



Oregon

John A. Kitzhaber, MD, Governor

Department of Environmental Quality

Eastern Region - Pendleton Office
800 SE Emigrant Ave, Suite 330
Pendleton, OR 97801
Phone: (541) 276-4063
Fax: (541) 278-0168
Relay Service: 711

February 11, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Clark Moseley, P.E.
Coyote Island Terminal, LLC
PacWest Center, 1211 SW 5th, Suite 1900
Portland, OR 97204

Re: Waste Disposal Permit
File No. 122675
Site Loc. Morrow Pacific Bulk Terminal
72000 Dewey West Lane, Boardman, Oregon
Morrow County

DEQ reviewed your permit application for a Water Pollution Control Facilities (WPCF) permit and any comments received regarding the draft permit. Your permit has been issued and is enclosed.

This permit will be considered the final action on permit application number 962625.

If you are dissatisfied with the conditions or limitations of this permit, you have 20 days to request a hearing. The request for a hearing must be made in writing and state the grounds for the request.

You are urged to carefully read the permit and take all possible steps to comply with conditions established. Should you have any questions regarding this permit please contact Heidi Williams in the Eastern Region – Pendleton office at (541) 278-4608.

Sincerely,

Cheryll Hutchens-Woods
Water Quality Manager
Eastern Region

CHW:jmr
Enclosure





WATER POLLUTION CONTROL FACILITIES PERMIT

Department of Environmental Quality
Eastern Region
800 S.E. Emigrant Avenue, Suite 330, Pendleton, OR 97801
Telephone: (541) 276-4063

Issued pursuant to ORS 468B.050

FACILITY:

Coyote Island Terminal, LLC
1211 SW 5th, Suite 1900
Portland, OR 97204

PLANT TYPE AND LOCATION:

Coal Transfer Facility
Morrow Pacific Bulk Terminal
72000 Dewey West Lane
Boardman, OR 97818

SOURCES COVERED BY THIS PERMIT:

<u>Type of Waste</u>	<u>Method of Disposal</u>
Industrial Wastewater	Internal clarifier
Wastewater Derived Solids	Reuse/Disposal

RIVER BASIN INFORMATION:

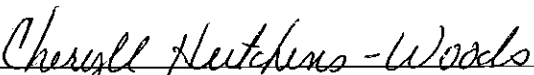
Basin: Columbia
Sub-Basin: Mid Columbia-Lake Wallula
LLID: 1240483462464; RM: 267
County: Morrow

Nearest surface stream which would receive waste if it were to discharge: Columbia River

Applicable Standards: OAR 340-040, -041

Issued in response to Application No. 962625 received October 1, 2012.

This permit is issued based on the land use findings in the permit record.


Cheryl Hutchens-Woods, Water Quality Manager
Eastern Region

February 11, 2014
Date

PERMITTED ACTIVITIES

Until this permit expires or is modified or revoked, the Permittee is authorized to construct, install, modify, or operate a wastewater collection, treatment, control and disposal system in conformance with all the requirements, limitations, and conditions set forth in the attached schedules as follows:

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Unless specifically authorized by this permit, by another NPDES or WPCF permit, or by Oregon Administrative Rule, any other direct or indirect discharge to waters of the state is prohibited, including discharge to an underground injection control system.

SCHEDULE A

Waste Disposal Limitations

1. The Permittee is authorized to manage industrial process wastewater from coal transfer operations and in accordance with the conditions of this permit.
2. There will be no discharge allowed from the closed loop system other than to be used as recycled water within the enclosed system to be re-collected into the wastewater system.
3. There shall be no discharge to surface waters or to the ground surface.
4. Discharge of coal and coal dust to the Columbia River from the CIT coal transfer facilities at Port of Morrow is prohibited.
5. All wastewater and related wastewater solids shall be managed and disposed of in a manner that will prevent:
 - a. A violation of the surface water quality standards, Oregon Administrative Rules (OAR) 340-041; and
 - b. A violation of the Department's Groundwater Quality Protection Rules (OAR 340-040).
6. All activities pertaining to the management and disposal of the authorized wastes shall be conducted in accordance with the Department-approved Engineering Report/Facility Plan, and any amendments approved in writing by the Department. A waste characterization must be submitted as part of any requests to dispose of wastewater or solids outside the closed loop system.

