

March 19, 1999

Project Name
Restoring Living Waters in Little Toby Creek

Sponsor: Headwaters Charitable Trust
478 Jeffers Street
DuBois, PA 15801
Phone: (814) 375-1372 ext. 4
Fax: (814) 375-2453
E-Mail: headwatr@penn.com

Collaborators: Toby Creek Watershed Association
Headwaters RC&D Council, Inc.
Clarion River Basin Commission
PA Fish & Boat Commission
PA-Department of Environmental Protection
Jefferson & Elk County Conservation Districts
USDA-NRCS
Office of Surface Mining

NPS Category: Resource Extraction
Project Category: Watershed Implementation Project
Requested 319 Funding: \$ 40,000.00
Match: \$164,375.00
Output: Final Report, Water Quality and Aquatic Data in Electronic Form

A. Need for Project

Little Toby Creek is located in the southeastern portion of the Clarion River Basin in northeastern Jefferson County and southern Elk County. The Little Toby Watershed encompasses 126 square miles and the creek itself is 23 miles long. The confluence with the Clarion River is at the town of Carmen, about 8 miles south of Ridgeway. The watershed is found in Water Resources Council Hydrologic Unit 05010005-040. The eastern edge of the watershed forms the boundary between the Allegheny River Basin and the Susquehanna River Basin, the south and west edge of the watershed separate the Clarion Basin from Red Bank Creek. Positioned in the Allegheny Plateau, the watershed is a component of the Ohio River System. The Little Toby Watershed is located roughly 80 miles from the three major metropolitan areas of Pittsburgh, Youngstown and Erie, which exceed 4.5 million residents. Also, State Game Lands Number 44 and 54, over 16,000 acres, are contained in the watershed.

Coal mining has been and remains a significant industry in the watershed. Mining has been concentrated primarily in the headwaters and southeastern portions of the watershed. As a result of mining in the headwaters, the main stem of Little Toby Creek has been seriously degraded. The biggest contributors of AMD are four general areas of abandoned strip and deep mines, located in the northeastern part of the watershed, above the confluence with Brandy Camp Creek. This area contributes a combined acid load of approximately 13,800 pounds of acid per day or approximately 70% of the acid load in the watershed but drains only 30 square miles.

Over the past 20 years, millions of dollars have been expended to clean up various tributaries and segments of Little Toby Creek. As a result of these past efforts and positive improvements in water quality, the lower reaches of the Little Toby Creek is managed by the PA Fish & Boat Commission as a stocked trout fishery. Additional fingerling brown trout are being stocked in the Clarion River below the confluence with Little Toby Creek as a put-grow-and-take-fishery.

Several Western Pennsylvania Coalition for Abandoned Mine Reclamation projects, sponsored by the Elk and Jefferson County Conservation Districts, have been completed on Coal Hollow and Hayes Run. USDA-NRCS recently completed one of the last Rural Abandoned Mine Projects (RAMP) on Mead Run. At this particular site, paper waste from Willamette's Johnsonburg plant was incorporated as a high alkaline soil amendment to demonstrate the beneficial use of this byproduct. This project allowed the PA Fish and Boat Commission to approve 2.5 miles of Mead Run for stocking prior to the 1997 season. NRCS has also completed a PL566 proposal to address AMD in the watershed. Funding authorization was issued in July of 1998.

Another project in the watershed, sponsored by the PA-Department of Abandoned Mine Reclamation recently completed construction of a \$2 million treatment plant on Limestone Run. The goal of this project was to essentially reduce acid loadings in the watershed by 30%. **Presently, a \$700,000 construction project is underway at the Brandy Camp Site to construct a lime-dosing tower. Funding for the project has**

come through the PA-DEP Bureau of Acid Mine Reclamation funded in part through the Appalachian Clean Streams Initiative. This funding will match PL566 50% cost share funds and Section 319 funds through the Bureau of Land & Water Conservation.

**Little Toby Creek
PL-566
Pollutant Loadings
(MG/L)**

Site	PH	Flow (gpm)	Acid	Fe	Mn	Al	Alk	Location
LT 2	3.7	1200	120	20	9.2	8.6	0	Kyler
LT 11	4.5	250	130	14	6.4	6	8	Back Hayes R.
LT 17	3.1	40	250	20	18	19	0	Geo. Swan
LT 18	4.0	75	180	30	15.4	10.3	0	Geo. Swa
LT 20	3.1	30	175	21	4.6	5.6	0	Gavazzi
LT 30	3.5	600	180	86	6	7.8	0	Brandy camp
—	6.4	220	0	11	2.7	.05	134	Blue Valley
LT 36	3.4	80	230	40	5.5	0	8	Elbon

This project address the goals established under the Commonwealth's Non Point Source Management Program for resource extraction. Current revisions in State's NPS plan identify the need to incorporate public involvement. The efforts of the Toby Creek and the Clarion River Basin Commission are highlighted in both the 1996 305 (b) report and conference proceedings "Local Solutions to Pennsylvania's Pollution" because of this involvement. Another revision documented is the need to address AMD from a watershed perspective supported by comprehensive assessments and monitoring. This has been accomplished by the diversity of players involved in the watershed's recovery. Decisions concerning the watershed will now follow preliminary recommendations through NRCS's PL 566 plan and are supported by the Toby Creek Watershed Association.

Several of the nine key elements of Pennsylvania's nonpoint source program are components of this watershed restoration endeavor. Much of the success of Toby Creek's recovery can be attributed to the strong partnerships among federal, state and local entities. The USDA- Natural Resources Conservation Service has been actively involved from a technical standpoint providing engineering and design services. The US Forest Service along with the Clarion River Basin Commission and Toby Creek Watershed Association have assisted with public information and outreach through news articles and public meetings. The conservation districts of Jefferson and Elk Counties have obligated staff to work directly with local sponsors. Several private foundations have awarded grants to supplement match moneys, such as PA Fish & Boat Commission and the Heinz Endowment. Analytical Service, a private company has aided in water testing while the PA Fish & Boat Commission is providing biological assessment. The Headwaters

Resource Conservation and Development Council and Headwaters Charitable Trust have provided fundraising assistance, project administration and land rights acquisition.

