OhioEPA
State of Ohio Environmental Protection Agency

Southeast District Office

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Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Korleski, Director

April 21, 2009

Re: Belmont County
Capstone Holding Company
(formerly R&F Coal Company)
Lamira Preparation Plant
Ohio EPA Permit No. 0IL00109*DD
Compliance Evaluation Inspection
Correspondence (IWW)

John Dutton, Pres.
Capstone Holding Company
70245 Bannock-Uniontown Road
Bannock, Ohio 43972

Dear Mr. Dutton:

On April 2, 2009, I conducted a Compliance Evaluation Inspection (CEI) of Capstone Holding Company's Lamira Preparation Plant site. You, Mike Britt, and Danny Taylor, represented the company during the inspection.

The purpose of the inspection was to gather information for your NPDES permit renewal and to assess your compliance status with the terms and conditions of the NPDES permit, federal number OH0135208, state number 0PA00101*AD. Wastewater samples were not collected. A copy of the inspection report form is attached. Based on the inspection, a review of the Discharge Monitoring Report (DMR) data and the permit, the facility appeared to be in compliance on the day of the inspection.

As a result of the inspection and file review, I have the following comments:

1. The company continues to make progress toward reclaiming the site. The area is graded, topsoil has been placed and vegetation has been established.

2. The NPDES permit is in the process of being renewed. When the draft is received by the company, please read and comment on it within 30 days.

3. The company has requested reducing the frequency of sampling for the sediment ponds. The NPDES permit will be drafted with quarterly monitoring for all remaining ponds.

4. There is a sewage treatment plant for the office building on the site. The office is not currently occupied. The treatment plant has not been used in quite a while and will need significant repair to get it operational. I was able to find the plans for the original treatment plant and have included a copy for your information.

The NPDES permit requires that dechlorination facilities be added before the plant is re-activated. A Permit to Install is required for the dechlorination equipment can be added.

5. Please notify Ohio EPA in the future if ODNR Mineral Resource Management agrees to release any sediment ponds from their regulation so that Ohio EPA can drop the outfall from the NPDES permit.

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

Sincerely,

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

AS/dh

Enclosure

c: Linda Slater, ODNR Division of Mineral Resource Management

NPDES
Compliance Inspection Report

A. NATIONAL DATA SYSTEM CODING

Permit No.	NPDES No.	Date	Inspection Type	Inspector	Facility Type
0IL00109*DD	OH0059676	April 2, 2009	C	S	2

B. FACILITY DATA

Name and Location of Facility Inspected	Entry Time	Permit Effective Date
Capstone Holding Co., Lamira Prep Plant Airport Road and S.R. 149 St. Clairsville, Ohio	10:30 a.m.	August 1, 2003
	Exit Time	**Permit Expiration Date**
	12:00 p.m.	July 31, 2008

Name(s) and Title(s) of On-Site Representative(s)	Phone Number(s)
John Dutton, President Mike Britt and Danny Taylor, Treasurer	(740) 968-0533
Name, Address and Title of Responsible Official	**Phone Number**
John Dutton, President 70245 Bannock-Uniontown Road Bannock, Ohio 43972	(740) 968-0533

C. AREAS EVALUATED DURING INSPECTION

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

(S = Satisfactory, M = Marginal, U = Unsatisfactory, N = Not Evaluated)

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

Abbot Stevenson, Inspector, Ohio EPA, Southeast District Office — Date: 4/21/09

Timothy M. Campbell, Reviewer, Ohio EPA, Southeast District Office — Date: 4/21/09

Sections E through K: Complete on all inspections as appropriate (N/A = Not Applicable N/E = Not Evaluated)

E. PERMIT VERIFICATION

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

F. COMPLIANCE SCHEDULES/VIOLATIONS

		Yes	No	N/A	N/E
a.	Any significant violations since the last inspection		X		
b.	Permittee is taking actions to resolve violations			X	
c.	Permittee has compliance schedule			X	
d.	Compliance schedule contained in: _____			X	
e.	Permittee is meeting compliance schedule			X	

