economic development.

Alignment to Agency Goals

- Agency Goal: Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.

Comment: This objective is consistent with DMME's mission of enhancing the development of mineral resources to support a more productive economy. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources", and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources and to be a national leader in the preservation and enhancement of our economy.

Objective Strategies

- The DMME Division of Mineral Mining will provide effective, timely, and useful assistance to customers through site visits, referrals, training, and consultative services, technology transfer, partnerships, or leveraging other resources.
- The DMME Division of Mineral Mining will involve its customers and stakeholders in continually identifying, developing, and implementing process improvements to include e-government, regulatory guidance, electronic information/data distributions, and technical assistance. DMM will continue to expand e-Forms use by offering training assistance and additional incentives.
- The DMME Division of Mineral Mining in collaboration with the Division of Mines will assist operators in complying

with the Federal MINER Act.

- The DMME Division of Mineral Mining (DMM) will make timely permit decisions on initial permit applications for mineral mines within 60 days and maintain the five-year rolling average above 95%. DMM will measure the effectiveness (usefulness, timeliness, quality, and ease of access) of assistance through the use of existing customer surveys (Freedom of Information Act, Field Inspection, and Permitting) and any newly developed surveys seeking a combined satisfaction rate of 90 percent or better. Emphasis will be placed on point-of-contact information gathering. DMM will encourage customers to submit forms electronically. The target is to increase electronic submittal to 75% of all forms submitted.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of timely decisions on new mineral mine permit applications.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 95.2% (avg. FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=95.2% (avg. FY 2006 - FY 2010)

Data Source and Calculation: This measure is calculated using permit-tracking data from DMME's mineral mining database system. The number of permit decisions made within the time deadlines for the mineral mining permitting program (60 days of in-house time) is compared to total permit decisions due during the review period. These numbers are used to calculate the percentage of timely permit decisions. The percentage for the most recent five years is then averaged to generate the measure.

- Percentage of customer forms submitted electronically.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 15.3% (FY 2007)

Measure Target Value: Date:

Measure Target Description: 75% (FY 2010)

Data Source and Calculation: The DMME Division of Mineral Mining counts the number of forms submitted from activity logs. The measure is calculated as a percentage of forms submitted electronically as compared to the estimate of the total number of forms submitted to the division.

- To improve our customers' and stakeholders' capability to make informed decisions regarding the development and use of rock, mineral, land, water, and energy resources.

Objective Description

This objective assures that we focus on assisting our customers in ways that help them improve their capability to make informed decisions regarding the development of rock, mineral, land, water and energy resources. DMME provides its customers with information to help them have the knowledge needed to make decisions about their operations. This can take the form of providing information on mineral development opportunities, help permitted mine operators and economic development organizations develop mined land for beneficial land uses, and respond to emerging issues that may affect their operations.

Alignment to Agency Goals

- Agency Goal: Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.

Comment: This objective is consistent with DMME's mission of enhancing the development of mineral resources to support a more productive economy. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources", and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources and to be a national leader in the preservation and enhancement of our economy.

Objective Strategies

- The DMME Division of Mineral Mining will identify, prioritize, develop, and make available information that meets customers needs by: ·Continuing to develop new products. ·Expanding the number of products that are electronically available. ·Informing local officials of DMME capabilities and services. ·Assisting customers in their development of new markets.
- The DMME Division of Mineral Mining (DMM) will assist customers and stakeholders in the development of mineral resources and the reclamation of mined land for uses that will enhance economic development by: ·Collaborating with economic development organizations. ·Continuing to work with groups such as the Virginia Transportation Construction Alliance (VTCA) to develop new products to address current issues. ·Coordinating with other divisions and agencies.
- The DMME Division of Mineral Mining (DMM), with assistance from the Office of Management Information Systems, will expand the number of products that are electronically available
- DMME Division of Mineral Mining will continue to work with the Office of Public Information to participate in the

Public Information and Education Work Group to address increasing public interest in energy and resources extraction activities. DMM will implement recommendations. In working with the Office of Public Information, DMM will identify information needs, opportunities and delivery methods to communicate the value of our agency's services, products, and results

- The DMME Division of Mineral Mining will work with the DMME Division of Energy to promote energy conservation.
- The DMME Division of Mineral Mining will identify emerging issues, such as Total Maximum Daily Load implementation, watershed restoration, uranium exploration, and solution mining, and work with its customers and stakeholders to address potential impacts.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of customers satisfied with DMME Division of Mineral Mining services.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 89.4% (avg. FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=90% (FY 2009 - FY 2010)

Data Source and Calculation: Data is derived from DMME Division of Mineral Mining's customer surveys addressing satisfaction with DMME's services in providing information, permitting, and field inspections. The number of customers expressing satisfaction or higher is counted as a percentage of total questionnaires received from customers.

Service Area Strategic Plan

Department of Mines, Minerals & Energy (409)

3/13/2014 9:04 am

Biennium: 2008-10

Service Area 3 of 8

Gas and Oil Environmental Protection, Worker Safety and Land Reclamation (409 506 03)

Description

This service area implements the Virginia Gas and Oil Act and gas and oil regulations promulgated by the Virginia Gas and Oil Board and the Department of Mines, Minerals and Energy. The law and regulations protect the property ownership interests of persons owning gas and oil rights around gas and oil wells, and protect the public safety and health from possible environmental effects of gas and oil wells and gas gathering pipelines. Products and services include:

- Customer service, such as training, technical assistance, and information sharing.
- Inspection and enforcement of the gas and oil laws and regulations.
- Permitting gas and oil exploration and development wells, and gathering pipelines.
- Protection of property interests around gas and oil wells through pooling and unitization of property interests, and establishment of escrow accounts for unknown or unlocatable owners or where ownership of coalbed methane is contested.
- Regulatory development to establish minimum requirements for protection of correlative rights of gas and oil owners and operations, plugging and reclamation of gas and oil wells, and gathering pipeline sites.
- Land reclamation through use of financial guarantees to ensure proper reclamation on permitted sites and orphaned (abandoned) wells.

Background Information

Mission Alignment and Authority

- *Describe how this service supports the agency mission*
This service area directly aligns with DMME’s mission of enhancing the development of energy resources in a safe and environmentally sound manner to support a more productive economy.
- *Describe the Statutory Authority of this Service*
Chapter 22.1 of Title 45.1 of the Code of Virginia, known as the Virginia Gas and Oil Act, establishes environmental protection and worker safety requirements for drilling, operation, plugging, and reclamation of gas and oil wells and related facilities; requires replacement of certain water supplies damaged by gas or oil well drilling; and sets rules for protection of the correlative rights of persons owning the gas and oil near producing wells.
 - Chapter 15.1 of Title 45.1 of the Code of Virginia, known as the Geothermal Energy Act, establishes requirements for geothermal energy operations in Virginia. There currently are no permitted geothermal operations in Virginia.
 - Chapter 24 of Title 45.1 of the Code of Virginia establishes Virginia’s membership in the Interstate Oil and Gas Compact Commission.

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Affiliated mineral extraction business interests	Affiliated business interests	150	150
Mineral extraction operators	Gas and oil operators	27	27
Mineral extraction workers	Gas and oil workers	600	600
Other governmental agencies	Other governmental agencies	13	150
Public affected by mineral extraction operations	Public affected by gas and oil operations	70,000	70,000

Anticipated Changes To Agency Customer Base

Gas and Oil Operators and Operators

- The number of permitted gas and oil sites historically changes based on the price of energy. As the price per thousand cubic feet of natural gas or barrel of oil increases, the level of reserves and production generally increases. In recent years there has been a sharp increase in energy costs, with benchmark grades of oil selling for over \$80/barrel at the end of September 2007 (compared to \$50/barrel in 2005). Spot Appalachian natural gas prices have ranged near \$6-7/thousand cubic feet through 2006 and 2007. Current price projections suggest natural gas prices will remain in the \$6-8/thousand cubic feet over the next few years.
- The increasing price for natural gas, coupled with federal tax credits for producing coalbed methane, has caused an increase in the number of new companies interested in producing natural gas in Virginia and an increase in the number of producing gas and oil wells. In 1990, just prior to the start of coalbed methane production in Virginia, there were 841 producing gas and oil wells in Virginia. This had jumped to 1,692 wells in 1995, to 3,068 wells in 2000, and to 5,672 wells in 2006. This has increased the number of producing wells per inspector from 280 in 1990 to 810 in 2006, or an increase of 189%. DMME also permits natural gas gathering pipelines and ancillary facilities. DMME had 6,651 total sites under permit and 950 inspectable units per inspector. The number of producing gas wells is expected to increase as long as the price of natural gas remains above \$6/thousand cubic feet.
- Gas and oil companies are increasingly relying on new technologies to help them operate. They increasingly expect to use electronic commerce with DMME and that the agency will make information available through geographic information systems (GIS) and in other digital forms.

Gas and oil workers

- As DMME does not have primary jurisdiction for worker safety on gas and oil exploration and production sites, it does not maintain records of the number of persons working on gas and oil exploration and production operations in Virginia. However, as the number of permitted wells, gathering pipelines, and associated facilities increases in Virginia, the number of workers drilling the wells, constructing the pipelines and associated facilities, and maintaining the facilities will continue to increase. Virginia expects this trend to continue over the next three or more years.

Public affected gas and oil operations

- Public located near gas and oil operations may be affected by activities at the operations. This includes items, such as runoff to surface waters; effects on groundwater quantity or quality; effects from uncontrolled release of material such as material pushed from a site during construction; dust from construction or travel on gravel roads; noise; light; or truck traffic. DMME's regulations control many of these impacts. While some impacts, such as light, ambient noise, and local truck traffic, are subject to local government land use controls, DMME receives and must investigate complaints on all of these issues.

- Public that own gas or oil interests receive income from gas and oil operations. Most general public owners receive royalty payments from produced gas. They also may have the right to use gas at a house or other facility located near a well. These customers regularly contact DMME for production information related to their ownership interests. They increasingly are interested in obtaining this information in electronic forms.

- DMME expects there will be additional people affected by gas and oil operations in the coming years.
 - Natural gas producers have indicated that they may need to drill wells more closely together than is currently practiced. This will result in a denser population of well drilling locations and additional gathering pipeline locations. This will expose more people to the operations than with current practices.
 - As the number of gas wells in Virginia increase, the numbers of public living or working near gas wells and the number of resource owners receiving income from the operations will increase.

Affiliated mineral extraction business interests

- Numerous businesses support gas and oil operations. These range from engineering firms that assist with permit preparation and facility design, to independent contractors providing services at gas and oil sites (such as well drilling; mobile equipment lubrication and maintenance; logging; site development, and pipeline and other construction), to independent trucking companies hauling liquids from wells, to title attorneys, and others.

- DMME expects to see an increase in the number of affiliated business interests as more wells are drilled in Virginia and as gas and oil companies continue to outsource work on exploration and production sites.

Other governmental agencies

- DMME provides gas and oil information to other governmental agencies. DMME provides information on the mineral extraction industry to other state and local agencies that have business relationships with the mineral extraction industry. DMME provides gas and oil production reports to Southwest Virginia counties who collect severance taxes on gas and oil production.

- DMME coordinates gas and oil regulatory activities with the similar regulatory agencies in neighboring states and in the federal government. This includes agencies, such as the Virginia State Corporation Commission (SCC), the Department of Environmental Quality, the Department of Conservation and Recreation, or the U.S. Fish and Wildlife Service. For example, the 2005 General Assembly gave the SCC pipeline safety jurisdiction over gathering pipelines in high consequence areas. This will require close coordination between DMME, the SCC, and pipeline operators to identify where DMME and SCC jurisdiction begins and ends.

- Gas and oil operations also may cross state lines along Virginia's borders with Kentucky and West Virginia. Virginia communicates with the gas and oil regulatory agencies in these states as needed. Virginia also is a member of the Interstate Oil and Gas Compact Commission, an organization of states with gas and oil interests.

Partners

Partner	Description
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[None entered]

Products and Services

- Factors Impacting the Products and/or Services:**

Customer assistance in this service area is expected to increase for the foreseeable future.

- Customer assistance requests are expected to increase as high energy costs allow development of natural gas in new areas and as new companies start operations in Virginia. Gas and oil companies also will need additional assistance to comply with new gathering pipeline safety. DMME is also implementing a "Red Zone Area" safety program in its coal and gas and oil programs to increase the protection of persons from particularly hazardous areas on permitted sites.

- Expansion of web-based electronic government capability will increase the efficiency of DMME permitting and licensing operations but will require additional resources to implement. For example, gas and oil operators will increasingly want to use electronic maps and well logs.

- Increased availability of digitized underground mine maps, and gas and oil well and pipeline locations will allow coal mine permits and plans to better account for the presence of the gas wells and result in a safer mining environment. Permitting services will have to expand to account for the availability of this information.

- Permitting of new gas and oil sites will become more difficult due to conflict with other land uses as gas well and pipeline sites move closer to built-up areas and if well drilling densities increase. This will increase the likelihood of litigated issue hearings and court challenges to permit decisions.

- A recent Virginia Supreme Court decision clarified ownership of coalbed methane gas when surface owners, coal owners, and natural gas owners each believe they own the coalbed methane gas. DMME (and the Virginia Gas and Oil Board) will see increased numbers of requests to release funds out of escrow that have been held in cases of conflicting claims to ownership of the coalbed methane gas. This fund currently has a balance of over \$10 million.

- Past reductions in DMME's budgets have caused the agency to increasingly rely on permit and license revenue. DMME will spend down fund balances from these sources in the coming biennium and will need additional general fund support to maintain current levels of service.

- DMME will need to replace a significant proportion of its workforce in the near future. This will eliminate a significant amount of the institutional knowledge that helps DMME understand and face the challenges of providing high quality customer service. DMME will be faced with increasing difficulty in finding these high quality workers at state salary rates as mining and other energy industries have substantially increased the amount they pay employees to combat their labor shortages.

	Fund	Fund	Fund	Fund
Base Budget	\$794,741	\$318,000	\$794,741	\$318,000
Change To Base	\$21,667	\$0	\$21,667	\$0

Service Area Total	\$816,408	\$318,000	\$816,408	\$318,000
Base Budget	\$794,741	\$318,000	\$794,741	\$318,000
Change To Base	\$21,667	\$0	\$21,667	\$0

Service Area Total	\$816,408	\$318,000	\$816,408	\$318,000
Base Budget	\$794,741	\$318,000	\$794,741	\$318,000
Change To Base	\$21,667	\$0	\$21,667	\$0

Service Area Total	\$816,408	\$318,000	\$816,408	\$318,000
Base Budget	\$794,741	\$318,000	\$794,741	\$318,000
Change To Base	\$21,667	\$0	\$21,667	\$0

Service Area Total	\$816,408	\$318,000	\$816,408	\$318,000
Base Budget	\$794,741	\$318,000	\$794,741	\$318,000
Change To Base	\$21,667	\$0	\$21,667	\$0

Service Area Total	\$816,408	\$318,000	\$816,408	\$318,000
Base Budget	\$794,741	\$318,000	\$794,741	\$318,000
Change To Base	\$21,667	\$0	\$21,667	\$0

Service Area Total	\$816,408	\$318,000	\$816,408	\$318,000
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Human Resources

• *Human Resources Overview*

DMME's Division of Gas and Oil, which is responsible for this service area, relies entirely on salaried employees for its workforce. The average age of the workforce is 50.6 years with 16.0 average years of service. The Division faces challenges in retaining employees as energy prices drive up salaries for workers in this industry.

• *Human Resource Levels*

Effective Date	10/1/2007	
Total Authorized Position level	11	
Vacant Positions	0	
Current Employment Level	11.0	
Non-Classified (Filled)	0	breakout of Current Employment Level
Full-Time Classified (Filled)	11	
Part-Time Classified (Filled)		
Faculty (Filled)		

Wage	
Contract Employees	
Total Human Resource Level	11.0 = Current Employment Level + Wage and Contract Employees

- Factors Impacting HR**
 The Division faces challenges in recruiting and retaining employees as energy prices drive up salaries for workers in this industry.
- Anticipated HR Changes**
 As energy prices have increased and the natural gas industry has expanded in Virginia, it has been necessary to add inspectors to adequately enforce environmental and safety regulations. This trend is likely to continue for the foreseeable future.

Service Area Objectives

- To eliminate dangers to workers on gas and oil operations.

