

Biennium: 2010-12 ▾

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

- Ethics, Honesty & Integrity
In dealing with our customers, we value operating with a high sense of ethics, honesty, and integrity
- Competence & Knowledgeability
In dealing with our customers, we value functioning in a competent and knowledgeable manner.
- Recognition
In dealing with each other, we value recognizing each others' outstanding accomplishments.
- Compliance
In dealing with each other, we value meeting the requirements of the law and externally driven policies, but always being innovative where flexibility exists.
- Trust & Respect
In dealing with each other, we value trust and mutual respect.
- Development & Training
In dealing with each other, we value developing and training ourselves.
- Open Communications
In dealing with each other, we value openly communicating agency plans and decisions and therefore recognizing each other's need for information and understanding.
- Sense of Humor
In dealing with each other, we value dealing with tough situations by keeping a sense of humor and being "good sports."

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 and fossil fuel 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 2008 was 0.29 incidents per 200,000 work hours. This compares to a five-year average of 0.28. Until 2008, the incident rate had 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 baseline data showing that mineral extraction operators successfully abated 99.2% of safety violations by their due dates over the last five years. Mineral extraction operators successfully abated 99.6% of safety violations by their due dates during FY 2009.

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 2009 rate was 99.8%. This compares to the five-year average of 99.7%.

- DMME is also 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 79.2% of environmental violations by their due dates. Mineral extraction operators successfully mitigated 77.3% of environmental violations by their due dates during FY 2009.

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 five years of baseline data that show 85.4% of miners rated the training as very helpful or very effective. The rate for FY 2009 was 90.1%.

DMME's second goal is to encourage economic development through our 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 2009, DMME made 92.8% of its permit decisions within established deadlines. DMME's five-year average is 96.9% 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 percentage of forms submitted electronically by its customers. DMME's customers electronically submitted 67.6% of total forms in FY 2009. This compares to an average of 60.5% over the four 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 \$14.5 million were achieved in FY 2009, compared to \$4.5 million in the baseline year, 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:

- Ensuring that resources are used efficiently and programs are managed effectively, in a manner consistent with applicable state and federal laws;
- Enabling all employees to meet or exceed their annual employee objectives established in their Employee Work Profiles;
- Continuously improving DMME's organizational and staff capabilities; and
- Enabling DMME employees to effectively expand the use of 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 2009); prompt pay compliance rate (99.8% of dollars paid within 30 days in FY 2009; target is at least 95%); payroll accuracy (100% accuracy on the first entry for FY 2009; target is at least 98%); percentage of vehicle service hours spent on direct repair services (82.5% of time for FY 2009; target is at least 70%); percentage of purchases made within 24 hours of requisition (97.3% in FY 2009; target is at least 95%); and percentage of DMME staff rating administrative services as meeting or exceeding expectations (99.2% in FY 2009; target is at least 90%).

- *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 over 9,200 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 234 FTE (full-time equivalent) positions, with 217 filled. DMME's FTE number has ranged from a high of 298 to today's low of 234.
- DMME's FY 2011 budget is approximately \$33.8 million, 42% less than its budget in FY 1986, the agency's first full fiscal year of operation, when adjusted for inflation. DMME now provides an expanded level of customer service with considerably less resources than when the agency was formed.

DMME has begun tracking two productivity measures, the annual average cost of ensuring safety for one mineral extraction worker, and the annual average cost of assuring environmental protection and public safety for one mineral extraction site.

DMME calculates the annual average cost of ensuring safety for one mineral extraction worker by summing the safety program costs in its coal and mineral mine safety programs, and dividing those costs by the number of mine workers in the state. In FY 2008, the annual average cost was \$662 per worker; in FY 2009, the cost was \$668, an increase of less than 1%.

DMME calculates the annual average cost of assuring environmental protection and public safety at one mineral extraction site by summing the costs of its reclamation and environmental programs in the coal mining, mineral mining, and oil and gas areas, then dividing that by the total number of permitted sites. In FY 2008, the annual average cost was \$886; in FY 2009, the cost was \$776, a decrease of 12.5%.

Initiatives, Rankings and Customer Trends

- *Summary of Major Initiatives and Related Progress*

DMME is undertaking initiatives to respond to the needs of our customers and stakeholders.

- The American Recovery and Reinvestment Act (ARRA) is enabling DMME to offer substantial grant programs for Virginia's citizens, businesses, and local governments to invest in energy-saving activities. DMME has applied for \$16.1 million under the Energy Efficiency and Conservation Block Grant (EECBG) Program. These funds will be divided among three program areas, as follows:

- \$9.7 million in sub-grants to nearly 300 eligible local governments for community energy planning, energy efficiency and conservation projects and other qualifying activities.
- \$5.3 million in grants for renewable energy systems for local government and public school facilities. (This will be supplemented with \$4.1 million in State Energy Program Recovery Act funds.)
- \$0.7 million to provide technical assistance to local governments to use energy saving performance contracting to improve energy efficiency and reduce utility costs.
- \$0.47 million in administration costs

Under ARRA, DMME has applied for an additional \$70 million for its State Energy Program (SEP). These funds will be directed at three program areas:

- \$32.14 million in grants or rebate incentives to stimulate purchases of renewable energy systems for residences,

businesses and government facilities. \$15 million will be made available to households and businesses to support installation of solar and small wind power systems. Payments will be based on the size of the system installed as follows: \$2,000 per kilowatt capacity of solar photovoltaic (electric) systems; \$1,500 per kilowatt capacity of wind systems; \$1,000 per kilowatt capacity equivalent for solar thermal (hot water and steam) systems. \$4.14 million will be made available for installations on local government and public school facilities. (This will be supplemented with \$5.86 million funds from the Energy Efficiency and Conservation Block Grant to total to \$10 million.) \$13 million will be made available for installations on state government facilities.

- \$20 million in three economic development incentives to support biomass, waste-to-energy, renewable energy and energy efficiency products, services and projects. \$10 million will be made available to support biomass and waste to energy projects in Virginia. \$5 million will be made available to support new clean energy business development in Virginia. \$5 million will be made available to support commercialization of new energy technologies in Virginia.
 - \$15 million in grants or rebate incentives to stimulate implementation of energy efficiency improvements in homes and commercial properties. Residential consumers will be eligible for a rebate for 20 percent of the cost of eligible energy efficiency improvements, up to \$2,000 per consumer. Commercial consumers will be eligible for a rebate for 20 percent of the cost of eligible energy efficiency improvements, up to \$4,000 per consumer.
 - \$2.86 million will be used to administer the grants.
- In 2007, DMME implemented the Virginia Energy Management Program (VEMP) to help agencies comply with Executive Order 48. E.O. 48 directed state agencies to reduce their annual costs of non-renewable energy purchases by at least 20 percent, compared to fiscal year 2006, by fiscal year 2010. Agencies were directed to aggressively pursue: energy-saving activities whose costs could be recovered in one year, such as switching to compact fluorescent bulbs from less efficient incandescent bulbs; using energy savings performance contracting; renovation of existing buildings; alternative procurement techniques for energy; and procurement of renewable energy. In response, DMME's VEMP is assisting agencies in implementing energy savings performance contracts, demand response programs, and consolidated energy procurement and billing.
- Sharp increases in energy costs and interest in offshore energy development led to passage of significant energy policy legislation in 2006. DMME was charged with developing a 10-year Virginia Energy Plan, which was released in September 2007. The legislation also authorized a new biofuels incentive grant program to bring biofuels producers to the Commonwealth. Partly as a result of this incentive, Virginia's first large-scale ethanol plant is scheduled to begin production in 2010. Interest in offshore energy sources is growing, with the federal Department of the Interior taking steps to issue commercial leases for both conventional (oil and gas) and renewable resources. DMME continues to work with its federal partners and other state agencies to ensure that Virginia's needs and policies are adequately addressed.
- DMME will need to respond to the changing regulatory climate regarding surface coal mining. In June 2009, the federal Department of the Interior, the U.S. Army Corps of Engineers, and the Environmental Protection Agency signed a memorandum of understanding recognizing the unique biological diversity of the Appalachian region and implementing an Interagency Action Plan "designed to significantly reduce the harmful environmental consequences of Appalachian surface coal mining operations..." DMME will need to work with the federal agencies, our coal industry customers, coalfield citizens, and other interest groups to ensure that DMME regulations, policies, and permitting and enforcement activities are consistent with the new federal regulatory framework.
- 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. For example, DMME is enhancing electronic business-to-government capability for its mineral mining and oil and gas operators. The e-Forms Centers will provide operators with the ability to electronically submit permitting applications and annual production reports, manage contractor lists, register for training classes, provide electronic fund transfers and otherwise conduct their business with DMME online. DMME continues to work with mineral mine and gas and oil operators to expand the use of this e-government system.
- In response to a jump in coal mining fatalities nationwide in early 2006, Congress passed the Mine Improvement and New Emergency Response (MINER) Act. The Act, among other things, expanded the requirements for mine emergency response plans, increased the availability of self-rescue breathing devices underground, and required that two experienced mine rescue teams be available to each underground mine at all times. DMME is working with Virginia's coal mining community to meet the challenge of implementing these requirements. In 2007, in response to trends in substance abuse among mine workers, Virginia amended its Coal Mine Safety Act to require pre-employment drug testing of new mine workers, and to allow DMME's Chief mine inspector to employ substance abuse testing during investigations of incidents in which miners are killed or seriously injured. DMME is working with the Board of Coal Mining Examiners not only to enforce suspensions and revocations of miner certifications that result from substance abuse tests, but also to assist addicted miners in seeking rehabilitation.
- In FY 2009, DMME's budget was subject to a reduction of 11%, which severely impacted the Geologic and Mineral Resource Investigations, Mapping, and Utilization Service Area. In an effort to continue to meet customer demand for geologic and mineral resource information and products, DMME will employ innovative techniques such as expansion of web-based services. The agency also plans to seek additional grant funding for geologic and mineral resource projects.
- 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 underdeveloped due to conflicts over ownership of the gas. The legislative measure provided for escrowing funds when the ownership of the coalbed methane was in conflict. 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. These two events allowed an exponential growth in Virginia's coalbed methane industry, with over 700 wells per year being drilled by 2007. DMME and the Virginia Gas and Oil Board are working to facilitate the processing of escrow payments, as well as working with citizens and lawmakers to resolve concerns regarding the deduction of post-production costs from royalty payments to natural gas interest owners.
- *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. The mine mapping initiative also won the Governor's Technology Award for Innovation in Technology and Honorable Mention in the National Association of State Chief Information Officers (NASCIO) Recognition Awards for Outstanding Achievement

