

# THE KENTUCKY RECLAMATION GUARANTY FUND

Danny Hall, Executive Director

30<sup>th</sup> Annual Kentucky Professional Engineers in Mining  
Seminar

September 15, 2017



# THE KENTUCKY RECLAMATION GUARANTY FUND

- March 22, 2013 KRS 350.500-521 went into law.
- The emergency provisions of the bill immediately established the Kentucky Reclamation Guaranty Fund (KRGF).
- KRGF is a reclamation account, requiring **mandatory** participation, designed to cover the excess costs of reclamation for coal mining sites when the permit specific bond is inadequate.
- The previous **voluntary** Bond Pool and Bond Pool Commission were abolished by the legislation.
- The fund cannot be used for the long term treatment of substandard water discharges or to repair subsidence damage.

# KRGF COMMISSIONERS

- Secretary Charles Snavely- Chairman
- Kenneth Allen – First United Bank of Madisonville
- Paul Horn – Czar Coal Company
- Michael Ivey – Locust Grove, Inc.
- Bill Adams – Cumberland Surety Inc.
- Bill Kohm – Dean, Dorton, Allen, Ford, PLLC
- Vacant Position – Coal Mining Company Representative (>5,000,000 tons)

# KRGF STATISTICS

## Fund Balance:

KRGF Beginning Balance	\$23,564,251.92
KRGF Current Balance	\$43,974,571.75

## KRGF Bond (Old KY Bond Pool):

Companies	23
Permits	140
Current Bond Amount	\$69,484,572

## All KRGF Member Bonds:

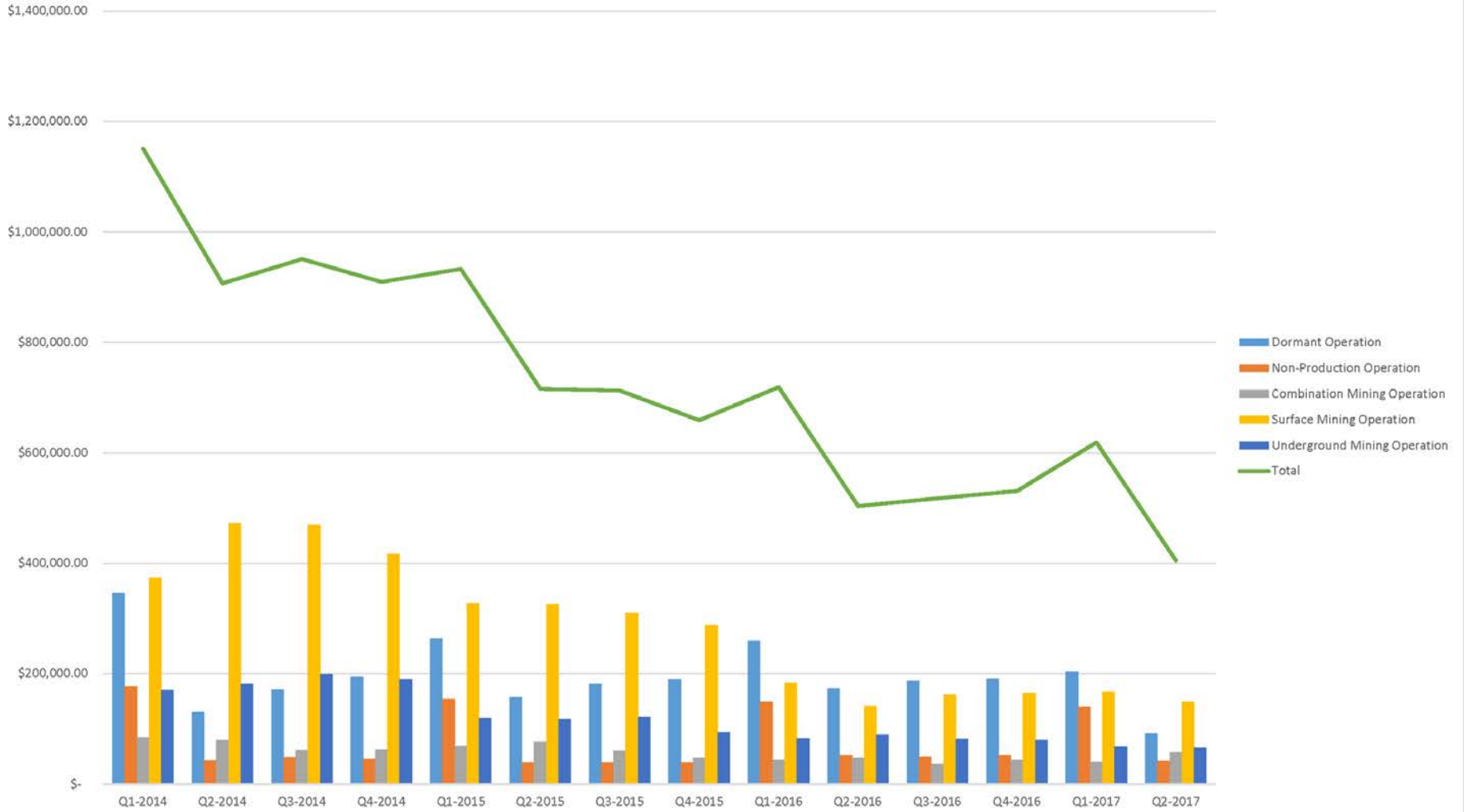
Companies	211
Permits	1414
Current Bond Amount	\$866,993,670