SCHEDULE B

Minimum Monitoring and Reporting Requirements (unless otherwise approved in writing by the Department)

1. Monitoring Requirements

- a. The Permittee shall monitor the operation and efficiency of all treatment facilities. Minimum monitoring shall include the following parameters:

Item or Parameter	Minimum Frequency	Type of Sample
Flow into clarifier	Daily (gpm)	Measure
Flow out of clarifier	Daily	Measure
Flow Meter Calibration	Annually	Measure
Flow of Make-up	Daily (gpm)	Measure
Removal of filter cake from filter press	Per event	Record

- b. Monthly inspections for system leaks/uncontrolled water losses. Inspection details shall be maintained in logs at the facility and made available to DEQ upon request.

2. Reporting Requirements

- a. Monitoring results shall be reported on approved forms. The reporting period is monthly. Reports must be submitted to the Department's Eastern Region - Pendleton office by the 15th day of the following month.
- b. Monitoring reports shall also include a record of all applicable equipment breakdowns and bypassing.

SCHEDULE D

Special Conditions

1. Prior to constructing or modifying wastewater management, treatment and disposal facilities, detailed plans and specifications shall be submitted to and approved in writing by the Department.
2. The wastewater from the clarifier must be internally recycled back into the system for dust extraction, misting, washdown, and deluge. Fogger systems are to use fresh water.
3. Water flow measuring equipment shall be calibrated annually or as specified by the manufacturer. The clarifier and associated water collection system equipment shall be inspected annually and maintenance shall be performed to maintain optimal operating conditions at all times.
4. The Permittee shall notify the Department's Eastern Region office at (541) 276-4063 (1-800-452-4011 - toll free call back) of the following events:
 - a. Change in operation. Any substantive change to the wastewater handling systems covered by this permit must have prior approval, in writing, from the Department before the change is implemented. Non-approved changes are a violation of this permit.
 - b. In the event of any malfunction of the storm water/wastewater system Permittee shall notify the Department in accordance with the response times contained in the General Conditions of this permit to enable coordination of corrective action between the Permittee and the Department.
5. An adequate contingency plan for prevention and handling of spills and unplanned discharges shall be in force at all times. A continuing program of employee orientation and education shall be maintained to ensure awareness of the necessity for good in-plant control and proper action in the event of a spill or accident.
6. An environmental supervisor shall be designated to coordinate and implement all necessary functions related to maintenance and operation of waste management, treatment, and disposal facilities. This person must have access to all information pertaining to the generation of wastes in the various process areas.
7. The Department may reopen the permit, if necessary, to include new or revised discharge limitations, monitoring or reporting requirements, compliance conditions and schedules, and special conditions.

SCHEDULE F**WPCF GENERAL CONDITIONS – INDUSTRIAL FACILITIES****SECTION A. STANDARD CONDITIONS****1. Duty to Comply with Permit**

The permittee must comply with all conditions of this permit. Failure to comply with any permit condition is a violation of Oregon Revised Statutes (ORS) 468B.025 and grounds for an enforcement action. Failure to comply is also grounds for the Department to modify, revoke, or deny renewal of a permit.

2. Property Rights and Other Legal Requirements

Issuance of this permit does not convey any property rights of any sort, or any exclusive privilege, or authorize any injury to persons or property or invasion of any other rights, or any infringement of federal, tribal, state, or local laws or regulations.

3. Liability

The Department of Environmental Quality or its officers, agents, or employees may not sustain any liability on account of the issuance of this permit or on account of the construction or maintenance of facilities or systems because of this permit.

4. Permit Actions

After notice by the Department, this permit may be modified, suspended, or revoked in whole or in part during its term for cause including but not limited to the following:

- a. Violation of any term or condition of this permit, any applicable rule or statute, or any order of the Commission;
- b. Obtaining this permit by misrepresentation or failure to disclose fully all relevant facts.

5. Transfer of Permit

This permit may not be transferred to a third party without prior written approval from the Department. The Department may approve transfers where the transferee acquires a property interest in the permitted activity and agrees in writing to fully comply with all the terms and conditions of this permit and the rules of the Commission. A transfer application and filing fee must be submitted to the Department.