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. The electronic permitting system has also won the Council of State Government's Recognition for Significant Contributions to State Government and the Southwestern Virginia Technology Council Award for High Tech in Government.

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 several times 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 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.

DMME's E-forms centers have won the High Tech in Government Award from the Southwest Virginia Technology Council, the Governor's Technology Award in the "Online, not In Line" category, and the Center for Digital Government's Digital Government Achievement Award. The agency's laptop enforcement system has won the Governor's Technology Award in the Workforce Productivity category. DMME's digital signature initiative, established in cooperation with VDOT, won a grant from the Governor's Productivity Investment Fund.

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 slowed due to the recent recession, but expansion is to be expected during the 2010-2012 biennium as economic recovery proceeds. These factors are expected to cause 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 experienced a secondary peak in 1977 at 15,742. There were 4,394 coal mine production employees in 2008. 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 from DMME.

- 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 3,849 production workers in 2008. 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, and 3,836 in 2006. 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; landslides; 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 getting larger and 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 developed 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 2,200 independent mineral mining contractors in 2008. 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. The receipt of nearly \$90 million from the federal Department of Energy under the American Recovery and Reinvestment Act, which is to be distributed as grants to citizens, businesses, and local governments for energy efficiency investments, will drive a large portion of the activity in DMME's State Energy Program during the biennium.

- 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, payroll, 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 of 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. DMME will need to respond to this changing regulatory climate. In June 2009, the federal Department of the Interior, the U.S. Army Corps of Engineers, and the Environmental Protection Agency signed a memorandum of understanding recognizing the unique biological diversity of the Appalachian region and implementing an Interagency Action Plan "designed to significantly reduce the harmful environmental consequences of Appalachian surface coal mining operations..." DMME will need to work with the federal agencies, our coal industry customers, coalfield citizens, and other interest groups to ensure that DMME regulations, policies, and permitting and enforcement activities are consistent with the new federal regulatory framework.

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 developed 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.

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 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 52 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. The DMME Division of Mineral Mining is authorized to issue exploration-only permits for uranium.
- 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, respectively.

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
 [Nothing entered]

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:**

[Nothing entered]

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

[Nothing entered]

Finance

- **Financial Overview:**

DMME's funding comes from federal funds (42%), general funds (36%), permit and license fees paid by mineral extraction operators (6%), bond forfeiture proceeds (7%), indirect cost recovery revenue (3%), and miscellaneous sources such as state designated mine rescue team dues, civil penalty payments, and orphaned mineral mine or well reclamation or plugging revenues (6%).

- **Financial Breakdown:**

	FY 2011		FY 2012	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$12,148,441	\$21,320,408	\$12,148,441	\$21,320,408
Change To Base	-\$315,915	\$35,000	-\$315,915	\$35,000
Agency Total	\$11,832,526	\$21,355,408	\$11,832,526	\$21,355,408

This financial summary is computed from information entered in the service area plans.

Human Resources

- **Overview**

DMME currently has 234 authorized positions, with 216 filled and 18 vacancies. The average age of the workforce is 51.5, with an average of 16.9 years of service.

- **Human Resource Levels**

Effective Date	9/1/2009	
Total Authorized Position level	234	
Vacant Positions	-18	
Current Employment Level	216.0	
Non-Classified (Filled)	0	<i>breakout of Current Employment Level</i>
Full-Time Classified (Filled)	234	
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	2	
Contract Employees	0	
Total Human Resource Level	218.0	<i>= Current Employment Level + Wage and Contract Employees</i>

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

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	\$0	\$0	\$0
Agency IT Staff	\$516,085	\$0	\$516,085	\$0
Non-agency IT Staff	\$0	\$27,000	\$0	\$27,000
Other Application Costs	\$0	\$0	\$0	\$0
Agency IT Current Services	\$2,129,104	\$140,402	\$2,153,299	\$142,103

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	\$0	\$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	\$0	\$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	\$2,129,104	\$140,402	\$2,153,299	\$142,103
Proposed IT Investments	\$0	\$0	\$0	\$0
Total	\$2,129,104	\$140,402	\$2,153,299	\$142,103

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

Capital

- *Current State of Capital Investments:*
[Nothing entered]
- *Factors Impacting Capital Investments:*
[Nothing entered]
- *Capital Investments Alignment:*
[Nothing entered]

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 and to give its citizens the materials and resources they need. Persons working at Virginia's mineral extraction sites, persons living in the vicinity of the sites, and Virginia's environment need to be protected from the potential 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.
Agency Comment: DMME's goal of providing for safe and environmentally sound mineral and fossil fuel extraction directly supports this statewide goal.
- Protect, conserve and wisely develop our natural, historical and cultural resources.
Agency Comment: DMME's goal of providing for safe and environmentally sound mineral and fossil fuel extraction directly supports this statewide goal.
- 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.
Agency Comment: DMME's goal of providing for safe and environmentally sound mineral and fossil fuel extraction directly supports this statewide goal.

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, and Mined Land Reclamation, with assistance from the DMME Division of Geology 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 Geology and 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, Mined Land Reclamation, and Gas and Oil will assess company and individual responsibility for violations of laws and regulations and take appropriate actions to prevent future violations..
- DMME will work cooperatively with mine operators and the MSHA in achieving effective compliance with provisions of the federal MINER Act and any further enhancements of the Act.
- The DMME Divisions will collaborate on safety issues involving mining, gas, and oil activities, including:
 - Development of a comprehensive automated mapping program of all mines, gas wells, and geological data.
 - Divisions' implementation of procedures on the coordination of 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 Description: 0.28 (average CY 20024 - CY 2008)

Measure Target Value: 0.26 Date: 6/30/2012

Measure Target Description: 0.26 (CY 2011)

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. Data for the previous calendar year become available in April. 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: Other Measure Type: Outcome Measure Frequency: Semi-Annual Preferred Trend: Up

Measure Baseline Value: 99.2 Date: 6/30/2009

Measure Baseline Description: 99.2% (FY 2005 - FY 2009)

Measure Target Value: 95 Date: 6/30/2012

Measure Target Description: >=95% (FY 2010 - FY 2012)

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.

- Average annual cost of keeping one mineral extraction worker safe.

Measure Class: Productivity Measure Frequency: Annual Preferred Trend: Maintain

Frequency Comment: Worker hours are only reported to the agency annually.

Measure Baseline Value: 662 Date: 6/30/2008

Measure Baseline Description: Average agency cost of keeping one worker safe in FY 2008.

Measure Target Value: 662 Date: 6/30/2012

Measure Target Description: The agency intends that its costs per worker not increase.

Data Source and Calculation: Annual agency costs (in dollars) for worker safety programs in coal and mineral mining are divided by the number of reported worker hours, then multiplied by 2000 (the approximate number of hours worked by one "ideal" worker in one year).

- 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 in coordination with other DMME Divisions, local, state, and federal agencies.
- The DMME Division of Gas and Oil will conduct a needs assessment in order to recommend Division and customer service enhancements to the Strategic Team. The assessment will include a collaborative plan for potential service enhancements with identification of funding alternatives.
- The DMME Divisions of Mined Land Reclamation, Gas and Oil, and Mineral Mining, with assistance from the DMME Divisions of Geology and 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 of permits, certificates, and plans consistent with laws and regulations.
- The DMME Divisions of Mined Land Reclamation, Gas and Oil, and Mineral Mining, with assistance from the DMME Division of Geology and Mineral Resources, will identify and 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 will evaluate abandoned, orphaned, and forfeited sites for potential land uses such as wetlands, carbon capture and storage, economic development, and alternative energy.
- The DMME Divisions of Mined Land Reclamation, Gas and Oil, Mineral Mining, Administration, and Geology 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

- o nothing linked

Objective Measures

- o 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: 99.7% (average FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: >=96% (average FY 2008 - FY 2012)

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.