Technology based demonstration projects utilizing current practices have been employed and now serve as emulation for standard practices. Watershed tours have been and will continue to be organized by the local watershed association. Other sources of support have been consistently identified.

B. Purpose, Goals, and Objectives

Goals:

- To continue the public-private cooperative program to effectively reduce AMD on a watershed basis using local, state, and federal agencies with community based organizations.
- To utilize acceptable technology such as Reducing and Alkalinity Producing Systems (RAPS), in conjunction with wetlands and anoxic limestone drains as part of passive water treatment.
- To complete construction of the LT36 site at a cost of \$ 137,125 using Section 319 funding and the Blue Valley site at a cost of \$ 34,500 through private and other funding sources.
- To coordinate public participation for watershed restoration.
- To utilize available public and private funds as a match on construction for PL-566 funds to restore the entire watershed

C. Summary of Project

Restoring Living Waters in Little Toby Creek is an effort that spans more than 30 years due to the dedication and persistence of the Toby Creek Watershed Association. Mined for coal and explored for oil and natural gas since the early 1800's, much of this early activity has left scars on the natural landscape and severely polluted many streams. Little Toby Creek is one of seven major tributaries of the Clarion River. Located in the northwestern part of the Commonwealth, the problems associated with Little Toby Creek watershed are indicative of many small rural mining communities.

This proposal is submitted through a collaboration of local, state and federal agencies and the Toby Creek Watershed Association. The plan will address using passive treatment technology to remediate the last 2 abandoned mine drainage discharges along Brandy Camp Creek in Horton Township, Elk County. This effort will restore the full stream length of Brandy Camp Creek.

D. Work to be done and by whom

Headwaters Charitable Trust is responsible for all land rights and construction. Private contractors will be selected via a competitive bidding process. This process will begin following the announcement of the award. Headwaters Charitable Trust will also serve in the role of financial holdings. Headwaters Charitable Trust has completed over two million dollars in federally funded projects in the past ten years, and is dedicated to continuing its involvement in this capacity.

E. Who owns or will own and manage the project lands/waters

All of the proposed sites are on private land. These landowners have agreed through publicly recorded easements for the Trust and the Association to construct and maintain all the proposed treatment systems including operational and maintenance activities.

F. Legal right of entry for construction purposes

The Little Toby Creek Watershed Association and Headwaters Charitable Trust have either purchased these properties or secured them through permanent easements prior to any construction.

G. Technology to be used.

This project proposes to construct two passive treatment systems. The first site is the Elbon Discharge determined to be a priority site under the PL-566 plan. Known as LT-36 in the plan, this site had been a closed mine opening with an eight-inch pipe installed to allow for the discharge flow. In 1993, an increase in internal hydraulic pressure caused the mine entrance to blow open leaving an easily accessible, partially collapsed opening. The opening flows at 80 gpm. Prior to 1993, the flow was substantially less but had the worst quality of all the proposed sites in the plan. After the blowout, flow increased and quality improved to a level similar to other discharges in the area.

As part of the planned work for this site, the mine opening will be sealed. The discharge will be channeled to a reducing and alkalinity producing system (RAPS) followed by a settling basin and finally an aerobic wetland. (Watzlaf, et al., 1995)

The second site selected is the Blue Valley Coal site which is a deep mine discharge. Current water quality data supplied by the Department of Environmental Protection-Knox office indicates that the discharge is alkaline in nature with low metal concentrations and a flow of 220 gpm. The plan calls for a water control structure, which will divert the flow through a 200ft open channel to a settling basin. A rock-lined spillway will direct the flow to an aerobic wetland where the treated water will discharge into Brandy Camp Creek. Since this site is located along a major transportation route (US Rt. 219), it will serve as a public outreach and education tool.

H. Expected Tangible Results and Monitoring

The Toby Creek Watershed Association set goals and objectives for the watershed 30 years ago and has been advocating this philosophy ever since. Their ultimate goal is to return the aquatic environment back to a sustainable fishery. This will aide in the effort to maintain the Clarion Rivers designation in the Federal Wild and Scenic River program. This will bring \$807,000 annually to support the Clarion's classification and continued improvement. In addition, surface reclamation in the watershed will provide increased habitat for the sole remaining wild elk herd east of the Mississippi River. Reclamation of old surface mines creates herbaceous openings that are crucial for the continued maintenance and expansion of the herd which currently numbers 320 healthy animals.

Eliminating or reducing the remaining acid mine drainage seeps in this watershed will restore or improve 11.8 miles of stream in the middle and upper watershed. This will also improve habitat quality on the lower 12.2 miles of stream by improving water quality to support the natural reproduction of native trout.

Eliminating the last two discharges along Brandy Camp Creek will extend the natural trout fishery which is already present in the upper reaches of the tributary.

The proposed projects will generally improve water quality thus enhancing fish and wildlife habitat. The installation of 2 passive treatment systems and 1 lime dosing system is anticipated to restore the entire length of Brandy Camp Creek and improve habitat in 12.2 miles by reducing net acid, sulfate and total iron loads. Appropriate measurable environmental results were discussed at great length during the Nonpoint Source Conference held in State College. The need to establish baseline parameters, especially in headwater areas, and relating these parameters to the overall watershed restoration goal were specific recommendations.

The major AMD sources are located in the subwatersheds of Kyler Run, Brandy Camp, Hayes Run, Limestone Run and the Toby Mine Discharge on Little Toby Creek. A detailed study published by the U.S. Army Corps of Engineers in 1981 does an excellent job of defining and recording the affects of AMD in the Clarion River Basin. Through this comprehensive watershed assessment, a strategy to abate AMD has been formulated and placed into action.

This project proposes to treat or eliminate four AMD discharges which will reduce 90% of the pollution loading in the watershed when implemented with other initiatives such as the PL-566 program, Appalachian Clean Streams Initiative and BAMR 10% -set-aside program.

More recently, the USDA-NRCS has completed a PL-566 plan for treating abandoned mine drainage and restoring aquatic habitat in the Little Toby Creek Watershed. Monthly water chemistry samples and flow data at the selected sites have been taken by the Bureau of Mining and Reclamation, Knox Office to support the plan. The PA Fish and Boat Commission completed biological assessments in the watershed in 1993 and again

in 1997. The latter assessment shows some positive changes within certain areas where treatment systems have been constructed.

