Exhibit Summary

Dairy Facility: SAS Dairy, DP-674

Description: The chronological outline prepared by technical staff details the correspondence between the permittee and NMED during a Discharge Permit renewal process. The timeline begins with the submission of an application for renewal of a Discharge Permit in 2003 and ends with the issuance of a Temporary Permission to Discharge. In this example, the renewal process has been occurring for seven years and is currently ongoing. To date, a Discharge Permit Renewal has yet to be finalized. This facility is currently discharging without a Discharge Permit.

EXHIBIT

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Chronological Outline of Discharge Permit Renewal

- **August 18, 2003** – Renewal application received (only two MW proposed, clay-lined lagoons).
- **November 3, 2003** – 1998 Discharge Permit expired.
- **November 11, 2004** – Facility inspection conducted by NMED determined that more land and water rights were needed in order to apply wastewater and grow crops. Alternative would be to discharge to synthetic total evaporative system. Discharge Permit renewal on hold until permittee decides. Permittee is opposed to synthetic lining the lagoons. NMED requests a plan from permittee within a month.
- **January 7, 2005** – NMED issues Request for Additional Information requesting the following by March 7, 2005:
  - Meter readings to confirm discharge volumes.
  - A plan as to the handling of wastewater.
  - A demonstration of water rights for the land application area.
  - Plans for a manure solids separator.
  - NMED recommended a new lagoon with synthetic liner. If existing lagoon is kept, an engineer will need to certify the clay liner, the permittee will need to install four wells around lagoons, quarterly ground water monitoring will need to be conducted and a ground water flow direction map will need to be submitted.
- **March 10, 2005** – Response to Additional Information was submitted by permittee which stated that:
  - A meter is installed.
  - An additional lagoon is proposed for added storage.
  - There are no water rights to grow crops, but the existing land application area is sufficient.
  - A manure solids separator is not needed.
  - Additional time is needed to respond to synthetically lining the lagoon. Permittee proposes to complete the lagoon by May 9, 2005.
- **April 6, 2005** – NMED issues Notice of Non-Compliance (NONC) for discharging without a Discharge Permit (Discharge Permit expired on November 3, 2003) and not

submitting a technically complete renewal application in the form of complete responses to additional information requests. A response is required by May 6, 2005.

- **May 3, 2005** – Response to NONC from permittee which stated that there has never been a environmental issue in the monitoring well near the lagoon. The permittee proposes a total evaporative system, construction of a third lagoon (synthetic) and install one monitoring well downgradient of the new lagoon. [The permittee only has one monitoring well and NMED has no record of its construction].
- **May 24, 2005** – NMED issues Second Request for Additional Information requesting the following by June 23, 2005.
  - Plans and specifications for a new synthetically lined lagoon and requiring that a separator be installed with the lagoon.
  - A scaled map showing the lagoon location.
- **June 27, 2005** – Response to Additional Information was submitted by permittee which stated that:
  - A time extension of 45 days is needed.
  - The operational wastewater flow is not changing.
  - A manure solids separator will not be installed. This accompanied a request to for the regulation citation [within 20.6.2 NMAC] that requires the installation a "passive manure solids separator".
- **September 16, 2005** - Permittee submitted engineering plans that were not certified (sealed and signed) by an engineer stating that the lagoon is adequately sized.
  - The permittee requested a contingency in the Discharge Permit that states, "if lagoon is not evaporating the wastewater, than an additional lagoon will need to be installed".
  - The permittee stated that a manure solids separator will not be installed. Permittee requested a contingency in the Discharge Permit that states, "if the lagoon fills with manure, then a separator will need to be installed".
- **November 16, 2005** – A meeting was held at NMED with the permittee in which NMED requested the following information within 45 days of the meeting.
  - An explanation of how the dairy will handle stormwater.

- Soil sampling results from the land application area to determinate if there has been nitrate accumulation.
- NMED stated that the engineering shows no evidence that the lagoon will adequately evaporate wastewater.
- NMED notified the permittee that a monitoring well will be required to be installed downgradient of the clay-lined lagoons.