- o 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: 79.2% (average FY 2005 - 2009)

Measure Target Value: Date:

Measure Target Description: >=80% (FY 2010 - 2012)

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.

- o Average annual cost of assuring environmental protection at one mineral extraction site.

Measure Class: Measure Frequency: Preferred Trend:

Frequency Comment: Reporting annually smooths quarterly fluctuations in expenditures.

Measure Baseline Value: Date:

Measure Baseline Description: Average dollar cost per site for FY 2008

Measure Target Value: Date:

Measure Target Description: The agency intends that its costs per site not increase.

Data Source and Calculation: Annual agency costs (in dollars) of environmental protection programs for coal mining, mineral mining, and gas and oil are divided by the average number of sites served per quarter.

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

Objective Strategies

- o 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.
- o 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.
- o 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

- o nothing linked

Objective Measures

- o 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: 85.4% (average FY 2005 - FY 2009)

Measure Target Value: 80 Date: 6/30/2012

Measure Target Description: >=80% (FY 2010 - FY 2012)

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 DMME Division of Energy will implement the Virginia Energy Management Program which will:
 - Promote energy savings.
 - Use alternative energy sources and providers.
 - Focus on state, community, and local facilities.
 - Provide support for energy emergency response.
- The DMME Division of Energy will implement energy efficiency and renewable energy objectives of the American Recovery and Reinvestment Act that fund improvements to state and other public facilities.
- The DMME Division of Geology and 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: 96.9 Date: 6/30/2009

Measure Baseline Description: 96.9% (average FY 2005 - FY 2009)

Measure Target Value: 95 Date: 6/30/2012

Measure Target Description: >=95% (FY 2010 - FY 2012)

Data Source and Calculation: This measure is calculated using permit-tracking data from three of DMME's regulatory 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:
 - Develop a process to evaluate energy-related projects and distribute American Reinvestment and Recovery Act funds.
 - Revise the Virginia Energy Plan, continue to build support among stakeholders, and obtain necessary funding for implementation.

- 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:
 - Alternative energy sources including solar, wind, geothermal, and biofuels.
 - Carbon capture and storage.
 - Highway construction.
 - Issues with joint coal and gas resource development.
 - Coal-fired power plants.
- The DMME Public Information and Education Work Group will implement outreach initiatives to address increasing public interest and environmental concerns.
- 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 capture and storage 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.
- The DMME Division of Geology and Mineral Resources, in coordination with the Office of Management Information Systems, will continue to develop a web-based Virginia Geologic Information catalog that will standardize and consolidate all geologic and mineral resource data and metadata into a centralized system to make this information more accessible to our customers.

Link to State Strategy

- nothing linked

Objective Measures

- Customer satisfaction rating.

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

Data Source and Calculation: Results are compiled from DMME customer satisfaction surveys. This is a new measure to replace the Virginia Geospatial Data Index, which has been discontinued.

- 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: \$14.5 million in saved costs (FY 2009)

Measure Target Value: Date:

Measure Target Description: To increase cost savings by 20% per year, to save \$25 million annually by 2012

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.

Goal 3

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.

- Each DMME Division, with assistance from the DMME Division of Administration, will evaluate their financial needs and projected revenues, and their impacts on services.
- The DMME Divisions of Geology and Mineral Resources and Mines will identify their core services that can be provided with existing staff and resources including assistance from other divisions
- The DMME Division of Geology and Mineral Resources will seek funding opportunities to allow all core services to be provided.
- DMME will implement Executive Order 82.

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 2010 - FY 2012)

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 supervisors will work with employees to update Employee Work Profiles to successfully implement the strategic and operational plans through:
 - Establishing the appropriate level of authority to accomplish expectations.
 - Documentation of work by position to facilitate cross-training.
 - Assurance of safety procedures, training, and equipment appropriate to the employee's work environment.
 - Job related training, recommended at 40 hours per year.
- The Human Resources Manager will convene the DMME Training Team to:
 - Develop an annual agency training plan that meets general and specialized needs for employees in each Division by October 1, 2009, and annual updates thereafter.
 - Identify and provide, to the extent feasible, resources to deliver training and educational services.
 - Develop and implement a training needs assessment process for DMME.
 - Review and recommend enhancements for the functions and use of the DMME University System.
 - The Human Resources Manager will provide updates concerning the progress and results of this Strategy to the Strategic Team at its quarterly meetings, as needed.
- Each DMME Division will include personal health and safety topics in staff, section, and other meetings.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of employees rated at Contributor or above on their annual evaluations.

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

Measure Baseline Value: Date:

Measure Baseline Description: 99.9% (avg. FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: 100% (FY 2010 - FY 2012)

Data Source and Calculation: DMME's Human Resources staff reports the percentage of employees rated at Contributor or above on their evaluations.

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

Objective Strategies

- Each Division, in coordination with the Human Resources Manager, will update its transition plan to ensure the continuation of staff capabilities through vacancies, retirements, reduction, and other transitions.
- Each Division shall utilize orientation, training on the principles of our jobs, and cross-training for employees to better understand the organization, mission, and job responsibilities.
- Each Division will seek opportunities to make improvements in its organization and staffing to improve services, including:
 - Customer and staff input on services and satisfaction.
 - Training to improve knowledge and skills.
 - Cost and efficiency of service delivery.

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. • Address laptop security and encryption of mobile data. • Ensure delivery of IT services.
- The Digital Map Work Group will coordinate provision of comprehensive spatial data layers for mines, wells, and geologic data for all DMME Divisions.
- 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 support telework for eligible DMME staff.
- All DMME Divisions will review processes in order to move towards a paperless environment while maintaining existing services.

Link to State Strategy

- nothing linked

Objective Measures

- Internal employee satisfaction with agency technology.

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

Measure Baseline Value: Date:

Measure Baseline Description: 2.9 out of 4 (avg. FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: 3.0 out of 4 (FY 2012)

Data Source and Calculation: DMME's employees are surveyed annually regarding their satisfaction with the agency's available technology. Results are reported on a scale of 1 (lowest satisfaction) to 4 (highest satisfaction).

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
-

Service Area Strategic Plan

Department of Mines, Minerals & Energy (409)

3/13/2014 9:03 am

Biennium: 2010-12

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.

Base				
Service Area Total	\$753,801	\$367,000	\$753,801	\$367,000
Base Budget	\$773,907	\$367,000	\$773,907	\$367,000
Change To Base	-\$20,106	\$0	-\$20,106	\$0
Service Area Total	\$753,801	\$367,000	\$753,801	\$367,000
Base Budget	\$773,907	\$367,000	\$773,907	\$367,000
Change To Base	-\$20,106	\$0	-\$20,106	\$0
Service Area Total	\$753,801	\$367,000	\$753,801	\$367,000
Base Budget	\$773,907	\$367,000	\$773,907	\$367,000
Change To Base	-\$20,106	\$0	-\$20,106	\$0
Service Area Total	\$753,801	\$367,000	\$753,801	\$367,000
Base Budget	\$773,907	\$367,000	\$773,907	\$367,000
Change To Base	-\$20,106	\$0	-\$20,106	\$0
Service Area Total	\$753,801	\$367,000	\$753,801	\$367,000
Base Budget	\$773,907	\$367,000	\$773,907	\$367,000
Change To Base	-\$20,106	\$0	-\$20,106	\$0
Service Area Total	\$753,801	\$367,000	\$753,801	\$367,000
Base Budget	\$773,907	\$367,000	\$773,907	\$367,000
Change To Base	-\$20,106	\$0	-\$20,106	\$0

Human Resources

- *Human Resources Overview*

The Division of Geology and Mineral Resources, which is responsible for this service area, relies predominantly on salaried workers to deliver its products and services. The average age of the work force is 47.5 years and the average years of service is 14.2. The staff was reduced significantly in response to budget cuts in 2009. Given the high salaries being paid to geoscientists in the energy, minerals and environmental industries, DMME will face challenges in recruiting, training, and retaining workers with the necessary skill sets.

- *Human Resource Levels*

Effective Date	9/1/2009
Total Authorized Position level	7
Vacant Positions	0
Current Employment Level	7.0
Non-Classified (Filled)	0
Full-Time Classified (Filled)	7
Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	1
Contract Employees	0

breakout of Current Employment Level

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

- **Factors Impacting HR**
DMME faces challenges in recruiting, training and retaining qualified geoscientists. High salaries are being paid to geoscientists in industry and the federal government, creating additional challenges at a time when funding is declining.
- **Anticipated HR Changes**
The work force in this service area was significantly reduced in response to budget cuts in 2009. As additional funding becomes available from outside sources, staff will be added.

Service Area Objectives

- To enhance awareness of geologic hazards in order to improve public and worker safety and to mitigate environmental problems.