6. Permit Fees

The permittee must pay the fees required by Oregon Administrative Rules.

SECTION B. OPERATION AND MAINTENANCE OF POLLUTION CONTROLS**1. Proper Operation and Maintenance**

At all times the permittee must maintain in good working order and properly operate as efficiently as possible all treatment or control facilities or systems installed or used by the permittee to comply with the terms and conditions of this permit.

2. Standard Operation and Maintenance

All waste collection, control, treatment, and disposal facilities or systems must be operated in a manner consistent with the following:

- a. At all times, all facilities or systems must be operated as efficiently as possible in a manner that will prevent discharges, health hazards, and nuisance conditions.
- b. All screenings, grit, and sludge must be disposed of in a manner approved by the Department to prevent any pollutant from the materials from reaching waters of the state, creating a public health hazard, or causing a nuisance condition.

- c. Bypassing untreated waste is generally prohibited. Bypassing may not occur without prior written permission from the Department except where unavoidable to prevent loss of life, personal injury, or severe property damage.

3. Noncompliance and Notification Procedures

If the permittee is unable to comply with conditions of this permit because of surfacing sewage; a breakdown of equipment, facilities or systems; an accident caused by human error or negligence; or any other cause such as an act of nature, the permittee must:

- a. Immediately take action to stop, contain, and clean up the unauthorized discharges and correct the problem.
- b. Immediately notify the Department's Regional office so that an investigation can be made to evaluate the impact and the corrective actions taken, and to determine any additional action that must be taken.
- c. Within 5 days of the time the permittee becomes aware of the circumstances, the permittee must submit to the Department a detailed written report describing the breakdown, the actual quantity and quality of waste discharged, corrective action taken, steps taken to prevent a recurrence, and any other pertinent information.

Compliance with these requirements does not relieve the permittee from responsibility to maintain continuous compliance with the conditions of this permit or liability for failure to comply.

4. Wastewater System Personnel

The permittee must provide an adequate operating staff that is duly qualified to carry out the operation, maintenance, and monitoring requirements to assure continuous compliance with the conditions of this permit.

5. Public Notification of Effluent Violation

If effluent limitations specified in this permit are exceeded or an overflow occurs that threatens public health, the permittee must take such steps as are necessary to alert the public, health agencies and other affected entities (e.g., public water systems) about the extent and nature of the discharge in accordance with the notification procedures developed in accordance with General Condition B.6. Such steps may include, but are not limited to, posting of the river at access points and other places, news releases, and paid announcements on radio and television.

6. Emergency Response and Public Notification Plan

The permittee must develop and implement an emergency response and public notification plan that identifies measures to protect public health from bypasses or upsets that may endanger public health. At a minimum the plan must include mechanisms to:

- a. Ensure that the permittee is aware (to the greatest extent possible) of such events;
- b. Ensure notification of appropriate personnel and ensure that they are immediately dispatched for investigation and response;
- c. Ensure immediate notification to the public, health agencies, and other affected entities (including public water systems). The response plan must identify the public health and other officials who will receive immediate notification;
- d. Ensure that appropriate personnel are aware of and follow the plan and are appropriately trained;
- e. Provide emergency operations: and
- f. Ensure that DEQ is notified of the public notification steps taken.

SECTION C. MONITORING AND RECORDS

1. Inspection and Entry

The permittee must at all reasonable times allow authorized representatives of the Department to:

- a. Enter upon the permittee's premises where a waste source or disposal system is located or where any records are required to be kept under the terms and conditions of this permit;

- b. Have access to and copy any records required by this permit;
 - c. Inspect any treatment or disposal system, practices, operations, monitoring equipment, or monitoring method regulated or required by this permit; or
 - d. Sample or monitor any substances or permit parameters at any location at reasonable times for the purpose of assuring permit compliance or as otherwise authorized by state law...
2. Averaging of Measurements
Calculations of averages of measurements required for all parameters except bacteria must use an arithmetic mean; bacteria must be averaged as specified in the permit.
 3. Monitoring Procedures
Monitoring must be conducted according to test procedures specified in the most recent edition of **Standard Methods for the Examination of Water and Wastewater**, unless other test procedures have been approved in writing by the Department and specified in this permit.
 4. Retention of Records
The permittee must retain records of all monitoring and maintenance information, including all calibrations, copies of all reports required by this permit, and records of all data used to complete the application for this permit, for a period of at least 3 years from the date of the sample, measurement, report or application. The Department may extend this period at any time.

