

May 13, 1998

**RECORD OF DECISION
EXPANSION OF THE SOUTH HALLSVILLE SURFACE LIGNITE NO. 1 MINE
INTO THE SOUTH MARSHALL PROJECT AREA
HARRISON COUNTY, TEXAS**

INTRODUCTION: The U.S. Environmental Protection Agency (EPA) determined its decision on the reissuance of a new source National Pollutant Discharge Elimination System (NPDES) permit to the Sabine Mining Company for waste water discharge from the expansion of the South Hallsville Lignite No. 1 Mine into the South Marshall Area is a major Federal action significantly affecting the quality of the human environment. Pursuant to the National Environmental Policy Act (NEPA), EPA prepared a Supplemental Environmental Impact Statement (SEIS) to evaluate the environmental consequences of its permit action.

The original Environmental Impact Statement on the initial permit action was issued in 1982. EPA's Draft SEIS and Final SEIS were completed in June 1997 and October 1997, respectively. The information considered in the NEPA process included: the scoping comments; the SEIS analyses; comments received on the Draft SEIS; the comments received at EPA's public hearing on the Draft SEIS held on July 31, 1997, in Marshall, Texas; the EPA's responses to comments on the Draft SEIS; and other information provided by interested parties.

REVIEW PROCESS: EPA evaluated the individual and cumulative impacts of its permit action, reasonable alternatives, and the proposed mine expansion in light of what effects have been monitored during the 12 years of operation at the existing mine. This Record of Decision (ROD), prepared in accordance with Council on Environmental Quality's (40 CFR Part 1505) and EPA's (40 CFR Part 6) regulations, documents the completion of EPA's NEPA review process in three parts as follows:

- Part 1 - coordination of the Final SEIS and draft NPDES permit with interested agencies, environmental groups and individuals;
- Part 2 - consultation with other Federal and State agencies, and interested parties; and

Part 3 - consideration of the findings weighed in making EPA's final decision.

Part 1 - Coordination of Final SEIS and Draft NPDES Permit

The "Notice of Availability" of EPA's Final SEIS appeared in the *Federal Register* on October 17, 1997. Copies of the Final SEIS were mailed to those interested agencies, officials, public groups, and individuals who made substantive comments on the Draft SEIS, and to those who requested a copy. The 30-day review period ended on November 17, 1997, and no substantive comments were received on the Final SEIS.

EPA's public notice of the draft NPDES permit was mailed to interested agencies, environmental groups and individuals December 13, 1997. It was re-noticed on January 17, 1998, to clarify EPA's EIS review process. The only comments received on the Draft NPDES permit were from the Texas Natural Resource Conservation Commission (TNRCC) regarding requirements for State Certification. In response to TNRCC's comments, more stringent limits for Manganese (i.e., the monthly average was lowered from 2.0 mg/l to 1.0 mg/l, and the daily maximum was lowered from 4.0 mg/l to 2.0 mg/l) were included in the final NPDES permit.

PART 2 - Consultations with Agencies and Interested Parties

The NEPA review process on EPA's NPDES permit action included consultations with other agencies pursuant to the following environmental laws:

In compliance with Section 106 of the National Historic Preservation Act, consultation was conducted with the Advisory Council on Historic Preservation, the Texas Historic Preservation Officer of Texas, and interested parties.

In compliance with Section 404 of the Clean Water Act, consultation was conducted with the U.S. Army Corps of Engineers, the U.S. Fish and Wildlife Service (FWS) and the Texas Parks and Wildlife Department.

In compliance with Section 7 of the Endangered Species Act, consultation was conducted with the FWS.

Part 3 - Consideration of the Findings Weighed in Making EPA's Final Decision

In making its decision whether to reissue the NPDES permit for expansion of the South Hallsville lignite mine project, EPA weighed its preferred alternative to reissue the NPDES permit against the no action alternative or denial of the NPDES permit.

Recognizing the South Hallsville lignite mine already exists, no action would avoid additional adverse impacts, such as mine related soil erosion, loss of prime farmland, and loss of fish and wildlife habitat and cultural resources. Denial of the NPDES permit would also avoid cumulative impacts, including air and water emissions and loss of wildlife species and habitats, with the Darco Mine in Harrison County, Texas. However, denial of the NPDES permit would also result in the loss of economic benefits to the local area, including project-related employment, salaries, royalty payments, and tax revenues. Current growth and land use trends were expected to continue unless similar major developments take place. Therefore, after weighing the impacts of permit denial vs. reissuance, the economic benefits of permit reissuance outweighed the adverse environmental impacts negated by permit denial or no action.

EPA weighed the beneficial vs. adverse impacts of its preferred alternative to reissuance of the NPDES permit. The first key element considered in weighing these effects was the natural resources located on and below the 10,015 surface acres to be mined. Certain resources, such as prime farmland soils, and bottomland hardwood habitats, will be impacted for the long-term. However, most adverse impacts will be mitigated or reduced through mine reclamation and permitting requirements, including: 1) creation of wetlands, 2) establishment of similar drainage patterns on a more gently rolling terrain, 3) increased moisture and nutrient-holding capacity in selected overburden materials, 4) providing alternate sources of water for public or private water supplies adversely effected by mining, 5) monitoring of surface water to meet EPA and TNRCC effluent regulations, 6) re-establishment of vegetation and stream channels from reclamation, 7) air emissions within air quality standards, 8) expanding the knowledge of the history and pre-history of the area, and 9) reclaiming land productivity equal to or better than pre-mining conditions. After weighing these effects of permit reissuance, the principal adverse impacts subject to control through regulation and substantial mitigation outweighed the unmitigated adverse impacts on natural resources.

The second key element weighed in EPA's preferred alternative to reissue the NPDES permit was the socioeconomic effects on local communities. These included weighing the adverse

effects on local community services (e.g., housing, public utilities, retail services, etc.) against the beneficial economic opportunities (e.g., mine related salaries, and ad valorem tax revenues generating an estimated \$500,000 annually). After weighing these effects of permit reissuance, the beneficial impacts on affected local economies outweighed the adverse impacts on community services.

FINAL DECISION: Based on the evaluations and findings of the completed NEPA process, EPA shall reissue the NPDES permit to the Sabine Mining Company for waste water discharges associated with the expansion of its South Hallsville Surface Lignite No. 1 Mine into the South Marshall Project Area in Harrison County, Texas.

Responsible Official,

Gregg A. Cooke
Regional Administrator