G. OPERATION AND MAINTENANCE

Treatment Facility Properly Operated and Maintained		Yes	No	N/A	N/E
a.	Standby power available: Generator: _____ Dual Feed: _____		X		
b.	Adequate alarm system available for power or equipment failures	X			
c.	All treatment units in service other than backup units		X		
d.	Sufficient operating staff provided: No. of shifts: _____ Days/Week: _____			X	
e.	Operator holds unexpired license of class required by permit Class: _____			X	
f.	Routine and preventive maintenance schedule/performed on time		X		
g.	Any major equipment breakdown since last inspection				X
h.	Operation and maintenance manual provided and maintained		X		
i.	Any plant bypasses since last inspection		X		
j.	Regulatory agency notified of bypasses: _____ on MORS _____ 800 No.			X	
k.	Any hydraulic and/or organic overloads experienced since last inspection		X		

Comments: Sewage Treatment Plant (STP) is currently shut off (office is unoccupied). If facility decides to occupy office, STP needs significant maintenance and updating to return to operation.

H. SLUDGE MANAGEMENT

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

Comments: STP is not currently operating because the office is not occupied. No sludge is being generated at this time.

I. SELF-MONITORING PROGRAM

Part 1 – Flow Measurement			Yes	No	N/A	N/E
a.	Primary flow measuring device properly operated & maintained. Type of device: _____ ultrasonic & parshall flume _____ weir _____ ultrasonic & weir _____ calculated from influent X other specify: estimate				X	
b.	Calibration frequency adequate (date of last calibration: _____)				X	
c.	Secondary instruments (totalizers, recorders, etc.) properly operated and maintained				X	
d.	Flow measurement equipment adequate to handle expected ranges of flows				X	
e.	Actual flow discharged is measured				X	
f.	Flow measuring equipment inspection frequency: _____ Daily _____ Weekly _____ Monthly _____ Other					

Part 2 – Sampling		Yes	No	N/A	N/E
a.	Sampling location(s) are as specified by permit	X			
b.	Parameters and sampling frequency agree with permit	X			
c.	Permittee uses required sampling method	X			
d.	Sample collection procedures are adequate	X			
	i. Samples refrigerated during compositing			X	
	ii. Proper preservation techniques used	X			
	Conform with 40 CFR 136.3	X			
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, and maintenance records)	X			
f.	Adequate records maintained of sampling date, time, exact location, etc.	X			

Part 3 – Laboratory, General		Yes	No	N/A	N/E
a.	EPA approved analytical testing procedures used (40 CFR 136.3)	X			
b.	If alternate analytical procedures are used, proper approval has been obtained			X	
c.	Analyses being performed more frequently than required by permit		X		
d.	If (c) is yes, are results reported in permittee's self-monitoring report			X	
e.	Commercial laboratory used: 1. Parameters analyzed by commercial lab: All 2. Lab name: Quality Env. Services	X			

Part 3 – Laboratory, Quality Control/Quality Assurance		Yes	No	N/A	N/E
f.	Quality assurance manual provided and maintained				X
g.	Satisfactory calibration and maintenance of instruments and equipment				X
h.	Adequate records maintained				X
i.	Results of latest U.S. EPA quality assurance performance sampling program: Date: _____ _____ Satisfactory _____ Marginal _____ Unsatisfactory				

J. EFFLUENT/RECEIVING WATER OBSERVATIONS

Outfall #	Oil Sheen	Grease	Turbidity	Visible Foam	Visible Float Solids	Color	Other
001	Not discharging						
003	None	None	None	None	None	None	
004	Not discharging						
015	Not discharging						

K. MULTIMEDIA OBSERVATIONS

		Yes	No	N/A	N/E
a.	Are there indications of sloppy housekeeping or poor maintenance in work and storage areas or laboratories			X	
b.	Do you notice staining or discoloration of soils, pavement, or floors		X		
c.	Do you notice distressed (unhealthy, discolored, dead) vegetation		X		
d.	Do you see unidentified dark smoke or dustclouds coming from sources			X	
e.	Do you notice any unusual odors or strong chemical smells			X	
f.	Do you see any open or unmarked drums, unsecured liquids, or damaged containment facilities		X		

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?