



Public Service Commission State of North Dakota

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AMENDED- BOND RELEASE INSPECTION REPORT

DATE OF INSPECTION: May 12, 2020

TYPE OF INSPECTION: Partial

PERMITTEE - MINE: BNI Coal Ltd. - Center Mine

PERMITS INSPECTED: BNCR-9401

PERSONS ACCOMPANYING INSPECTORS: Greg Petrick, Scott Hopfauf (Minnkota) and Dallas Grossman (DEQ)

INSPECTION CONDITIONS: The inspection was conducted between 10:00 a.m. and 11:25 a.m. CDT. Skies were mostly sunny and the wind was from the northwest at 10-20 mph. The temperature was near 46° F. Access was good.

GENERAL

The purpose of this inspection was to field review the land included in the application for Final Bond Release No. 5 to Permit BNCR-9401. The proposed bond release tract is zoned as industrial and it is owned by Minnkota Power Cooperative (Minnkota). The surface owners, OSM Casper Field Office, State Soil Conservation Specialist, ND Department of Environmental Quality, ND Geological Survey, ND State Water Commission and the Oliver County Commissioners were invited to participate in the bond release inspection.

The application for Bond Release No. 5 to Permit BNCR-9401 consists of 43.6 acres located in Sections 5 and 8, T141N, R83W, in Oliver County. The bond release tract includes two distinct areas, the south portion and the east portion. The south portion of the bond release tract contains approximately two-thirds of ash disposal cell number 4 of Minnkota's disposal facility for Flue Gas Desulfurization (FGD) sludge and other power plant wastes. The southeast corner of ash disposal cell number 4 is located outside the permit boundary. The facility is subject to Solid Waste Permit SP-159 issued by the North Dakota Department of Environmental Quality. **See Figure 3.** The designated post mine land use for the entire tract is industrial/commercial.

Privately owned coal was removed from a portion of ash disposal cell number 4 in 2017. BNI does not have a lease for the Federal coal in the N1/2NE1/4 of Section 8 and the federal coal was not mined. Following coal removal, the site was developed for FGD waste disposal. Cell number 4 adjoins previously bond released cell number 3 located to the north. The solid waste disposal cell located within bond release No. 5 is currently in operation. The disposal cell has a composite liner consisting of a compacted clay and a high-density polyethylene (HDPE) liner to prevent leachate seepage and groundwater contamination. The cell is used to store gypsum that precipitates out of the water used in the FGD process. The water in the cell is recycled back through the FGD system as needed

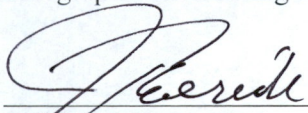
The east portion of the bond release tract is an area adjacent to ash cell number 4 and previously bond released ash disposal cells 1, 2, and 3. Topsoil stockpile MI5T06 that functions as a diversion, sedimentation Pond 5-1, and a subsoil stockpile MI5S01 (Pond 5-1 embankment) are located within the east portion of the bond release tract. No active mining areas drain to Pond 5-1. Surface water runoff from Minnkota's ash disposal cells drains to Pond 5-1 and Minnkota wishes to incorporate the pond and diversion into their storm water pollution prevention plan for the Milton R. Young Station. BNI and Minnkota must submit the appropriate requests and obtain approval from DEQ prior to bond release approval. The DEQ will have regulatory authority over the entire tract after it is bond released.

Vegetation on the east portion of the bond release tract is adequate to control erosion and minimize any contributions of suspended solids outside the bond release tract as required by NDAC 69-05.2-22-07(4)(j) and NDAC 69-05.2-12-12(7). BNI provided vegetation survey data with the bond release application that indicated the west portion of the bond release tract had 95.3% total cover. The visual assessment of vegetative cover during the field inspection was consistent with the data included in the bond release application. **See Figures 1 and 2.**

MISCELLANEOUS

There are several deep and shallow wells for monitoring groundwater and potential leachate contamination from the ash disposal cells located near the bond release tract. Three of the wells are located along the boundary or just inside of the bond release tract. All of the wells are owned, maintained and monitored by Minnkota in accordance with Permit SP-159 and all data is submitted to the DEQ semi-annually.

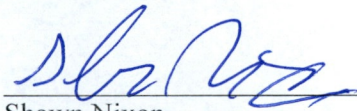
A GPS point tracklog of the inspection route is depicted on **Figure 3**. The tracklog and additional photographs taken during the inspection are on file with the Reclamation Division.



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Figure 1. The north end of the east portion of the bond release tract facing south. Pond 5-1 is visible on the left and the embankments of ash disposal cells are visible on the right.



Figure 2. Ground cover just south of Pond 5-1.



Figure 3: Final Bond Release 5 (outlined in red), Center Mine permit areas (orange) and the May 12, 2020 tracklog of the bond release inspection (black)