# KRGF REVENUE

## Revenue Sources

- Membership Fees
- Tonnage Fees
- Non-Production & Dormant Fees
- Late Payments
- Penalties/Fines from DMRE Violations
- Interest Earned
- Forfeitures

KRGF Annual Classification Fees



# CURRENT KRGF PROJECTS

- Actuarial Analysis Covering Fiscal Years 2016 & 2017.
- Audit by the Kentucky Auditor of Public Accounts.
- New accounting, invoicing, and reporting solution.
  - Accounting and Invoicing will move to Microsoft Dynamics CRM and GP.
  - A web portal will replace the paper RGF-1 Forms.

# CURRENT RGF-1 (PART 1)

## Kentucky Reclamation Guaranty Fund Quarterly Fee Report (Part 1)

Page \_\_\_ of \_\_\_

Check here if this is an amended or corrected quarterly fee Report

Quarter \_\_\_\_\_ Date (yyyy) \_\_\_\_\_ Permittee ID \_\_\_\_\_  
 Permit Number \_\_\_\_\_

Permittee Name \_\_\_\_\_ KRGF Commission Permit Classification \_\_\_\_\_

**Section 1** This section applies to permits classified as surface coal mining operations, underground coal mining operations, or combined surface and underground mining. Was there coal production this quarter?  Yes  No If this permit did not have coal production during this reporting quarter, skip this section and proceed to Section 3.

Surface Net Tons <sup>1</sup>	Underground Net Tons <sup>1</sup>	Total Net Tons <sup>1</sup>	Rate <sup>2</sup> (per ton of coal)	Quarterly Production Fee
Coal Mined & Sold _____	+ _____	= _____ tons	x 0. _____	= \$ _____

<sup>1</sup> The tonnage values entered must be "Net Tons" as calculated and reported on U.S.D.I., Office of Surface Mining form OSM-1 (Coal Reclamation Fee Report) Part 2.

<sup>2</sup> The rate for surface coal mining operations, including auger and highwall mining, and the rate for underground coal mining operations is contained in 405 KAR 10:090. For combined surface and underground operations, the rate shall be determined based on the predominate method of coal extraction during the calendar quarter.

**Section 2** This section applies to permits classified as "Non-production" by the KRGF Commission. If this permit is not classified as a "Non-production" permit, skip this section and proceed to Section 3.