I. Number of days before start date

Construction should be initiated within ninety days of receipt of the OSM 319 award. Work should be completed within four months of receipt of the award.

J. Milestones

1.) Establish steering committee including federal, state and local agencies with community based organizations to advise on goals.

Responsibility: Headwaters RCD, Conservation Districts, Basin Commission, Toby Creek Watershed Association

Completion date: April '99

Output: List of members and agencies

2.) Establish a technical design team including private consultants, federal, state and local agencies.

Responsibility: Headwaters RC&D, NRCS, PA-DEP

Completion date: May '99

3.) Submit QA/QC Plan to EPA

Responsibility: Toby Creek Watershed Association, Headwaters RC&D

Completion date: June '99

Output: QA/QC plan

4.) Bid construction of LT 36

Responsibility: Headwaters Charitable Trust, Technical Committee

Completion date: August '99

5.) Design Blue Valley site

Responsibility: Technical Committee

Completion date: January '2000

6.) Bid construction Blue Valley site

Responsibility: Headwaters Charitable Trust, Technical Committee

Completion date: April '2000

7.) Conduct public information activities at each milestone

Responsibility: Conservation Districts, Coalition, Basin Commission

Completion date: On going

Output: News articles, pictures, slides etc.

8.) Conduct on-site monitoring of selected chemical and biological parameters

Responsibility: Toby Creek Watershed Association, PA-DEP, PFB&C

Completion date: End of contract period (Dec '2000)
Output: Test results

9.) Prepare progress reports on status of milestones

Responsibility: Headwaters RC&D
Completion date: Quarterly
Output: Quarterly progress reports

10.) Prepare final report incorporating PL- 566 plan

Responsibility: Headwaters RC&D
Completion date: End of project (Jan '2001)
Output: Final report

K. Monitoring Plan

The objective of the monitoring program will be to determine the overall performance of the treatment systems to reduce loadings and the effects of the treatment on chemical and biological components of Brandy Camp Creek and the Little Toby Creek Watershed. Monitoring points have been established to determine treatment system success and instream impact. Biological assessment has been ongoing by the PA Fish and Boat Commission since 1994. Benthic macroinvertebrates and fish will be identified and compared to existing data compiled over the past several years. Monitoring will be based on methods as described in a quality assurance plan as approved by the Environmental Protection Agency.

L. Public Information

Public information is a strategic part of the state's management plan, as well as, a vital component of the Statement of Mutual Intent. Information will be developed for a diverse audience. The primary goal of this component is to become a leader by actively involving business and industry, academia, citizen groups and government agencies in watershed restoration efforts. Industry needs encouraging on becoming a partner in the research and development area; especially as it pertains to marketability of byproducts. Information will be developed to show the economic benefits for restoration efforts that can be utilized by local governments. Environmental education through schools provides a wonderful opportunity for children to connect issues to the area where they live.

Various forms of communication will be utilized. The Internet provides a valuable means of outreach. Coordinating with existing networks such as the clearinghouse being developed by the Office of Surface Mining, using business round tables, speakers bureaus, radio, printed media and coordinating watershed tours are all useful tools. Toby Creek Watershed Association annually sponsors 20 watershed tours. They will continue in this capacity and specifically highlight a legislative tour. Presently, the Little Toby Creek treatment plant serves as a meeting facility and educational site. The treatment

plant will continue to be used as a focus for watershed restoration through public private partnerships.

8. Project Participants

The following is a detailed description of each participants roles and responsibilities:

Headwaters RC&D Council, Inc. will - -

1. Provide overall project administration.
2. Utilize staff to coordinate project steering committee.
3. Provide staff to assist in public information activities.

Headwaters Charitable Trust will - -

1. Provide all direct and indirect administrative records and financial management support.
2. Direct private and public funds to carry out the approved work plan.
3. Obtain all necessary landrights.
4. Contract with all public and private concerns to carry out the project goals.

Toby Creek Watershed Association will - -

1. Provide a member for the Project Steering Committee
2. Assist in raising funds to help pay for costs associated with the project
3. Assist in project assessment and public information activities through coordination of watershed tours

Clarion River Basin Commission will - -

1. Provide a member to serve with the project steering committee.
2. Act as a sponsor, if necessary, to direct public funds to the project.
3. Assist with public information activities.

Elk and Jefferson County Conservation Districts will --

1. Provide staff to assist in project information activities.
2. Provide a member for the project steering committee.
3. Assist in identifying other resources and partners.

PA Fish & Boat Commission will - -

1. Provide biological monitoring assistance.
2. Act as a member of the project steering committee.

USDA - Natural Resources Conservation Service will -

1. Provide staff to act as a member of the project steering committee.
2. Provide engineering services and standards on BMP installations.
3. Implement PL-566 plan with support of community based organizations.

PA-DEP-Bureau of Mining & Mineral Resources

1. Provide monitoring and assessment support above the QA/QC Plan.
2. Dedicate staff to serve on the project steering committee.
3. Assist with identifying bond forfeiture money or other project support.

UNITED STATES
DEPARTMENT OF
AGRICULTURE

NATURAL RESOURCES
CONSERVATION
SERVICE

478 JEFFERS STREET
DUBOIS, PA. 15801
814-375-2125

.....
.....
SUBJECT: 319 Application, 1999
 Little Toby Creek Watershed

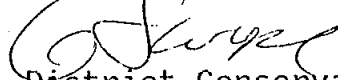
DATE: MArch 6, 1998

To: Janie French
 Headwaters RC&D

The Natural Resources Conservation Service will be able to provide design assistance for the Blue Valley site included in the above referenced application.

If you have any questions or need any additional information please let me know.