Objective Description

This objective ensures that we focus on worker and public safety and environmental problems 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 Geology and Mineral Resources will address unsafe conditions within the mineral and fossil fuel extraction industries through: • Locating and characterizing hazards around active and abandoned resource extraction sites; • Participating as requested, with other DMME divisions in mine and well site reviews to identify safety risks, environmental problems and needed improvements; • Participating, as requested, with other DMME divisions in accident investigations; • Supporting the development of a comprehensive automated mapping program.
- The DMME Division of Geology and Mineral Resources will provide, through geologic investigations and reports, information on geologic hazards that may pose safety or environmental problems.
- The DMME Division of Geology and Mineral Resources will develop a targeted survey of key customer groups and the general public to assess the awareness of geologic hazards and the impacts of our services in improving public safety and mitigating environmental problems

Link to State Strategy

- nothing linked

Objective Measures

- Results of customer awareness survey

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

Data Source and Calculation: This is a new measure. The survey is being developed and baseline data will be collected during the biennium.

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

Objective Description

This objective assures that we focus on economic development when carrying out geologic studies. Geologic and mineral resource information must be available to the public and business community to help them wisely develop available resources.

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 Geology and 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.
- The DMME Division of Geology and 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, such as Federal economic stimulus and AML funds.
- The DMME Division of Geology and Mineral Resources will scan and distribute on-line all publications

- The DMME Division of Geology and Mineral Resources will provide maps, publications, and other geologic information through the Web Store, website, and presentations at professional meetings, and will take steps to improve the delivery of customer service.
- The DMME Division of Geology and Mineral Resources will reconsider the process by which our impact on customer capabilities is measured.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of localities' comprehensive plans that incorporate best available mineral resources and geology information

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

Data Source and Calculation: This is a new measure. Baseline data will be collected during the biennium.

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

Service Area Strategic Plan

Department of Mines, Minerals & Energy (409)

3/13/2014 9:03 am

Biennium: 2010-12

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 citizens 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. Supporting the mineral mining industry with compliance assistance, technical assistance, and worker safety training ensures that the industry operates safely, protects workers, the public, and the environment, and contributes to economic development.
- *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. DMME's Division of Mineral Mining is authorized to issue exploration-only permits for uranium.

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Affiliated mineral extraction business interests	Affiliated mineral extraction business interests	1,250	2,550
Mineral extraction operators	Mineral extraction operators	442	442
Mineral extraction workers	Mineral extraction workers	3,849	3,849
Other governmental agencies	Other governmental agencies	13	150
Public affected by mineral extraction operations	Public affected by mineral extraction operations	25,000	25,000

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 425 to 500 mines from approximately 280 companies.

• Recently, the aggregate industry has contracted based on slowdowns in residential, commercial, and institutional construction. In 2008, 73.4 million tons of non-fuel minerals were produced from 442 mines and quarries. DMME expects that there will be a similar number of permitted mineral mines and a fairly level amount of mineral production until Virginia's economy begins to recover from the recession. As the economy begins to recover, demand for minerals and construction aggregate will grow. 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 potential 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 3,849 production workers in 2008. This compares to 4,816 mineral miners working in 1989; 4,104 mineral

miners working in 1994; 4,258 mineral miners in 1999; 3,603 mineral miners in 2004; and 3,788 production workers in 2006. 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 through normal turnover 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, then declined to 19,069 tons per year in 2008.

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. 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. Only Fairfax and Henrico counties exercise this authority.

Partners

Partner	Description
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[None entered]

Products and Services

Base Budget	\$1,526,442	\$1,170,000	\$1,526,442	\$1,170,000
Change To Base	-\$39,659	\$0	-\$39,659	\$0

Service Area Total	\$1,486,783	\$1,170,000	\$1,486,783	\$1,170,000
Base Budget	\$1,526,442	\$1,170,000	\$1,526,442	\$1,170,000
Change To Base	-\$39,659	\$0	-\$39,659	\$0

Service Area Total	\$1,486,783	\$1,170,000	\$1,486,783	\$1,170,000
Base Budget	\$1,526,442	\$1,170,000	\$1,526,442	\$1,170,000
Change To Base	-\$39,659	\$0	-\$39,659	\$0

Service Area Total	\$1,486,783	\$1,170,000	\$1,486,783	\$1,170,000
Base Budget	\$1,526,442	\$1,170,000	\$1,526,442	\$1,170,000
Change To Base	-\$39,659	\$0	-\$39,659	\$0

Service Area Total	\$1,486,783	\$1,170,000	\$1,486,783	\$1,170,000
Base Budget	\$1,526,442	\$1,170,000	\$1,526,442	\$1,170,000
Change To Base	-\$39,659	\$0	-\$39,659	\$0

Service Area Total	\$1,486,783	\$1,170,000	\$1,486,783	\$1,170,000
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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 49.5, with their average years of service at 12.7. 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	9/1/2009	
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)	0	
Faculty (Filled)	0	
Wage	0	
Contract Employees	0	
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: 0.15 (avg. CY 2004 - CY 2008)

Measure Target Value: Date:

Measure Target Description: <0.15 (avg. CY 2008 - CY 2012)

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: 96.3% (avg. FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: >=95% (FY 2010 - FY 2012)

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 resulting from 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 improve customer knowledge of reclamation by:
 - Evaluation and revising existing reclamation training.
 - Seeking customer input for reclamation training needs.
- The DMME Division of Mineral Mining will continue to evaluate complaint risk at mineral mines 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 continue the process of revising the reclamation regulations. Consideration will be given to:
 - Natural resource sustainability (carbon footprint, nutrient management, etc.).
 - Riparian buffers.
 - Alternate post mining land uses.

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: 98.9% (avg. FY 2004 - FY 2009)

Measure Target Value: Date:

Measure Target Description: >=98% (avg. FY 2010 - FY 2012)

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: 91.4% (avg. FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: >= 90% (FY 2010 - FY 2012)

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.
- The DMME Division of Mineral Mining will administer the nonpoint source (NPS) pollution control program for orphaned mineral mines and apply for funding to continue the NPS coordinator position.
- The DMME Division of Mineral Mining will increase the watershed inventory of orphaned mineral mines.
- The DMME Division of Mineral Mining will evaluate orphaned mineral mines and forfeited sites for potential land uses such as wetlands, carbon capture and storage, economic development, and alternative energy.

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: 79.4% (FY 2009)

Measure Target Value: Date:

Measure Target Description: >79.4% (FY 2010 - FY 2012; 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: 3.3% (FY 2009)

Measure Target Value: Date:

Measure Target Description: >3.3% (FY 2010 - FY 2012; 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 assistance to customers through site visits, referrals, training, and consultative services.
- 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 • Training • Technical assistance

Link to State Strategy

- nothing linked

Objective Measures

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

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

Measure Baseline Value: 99.0 Date: 6/30/2009

Measure Baseline Description: 99.0% (avg. FY 2005 - FY 2009)

Measure Target Value: 99.0 Date: 6/30/2012

Measure Target Description: >=99.0% (avg. FY 2010 - FY - 2012)

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

Measure Baseline Value: 24.0 Date: 6/30/2009

Measure Baseline Description: 24.0% (avg. FY 2004 - FY 2009)

Measure Target Value: 75 Date: 6/30/2012

Measure Target Description: 75% (FY 2012)

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 resources, 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 and distribute new informational products. • Informing local officials and stakeholders of DMME services. • Collaborating with DMME Division of Geology and Mineral Resources to assist customers in the development of new markets. • Participating in the Public Information and Education Work Group. • Collaborating with the Division of Energy to promote energy conservation for our customers.
- 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: • Continue to work with customer and stakeholder groups to address current issues. • Continue to coordinate with other governmental entities.

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: 84.6% (avg. FY 2005 - 2009)

Measure Target Value: Date:

Measure Target Description: >=90% (FY 2010 - FY 2012)

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 9:03 am

Biennium: 2010-12

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
[None entered]	

Products and Services

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

Virginia's natural gas industry has grown steadily for nearly 20 years. DMME will be challenged to find the resources to maintain current levels of service.

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

As long as energy prices remain high and Virginia's regulatory environment encourages the development of existing resources, the level of activity in this industry is anticipated to remain at current levels or to grow.