**Quarterly Payment Due**

Annual Fee (KRS 350.518(2)(e)) Total \$ \_\_\_\_\_ ÷ 4 = \$ \_\_\_\_\_

Check here  if the amount being paid represents prepayment of all four (4) quarterly payments for the year. This option is only available in the first reporting quarter of a calendar year and all prepayment of annual fees is non-refundable.

**Section 3** This section applies to permits classified as "Dormant" by the KRGF Commission, or this permit is classified as surface, underground, or combined surface/underground and "NO" is checked in Section 1.

**Quarterly Payment Due**

Annual Fee (KRS 350.518(2)(f)) Total \$ \_\_\_\_\_ ÷ 4 = \$ \_\_\_\_\_

Check here  if the amount being paid represents prepayment of all four (4) quarterly payments for the year. This option is only available in the first reporting quarter of a calendar year and all prepayment of annual fees is non-refundable.

This page shall be copied for each permit subject to quarterly fee reporting to the KRGF. Number each page sequentially on the first line with the total number of pages being entered on the second line. Submit all pages together with Part 2 of this form.





# CURRENT RGF-1 (PART 2)

## Kentucky Reclamation Guaranty Fund Quarterly Fee Report (Part 2)

Quarter \_\_\_\_\_

Date (yyyy) \_\_\_\_\_

Permittee ID \_\_\_\_\_

Permittee Name \_\_\_\_\_

Total fees due from each page of part 1 \$ \_\_\_\_\_

Check, Money Order Number. \* \_\_\_\_\_

**Certification:** I hereby certify that the information submitted herein is true and complete and correct to the best of my knowledge and belief.  
I understand providing fraudulent information may result in substantial penalty in accordance with 405 KAR 10:070.

\_\_\_\_\_  
Print in ink or type the name of person  
preparing report on behalf of Permittee

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

### Contact Information

\_\_\_\_\_  
Company or Individual Name

\_\_\_\_\_  
Title of person preparing report  
e.g. accountant, consultant, owner, officer, director

\_\_\_\_\_  
Street Address or P.O. Box

\_\_\_\_\_  
City State Zip Code

( ) \_\_\_\_\_  
Telephone

\_\_\_\_\_  
Primary Email Address

\_\_\_\_\_  
Secondary Email Address

\* Include Permittee ID Number on all payments for proper crediting. Attach payment to part 2 of the form. Payment must be in the form of a check, certified check, cashier's check, or money order and be payable to "Kentucky State Treasurer." Payment must be received by the Office of the Reclamation Guaranty Fund, 300 Sower Blvd., Frankfort, KY 40601 no later than 30 days after the end of a calendar quarter or penalties contained in 405 KAR 10:070 will be applicable.

Kentucky Energy and Environment Cabinet  
Department For Natural Resources  
RGF-1

Revised (06/2013)

Kentucky Reclamation Guaranty Fund

Kentucky Reclamation Guaranty Fund  
Quarterly Fee Report (Part 2)

\_\_\_\_\_  
Quarter

\_\_\_\_\_  
Date (yyyy)

Permittee ID \_\_\_\_\_

Permittee Name \_\_\_\_\_

Total fees due from each page of part 1 \$ \_\_\_\_\_

Check, Money Order Number. \* \_\_\_\_\_

**Certification:** I hereby certify that the information submitted herein is true and complete and correct to the best of my knowledge and belief.  
I understand providing fraudulent information may result in substantial penalty in accordance with 405 KAR 10:070.

