



Indiana Department of Environmental Management

We Protect Hoosiers and Our Environment.

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(800) 451-6027 • (317) 232-8603 • www.idem.IN.gov

Eric J. Holcomb
Governor

Brian Rockensuess
Commissioner

December 22, 2022

Via Email to: hlovell@halladorpowers.com

Mr. Heath Lovell, President
Hallador Power Company, LLC
1183 East Canvasback Drive
Terre Haute, Indiana 47802

Dear Mr. Lovell:

Re: Inspection Summary/ Noncompliance Letter

Hallador Power Company, LLC - Merom
Generating Station
NPDES Permit No. IN0050296
Sullivan, Sullivan County

An inspection of the above-referenced facility or location was conducted by a representative of the Indiana Department of Environmental Management, Office of Water Quality, pursuant to IC 13-18-3-9. A summary of the inspection is provided below:

Date(s) of Inspection: December 21, 2022
Type of Inspection: Compliance Evaluation Inspection
Inspection Results: Violations were observed.

The following concerns were noted:

1. The Effluent Limits Compliance area was rated unsatisfactory due to the following self-reported violations of the limits detailed in Part I. A. of the the NPDES Permit:

Month	Year	Outfall	Parameter	Number
January	2022	002	Temperature	5
January	2022	201	Ammonia Nitrogen	1
February	2022	301	TSS	1
February	2022	401	TSS	2
March	2022	301	TSS	1
March	2022	401	TSS	1
March	2022	501	TSS	1
April	2022	101	Iron	2
April	2022	401	TSS	1
May	2022	101	Iron	3

May	2022	401	TSS	1
July	2022	301	TSS	1
September	2022	101	Iron	1
October	2022	101	Iron	6

It is also noted that the facility is continually in exceedance of the temperature requirements for Outfall 002 outlined in Part I. A. 2. [1] of the permit, which states that the discharge from Outfall 002, shall not exceed the maximum limits in the table more than one percent (1%) of the hours in the twelve (12) month period ending with any month.

Based on discussions with staff, the reduced coal inventory on-site has caused fluctuations in the influent loadings of iron to the IWTP plant which has caused changes in treatment efficiencies. The facility is addressing effluent iron exceedances at Outfall 101 by evaluating a coagulant to help with settling of iron.

Staff also indicated that the numerous TSS exceedances at Outfalls 301, 401, and 501 were due to grading projects around the site landfill. These projects have now been largely completed so future TSS exceedances are expected to be reduced.

2. Bypasses generated an unsatisfactory rating. The facility has reported five bypasses in the last twelve months. These bypasses all occurred from a faulty valve pit from the coal pile runoff area that allowed untreated acidic coal runoff to discharge directly into the discharge canal during heavy rain events rather than being treated through the IWTP. It is noted that this valve pit was repaired over the summer when conditions were dry enough to support the maintenance activities. An emergency overflow pipe was also constructed from the valve pit to the holding cell for this runoff to prevent future untreated overflows into the storm ditch.

Part II. A. 1. of your permit requires you to comply with its terms and conditions. Any noncompliance with the terms of your permit may subject you to an enforcement action which can include the imposition of penalties. You are required to immediately take all necessary measures to comply with the terms and conditions of your NPDES Permit, specifically those violations identified above.

Within 30 days of receipt of this letter, a written detailed response documenting correction of the concerns listed above and/or a plan for assuring future compliance must be submitted to this office. Failure to respond adequately to this letter may result in formal enforcement action. Please direct your response to this letter to our letterhead address or via email to wwViolationResponse@idem.IN.gov. Any questions should be directed to Holly Zurcher at 317-954-8028 or by email to hzurcher@idem.IN.gov. Thank you for your attention to this matter.