Objective Description

This objective assures that DMME focuses on protecting workers at oil and gas operations. Protection of worker and public safety from the dangers on gas and oil sites is of critical importance to ensure the safety of Virginians working on or living near the sites. Dangers may be present due to unsafe conditions or improper actions by workers. The DMME Division of Gas and Oil works with the Department of Labor and Industry's Virginia Occupational Health and Safety program to help operators maintain safe operations.

Alignment to Agency Goals

- Agency Goal: Provide for safe and environmentally sound mineral and fossil fuel extraction.

Comment: This objective is consistent with DMME's mission of enhancing the development of energy resources in a safe manner. The gas and oil safety program is mandated in § 45.1-361.42, in Chapter 22.1 of Title 45.1 of the Code of Virginia, known as the Virginia Gas and Oil Act. This authorizes DMME to inspect coalbed methane operations and close down areas with an imminent danger to ensure the safety of persons on permitted sites. This objective aligns with DMME's strategic direction under goal 1, "Provide for safe and environmentally sound mineral and fossil fuel extraction.", and with the long-term objectives of protecting the public safety and protect, conserve, and wisely develop our natural resources.

Objective Strategies

- The DMME Division of Gas and Oil (DGO) will conduct inspections, using established worker safety guidelines, to eliminate imminent dangers and unsafe practices and conditions.
- DGO will provide assistance to ensure compliance and continually refine the established guidelines for consistent inspection of safety conditions and practices of gas and oil operations.
- DGO will investigate incidents and complaints, seeking assistance as needed from other Divisions within DMME, and take actions to prevent future occurrences of unsafe practices and conditions.
- DGO will collaborate and communicate on safety issues involving mining and gas well activities by:
 - Maintaining comprehensive automated mapping of DGO gas well data.
 - Communicating with the Divisions of Mined Land Reclamation (DMLR) and Mines (DM) on issues of mutual concern related to mining and gas well activities in order to establish procedures for review and evaluation of gas well and pipeline locations, sharing of information, and development of an accurate data bank.
 - Working with DMLR and DM to communicate emerging safety issues.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of inspections finding unsafe acts on permitted gas and oil operations.

Measure Class: Other Measure Type: Outcome Measure Frequency: Semi-Annual Preferred Trend: Down

Measure Baseline Value: 1.7 Date:

Measure Baseline Description: 1.7% (average FY 2005 - FY 2007)

Measure Target Value: 2 Date: 6/30/2010

Measure Target Description: <= 2% (FY 2009 - FY 2010)

Data Source and Calculation: Data is collected from inspection reports completed by DMME Division of Gas and Oil inspectors. The total number of unsafe acts identified during inspections is divided by the total number of inspections to calculate a percentage.

- To eliminate adverse environmental conditions and public safety hazards resulting from gas and oil operations.

Objective Description

Protection of the public safety and the environment from the off-site effects of activities on gas and oil sites is of critical importance in such areas as controlling runoff and sedimentation from sites; protecting groundwater quality; protecting from unmanaged discharges of gas, oil, or other fluids from wells or sites; and avoiding contamination or interruption of domestic water supplies from actions on coalbed methane sites. The DMME Division of Gas and Oil provides customer assistance, hazard identification, and inspection and enforcement of gas operations to meet this objective.

Alignment to Agency Goals

- Agency Goal: Provide for safe and environmentally sound mineral and fossil fuel extraction.

Comment: This objective is consistent with DMME's mission of enhancing the development of energy resources in an environmentally sound manner. The gas and oil regulatory program is mandated in Articles 3 and 4 of Chapter 22.1 of Title 45.1 of the Code of Virginia. These articles establish minimum environmental protection requirements for operation and reclamation of gas and oil exploration and production sites and gathering pipelines in Virginia. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources", and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources and to protect the public's safety.

Objective Strategies

- DGO will provide consistent enforcement of law and regulations, maintain quality inspections on regulated sites at required frequency, and perform joint inspections as necessary. Assistance and inspections will be coordinated among DMME Divisions and other local, state, and federal agencies.
- DGO will continue to investigate public safety, health and environmental issues, concerns, and complaints.
- DGO will review the Inspection Priority Policy and make changes as necessary.
- DGO will develop and maintain an accessible prioritized list of orphaned and forfeited sites and continue plugging and reclaiming as funding allows. If a site is deemed hazardous, it will be plugged and reclaimed.
- DGO will provide technical assistance to customers and stakeholders on significant emerging issues.
- DGO will pursue methods, such as external funding, partnerships, leveraging, and cooperating with state and federal projects, to eliminate adverse environmental and public health and safety conditions.
- DGO will continue to require the plugging of abandoned gas and oil wells, monitor operators' plans for plugging, review records of plugging and abandonment of wells, and encourage the release of permits if applicable.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of gas and oil sites with no adverse off-site environmental damage or public safety hazards.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 99.9% (avg. FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=99% (avg. FY 2006 - FY 2010)

Data Source and Calculation: This measure is calculated using information from DMME's gas and oil automated enforcement system. Records of violations show whether there was any off-site damage or public safety hazard related to a violation of the Virginia Gas and Oil Act or the department's gas and oil regulations. The number of sites with no violations causing off-site impacts is calculated as a percentage of permitted gas and oil sites. The percentages for the most recent five years are then averaged.

- Percentage of environmental violations successfully eliminated by the violations' due dates.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 73.9% (avg. FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=75% (avg. FY 2009 - FY 2010)

Data Source and Calculation: This measure is calculated using information from DMME's automated gas and oil enforcement system. Records of violations show the date issued, target date for eliminating the violation, and date the violation is eliminated. The number of environmental violations eliminated by their due dates is divided by the number of environmental violations issued, and then calculated as a percentage. The percentages for the most recent five years are then averaged.

- To improve our customers' ability to establish and maintain efficient, viable operations.

Objective Description

DMME helps regulated gas and oil operations establish and maintain economically viable operations that will be both profitable and operate safely and respectful of the environment. DMME works with its customers to implement process improvements to increase efficiency of interaction with DMME and provide gas and oil resource information needed for growth of the state's gas and oil exploration and production industry.

Alignment to Agency Goals

- Agency Goal: Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.

Comment: This objective is consistent with DMME's mission of enhancing the development of energy resources to support a more productive economy. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources", and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources.

Objective Strategies

- DGO will involve its customers in identifying areas for improvement through site visits, referrals, training, consultations, meetings, technology transfer, partnerships, and leveraging other resources more effectively.
- DGO will process, review, and comment on all permit applications within 30 days of receipt of application.
- DGO will involve its customers and stakeholders in continually identifying, developing, and implementing process improvements such as electronic submittal of regulatory information so that services are provided in the least costly and burdensome manner.
- DGO will contact state and federal agencies and customers to explore opportunities for: ·Coordination of shared regulatory authority. ·Coordination of available resources. ·Review of current and anticipated issues and impacts to agencies and customers.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of forms submitted electronically by customers.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 31.3% (average FY 2005 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=75% (FY 2010)

Data Source and Calculation: The DMME Division of Gas and Oil counts the number of electronic form submissions using activity logs. This measure is calculated as a percentage of the number of forms submitted electronically as compared to the total number of forms submitted by DMME's gas and oil customers.

- Percentage of timely decisions on new permit applications.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 98.5% (avg. FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=98% (avg. FY 2006 - FY 2010)

Data Source and Calculation: This measure is calculated using permit tracking-data from the department's gas and oil regulatory database system. The number of permit decisions made within 30 days of receipt of a complete application is compared to the total number of permit decisions due during the review period. The numbers are used to calculate the percentage of timely permit decisions. The percentages for the most recent five years are then averaged.

- To improve the quality of information and data provided to customers for the expansion of knowledge of Virginia's resources.

Objective Description

DMME provides its customers with information to help them have the knowledge needed to make decisions about their operations. This can take the form of providing information on such items as gas and oil production or locations of wells and pipelines; coordinating DMME regulatory coverage with other agencies; and responding to emerging issues. DMME provides this information through a variety of forms, both digitally and in paper form, as is needed by its customers.

Alignment to Agency Goals

- Agency Goal: Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.

Comment: This objective is consistent with DMME's mission of enhancing the development of energy resources to support a more productive economy. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.; and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources.

Objective Strategies

- DGO will provide customers with current gas and oil data and information.
- DGO, in collaboration with the DMME Office of Management Information Systems (OMIS), will continue to evaluate and improve its web-based delivery of gas and oil-related customer services.
- DGO will work with the DMME Office of Public Information to finalize an informational/educational initiative, as well as a section on DGO's website to include subjects such as: ·General gas and oil information. ·Permitting processes. ·Virginia Gas and Oil Board (VGOB) information.
- DGO will seek opportunities to partner with stakeholders to develop mined land for economic development such as reclassifying post-mined land use for gas and oil sites.
- DGO, in collaboration with OMIS, will continue to develop gathering pipeline data for use with DMME's mapping

systems and coordination with the State Corporation Commission's (SCC) pipeline safety program.

- DGO will provide assistance to the DMME Division of Energy (DE) as requested.
- DGO will identify emerging issues, such as Total Maximum Daily Loads, protected species, offshore drilling, timbering, and SCC pipeline safety requirements. DGO will work with its customers to address potential impacts.

Link to State Strategy

- nothing linked

Objective Measures

- Percent timely responses to customers' requests for gas and oil information.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 100% (avg. FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: 100% (FY 2009 - FY 2010)

Data Source and Calculation: The DMME Division of Gas and Oil measures the percentage of responses to public requests for gas and oil information made within 7 days. Data is taken from logs kept by the DMME Division of Gas and Oil.

- To provide effective and efficient services to the Virginia Gas and Oil Board and the Board's customers.

Objective Description

The DMME Division of Gas and Oil serves as staff to the Virginia Gas and Oil Board and provides support to persons whose property interest is affected by Virginia Gas and Oil Board decisions. The Division will ensure that Board members receive timely materials for Board meetings, Board orders are timely filed, and information on funds escrowed or other Board action is available on a timely basis to customers.

Alignment to Agency Goals

- Agency Goal: Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.

Comment: This objective is consistent with DMME's mission of enhancing the development of energy resources to support a more productive economy. The Virginia Gas and Oil Board's activities are mandated in Article 2 of Chapter 22.1 of Title 45.1 of the Code of Virginia. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources," and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources and to protect the public's safety.

Objective Strategies

- DGO will provide support to the Virginia Oil and Gas Board.
- DGO will dedicate two (2) to three (3) days per month to matters that are exclusive to the Board.
- DGO will explore the use of temporary employees, job exchange, and/or interns to address the VGOB order backlog.
- DGO will monitor submission of orders, fund deposits, and other Board requirements to ensure compliance.

Link to State Strategy

- nothing linked

Objective Measures

- Percent timely recordation and distribution of Virginia Gas and Oil Board orders.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 100% (avg. FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: 100% (FY 2009 - FY 2010)

Data Source and Calculation: The DMME Division of Gas and Oil tracks the date Board orders are signed by the Board Chairman and the date the orders are filed in local Circuit Court offices. The number of orders filed within five working days is compared to the total number of Board orders filed and calculated as a percentage.

Biennium: 2008-10

Service Area 4 of 8

Coal Environmental Protection and Land Reclamation (409 506 04)

Description

This service area implements the Virginia Coal Surface Mining Control and Reclamation Act and attendant regulations. Virginia operates the coal surface mining regulatory program under approval (primacy) of the federal Office of Surface Mining. The law and regulations protect the public safety and health from the possible harmful environmental effects of coal mining operations. Products and services include:

- Customer service, such as training, technical assistance, and information sharing.
- Inspection and enforcement of the coal mine reclamation laws and regulations.
- Certification of blasters on surface coal mines.
- Permitting of coal mine sites and point-source pollution discharges to surface waters.
- Regulatory development to establish minimum requirements for operations on and reclamation of surface coal mine sites.
- Land reclamation through use of financial guarantees to ensure proper reclamation of permitted sites and use of the Abandoned Mine Land Program for coal mine lands abandoned before reclamation was required under the mining laws.
- Economic development support through assessing reclaimed mine land for residential, commercial, or industrial use and identification of coalfield resources (water, land, infrastructure) available for economic development uses.

Background Information

Mission Alignment and Authority

- *Describe how this service supports the agency mission*
This service area directly aligns with DMME's mission of enhancing the development of energy resources in a safe and environmentally sound manner to support a more productive economy.
- *Describe the Statutory Authority of this Service*
DMME's authority is found at Title 45.1 of the Code of Virginia. Chapter 19, known as the Virginia Coal Surface Mining Control and Reclamation Act (SMCRA), establishes environmental protection requirements for operation and reclamation of coal mines in Virginia and issuance of water discharge permits on coal mines. The DMME Division of Mined Land Reclamation implements the Virginia SMCRA. DMME implements this Act under primacy from the federal Department of Interior, Office of Surface Mining. The federal authority is established through the federal Surface Mining Control and Reclamation Act, Public Law 95-87.

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Affiliated mineral extraction business interests	Affiliated business interests	116	116
Mineral extraction operators	Coal mining companies	30	30
Other governmental agencies	Other governmental agencies	52	52
Public affected by mineral extraction operations	Public affected by coal mining operations	165,000	165,000

Anticipated Changes To Agency Customer Base

Coal mining companies

- The number of permitted coal mining operations and tonnage of coal mined has historically changed based on the price of energy. Although actual coal resources are fixed, as the price per ton of coal increases, the level of economically recoverable resources and production generally increases. This trend has been offset in recent years by the declining availability of easily mined coal, causing a steady drop in the amount of coal mined. Recently there has been a sharp increase in energy costs. The price of coal has increased to over \$50/ton for steam grade coal and over \$100/ton for metallurgical coal.

- The number of Virginia coal mines and tonnage mined had been generally decreasing since 1990. With the current high prices of coal, this trend has stabilized or been reversed. In 2006, 29,519,181 tons of coal were produced in Virginia. DMME expects the number of coal mines to remain relatively stable and the tonnage produced to be stable or slightly increase as long as the price of coal remains above \$40/ton. While the number of permits is expected to be stable, DMME expects to see an increase in the number of permit amendments it must process as mine operators enlarge the size of existing permits or restart those that have been in temporary cessation.

- Coal mines must remain under bond for a minimum time after completing active operations to guarantee that the land has been successfully reclaimed. For most mines, the liability period runs for five years after final reclamation is established. Therefore, the number of permitted coal mines, active or in reclamation (referred to as inspectable units), has remained higher than the number of producing coal mines. There were 565 inspectable units in 2006 (compared to 562 in 2004). DMME expects the number of inspectable units to be fairly stable over the next five to seven years as the older mines reaching final permit and bond release are replaced with new or reopened sites. Permit review activities will increase as coal mining customers must address additional permitting requirements from the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, and other agencies.

Public affected by mineral extraction operations

- Public located near coal mining operations may be affected by such items as ground vibrations from blasting; degradation of groundwater quantity or quality; uncontrolled release of material such as flyrock or pushed or tracked material from the site or landslides; dust from blasting, construction, or travel on soft-surfaced roads; noise or light pollution; or off-site traffic. DMME's coal mining regulations control many, but not all, of these impacts. While some impacts, such as lights, noise, local truck traffic, and hours of operation, may be subject to local government land use controls, DMME receives and must investigate all complaints of the effects of mining.

- Public located near abandoned coal extraction sites may be affected by hazards on the abandoned sites, such as open shafts or portals, landslides, ground or surface water pollution discharges, sediment buildup causing flooding, land subsidence, hazardous gases, or dangerous highwalls.

- DMME works with a number of public interest and environmental advocacy groups on coal mining issues that affect the

public. These include such groups as The Nature Conservancy, Hands Across the Mountain, local and regional watershed groups, the Dickenson County Citizens Committee, and others. The agency works in partnership with some groups on projects and invites others to participate in regulatory development processes as representatives of affected public.

- DMME expects there will be additional people affected by coal mining operations in the coming years.
- Surface coal mining operations are locating closer to residential areas as the available remotely located coal resources suitable for surface mining dwindle. This brings more of the public into close contact with the mining operations.
- Residential and commercial development is moving into areas containing historic, unreclaimed coal mine land, increasing the number of people at risk from these abandoned sites.
- The increasing proximity between mineral extraction operations and the public is expected to result in increased opposition to the locations of existing and new operations. This is already causing an increased number of public interest advocacy groups to become active on coal mine site issues.