Gary Swope



District Conservationist

cc: T.Matticks
 file

HEADWATERS CHARITABLE TRUST
TRUSTEES

HAROLD WHITEMAN	625 Sunset Road St. Marys, PA 15857 (814) 834-6874 (Elk County)	Chair
EDWARD KOSA	R. D. #1, Box 260 Ulysses, PA 16948 (814) 848-7203 FAX # (814) 848-3820 (Potter County)	Vice-Chair
WILLIAM KEOWN	R. D. #2, Box 172 Reynoldsville, PA 15851 (814) 371-8489 (Jefferson County)	Secretary
JOHN ROGERS	Mallery Lumber Corporation 3 East Fourth Street P. O. Box 431 Emporium, PA 15834 (814) 486-2406 FAX # (814) 486-2396 (Cameron County)	Treasurer
VACANT	(717) (Clinton County)	
VACANT	(814) (McKean County)	
J. ALAN STEWART	Sweetland Engineering & Associates 600 Science Park Road State College, PA 16803 (814) 237-6518 (Centre County)	

HEADWATERS CHARITABLE TRUST

ORGANIZATIONAL BACKGROUND

The Headwaters Charitable Trust was formed in 1989 as a 501(c)3 non-profit organization to actively seek both public and private support for projects developed to address the needs of the eight county Headwaters Resource Conservation and Development Area.

A long-range plan guides the Trust to address the needs of the region and set goals and objectives. Annual plans are developed to address the concerns of resource areas in agriculture, forest resources, community development, environmental education, water and recreation.

The Trust is supported by the Headwaters Resource Conservation and Development (RC&D) Executive Council. The Council shares staff to coordinate activities on a full-time basis. The staff consists of a Coordinator, Program Associate, Forester, Accountant, and Administrative support. The majority of projects are actually funded by the local sponsors. The Trust will seek funds to augment the local funding when there is a demonstrated need and opportunity to enhance the goals sought by the Trust.

The Trust also provides assistance to local project sponsors through land acquisition. Currently, the Trust holds title to 750 acres of various sized tracts to support the environmental initiatives set forth by the Council.

The plans for 1998 include 20 projects that will cost over \$3 million. The Forest Resource Projects include: print and train vocational instructors on the five-part Wood Products Manufacturing curriculum, establish a strong sustainable forest resource through a forest certification effort, develop a public service campaign promoting the economic and social value of a diverse forest industry, and develop a network of forest demonstration areas for Best Management Practices for water quality.

When completed, we expect to have accomplished significant progress in revitalizing our communities by integrating the responsible use of natural resources to provide a high quality of life for today and hope to sustain that quality in the future.

The Trustees meet quarterly with the RC&D Council to assess progress, set new goals, and resolve issues concerning project activities.

JEFFERSON COUNTY CONSERVATION DISTRICT

180 MAIN STREET

BROOKVILLE, PA 15825

814-849-7463

FAX 814-849-0825

March 15, 1999

Mr. Eric Carlson
Headwaters Charitable Trust
478 Jeffers St.
DuBois, PA 15801

Dear Mr. Carlson:

The Jefferson County Conservation District strongly supports the Watershed Implementation Project for additional passive treatment systems at the Elbon Discharge and Blue Valley Coal site on Little Toby Creek.

There is a long standing, well-documented track record of success in working toward the restoration of this watershed. The projects described by the Watershed Implementation Project being submitted would be a fine addition to the overall effort that is going on in this watershed.

Sincerely,



Porter Duvall,
District Chairman

Cc: file

TOBY CREEK WATERSHED ASSOCIATION, Inc.

OF

ELK and JEFFERSON COUNTIES

Headwaters Charitable Trust
478 Jeffers St.
DuBois, PA 15801

P.O. Box 247
Brockway, Pa. 15824

March 15, 1999

Dear Project Selection Committee,

Please be advised that the Toby Creek Watershed Coalition is in support of the Acid Mine Drainage Restoration project referred to in the attached application. We have been active in the watershed for nearly 30 years and are appreciative of those who are willing to work with us in achieving our goals.

Headwaters Charitable Trust has assisted in the completion of other projects within the watershed and their continued support is appreciated. The quality of the completed projects has been high, therefore we look forward to working with them again in the near future.

If you have any further question, please contact me, I will attempt to answer any question you may have. Thank you for your time and resources in helping our organization achieve the goal of a healthy watershed.

Sincerely,



William J. Sabatose
President, Toby Creek Watershed Coalition



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA FISH & BOAT COMMISSION
450 Robinson Lane
Bellefonte, PA 16823-9620

Division of Environmental Services
(814)359-5117

Headwaters RC&D
478 Jeffers Street
DuBois, PA 15801

Dear Sirs:

The Pennsylvania Fish and Boat Commission (PFBC) continues to support watershed association organizations and projects which will enhance the aquatic resources. We as an agency are an active participant in the watershed through committee membership and aquatic biological evaluations. The Little Toby Creek Watershed Association cleaned up over fifteen miles of stream through numerous reclamation and mine drainage abatement projects.

The PFBC manages the lower watershed with catchable trout, but with continued abatement projects in the upper watershed restoration to a wild trout fishery in the lower watershed should be accomplished. An additional 11-12 miles of stocked trout water will also be gained in the upper watershed with improved water quality.

If we can be of any further assistance, please give me a call.

Sincerely,

Steven R. Kepler, Fisheries Biologist
Division of Environmental Services

SRK:dms

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
31 HOPKINS PLAZA
BALTIMORE, MD 21201

DEPARTMENT OF THE TREASURY

Date: **MAY 17 1993**

THE HEADWATERS CHARITABLE TRUST AG
SERVICE CENTER
650 LEDNARD STREET
CLEARFIELD, PA 16830-3247

Employer Identification Number:
25-1588855

Contact Person:
MRS. M. SMITH

Contact Telephone Number:
(410) 962-7963

Our Letter Dated:
February 16, 1989

Addendum Applies:
yes

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

THE HEADWATERS CHARITABLE TRUST AG

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

A handwritten signature in black ink, appearing to read "A. J. Lightner". The signature is written in a cursive, slightly slanted style.

District Director

Enclosure:
Addendum

THE HEADWATERS CHARITABLE TRUST AG

Guidelines under which private foundations may rely on this determination, for gifts, grants, and contributions made after March 13, 1989, were liberalized and published in Rev. Proc. 89-23, Cumulative Bulletin 1989-1, page 844.

You are required to make available for public inspection a copy of your exemption application, and supporting documents, and this exemption letter. If you are required to file an annual information return, you are also required to make a copy of the return available for public inspection for three years after the return is due. Failure to make these documents available for public inspection may subject you to a penalty of \$10 per day for each day there is a failure to comply (up to a maximum of \$5,000 in the case of an annual return). See Internal Revenue Service Notice 88-120, 1988-2 C.B. 454, for additional information.