SECTION D. REPORTING REQUIREMENTS

1. Plan Submittal
Pursuant to Oregon Revised Statute 468B.055, unless specifically exempted by rule, construction, installation, or modification of disposal systems, treatment works, or sewerage systems may not commence until plans and specifications are submitted to and approved in writing by the Department. All construction, installation, or modification shall be in strict conformance with the Department's written approval of the plans.
2. Change in Discharge
Whenever a facility expansion, production increase, or process modification is expected to result in a change in the character of pollutants to be discharged or in a new or increased discharge that will exceed the conditions of this permit, a new application must be submitted together with the necessary reports, plans, and specifications for the proposed changes. A change may not be made until plans have been approved and a new permit or permit modification has been issued.
3. Signatory Requirements
All applications, reports, or information submitted to the Department must be signed and certified by the official applicant of record (owner) or authorized designee.
4. Twenty-Four Hour Reporting
The permittee must report any noncompliance that may endanger health or the environment. Any information must be provided orally (by telephone) within 24 hours from the time the permittee becomes aware of the circumstances, unless a shorter time is specified in the permit. During normal business hours, the Department's Regional office must be called. Outside of normal business hours, the Department must be contacted at 1-800-452-0311 (Oregon Emergency Response System).

The following must be included as information that must be reported within 24 hours under this paragraph:

- a. Any unanticipated bypass that exceeds any effluent limitation in this permit;
- b. Any upset that exceeds any effluent limitation in this permit;

- c. Violation of maximum daily discharge limitation for any of the pollutants listed by the Department in this permit; and
- d. Any noncompliance that may endanger human health or the environment.

A written submission must also be provided within 5 days of the time the permittee becomes aware of the circumstances. The written submission must contain:

- e. A description of noncompliance and its cause;
- f. The period of noncompliance, including exact dates and times;
- g. The estimated time noncompliance is expected to continue if it has not been corrected;
- h. Steps taken or planned to reduce, eliminate and prevent reoccurrence of the noncompliance; and
- i. Public notification steps taken, pursuant to General Condition B.6.

The Department may waive the written report on a case-by-case basis if the oral report has been received within 24 hours.

SECTION E. DEFINITIONS

1. *BOD* or *BOD₅* means five-day biochemical oxygen demand.
2. *CBOD* or *CBOD₅* means five-day carbonaceous biochemical oxygen demand.
3. *TSS* means total suspended solids.
4. *Bacteria* means but is not limited to fecal coliform bacteria, total coliform bacteria, *Escherichia coli* (*E. coli*) bacteria, and *Enterococcus* bacteria.
5. *FC* means fecal coliform bacteria.
6. *Total residual chlorine* means combined chlorine forms plus free residual chlorine
7. *Technology based permit effluent limitations* means technology-based treatment requirements as defined in 40 CFR § 125.3, and concentration and mass load effluent limitations that are based on minimum design criteria specified in OAR 340-041.
8. *mg/l* means milligrams per liter.
9. *µg/l* means microgram per liter.
10. *kg* means kilograms.
11. *m³/d* means cubic meters per day.
12. *MGD* means million gallons per day.
13. *Average monthly effluent limitation* as defined at 40 CFR § 122.2 means the highest allowable average of daily discharges over a calendar month, calculated as the sum of all daily discharges measured during a calendar month divided by the number of daily discharges measured during that month.
14. *Average weekly effluent limitation* as defined at 40 CFR § 122.2 means the highest allowable average of daily discharges over a calendar week, calculated as the sum of all daily discharges measured during a calendar week divided by the number of daily discharges measured during that week.
15. *Daily discharge* as defined at 40 CFR § 122.2 means the discharge of a pollutant measured during a calendar day or any 24-hour period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in units of mass, the daily discharge must be calculated as the total mass of the pollutant discharged over the day. For pollutants with limitations expressed in other units of measurement, the daily discharge must be calculated as the average measurement of the pollutant over the day.
16. *24-hour composite sample* means a combination of at least six discrete sample aliquots of at least 100 milliliters, collected at periodic intervals from the same location, during the operating hours of the facility over a 24 hour period. Four (rather than six) aliquots should be collected for volatile organics analyses. The composite must be flow or time proportional, whichever is more appropriate. The sample aliquots must be collected and stored in accordance with procedures prescribed in the most recent edition of *Standard Methods for the Examination of Water and Wastewater*.
17. *Grab sample* means an individual discrete sample collected over a period of time not to exceed 15 minutes.
18. *Quarter* means January through March, April through June, July through September, or October through December.
19. *Month* means calendar month.
20. *Week* means a calendar week of Sunday through Saturday.

