NEW MEXICO
ENVIRONMENT DEPARTMENT

Surface Water Quality Bureau

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DAVE MARTIN
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RAJ SOLOMON, P.E.
Deputy Secretary

Certified Mail Return Receipt Requested

July 26, 2011

Wilfred L. (Lloyd) Guillory, President
Farmington Iron & Metal, Inc.
P.O. Box 414
Farmington, New Mexico 87499

RE: Industrial Storm Water, SIC 5093, NPDES Compliance Evaluation Inspection, Farmington Iron & Metal, Inc., NMU001746, June 30, 2011

Mr. Guillory:

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) permitting 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, 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 the USEPA and NMED regarding modifications and compliance schedules at the addresses below:

Diana McDonald (6EN-WM)
U.S. Environmental Protection Agency
Allied Bank Tower
Region VI Enforcement Branch
1445 Ross Avenue
Dallas, Texas 75202-2733

Program Manager
New Mexico Environment Department
Surface Water Quality Bureau
Point Source Regulation Section
P.O. Box 5469
Santa Fe, New Mexico 87502

I appreciate your cooperation during this inspection. If you have any questions about this inspection report, please contact me at 505-827-0418.

Sincerely,

/s/Erin S. Trujillo

Erin S. Trujillo
Surface Water Quality Bureau

cc: Marcia Gail Adams, USEPA (6EN-AS) by e-mail
Samuel Tates, EPA (6EN-AS) by e-mail
Carol Peters-Wagnon, USEPA (6EN-WM) by e-mail
Diana McDonald, USEPA (6EN-WM) by e-mail
Jennifer Ickes, NMED District I Manager by e-mail

EPA

Form Approved
OMB No. 2040-0003
Approval Expires 7-31-85

NPDES Compliance Inspection Report

Section A: National Data System Coding

Transaction Code	NPDES	yr/mo/day	Inspec. Type	Inspector	Fac Type
N	5 3 NMU0017461112	110630	~	S	2

Remarks: SCRAP & WASTE RECYCLING

Inspection Work Days	Facility Evaluation Rating	BI	QA	Reserved
	2	N	N	

Section B: Facility Data

Name and Location of Facility Inspected *(For industrial users discharging to POTW, also include POTW name and NPDES permit number)*	Entry Time /Date	Permit Effective Date
Farmington Iron & Metal, Inc., 4805 Herrera Road, Farmington, New Mexico. San Juan County	0900 hrs / 06/30/2011	September 29, 2008
	Exit Time/Date: 1030 hrs / 06/30/2011	Permit Expiration Date: September 29, 2013

Name(s) of On-Site Representative(s)/Title(s)/Phone and Fax Number(s)	Other Facility Data
Wilfred L. (Lloyd) Guillory / President, Farmington Iron & Metal, Inc. / 505-325-1431	Entrance Latitude 36.755079° Longitude -108.148370°
Name, Address of Responsible Official/Title/Phone and Fax Number Wilfred L. (Lloyd) Guillory, Farmington Iron & Metal, Inc., P.O. Box 414 Farmington, New Mexico 87499 / President / 505-325-1431	Contacted: Yes * No SIC 5093, MSGP Sector N

Section C: Areas Evaluated During Inspection

(S = Satisfactory, M = Marginal, U = Unsatisfactory, N = Not Evaluated)

U	Permit	N	Flow Measurement	N	Operations & Maintenance	N	CSO/SSO
U	Records/Reports	N	Self-Monitoring Program	N	Sludge Handling/Disposal	N	Pollution Prevention
M	Facility Site Review	N	Compliance Schedules	N	Pretreatment	N	Multimedia
N	Effluent/Receiving Waters	N	Laboratory	U	Storm Water	N	Other:

Section D: Summary of Findings/Comments (Attach additional sheets if necessary)

Farmington Iron & Metal, Inc., operator of a scrap recycling facility, did not obtain coverage under the USEPA NPDES industrial stormwater 2000 Multi-Sector General Permit (MSGP) which expired on October 30, 2005; the 2008 MSGP by the deadline of January 5, 2009; or by the date of this inspection. See attached further explanations and general location map.

Name(s) and Signature(s) of Inspector(s)	Agency/Office/Telephone/Fax	Date
Erin S. Trujillo */s/Erin S. Trujillo*	**NMED/SWQB/505-827-0418**	**07/26/2011**
Signature of Management QA Reviewer	**Agency/Office/Phone and Fax Numbers**	**Date**
Richard E. Powell */s/Richard E. Powell*	**NMED/SWQB/505-827-2798**	**07/26/2011**

Farmington Iron & Metal, Inc.
Compliance Evaluation Inspection – Industrial Stormwater
NPDES Tracking No. NMU001746
June 30, 2011

Further Explanation

Introduction

On June 30, 2011, a Compliance Evaluation Inspection (CEI) was conducted at Farmington Iron & Metal, Inc., 4805 Herrera Road, Farmington, New Mexico in San Juan County by Erin S. Trujillo of the New Mexico Environment Department (NMED) Surface Water Quality Bureau (SWQB). The purpose of this inspection was to document the operator's status regarding the National Pollutant Discharge Elimination System (NPDES) permit requirements for stormwater discharges associated with industrial activity under 40 Code of Federal Regulations (CFR) 122.26 and the industrial stormwater Multi-Sector General Permit (MSGP).

The facility engages in assembling, breaking up, sorting, and wholesale distribution of scrap materials (see Standard Industrial Classification (SIC) code 5093) meeting the description in Category 40 CFR 122.26(b)(14)(vi), and Sector N of the MSGP . Stormwater discharges to the Animas River in Segment 20.6.4.403 of the State of New Mexico Standards for Interstate and Intrastate Surface Waters, 20.6.4 New Mexico Administrative Code (NMAC).