- *Listing of Products and/or Services*

- Customer assistance • Training, technical assistance, education, hazard identification, and cooperative projects – in such areas as worker safety, environmental protection and land reclamation during gas and oil operations. This helps customers maintain safe and environmentally protective extraction sites in compliance with regulatory requirements. • Information about production and revenue to persons owning gas and oil resources, or those whom claim ownership of contested coalbed methane proceeds held in escrow. • Information on the natural gas and oil resources and related geology in Virginia to companies wishing to develop the state's gas and oil resources.
- Inspection and enforcement • Thorough and consistent inspection and enforcement of laws and regulations addressing operational and reclamation environmental controls and worker safety on gas and oil sites. Assessing company and individual responsibility and liability as appropriate. Investigate accidents and complaints. Note that DMME is not the primary agency with worker safety jurisdiction on gas and oil sites. DMME may shut down equipment or operations if it finds an imminent danger to persons, but works with the Virginia Department of Labor and Industry (the agency with primary jurisdiction) on other worker safety issues. Appeals to DMME enforcement actions are taken to the Virginia Gas and Oil Board. • Inspection and enforcement services assist customers to maintain safe and environmentally protective mineral extraction sites in compliance with regulatory requirements.
- Permitting • Permit and plan review and approval, financial bonding, coordination with other agencies' regulatory requirements. • Permitting and plan review services ensure gas and oil operations can be conducted safely and protective of the environment (operations, well plugging, land reclamation) and be in compliance with governing laws and regulations.
- Regulatory development • Establishing minimum operational and reclamation requirements consistent with governing laws for gas and oil operations. DMME is the regulatory authority for environmental controls on gas and oil operations. The Virginia Gas and Oil Board promulgates regulations governing protection of gas or oil owners' correlative rights (rights related to ownership interest in gas or oil around a well location). • Regulatory services

Base Budget	\$798,182	\$418,000	\$798,182	\$418,000
Change To Base	-\$20,739	\$0	-\$20,739	\$0

Service Area Total	\$777,443	\$418,000	\$777,443	\$418,000
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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 55.0 years with 18.7 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	12	
Vacant Positions	1	
Current Employment Level	11.0	
Non-Classified (Filled)	0	
Full-Time Classified (Filled)	11	<i>breakout of Current Employment Level</i>
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	0	
Contract Employees	0	
Total Human Resource Level	11.0	<i>= Current Employment Level + Wage and Contract Employees</i>

• *Factors Impacting HR*

The Division faces challenges in recruiting and retaining employees as energy prices drive up salaries for skilled 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 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 create a prioritized list of orphaned and forfeited well sites in the Commonwealth.
- 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.

- o DGO will evaluate permit applications and sites for Red Zones and take appropriate action.
- o The DMME Division of Gas and Oil will conduct a customer service and divisional needs assessment to recommend structure, staffing, compensation and funding needs to the Strategic Team in order to obtain and retain qualified personnel and manage workload.

Link to State Strategy

- o nothing linked

Objective Measures

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

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

Measure Baseline Value: 99.9 Date: 6/30/2009

Measure Baseline Description: 99.9% (avg. FY 2005 - FY 2009)

Measure Target Value: 99 Date: 6/30/2012

Measure Target Description: >=99% (avg. FY 2008 - FY 2012)

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.

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

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

Measure Baseline Value: 73.9 Date: 6/30/2009

Measure Baseline Description: 73.9% (avg. FY 2005 - FY 2009)

Measure Target Value: 75 Date: 6/30/2012

Measure Target Description: >=75% (avg. FY 2008 - FY 2012)

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 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

- o 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

- o 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.
- o 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.
- o 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.
- o DMME Division of Gas and Oil (DGO) will collaborate and communicate on safety issues involving mining and gas well activities by:
 - Maintaining comprehensive automated mapping of DGO gas well data.
 - Contacting regulated industry representatives via a letter requesting georeferenced electronic data on access road, pipeline, and associated facility locations by August 1, 2009.
 - Communicating with the Divisions of Mined Land Reclamation and Mines 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.
 - Sharing inspection and other information on mine/site conditions.

Link to State Strategy

- nothing linked

Objective Measures

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

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

Measure Baseline Value: Date:

Measure Baseline Description: 1.7% (average FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: <= 2% (FY 2010 - FY 2012)

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 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 continue to 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 timely decisions on new permit applications.

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

Measure Baseline Value: Date:

Measure Baseline Description: 97.1% (avg. FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: >=98% (avg. FY 2008 - FY 2012)

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. Customers will be encouraged to check the website as a first source for information.
- The DMME Division of Gas and Oil (DGO) will participate, as requested, with the Public Information and Educational Work Group to implement specific task activities. • DGO website enhancements will be discussed at monthly meetings. .
- The DMME Division of Gas and Oil will continue to communicate with Division of Mined Land Reclamation in the transfer of permitting obligations.
- The DMME Division of Gas and Oil will collaborate with other Divisions and stakeholders to advance opportunities associated with: • Carbon capture.
- The DMME Division of Gas and Oil, in collaboration with the Automated Mapping Group of the Division of Mined Land Reclamation, will continue to develop gathering pipeline data for use with DMME's mapping systems and coordination with the State Corporation Commission's pipeline safety program.
- The DMME Division of Gas and Oil will provide assistance to the DMME Division of Energy as requested.

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: 99.3% (avg. FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: 100% (FY 2010 - FY 2012)

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

- o 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 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: 100% (FY 2010 - FY 2012)

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.

Service Area Strategic Plan

Department of Mines, Minerals & Energy (409)

3/13/2014 9:03 am

Biennium: 2010-12

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
The Nature Conservancy	Provides funding for priority reclamation projects
U.S. Army Corps of Engineers	Provides 50/50 match funding for reclamation projects and studies
U.S. Fish and Wildlife Service	Provides funding for priority reclamation projects
U.S. Office of Surface Mining, Reclamation and Enforcement (OSM)	Provides large-scale funding for Virginia's coal mine reclamation administration and enforcement program
Virginia Department of Conservation and Recreation	Provides funding for priority reclamation projects

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*

Total				
Base Budget	\$2,128,071	\$15,741,389	\$2,128,071	\$15,741,389
Change To Base	-\$55,290	\$0	-\$55,290	\$0
Service Area Total	\$2,072,781	\$15,741,389	\$2,072,781	\$15,741,389

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 50.3, with an average of 22.0 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	90	
Vacant Positions	5	
Current Employment Level	85.0	
Non-Classified (Filled)	0	<i>breakout of Current Employment Level</i>
Full-Time Classified (Filled)	85	
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	1	
Contract Employees	0	
Total Human Resource Level	86.0	<i>= Current Employment Level + Wage and Contract Employees</i>

● *Factors Impacting HR*

Increasing salaries in the coal industry have posed challenges in maintaining a sufficient workforce. High energy prices have slowed 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, regulations and permit conditions to include determining company and individual responsibility for violations of laws and regulations and taking appropriate statutory or regulatory action to prevent future violations.
- 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 coordination 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's implementation of Total Maximum Daily Loads (TMDL). • Utilizing regulatory work group and the Administrative Process Act to address needed regulatory changes.

- 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 including: • Developing review procedures for applications within TMDL watersheds. • Developing guidelines for offsets and best management practices. • Continuing to work with the Office of Management Information Services and Mapping Group in the development of software tools to perform TMDL reviews. • Determining Total Dissolved Solids load in the affected watersheds.
- The DMME Division of Mined Land Reclamation will join to collaborate on safety issues involving mining and gas and oil activities, including: • Implement procedures with the DMME Division of Mines, Division of Mineral Mining, and Division of Gas and Oil on the coordination of DMME inspection activities by December 31, 2009. • Development of a comprehensive automated mapping of all mines, gas wells, and geological data.
- The DMME Division of Mined Land Reclamation will promote reforestation/carbon capture and storage post mining land uses implementing the forestry reclamation approach by coordinating: • Activities regarding reforestation. • With the U. S. Office of Surface Mining on the Appalachian Regional Reforestation Initiative. • Coordinate with the U. S. Office of Surface Mining, other state agencies and sportsmen groups to promote wildlife habitat on land affected by resource extraction.
- 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 provide and partner with other providers of training programs and services and will participate with other entities in activities, such as: • Assisting the DMME Division of Mines in surface mine foreman training. • Public outreach (brochures, schools, etc.). • Appalachian Regional Technology Transfer Team training events. • Workshops. • Guidance Memorandums
- 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 and Division of Gas and Oil (as needed) in implementing coal mine emergency response plans for all underground mines and Ground Control Plans.
- The DMME Division of Mined Land Reclamation will develop and implement guidelines for reviewing and permitting underground slurry injection operations.

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: 96.1% (avg. FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: >=95% (avg. FY 2008 - FY 2012)

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: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 84.8% (avg. FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: >= 85% (FY 2010 - FY 2012)

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 address abandoned mine land sites including: • Emergencies. • Public water supply systems. • High priority and post-act sites. • Bond forfeitures.
- The DMME Division of Mined Land Reclamation will investigate and take appropriate action on complaints and issues related to abandoned mine land and bond forfeiture sites.
- The DMME Division of Mined Land Reclamation (DMLR) will maintain and update an inventory of abandoned mine land features including acid mine drainage sites and sites where reclamation will enhance Total Maximum Daily Loads implementation plans or carbon capture and storage by: • Continuing on-the-ground mapping of features by field staff. • Using multi-spectral orthoimagery classification techniques and GIS analysis by the Mapping Group. • Consolidating digital and legacy data. • Continuing development of GIS-enabled AML inventory management system by the Mapping Group. • Implementing findings of pilot inventory study. • Outreach to corporate land/mineral owners and industry. • Continuing prioritization efforts with The Nature Conservancy in high priority Clinch-Powell watersheds.
- The DMME Division of Mined Land Reclamation will target additional funding sources and opportunities through expanded contacts with state and federal agencies and customers to facilitate reclamation.