- **March 9, 2006** – The information requested during the meeting was not received, therefore, NMED issued a Notice of Violation (NOV) requesting the above information be submitted by April 10, 2006.
- **April 12, 2006** – Consultant for permittee responded to the department stating the following.
  - A camera survey of the monitoring well will be conducted. NMED has not received any information as to the construction of the monitoring well; however the consultant stated that the well is "properly located and constructed".
  - There have been delays in obtaining soil samples.
  - There have been delays in obtaining the engineering design.
  - The information will be submitted to the department by the end of April 2006.
- **April 18, 2006** – Permittee submitted response to NOV stating:
  - Stormwater will be land applied but the method of application is unknown.
  - Engineering plans to manage wastewater will be same. The existing lagoons will be used to transfer wastewater to evaporative lagoon rather than the land application area.
  - A manure solids separator will not be installed.
  - The response requested a time extension for collecting soils samples and to determine the plan for managing the stormwater.
- **April 25, 2006** – NMED grants time extension for soil sampling and proposes the discharge of wastewater and stormwater to adjacent Arrowhead Dairy.
- **May 12, 2006** – Permittee submitted response to NOV dated March 9, 2006 that stated:
  - Soil sampling results have not been received from the lab, so the permittee is delaying the decision on the stormwater management.
  - A proposal to pump wastewater off-site to Arrowhead Dairy.

- The camera survey had not been received from the camera company.
- The monitoring well history is reliable, but the monitoring well is going dry and will need to be replaced.

- **May 16, 2006** – Permittee submitted soil samples that indicated excessive amounts of nitrate-nitrogen in the land application area.
- **January 19, 2007** – Permittee submited the following:
  - A proposal to complete a synthetically lined lagoon and manure solids separator.
  - The installation of one monitoring well to be installed downgradient of the new lagoon. A screen length of 30 feet is proposed, as opposed to the 20' requirement of NMED.
  - A statement that a monitoring well will not be installed downgradient of the old clay-lined lagoon after it is taken out of service.
- **February 14, 2007** – Permittee submitted a fax proposing to apply wastewater to a new field that is not associated with Arrowhead Dairy.
- **February 21, 2007** – Permittee submitted plans and specifications for the new lagoon and a land application proposal. The permittee state that the clay-lined lagoons will be decommissioned.
- **August 17, 2007** – NMED issues the first Draft Discharge Permit
- **August 31, 2007 – September 30, 2007** – 30 day comment period for Draft Discharge Permit.
- **October 15, 2007** – NMED receives comments from the permittee regarding the Draft Discharge Permit.
- **June 17, 2008** – NMED conducts a facility inspection and observes that the synthetically lined lagoon is being installed. There was no monitoring well observed to be installed.
- **September 26, 2008** – NMED issues a Revised Draft Discharge Permit.
- **December 30, 2008** – Permittee submits comments regarding the Revised Draft Discharge Permit.
- **February 17, 2009** – Permittee submits monitoring well proposal in response to Revised Draft Discharge Permit.
- **February 17, 2009** – Permittee and NMED communicate by phone regarding additional comments on the Revised Draft Discharge Permit.

- **March 18, 2009** – Permittee faxes supplemental comments on the Revised Draft Discharge Permit and a request for hearing.
- **May 28, 2009** – Permittee sends Request for Discharge Authorization to NMED. Request indicates that wastewater is proposed to be applied to field LAA-B. Permittee said that if authorization is not granted by NMED then discharge will occur to his existing land application area.
- **June 22, 2009** – Permittee and NMED communicate by phone regarding the discharge of wastewater to LAA-B without a Discharge Permit. The permittee discharged wastewater to LAA-B without a Discharge Permit. NMED requested action be taken in accordance with 20.6.2.1203 NMAC.
- **July 6, 2009** - Permittee sends Request for Temporary Permission to Discharge to NMED. The letter requests permission to discharge to field LAA-B while dewatering the wastewater lagoon or stormwater pond.
- **September 25, 2009** – NMED grants Temporary Permission to Discharge until January 23, 2010.