Affiliated mineral extraction business interests

- Numerous businesses support mineral extraction operations. These include such groups as engineering firms that assist with permit preparation and facility design and independent contractors providing non-mining services at mine sites (blasting, reclamation contractors, loggers).
- The coal surface mining reclamation program has limited involvement with many of the affiliated mineral extraction businesses. Its main interaction is with independent engineering firms that complete permit applications for mine operators and companies completing reclamation of abandoned mine land. DMME expects the number of engineering companies and land reclamation construction contractors to remain stable.

General public and businesses

- All Virginia residences and businesses are potentially served through DMME's coal mining activities. Approximately 50% of electricity generated in Virginia is generated in coal-fired power plants. Approximately 45% of coal used in Virginia's power plants comes from in-state mines. Maintaining this supply of coal is critical to maintaining the reliability of Virginia's electric generating industry.
- Use of Virginia coal at Virginia's electric generating plants is expected to grow in the next few years as one or more new coal power plants are developed in the state. There are two large coal-fired power plants in development at this time.

Other governmental agencies

- DMME provides geologic, mineral resource, and energy information to a wide variety of governmental agencies.
 - Economic development entities use mineral resource information in their business development activities. Other government agencies use geologic information to plan their projects. For example, information on location of coal mines has been critical to proper planning and design of the coalfield expressway. Coal resource information is used when assessing locations for economic development projects such as new electric generating plants. Economic development organizations use information on abandoned mine land to help locate new residential, commercial, or industrial sites. Local governments in Southwest Virginia use information on location of coal mines and coal resources as an input to local land use planning processes.
 - DMME provides information on the mineral extraction industry to other state and local agencies that have business relationships with the mineral extraction industry. Agencies such as the Departments of Conservation and Recreation and Environmental Quality look to DMME for guidance on how the extraction industry operates. DMME also deposits proceeds from water pollution discharge permit violations with the Department of Environmental Quality for use in the Virginia Emergency Environmental Response Fund.
 - DMME coordinates mineral extraction regulatory activities with the similar regulatory agencies in other coal producing states. Areas, such as DMME's electronic permitting, mapping systems, and performance measurement processes, are regularly benchmarked by other coal regulatory agencies. Much of the coordination is handled through the Interstate Mining Compact Commission.
- DMME works with the LENOWISCO and Cumberland Plateau Planning District Commissions, and Southwest Virginia local governments and public service authorities to implement water supply replacement projects in areas where drinking water supplies have been affected by historic coal mining. Since 1986, over 7,000 households have been supplied with replacement drinking water systems.
- Soil and water conservation districts, the U.S. Department of Agriculture, Natural Resource Conservation Service, and similar agencies partner with DMME to address water quality issues through mined land reclamation projects.
- DMME expects the number of governmental agency customers to grow in the next few years. For example, economic development organizations and localities will increasingly need information from DMME as the Coalfield Expressway is developed across Southwest Virginia.

Partners

Partner	Description
[None entered]	

Products and Services

• *Factors Impacting the Products and/or Services:*

The relative stability in the number of inspectable units in the last several years indicates that the surface mining industry served by this service area is stable, with new mines being permitted at a rate approximately equal to the rate of existing mines closing. Therefore, services such as inspection and enforcement, certification, and permitting are likely to remain active at approximately current levels.

Land reclamation of abandoned coal mine sites is dependent upon available federal funding. The potential exists for increased levels of federal funding beginning in federal fiscal year 2008. Available amounts are projected to increase by nearly 70% over current levels by 2010. Therefore, the agency's efforts in reclaiming abandoned coal mine sites is likely to increase substantially during the 2008-2010 biennium.

The planned construction of the Coalfields Expressway will create greater demand for mapping services, such as providing the locations of abandoned mines and coal deposits.

- Customer assistance requests are expected to increase as energy costs remain high. Operators will want assistance offsetting higher costs for their energy supplies. Continued high energy costs will allow increased development of coal resources. Mineral extraction companies will need additional assistance to comply with new water quality requirements necessary for total maximum daily load (TMDL) implementation plans. DMME may need to increase reclamation of abandoned coal mines causing water pollution to reduce pollution in streams. This will allow new mines to be opened

while reaching the water quality improvement goals in the streams.

- Implementation of new permitting requirements by the U.S. Army Corps of Engineers due to mountaintop mining controversies will require increased permitting coordination between DMME and other state and federal agencies.
- Coal mine operators are required to complete ground control plans under the 2005 amendments to the Virginia Coal Mine Safety Act. As part of these plans, operators must designate and take special precautions around "Red Zones", or areas where there are increased risks from ground-control failures. These plans must be approved by DMME.
- Increased availability of digitized underground mine maps will allow mine permits and plans to better account for the presence of the old mine works, resulting in a safer mining environment. Permitting services will have to expand to account for the availability of this information.
- Permitting of new mineral extraction sites will become more difficult as surface coal mining sites move closer to built-up areas (due to the limited areas of remaining coal reserves) and sprawl reaches areas where mines are located. This will increase the likelihood of litigated issue hearings and court challenges to permit decisions as well as protests against coal mining.
- **Anticipated Changes to the Products and/or Services**
The demand for DMME's customer services is anticipated to increase as the mineral extraction industry faces continuing business challenges and as energy costs remain high.
 - Permitting and plan review services will grow as mineral extraction operators take advantage of high energy prices by opening new or reopening idled coal mines.
 - Abandoned mined land reclamation services will increase in response to TMDL implementation plan needs.
 - More DMME permitting time will be required for increased coordination of new permitting requirements implemented in response to mountaintop mining controversies and implementation of improved ground control plans on surface coal mines. More permitting time also will be required to respond to controversies caused by mines being located closer to built-up areas
 - More DMME permitting time will be required to account for the increased availability of digitized underground mine maps.
 - Development of the Coalfield Expressway will increase DMME's plan review and inspection activity without any corresponding increase in permit fee revenue. This also will increase requests for DMME's support of economic development activities as the new highway opens new areas for industrial, commercial, and residential development.
 - DMME anticipates losing more employees to mine operators as these companies increase their salaries to respond to their labor shortages. This will cause increased severance and recruitment costs for the agency. DMME will also be faced with increasing difficulty attracting experienced employees under the state salary schedule.

● **Listing of Products and/or Services**

- Customer assistance • Risk assessment, hazard identification, technical assistance, education, and cooperative projects to enhance environmental protection and land reclamation during coal extraction. • Customer assistance services assist customers to maintain safe and environmentally protective coal mines in compliance with regulatory requirements.
- Inspection and enforcement • Thorough and consistent inspection and enforcement of laws and regulations addressing operational and reclamation environmental controls, and water quality on coal mines. Investigate accidents and complaints. Civil penalty assessment. • Inspection and enforcement services assist customers to maintain safe and environmentally protective coal mines in compliance with regulatory requirements.
- Certification • Certification of persons performing blasting on surface coal mines. • Certification services assure workers performing surface coal mine blasting are qualified to perform these tasks.
- Permitting • Permit and plan review and approval, financial bonding, coordination with other agencies' regulatory requirements. • Permitting and plan review services ensure coal mining operations can be conducted safely and protective of the environment (operations, land reclamation, water quality) and in compliance with coal operation and reclamation laws and regulations.
- Regulatory development • Establishing minimum operational and reclamation requirements consistent with governing laws for coal mining operations. • Regulatory services ensure the legal standards governing coal mining operations will result in safe and environmentally protective operations while establishing the minimum required intrusion in permitted operations.
- Land reclamation • Reclamation of abandoned coal mine land and bond forfeiture sites; replacement of water supplies damaged from historic coal mining operations; emergency reclamation of imminent dangers caused from abandoned mine land; and restoration of streams damaged by acid mine drainage and sedimentation. • Land reclamation services correct damage and mitigate risks of future damage from improperly reclaimed coal mined lands.
- Economic development • Providing mapping and information in support of economic development (site geology, mineral availability, sources of water, and similar information). • Economic development services support efforts to increase jobs and economic activity in Southwest Virginia.

Finance

● **Financial Overview**

The Coal Environmental Protection and Land Reclamation service area funding comes from federal funds (65%), general funds (12%), bond forfeiture proceeds (12%), permit fees from coal mine operators (7%), abandoned mine land set aside revenue designated for water projects in the coalfield region of Virginia (3%), and civil penalties collection agency (1%).

● **Financial Breakdown**

FY 2009	FY 2010								
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	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$1,991,839	\$13,806,993	\$1,991,839	\$13,806,993
Change To Base	\$153,567	\$1,565,834	\$153,567	\$1,565,834

Service Area Total	\$2,145,406	\$15,372,827	\$2,145,406	\$15,372,827
Base Budget	\$1,991,839	\$13,806,993	\$1,991,839	\$13,806,993
Change To Base	\$153,567	\$1,565,834	\$153,567	\$1,565,834

Service Area Total	\$2,145,406	\$15,372,827	\$2,145,406	\$15,372,827
Base Budget	\$1,991,839	\$13,806,993	\$1,991,839	\$13,806,993
Change To Base	\$153,567	\$1,565,834	\$153,567	\$1,565,834

Service Area Total	\$2,145,406	\$15,372,827	\$2,145,406	\$15,372,827
Base Budget	\$1,991,839	\$13,806,993	\$1,991,839	\$13,806,993
Change To Base	\$153,567	\$1,565,834	\$153,567	\$1,565,834

Service Area Total	\$2,145,406	\$15,372,827	\$2,145,406	\$15,372,827
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Change To Base	\$153,567	\$1,565,834	\$153,567	\$1,565,834

Service Area Total	\$2,145,406	\$15,372,827	\$2,145,406	\$15,372,827
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Human Resources

• *Human Resources Overview*

The Division of Mined Land Reclamation, which is responsible for this service area, relies predominantly on salaried workers to deliver its products and services to customers. Nearly ten percent of available positions remain vacant due to uncertainties in federal funding, which provides the bulk of funds for this service area. The workforce is aging and many are nearing retirement. The average age of workers in this service area is 51.5, with an average of 18.3 years of service. Mentoring is being implemented for critical positions. Rising energy prices driving increased salaries in the coal mining industry make it difficult to attract and retain qualified workers.

• *Human Resource Levels*

Effective Date	10/1/2007	
Total Authorized Position level	92	
Vacant Positions	9	
Current Employment Level	83.0	
Non-Classified (Filled)	0	breakout of Current Employment Level
Full-Time Classified (Filled)	83	
Part-Time Classified (Filled)		
Faculty (Filled)		
Wage	1	
Contract Employees		
Total Human Resource Level	84.0	= Current Employment Level + Wage and Contract Employees

• *Factors Impacting HR*

Uncertainties in federal funding and increasing salaries in the coal industry have posed challenges in maintaining a sufficient workforce. High energy prices have reversed the trend of declining coal production in Virginia, so that the regulatory workload remains the same or increases while the workforce has decreased. The workforce is aging and many are nearing retirement. Rising energy prices driving increased salaries in the coal mining industry make it difficult to attract and retain qualified workers.

- **Anticipated HR Changes**

The aging workforce and impending retirements will require hiring and training a considerable number of new inspectors, technical, and support staff in the next few years. The agency will need to expand mentoring, identifying and training qualified existing employees for critical positions.

Service Area Objectives

- To eliminate adverse environmental impacts and unsafe conditions related to permitted coal mine sites.

Objective Description

This objective is intended to protect the public and the environment from offsite impacts of permitted coal mine sites. Protection of the public safety and the environment from the off-site effects of activities on coal mine sites is of critical importance in such areas as blasting, discharge of materials from the site, and protecting against the deleterious effects mining may have on the environment. DMME provides customer assistance, hazard identification, and inspection and enforcement of mine operational and reclamation requirements to meet this objective.

Alignment to Agency Goals

- Agency Goal: Provide for safe and environmentally sound mineral and fossil fuel extraction.

Comment: This objective is consistent with DMME's mission of enhancing the development of energy resources in an environmentally sound manner. The coal surface mining reclamation program is mandated in Chapters 19 of Title 45.1 of the Code of Virginia, known as the Virginia Coal Surface Mining Control and Reclamation Act (Virginia CSMCRA). This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources", and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources and to protect the public's safety.

Objective Strategies

- The DMME Division of Mined Land Reclamation will provide consistent, thorough inspections and assistance to ensure compliance with laws and regulations.
- The DMME Division of Mined Land Reclamation, with appropriate agencies, will conduct site visits and review and approve permit applications that are environmentally sound and meet regulatory requirements by: ·Expanding contacts with other agencies including Virginia's Department of Environmental Quality regarding the Commonwealth's Water Protection General Permit and Individual Permit program, the U.S. Fish and Wildlife Service and U.S. Army Corps of Engineers (USCOE) regarding coordination of permitting and mitigation requirements, the U.S. Office of Surface Mining (OSM) regarding new and existing work groups, and the U.S. Environmental Protection Agency regarding coordination of Underground Injection Control. ·Resolving regulatory conflicts with OSM and USCOE for stream restoration/mitigation. ·Utilizing regulatory work group and Administrative Process Act to address needed regulatory changes, (stream restoration standards, self-bonding - similar to federal standards for cost bond).
- The DMME Division of Mined Land Reclamation will review and approve emergency action, preparedness, and response plans, including: ·Spill prevention plans on sites such as slurry impoundments/slurry injection. ·Assisting the DMME Division of Mines in implementing coal mine emergency response plans for all underground mines and in providing assistance to operations in achieving compliance with other provisions of the Federal Miner Act.
- The DMME Division of Mined Land Reclamation, collaborating seamlessly, will investigate health, safety, and environmental issues, concerns, and complaints in a timely manner and assist the DMME Division of Mines and other agencies with reviews and inspections of customers' emergency action, preparedness, and response plans.
- The DMME Division of Mined Land Reclamation will continue to work with other agencies, customers, and stakeholders on the development of Total Maximum Daily Loads (TMDL) and ensure permits are issued consistent with approved TMDL by: ·Developing procedures for applications to mine within TMDL watersheds, including: ·Trading ·Best Management Practices ·Continuing to work with the Office of Management Information Services in the development of software tools to perform TMDL reviews. ·Determining Total Dissolved Solids load in the affected watersheds. ·Surveying customers to update Abandoned Mine Land inventories, procedures, etc. ·TMDL team.
- The DMME Division of Mined Land Reclamation will develop and implement guidance for permitting underground slurry injection operations through: · Review procedures for slurry injection applications. · Geographic Information System tracking system for mine works where slurry is emplaced. · A database to track slurry injection monitoring data.
- The DMME Division of Mined Land Reclamation will promote reforestation/ carbon sequestration post mining land uses by: · Coordinating division activities regarding reforestation. · Coordinating with the U. S. Office of Surface Mining on the Appalachian Regional Reforestation Initiative.
- The DMME Division of Mined Land Reclamation will provide and partner with other providers of training programs and services and will participate with other entities in activities, such as: ·Public outreach (brochures, schools, etc.). ·Appalachian Regional Technology Transfer Team training events. ·Workshops. ·Permit Enhancement Work Group meetings. ·Guidance Memorandums.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of coal mine sites with no adverse off-site environmental damage or public safety hazards.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 95.3% (avg. FY 2003 - FY 2007)

Measure Target Value: 95 Date: 6/30/2010

Measure Target Description: >=95% (avg. FY 2006 - FY 2010)

Data Source and Calculation: This measure is calculated using information from DMME's coal reclamation automated enforcement system. Records of violations show if there is any off-site damage or public safety hazard related to violations of reclamation laws or regulations. The number of sites with no violations causing off-site damage is calculated as a percentage of total permitted sites. The percentages for the most recent five years are then averaged.

- Percentage of environmental violations on coal mine sites successfully eliminated by the violations' due dates.

Measure Class: Other Measure Type: Outcome Measure Frequency: Semi-Annual Preferred Trend: Up

Measure Baseline Value: 85.4 Date:

Measure Baseline Description: 85.4% (avg. FY 2003 - FY 2007)

Measure Target Value: 85 Date: 6/30/2010

Measure Target Description: >= 85% (FY 2009 - FY 2010)

Data Source and Calculation: This measure is calculated using information from DMME's coal reclamation automated enforcement system. Records of violations show the date the violation is issued, the target date for eliminating the violation, and the date the violation was eliminated. The number of environmental violations eliminated by their due dates is calculated as a percentage of total environmental violations issued.

- To eliminate public safety hazards and adverse environmental conditions from abandoned coal sites.