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: 675400 Date: 6/30/2009

Measure Baseline Description: \$675,400 (avg. FY 2005 - FY 2009)

Measure Target Value: 500000 Date: 6/30/2010

Measure Target Description: >= \$500,000 (FY 2010 - FY 2012)

Data Source and Calculation: The amount of non-AML program funds included in partnership and leveraging agreements is totaled for each year. Number fluctuates greatly 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 expand coordination activities with appropriate state and federal agencies through methods such as: • Conduct interagency workshops. • Seek Memorandums of Understanding with other agencies. • Participate in regular meetings with state and federal agencies. • Drafting species-specific protective measures guidelines as required by 1996 Biological Opinion on Surface Mining Control and Reclamation Act and Endangered Species Act.
- The DMME Division of Mined Land Reclamation will provide effective, timely, and useful assistance to its customers through site visits, referrals, training, consultative services, technology transfer, partnerships, or leveraging other resources.
- The DMME Division of Mined Land Reclamation's (DMLR) Technical Services Section will participate in meetings with customer groups (the Virginia Mining Association, the Coal Issues Group, etc.) to provide customers an opportunity to assist DMLR in identifying areas in permitting and other DMLR service areas for improvements.

- 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 DMME's web pages, e-mails, and personal contacts.
- 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 reclamation.

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: 84.5% (avg. FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: >= 90% (avg. FY 2010 - FY 2012)

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.

- 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: • Alternative energy sources including solar, wind, geothermal, and biofuels. • Carbon capture and storage. • Industrial parks. • Placement of coal combustion by-products. • Coalfield Expressway (CFX) and other highway construction. • Issues with joint coal and gas resources development. • VA Hybrid Energy Center and other utility construction. • Coal to liquid. • Coal waste-to-energy. .
- The DMME Division of Mined Land Reclamation (DMLR) will identify emerging issues, such as the Clinch/Powell Memorandum of Understanding, mining-related litigation, logging, and gas wells/lines. The DMLR will work with its customers to address potential impacts from these issues.
- 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 capture and storage. • Recreational, commercial, industrial, residential development. • Government financed projects. • Transportation infrastructure projects. • Tourism. • No cost agreements. • Land donations/conservation easements.
- 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 (DMLR) representative will participate on the Public Information and Education Work Group per SOP 2.02.04 and work to implement outreach initiatives to address increasing public interest and environmental concerns.

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: 123 (avg. FY 2005 - FY 2009)

Measure Target Value: 100 Date: 6/30/2012

Measure Target Description: >=100 (FY 2010 - FY 2012)

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

Service Area Strategic Plan

Department of Mines, Minerals & Energy (409)

3/13/2014 9:03 am

Biennium: 2010-12

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	4,394	4,394
General public and businesses	General public	1,340	1,340
Other governmental agencies	Other governmental agencies	30	30
Mineral extraction operators	Producing coal mines	261	261
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. However, the economic downturn of 2008 - 2009 has affected even coal production, with Virginia's total produced tonnage decreasing from 30 million tons in 2004 to 24 million tons in 2008. DMME expects the number of coal mines and tonnage produced to be stable or slightly increase as the economic recovery progresses. 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 5492 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
U.S. Mine Safety and Health Administration (MSHA)	DMME coordinates mine inspections with federal counterparts in MSHA, and MSHA funds part of DMME's miner safety training program.

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*
 - 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 (89%), federal funds (6%), license and certification fees (2%), and mine rescue fees (3%).
- *Financial Breakdown*

	FY 2011		FY 2012		FY 2011	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund						
Base Budget	\$4,087,455	\$516,575	\$4,087,455	\$516,575						
Change To Base	-\$107,600	\$35,000	-\$107,600	\$35,000						
Service Area Total	\$3,979,855	\$551,575	\$3,979,855	\$551,575						
Base Budget	\$4,087,455	\$516,575	\$4,087,455	\$516,575						
Change	-\$107,600	\$35,000	-\$107,600	\$35,000						

To Base				
Service Area Total	\$3,979,855	\$551,575	\$3,979,855	\$551,575
Base Budget	\$4,087,455	\$516,575	\$4,087,455	\$516,575
Change To Base	-\$107,600	\$35,000	-\$107,600	\$35,000
Service Area Total	\$3,979,855	\$551,575	\$3,979,855	\$551,575
Base Budget	\$4,087,455	\$516,575	\$4,087,455	\$516,575
Change To Base	-\$107,600	\$35,000	-\$107,600	\$35,000
Service Area Total	\$3,979,855	\$551,575	\$3,979,855	\$551,575

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 52.7, with an average of 15 years of service. Rising energy prices are driving up salaries in the coal mining industry, making it more difficult for DMME to find and retain qualified employees.

• *Human Resource Levels*

Effective Date	9/1/2009
Total Authorized Position level	46
Vacant Positions	3
Current Employment Level	43.0
Non-Classified (Filled)	0
Full-Time Classified (Filled)	43
Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	0
Contract Employees	0
Total Human Resource Level	43.0

breakout of Current Employment Level

= 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 the Mine Safety Act.
 - Additional inspections will be assigned by Risk Assessment.
 - Follow-up spot inspections.
 - Quarterly active red zone inspections.
 - Quarterly evaluations of stability and work practices near highwalls at all active surface mines.
- The DMME Division of Mines will identify and eliminate unsafe conditions and practices through assistance by:
 - Technical support.
 - Mine visits.
 - Training.
 - Compliance with laws and regulations.
- 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 that include:
 - Individual violations.
 - On-site examinations of certified foremen.
 - Reviewing compliance performance with customers.
 - Technical Specialist visits.
 - Visits and communications by Supervisors.
 - Communications from the Chief.
 - Referrals to the Board of Coal Mining Examiners.
- 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.
- The DMME Division of Mines will join together with other divisions to better collaborate on safety issues involving mining and gas and oil activities, including:
 - Development of a comprehensive automated mapping program of all mines, gas wells, and geological data.
 - Communications on issues of mutual concern related to mining and gas well activities.
 - Increasing coordination of DMME's inspection activities.
 - Sharing inspection and other information on mine and/or site conditions.
 - DM will cooperate in the establishment of procedures for better collaboration with other divisions.
- 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 pursue the development of an automated electronic coordination system, developed by the Automated Mapping Group, to track and cross-reference permits, applications, licenses, and plans.
- The DMME Division of Mines will assist and collaborate with other DMME divisions and agencies in investigating mine personnel safety concerns, public health concerns, environmental issues, gas well issues, complaints, non-compliance with regulatory standards, and seek joint resolution of significant and emerging issues.

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: 0.39 (avg. CY 2004 - 2008) serious injuries and fatalities per 200,000 worker hours

Measure Target Value: Date:

Measure Target Description: <0.39 (avg. CY 2008 - CY 2012)

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. Worker hours are not available until April for the previous year, so numbers reported between January and April should be considered preliminary. 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: 999.3% (avg. FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: >=98% (FY 2010 - FY 2012)

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 health and safety 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 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 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 develop and provide educational services and training materials based upon trends to reduce accidents, injuries, health and safety, and environmental violations.
- The DMME Division of Mines will provide the Small Mine Safety Service to participating coal-mining operations.
- The DMME Division of Mines will provide the Accident Reduction Program according to industry needs and available resources

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of coal miners rating DMME coal mine safety training as outstanding.

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

Measure Baseline Value: 75.1 Date: 6/30/2009

Measure Baseline Description: 75.1% (avg. FY 2005 - FY 2009).

Measure Target Value: 75 Date: 6/30/2012

Measure Target Description: >=75% (FY 2010 - FY 2012).

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 responsiveness.

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, 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 assess the emergency preparedness of impoundment operators by: • Annual review of the Mine Emergency Warning and Evacuation Plans. • Providing assistance to enhance safe conditions and practices.
- 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, with assistance from other divisions, will provide coordinating services for small underground mining operations in meeting mine rescue requirements of Federal regulations.
- The DMME Division of Mines will assist coal mine operators in compliance with federal regulations and mine

safety laws pertaining to emergency preparedness and response.

- The DMME Division of Mines will actively pursue coordination and implementation of the National Incident Management System with the Federal Mine Safety and Health Administration.
- The DMME Division of Mines will coordinate and/or participate in the Virginia Mining Institute, Virginia Mining Association, and additional local mine rescue contests.
- The DMME Division of Mines will pursue development and implementation of joint Mine Emergency Response Plans with the Mine Safety and Health Administration for all underground operations.
- 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: 1.79 (avg. FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: <= 1.5 (avg. FY 2008 - FY 2012)

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, referrals, five-day contacts for new mine operations, reopening inspections, and customer requests. Assistance will focus on preparing and equipping customers to achieve proactive process development and control.
- The DMME Division of Mines will involve its customers and stake holders in continually identifying, developing and implementing agency process improvements to include e-government, guidance, electronic information and data distribution, coal bed mapping and technical assistance.
- The DMME Division of Mines will conduct meetings with the Mine Safety and Health Administration, other state agencies, and industry groups in regards to inspection and technical assistance effectiveness, consistency, problem solving, communications, relations, and emerging issues. Key results will be communicated to staff and other interested parties.
- 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: 97.0% (avg. FY 2005 - FY 2009).