THE HEADWATERS CHARITABLE TRUST
DuBois, Pennsylvania

AUDITOR'S REPORT
December 31, 1997

THE HEADWATERS CHARITABLE TRUST
DuBois, Pennsylvania

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WALTER HOPKINS & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

WALTER HOPKINS 1927-1981
FRANK W. FULTON, CPA 1947-1978
ROBERT L. MITCHELL, CPA 1951-1993
SAMUEL P. BACHELIER 1957-1995

FRANCIŠ H. ELENSKY, CPA
FRED C. LUCAS, JR., CPA
JOHN H. MUSSER, CPA
CHARLES T. ADAMSON, CPA
MARK D. MICHAEL, CPA

DANETTE M. BROWN, CPA
KATHERINE B. ECKLEY, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
The Headwaters Charitable Trust
DuBois, Pennsylvania

We have audited the accompanying statement of financial position of the Headwaters Charitable Trust (a nonprofit organization) as of December 31, 1997, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of The Headwaters Charitable Trust as of December 31, 1996, were audited by another auditor who has ceased operations and whose report dated November 26, 1997, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Headwaters Charitable Trust as of December 31, 1997, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Walter Hopkins & Company
WALTER HOPKINS & COMPANY

Clearfield, Pennsylvania
August 6, 1998

THE HEADWATERS CHARITABLE TRUST
DuBois, Pennsylvania

STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
<u>ASSETS:</u>		
Cash and cash equivalents	\$ 137,122	\$ 173,377
Accounts receivable	42,672	12,162
Grants receivable	234,869	303,722
Prepaid expenses	3,198	2,631
Property and equipment (net)	425,996	417,332
Organization costs (net)	51	101
<u>TOTAL ASSETS</u>	<u>\$ 843,908</u>	<u>\$ 909,325</u>
<u>LIABILITIES:</u>		
Accounts payable	\$ 10,511	\$ 14,162
Short-term debt	77,831	30,000
<u>TOTAL LIABILITIES</u>	<u>88,342</u>	<u>44,162</u>
<u>NET ASSETS:</u>		
Unrestricted	520,697	561,441
Temporarily restricted	234,869	303,722
<u>TOTAL NET ASSETS</u>	<u>755,566</u>	<u>865,163</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 843,908</u>	<u>\$ 909,325</u>

The accompanying notes are an integral part of the financial statements.

THE HEADWATERS CHARITABLE TRUST
DuBois, Pennsylvania

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
<u>UNRESTRICTED NET ASSETS:</u>		
Unrestricted Revenues and Gains:		
Contributions	\$ 48,500	\$ 109,816
Government grants	91,179	10,702
Dividend income	10,331	9,338
Interest income	-	12
Other income	3,302	325
In-kind contributions	3,570	-
Total Unrestricted Revenues and Gains	<u>156,882</u>	<u>130,193</u>
Net Assets Released from Restrictions:		
Grant funding	116,853	310,933
Total Unrestricted Revenues, Gains, and Other Support	<u>\$ 273,735</u>	<u>\$ 441,126</u>

The accompanying notes are an integral part of the financial statements.

THE HEADWATERS CHARITABLE TRUST
DuBois, Pennsylvania

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
Expenses:		
Project expenses	\$ 146,996	\$ 250,301
Accounting	2,425	2,940
Advertising	177	-
Amortization	51	51
Contributions	-	65
Depreciation	8,752	8,695
Insurance	3,633	3,499
Interest	5,744	1,383
Office	1,885	393
Printing expense	300	104
Registration fees	-	150
Trustee fees	1,321	1,291
Rent	3,600	-
Personnel services	64,895	30,828
Telephone	1,683	649
Legal expenses	1,250	1,295
Travel, food and mileage	12,028	2,602
Subscriptions and licenses	1,462	168
Training and seminars	405	490
Real estate taxes	1,243	413
Loss on sale of property	56,629	-
Total Expenses	<u>314,479</u>	<u>305,317</u>
Increase (decrease) in Unrestricted Net Assets	<u>(40,744)</u>	<u>135,809</u>
Temporarily Restricted Net Assets:		
Grant funding	48,000	603,197
Net Assets Released from Restrictions:		
Grant funding	(116,853)	(299,475)
Expired grant	-	(11,458)
Increase (decrease) in Temporarily Restricted Net Assets	<u>(68,853)</u>	<u>292,264</u>
Increase (decrease) in Net Assets	(109,597)	428,073
Net Assets, Beginning of Year	<u>865,163</u>	<u>437,090</u>
Net Assets, End of Year	<u>\$ 755,566</u>	<u>\$ 865,163</u>

The accompanying notes are an integral part of the financial statements.

THE HEADWATERS CHARITABLE TRUST
DuBois, Pennsylvania

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Increase (decrease) in net assets	\$ (109,597)	\$ 428,073
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization	51	51
Depreciation	8,752	8,695
Loss on sale of property	56,629	-
(Increase) decrease in operating assets:		
Prepaid expenses	(567)	(104)
Accounts receivable	(30,510)	(12,162)
Grants receivable	68,853	100,371
Increase (decrease) in operating liabilities:		
Accounts payable	(3,651)	(9,806)
Deferred income	-	(404,093)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(10,040)</u>	<u>111,025</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Proceeds from sale of property	20,180	-
Purchase of property and equipment	<u>(94,226)</u>	<u>(19,645)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(74,046)</u>	<u>(19,645)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Proceeds from notes payable	77,831	48,500
Repayment of debt	<u>(30,000)</u>	<u>(28,500)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>47,831</u>	<u>20,000</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	(36,255)	111,380
<u>CASH AND CASH EQUIVALENTS AT JANUARY 1</u>	<u>173,377</u>	<u>61,997</u>
<u>CASH AND CASH EQUIVALENTS AT DECEMBER 31</u>	<u>\$ 137,122</u>	<u>\$ 173,377</u>

The accompanying notes are an integral part of the financial statements.

THE HEADWATERS CHARITABLE TRUST
DuBois, Pennsylvania

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Organization:

The Headwaters Charitable Trust was formed July 20, 1988, as a nonprofit organization to actively seek both public and private support for projects developed to address the needs of the eight-county Headwaters Resource Conservation and Development Area in North Central Pennsylvania. Articles of Incorporation were filed with the Department of State on September 7, 1994.