Animas River from San Juan River to Estes Arroyo includes the designated uses of public water supply, industrial water supply, irrigation, livestock watering, wildlife habitat, marginal coldwater aquatic life, primary contact and warmwater aquatic life. This segment does not support marginal coldwater aquatic life. The listed probable causes of impairment include nutrient/eutrophication biological indicators. Probable sources of impairment include: drought-related impacts, flow alterations from water diversions, municipal (urbanized high density area), municipal point source discharges, and streambank modifications/destabilization. Total maximum daily loads for Total Phosphorus and Total Nitrogen in the Animas River were approved by USEPA on August 26, 2005.

Upon arrival at 0900 hours on the day of this inspection, the inspector made introductions, stated the purpose of this inspection and presented credentials to Mr. Wilfred L. (Lloyd) Guillory, President, Farmington Iron & Metal, Inc. The inspector and Mr. Guillory toured the facility. Following the tour, an on-site exit interview to discuss preliminary findings was conducted with Mr. Guillory. The inspector left the facility at approximately 1030 hours on the day of this inspection.

This report is based on review of EPA's on-line notice of intent (eNOI) database, files maintained by NMED, and on-site observation by NMED personnel, and verbal information provided by the operator's on-site representative.

Clean Water Act (CWA) and Industrial Stormwater Permit Requirements

Section 301 (a) of the Federal Water Pollution Control 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.*" Federal regulations in 40 CFR 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.*"

USEPA's MSGP was first issued on September 29, 1995. The 2008 MSGP was re-issued effective September 29, 2008 (Federal Register/Vol. 73, No. 189/Monday, September 29, 2008 pg. 56572) and replaced the 2000 MSGP which expired on October 30, 2005. To obtain permit coverage under the MSGP, an operator must complete a Stormwater Pollution Prevention Plan (SWPPP) that among other things documents eligibility for permit coverage, and submit a Notice of Intent (NOI) to the USEPA. 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 the 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 best management practices (BMPs) 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, preventive 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.

On-site Industrial Activity and Potential Pollutants

Equipment and scrap metal have been at the site for approximately 50 years; and scrap recycling activities have been at the site since 1985 according to the operator's on-site representative. The former operator was Atomi Corp.--listed as incorporated February 13, 1984 and merged out of existence. Farmington Iron & Metal, Inc. has been incorporated in the State of New Mexico for the purpose of steel sales, recycling and scrap since April 27, 2000.

On the day of this inspection, on-site scrap recycling activities included outside stockpiling and storage of materials (e.g., iron and nonferrous metals including various equipment, tanks and drums), material processing and handling; cutting; aluminum can crushing; and some equipment maintenance (fueling). Liquids, automobiles and batteries are not recycled on site according to the operator's on-site representative. When found in the inbound recyclable materials, batteries are separated, temporarily stored on pallets, then transported to other recycling facilities according to the operator's on-site representative. A few paint cans were stored on a pallet on site. The fuel storage tank did not have secondary containment in case of spills or leaks.

Potential pollutants associated with the on-site scrap recycling activities and pollutant sources, include, but are not limited to:

Activity	**Pollutant Source**	**Potential Pollutant**
Stockpiling and storage of materials (including loading and unloading)	Deterioration/corrosion of materials	Heavy metals, battery acid

Material processing: Material handling systems (forklifts, cranes, and conveyors)	Spills and leaks from fuel tanks, hydraulic and oil reservoirs due to malfunction parts (e.g., worn gaskets and parts, leaking hose connections, and faulty seals). Damaged or faulty electrical switches (mercury filled). Damaged or leaking battery casings, including exposed corroded battery terminals. Damaged or worn bearing housings	Hydraulic fluids, oils, fuels and fuel additives, grease and other lubricants, accumulated particulate matter, chemical additives, mercury, lead, battery acid
Material processing: Torch cutting	Residual/accumulated particulates	Heavy metal fragments, fines
Outdoor material storage	Deterioration of unprocessed aluminum beverage containers	Biochemical oxygen demand (BOD)
Vehicle maintenance	Replacement of fluids such as transmission and brake fluids, antifreeze, oil and other lubricants, washdown of maintenance areas, dumping fluids down floor drains connected to storm sewer system, outside storage of fluids and oily rags and waste material	Oil and grease, gas/diesel fuel, accumulated particulate matter, antifreeze (ethylene glycol)
Unknowing acceptance of nonrecyclable materials and/or small quantities of household hazardous wastes	Inbound recyclable materials	Dependant on material
Source: USEPA's Industrial Stormwater Fact Sheet for Sector N: Scrap Recycling and Waste Recycling Facilities, http://www.epa.gov/npdes/pubs/sector_n_scraprecycling.pdf. This fact sheet includes a summary of typical pollutants associated with activities and types of stormwater control measures (BMPs) used to minimize the discharge of those pollutants.		

Findings

Farmington Iron & Metal, Inc., operator of a scrap recycling facility, did not prepare a SWPPP or submit a NOI to obtain authorization to discharge pollutants in industrial stormwater under the USEPA NPDES 2000 MSGP which expired on October 30, 2005; the 2008 MSGP by the deadline of January 5, 2009; or by the date of this inspection. The operator's on-site representative stated he was unaware of the need for permit coverage.

If not properly managed or minimized in accordance with USEPA's NPDES MSGP, pollutants in stormwater and any allowable non-stormwater discharges from this facility's industrial activity are a potential threat to water quality.

NMED/SWQB General Location Map		
Created by: Erin Trujillo		
City/County: Farmington / San Juan County		State: New Mexico
Location: Farmington Iron & Metal, Inc.