WPCF WASTEWATER DISPOSAL PERMIT EVALUATION

Department of Environmental Quality
Eastern Region - Pendleton Office
800 SE Emigrant, Suite 330, Pendleton, OR 97801
Telephone: (541) 276-4063

PERMITTEE: Coyote Island Terminal, LLC
1211 SW 5th, Suite 1900
Portland, OR 97204
File Number: 122675
Permit Number: 103073

SOURCE LOCATION: Morrow Pacific Bulk Terminal, 72000 Dewey West Lane, Boardman, OR97818

SOURCE CONTACT: Al Knapp Telephone Number: 913-219-6613

PERMIT WRITER: Heidi Williams Telephone Number: 541-278-4608

PROPOSED ACTION: Issuance of a Water Pollution Control Facilities (WPCF) permit

SOURCE CATEGORY: Industrial

PERMIT APPLICATION DATE: October 1, 2012

PERMIT APPLICATION NUMBER: 962625

Introduction

On October 1, 2012, Coyote Island Terminal, LLC submitted an application for an individual Water Pollution Control Facilities (WPCF) permit, along with maps, a Preliminary Engineering Report/Facility Plan containing a description of the proposed operations, and Land Use Compatibility Statements (LUCSs) from Morrow County. The company proposes to construct a coal transfer facility, which will include the discharge of wastewater to a closed loop treatment system at the site. This evaluation report addresses waste disposal limitations, minimum monitoring and reporting requirements, compliance conditions and schedules, and conditions of the proposed individual permit.

Facility Description

Coyote Island Terminal, LLC proposes to operate a coal transfer facility at the Morrow Pacific Project (MPP) site in Boardman, Oregon. The facility is an offloading and temporary storage location for coal. It will consist of four primary components: a rail unloading shed, enclosed conveyors, coal storage buildings, and enclosed barge loading infrastructure. The site will also include an office/shop.

MPP will consist of accepting coal from railcars, which will be offloaded directly into barges by conveyors; or into buildings for storage, then transferred into barges by conveyors. The facility will initially transfer 3.85 million short tons annually. The site can be expanded to accommodate the transfer of 8.8 million short tons about two years after start-up.

The major components of the facility are:

Unloading shed: Industrial process wastewater will be created from water used for wet dust extraction and washdown in the unloading shed. Wastewater from wet dust extractors near the dump hopper, dust suppression

fogging sprayers located at track level, and washdown water used after each unloading, will be captured in sumps, then transferred to an internal clarification system.

Conveyors: The process wastewater will also be created in the series of enclosed conveyors that transfer the coal to and from the storage buildings. It comes from dust suppression foggers and washdown stations in the enclosed conveyors, collects in a sump, then is transferred to the internal clarification system.

The spray fogging system will use approximately 1 gallon per minute (gpm) at each enclosed conveyor to conveyor drop point and throughout the enclosed conveyor system, while in use, for a total of 20 gpm for the entire spray fogging system. The fog droplets will adhere to coal dust particles and settle onto the conveyor system. The spray fogger system will produce a very fine mist that is not expected to create a wastewater stream. The wash down areas used within the enclosed transfer systems are designed for housekeeping measures rather than for pollution control. A wash down area would include a 75 gpm periodic deluge of wash water to clean at specific sections of the enclosed transfer system.