Basis of Accounting:

All assets, liabilities, and activities are stated on the accrual basis. Contributions are considered to be unrestricted funds unless restricted by the donor.

Accounts Receivable:

At December 31, 1997 and 1996, accounts receivable of the organization were \$42,672 and \$12,162, respectively. There was no allowance for doubtful accounts.

Grants Receivable:

Management believes all grants are collectible; therefore, no allowance for doubtful receivables is reflected in these statements. Grants receivable were \$234,869 at December 31, 1997, and \$303,722 at December 31, 1996.

Property and Equipment:

Fixed assets include the cost of equipment, land, and leasehold improvements. Maintenance and repairs that do not improve or extend the useful life of the respective assets are expensed currently. Upon disposition of an asset, the related costs and accumulated depreciation are removed from the respective accounts and any gain or loss is recognized currently through the statement of activities.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Depreciation:

Depreciation is computed by the straight-line method over the estimated useful lives of 5 - 20 years. Fixed assets are depreciated at half the annual rate in the year of acquisition. Depreciation expense was \$8,752 for 1997 and \$8,695 for 1996.

Organizational Cost:

Organizational costs are for the cost of incorporation. The costs are to be amortized over 60 months commencing January 1, 1994. Total amortization for 1997 and 1996 was \$51.

Income Tax Status:

The Trust qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

Cash Flow Information:-

The Trust considers all short-term investments with an original maturity of three months or less to be cash equivalents. Of the \$137,122 available cash, \$134,668 is restricted for specific purposes according to corresponding grant and contribution guidelines. The cash accounts are held in a trust account at a bank in Federated Short Term U. S. Government Securities. Because the funds are held as securities, they are not insured under the FDIC.

Cash paid for interest for the years ended December 31, 1997 and 1996 was \$5,744 and \$1,383, respectively.

Financial Statement Presentation:

In 1996, the Organization adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by this new statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required.

Contributions:

The Organization also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," in 1996. The Organization previously recorded contributions and grants as deferred revenue when it was notified of it and recognized it as contributions in the period in which they were received. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Under SFAS No. 116, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon receipt.

Promises to Give:

Contributions are required when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Donated Services and Materials:

During the year 1997, \$3,570 was received in donated services and materials that were used in the current projects. The value of the donated services and materials was recorded in the financial statements because the services were specialized skills and otherwise would need to have been purchased. There was also an additional \$56,800 in donated services and materials that were not recorded in the financial statements.

NOTE 2 – GRANTS RECEIVABLE:

The following represents grants receivable at December 31, 1997:

EPA	Mill Creek	\$ 27,032
USDA	Wood in Transportation	10,000
Keystone Recreation	Rails to Trails	15,000
Keystone Recreation	Rails to Trails	30,800
Howard Heinz Endowment Fund	Smart Wood	75,000
USDA	Wood Curriculum	29,037
RMI	Lumber Community	18,000
USDA	Clarion River	<u>30,000</u>
		<u>\$234,869</u>

It is estimated that all of the grant income will be received in less than one year.

Substantially all of the restrictions on net assets at the end of December 31, 1997 and 1996, related to grants that have been promised to carry on the Trust's commitment to conservation. These restrictions are temporary until the funds are actually received.

NOTE 3 – NOTE PAYABLE:

The Organization has an available line of credit in the amount of \$100,000. There was a principal balance due of \$77,831 at December 31, 1997 with an interest rate of 9.5%.

NOTE 4 – PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following at December 31:

	1997	1996
Land	\$353,748	\$339,409
Leasehold improvements	89,808	89,808
Furniture and equipment	<u>36,518</u>	<u>33,441</u>
	480,074	462,658
Less: Accumulated depreciation	<u>54,078</u>	<u>45,326</u>
	<u>\$425,996</u>	<u>\$417,332</u>

During 1997, the Trust sold all but a small parcel of its interest in the Esquire Fuel Land. It was purchased by the PA Game Commission for \$20,180 and will be used by Rails to Trails. The Trust recorded a loss in the amount of \$56,629.

Also, in 1997, the Trust purchased the North Fork Dam in the amount of \$77,831. This will be held until a buyer is found.

NOTE 5 – CONTRACTS AND LEASES:

The Trust has a contract with the Headwaters Resource and Conservation Development Council for the Council to provide personnel services to the Trust on a fee basis. Total expended in 1997 for personnel was \$64,895.

The Trust has a one-year lease on office space in St. Marys for the Smart Wood program. The monthly rent is \$400. The lease expired on May 31, 1998 and was subsequently renewed for another year.

NOTE 6 – SUBSEQUENT EVENTS:

A grant in the amount of \$228,000 was approved from the Department of Environmental Protection to continue work on the Mill Creek Watershed.



Commonwealth of Pennsylvania
Pennsylvania Historical and Museum Commission
Bureau for Historic Preservation
Post Office Box 1026
Harrisburg, Pennsylvania 17108-1026

May 14, 1998

Jeffery D. Mahood, Environmental Planning Specialist
Natural Resources Conservation Service
One Credit Union Place, Suite 340
Harrisburg, PA 17110-2993

TO EXPEDITE REVIEW USE
BHP REFERENCE NUMBER

Re: ER# 98-1297-042-B
NRCS, Draft Watershed Plan and Environmental Assessment for
Proposed Little Toby Creek Project (PL 83-566), Elk and Jefferson
Counties

Dear Mr. Mahood:

The above named project has been reviewed by the Bureau for Historic Preservation (the State Historic Preservation Office) in accordance with Section 106 of the National Historic Preservation Act of 1966, as amended in 1980 and 1992, and the regulations (36 CFR 800) of the Advisory Council on Historic Preservation.

Thank you for providing our previous correspondence regarding this project under ER # 96-0973-047-B. Based on our survey files, which include both archaeological sites and standing structures, there are no National Register eligible or listed historic or archaeological properties in the area of this proposed project. Therefore, your responsibility for consultation for this project is complete. Should you become aware, from any source, that historic or archaeological properties are located at or near the project site, please notify the Bureau for Historic Preservation at (717) 783-8946.