Objective Description

This objective is intended to protect the public and the environment from impacts of abandoned coal mine sites. Abandoned coal mine lands left unreclaimed, or permitted coal mine sites not properly reclaimed by the permit holder, may cause water pollution from non point source runoff or acid mine drainage. Abandoned mines may cause public safety hazards from abandoned equipment, water-filled pits, unprotected highwalls, open mine portals, possible blowouts of trapped water, or other problems. This objective directs DMME to work to reclaim the highest priority abandoned coal mine sites and replace water supplies damaged by historic coal mining.

Alignment to Agency Goals

- Agency Goal: Provide for safe and environmentally sound mineral and fossil fuel extraction.

Comment: This objective is consistent with DMME's mission of enhancing the development of energy resources in an environmentally sound manner. The coal Abandoned Mined land program is mandated in Article 4 of Chapters 19 of Title 45.1 of the Code of Virginia, known as the Virginia Coal Surface Mining Control and Reclamation Act (Virginia CSMCRA). This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources", and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources and to protect the public's safety.

Objective Strategies

- The DMME Division of Mined Land Reclamation will utilize available resources to: ·Abate hazards on Abandoned Mine Land (AML) emergency sites. ·Abate hazards on high priority AML and post-act sites. ·Reclaim and release bond forfeiture sites. ·Assist in the development of public water supply systems in the Southwest Virginia coalfields.
- The DMME Division of Mined Land Reclamation will utilize available resources to investigate and take appropriate action on all issues, concerns, and complaints related to abandoned mine land and bond forfeiture sites, to include contractors' emergency preparedness and response capabilities.
- The DMME Division of Mined Land Reclamation (DMLR) will maintain and update an inventory of sites needing reclamation, to include acid mine drainage sites, abandoned mine land, and sites whose reclamation will enhance Total Maximum Daily Loads implementation plans or carbon sequestration by: ·Outreach to corporate land/mineral owners and industry. ·Use of technical advances in remote sensing. ·Outsourcing/contracting inventory updating. ·Expanded use of DMLR mapping resources.
- The DMME Division of Mined Land Reclamation will form an inter-sectional work team to plan for expenditure of Abandoned Mine Land funds including: ·Innovative procurement and project selection. ·Use of typical designs. ·Consideration of workloads. ·Benchmarking. ·Quarterly reporting to management.

Link to State Strategy

- nothing linked

Objective Measures

- Funds added to Virginia's Abandoned Mined Land program through partnerships annually.

Measure Class: Other Measure Type: Outcome Measure Frequency: Annual Preferred Trend: Up

Measure Baseline Value: 45000 Date: 6/30/2005

Measure Baseline Description: \$45,000 (FY 2005)

Measure Target Value: 45000 Date: 6/30/2010

Measure Target Description: >= \$45,000 (FY 2009 - FY 2010)

Data Source and Calculation: The amount of non-AML program funds included in partnership and leveraging agreements is totaled for each year.

- To improve our customers' ability to establish and maintain efficient, viable operations.

Objective Description

This objective is intended to assist our customers in developing and maintaining successful businesses, while complying with applicable laws, regulations, and standards. DMME works with its customers to implement process improvements to increase efficiency of interaction with DMME and provide coal mining related information needed for economic development.

Alignment to Agency Goals

- Agency Goal: Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.

Comment: This objective is consistent with DMME's mission of enhancing the development of energy resources in an environmentally sound manner. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources", and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources and to protect the public's safety.

Objective Strategies

- The DMME Division of Mined Land Reclamation (DMLR) will involve its customers in identifying areas for service improvements and provide effective, timely, and useful assistance to its customers through site visits, referrals, training, consultative services, technology transfer, partnerships, and leveraging other resources. This will include ongoing review of DMLR permit procedures via DMLR Permit Enhancement Work Group.
- The DMME Division of Mined Land Reclamation will develop more proactive bonding and bond release procedures through the Permit Enhancement Work Group. ·Promote incremental bonding. ·Develop more proactive bond release.
- The DMME Division of Mined Land Reclamation will involve its customers and stakeholders in continually identifying, developing, and implementing process improvements to include e-government, regulatory guidance, electronic information/data distributions, technical assistance, and digital signatures.
- The DMME Division of Mined Land Reclamation (DMLR) will work with federal agencies, coal mine operators, utilities, landowners, public-private partnerships, and community interests to expand land reclamation and development through reminding by promoting reclamation and partnership opportunities through DMME's web pages, e-mails, personal contacts, referrals, and newsletters, and utilizing appropriate DMLR staff in the permit review process.
- The DMME Division of Mined Land Reclamation will assist with awards programs of the Virginia Mining Association, Office of Surface Mining, Interstate Mining Compact Commission, Abandoned Mine Land, National Association of State Land Reclamationists, and others to identify and promote best practices in reminding.
- The DMME Division of Mined Land Reclamation (DMLR) will expand coordination activities with appropriate state and federal agencies through methods such as: ·Interagency workshop meetings with U.S. Fish and Wildlife Service, Office of Surface Mining (OSM), U.S. Army Corps of Engineers, etc. to develop coordinated/ joint permit reviews. ·Seek a Memorandum of Understanding with the Department of Environmental Quality for Virginia Water Protection General Permit actions, anti-degradation, etc. ·Regular meetings with state and federal agencies to discuss common issues; example, the DMLR/OSM quarterly meetings. · Drafting conservation measures as required by 1996 Biological Opinion on Surface Mining Control and Reclamation Act and Endangered Species Act.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of timely decisions on new coal mine permit applications.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 88.8% (avg. FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >= 90% (avg. FY 2006 - FY 2010)

Data Source and Calculation: This measure is calculated using permit-tracking data from DMME's coal mine regulatory database system. The number of permit decisions made within 60 working days permit review time is compared to the total number of permit decisions made. The number is calculated as a percentage. The percentages are then averaged over the most recent five years.

- Percentage of customer forms submitted electronically.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 87.0% (avg. FY 2004 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=85% (FY 2009 - FY 2010)

Data Source and Calculation: The DMME Division of Mined Land Reclamation counts the number of form submittals from activity logs. The measure is calculated as a percentage of the forms submitted electronically as compared to the estimate of the total number of forms submitted to the Division.

- To expand economic development opportunities in the coalfield region.

Objective Description

This objective is intended to improve the economic environment of the coalfield region of southwest Virginia through collaboration with localities, customers, and other stakeholders. DMME will support use of reclaimed coal mine lands for industrial, commercial, and residential uses through approving post-mining land uses for economic development and partnering with outside organizations to develop economic uses for mined lands.

Alignment to Agency Goals

- Agency Goal: Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.

Comment: This objective is consistent with DMME's mission of enhancing the development of energy resources in an environmentally sound manner. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources", and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources and to be a national leader in the preservation and enhancement of our economy.

Objective Strategies

- The DMME Division of Mined Land Reclamation (DMLR) will collaborate with economic development organizations, customers, and other stakeholders to enhance economic development, while focusing on projects such as: ·Industrial parks. ·Placement of coal combustion by-products. ·Highway construction. ·Utility construction ·Coal to liquid. ·Coal waste-to-energy.
- The DMME Division of Mined Land Reclamation (DMLR), with assistance from the Office of Management Information Systems, will expand the number of products/services that are electronically available.
- The DMME Division of Mined Land Reclamation will seek or respond to opportunities to partner with stakeholders to develop mined land for economic development and other beneficial land uses, such as: ·Remining initiatives. ·Experimental practices. ·Abandoned Mine Land enhancement. ·Wetland banking. ·Carbon sequestration. ·Recreational, commercial, industrial, residential development. ·Governmental projects. ·Transportation infrastructure projects. ·Tourism. ·No cost agreements.
- The DMME Division of Mined Land Reclamation (DMLR) will identify emerging issues, such as Total Maximum Daily Loads waste load allocations, mining-related litigation, logging, gas wells/lines and consolidated Federal coal permitting. The DMLR will work with its customers to address potential impacts from these issues.
- The DMME Division of Mined Land Reclamation (DMLR), in collaboration with the Office of Public Information, will identify information needs, opportunities, and delivery methods to communicate the value of our agency's services, products, and results.

Link to State Strategy

- nothing linked

Objective Measures

- Number of people employed as a result of reclamation construction projects.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 132 (avg. FY 2004 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=100 (FY 2009 - FY 2010)

Data Source and Calculation: The DMME collects quarterly employment statistics directly from contractors completing abandoned mined land construction projects. Quarterly data are summed to provide six-month figure.

Service Area Strategic Plan

Department of Mines, Minerals & Energy (409)

3/13/2014 9:04 am

Biennium: 2008-10

Service Area 5 of 8

Coal Worker Safety (409 506 05)

Description

This service area implements the Virginia Coal Mine Safety Act and attendant regulations. The coal mine safety laws and regulations protect workers on coal mines and other public affected by the operations from risks due to unsafe conditions and unsafe acts on the operations. Products and services include:

- Customer service, such as training, technical assistance, job safety analysis, and risk assessment.
- Inspection and enforcement of the coal mine safety laws and regulations.
- Certification of general coal mine workers and miners performing specialized coal mining tasks.
- Licensing of and approval of mining plans on coal mine sites.
- Regulatory development to establish minimum requirements for worker and public safety on coal mine sites.
- Emergency response to mine accidents.

Background Information

Mission Alignment and Authority

- Describe how this service supports the agency mission
This service area directly aligns with DMME's mission of enhancing the development of energy resources in a safe and environmentally sound manner to support a more productive economy.
- Describe the Statutory Authority of this Service
Chapters 14.2 through 14.4 of Title 45.1 of the Code of Virginia, known as the Virginia Coal Mine Safety Act, establish the minimum requirements for coal mine safety in Virginia. While Virginia's coal mine safety program is implemented independent of the federal mine safety program, the federal Department of Labor, Mine Safety and Health Administration recognizes, under its regulations, the state certifications of persons completing specialized duties on coal mines such as mine foremen and mine electricians.
- Chapters 18 of Title 45.1 of the Code of Virginia establishes requirements for construction and operation of major refuse piles, and water and silt retaining dams on coal mines in Virginia.

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Affiliated mineral extraction business interests	Affiliated mineral extraction business interests	804	804
Mineral extraction workers	Coal mine workers	4,558	4,558
General public and businesses	General public	1,340	1,340
Other governmental agencies	Other governmental agencies	30	30
Mineral extraction operators	Producing coal mines	268	268
Public affected by mineral extraction operations	Public affected by mineral extraction operations	23,910	23,910

Anticipated Changes To Agency Customer Base

- Coal mine operators
- The number of permitted coal mining operations has historically fluctuated based on the change in energy price. The price fluctuates based on supply and demand of the types of coal produced in Virginia. As the price rises, production generally increases as known coal reserves become economically viable and are brought on line. In recent years there has been a sharp increase in energy costs, with the price of coal increasing to over \$50/ton for steam grade coal and over \$100/ton for metallurgical coal in 2005. In 2008, 24 million tons of coal were produced in Virginia. DMME expects the number of coal mines and tonnage produced to be stable or slightly increase as long as the price of coal remains above \$50/ton. Remaining minable and merchantable reserves are of high quality, metallurgical or steam compliance grade, and are in demand in the marketplace.
 - Coal supply contracts with utility users typically run for two to five years. As utilities rebid or renew their supply contracts, operators may open or close mines depending on the outcome of the bidding. This can cause the number of mines and tonnage to fluctuate over time.
 - While the overall trend of production should be stable, there may be some temporary fluctuations in the tonnage of coal produced as large mines are put in or taken out of operation.

Coal mine workers

- Coal mine employment in Virginia is related to the amount of coal produced in the state and the mechanization of mining. The number of Virginia coal miners peaked in 1949 at 18,341 (coincident with the introduction of continuous mining machines, which mechanized the industry and reduced the labor needed) and peaked again in 1977 at 15,742 (coincident with rising energy prices at that time).
- The number of coal miners in Virginia has decreased since 1977, with 10,265 miners producing coal in 1989; 8,318 producing coal in 1994; 5,456 producing coal in 1999; 4,558 producing coal in 2004, and 4,489 in 2008. DMME expects the total number of miners to remain relatively stable or increase slightly as the economic recovery proceeds.
- The average age of a coal miner in Virginia is over 50. A large percentage of working miners will be reaching retirement age in the next five years. Mining companies are already facing difficulties replacing these miners with new employees. This need for new miners is causing an increasing demand for coal miner certification training and other new miner services. Use of new miners also increases the need for mine safety services. New miners traditionally are more likely to be involved in a mine accident or be injured.
- Virginia coal mine workers' productivity has increased over time, so that fewer workers are needed to mine each ton of coal. This has primarily been made possible by the use of new technologies for coal extraction, ventilation control, roof control, and other areas. Productivity has increased from 4,430 tons/miner/year in 1989 to 5,492 tons/miner/year in 2008.

Affiliated mineral extraction business interests

- Numerous businesses support mineral extraction operations. These include engineering firms that assist with permit

preparation and facility design; independent contractors providing non-mining services at mine sites (such as blasting, mobile equipment lubrication and maintenance, logging, overburden removal, plant construction); off-site contractors (such as equipment manufacturers, machine repair or rebuild companies, specialty clothing suppliers); independent trucking companies hauling mined material from a mine; to title attorneys and others. Coalbed methane well operators are also affiliated with coal mining. Many coal mines could not be operated due to excessive amounts of methane found in the coal if some of the methane is not removed first from coalbed methane wells.

- DMME expects to see an increase in the number of affiliated business interests. Mining companies are increasingly outsourcing work on mines. DMME has been given expanded responsibility for regulation of activities of independent contractors on coal and mineral mines. The department expects the number of independent contractor customers to continue to grow.

Other governmental agencies

- DMME provides geologic, mineral resource, and energy information to a wide variety of governmental agencies that have business relationships with the mineral extraction industry. For example, DMME provides information on coal tonnage to counties collecting severance tax and conditions issuance of coal mine licenses upon proof of payment of local coal severance, personal property, real estate, and mineral land taxes. The agency also provides coal tonnage and worker data to the Department of Taxation for use in evaluating the Coalfield Employment Enhancement Tax credits, and provides worker and accident data to the State Corporation Commission in its evaluation of workers compensation insurance rates.
- DMME coordinates mineral extraction regulatory activities with the similar regulatory agencies in neighboring states and in the federal government. Coal miners living in the area regularly cross state borders in the course of their employment and mining companies operate mines in all three states. DMME has implemented reciprocal agreements with neighboring states addressing worker certification and coordination of programs and regulatory coverage. Additionally, both the federal and state governments inspect coal mines for worker safety, requiring coordination among the programs.
- DMME also works closely with Southwest Virginia and Mountain Empire Community Colleges on miner training by providing training material and train-the-trainer instruction.
- The number of governmental agency customers related to coal mine safety should remain relatively stable over time.

Partners

Partner	Description
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[None entered]

Products and Services

• Factors Impacting the Products and/or Services:

Many factors are likely to impact the products and services in this service area:

- The federal MINER Act of 2006 placed stricter requirements on mine rescue capabilities for underground coal mines. Meeting these requirements will pose a challenge for all of Virginia's mines, but especially for the many small mines that do not operate their own mine rescue teams. DMME is proposing to become more involved in managing and providing mine rescue services, in part to assist small mines in meeting the new requirements. The degree of this involvement will depend upon available funding.
- Customer assistance requests are expected to increase as energy costs remain high. Operators will want assistance offsetting higher costs for their energy supplies. Coal mining companies will reopen idled or closed sites as coal prices increase so that the activity will provide a reasonable return on investment to the company and its shareholders. Companies also will open mines in remnant reserve areas where geologic conditions are difficult. This places additional demand on DMME assistance and miner training to address worker safety requirements. Increased use of contractors will result in increased requests for training and assistance from the contractors.
- Expansion of web-based electronic government capability will increase the efficiency of mine licensing and reporting by mine operators.
- Increased turnover in coal mine workers due to an aging miner workforce and competition with other industries and each other will increase the need for coal mine safety training and certification services.
- Coal mine operators will increasingly use independent contractors for a wide variety of services on coal mines.
- There are over 5600 natural gas and coalbed methane wells in Southwest Virginia, with many in or near coal mines. Coal mine operators must coordinate their mining plans with these gas and oil operations. Coal mine operators must work around gas wells penetrating the coal seam to reach deeper sources of gas. Coal mine ventilation systems must be operated in close cooperation with operators of coalbed methane wells draining methane from the mine.
- Coal mine operators are required to complete ground control plans under the 2005 amendments to the Virginia Coal Mine Safety Act. As part of these plans, operators must designate and take special precautions around "Red Zones", or areas where there are increased risks from ground-control failures. These plans must be approved by DMME.
- Issues related to proper control of coal mine refuse impoundments have caused mine operators to develop more comprehensive plans to ensure safety around the impoundments. State review of these plans must be coordinated among the mine operator, DMME, and the federal Mine Safety and Health Administration.
- Drug abuse, particularly with drugs such as methamphetamines, has become more widespread in the Southwest Virginia/Kentucky/Tennessee/West Virginia area. This has caused increased suspicions that drug abuse is a factor in mine accidents, injuries, and fatalities. The federal Mine Safety and Health Administration has led a tri-state effort to raise awareness of this issue.
- With increased availability of digitized underground mine maps, mine operators will request more DMME Division of Mines' assistance to account for the presence of the old mine works. This will result in a safer mining environment.
- Permitting of new mineral extraction sites will become more difficult as surface coal mining sites move closer to built-up areas due to the limited areas of remaining coal reserves.
- Development of the Coalfield Expressway (CFX) across Buchanan, Dickenson, and part of Wise counties will increase the need for waivers of coal mining regulatory coverage when the highway construction crosses coal-bearing property. Revenue from coal removed during construction is being counted on to reduce the project costs.
- Past reductions in DMME's budgets have caused the agency to increasingly rely on license revenue. DMME has

spent down fund balances from these sources and will need additional general fund support to maintain current levels of mine safety services in the next biennium.

