



**Environmental
Protection Agency**

John R. Kasich, **Governor**
Mary Taylor, **Lt. Governor**
Scott J. Nally, **Director**

October 19, 2011

Re: Belmont County
Capstone Holding Company
(formerly R&F Coal Company)
Lamira Preparation Plant
Ohio EPA Permit No. 01L00109*DD
Compliance Evaluation Inspection
Correspondence (IWW)

Mr. Mike Britt, Secretary
Capstone Holding Company
70245 Bannock-Uniontown Road
Bannock, Ohio 43972

Dear Mr. Britt:

On August 23, 2011, I conducted a compliance evaluation inspection of Capstone Holding Company's Lamira Preparation Plant site. Mike Britt, John Dutton, Danny Taylor, and Fred Blackman represented the company on the inspection. The purpose of the inspection was to determine the facility's compliance status with the terms and conditions of NPDES permit number 01L00109*DD, and to discuss proposed changes requested in an NPDES permit modification. A copy of the inspection report is attached.

According to the facility, the Ohio Dept. of Natural Resources Division of Mineral Resource Management has recently released the bond on this site. The company is no longer under any ODNR permit obligation. Therefore, Capstone has requested Ohio EPA release the remaining treatment ponds from NPDES permit obligations. The company wishes to retain the NPDES permit for the coverage of the sewage treatment plant discharge at outfall 01L00109 004 for the office building on site which is currently idle.

Treatment ponds at outfalls 0IL00109 001, 0IL00109 003 and 0IL00109 015 have all been consistently in compliance with the permit limits since the reclamation was completed and the area re-vegetated. Ohio EPA will process the modification request in the near future.

If you have any questions, please contact me at (740) 380-5284 at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read 'Abbot Stevenson', with a long horizontal flourish extending to the right.

Ms. Abbot Stevenson
Environmental Engineer
Permits and Enforcement Section
Division of Surface Water

AS/dh

Enclosure

NPDES Compliance Inspection Report

A. NATIONAL DATA SYSTEM CODING

| Permit No. | NPDES No. | Date | Inspection Type | Inspector | Facility Type |
|-------------|-----------|-----------------|-----------------|-----------|---------------|
| 01L00109*DD | OH0059676 | August 23, 2011 | C | S | 2 |

B. FACILITY DATA

| Name & Location of Facility Inspected | Entry Time | Permit Effective Date |
|-----------------------------------------------------------|------------|------------------------|
| Lamira Prep Plant C.R. 82 and S.R. 149 Lamira, Ohio | 12:45 p.m. | August 1, 2009 |
| | Exit Time | Permit Expiration Date |
| | 2:00 p.m. | July 31, 2014 |

| Name(s) & Title(s) of On-Site Representative(s) | Phone Number(s) |
|--------------------------------------------------------------------------------------|-------------------------|
| Mike Britt John Dutton Danny Taylor Fred Blackman | (740) 968-0533 Ext. 206 |
| Name, Address, & Title of Responsible Official | Phone Number |
| Mike Britt, Secretary Capstone Holding Co. P.O. Box 115 Bannock, Ohio 43972 | (740) 968-0533 Ext. 206 |

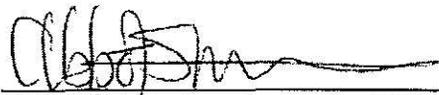
C. AREAS EVALUATED DURING INSPECTION

| | | |
|-----------------------------------|------------------------------------|----------------------------------|
| <u>S</u> Permit | <u>S</u> Flow Measurement | <u>N/A</u> Pretreatment |
| <u>S</u> Records/Reports | <u>N</u> Laboratory | <u>N/A</u> Compliance Schedules |
| <u>S</u> Operations & Maintenance | <u>S</u> Effluent/Receiving Waters | <u>S</u> Self-Monitoring Program |
| <u>S</u> Facility Site Review | <u>S</u> Sludge Storage/Disposal | <u> </u> Other |
| <u>N/A</u> Collection System | | |

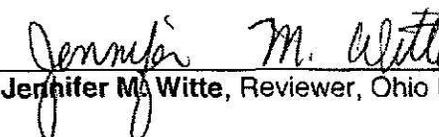
(S = Satisfactory; M = Marginal; U = Unsatisfactory; N = Not Evaluated; N/A = Not Applicable)

D. SUMMARY OF FINDINGS/COMMENTS (attach additional sheets if necessary)

See attached letter.


