

0025



State of Utah  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
DIVISION OF WATER QUALITY

007/005 #7

*Mary, Original to F.L.  
cc: S. Falvey  
S. Demczak*

Michael O. Leavitt  
Governor  
Dianne R. Nielson, Ph.D.  
Executive Director  
Don A. Ostler, P.E.  
Director

288 North 1460 West  
P.O. Box 144870  
Salt Lake City, Utah 84114-4870  
(801) 538-6146  
(801) 538-6016 Fax  
(801) 536-4414 T.D.D.

May 5, 1994

**RECEIVED**

MAY 6 1994

**DIVISION OF  
OIL GAS & MINING**

CERTIFIED MAIL  
(Return Receipt Requested)

Keith W. Welch  
Coastal States Energy Company  
P.O. Box 719  
Helper, Utah 84526

RE: Coastal States Energy Company, Skyline Mine  
UT0023540 - Settlement Agreement,  
Docket No. I92-03SA

Dear Mr. Welch:

Transmitted herewith is the duly executed (signed and dated by the Executive Secretary) Settlement Agreement, Docket No. I92-03SA. We appreciate all the work which you and the rest of the staff put into resolving this issue.

Thank you.

Sincerely,

Utah Water Quality Board

Don A. Ostler, P.E.  
Executive Secretary

DAO:DH:kc  
Enclosure

- cc: Fred Nelson, Assistant Attorney General w/encl.
- Mike Reed, EPA, Region VIII, Water Management Division w/encl
- Claron D. Bjork, Southeastern Utah District Health Dept. w/encl.
- Daron Haddock, DOGM w/encl.
- Dave Ariotti, District Engineer w/encl.
- Dianne Nielson, Department of Environmental Quality w/encl.

## UTAH WATER QUALITY BOARD

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IN THE MATTER OF	:	DOCKET NO. 192-03SA
COASTAL STATES ENERGY CO.	:	SETTLEMENT AGREEMENT
UTAH FUEL CO., SKYLINE MINE	:	
UPDES PERMIT NO. UT0023540	:	

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This **SETTLEMENT AGREEMENT** and **CONSENT ORDER** (hereinafter "**AGREEMENT**") is between **COASTAL STATES ENERGY COMPANY, UTAH FUEL COMPANY, SKYLINE MINE** (hereinafter "**SKYLINE**") and the **UTAH WATER QUALITY BOARD** (hereinafter "the **BOARD**"), concerning discharges from **SKYLINE's** 001 discharge point to Eccles Creek.

1. The **BOARD** has authority to administer the *Utah Water Quality Act as amended 1953*, (hereinafter "the *ACT*").
2. The **BOARD** has been delegated authority by the U.S. Environmental Protection Agency (EPA) to administer the *National Pollutant Discharge Elimination System* (NPDES) permit program under the *Federal Clean Water Act* (CWA).
3. The **EXECUTIVE SECRETARY** of the **BOARD** (hereinafter the "**EXECUTIVE SECRETARY**") will administer the terms and provisions of this **AGREEMENT**.
4. This **AGREEMENT** resolves the **NOTICE OF VIOLATION** and **ORDER** (Docket Number 192-03) issued to **SKYLINE** on April 22, 1992 by the **BOARD**. This **AGREEMENT** constitutes a settlement of the violations of **SKYLINE's** Utah Pollutant Discharge Elimination System (UPDES) permit No. UT0023540 cited in said **ORDER**, and subsequent violations of total dissolved solids (TDS) and sulfates which have occurred and which may occur through September 30, 1994. This **AGREEMENT** does not relieve **SKYLINE** from any other obligation imposed under the *ACT*, the *Utah Wastewater Disposal Regulations*, the *UPDES* permit, or any other State or Federal laws.
5. **SKYLINE** agrees to abide by the following "interim limits" for TDS and sulfate:
  - A. TDS shall not exceed 1600 mg/L as a daily maximum. No other TDS limits shall apply.
  - B. Sulfate shall not exceed 1000 mg/L as a daily maximum.