\_\_\_\_\_  
Print in ink or type the name of person  
preparing report on behalf of Permittee

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Contact Information**

\_\_\_\_\_  
Company or Individual Name

\_\_\_\_\_  
Title of person preparing report  
e.g. accountant, consultant, owner, officer, director

\_\_\_\_\_  
Street Address or P.O. Box

\_\_\_\_\_  
City State Zip Code

( ) \_\_\_\_\_  
Telephone

\_\_\_\_\_  
Primary Email Address

\_\_\_\_\_  
Secondary Email Address

**\* Include Permittee ID Number on all payments for proper crediting. Attach payment to part 2 of the form. Payment must be in the form of a check, certified check, cashier's check, or money order and be payable to "Kentucky State Treasurer." Payment must be received by the Office of the Reclamation Guaranty Fund, 300 Sower Blvd., Frankfort, KY 40601 no later than 30 days after the end of a calendar quarter or penalties contained in 405 KAR 10:070 will be applicable.**

# KRGF PORTAL – MAIN SCREEN

After Login user will see the following:

- Permit Number
- Annual KRGF Classification
- Quarterly Payment Due

The screenshot displays the KRGF portal main screen. At the top, there is a navigation bar with 'KRGF Home About Contact' and 'Register Login'. The main content area features a 'Kentucky Reclamation Gauranty Fund Quarterly Fee Report' for Quarter 3, dated 9/11/2017, for permittee ABC Construction with ID 12345. Below the report is a table with columns for KRGF Commission, Permit Classification, Permit ID, Production For Quarter?, Quarterly Payment Due, and Confirmed. The table lists five entries: three Non-Production permits and two Domestic permits, with a total payment due of \$6,350.00. Each entry has an 'Edit/Review' link. Below the table is a 'Check/MoneyOrder Number' field. At the bottom, there is a 'Contact Information' form with fields for Title, Company or Individual Name, Street Address or P.O. Box, City, State, Zip Code, Telephone, Primary Email Address, and Secondary Email Address, followed by a 'Submit' button.

KRGF Commission	Permit Classification	Permit ID	Production For Quarter?	Quarterly Payment Due	Confirmed
Non-Production		12345	<input type="checkbox"/>	\$1,000.00	<input type="checkbox"/> <a href="#">Edit/Review</a>
Non-Production		22222	<input type="checkbox"/>	\$2,000.00	<input type="checkbox"/> <a href="#">Edit/Review</a>
Non-Production		34567	<input type="checkbox"/>	\$1,000.00	<input type="checkbox"/> <a href="#">Edit/Review</a>
Non-Production		43210	<input type="checkbox"/>	\$1,000.00	<input type="checkbox"/> <a href="#">Edit/Review</a>
Domestic		51234	<input type="checkbox"/>	\$100.00	<input type="checkbox"/> <a href="#">Edit/Review</a>
Domestic		65432	<input type="checkbox"/>	\$250.00	<input type="checkbox"/> <a href="#">Edit/Review</a>
				<b>Total:</b>	<b>\$6,350.00</b>

# KRGF PORTAL – MAIN SCREEN

## Kentucky Reclamation Gauranty Fund Quarterly Fee Report

Quarter 3

9/11/2017

ABC Construction

Permittee ID: 12345

KRGF Commission Permit Classification	Permit ID	Production For Quarter?	Quarterly Payment Due	Confirmed	
Non-Production	12345	<input type="checkbox"/>	\$1,000.00	<input type="checkbox"/>	Edit/Review
Non-Production	22222	<input type="checkbox"/>	\$2,000.00	<input type="checkbox"/>	Edit/Review
Non-Production	34562	<input type="checkbox"/>	\$1,000.00	<input type="checkbox"/>	Edit/Review
Non-Production	43562	<input type="checkbox"/>	\$1,000.00	<input type="checkbox"/>	Edit/Review
Dormant	61234	<input type="checkbox"/>	\$100.00	<input type="checkbox"/>	Edit/Review
Dormant	53412	<input type="checkbox"/>	\$250.00	<input type="checkbox"/>	Edit/Review
		<b>Total:</b>	<b>\$5,350.00</b>		

Check, MoneyOrder Number.\*

### Contact Information

Title:

Company or Individual Name:

Street Address or P.O. Box:

City, State, Zip Code:

Telephone:

Primary Email Address:

Secondary Email Address:

Submit

# KRGF PORTAL – SCREEN 2

## Option 1: Pay Current Quarter

- Two Checkboxes defaulted to unchecked.
  - “Was there coal production this quarter?”
  - “Click here for prepayment of all four(4) quarterly payments for the year.”
- If both remain unchecked, the annual fee divided by four to show the quarterly amount owed is displayed.
- Click “Confirm” to accept the quarterly payment.