 Abbot Stevenson, Inspector, Ohio EPA, Southeast District Office

10/18/11
 Date


 Jennifer M. Witte, Reviewer, Ohio EPA, Southeast District Office

10/18/11
 Date

E. PERMIT VERIFICATION

| Inspection Observations Verify the Permit | YES | NO | N/A | N/E |
|-------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|--------------------------|--------------------------|
| a. Correct name & mailing address of permittee | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Correct name & location of receiving waters | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Product(s) & production rates conform with permit application (industries) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Flows & loadings conform with NPDES permit | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Treatment processes are as described in permit application/briefing memo | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. New treatment process(es) added since last inspection | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| g. Notification given to state of new, different, or increased discharges | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| h. All discharges are permitted | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| i. Number & location of discharge points are as described in permit | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments:

g. Facility has requested to modify NPDES permit to drop all outfalls except 004, the office building sewage plant.

F. COMPLIANCE SCHEDULES/VIOLATIONS

| | YES | NO | N/A | N/E |
|---------------------------------------------------------|--------------------------|-------------------------------------|-------------------------------------|--------------------------|
| a. Any significant violations since the last inspection | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Permittee is taking actions to resolve violations | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Permittee has compliance schedule | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Compliance schedule contained in: _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. Permittee is meeting compliance schedule | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Comments:

G. OPERATION AND MAINTENANCE

| Treatment Facility Properly Operated & Maintained | YES | NO | N/A | N/E |
|----------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| a. Standby power available: Generator: <input type="checkbox"/> Dual Feed: <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Adequate alarm system available for power or equipment failures | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. All treatment units in service other than backup units | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Sufficient operating staff provided: # of shifts: _____ Days/Week: _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. Operator holds unexpired license of class required by permit. Class: _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f. Copy of certificate of Operator of Record displayed on-site | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| g. Minimum operator staffing requirements fulfilled (OAC 3745-7) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| h. Routine & preventive maintenance schedule/performed on time | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| i. Any major equipment breakdown since last inspection | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| j. Operation & maintenance manual provided & maintained | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| k. Any plant bypasses since last inspection | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| l. Regulatory agency notified of bypasses: On MORS: <input type="checkbox"/> 800 No.: <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| m. Any hydraulic and/or organic overloads experienced since last inspection | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments:

Sewage plant is currently idle.

| Record Keeping | YES | NO | N/A | N/E |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a. Log book provided | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Log book kept on-site | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Log book contains the following: | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 1. Identification of treatment works | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Date/Time of arrival/departure of ORC | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Daily record of operation and maintenance activities | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. Laboratory results (unless documented on bench sheets) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. Identification of person making log entries | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Is the ORC submitting written notification to Ohio EPA and permittee when a collection system overflow, treatment plant bypass or effluent limit violation has occurred. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Comments:

| Collection System | YES | NO | N/A | N/E |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a. Percent combined system. Percent: _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Any collection system overflows since last inspection: CSO: <input type="checkbox"/> SSO: <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Regulatory agency notified of overflow (SSOs) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. CSO O&M plan provided and implemented | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. CSOs monitored and reported in accordance with permit | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f. Portable pumps used to relieve system | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| g. Lift station alarm systems provided and maintained | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| h. Are lift stations equipped with permanent standby power or equivalent | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| i. Is there an inflow/infiltration problem (separate sewer system), or were there any major repairs to collection system since last inspection | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| j. Any complaints received since last inspection of basement flooding | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| k. Are any portions of the sewer system at or near capacity | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Comments:

H. SLUDGE MANAGEMENT

| | YES | NO | N/A | N/E |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| a. Sludge adequately disposed. Method: _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. If sludge is incinerated, where is ash disposed of? _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Is sludge disposal contracted? Name: _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Has amount of sludge generated changed significantly since last inspection | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. Adequate sludge storage provided at facility | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f. Land application sites monitored and inspected per state rules | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| g. Records kept in accordance with state rules | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| h. Any complaints received in last year regarding sludge | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| i. Is sludge adequately processed (digestion, dewatering, pathogen control) in accordance with Ohio EPA rules | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Comments:

Sewage plant is currently idle.