Storage buildings: One storage building will be built initially, with two more constructed in the future. Dust is controlled with a dust extraction system and localized conveyor transfer fogging. Washdown occurs periodically. The wastewater from these activities is collected in sumps, then transferred to the internal clarification system. Each storage building contains five wet scrubbers, which will remove dust generated within the storage buildings.

Barge loading: Coal will be transferred by the enclosed conveyor system and loaded into enclosed barges through a cascading chute-type loader. Passive dust suppression will be used at the barge loadout chute. No wastewater will be generated at this stage. Coal particles will be prevented from dropping to the river from the chute by installation of a valve that is remotely operated to close when loading is complete.

Internal clarification system: Wastewater is transferred from the sumps to a central washdown collection sump, is pumped through a flocculator to help settle the coal particles, then is sent to a clarifier. Clarified wastewater will flow to a process water tank and recycle back through the system to the dust extraction, misting, and washdown systems. The system is expected to have evaporation losses, requiring the inclusion of make-up water which is anticipated to be in the range of about three gallons per minute (gpm). The clarifier underflow, consisting of thickened slurry, will be pumped to a clarifier and plate and frame filter press where excess water will be separated and coal particles will be placed back onto the conveyor as product. The excess filter press water will go back to the clarifier.

The solids from the filter press will be pressed into a cake that is dewatered. The cake will be deposited on top of the coal traveling on the load-out conveyor for export as part of the product stream.

Domestic sewage will be discharged into the existing municipal sewer collection system, which serves the Port of Morrow.

Environmental Concerns

Two environmental concerns have been considered by the Department at this facility. They involve potential impacts by accidental wastewater discharges to surface water and/or groundwater in the event of spills. Both concerns have been addressed in the proposed WPCF permit.

Surface water:

The nearest surface water that could be affected is the Columbia River. This facility is not designed to discharge, thus the permit will prohibit discharge to surface waters. A spill contingency plan will be developed to address wastewater spills that occur. Spills within the building will be contained in the system through the sumps. Spills outside will be subject to proper cleanup procedures for solid material. No wastewater spills are expected outside of the enclosed system. Also, the enclosed wastewater system will not

be subject to overflows from rainfall events. However, this system will be designed to accommodate a deluge event resulting from activation of the fire suppression system.

Additional surface water protection will be provided by the permittee by maintaining the closed loop process. Any water that escapes the processing equipment will be contained on the site. In addition, the permittee is required by the proposed permit to routinely inspect the wastewater system.

Groundwater:

Groundwater at the site is approximately 17 – 45 feet below the surface. The wastewater system is enclosed, thus eliminating contact with groundwater. The system will be monitored and is expected to be maintained to prevent impacts to groundwater.

Permit Discussion

The following discussion pertains to selected portions of the proposed WPCF Permit.

Face Page

The face page of the WPCF permit identifies that Coyote Island Terminal, LLC, as permittee, is permitted to dispose of industrial wastewater and wastewater-derived solids. The permit will expire approximately ten years from the date of issuance.

Schedule A - Waste Disposal Limitations not to be Exceeded

Schedule A establishes limits for management and disposal of waste from coal transfer operations. Moreover, discharge of wastewater to surface water is prohibited and water quality standards for groundwater and surface water must not be violated. Wastewater and waste solids must be managed in accordance with the approved Engineering Report/Facility Plan.

Schedule B - Minimum Monitoring and Reporting Requirements

Schedule B establishes minimum wastewater facility monitoring and reporting requirements. Flows into and out of the clarifier are to be measured as well as the amount of coal filter cakes re-introduced to the product stream.

The reporting period is monthly, and monitoring reports must be submitted to the Department's Eastern Region – Pendleton office by the 15th day of the following month.

Schedule D - Special Conditions

Schedule D contains conditions pertaining to system operation and maintenance that are not addressed elsewhere in the permit. For instance, detailed plans and specifications must be submitted to the Department prior to constructing or modifying wastewater management, treatment and disposal facilities. In addition, there is a condition pertaining to notification in the event of a malfunction and requirements to appoint an environmental supervisor, maintain an adequate contingency plan and educate employees regarding proper action in the event of a spill or accident.

Schedule F - General Conditions

These conditions are standard to all WPCF permits.