



State of Ohio Environmental Protection Agency

**Southeast District Office**

2195 Front Street  
Logan, Ohio 43138

TELE: (740) 385-8501 FAX: (740) 385-6490  
www.epa.state.oh.us

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

May 24, 2007

**Re:** Vinton County  
Waterloo Coal Company  
Compliance Inspection  
NPDES Permit 01L00075\*DD  
Correspondence (IWW)

Mr. Denton Bowman  
Waterloo Coal Company  
P.O. Box 626  
Jackson, Ohio 45640

Dear Mr. Bowman:

On April 25, 2007, Randy Spencer and I, representing Ohio EPA's Division of Surface Water, performed a compliance inspection of the treatment pond for the Dundas Prep Plant. Rich Walker and you accompanied us and represented the Waterloo Coal Company during the inspection. Jay Martin was also present representing the Ohio Department of Natural Resources. The purpose of the inspection was to determine if the treatment system was meeting the terms and conditions set forth in its NPDES permit. The results of the inspection are summarized below.

Currently, the Dundas Prep Plant is not in operation, however, it still may be used in the future. Water draining off the prep site to the settling pond is highly acidic due to the amount of coal in the drainage area. Pot Ash is currently being laid in the waterways entering the pond to increase the pH. You should treat the acid drainage as far away as possible from the outfall in order to precipitate the metals prior to being discharged from your outlet and entering waters of the state. It appears that instead of the iron and manganese precipitating out in the pond, it is precipitating in the outfall stream leaving an orange-red residue. This precipitate is a violation of Part (III), Item (2) of your NPDES permit. Please inform this office, in writing, within thirty days of receipt of this notification as to the reason for the violation, as well as a description of the actions taken or proposed to prevent any further violations. Your response should include the dates, either actual or proposed, for completion of the actions.

I received a complaint that on March 19, 2007, that a large amount of rust red water was being discharged into Pierce Run from the Waterloo Coal Facility. I investigated on April 9, 2007, and it appeared that there were some areas with high water marks inside the property adjacent from the prep plant. We discussed this event in March. It was stated that in February that ice melting in the treatment pond caused a large flow, but no one was aware of an event in March. We came to the conclusion that the high water mark I observed in April was from a beaver dam that had broken at some period in the

recent past. However, the flows reported in the complaint seemed too high to have come from the breached beaver dam. There are a number of old underground mines on the Waterloo Coal Company property. It was speculated that one of these mines had recently discharged a large amount of water. However, no one present seemed to know about any discharge that occurred on March 13th. In the future, notify us when you have an unauthorized discharge from one of the underground mines or the treatment pond; please refer to Part III, Sections 12, 15, and 16 of your NPDES permit.

At the time of the inspection, Mr. Walker inquired about using anhydrous ammonia to treat the acid mine water running off the site. To reiterate what Mr. Spencer stated at the site and what he stated in a December 1996 letter to your company, ammonia is difficult to treat and reduce to water quality standards in discharges. It is toxic to aquatic life and greatly increases the cost of treating water to meet water quality standards. Therefore, Ohio EPA strongly discourages the use of anhydrous ammonia while other pH treatment options are available. Modification of the NPDES permit OIL00075\*DD would be necessary prior to Waterloo being able to use anhydrous ammonia. This process would be subject to the antidegradation regulations. It also would be likely you would have to install a sophisticated system to control the flow and quantity of anhydrous ammonia. This would require you also to obtain a Permit to Install from Ohio EPA for this treatment works. If you wish to pursue this option, please call me to discuss the details of this process.

If you begin processing coal at this plant in the future, please notify use prior to the start of operation. If you have any questions, please call me at (740) 380-5266.

Sincerely,



Cynthia Yandrich  
District Representative  
Division of Surface Water

CY/dh

Enclosure

c: Jay Martin, ODNR- Division of Mineral Resources

**NPDES**  
Compliance Inspection Report

**A. NATIONAL DATA SYSTEM CODING**

Permit No.	NPDES No.	Date	Inspection Type	Inspector	Facility Type
0IL00075*DD	OH0127680	April 25, 2007	C	S	2

**B. FACILITY DATA**

Name and Location of Facility Inspected	Entry Time	Permit Effective Date
Dundas Prep Plant Waterloo Coal Company 38963 State Route 160 East Hamden, Ohio 45634	1:30 p.m.	April 1, 2003
	Exit Time	Permit Expiration Date
	2:30 p.m.	March 31, 2008

Name(s) and Title(s) of On-Site Representative(s)	Phone Number(s)
Denton Bowman Rich Walker	(740) 286-5633
Name, Address and Title of Responsible Official	Phone Number
Denton Bowman Waterloo Coal Company P.O. Box 626 Jackson, Ohio 45640	(740) 286-5633

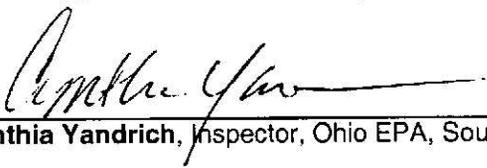
**C. AREAS EVALUATED DURING INSPECTION**

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

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

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

It appears that iron and manganese are precipitating in the outfall as opposed to the settling pond.

  
Cynthia Yandrich, Inspector, Ohio EPA, Southeast District Office

5/23/07  
Date

  
Timothy M. Campbell, Reviewer, Ohio EPA, Southeast District Office

5/23/07  
Date