Sincerely,

Jason House
for

Kim Rohr, Chief
Wastewater Inspection Section
Office of Water Quality

Enclosure



NPDES Industrial Facility Inspection Report

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

NPDES Permit Number: IN0050296	Facility Type: Industrial	Facility Classification: Major	Facility Classification: D	TEMPO AI ID 12019			
Date(s) of Inspection: December 21, 2022							
Type of Inspection: Compliance Evaluation Inspection							
Name and Location of Facility Inspected: Hallador Power Company, LLC - Merom Generating Station 5500 W. Old S.R. 54 Sullivan IN 47882 Sullivan		Receiving Waters/POTW: Turtle Creek Reservoir	Permit Expiration Date: 1/31/2026 Design Flow: NA				
On Site Representative(s): First Name Last Name Title Email Phone Chad Cutliff Chemical Supervisor ccutliff@camsops.com 812-564-1096 Tommy Harrison Transition Rep from jharrison@hepn.com Hoosier Energy Blake Cutrell Environmental Engineer bcutrell@halladorenergy.com 812-306-8799 Was a verbal summary of the inspection given to the on-site rep? Yes							
Certified Operator: Kevin Burkett	Number: 21407	Class: D	Effective Date: 7-5-22	Expiration Date: 6-30-25			
Email: kburkett@keramida.com							
Cyber Security Contact Name: Email:							
Responsible Official: Mr. Heath Lovell, President 1183 East Canvasback Drive Terre Haute, Indiana 47802			Permittee: Hallador Power Company, LLC Email: hlovell@halladorpowers.com Phone: Contacted? No				
INSPECTION FINDINGS <input type="radio"/> Conditions evaluated were found to be satisfactory at the time of the inspection. (5) <input type="radio"/> Violations were discovered but corrected during the inspection. (4) <input type="radio"/> Potential problems were discovered or observed. (3) <input checked="" type="radio"/> Violations were discovered and require a submittal from you and/or a follow-up inspection by IDEM. (2) <input type="radio"/> Violations were discovered and may subject you to an appropriate enforcement response. (1)							
AREAS EVALUATED DURING INSPECTION (S = Satisfactory, M = Marginal, U = Unsatisfactory, N = Not Evaluated)							
S	Receiving Waters	S	Facility/Site	S	Self-Monitoring	N	Compliance Schedules
S	Effluent/Discharge	S	Operation	S	Flow Measurement		
S	Permit	S	Maintenance	S	Laboratory	U	Effluent Limits Compliance
		S	Sludge	S	Records/Reports	U	Other: SWPPP and Bypasses
DETAILED AREA EVALUATIONS							
Receiving Waters: S 1. The receiving stream was visibly free of excessive deposits of settled solids, floating debris, oil, scum, or billowy foam. Comments: The receiving waterbody was free of notable foam, algae or solids.							
Effluent/Discharge: S 1. Final effluent was essentially free of excessive solids, floating debris, oil, scum, or billowy foam. N 2. Pretreatment discharge into sanitary sewers appeared free of excessive oils, grease, solids, or foam and did not appear to be in violation of the local Sewer Use Ordinance. N 3. Pretreatment discharge into sanitary sewers did not contain materials that pass through or interfere with the							

operation of the POTW.

Evaluation of Multiple Outfalls:

Outfall #	Insp. Date	Outfall Inspection Comments
001	12/21/2022	The effluent was clear and free of color at the time of the inspection.
002	12/21/2022	The effluent was clear and free of color at the time of the inspection.
002S	12/21/2022	The effluent was clear and free of color at the time of the inspection.
003S	12/21/2022	The effluent was clear and free of color at the time of the inspection.
004S	12/21/2022	The effluent was clear and free of color at the time of the inspection.
005S	12/21/2022	The outfall was not discharging at the time of the inspection.
006S	12/21/2022	The effluent was clear and free of color at the time of the inspection.
101	12/21/2022	The effluent was clear and free of color at the time of the inspection.
201	12/21/2022	The effluent was clear and free of color at the time of the inspection.
301	12/21/2022	The effluent was clear and free of color at the time of the inspection.
401	12/21/2022	The outfall was not discharging at the time of the inspection.
501	12/21/2022	The effluent was clear and free of color at the time of the inspection.
601	12/21/2022	The effluent was clear and free of color at the time of the inspection.
801	12/21/2022	The effluent appeared free of excessive oils, grease, solids, or foam.
901	12/21/2022	The effluent was clear and free of color at the time of the inspection.