Measure Target Value: Date:

Measure Target Description: >= 95% (FY 2010 - FY 2012).

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.

- 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' Miner Training and Skills Development Team will recommend to the Chief by September 30, 2009, changes for improvements in delivery of miner training services which focus on achieving: • Effective allocation of DMME training resources. • Coordination of joint opportunities for training services delivery with other providers. • Improved New Miner training and retraining program services. • Opportunities to expand innovative technologies for training methods such as equipment simulators, visual and practical applications.
- The DMME Division of Mines' Miner Training and Skills Development Team will recommend to the Chief by September 30, 2009, changes for improvements in delivery of miner training services which focus on achieving: • Effective allocation of DMME training resources. • Coordination of joint opportunities for training services delivery with other providers. • Improved New Miner training and retraining program services. • Opportunities to expand innovative technologies for training methods such as equipment simulators, visual and practical applications.
- The DMME Division of Mines' Education Work Group representative, with input from DM staff, will implement initiatives to address increasing public interest in mine accidents, environmental concerns, and critical issues.
- The DMME Division of Mines, with assistance from the Office of Management Information Systems, will expand the number of products that are electronically available.
- 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.
- The DMME Division of Mines will collaborate with economic development organizations and other stakeholders to advance opportunities associated with miner resources, infrastructure, and energy technologies such as: • Alternative energy sources including solar, wind, geothermal, and biofuels. • Carbon capture and storage. • Highwall construction. • Issues with joint coal and gas resources development. • Coal-fired power plants.

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: 98.2% (avg. FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: >=95% (FY 2010 - FY 2012)

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 9:03 am

Biennium: 2010-12

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.

This service area also serves as the conduit for delivery of American Reinvestment and Recovery Act funds for citizens, businesses, and local governments to invest in energy-saving activities.

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
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[None entered]

Products and Services

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

The American Recovery and Reinvestment Act (ARRA) is enabling DMME to offer substantial grant programs for Virginia's citizens, businesses, and local governments to invest in energy-saving activities. DMME has applied for \$16.1 million under the Energy Efficiency and Conservation Block Grant (EECBG) Program. These funds will be divided among three program areas, as follows:

- \$9.7 million in sub-grants to nearly 300 eligible local governments for community energy planning, energy efficiency and conservation projects and other qualifying activities.
- \$5.3 million in grants for renewable energy systems for local government and public school facilities. (This will be supplemented with \$4.1 million in State Energy Program Recovery Act funds.)
- \$0.7 million to provide technical assistance to local governments to use energy saving performance contracting to improve energy efficiency and reduce utility costs.
- \$0.47 million in administration costs

Under ARRA, DMME has applied for an additional \$70 million for its State Energy Program (SEP). These funds will be directed at three program areas:

- \$32.14 million in grants or rebate incentives to stimulate purchases of renewable energy systems for residences, businesses and government facilities. \$15 million will be made available to households and businesses to support installation of solar and small wind power systems. Payments will be based on the size of the system installed as follows: \$2,000 per kilowatt capacity of solar photovoltaic (electric) systems; \$1,500 per kilowatt capacity of wind systems; \$1,000 per kilowatt capacity equivalent for solar thermal (hot water and steam) systems. \$4.14 million will be made available for installations on local government and public school facilities. (This will be supplemented with \$5.86 million funds from the Energy Efficiency and Conservation Block Grant to total to \$10 million.) \$13 million will be made available for installations on state government facilities.
- \$20 million in three economic development incentives to support biomass, waste-to-energy, renewable energy and energy efficiency products, services and projects. \$10 million will be made available to support biomass and waste to energy projects in Virginia. \$5 million will be made available to support new clean energy business development in Virginia. \$5 million will be made available to support commercialization of new energy technologies in Virginia.
- \$15 million in grants or rebate incentives to stimulate implementation of energy efficiency improvements in homes and commercial properties. Residential consumers will be eligible for a rebate for 20 percent of the cost of eligible energy efficiency improvements, up to \$2,000 per consumer. Commercial consumers will be eligible for a rebate for 20 percent of the cost of eligible energy efficiency improvements, up to \$4,000 per consumer.
- \$2.86 million will be used to administer the grants.

• In 2007, DMME implemented the Virginia Energy Management Program (VEMP) to help agencies comply with Executive Order 48. E.O. 48 directed state agencies to reduce their annual costs of non-renewable energy purchases by at least 20 percent, compared to fiscal year 2006, by fiscal year 2010. Agencies were directed to aggressively pursue: energy-saving activities whose costs could be recovered in one year, such as switching to compact fluorescent bulbs from less efficient incandescent bulbs; using energy savings performance contracting; renovation of existing buildings; alternative procurement techniques for energy; and procurement of renewable energy. In response, DMME's VEMP is assisting agencies in implementing energy savings performance contracts, demand response programs, and consolidated energy procurement and billing.

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

Federal requirements dictate that ARRA funding for energy grant programs be completely disbursed by the spring of 2012. Therefore, ARRA-related activities within DMME are likely to cease toward the end of the 2010-2012 biennium.

• *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 (67%) and general funds designated for the State Energy Program and the Southern States Energy Board dues (33%).

• *Financial Breakdown*

	FY 2011		FY 2012		FY 2011	FY 2012	FY 2011	FY 2012
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund				
Base Budget	\$864,794	\$1,777,046	\$864,794	\$1,777,046				
Change To Base	-\$22,468	\$0	-\$22,468	\$0				

Service Area Total	\$842,326	\$1,777,046	\$842,326	\$1,777,046
Base Budget	\$864,794	\$1,777,046	\$864,794	\$1,777,046
Change To Base	-\$22,468	\$0	-\$22,468	\$0
Service Area Total	\$842,326	\$1,777,046	\$842,326	\$1,777,046
Base Budget	\$864,794	\$1,777,046	\$864,794	\$1,777,046
Change To Base	-\$22,468	\$0	-\$22,468	\$0
Service Area Total	\$842,326	\$1,777,046	\$842,326	\$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 55.7 and their average service is 15.6 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	12
Vacant Positions	3
Current Employment Level	9.0
Non-Classified (Filled)	0
Full-Time Classified (Filled)	9
Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	0
Contract Employees	0
Total Human Resource Level	9.0

breakout of Current Employment Level

= 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 implement the energy efficiency and renewable energy objectives of the American Recovery and Reinvestment Act of 2009 (ARRA) and the Energy Efficiency and Conservation Block Grant Program (EECBG).

Objective Description

The American Recovery and Reinvestment Act (ARRA) is enabling DMME to offer substantial grant programs for Virginia's citizens, businesses, and local governments to invest in energy-saving activities.

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 directly contributes to this goal by providing funding for energy-saving investments.

Objective Strategies

- The DMME Division of Energy staff will design and develop an administrative plan to manage ARRA and State Energy Programs
- The DMME Division of Energy staff will design and develop a process to award and complete one round of project funding
- The DMME Division of Energy staff will secure the necessary support personnel to implement the U.S. Department of Energy-approved administrative plan
- The DMME Division of Energy staff will use an advisory group, staff, and customer input to review and refine programs and develop a performance matrix for funding rounds 2 and 3
- The DMME Division of Energy staff will use an advisory group, staff, and customer input to synchronize the

Virginia Energy Plan (VEP) update with American Recovery and Reinvestment Act of 2009 (ARRA) programs to ensure consistency of planning

- The DMME Division of Energy staff will re-evaluate administrative plans and awards programs to make mid-stream corrections and revisions

Link to State Strategy

- nothing linked

Objective Measures

- Amount of American Recovery and Reinvestment Act grant funds obligated.

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

Measure Baseline Value: Date:

Measure Baseline Description: No funds have been obligated as of this date.

Measure Target Value: Date:

Measure Target Description: \$86 million obligated by October 1, 2010.

Data Source and Calculation: DMME will track the amount of grant funding it has obligated under its State Energy Program and Energy Efficiency and Conservation Block Grant Program, in millions of dollars.

- Amount of ARRA grant funds disbursed.

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

Measure Baseline Value: Date:

Measure Baseline Description: No funds have been disbursed as of this date.

Measure Target Value: Date:

Measure Target Description: \$86 million disbursed by April 30, 2012.

Data Source and Calculation: DMME will track the amount of grant funding it has disbursed under its State Energy Program and Energy Efficiency and Conservation Block Grant Program, in millions of dollars.

- To improve our customers' ability to make informed energy choices.