Sincerely,

Kurt W. Carr, Chief
Division of Archaeology
and Protection

KWC:aw

For Department Use Only
PNDI Search # 96-02
Date: 2/20/96

**SUPPLEMENT NO. 1
PENNSYLVANIA NATURAL DIVERSITY INVENTORY SEARCH FORM**

- A. This Supplement No. 1 provides the site information necessary to perform a computer search for species of special concern listed under the Endangered Species Act of 1973, the Wild Resources Conservation Act, the Pennsylvania Fish and Boat Code or the Wildlife Code. Records regarding species of special concern are maintained in a computer data base called the "Pennsylvania Natural Diversity Inventory" (PNDI).
- B. Complete the information below and mail to the appropriate regional office (SEE REVERSE SIDE FOR LIST OF OFFICES AND ADDRESSES).
- C. This Supplement No. 1 will be returned to you with information relevant to your project concerning species of special concern. Include it and any correspondence from appropriate agency indicating resolution with your submission of a Chapter 105 Permit Application for a Water Obstruction and Encroachment Permit and/or a Dam Permit and/or a General Permit Registration.
- D. The absence of recorded information in the PNDI files does not necessarily imply actual conditions on the site. Future field investigations could alter this determination. The information in PNDI is routinely updated. Results of this PNDI search are valid for one year.

PROJECT LOCATION:

NAME: GARY SWOPE

ADDRESS: 420 Jeffers St.

DuBois, PA 15801

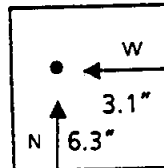
PHONE (8:00 AM TO 4:00 PM): _____

EIK
County
Horton & Fox Townships
Township and/or Municipality

1) Name of the United States Geological Survey (U.S.G.S.) 7½ Minute Quadrangle Map where project is located: _____
2) Project size (in acres) _____

3) Indicate location of approximate project center on the U.S.G.S. Quad map by measuring in inches (to nearest one-tenth) from the lower right corner of the full U.S.G.S. Quadrangle map.

- North (Up) _____ inches
- West (to the left) _____ inches



N: 6.3"
W: 3.1"
(example, not to scale)

4) Attach an 8½" x 11" photocopy (DO NOT REDUCE) of the section of the U.S.G.S. Quadrangle Map which identifies the project location and outlines the approximate boundaries of the project.

FOR DEPARTMENT USE ONLY

- No known record of habitats for species of special concern has been identified in the area designated above.
- No impact to species of special concern. (PNDI staff person _____ on _____ date).
- Potential impact to species of special concern. Written recommendations on measures necessary to resolve this matter will be provided by:

Dept. of Environmental Resources
Bureau of Forestry/FAS
P.O. Box 8552
Harrisburg, PA 17105-8552
717-787-3444

Mr. Andrew L. Shiels
PA Fish & Boat Commission
450 Robinson Lane
Bellefonte, PA 16823
814-359-5113

Mr. Denver A. McDowell
PA Game Commission
2001 Elmerton Ave.
Harrisburg, PA 17110-9797
717-783-8743

*Search completed by Gary Swope, State Biologist
NRCS, Harrisburg, PA.*

ASSURANCES -- CONSTRUCTION PROGRAMS

Note: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant I certify that the applicant:


1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure nondiscrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§ 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5. C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4801 et seq.) which prohibits the use of lead based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683, and 1685-1686) which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794) which prohibit discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. U.S.C. §§ 6101-6107) which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 93-255), as amended, relating to non-discrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of Civil Rights Act of 1968 (42 U.S.C. §3601 et seq.), as amended, relating to non-discrimination in the sale, rental or financing of housing; (i) any other non-discrimination provisions in the specific statute(s) under which application for Federal assistance is being made, and (j) the requirements on any other non-discrimination Statute(s) which may apply to the application.

Standard Form 424D (4-88)
Prescribed by OMB Circular A-102

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Standard Form 424D

11. Will comply, or has already complied, with the requirements of Titles I and II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provides for fair and equitable treatment of persons displaced or whose property is acquired as a result of the Federal and Federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), the Copeland Act (40 U.S.C. § 276c and 18 U.S.C. § 874), the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333) regarding labor standards for federally assisted construction subagreements.
14. Will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (c) notification of violating facilities pursuant to EO 11738; (d) protection of wetlands pursuant to EO 11990; (e) evaluation of flood hazards in floodplains in accordance with EO 11988; (f) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.); (g) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176C of the Clean Air Act of 1955, as amended (42 U.S.C. § 7401 et seq.); (h) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (i) protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and preservation of historic properties), and the Archaeological Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act of 1984.
19. Will comply with all applicable requirements of all other Federal laws, Executive Orders, regulations and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	TITLE Chair
APPLICANT ORGANIZATION Headwaters Charitable Trust	DATE SUBMITTED 3/19/99

SF 424D (4-88) BACK

**U.S. DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement**

**Certifications Regarding Debarment, Suspension and
Other Responsibility Matters, Drug-Free Workplace
Requirements and Lobbying**

Persons signing this form should refer to the regulations referenced below for complete instructions.

Certification Regarding Debarment, Suspension and Other Responsibility Matters - Primary Covered Transactions. (See Appendix A of Subpart D of 43 CFR 12).

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions (See Appendix B of Subpart D of 43 CFR 12).

Certification Regarding Drug-Free Workplace Requirements (Grantees Other Than Individuals) (See Appendix C of Subpart D of 43 CFR 12).

Certification Regarding Lobbying (See 43 CFR 18).

Signature on this form provides for compliance with certification requirements under 43 CFR Parts 12 and 18. The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Office of Surface Mining determines to award the covered transaction, grant or cooperative agreement.

PART A: Certification Regarding Debarment, Suspension and Other Responsibility Matters - Primary Covered Transactions
--

CHECK IF THIS CERTIFICATION IS FOR A PRIMARY COVERED TRANSACTION AND IS APPLICABLE

1. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principles:
 - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.
 - (b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification of records, making false statements, or receiving stolen property.
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local)
2. The prospective primary participant agrees by submitting this proposal that it will include the clauses under Part B: Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
3. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

**PART B: Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion
- Lower Tier Covered Transactions**

CHECK IF THIS CERTIFICATION IS FOR A LOWER TIER COVERED TRANSACTION AND IS APPLICABLE.