I. SELF-MONITORING PROGRAM

| Part 1 - Flow Measurement | YES | NO | N/A | NE |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| a. Primary flow measuring device properly operated & maintained. Type of device: <input type="checkbox"/> Ultrasonic & parshall flume <input type="checkbox"/> Calculated from influent <input type="checkbox"/> Weir <input checked="" type="checkbox"/> Other <input type="checkbox"/> Ultrasonic & weir specify: <u>estimate</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Calibration frequency adequate. Date of last calibration: _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Secondary instruments (totalizers, recorders, etc.) properly operated and maintained | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Flow measurement equipment adequate to handle expected ranges of flows | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. Actual flow discharged is measured | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. Flow measuring equipment inspection frequency: <input type="checkbox"/> Daily <input type="checkbox"/> Monthly <input type="checkbox"/> Weekly <input checked="" type="checkbox"/> Other (N/A) | | | | |

Comments:

| Part 2 - Sampling | YES | NO | N/A | NE |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|
| a. Sampling location(s) are as specified by permit | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Parameters and sampling frequency agree with permit | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Permittee uses required sampling method | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Sample collection procedures are adequate | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| i. Samples refrigerated during compositing | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ii. Proper preservation techniques used | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Conform with 40 CFR 136.3 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Monitoring records (e.g., flow, pH, D.O., etc.) maintained for a minimum of three years including all original strip chart recordings (e.g., continuous monitoring instrumentation, calibration, & maintenance records) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. Adequate records maintained of sampling date, time, exact location, etc. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments:

Records are kept at the office in Bannock.

| Part 3 - Laboratory, General | YES | NO | N/A | NE |
|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| a. Written Standard Operating Procedures (SOPs) for all analysis performed on-site | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. EPA approved analytical testing procedures used (40 CFR 136.3) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. If alternate analytical procedures are used, proper approval has been obtained | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Analysis being performed more frequently than required by permit | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. If (c) is yes, are results reported in permittee's self-monitoring report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. Commercial laboratory used: 1. Parameters analyzed by commercial lab: <u>All</u> 2. Lab name: <u>Industrial Lab Analysis</u> | | | | |

Comments:

Samples are taken by contractor, Quality Environmental Services, and delivered to the contract lab, Industrial Lab Analysis in Wheeling, West Virginia.

| Part 3 – Laboratory, Quality Control/Quality Assurance | | YES | NO | N/A | N/E |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a. | Quality assurance manual provided and maintained | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. | Satisfactory calibration and maintenance of instruments and equipment | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. | Adequate records maintained | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Results of latest U.S. EPA quality assurance performance sampling program: | | | | | |
| Date: _____ <input type="checkbox"/> Satisfactory <input type="checkbox"/> Marginal <input type="checkbox"/> Unsatisfactory | | | | | |

Comments:

J. EFFLUENT/RECEIVING WATER OBSERVATIONS

| Outfall # | Oil Sheen | Grease | Turbidity | Visible Foam | Visible Float Solids | Color | Other |
|-----------|--------------|--------|-----------|--------------|----------------------|-------|-------|
| 001 | None | None | None | None | None | None | |
| 003 | No discharge | | | | | | |
| 015 | No discharge | | | | | | |

Comments:

K. MULTIMEDIA OBSERVATIONS

| Collection System | YES | NO | N/A | N/E |
|---------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------|
| a. Are there indications of sloppy housekeeping or poor maintenance in work and storage areas or laboratories | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Do you notice staining or discoloration of soils, pavement, or floors | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Do you notice distressed (unhealthy, discolored, dead) vegetation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Do you see unidentified dark smoke or dustclouds coming from sources | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Do you notice any unusual odors or strong chemical smells | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. Do you see any open or unmarked drums, unsecured liquids, or damaged containment facilities | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If any of the above are observed, ask the following questions:

1. What is the cause of the conditions?
2. Is the observed condition or source a waste product?
3. Where is the suspected contaminant normally disposed?
4. Is this disposal permitted?
5. How long has the condition existed and when did it begin?

Comments: