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**NEW MEXICO  
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*Surface Water Quality Bureau*

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DAVE MARKLIN  
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Deputy Secretary

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**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

February 23, 2012

Mr. Mitch Murphy, Owner  
American Metals Recycling  
P.O. Box 2634  
Gallup, NM 87305

Re: Industrial Storm Water, SIC 5093, NPDES Compliance Evaluation Inspection, American Metals Recycling, NMU001785, February 9, 2012

Dear Mr. Murphy,

Enclosed please find a copy of the report for the referenced inspection that the New Mexico Environment Department (NMED) conducted at your facility on behalf of the U.S. Environmental Protection Agency (USEPA). This inspection report will be sent to the USEPA in Dallas, for their review. These inspections are used by USEPA to determine compliance with the National Pollutant Discharge Elimination System (NPDES) permit program in accordance with requirements of the federal Clean Water Act.

Problems noted during this inspection are discussed in the Further Explanations section of the inspection report. You are encouraged to review the inspection report, and required to correct any problems noted during the inspection and to modify your operational and/or administrative procedures, as appropriate. Further, you are encouraged to notify, in writing, both USEPA (Diana McDonald, USEPA (6EN-WM), 1445 Ross Ave., Dallas, Texas 75202) and NMED (at above address) regarding modifications and compliance schedules.

The NPDES Storm Water Multi-Sector General Permit for Industrial Activities (MSGP-2008) was reissued on September 29, 2008. The mSGP, fact sheet and other information on the industrial storm water program can be downloaded at <http://cfpub2.epa.gov/npdes/stormwater/msgp.cfm>.

Thank you for the cooperation and assistance that you provided during my visit to your site. If you have any questions, please feel free to contact me at the above address or by telephone at (505) 222-9587.

Sincerely,  
*/s/ Sarah Holcomb*  
Sarah Holcomb  
Environmental Scientist/Specialist  
Surface Water Quality Bureau

Cc: Marcia Gail Adams, USEPA (6EN-AS) via email  
Samuel Bates, USEPA (6EN-AS) via email  
Carol Peters-Wagnon, USEPA (6EN-WM) via email  
Diana McDonald, USEPA (6EN-WM) via email  
Darlene Whitten-Hill, USEPA, via email  
Bill Chavez, Acting NMED District I, via email



Compliance Evaluation Inspection  
American Metals Recycling, Sector N  
NPDES Permit #NMU001785, February 9, 2012

**Further Explanations**

**Introduction**

On February 9, 2012, a Compliance Evaluation Inspection was conducted at the American Metals Recycling facility (Standard Industrial Classification Code 5093) located in Gallup, NM by Sarah Holcomb of the State of New Mexico Environment Department (NMED) Surface Water Quality Bureau (SWQB). The purpose of this inspection was to document the operator's status regarding the NPDES multi-sector general storm water permit (MSGP) for industrial activities (this facility has industrial activities being conducted on site that meet the description of industrial activities in Sector E) and stormwater regulations at **40 Code of Federal Regulations (CFR) Part 122.26**.

American Metals Recycling has operated this business since 1965, but since 1990 at this particular location. Mr. Murphy indicated to the inspector on site that he is familiar with the NPDES program and did have permit coverage under the 2000 MSGP, but did not obtain coverage under the 2008 permit.

Storm water from this facility discharges into an unnamed arroyo, thence to the Rio Puerco of the West (20.6.4.99 NMAC) of the Lower Colorado Basin (*State of New Mexico Standards for Interstate and Intrastate Surface Waters*). Designated uses of the Rio Puerco in this section are warmwater aquatic life, livestock watering, wildlife habitat and primary contact.

The inspector arrived at the facility at 0835 hours. The inspector conducted an entrance interview with Mr. Mitch Murphy, Owner, during which the inspector made introductions, presented her credentials and discussed the purpose of the inspection. Mr. Murphy accompanied the inspector on a tour of the facility and explained processes and management measures already in place.

This report is based on verbal information reported by the facility representative, on-site observations made by NMED personnel, and records maintained by NMED and the USEPA.

**Findings:**

*Section 301(a) of the Federal Water Pollution Control Act (a.k.a. the Clean Water Act) states that "Except as in compliance with this section and sections 302, 306, 307, 318, 402 and 404 of this Act, the discharge of any pollutant by any person shall be unlawful."*

*40 Code of Federal Regulations Part 122.21(a) Duty to apply (1) states: "Any person who discharges or proposes to discharge pollutants...must submit a complete application to the Director in accordance with this section and part 124 of this chapter."*

This facility did not have NPDES permit coverage on the date of this inspection. Storm water discharges from this facility can be regulated by either an individual NPDES permit or the Storm Water Multi-Sector General Permit for Industrial Activities (MSGP). This type of facility is covered under Sector N – Scrap Recycling Facilities – under SIC 5093.

A Storm Water Pollution Prevention Plan (SWPPP) had not been prepared and was not being implemented on site. A SWPPP should include the following information:

- **A description of potential pollutant sources** – includes a site map, an identification of the types of pollutants that are likely to be present in storm water discharges, an inventory of the types of materials handled at the site that potentially may be exposed to precipitation, a list of significant spills and leaks

of toxic or hazardous pollutants, sampling data, a narrative description of the potential pollutant sources from specific activities at this facility, and identification of specific potential pollutants; and

- **A description of appropriate measures and controls** – includes the type and location of existing and proposed non-structural and structural BMPs (Best Management Practices) selected for each of the areas where industrial materials or activities are exposed to storm water. Non-structural and structural BMPs to be described and implemented include such things as good housekeeping, preventative maintenance, spill prevention and response procedures, periodic inspections, employee training, record keeping, non-storm water evaluations and certifications, sediment and erosion control, as well as implementation/maintenance of traditional storm water management practices, where appropriate.

**Activities at this scrap recycling facility can result in the creation of various pollutant sources that include, but are not limited to, the following:**

- **White Goods (Appliances):** These activities can be a source of pollutants such as PCBs, oil, lubricants, paint pigments or additives such as lead and other heavy metals. These pollutants can come from sources such as leaking oil-filled capacitors, ballasts, leaking compressors, pumps, leaking pressure vessels, reservoirs, sealed electrical components, and chipped or deteriorated paint surfaces.
- **Ferrous and nonferrous turnings and cuttings:** These activities can be a source of pollutants such as oil and heavy metals. These pollutants can come from sources such as cutting oil residue and metallic fines.
- **Materials from demolition projects:** These activities can be a source of pollutants such as asbestos fibers, lead, copper, zinc, cadmium, other metals, and Total Kjeldahl Nitrogen (TKN). These pollutants can come from sources such as deteriorated/damaged insulation, chipped painted surfaces, lead, copper and steel pipes.
- **Electrical components, transformers, switch gear, mercury float switches and sensors:** These activities can be a source of pollutants such as PCBs, oils, mercury, ionizing radioactive isotopes. These pollutants can come from sources such as leaking oil-filled transformer casings, oil-filled switch, float switches, radioactive materials in gauges, and sensors.
- **Fluorescent lights, light fixtures:** These activities can be a source of pollutants such as PCBs, oil, mercury. These pollutants can come from sources such as leaking ballasts.
- **Food/beverage dispensing equipment:** These activities can be a source of pollutants such as PCBs, oil, heavy metals from paint pigments and additives. These pollutants can come from sources such as leaking fluorescent light ballasts and chipped painted surfaces.
- **Hospital and dental waste and equipment:** These activities can be a source of pollutants such as infectious/bacterial contamination, lead, and ionizing radioactive isotopes. These pollutants can come from sources such as drums/containers of hospital waste, shielding from diagnostic and other medical equipment, radioactive materials from gauges, and sensors and diagnostic equipment.
- **Instruments:** these activities can be a source of pollutants such as ionizing radioactive isotopes. These pollutants can come from sources such as radioactive material from thickness gauges.
- **Insulated Wire:** These activities can be a source of pollutants such as lead, zinc and copper. These pollutants can come from sources such as insulation and other coatings, and wire.
- **Lawnmowers, snowmobiles and motorcycles:** These activities can be a source of pollutants such as oils, transmission and brake fluids, fuel, grease, battery acid and lead acid. These pollutants can come from sources such as leaking engines, transmissions, fuel, oil reservoirs, and leaking batteries.
- **Light gage materials:** These activities can be a source of pollutants such as asbestos, lead and chromium. These pollutants can come from sources such as deteriorating insulation, painted surfaces and other coatings.
- **Locomotives and rail cars:** These activities can be a source of pollutants such as PCBs, diesel fuel, hydraulic oil, oil, brake fluid, grease from fittings and asbestos. These pollutants can come from sources such as leaking fuel reservoirs, fittings, hydraulic components, engines, bearings, compressors, oil reservoirs, worn brake pads, and damaged insulation.
- **Motor vehicle bodies, engines, transmissions, exhaust systems:** These activities can be a source of pollutants such as fuel, benzene, oil, hydraulic oil, transmission fluids, brake fluids, ethylene glycol (antifreeze), lead, lead acid, lead oxides, cadmium, zinc, and other heavy metals. These pollutants can

come from sources such as leaking fuel tanks, oil reservoirs, transmission housings, brake fluid reservoirs and lines, brake cylinders, shock absorber casings, engine coolants, wheel weights, leaking battery casings/housings and corroded terminals, painted surfaces and corrosion inhibitors, exhaust systems and catalytic converters.

- **Miscellaneous machinery and obsolete equipment:** These activities can be a source of pollutants such as fuel, oil, lubricants, lead, cadmium, and zinc. These pollutants can come from sources such as leaking reservoirs, damaged or chipped painted surfaces/coatings.
- **Pipes/materials from chemical and industrial plants:** These activities can be a source of pollutants such as chemical residue, oil, lubricants, damaged insulation (asbestos), lead, cadmium, zinc and copper. These pollutants can come from sources such as chemical residue, insulation, lead piping, chipped or damaged painted surfaces, and protective coatings.
- **Sealed containers, hydraulic cylinders:** These activities can be a source of pollutants such as oil, PCBs, solvents and chemical residue. These pollutants can come from sources such as leaking liquid reservoirs, containers, cylinders, and miscellaneous chemicals.
- **Salvaged construction materials:** These activities can be a source of pollutants such as chemical residue, oily wastes, asbestos, lead, cadmium and zinc. These pollutants can come from sources such as chemical residues, oils, solvents, lubricants, damaged insulation, chipped painted surfaces and protective coatings.
- **Tanks, containers, vessels, cans, drums:** These activities can be a source of pollutants such as chemical residue, oily waste, petroleum products and heating oil. These pollutants can come from sources such as leaking or damaged containers.
- **Transformers (oil filled):** These activities can be a source of pollutants such as PCBs and oil. These pollutants can come from sources such as leaking transformer housings.

**If not properly managed or treated in accordance with an NPDES permit, activities associated with this facility could be a potential threat to water quality through storm water discharges.**

### Site Inspection Summary

On the day of the inspection, some pollutant sources observed on site that were exposed outside and could potentially come into contact with storm water included: 1) outdoor storage of materials, and 2) processing of received materials for recycling. The materials stored outside were white goods, electrical components, miscellaneous machinery and obsolete equipment, as well as some tanks and other containers/drums stored outside.

An exit interview to discuss the preliminary findings of this inspection was conducted onsite with Mr. Murphy at approximately 0855 hours. The inspector informed the facility representative of the requirements under the NPDES storm water program regarding permitting requirements, preparation of a SWPPP and installation of appropriate storm water runoff control practices (per the SWPPP).

After returning to the office, the inspector sent the company an email with information on the permitting process, including links to the permit, an example Storm Water Pollution Prevention Plan, guidance documents, Best Management Practices and how to file for coverage using the eNOI system. The inspector also left a business card with Mr. Murphy in case there were questions at a later time.