KRGF home about contact Register Login

Kentucky Reclamation Gauranty Fund Quarterly Fee Report			
Quarter 3	9/11/2017	ABC Construction	Permittee ID: 12345
Permit ID: 12345	Non-Production		

Was there coal production this quarter?  
 Click here for prepayment of all four quarterly payments for the year.

Annual Fee: \$4,000.00 ÷ 4 = \$1,000.00

# KRGF PORTAL – SCREEN 2, OPTION 1

Kentucky Reclamation Gauranty Fund Quarterly Fee Report			
Quarter 3	9/11/2017	ABC Construction	Permittee ID: 12345
Permit ID: 12345	Non-Production		

- Was there coal production this quarter?
- [Click here for prepayment of all four\(4\) quarterly payments for the year.](#)

Annual Fee(KRS 350.518(2)(e)) Total: **\$4,000.00 / 4 = \$1,000.00**

Confirm

# KRGF PORTAL – MAIN SCREEN

**Kentucky Reclamation Gauranty Fund Quarterly Fee Report**

Quarter 3                      9/11/2017                      ABC Construction                      Permittee ID: 12345

KRGF Commission Permit Classification	Permit ID	Production For Quarter?	Quarterly Payment Due	Confirmed	
Non-Production	12345	<input type="checkbox"/>	\$1,000.00	<input checked="" type="checkbox"/>	Edit/Review
Non-Production	22222	<input type="checkbox"/>	\$2,000.00	<input type="checkbox"/>	Edit/Review
Non-Production	34562	<input type="checkbox"/>	\$1,000.00	<input type="checkbox"/>	Edit/Review
Non-Production	43562	<input type="checkbox"/>	\$1,000.00	<input type="checkbox"/>	Edit/Review
Dormant	61234	<input type="checkbox"/>	\$100.00	<input type="checkbox"/>	Edit/Review
Dormant	53412	<input type="checkbox"/>	\$250.00	<input type="checkbox"/>	Edit/Review
			<b>Total:</b>	<b>\$5,350.00</b>	

Check, MoneyOrder Number.\*

Contact Information

Title:

Company or Individual Name:

Street Address or P.O. Box:

City, State, Zip Code:

Telephone:

Primary Email Address:

Secondary Email Address:

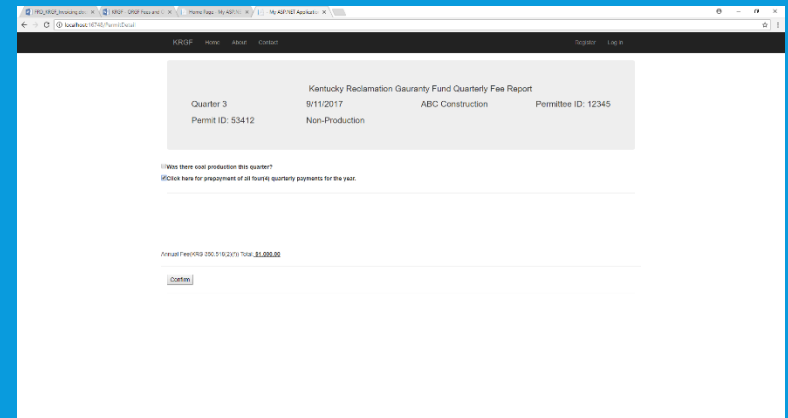
Submit



# KRGF PORTAL – SCREEN 2

## Option 2: Pay Entire Annual Fee

- Check the second box.
  - “Was there coal production this quarter?”
  - ✓ “Click here for prepayment of all four(4) quarterly payments for the year.”
- The screen now shows the full annual amount due.
- Click “Confirm” to accept the annual payment.