• **Anticipated Changes to the Products and/or Services**

The demand for DMME's customer services is anticipated to increase as the mineral extraction industry faces continuing business challenges and as energy costs remain high.

• Dependent on available funding, DMME may begin providing entirely new services in the area of mine rescue during the 2009-2010 biennium. This will require recruiting, training, and retaining highly qualified staff.

• DMME training (new miner and annual retraining) and certification services are anticipated to increase as the high number of older workers in the coal industry retire and are replaced with younger workers needing to be certified.

• DMME will have to increase mine safety training and certification services to independent contractors on mine sites as mine operators increasingly contract work out.

• DMME must inspect for and approve additional mining plans, such as ground control and roof control plans, and work with mine operators to designate "Red Zones" for safety, as a result of 2005 amendments to the Virginia Coal Mine Safety Act. This places additional demands on existing staff in the DMME's coal mine safety service area.

• The scope of state review of mine refuse impoundment plans is increasing and more work will be necessary to coordinate the plan reviews among the mine operator, DMME, and the federal Mine Safety and Health Administration.

• With the increased frequency of drug abuse in the Southwest Virginia/Kentucky/Tennessee/West Virginia area, DMME will need to assess possible drug involvement in accident investigations and address drug abuse as part of training programs.

• The increasing availability of digital underground mine maps will increase the time DMME spends assisting mine operators through review of mine plans and responding to requests to search for the locations of adjacent underground mine workings.

• DMME will need to increase its efforts to develop web-based electronic government capability to meet industry needs and improve efficiency of operations.

• The increasing numbers of gas wells being drilled in coal mining areas has increased DMME's coal mine safety work in order to properly coordinate mining and the gas and oil operations. This requires active coordination between DMME's coal mine safety, coal mine land reclamation, and gas and oil programs.

• DMME will need to take additional actions to address drug use among miners such as testing for drugs as part of accident investigations.

• Plan review services will grow as mineral extraction operators take advantage of high energy prices by opening additional coal mines.

• DMME expects it may lose coal mine safety program employees to mine operators as these companies increase their salaries to respond to labor shortages. DMME will also be faced with increasing difficulty in attracting new, highly experienced employees at current state salaries.

• **Listing of Products and/or Services**

- Customer assistance • Job safety analysis, risk assessment, hazard identification, training, technical assistance, education, and cooperative projects to enhance mine safety. • Customer assistance services assist customers to maintain safe coal mines in compliance with regulatory requirements.
- Inspection and enforcement • Thorough and consistent inspection and enforcement of laws and regulations addressing worker safety on coal mines. Assessment of company and individual responsibility and liability as appropriate. Investigate accidents and complaints. • Inspection and enforcement services assist customers to maintain safe coal mines in compliance with regulatory requirements.
- Certification • Certification of persons performing mining and other specialized tasks on coal mines, such as certification of general coal miners, mine foremen, blasters, electricians, underground diesel equipment mechanics, gas detection, hoisting engineer, and others. • Coal miner certification services assure workers performing specialized tasks necessary to maintain safe sites are qualified to perform these tasks.
- Licensing and plan review • Plan review and approval and coordination with other agencies' regulatory requirements. • Plan review services ensure coal mining operations can be conducted safely and in compliance with mineral extraction laws and regulations.
- Regulatory development • Establishing minimum safety requirements consistent with the Virginia Coal Mine Safety Act. • Regulatory services ensure the legal standards governing coal mining operations will result in safe operations while establishing the minimum required intrusion in licensed operations.

Finance

• **Financial Overview**

The Coal Worker Safety service area funding comes from general funds (88%), federal funds (7%), license and certification fees (2%), and state designated mine rescue team dues (3%).

• **Financial Breakdown**

	FY 2009		FY 2010		FY 2009	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund						
Base Budget	\$4,014,846	\$521,575	\$4,014,846	\$521,575						
Change To Base	\$102,117	\$0	\$102,117	\$0						

Service Area Total	\$4,116,963	\$521,575	\$4,116,963	\$521,575
Base Budget	\$4,014,846	\$521,575	\$4,014,846	\$521,575
Change To Base	\$102,117	\$0	\$102,117	\$0

Service Area Total	\$4,116,963	\$521,575	\$4,116,963	\$521,575
Base Budget	\$4,014,846	\$521,575	\$4,014,846	\$521,575
Change To Base	\$102,117	\$0	\$102,117	\$0

Service Area Total	\$4,116,963	\$521,575	\$4,116,963	\$521,575
Base Budget	\$4,014,846	\$521,575	\$4,014,846	\$521,575
Change To Base	\$102,117	\$0	\$102,117	\$0

Service Area Total	\$4,116,963	\$521,575	\$4,116,963	\$521,575
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Human Resources

• *Human Resources Overview*

DMME's Division of Mines, which is responsible for this service area, relies predominantly on salaried workers to deliver its products and services to customers. The workforce is aging and retirements are expected to present challenges in filling positions with qualified candidates. The average age of the workforce in this service area is 53.7. Rising energy prices are driving up salaries in the coal mining industry, making it more difficult to find and retain qualified employees.

• *Human Resource Levels*

Effective Date	10/1/2007	
Total Authorized Position level	46	
Vacant Positions	1	
Current Employment Level	45.0	
Non-Classified (Filled)	1	breakout of Current Employment Level
Full-Time Classified (Filled)	44	
Part-Time Classified (Filled)		
Faculty (Filled)		
Wage		
Contract Employees		
Total Human Resource Level	45.0	= Current Employment Level + Wage and Contract Employees

• *Factors Impacting HR*

The workforce is aging and retirements are expected to present challenges in filling positions with qualified candidates. Rising energy prices are driving up salaries in the coal mining industry, making it more difficult to find and retain qualified employees.

• *Anticipated HR Changes*

A substantial percentage of mine inspectors will be eligible for retirement in the next few years. Incentives may be needed to attract and retain qualified workers.

Service Area Objectives

- To eliminate unsafe practices and conditions, which contribute to accidents, injuries, and fatalities.

Objective Description

Protection of worker and public safety from the dangers on coal mine sites is of critical importance to ensure the safety of Virginians working on or living near coal mine sites. Dangers may be present due to unsafe conditions or improper actions by miners. DMME's coal mine safety program provides inspection and enforcement of mine safety based on a risk assessment of mines, with the riskiest mines receiving a higher level of services.

Alignment to Agency Goals

- Agency Goal: Provide for safe and environmentally sound mineral and fossil fuel extraction.

Comment: This objective is consistent with DMME's mission of enhancing the development of energy resources in a safe manner. The coal mine safety program is mandated in Chapters 14.2 through 14.4 of Title 45.1 of the Code

of Virginia, known as the Virginia Coal Mine Safety Act. Safety around impoundments on coal mines is mandated in Chapter 18 of Title 45.1 of the Code of Virginia. This objective aligns with DMME's strategic direction under goal 1, "Provide for safe and environmentally sound mineral and fossil fuel extraction", and with the long-term objectives of Virginia to protect the public safety and to protect, conserve, and wisely develop our natural resources.

Objective Strategies

- The DMME Division of Mines will identify and eliminate unsafe conditions and practices through:
 - 100 percent inspection frequency as mandated by risk assessment.
 - Follow-up spot inspections.
 - Quarterly joint review of Red Zones.
 - Quarterly evaluations of highwall stability and work practices around highwalls at all active surface mines.
- The DMME Division of Mines will investigate all accidents and take actions to prevent reoccurrences.
- The DMME Division of Mines will encourage industry compliance and discourage a pattern of violations by using options, such as:
 - Reviewing compliance performance with customers.
 - Written communications from the Chief and technical specialists.
 - Technical specialist visits.
 - Referrals to the Board of Coal Mining Examiners.
 - Visits by supervisors to review compliance trends.
 - Individual violations.
 - On-site examinations of certified mine foremen.
- The DMME Division of Mines will develop policy and procedures to implement the substance abuse law.
 - All Division of Mines employees will be trained in the contents of the law.
 - Division of Mines field staff will receive additional comprehensive training on substance abuse recognition.
- The DMME Division of Mines will assist our customers in the implementation of the substance abuse law by:
 - Distributing and reviewing the law with all employees at active coal mines.
 - Initiate a public awareness media campaign to include newspaper articles, radio, and cable television ads in the coalfield area.
- The DMME Division of Mines will conduct individual job and site-specific safety communications through personal contacts, safety talks, new miner contacts, semi-annual formal Job Safety Observations, and other meetings.
- The DMME Division of Mines will review and maintain plans and maps by following the established routing process, coordinating site visits, conducting follow-up visits, and communication and coordination with the workforce where significant plan changes occur to include quarterly evaluation of stability and work practices near highwalls at all active surface mines.
- The DMME Division of Mines will assist and collaborate with other DMME divisions and agencies in investigating mine personnel, public health, safety concerns, environmental issues, gas well issues, complaints, compliance with regulatory standards, and seek joint resolution of significant and emerging issues.
- The DMME Division of Mines, through groups such as the Virginia Coal Association, the Virginia Coal Industry Problem Solving Group, the Virginia Coal Mine Safety Board, and other agencies and customers, will seek input on inspection and technical assistance effectiveness and communicate key results to staff.

Link to State Strategy

- nothing linked

Objective Measures

- Serious personal injury-fatality rate on coal mine sites.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 0.42 (avg. CY 2002 - 2006)

Measure Target Value: Date:

Measure Target Description: <0.42 (avg. CY 2006 - CY 2010)

Data Source and Calculation: Data is collected from reports of serious personal injuries and fatalities submitted by licensed coal mine operators throughout the year, and the reports of employee work hours reported by licensed coal mine operators on their annual tonnage reports submitted to DMME. The rate is calculated as the number of serious personal injuries and fatalities per 200,000 work hours. This measure is calculated on a calendar year basis. DMME evaluates the five-year rolling average of this rate to determine the trend.

- Percentage of safety violations on coal mine sites eliminated by their due date.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 98.4% (avg. FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=98% (FY 2009 - FY 2010)

Data Source and Calculation: This measure is calculated using information from DMME's automated enforcement systems. Records of violations show date issued, target date for correcting the violation, and date the violation is corrected. The percentage is calculated based on total number of safety violations corrected by their due dates and of total safety violations issued.

- To improve the knowledge and skills of coal mine workers.

Objective Description

Unsafe acts are a substantial cause of mine safety problems. DMME provides services to coal mine operators and miners through the Accident Reduction Program, Small Mine Safety Services, education and training of miners, and

certification of general coal miners and miners performing specialized mining tasks to ensure miners have the knowledge and skills to work safely.

Alignment to Agency Goals

- Agency Goal: Provide for safe and environmentally sound mineral and fossil fuel extraction.

Comment: This objective is consistent with DMME's mission of enhancing the development of energy resources in a safe manner. The coal mine safety program is mandated in Chapters 14.2 through 14.4 of Title 45.1 of the Code of Virginia, known as the Virginia Coal Mine Safety Act. Safety around impoundments on coal mines is mandated in Chapter 18 of Title 45.1 of the Code of Virginia. This objective aligns with DMME's strategic direction under goal 1, "Provide for safe and environmentally sound mineral and fossil fuel extraction", and with the long-term objectives of Virginia to protect the public safety and to protect, conserve, and wisely develop our natural resources.

Objective Strategies

- The DMME Division of Mines will meet with all mine personnel to: ·Distribute and review amendments to the new Mine Safety Act. ·Review of Division of Mines' implementation schedules and guidelines.
- The DMME Division of Mines will assess the education and training needs of coal mine workers and develop training materials based upon mining trends to reduce accidents, injuries, and violations.
- The DMME Division of Mines will provide the Small Mine Safety Service to participating coal mining operations.
- The DMME Division of Mines will conduct the Accident Reduction Program at selected coal mining operations based on numbers and severity of accidents and the mine's risk assessment.
- The DMME Division of Mines will continue to provide a certification program, which includes examinations, study guides, and opportunities for reciprocity with other states.
- The DMME Division of Mines will develop and distribute substance abuse training materials to training providers.
- The DMME Division of Mines, working with the Board of Coal Mine Examiners, will evaluate certified instructors for training performance to improve the quality of services provided to miners.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of coal miners satisfied with DMME coal mine safety training.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 71.5% (avg. FY 2005 - FY 2007).

Measure Target Value: Date:

Measure Target Description: >=75% (FY 2009 - FY 2010).

Data Source and Calculation: Data are taken from forms completed by participants in the DMME's mine safety training classes. Responses are given on a scale of 1 (poor) to 5 (very helpful or very effective). The number of persons rating the training as 5 (very helpful or very effective) is divided into the total number of persons responding to the training evaluation questions to calculate a percentage.

- To improve the quality of emergency preparedness and emergency responses.

Objective Description

Coal mine rescue capability must be maintained to respond to mine accidents and emergencies. Companies may maintain internal mine rescue teams or contract with outside mine rescue teams. DMME manages the state-designated mine rescue team service to provide these outside mine rescue services. DMME also maintains two coal mine emergency response teams. These teams must maintain regular training. Rescue team capability is measured through rescue team facility inspections and regular mine rescue team competitions.

Alignment to Agency Goals

- Agency Goal: Provide for safe and environmentally sound mineral and fossil fuel extraction.

Comment: This objective is consistent with DMME's mission of enhancing the development of energy resources in a safe manner. Mine rescue activities are mandated in Article 6, Sections 45.1-161.67 to 161.76 of Chapter 14.2 of Title 45.1 of the Code of Virginia, known as the Virginia Coal Mine Safety Act. This objective aligns with DMME's strategic direction under goal 1, "Provide for safe and environmentally sound mineral and fossil fuel extraction", and with the long-term objectives of Virginia to protect the public safety and to protect, conserve, and wisely develop our natural resources.

Objective Strategies

- The DMME Division of Mines will assist coal mine operators with emergency response capabilities with: ·Compliance with the Federal MINER Act. ·Compliance with Mine Safety Laws. ·Updating Emergency Response Plans.
- The DMME Division of Mines will assist, instruct, and evaluate the abilities and expertise of mine personnel on key elements of Emergency Response Plans during mine level Mine Emergency Response Drill visits.
- The DMME Division of Mines will pursue the opportunities to develop and conduct realistic Mine Emergency Response Drill exercises with mine management from selected mines and Mine Safety and Health Administration personnel.
- The DMME Division of Mines will maintain two, well trained and equipped mine emergency response teams with attention paid to diversity of member skills, member rotation, and employee interest.
- The DMME Division of Mines will propose a mine rescue plan for Virginia, which will include viable options that

meet the requirements of the Federal MINER Act.

- The DMME Division of Mines will assess the potential for conducting a mine rescue contest for novice (newly formed) mine rescue teams.
- The DMME Division of Mines will actively pursue coordination and implementation of the National Incident Management System and a joint tabletop Mine Emergency Response Drill exercise with the Mine Safety and Health Administration.
- The DMME Division of Mines will administer the state-designated mine rescue team program to make available the required Mine Safety and Health Administration mine rescue team coverage for participating mining operations. Division of Mines technical specialist staff will inspect state-designated mine rescue stations at least quarterly.
- The DMME Division of Mines will participate in the Virginia Mining Institute, Virginia Mining Association, and the National Mine Rescue contests.
- The DMME Division of Mines will assess wireless communication and miner location systems to determine their effectiveness and availability.