Comments:

Permit:

- S 1. Did the facility have a copy of the current permit available for reference.
- N 2. If the permit expires within 180 days, has a renewal application been submitted?
- S 3. Receiving waters are accurately described in the permit.
- S 4. The permit has been properly transferred if there is a new owner.

Comments:

The facility has a valid permit. The permit was transferred to Hallador Power Company, LLC effective December 1, 2022.

Facility/Site:

- N 1. The facility was found to have standby power or equivalent provision, If required.
- S 2. An adequate alarm or notification system for power or equipment failure was available for the treatment facility.
- S 3. Safe and adequate access was provided for inspection of all treatment units and outfalls.
- S 4. Facilities and equipment did not appear beyond their useful life.
- 5. List any safety concerns noted during the inspection in the box below:

Comments:

The industrial wastewater treatment plant (IWTP) is equipped with SCADA controls/alarms and the sanitary WWTP is equipped with visual alarms. Both are visually monitored by staff several times each day.

Operation:

- S 1. All facilities and systems necessary for achieving compliance with the terms and conditions of the permit were operated efficiently, including an anticipated bypass report for steps of treatment taken out of service.
- S 2. An adequate, qualified operating staff was found to be provided to carry out the operation of the facility, including:
 - a. Certified Operator's on-site attendance and/or qualified operations personnel attendance was adequate.
 - b. Adequate documentation of operational activities, including system monitoring and cleaning.
 - c. Adequate funding to ensure proper operation.
- S 3. Solids handling procedures were adequate.
- S 4. Documentation of solids removal, handling, and disposal was adequate.

Comments:

The sanitary WWTP appeared to be operating efficiently. Operators conduct process control testing and waste according to operational targets.

The IWTP plant was in recirculation mode at the time of the inspection. The system monitors influent pH and

turbidity which regulates the chemical dosing in the plant. Staff also perform intermediate iron testing to make adjustments to treatment as needed. Staff are in the process of requesting approval for a WTA coagulant to help with iron settling and reduce continued iron exceedances at the plant.

Maintenance:

- S 1. A maintenance record system has been established and includes maintenance/repair history and preventative maintenance plan.
- S 2. Facility maintenance activities appeared adequate.

Comments:

The facility uses a program called Maximo for preventative maintenance activities at the site. The program generates work orders and logs completed tasks.

Sludge:

- S 1. Sludges, screenings, and slurries were found to be handled and disposed of properly.

Comments:

A records review during the inspection showed adequate handling and disposal of sludge. Sludge is hauled from the sanitary sewer plant by A-1 sanitation to the Terre Haute WWTP, as needed. Solids generated from the IWTP plant are sent to the on-site landfill.

Self-Monitoring:

- S 1. Samples were found to be taken at pre-designated locations and were found to be representative.
- N 2. Flow-proportioned samples were found to be obtained where needed.
- S 3. The facility was found to conduct sampling of all waste streams, including type and frequency, as required in the permit.
- S 4. Sample collection procedures, including automatic sampling, include:
 - a. Samples refrigerated during compositing.
 - b. Proper preservation techniques used.
 - c. Containers and holding times conform to 40 CFR 136.3.
- S 5. Sample documentation was adequate and includes:
 - a. Dates, times, and locations of sampling.
 - b. Name of individual performing sampling.
 - c. Instantaneous flow for flow-weighted aliquots.
 - d. Chain of Custody records.
- N 6. NPDES Permit Total Toxic Organic (TTO) requirements were being met.
- N 7. NPDES Permit Whole Effluent Toxicity (WET) testing requirements were being met.

Comments:

The Self Monitoring Program was rated as satisfactory. All sampling practices are conducted accurately and at the frequency required by the permit.

Flow Measurement:

- S 1. Flow was found to be properly monitored as required by the permit.
- S 2. Flow data and calibration records were available for review, and document that monitoring equipment has been calibrated at the frequency required in the permit.

Comments:

The facility's flow measurement program, including all documentation, is adequate and representative. Flow from Outfall 001 is a calculated value based on pump run hours along with addition of estimated contributing wastestreams. This method was reviewed by IDEM permitting staff and determined to be acceptable. Flow is metered at Outfall 101 and 201 and the meters were calibrated in June 2022. The other outfalls are estimated by using area/velocity calculations or timed volume measurements.