Type of sample and frequency of analysis for TDS and sulfate shall be once per week by grab sample. The results of these sample analyses shall be included on the required monthly discharge monitoring reports (DMRs). In addition, the results for each sampling shall be included on a separate sheet of paper attached to the DMRs.

6. **SKYLINE** agrees to pay a penalty of \$2,000.00 per day for every day they take a sample which indicates they are in violation of the interim effluent limits in paragraph 4. Payment of a penalty shall occur within 30 days of demand by the Executive Secretary. Skyline shall pay by check made payable to the State of Utah and delivered to the Division of Water Quality, 288 North 1460 West, P.O. Box 144870, Salt Lake City, Utah, 84114-4870.
7. **SKYLINE** agrees to the following requirements:
  - A. Submit on a quarterly basis a trend analysis for TDS and sulfate concentrations.
  - B. Submit on a quarterly basis, a progress report on what actions were taken during that time period to comply with UPDES permit limits.
  - C. On a quarterly basis submit a yearly average concentration for TDS which consists of a moving average computed each month.
  - D. Pay \$500.00 per day for each day the quarterly reports required in A, B & C are late (late means not received by the Division of Water Quality on or before the due date). The quarterly reports are to be received on or before the twenty eighth (28th.) day of the month following each quarter. Quarterly reports shall be submitted on April 28th., July 28th., October 28th. and January 28th.
8. **SKYLINE** shall achieve compliance with all requirements of their UPDES permit by September 30, 1994. **SKYLINE** shall implement all reasonable and practical controls to reduce the TDS and Sulfate concentrations to the maximum extent possible, at all times.
9. **SKYLINE** shall adhere to all the conditions set forth in this **AGREEMENT** unless their performance is prevented or delayed by events which constitute a force majeure. A force majeure is defined as any natural or other event arising from causes not reasonably foreseeable and beyond the control of the Respondent, which could not have been overcome by due diligence, and which delays or prevents performance by dates required by this **AGREEMENT**.
10. Nothing contained in this **AGREEMENT** shall preclude the **BOARD** from taking appropriate action to abate an imminent endangerment to the public health or the environment should such a situation arise at **SKYLINE's** facility.

11. Nothing in this **AGREEMENT** shall preclude **SKYLINE** from requesting approval from the **BOARD** for a mitigation project under *UAC R317-19.4* in lieu of a portion of the penalties provided by this **AGREEMENT**. Approval of any mitigation project is solely at the discretion of the **BOARD** and must meet the requirements of *UAC R317-19.4*.
12. If agreement by **SKYLINE** and the **BOARD** cannot be reached regarding any provision under this **AGREEMENT**, **SKYLINE** or the **BOARD** may commence a proceeding under the *Administrative Procedures Act* and applicable regulations of the **BOARD** to resolve the dispute. The **BOARD'S** final decision in any adjudicative proceeding shall be subject to judicial review under applicable State law.
13. Nothing in this **AGREEMENT** shall constitute a waiver by **SKYLINE** to raise in its defense any legal or factual contention for future allegations of noncompliance.
14. Nothing in this **AGREEMENT** shall constitute or be considered a release from any claims, to include natural resource damage claims, cause of action, or demand in law or equity which the **STATE** may have against **SKYLINE** or any other person, firm, partnership or corporation for any liability arising out of or relating in any way to the release of pollutants to waters of the State.
15. This **AGREEMENT** shall terminate at midnight, September 30, 1994.

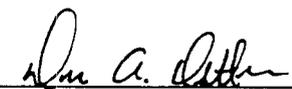
AGREED to this 5<sup>th</sup> Day of May, 1994.

COASTAL STATES ENERGY COMPANY,  
UTAH FUEL COMPANY, SKYLINE MINE

By 

Authorized Agent

UTAH WATER QUALITY BOARD

By 

Executive Secretary