Link to State Strategy

- nothing linked

Objective Measures

- Violation rate of emergency response provisions of the Coal Mine Safety Act.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 1.69 (avg. FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: <= 1.5 (avg. FY 2006 - FY 2010)

Data Source and Calculation: This measure is calculated using information from DMME's automated coal mining enforcement system. The number of violations written against emergency response provisions of the law are divided by the total inspection hours during that quarter, multiplied times 100. The five-year rolling average is then calculated from quarterly data.

- To improve our customers' ability to establish and maintain efficient, viable operations.

Objective Description

DMME helps regulated entities establish and maintain economically viable operations that will be both profitable and operate safely and respectful of the environment. DMME provides services, such as safety site visits, training, 30-day contact visits for new mine operators, reopening inspections, consulting services, and technology transfer.

Alignment to Agency Goals

- Agency Goal: Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.

Comment: This objective is consistent with DMME's mission of enhancing the development of energy resources to support a more productive economy. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources", and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources and be a national leader in the preservation and enhancement of our economy.

Objective Strategies

- The DMME Division of Mines will assist customers through site visits, training, technology transfers, consulting services, referrals, five-day contacts for new mine operations, reopening inspections, and customer requests. Division of Mines staff will review and update the policy and procedure manual to better assist its customers.
- The DMME Division of Mines, with assistance from other divisions, will develop a plan for assisting operators in compliance with provisions of section 4 of the Federal MINER Act (Mine Rescue Teams) to include: ·Concepts to install strategically located mine rescue stations. ·Concepts and plans to equip and make ready mine rescue teams. ·Hire three mine rescue coordinators/trainers. ·Plan for implementing mine rescue team services to participating mines in compliance with the MINER Act, to include time lines and briefing of customers.
- The DMME Division of Mines will continue to pursue the development of the underground coal mine mapping program by actively seeking financial resources to enhance and support the coal bed mapping program.
- The DMME Division of Mines will involve its customers and stakeholders in developing and implementing agency process improvements (receive, use, and store) to include business-to-government electronic transactions and coordinated electronic submittal of regulatory information, so that services are provided in the least costly and burdensome manner.
- The DMME Division of Mines will conduct meetings with the Mine Safety and Health Administration, other state agencies, and industry groups in regard to consistency, problem solving, communications, relations, and emerging issues.
- The DMME Division of Mines will collaborate with state, regional, and local economic development organizations to provide information on the mineral and energy infrastructure available for business development.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of customers satisfied that DMME mine safety assistance helps them maintain efficient, viable operations.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 96.1% (avg. FY 2003 - FY 2007).

Measure Target Value: Date:

Measure Target Description: >= 95% (FY 2009 - FY 2010).

Data Source and Calculation: Data is taken from external surveys of DMME customers. They are queried about whether DMME assistance helps them maintain efficient, viable operations. The percentage of positive responses is calculated from the total number of surveys received.

- Percentage of forms submitted by customers electronically.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 76.8% (avg. FY 2005 - FY 2007).

Measure Target Value: Date:

Measure Target Description: >=75% (FY 2009 - FY 2010)

Data Source and Calculation: The DMME Division of Mines counts the number of forms submitted from activity logs. The measure is calculated as a percentage of forms submitted electronically as compared to the estimate of the total number of forms submitted to the division.

- To improve our customers' knowledge of coal mining related activities.

Objective Description

DMME provides its customers with information to help them have the knowledge needed to make decisions about their operations. This can take the form of providing information on development opportunities to economic development organizations to help develop mined land for beneficial land uses, to providing web-based information on coal mine safety, to promoting award programs, to responding to emerging issues that may affect their operations.

Alignment to Agency Goals

- Agency Goal: Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.

Comment: This objective is consistent with DMME's mission of enhancing the development of energy resources to support a more productive economy. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources", and with the long-term objectives of Virginia to protect, conserve, and wisely develop our natural resources and be a national leader in the preservation and enhancement of our economy.

Objective Strategies

- The DMME Division of Mines will identify, prioritize, develop, and make available information that meets customers' requests.
- The DMME Division of Mines will establish a work team with two members from the Division of Mines and two members from the Division of Administration to develop a plan that addresses the role of DMME in meeting the current industry needs for mining training and skill development.
- The DMME Division of Mines will continue to improve the delivery of customer services via the DMME website, including interactive availability to facilitate citizens' interest and communications and expand the number of products that are electronically available.
- The DMME Division of Mines will support and participate in state, regional, and local economic development organizations to enhance development while focusing on: ·Energy Advisory Team. ·Industrial parks. ·Commercial development sites. ·Highway construction. ·Coal to liquid. ·Carbon capture & sequestration.
- The DMME Division of Mines will actively participate in programs sponsored by industry associations, schools, civic and professional groups, including award programs, workshops, and seminars.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of customers satisfied with coal mine safety information and data provided by DMME.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 97.5% (avg. FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: $\geq 95\%$ (FY 2009 - FY 2010)

Data Source and Calculation: Data is taken from customer survey questions addressing satisfaction with DMME Division of Mines safety information. The percentage of customers rating themselves as satisfied is calculated.

Service Area Strategic Plan

Department of Mines, Minerals & Energy (409)

3/13/2014 9:04 am

Biennium: 2008-10

Service Area 6 of 8

Energy Conservation and Alternative Energy Supply Programs (409 507 05)

Description

This service area works to increase the use of alternative energy products and services, increase energy efficiency in state government operations, and improve other customers' ability to make informed choices related to energy efficiency and alternative energy uses, environment, and economic development activities. Products and services include:

- Customer service, such as training, technical assistance, education, helping with state government centralized electric, natural gas, and fuel oil purchasing, and emergency fuel supply management.
- Managing economic development incentives for solar industry development and providing information needed for new energy business development.
- Assisting energy extraction operators in developing new markets for their products and assisting mineral extraction operators reduce energy costs to improve productivity.
- Maintaining and participating in the implementation of the Virginia Energy Plan.

Background Information

Mission Alignment and Authority

- *Describe how this service supports the agency mission*
This service area directly aligns with DMME's mission of enhancing the development and conservation of energy resources in an environmentally sound manner to support a more productive economy.
- *Describe the Statutory Authority of this Service*
Chapter 26 of Title 45.1 of the Code of Virginia establishes the energy efficiency program requirements of the energy conservation and alternative energy supply programs service area.

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
General public and businesses	General public and businesses	1,600,000	7,500,000
Mineral extraction operators	Mineral extraction operators	1	300
Other governmental agencies	Other governmental agencies	130	225

Anticipated Changes To Agency Customer Base

General public and businesses

- All Virginia residents and businesses are potentially served through DMME's energy efficiency and alternative energy supply activities. Energy efficiency information is provided to all Virginia citizens through DMME's energy efficiency publications and web site. All Virginians using petroleum are affected by DMME's emergency management activities. All Virginia citizens and businesses, particularly energy businesses, will be served through the Virginia Energy Plan. Specific sub groups of general public and business customers include:
 - Environmental organizations.
 - Economic development organizations.
 - Educational institutions.
 - Homeowners.
 - Fleet managers.
 - Commercial, industrial, and agricultural businesses.

• DMME expects the general public and business customer base to increase over the next few years. As energy costs are expected to remain high, there will be increased interest in obtaining information about and financial support for energy efficiency and alternative energy technologies. There is expanding interest in developing biomass technologies, such as biodiesel production and wood-based fuels, hydrogen as an energy source, and wind resources. Public and business customers will look for increasing amounts of energy efficiency information as competition develops under utility restructuring. DMME also is expanding the information it makes available across the Internet. As information is more readily available in electronic form, additional customers will become aware of its availability, thereby increasing DMME's customer base. The release of the Virginia Energy Plan in September 2007 has also served to increase the public's interest in DMME's energy programs.

Other governmental agencies

- DMME provides energy conservation and alternative energy supply services to a wide variety of governmental agencies:
 - State agencies are a primary customer of DMME's energy efficiency services. DMME assists agencies in implementing energy service contracts for energy efficiency improvement projects in their facilities. DMME assists with submetering energy use in state facilities, in procurement of alternative sources of energy (electricity, natural gas, oil, and renewable energy supplies), and in training state agency energy managers how to reduce energy costs.
 - DMME provides information on the energy business opportunities to economic development organizations to identify opportunities for new business investments and jobs in Virginia.
 - DMME partners with other governmental agencies to reach joint energy-related goals in such areas as environmental protection, forest product uses, agriculture, transportation, and housing.
 - DMME assists the Department of Emergency Management as the commodity manager for petroleum and solid fuels under the state's Emergency Operations Plan.

• DMME expects this customer group to grow in the next few years. As electric utility restructuring further develops, DMME will be increasingly asked to assist the Commonwealth with purchasing from new electric suppliers. As energy prices continue to run high, additional state agencies will need assistance with energy efficiency projects.

Mineral extraction operators

- The DMME Division of Energy partners with other DMME divisions serving the mineral extraction industry to provide opportunities to develop new markets for their energy sources and to increase efficiency of their operations.
- Mineral extraction operators are expected to request more assistance than in the past as high energy costs (fuel and power) cause their production costs to rise. Energy producers also are looking for new uses for their products, particularly marginal products such as low BTU gas that cannot be marketed through traditional channels.

Partners

Partner	Description
[None entered]	

Products and Services

• *Factors Impacting the Products and/or Services:*

Customer assistance requests are expected to increase as energy costs remain high to address the need to save money spent on energy supplies. The release of the Virginia Energy Plan has focused new levels of public interest on DMME's energy programs. Mineral extraction companies can use assistance minimizing fuel costs in operations.

• Expansion of web-based electronic government capability will increase the opportunity to provide energy efficiency and grant information to DMME's customers.

• Efforts to centralize state government management activities, such as energy purchase contracts and energy project performance contracting, will increase the demand from state agencies for DMME's energy efficiency services.

• Some alternate energy development, such as wind and some hydro power development, will face opposition from people or groups that believe the locations of the development are not appropriate.

• Energy efficiency and alternative energy proponents are increasingly pushing for state support for increased activities through actions, such as public benefit funds, favorable tax treatment, or utility set asides.

• Changing federal funding priorities for energy efficiency and alternative energy projects may change the amount of resources available for state energy efficiency activities. The U.S. Department of Energy has proposed closing its regional Energy Efficiency and Renewable Energy offices and may lessen its support for market transformation activities.

• *Anticipated Changes to the Products and/or Services*

There will be greater state agency, public, and business interest in energy efficiency information in response to high energy costs and the release of the Virginia Energy Plan.

• DMME web-based services will need to expand to respond to increased electronic government activities.

• DMME service to state agencies will grow as central procurement of energy supplies are expanded.

• Opposition to some energy development projects may cause an increase in DMME's work to provide information about project benefits and impacts.

• Implementation of incentives for energy efficiency or alternative energy development would increase demands on DMME to support the incentives.

• Decreases in federal energy efficiency funds, coupled with the full expenditures of previously appropriated oil overcharge funds, could limit DMME's ability to provide energy efficiency and alternative energy services.

• *Listing of Products and/or Services*

- Customer assistance • Provide energy planning, training, technical assistance, education, and cooperative projects to implement energy efficiency and alternative energy projects. • Customer assistance services help customers efficiently use energy resource and develop new energy supply options.
- Grants and financing • Provide direct grants, serve as a grants manager for federal funds, and develop alternative financing sources for energy efficiency. • Grant services provide funds to facilitate mineral and energy projects that would not be undertaken without the extra financial support.
- Economic development • Manage economic development incentives, such as the biofuels incentive grant program, for energy industry development and provide information needed for new energy business development. • Economic development services support efforts to increase jobs and economic activity in Virginia.

Finance

• *Financial Overview*

The Energy Conservation and Alternative Energy Supply Programs service area funding comes from federal funds (82%) and general funds designated for the Virginia Energy Plan and the Southern States Energy Board dues (18%).

• *Financial Breakdown*

	FY 2009		FY 2010		FY 2009	FY 2010	FY 2009	FY 2010
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund				
Base Budget	\$234,762	\$1,100,000	\$234,762	\$1,100,000				
Change To Base	\$315,515	\$677,046	\$448,032	\$677,046				
Service Area Total	\$550,277	\$1,777,046	\$682,794	\$1,777,046				
Base Budget	\$234,762	\$1,100,000	\$234,762	\$1,100,000				
Change To Base	\$315,515	\$677,046	\$448,032	\$677,046				
Service Area Total	\$550,277	\$1,777,046	\$682,794	\$1,777,046				
Base Budget	\$234,762	\$1,100,000	\$234,762	\$1,100,000				

Change To Base	\$315,515	\$677,046	\$448,032	\$677,046
Service Area Total	\$550,277	\$1,777,046	\$682,794	\$1,777,046

Human Resources

• *Human Resources Overview*

DMME's Division of Energy, which is responsible for this service area, relies entirely on salaried employees to deliver their products and services. Rising energy prices and increased public interest in energy conservation and alternative energy are driving increased demand for these services. The average age of employees in this service area is 49.9 and their average service is 15.9 years. The Virginia General Assembly is taking increased interest in the work of the Division, and is likely to continue to undertake legislative initiatives that will place greater demands on the staff.

• *Human Resource Levels*

Effective Date	10/1/2007	
Total Authorized Position level	9	
Vacant Positions	1	
Current Employment Level	8.0	
Non-Classified (Filled)	0	breakout of Current Employment Level
Full-Time Classified (Filled)	8	
Part-Time Classified (Filled)		
Faculty (Filled)		
Wage		
Contract Employees		
Total Human Resource Level	8.0	= Current Employment Level + Wage and Contract Employees

• *Factors Impacting HR*

Energy prices are likely to continue to increase. Virginians and their legislative leaders are displaying increased interest in energy conservation and alternative energy sources. Demand for the services of the agency in these areas is likely to increase.

• *Anticipated HR Changes*

As energy prices increase and the Commonwealth becomes more committed to energy conservation and alternative energy, the staff of the Division will need to increase to meet increased demand for their services.

Service Area Objectives

- To advance knowledge and use of effective and efficient energy practices.

Objective Description

DMME provides financial and logistical support to organizations developing projects that expand the use of renewable and innovative energy products and technologies, and assists economic development activities to expand renewable and innovative energy-based businesses in Virginia.

Alignment to Agency Goals

- Agency Goal: Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.

Comment: This objective is consistent with DMME's mission of enhancing the development and conservation of energy resources in an environmentally sound manner. Energy efficiency and alternative energy activities are mandated in Chapter 26 of Title 45.1 of the Code of Virginia. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources", and with the long-term objectives of Virginia to protect, conserve and wisely develop our natural resources and to be a national leader in the preservation and enhancement of our economy.

Objective Strategies

- The Division of Energy will finalize recommendations, build support among stakeholders, and establish a "critical path" to implement the Virginia Energy Plan.
- The Division of Energy will develop a set of strategies for its role in the implementation of the Virginia Energy Plan.
- The Division of Energy, in collaboration with customers and stakeholders, will promote energy efficiency products and programs, such as Energy Star, Rebuild America, Building America Programs, and Clean Cities.
- The Division of Energy will close-out or deobligate itself from older business/work, while completing/fulfilling contracts and commitments that have been consciously evaluated and determined to remain vital to the Division of Energy and its customers.
- The Division of Energy will provide emergency response support to petroleum supply constraints in Virginia.
- The Division of Energy will maintain and update the Division of Energy web site.

Link to State Strategy

- nothing linked

Objective Measures

- Customers satisfied with the usefulness of DMME energy efficiency and alternative energy information.

□ □ □ □
□ □

Measure Class: Other Measure Type: Outcome Measure Frequency: Semi-Annual Preferred Trend: Up

Measure Baseline Value: 92.1 Date: Measure Baseline Description: 92.1% (average FY 2004 - FY 2007)

Measure Target Value: 90 Date: 6/30/2010

Measure Target Description: >=90% (FY 2009 - FY 2010)

Data Source and Calculation: Customer satisfaction data is collected through an automated customer database survey tool. Customers respond based on the level at which their expectations were met. The percentage of customers indicating that they were satisfied with the quality, timeliness, ease of use, and usefulness of the information is calculated.

- To increase the use of alternative energy products and services.

Objective Description

DMME provides financial and logistical support to organizations developing projects that expand the use of renewable and innovative energy products and technologies, and assists economic development activities to expand renewable and innovative energy-based businesses in Virginia.