Laboratory:

The following laboratory records were reviewed:

TSS Bench Sheets	pH Bench Sheets	Phos. Bench Sheets
Ammonia Bench Sheets	E. coli Bench Sheets	Chain-of-Custody
Contract Lab Reports		

- S 1. The laboratory practices and protocol reviewed were adequate, including:
 - a. A written laboratory QA/QC manual was available.
 - b. Samples were found to be properly stored.
 - c. Approved analytical methods were used.
 - d. Calibration and maintenance of instruments was adequate.

- e. QA/QC procedures were adequate.
- f. Dates of analyses (and times, where required) were recorded.
- g. Name of person performing analyses was recorded.

S 2. Review of lab records and/or on-site field testing equipment and protocols was found to be adequate.

Contract Lab Information

Pace Analytical

Farmersburg, Indiana

Comments:

The documents reviewed during the inspection appeared to be accurate and complete.

Records/Reports:

The following records/reports were reviewed:

DMRs for the period of November 2021 to October 2022 were reviewed as part of the inspection.

S 1. All facility records for the period including the previous three years were available for review.

S 2. DMRs and MMRs were completed properly and accurately including:

- a. "No Ex" column was accurate.
- b. Signatory requirements were met.
- c. Reports were prepared by or under the direction of a certified operator.

S 3. Bypass and Noncompliance reporting are adequate.

Comments:

The requested records were available and appear complete and accurate.

Compliance Schedules:

N 1. The NPDES Permit Schedule of Compliance monitoring and reporting milestones have been met.

N 2. Agreed Order compliance milestones have been met.

Comments:

There is no Schedule of Compliance in the current permit, and there is no Agreed Order. The Schedule of Compliance was removed in the permit modification that became effective September 1, 2022.

Effluent Limits Compliance:

Yes 1. Were DMRs reviewed as part of the inspection?

DMRs for the period of November 2021 to October 2022 were reviewed as part of the inspection.

Yes 2. Were violations noted during the review of DMRs?

The Effluent Limits Compliance area was rated unsatisfactory due to the following self-reported violations of the limits detailed in Part I. A. of the NPDES Permit:

Month	Year	Outfall	Parameter	Number
January	2022	002	Temperature	5
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Comments:

It is also noted that the facility is continually in exceedance of the temperature requirements for Outfall 002 outlined in Part I. A. 2. [1] of the permit, which states that the discharge from Outfall 002, shall not exceed the maximum limits in the table more than one percent (1%) of the hours in the twelve (12) month period ending with any month.

Based on discussions with staff, the reduced coal inventory on-site has caused fluctuations in the influent loadings of iron to the IWTP plant which has caused changes in treatment efficiencies. The facility is addressing

effluent iron exceedances at Outfall 101 by evaluating a coagulant to help with settling of iron.

Staff also indicated that the numerous TSS exceedances at Outfalls 301, 401, and 501 were due to grading projects around the site landfill. These projects have now been largely completed so future TSS exceedances are expected to be reduced..

Other:

SWPPP and Bypasses

Comments:

The SWPPP category generated a satisfactory rating. The facility has a current SWPPP and adequately conducts/documents quarterly storm water inspections. Inspections are conducted by various departments that represent different parts of the areas defined under the SWPPP. The final reports are logged electronically and available in paper copy.

Bypasses generated an unsatisfactory rating. The facility has reported five bypasses in the last twelve months. These bypasses all occurred from a faulty valve pit from the coal pile runoff area that allowed untreated acidic coal runoff to discharge directly into the discharge canal during heavy rain events rather than being treated through the IWTP. It is noted that this valve pit was repaired over the summer when conditions were dry enough to support the maintenance activities. An emergency overflow pipe was also constructed from the valve pit to the holding cell for this runoff to prevent future untreated overflows into the storm ditch.

IDEM REPRESENTATIVE

Inspector Name:

Holly Zurcher

Email:

hzurcher@idem.IN.gov

Phone Number:

317-954-8028

IDEM MANAGER REVIEW

IDEM Manager:

Kim Rohr

Date:

12/22/2022