# KRGF PORTAL – SCREEN 2, OPTION 2

Kentucky Reclamation Gauranty Fund Quarterly Fee Report			
Quarter 3	9/11/2017	ABC Construction	Permittee ID: 12345
Permit ID: 53412	Non-Production		

- Was there coal production this quarter?
- [Click here for prepayment of all four\(4\) quarterly payments for the year.](#)

Annual Fee(KRS 350.518(2)(f)) Total: **\$1,000.00**

Confirm

# KRGF PORTAL – MAIN SCREEN

**Kentucky Reclamation Gauranty Fund Quarterly Fee Report**

Quarter 3                      9/11/2017                      ABC Construction                      Permittee ID: 12345

KRGF Commission Permit Classification	Permit ID	Production For Quarter?	Quarterly Payment Due	Confirmed	
Non-Production	12345	<input type="checkbox"/>	\$1,000.00	<input checked="" type="checkbox"/>	Edit/Review
Non-Production	22222	<input type="checkbox"/>	\$2,000.00	<input type="checkbox"/>	Edit/Review
Non-Production	34562	<input type="checkbox"/>	\$1,000.00	<input type="checkbox"/>	Edit/Review
Non-Production	43562	<input type="checkbox"/>	\$1,000.00	<input type="checkbox"/>	Edit/Review
Dormant	61234	<input type="checkbox"/>	\$100.00	<input type="checkbox"/>	Edit/Review
Dormant	53412	<input type="checkbox"/>	\$1,000.00	<input checked="" type="checkbox"/>	Edit/Review
<b>Total:</b>			<b>\$5,350.00</b>		

Check, MoneyOrder Number.\*

Contact Information

Title:

Company or Individual Name:

Street Address or P.O. Box:

City, State, Zip Code:

Telephone:

Primary Email Address:

Secondary Email Address:

# KRGF PORTAL – SCREEN 2

## Option 3: Pay Tonnage Fees

- Check the first box.
  - ✓ “Was there coal production this quarter?”
  - “Click here for prepayment of all four(4) quarterly payments for the year.”
- The screen now gives two fields to enter tonnage, Surface and Underground.
- User will enter tonnage in the appropriate box.
- Click “Confirm” to accept the tonnage fee payment.

The screenshot shows a web browser window displaying the KRGF portal. The page title is "Kentucky Reclamation Gauranty Fund Quarterly Fee Report". The form contains the following information:

Quarter	Report Date	Company Name	Permit ID
Quarter 3	9/11/2017	ABC Construction	12345
Permit ID: 22222	Non-Production		

Below the form, there is a question: "If there coal production this quarter?".

The "Coal Mine & Sale" section includes the following fields:

Surface Coal Tons	Underground Coal Tons	Total Coal Tons	Rate	Quarterly Production Fee
12,000.00	8,000.00	20,000.00	Rate: \$0.237	\$1,974.00

A "Confirm" button is located at the bottom of the form.

# KRGF PORTAL – SCREEN 2, OPTION 3

Kentucky Reclamation Gauranty Fund Quarterly Fee Report

Quarter 3	9/11/2017	ABC Construction	Permittee ID: 12345
Permit ID: 22222	Non-Production		

Was there coal production this quarter?

		Coal Mined & Sold			
Surface Net Tons	Underground Net Tons	Total Net Tons	Rate	Quarterly Production Fee	
<input type="text" value="12,000.00"/>	+ <input type="text" value="8,000.00"/>	= 20,000.00	tons x \$0.0757	=	\$1,514.00