Alignment to Agency Goals

- Agency Goal: Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.

Comment: This objective is consistent with DMME's mission of enhancing the development and conservation of energy resources in an environmentally sound manner. Energy efficiency and alternative energy activities are mandated in Chapter 26 of Title 45.1 of the Code of Virginia. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources", and with the long-term objectives of Virginia to protect, conserve and wisely develop our natural resources and to be a national leader in the preservation and enhancement of our economy.

Objective Strategies

- The Division of Energy will support partnerships and leverage resources to enable the success of renewable energy projects and partner organizations.
- The Division of Energy will actively engage Virginia economic development organizations to expand energy-based businesses in Virginia.
- The Division of Energy will strategically plan for the deployment of the Virginia Energy Plan initiatives that address renewable energy technologies.
- The Division of Energy will offer and promote the Photovoltaic, Solar and Wind Energy Utilization Grant, the Biofuels Production Grant, and the Renewable Electricity Production Grant.
- The Division of Energy will collaborate with James Madison University (JMU) to implement the Virginia Renewable Scoring System for Siting of wind and solar power sites.

Link to State Strategy

- nothing linked

Objective Measures

- Percent hybrid and alternative fueled vehicles used by participating governments in Virginia.

Measure Class: Other Measure Type: Outcome Measure Frequency: Semi-Annual Preferred Trend: Up

Measure Baseline Value: 15.3 Date:

Measure Baseline Description: 15.3% (average FY 2004 FY 2007)

Measure Target Value: 20 Date: 6/30/2010

Measure Target Description: Increase to 20% (FY 2010)

Data Source and Calculation: Information is collected from fleet managers and the Virginia Clean Cities programs. Data on purchase history and vehicle type is evaluated to determine the annual percentage of hybrid and alternative fueled vehicles in their fleets.

- We will reduce the growth of non-renewable energy costs by 5% among participating state agencies.

Objective Description

DMME works state agencies to reduce their energy costs through conservation, energy efficiency, and procurement strategies.

Alignment to Agency Goals

- Agency Goal: Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.

Comment: This objective is consistent with DMME's mission of enhancing the development of energy resources in an environmentally sound manner. Energy efficiency and alternative energy activities are mandated in Chapter 26 of Title 45.1 of the Code of Virginia. This objective aligns with DMME's strategic direction under goal 2, "Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources", and with the long-term objectives of Virginia to protect, conserve and wisely develop our natural resources and to be a national leader in the preservation and enhancement of our economy.

Objective Strategies

- The Division of Energy will partner with state agencies to offer customized services including: Performance

Contracting. ·Energy Savings Investment Program. ·Energy Procurement Assistance. ·Energy Conservation Education/Training. ·Electronic Data Interchange. ·Use of renewable energy sources. ·Other technical and financial assistance.

- The Division of Energy will investigate programs and services for state agencies that will generate revenue, such as fees for administration of procurement contracts, percentage of savings from demand response program, and utility improvements.
- The Division of Energy will develop a set of strategies for its role in the implementation of the Energy Operational Review.

Link to State Strategy

- nothing linked

Objective Measures

- We will increase the amount of saved energy costs achieved through energy conservation and procurement strategies.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: \$4.5 million in saved costs (FY 2006)

Measure Target Value: Date:

Measure Target Description: To increase cost savings by 20% per year, to save \$9.3 million in FY 2010 (cumulative savings of \$33.5 million over five years)

Data Source and Calculation: Records of executed performance contracts and state agency utility accounts employing alternative energy strategies or rate schedules are compared to previous years to determine the annual growth in cost savings.

Service Area Strategic Plan

Department of Mines, Minerals & Energy (409)

3/13/2014 9:04 am

Biennium: 2008-10

Service Area 7 of 8

Financial Assistance for Energy Economic Development (409 507 06)

Description

[Nothing entered]

Background Information

Mission Alignment and Authority

- Describe how this service supports the agency mission
[Nothing entered]
- Describe the Statutory Authority of this Service
[Nothing entered]

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
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Anticipated Changes To Agency Customer Base
[Nothing entered]

Partners

Partner	Description
[None entered]	

Products and Services

- Factors Impacting the Products and/or Services:
[Nothing entered]
- Anticipated Changes to the Products and/or Services
[Nothing entered]
- Listing of Products and/or Services
[None entered for this Service Area]

Finance

- Financial Overview
[Nothing entered]
- Financial Breakdown

	FY 2009		FY 2010		FY 2009	FY 2010
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund		
Base Budget	\$0	\$0	\$0	\$0		
Change To Base	\$0	\$0	\$0	\$0		
Service Area Total	\$0	\$0	\$0	\$0		
Base Budget	\$0	\$0	\$0	\$0		
Change To Base	\$0	\$0	\$0	\$0		
Service Area Total	\$0	\$0	\$0	\$0		

Human Resources

- Human Resources Overview
[Nothing entered]
- Human Resource Levels

Effective Date		
Total Authorized Position level	0	
Vacant Positions	0	
Current Employment Level	0.0	
Non-Classified (Filled)		breakout of Current Employment Level
Full-Time Classified (Filled)		
Part-Time Classified (Filled)		

Faculty (Filled)	
Wage	
Contract Employees	
Total Human Resource Level	0.0

= *Current Employment Level + Wage and Contract Employees*

- *Factors Impacting HR*
[Nothing entered]
- *Anticipated HR Changes*
[Nothing entered]

Service Area Objectives

[None entered]

Service Area Strategic Plan

Department of Mines, Minerals & Energy (409)

3/13/2014 9:04 am

Biennium: 2008-10

Service Area 8 of 8

General Management and Direction (409 599 01)

Description

This service area provides management direction and administrative support to the Department of Mines, Minerals and Energy's other service areas. Products and services include:

- Customer assistance to other DMME staff, energy and mineral businesses, vendors, other federal, state and local agencies, and the general public.
- Regulatory development to establish minimum requirements for worker and public safety and operation and reclamation of mineral mine sites.
- Fee collection for permits, licenses, certifications, bonding, and land reclamation.
- Management and administrative support to ensure compliance with mandates and effective and efficient delivery of service to DMME's customers.

Background Information

Mission Alignment and Authority

- *Describe how this service supports the agency mission*
This service area aligns with DMME's mission of enhancing the development and conservation of energy and mineral resources in a safe and environmentally sound manner to support a more productive economy.
- *Describe the Statutory Authority of this Service*
Chapter 14.1 of Title 45.1 of the Code of Virginia provides for the establishment of the department and sets out the authority of the department to employ personnel, enter into contracts and agreements, accept grants, promulgate regulations, and complete all other acts necessary to carry out the purpose of Title 45.1 of the Code of Virginia (Mines and Mining).

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Affiliated mineral extraction business interests	Affiliated mineral extraction business interests	150	3,000
General public and businesses	General public and businesses	3,000,000	7,500,000
Mineral extraction operators	Mineral extraction operators	350	350
Mineral extraction workers	Mineral extraction workers	5,000	9,000
Other governmental agencies	Other governmental agencies	100	300
Public affected by mineral extraction operations	Public affected by mineral extraction operations	100,000	250,000

Anticipated Changes To Agency Customer Base

Mineral extraction operations

• The number of permitted coal mining operations and gas and oil sites and coal and gas production historically changes based on the price of energy. Non-fuel mineral production historically changes based on the health of Virginia's economy. Energy prices are very high and are projected to remain high for at least the next five years. Virginia's economy has been expanding. These factors have caused an increase in the number of permitted mines and gas and oil sites and an increase in energy and mineral production.

Mineral extraction workers

• Coal mine employment in Virginia is related to the amount of coal produced in the state and the mechanization of mining. The number of Virginia coal miners peaked in 1949 at 18,341, coincident with the introduction of continuous mining machines. Since that time, coal mine employment peaked in 1977 at 15,742. There were 4,782 coal mine production employees in 2006. The average age of a coal miner in Virginia has risen to 52. A large percentage of working miners will be reaching retirement age in the next five years. Mining companies are already facing difficulties replacing these miners with new employees. This need for new miners is causing an increasing demand for coal miner certification training and other new miner services.

• Mineral mine employment in Virginia fluctuates based on the amount of tonnage produced in Virginia's mineral mines and changes in miner productivity. The number of mineral miners also is affected by the use of independent contractors on mineral mine sites. Some operators have shifted parts of operations away from their employees to contractor employees. Virginia had 3,836 production workers in 2006. This compares to 4,816 mineral miners working in 1989, 4,104 mineral miners working in 1994, 4,258 mineral miners in 1999, and 3,603 mineral miners in 2004. DMME anticipates the number of mineral miners to remain relatively stable in the coming years.

• As DMME does not have primary jurisdiction for worker safety on gas and oil exploration and production sites, it does not maintain records of the number of persons working on gas and oil exploration and production operations in Virginia. However, as the number of permitted wells, gathering pipelines, and associated facilities increases in Virginia, the number of workers drilling the wells, constructing the pipelines and associated facilities, and maintaining the facilities will continue to increase. Virginia expects this trend to continue over the next three or more years.

Public affected by mineral extraction operations

• Public located near mineral extraction operations may be affected by activities at those operations. Such affects may include ground vibrations from blasting; degradation of groundwater quantity or quality; uncontrolled release of material such as flyrock or pushed or tracked material from the site; slides; dust from blasting, construction, or travel on soft-surfaced roads; noise or light pollution; or truck traffic. DMME's regulations control many, but not all, of these impacts. While some impacts, such as light, noise, local truck traffic, and hours of operation may be subject to local government land use controls, DMME receives and must investigate most complaints on all of the mining effects.

• Public located near abandoned mineral extraction sites may be affected by hazards on the abandoned sites, such as open

shafts or portals, landslides, ground or surface water pollution discharges, sediment buildup causing flooding, land subsidence, or hazardous gases.

- DMME expects there will be additional people affected by mineral extraction operations in the coming years because surface coal mining operations are locating closer to developed areas as the available remotely located coal reserves suitable for surface mining dwindle. Development is moving into areas containing historic, unreclaimed coal mine lands, increasing the number of people at risk from these abandoned sites. More natural gas wells and pipelines are being constructed near built-up areas, and sprawl has reached areas where mineral mines have traditionally been located.

Affiliated mineral extraction business interests

- Numerous businesses support mineral extraction operations. These range from engineering firms that assist with permit preparation and facility design, to independent contractors providing non-mining services at mine sites (such as blasting, mobile equipment lubrication and maintenance, logging, overburden removal, plant construction), to independent trucking companies hauling mined material from a mine, to title attorneys, and others.

- DMME expects there will be an increase in the number of affiliated business interests. Mining companies are increasingly outsourcing work on mines. DMME has been given expanded responsibility for regulation of activities of independent contractors on coal and mineral mines. DMME served over 2,600 independent mineral mining contractors in 2004. The department expects the number of independent contractor customers to continue to grow.

General public and businesses

- DMME provides information on the state's mineral resources, geology, energy efficiency, and alternative energy development to the general public, educational customers (teachers, faculty, and students), facility managers, economic development officials, real estate developers, and other similar customers.

- With increasing energy prices and growing concerns about global warming, the general public and businesses are becoming more interested in energy conservation, energy efficiency, and alternative energy sources. The release of the Virginia Energy Plan in September 2007 has also generated increased interest in these subjects and will likely expand DMME's customer base.

- DMME also works with vendors to supply goods and services to the department. Most procurement is made through the eVA system. DMME strives to use businesses located in Southwestern Virginia as a way to support the regional economy where most of its operations are located. DMME also strives to procure goods and services through small, women-owned, or minority-owned (SWAM) businesses consistent with its SWAM plan.

- DMME expects the general public and business customer base to increase over the next few years. DMME has expanded the number of businesses it works with as it implements eVA and SWAM purchase requirements. DMME also is expanding the information it provides across the Internet. As information is more readily available in electronic form, additional customers will become aware of its availability, thereby increasing DMME's customer base.

Other governmental agencies

- DMME works with numerous other state agencies, as well as federal and local agencies, to meet management and administrative requirements. There has been an increasing mandate to meet centralized management standards in such areas as procurement, lease management, and information technology. Further centralized mandates are being developed for areas such as facility maintenance and general administrative support services.

- DMME expects the number of governmental agency customers to grow in the next few years. These will increase the need for administrative coordination with the agencies.

Partners

Partner	Description
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[None entered]

Products and Services

• *Factors Impacting the Products and/or Services:*

Customer assistance requests are expected to increase as energy costs remain high, increasing interest in fossil fuels, energy efficiency, alternative fuels, and nuclear power.

- To address the need to save money spent on energy supplies, and as high energy costs encourage development of coal and natural gas in new areas, more customers will come to DMME for assistance. Increased energy costs also increase DMME's costs of operation. For example, every 10-cent increase in gasoline costs increases DMME's costs by \$10,000 per year. In April 2003, the average price of a gallon of regular unleaded gasoline was \$1.11. As of September 2007, the average price was \$2.70 per gallon, a 143% increase in less than five years. This translates into a \$159,000 per year cost increase, roughly equivalent to reducing DMME's budget by the salary and benefits of two mine safety inspectors.

- Expansion of web-based electronic government capability will increase the efficiency of DMME's permitting and licensing operations, and will increase the sales potential of geologic information and maps.

- Implementation of new permitting requirements by the U.S. Army Corps of Engineers due to mountaintop mining controversies will require increased permitting coordination between DMME and other state and federal agencies. Additionally, federal and state agencies are developing a single-source coal reporting system.

- Increased availability of digitized underground mine maps will allow mine permits and plans to account for the presence of the old mine works and result in a safer mining environment.

- Permitting of new mineral extraction sites will become more difficult as surface coal mining sites move closer to built-up areas (due to the limited areas of remaining coal reserves) and suburban and exurban sprawl reaches areas where mineral mines are located. This will increase the likelihood of litigated issue hearings and court challenges to permit decisions as well as protests against mining.

- Development of the Coalfield Expressway (CFX) across Buchanan, Dickenson, and part of Wise counties will increase requests for DMME's support of economic development activities as the new highway opens new areas for industrial, commercial, and residential development.

- Past reductions in DMME's budget has caused the agency to increasingly rely on permit and license revenue.

- DMME will need to replace a significant proportion of its workforce in the near future. This will eliminate a significant amount of the institutional knowledge that helps DMME understand and face the challenges of providing high quality customer service. DMME will be faced with increasing difficulty in finding these high quality workers at state salary rates as mining and other energy industries have substantially increased the amount they pay employees to combat their labor shortages.
- Efforts to centralize state government management activities, such as lease centralization, information technology, and enterprise applications will effect the ability of DMME to maintain its management and administrative support services as effectively and efficiently as is currently provided. Costs, at least in the short term, will likely increase.
- *Anticipated Changes to the Products and/or Services*
Managing increased costs of energy and other operational costs may cause DMME to lessen the level of service to its customers. Without additional funds, DMME will be required to leave positions unfilled for longer times, cut back in equipment purchases, or take other operational cuts.
- Expansion of web-based electronic government capability will require increased information technology costs for programming and operating the systems. This will lessen the resources available for other information technology investments that could improve DMME's employee productivity.
- New mountaintop mining-related permitting requirements and implementation of the single-source coal reporting system will require new management and information technology solutions across DMME's coal mining programs.
- Permitting services will have to expand to account for the increased availability of digitized underground mine maps. DMME will need to provide increased digital file storage capability to manage the mine map library.
- Controversy over permitting of new mineral extraction sites will increase the need for public information and media relations.
- Development of the Coalfield Expressway (CFX) across Buchanan, Dickenson, and part of Wise counties will increase requests for DMME's support of economic development activities as the new highway opens new areas for industrial, commercial, and residential development.
- DMME will need additional general fund support to maintain current levels of direct customer and administrative support services to account for past reductions in DMME's budget.
- DMME will be faced with increasing difficulty in finding high quality workers at state salary rates as mining and other energy industries increased the amount they pay employees to combat labor shortages.
- Efforts to centralize state government management activities, such as lease centralization, information technology, and enterprise applications will effect the ability of DMME to maintain its management and administrative support services as effectively and efficiently as is currently provided. Costs, at least in the short term, will likely increase causing DMME to reduce the level of service it can provide to customers.
- The demand for DMME's customer services are anticipated to increase as the mineral extraction industry faces continuing business challenges and as energy costs remain high.
- *Listing of Products and/or Services*
 - Customer assistance: • Assistance to vendors, access to management and decision makers, public information services, DMME's Internet web services, and other services are provided to DMME's customers. • General management and administrative customer assistance services helps DMME employees operate efficiently and effectively, with the proper equipment, support, and training needed to complete their jobs.
 - Regulatory development: • Establishing minimum operational and reclamation requirements consistent with governing laws for mineral extraction operations. • General management and administrative regulatory services ensure the regulations are clearly written, will be effective in meeting their purpose, and are coordinated among the various DMME activity areas. Administrative services staff work with regulatory program staff to draft required regulatory submittal and review packages, and ensure that DMME has complied with the Administrative Process Act, Virginia Register Act, executive orders, and other governing documents.
 - Land reclamation: • Reclamation of abandoned coal mine lands, orphaned mineral mine lands, and orphaned gas and oil wells, and bond forfeiture sites; replacement of water supplies damaged from historic coal mining operations; emergency reclamation of imminent dangers caused from abandoned mined lands; restoration of streams damaged by acid mine drainage and sedimentation. • Administrative services supports land reclamation services through collection of reclamation fees and assisting with the contracting process for reclamation projects.
 - Correlative rights protection: • Establishment of orders protecting the property interests for persons owning gas or oil interests around producing gas and oil wells (called correlative rights). Management of escrow accounts where ownership of coalbed methane gas is contested and when owners of the gas or oil interests are unknown or unlocatable. • General management and administrative support services contracts for the escrow agent that manages the escrow accounts.
 - Grants and financing: • Providing direct grants, serving as a grants manager for federal funds, and developing alternative financing sources for energy efficiency. • General management and administrative grant services provide the grant approval, budgeting, reporting, and cash management services for the DMME grants.
 - Economic development: • Managing economic development incentives for energy industry development and providing information in support of economic development (site geology, mineral availability, sources of water, and similar information). • General management provides economic development services by coordinating assistance DMME provides to state, regional, and local economic development organizations.
 - Management and administrative support: • Grant management, budgeting, accounting, accounts payable, human resources, procurement, inventory, information technology services and computer security, document retention, media relations, public information, regulatory and legislative review and development, intellectual properties management, internal auditing, fleet management, and issues management services. • Management and administrative support services assure compliance with externally mandated program and administrative laws, regulations, and policies (state and federal) and internal management standards, and promote effectiveness and efficiency (doing the right things well) in DMME's operations.