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 DMME Division of Energy staff will collaborate with other DMME divisions, state agencies, localities, and other stakeholders to advance opportunities associated with energy conservation and renewable energy projects, such as:
 - State Corporation Commission (SCC) Virginia Energy Sense consumer education campaign;
 - Utility energy efficiency programs;
 - VA Department of General Services (DGS) programs related to state facilities;
 - Governor's Workforce Group on Green Jobs; and
 - State and local economic development organizations.
- The DMME Division of Energy (DE) staff will oversee the enhancement of DE's website to incorporate the latest tools and technologies to ensure information accuracy, relevance, and usability by customers.
- The DMME Division of Energy staff will streamline the process used to respond to customer inquiries to improve the efficiency of customer service.
- The DMME Division of Energy staff will provide emergency response support to petroleum supply constraints in Virginia.
- The DMME Division of Energy staff will administer the Virginia Biofuels Production Incentive Grant and Biofuels Tax Credit Programs and the Solar Photovoltaic Manufacturing Incentive Grant Program.
- The DMME Division of Energy staff will work with the Virginia Wind Energy Collaborative to enable wind power development in Virginia through activities such as the State-Based Anemometer Loan Program, the Virginia Renewables Siting Scoring System, public outreach and education, technical support, etc.

Link to State Strategy

- nothing linked

Objective Measures

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

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

Measure Baseline Value: Date:

Measure Baseline Description: 18.9% (average FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: Increase to 25% (FY 2012)

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.

- To implement a multi-year, multi-fuel energy procurement plan, incorporating renewables.

Objective Description

One of the objectives of the Virginia Energy Management Program is to reduce fuel costs through risk management 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 contributes directly to state agencies' wise use of their financial and energy resources.

Objective Strategies

- The DMME DE Virginia Energy Program staff will develop by January 1, 2010, a risk management plan for energy procurement to include: • Natural Gas • Electricity (conventional and renewable) • Non-Transportation Petroleum • Propane • Coal • Biomass
- The DMME DE Virginia Energy Management Program staff will encourage state/local government groups and other public bodies to participate in this program.
- The DMME DE Virginia Energy Management Program staff will monitor fuel use of state and participating local government agencies and other public bodies.
- The DMME DE Virginia Energy Management Program staff will communicate progress, challenges, and program changes to program participants through email newsletters and informational meetings.
- The DMME DE Virginia Energy Management Program staff will pursue methods for multi-year fuel purchases.

Link to State Strategy

- nothing linked

Objective Measures

- Amount of fuel costs avoided annually.

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

Data Source and Calculation: This is a new measure for the biennium. Baseline data will be collected and compiled during FY 2010.

- To reduce peak electrical demand by enrolling at least 50 public facilities in the Demand Response Program.

Objective Description

The Demand Response Program is a key element of the Virginia Energy Management Program within DMME's Division of Energy. It aims to take advantage of payments offered by electric utilities for facilities that reduce their load during periods of peak demand. VEMP staff work with state facilities to implement procedures, install equipment and enroll in demand response programs offered by utilities.

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 directly contributes to the wise use of energy resources.

Objective Strategies

- The DMME DE Virginia Energy Management Program staff will develop an electrical demand load reduction plan for participating bodies
- The DMME DE Virginia Energy Management Program staff will enlist participation by state/local government groups and other public bodies in the Demand Response Program.
- The DMME DE Virginia Energy Management Program staff will work with the Department of Environmental Quality to change the definition of "emergencies" for the use of backup generation to an event "called" by PJM or the electric utility.
- The DMME DE Virginia Energy Management Program staff will communicate progress, challenges, and program changes to program participants through email newsletters and informational meetings

Link to State Strategy

- nothing linked

Objective Measures

- Number of state government facilities enrolled in demand response programs.

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

Measure Baseline Value: Date:

Measure Baseline Description: 30 facilities enrolled as of 6/30/2009

Measure Target Value: Date:

Measure Target Description: 50 facilities enrolled by 6/30/2011

Data Source and Calculation: DMME tracks the number of facilities that have enrolled in demand response programs.

- To reduce the growth of non-renewable energy consumption by participating government entities.

Objective Description

DMME works state agencies to reduce their energy costs through conservation, energy efficiency, demand response, 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 DMME DE Virginia Energy Management Program staff will partner with government entities to provide customized services including: • Performance Contracting • Energy Savings Investment Program • Energy Procurement Assistance. • Use of renewable energy sources • Other technical and financial assistance • Demand Response. • Energy Conservation/Maintenance Education/Training
- The DMME DE Virginia Energy Management Program staff will investigate programs and services for government entities that will generate program revenue, such as fees for administration of procurement contracts, percentage of payments from the Demand Response Program and utility improvements.
- The DMME DE Virginia Energy Management Program staff will expand staff by hiring personnel with the necessary skill set, as funds become available.

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: \$14.5 million in saved costs (FY 2009)

Measure Target Value: Date:

Measure Target Description: To increase cost savings by 20% per year, to save \$25 million in FY 2012

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 9:03 am

Biennium: 2010-12

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 2011		FY 2012		FY 2011	FY 2012
	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)	
Full-Time Classified (Filled)	

breakout of Current Employment Level

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 9:03 am

Biennium: 2010-12

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
[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
 - 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 (60%), indirect cost recovery revenue (31%), and miscellaneous sources such as pool bond administration and civil penalty recreation fund (9%).

• *Financial Breakdown*

	FY 2011		FY 2012	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$1,969,590	\$1,330,398	\$1,969,590	\$1,330,398
Change To Base	-\$50,053	\$0	-\$50,053	\$0
Service Area Total	\$1,919,537	\$1,330,398	\$1,919,537	\$1,330,398

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 39. The average age of the workforce is 51.6, with average years of service at 19.9.

• *Human Resource Levels*

Effective Date	10/1/2007	
Total Authorized Position level	39	
Vacant Positions	2	
Current Employment Level	37.0	
Non-Classified (Filled)	0	breakout of Current Employment Level
Full-Time Classified (Filled)	37	
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	0	
Contract Employees	0	
Total Human Resource Level	37.0	= 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 ensure the Department of Mines, Minerals and Energy's compliance with applicable state and federal 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, contract administration, inventory, information technology services and computer security, document retention, media relations, public information, regulatory and legislative review and development, legal services, 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 will assist the Division of Energy in the implementation, monitoring, and reporting to comply with the requirements of the American Recovery and Reinvestment Act of 2009 (ARRA) and the Energy Efficiency and Conservation Block Grant Program (EECBG).
- The DMME Division of Administration (DA) will assist Divisions in evaluating financial needs, revenue projections, and taking necessary efforts to secure funding to continue program activities
- The General Services Manager will lead the DMME effort to provide retraining to managers and supervisors as required by the Workplace Violence Prevention Program.
- The Emergency Preparedness Team will ensure DMME's COOP/Emergency Response Plan is in compliance with the National Incident Management System (NIMS) and Executive Order 44 which includes annual review and updates.
- 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 Office of General Services, with support from all DMME divisions, will implement Executive Order 82 (2009) promoting continual improvement in the Commonwealth's sustainability practices.

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 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: 0 (FY 2010 - FY 2012)

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: 99.1% (average FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: >=99% (FY 2010 - FY 2012)

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, then averaged over the fiscal year.

- 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 approved by the Strategic Team that may include:
 - Laptop enforcement upgrade.
 - The Division of Energy's American Recovery and Reinvestment Act of 2009 (ARRA) and the Energy Efficiency and Conservation Block Grant Program (EECBG) system.
 - Google Earth Productivity Investment Fund grant.
 - The Telework CITRIX system upgrade.
 - DM e-gov systems.
 - DMME Division of Mined Land Reclamation total maximum daily load program.
 - DMME Division of Geology and Mineral Resources publications/web.
 - Streamlined performance measurement reporting system.
- The Office of Human Resources will assist each Division with updates to their Transition Plans to ensure the continuation of staff capabilities through vacancies, retirements, reductions, and other transitions.
- The Public Relations Manager will work with the Public Information and Education Work Group to implement outreach activities addressing increasing public interest in environmental concerns.
- 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 General Services, with assistance from the DMME Division of Energy, will continue to improve the Buchanan-Smith Building energy efficiency.

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: 76.8% (average FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: >= 75% (FY 2010 - FY 2012)

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: 98.2 (average FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: >=98% (FY 2010 - FY 2012)

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: 99.9% (average FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: >=99% (FY 2010 - FY 2012)

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: 2.9 (average FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: >=3.0 (FY 2010 - 20112)

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 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: his 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 provide services to Division of Administration customers by:
 - Communicating in accordance with our values.
 - 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.
- The Office of Financial Services will monitor the DMME Division of Administration's (DA) financial needs and projected revenues and communicate issues to DA managers.
- DMME Division of Administration will promote and encourage utilization of the DMME Employee Recognition Program (ERP) by:
 - The Office of Human Resources communicating details of the Employee Recognition Program to all employees.
 - Supervisors and employees recognizing each others accomplishments thru Employee Recognition Program nominations.
 - The Office of Human Resources publishing award recipient information with monthly personnel actions.
- The Office of Management Information Systems will continue to evaluate technology options to promote implementation of the Telework Policy.
- The DMME Division of Administration will 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

- Percentage of employees rating administrative services as meets or exceeds expectations.

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

Measure Baseline Value: Date:

Measure Baseline Description: 97.5% (average FY 2005 - FY 2009)

Measure Target Value: Date:

Measure Target Description: >=95% (FY 2010 - FY 2012)

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.