# KRGF PORTAL – MAIN SCREEN

## Kentucky Reclamation Gauranty Fund Quarterly Fee Report

Quarter 3

9/11/2017

ABC Construction

Permittee ID: 12345

KRGF Commission Permit Classification	Permit ID	Production For Quarter?	Quarterly Payment Due	Confirmed	
Non-Production	12345	<input type="checkbox"/>	\$1,000.00	<input checked="" type="checkbox"/>	Edit/Review
Combined	22222	<input checked="" type="checkbox"/>	\$1,514.00	<input checked="" type="checkbox"/>	Edit/Review
Non-Production	34562	<input type="checkbox"/>	\$1,000.00	<input type="checkbox"/>	Edit/Review
Non-Production	43562	<input type="checkbox"/>	\$1,000.00	<input type="checkbox"/>	Edit/Review
Dormant	61234	<input type="checkbox"/>	\$400.00	<input checked="" type="checkbox"/>	Edit/Review
Dormant	53412	<input type="checkbox"/>	\$1,000.00	<input checked="" type="checkbox"/>	Edit/Review
			<b>Total:</b>	<b>\$5,914.00</b>	

Check, MoneyOrder Number.\*

### Contact Information

Title:

Company or Individual Name:

Street Address or P.O. Box:

City, State, Zip Code:

Telephone:

Primary Email Address:

Secondary Email Address:

Submit

# KRGF PORTAL – MAIN SCREEN

## Final Steps:

- Complete Remaining Boxes:
  - “Check, Money Order Number”
  - “Contact Information”
- Click “Submit”
- KRGF software will be updated and a notice sent to expect a check in the mail.

The screenshot displays the KRGF portal interface. At the top, there is a navigation bar with 'KRGF', 'Home', 'About', and 'Contact' links. The main content area is titled 'Kentucky Reclamation Gauranty Fund Quarterly Fee Report'. Below the title, the report details are shown: 'Quarter 3', '9/11/2017', 'ABC Construction', and 'Permittee ID: 12345'. A table lists various permit categories and their associated fees. Below the table, there is a 'Check Money Order Number' field. At the bottom, a 'Contact Information' form is visible, including fields for 'No. of Subdivisions', 'Company or Individual Name', 'Street Address or P.O. Box', 'City, State, Zip Code', 'Company Phone', and 'Kentucky Permit Address'. A 'Submit' button is located at the bottom right of the form.

KRGF Construction Permit Classification	Permit ID	Production Fee Quarter	Quarterly Permit Fee	Quarterly Fee	Confirmed	Link Name
Non-Production	12345			\$1,000.00		Link Name
Construction	12345			\$1,114.94		Link Name
Non-Production	12345			\$1,000.00		Link Name
Non-Production	12345			\$1,000.00		Link Name
Domestic	12345			\$400.00		Link Name
Domestic	12345			\$1,000.00		Link Name
<b>Total</b>				<b>\$5,514.94</b>		

# KRGF PORTAL – MAIN SCREEN

## Kentucky Reclamation Gauranty Fund Quarterly Fee Report

Quarter 3

9/11/2017

ABC Construction

Permittee ID: 12345

KRGF Commission Permit Classification	Permit ID	Production For Quarter?	Quarterly Payment Due	Confirmed	
Non-Production	12345	<input type="checkbox"/>	\$1,000.00	<input checked="" type="checkbox"/>	Edit/Review
Combined	22222	<input checked="" type="checkbox"/>	\$1,514.00	<input checked="" type="checkbox"/>	Edit/Review
Non-Production	34562	<input type="checkbox"/>	\$1,000.00	<input checked="" type="checkbox"/>	Edit/Review
Non-Production	43562	<input type="checkbox"/>	\$1,000.00	<input checked="" type="checkbox"/>	Edit/Review
Dormant	61234	<input type="checkbox"/>	\$400.00	<input checked="" type="checkbox"/>	Edit/Review
Dormant	53412	<input type="checkbox"/>	\$1,000.00	<input checked="" type="checkbox"/>	Edit/Review
<b>Total:</b>			<b>\$5,914.00</b>		

Check, MoneyOrder Number.\* MO12354

### Contact Information

Title: Mine Supervisor

Company or Individual Name: ABC Construction

Street Address or P.O. Box: 123 Main St

City, State, Zip Code: Louisville KY 12345

Telephone: (330)123-4567

Primary Email Address: mine@safety.com

Secondary Email Address: mine2@safety.com

Submit



THANK YOU!