Finance

• *Financial Overview*

The General Management and Direction service area funding comes from general funds (58%), indirect cost recovery revenue (33%), and miscellaneous sources such as pool bond administration and civil penalty recreation fund (9%).

• *Financial Breakdown*

	FY 2009		FY 2010	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$1,789,080	\$1,268,400	\$1,789,080	\$1,268,400
Change To Base	\$227,014	\$0	\$227,014	\$0
Service Area Total	\$2,016,094	\$1,268,400	\$2,016,094	\$1,268,400

Human Resources

• *Human Resources Overview*

DMME's Division of Administration, which is responsible for the General Management and Direction service area, has an authorized position level of 36, 33 of which are classified, and two nonclassified. The average age of the workforce is 52, with average years of service at 20.4. Several retirements are expected by the end of the 2008-2010 biennium. Mentoring is being implemented for critical personnel foreseeably eligible for retirement.

• *Human Resource Levels*

Effective Date	10/1/2007	
Total Authorized Position level	36	
Vacant Positions	1	
Current Employment Level	35.0	breakout of Current Employment Level
Non-Classified (Filled)	2	
Full-Time Classified (Filled)	33	
Part-Time Classified (Filled)		
Faculty (Filled)		
Wage		
Contract Employees	1	
Total Human Resource Level	36.0	= Current Employment Level + Wage and Contract Employees

• *Factors Impacting HR*

The primary factor impacting human resources in this service area is the possibility of retirement of personnel in essential positions. The average age of the workforce is 52, with average years of service at 20.4. Several retirements are expected by the end of the 2008-2010 biennium. Mentoring is being implemented for critical personnel foreseeably eligible for retirement.

• *Anticipated HR Changes*

As personnel in essential positions within this service area retire, the agency will face challenges in recruiting, training, and retaining qualified workers to replace them. Increased use of mentoring will be necessary to ensure the continuous delivery of quality service.

Service Area Objectives

- To enable DMME's compliance with administration requirements.

Objective Description

DMME is required to comply with numerous management administrative requirements addressing areas such as financial controls, human resources management, regulatory development, legislative affairs, fleet management, purchasing, asset management, information technology, public information management, document management, performance reporting, and intellectual property management. This objective ensures that the agency performs those functions in compliance with all legal and administrative requirements.

Alignment to Agency Goals

- Agency Goal: Provide for the effective performance of DMME personnel.
 Comment: This service area provides the management, direction, and administrative support for DMME. Chapter 14.1 of Title 45.1 of the Code of Virginia provides for the establishment DMME and sets out the authority of the department to employ personnel, enter into contracts and agreements, accept grants, promulgate regulations, and complete all other acts necessary to carry out the purpose of Title 45.1 of the Code of Virginia (Mines and Mining). This objective aligns with DMME's strategic direction under goal 3, "Provide for the effective performance of DMME personnel" and with the long-term objective of Virginia to be the best managed state in the nation.

Objective Strategies

- Each DMME Division of Administration office will work with customers to provide accurate and timely administrative services and policy interpretation to include the following functions: grant management, budgeting, accounting, accounts payable, human resources, procurement, inventory, information technology services and computer security, document retention, media relations, public information, regulatory and legislative review and development, intellectual properties management, internal auditing, fleet management, and issues management in compliance with state, federal, and agency regulations and procedures.
- The DMME Division of Administration, with assistance from other Divisions, will address emerging issues such as telecommuting, ARMICS, and VITA security.

- The DMME Division of Administration will support other Divisions in dealing with their emerging issues, such as mine worker substance abuse, Division of Mined Land Reclamation funding, MINER Act, Virginia Energy Plan, and expansion of electronic government services.
- The General Services Manager/DMME Safety Coordinator will lead the DMME Safety Team in developing personal workplace safety training programs.
- The Office of Program Support will assist regulatory Divisions in complying with the provisions of Executive Order 36 requiring that every regulation be reviewed every four years.
- The Division of Administration will ensure DMME's compliance with the National Incident Management System (NIMS) by working with Divisions to:
 - Identify key emergency response personnel and assure that they receive required NIMS training.
 - Assure that the DMME COOP/Emergency Response Plan is in compliance with NIMS.
 - Assure that DMME emergency response exercises incorporate elements of NIMS.

Link to State Strategy

- nothing linked

Objective Measures

- Findings in external audits.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Frequency Comment: At the time DMME is subject to external audits.

Measure Baseline Value: Date:

Measure Baseline Description: 0 (avg. FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: 0 (FY 2009 - FY 2010)

Data Source and Calculation: Data is taken from external audit reports. This measure counts the number of major written findings in external audits.

- Prompt pay compliance rate.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 98.8% (average FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=95% (FY 2009 - FY 2010)

Data Source and Calculation: Data is taken from Department of Accounts' reports of prompt pay compliance. The percent of total payments made within 30 days of the invoice date is calculated.

- Payroll processing accuracy rate.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 99.9% (average FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=98% (FY 2009 - FY 2010)

Data Source and Calculation: Data is taken from the number of corrections needed to payroll records. The number of corrections is compared to the total number of records processed, and the percentage of correct records is calculated.

- To improve the quality of DMME processes.

Objective Description

DMME strives to provide first-class service to its customers, both external service area customers and internal administrative services customers. Agency employees are empowered to take measures to ensure that their customers' needs are met consistent with the department's strategic and operational goals, objectives, and strategies. This objective ensures that the agency focuses on continually improving its internal processes.

Alignment to Agency Goals

- Agency Goal: Provide for the effective performance of DMME personnel.

Comment: This service area provides the management, direction, and administrative support for DMME. Chapter 14.1 of Title 45.1 of the Code of Virginia provides for the establishment DMME and sets out the authority of the department to employ personnel, enter into contracts and agreements, accept grants, promulgate regulations, and complete all other acts necessary to carry out the purpose of Title 45.1 of the Code of Virginia (Mines and Mining).

This objective aligns with DMME's strategic direction under goal 3, "Provide for the effective performance of DMME personnel" and with the long-term objective of Virginia to be the best managed state in the nation.

Objective Strategies

- The Office of Management Information Systems will continue to work with all Divisions to identify needs and implement the approved projects from the project priority list to include: ·Division of Mineral Mining certification exam data banks, electronic testing and grading. ·Automated mapping of Division of Gas and Oil gas well data. ·Division of Gas and Oil enforcement system upgrade. ·Division of Gas and Oil spatial pipeline data. ·Division of Mined Land Reclamation replacement of paper forms.
- The Office of Management Information Systems will continue the development and implementation of interactive web services for the Divisions of Mineral Mining and Gas and Oil
- The DMME Grants Coordinator will assist division-designated contacts in identifying and securing external funding.
- The DMME Division of Administration will support telecommuting by expanding high-speed remote access and technologies which facilitate electronic government.
- The DMME Division of Administration will involve stakeholders and customers in process and system changes to enhance seamless and efficient operations and service delivery.
- The Office of Program Support will work with the Office of Management Information Systems to develop a streamlined performance measurement reporting system.
- The Office of Public Information will assist the Public Information and Education work group finalize its recommendations addressing increased public interest in energy and resource extraction activities and report them to the Strategic Team for implementation.
- The Division of Administration will support the development of a consolidated coal and mineral mining blaster certification process.
- The Office of General Services, with assistance from the Division of Energy, will continue to improve the Buchanan-Smith Building energy efficiency using the Energy Star Program.
- The DMME Division of Administration will participate in the Administration Support Staff Team to address ways of meeting administrative support needs of the Buchanan-Smith Building.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of vehicle repair time spent directly working on vehicles.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 74.7% (average FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >= 70% (FY 2009 - FY 2010)

Data Source and Calculation: Data is taken from work logs of DMME's vehicle repair staff. The time spent directly working on vehicles is calculated against the total time on the job.

- Purchase order timeliness.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 98.0 (average FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=95% (FY 2009 - FY 2010)

Data Source and Calculation: Data is taken from purchaser logs. Requisition processing time is measured. The percent of purchase orders completed within 24 hours of requisition entry time is calculated.

- Information system availability.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 99.8% (average FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=98% (FY 2009 - FY 2010)

Data Source and Calculation: The percent of time DMME's regulatory, and administrative systems and network are available during core business hours is calculated from the department's Information Technology System logbook.

- Internal employee satisfaction with technology.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 2.85 (average FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=3.0 (FY 2009 - 2010)

Data Source and Calculation: Data is taken from the annual DMME employee technology survey. The average score for satisfaction (on a 1 to 4 scale) is calculated for the 24 technology types addressed in the survey.

- To enable all DMME Division of Administration employees to meet or exceed their annual employee objectives established in their Employee Work Profiles

Objective Description

DMME employee performance is measured through annual performance reviews. Employees are measured against performance standards in their Employee Work Profiles. This objective provides support so employees will meet or exceed their expected performance levels.

Alignment to Agency Goals

- Agency Goal: Provide for the effective performance of DMME personnel.

Comment: This service area provides the management, direction, and administrative support for DMME. Chapter 14.1 of Title 45.1 of the Code of Virginia provides for the establishment DMME and sets out the authority of the department to employ personnel, enter into contracts and agreements, accept grants, promulgate regulations, and complete all other acts necessary to carry out the purpose of Title 45.1 of the Code of Virginia (Mines and Mining). This objective aligns with DMME's strategic direction under goal 3, "Provide for the effective performance of DMME personnel" and with the long-term objective of Virginia to be the best managed state in the nation.

Objective Strategies

- Each employee will work with their supervisor to update their Employee Work Profile to successfully implement the strategic and operational plans through: ·Description of work to facilitate cross-training and mentoring. ·Safety performance measurement. ·Availability and support to any Division of Administration section under stress due to mandates or other conditions. ·Technology and other skills training (recommended 40 hours/yr). ·Developing communication skills by interacting, sharing information and work experiences with other sections. ·Determining the authority to accomplish expectations. ·Maintaining a high level of employee recognition and use of rewards. ·Interaction necessary to ensure buy-in.
- Each employee will obtain and document targeted annual training (recommended 40 hours/yr) through: ·Identifying needs in the Personal Learning Goals section of the Employee Work Profile. ·Full use of DMME University training opportunities and tracking system including pursuing specialized needs through such sources as internal training seminars, trade associations, partnerships with other agencies, community college system, and self-directed initiatives. ·Participation in DMME Training Team's needs assessment. ·Supervisors will communicate employees' training needs to the Division of Administration's training coordinator to be presented to the DMME Training Team.
- Each Division of Administration employee will include health and safety topics in staff, section and other meetings.
- Each Division of Administration employee will participate in CommonHealth programs when time permits.
- The Operational Team of Benny Wampler, Frank Hampton, Colleen Bass, Jackie Davis, Bob Gregory, Todd Richardson, Mike Abbott, David Spears, and Evie Christopher will convene quarterly primarily via teleconference to evaluate, discuss, and determine progress on performance measures, needed actions, and emerging issues as follows: ·September – Jackie Davis · December – Bob Gregory · March – Todd Richardson · June – Mike Abbott The Operational Team manager in charge will provide a proposed agenda to Division of Administration (DA) staff five working days prior to the quarterly meeting for staff input. The manager in charge will report to DA staff about the meeting discussions within three working days after the meeting.

Link to State Strategy

- nothing linked

Objective Measures

- DMME average employee training hours.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 40.5 (average FY 2003 - FY 2007)

Measure Target Value: Date:

Measure Target Description: >=40 (FY 2009 - FY 2010)

Data Source and Calculation: Data is taken from the DMME University training system. The DMME University training system is used to generate a report of DMME's training hours per employee. The number is averaged for all DMME employees.

- Percentage of employees rated contributor or above.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: 99.8 Date: Measure Baseline Description: 99.8% (FY 2003 - FY 2007)

Measure Target Value: 100 Date: 6/30/2010

Measure Target Description: 100% (FY 2009 - FY 2010)

Data Source and Calculation: Data is derived from completed employee performance review forms. The measure is calculated as a percentage of employees being rated at contributor or above in annual employee performance reviews.

- To ensure that the delivery of DMME Division of Administration services meets or exceeds the expectations of our customers.

Objective Description

DMME strives to provide first-class service to its customers, both external service area customers and internal administrative services customers. Agency employees are empowered to take measures to ensure that their customers' needs are met consistent with the department's strategic and operational goals, objectives, and strategies. This objective assures that we focus on meeting or exceeding customer expectations.

Alignment to Agency Goals

- Agency Goal: Provide for the effective performance of DMME personnel.

Comment: This service area provides the management, direction, and administrative support for DMME. Chapter 14.1 of Title 45.1 of the Code of Virginia provides for the establishment DMME and sets out the authority of the department to employ personnel, enter into contracts and agreements, accept grants, promulgate regulations, and complete all other acts necessary to carry out the purpose of Title 45.1 of the Code of Virginia (Mines and Mining). This objective aligns with DMME's strategic direction under goal 3, "Provide for the effective performance of DMME personnel" and with the long-term objective of Virginia to be the best managed state in the nation.

Objective Strategies

- All DMME Division of Administration employees will serve their customers by:
 - Taking initiative and being innovative.
 - Evaluating new ideas for implementation.
 - Advancing inter- and intra-divisional consistency.
 - Eliminating or controlling internal and external barriers to customer service.
 - Freely forming work teams across DMME to improve services.
 - Communicating in accordance with our values.
- The Office of Financial Services will monitor the Division of Administration financial needs and projected revenues and communicate impacts on our services.
- The DMME Division of Administration will evaluate the costs and feasibility of remote access to facilitate telecommuting.
- The DMME Division of Administration will review processes to eliminate duplication and enhance utilization of electronic systems in order to move towards a paperless environment while maintaining existing services.

Link to State Strategy

- nothing linked

Objective Measures

- Internal customer satisfaction.

Measure Class: Other Measure Type: Outcome Measure Frequency: Annual Preferred Trend: Up

Measure Baseline Value: 98.0 Date:

Measure Baseline Description: 98.0% (average FY 2003 - FY 2007)

Measure Target Value: 90 Date: 6/30/2010

Measure Target Description: >=90% (FY 2009 - FY 2010)

Data Source and Calculation: One-half of DMME employees are surveyed every six months about the quality of administrative services. The percent of employees rating administrative services as meets or exceeds expectations is calculated.