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

PART C: Certification Regarding Drug Free Workplace Requirements

CHECK IF THIS CERTIFICATION IS FOR AN APPLICANT WHO IS NOT AN INDIVIDUAL.

1. The grantee certifies that it will or continue to provide a drug-free workplace by:
 - (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - (b) Establishing an ongoing drug-free awareness program to inform employees about --
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
 - (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will --
 - (1) Abide by the terms of the statement and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - (e) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification numbers(s) of each affected grant;
 - (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted --

- (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

2. The grantee shall provide below the site(s) of the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

BRANDY CAMP
 Post Office

Check if there are workplaces on file that are not identified here.

PART D: Certification Regarding Lobbying

CHECK IF CERTIFICATION IS FOR THE AWARD OF ANY OF THE FOLLOWING AND THE AMOUNT EXCEEDS \$100,000: A FEDERAL GRANT OR COOPERATIVE AGREEMENT; SUBCONTRACT, OR SUBGRANT UNDER THE GRANT OR COOPERATIVE AGREEMENT.

The undersigned certifies, to the best of his or her knowledge and belief, that:

- 1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress and officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- 2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- 3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

As the authorized certifying official, I hereby certify that the above specified certifications are true.

H. Whiteman

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL

Harold Whiteman Chairperson

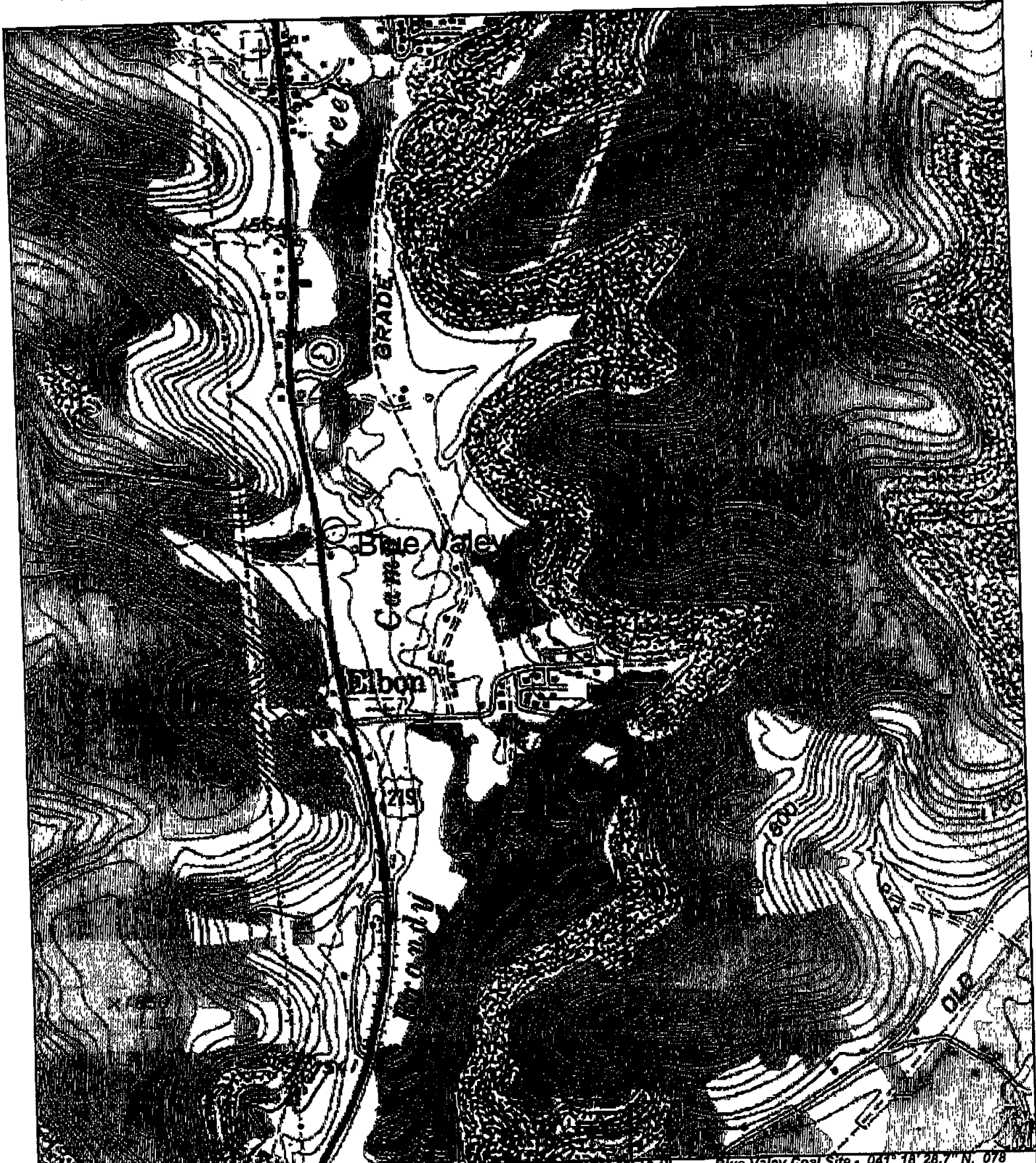
TYPED NAME AND TITLE

3/19/99

DATE

This form consolidates DI-1953, DI-1954, DI-1955, DI-1956 and DI-1963.

DI-2010 (March 1995)
Modified for OSM Use



<Default> - 6 Markers, Length = 5 miles, 5223
 Marker 1 - 041° 20' 50.2" N, 078° 39' 00.4"
 Marker 2 - 041° 20' 57.9" N, 078° 36' 33.1"

Marker 3 - 041° 21' 03.1" N, 078° 38' 16.1"
 Marker 4 - 041° 21' 10.8" N, 078° 38' 00.3"
 Elbon Site - 041° 18' 00.8" N, 078° 40' 48.1"

Blue Valey Goal Site - 041° 18' 28.7" N, 078°

Location: 041° 18' 23.5" N 078° 40' 55.3" W

Name: BRANDY CAMP
 Date: 3/24/99
 Scale: 1 inch equals 1000 feet