



SUSANA MARTINEZ
Governor

JOHN A. SANCHEZ
Lieutenant Governor

NEW MEXICO
ENVIRONMENT DEPARTMENT

Surface Water Quality Bureau

Harold Runnels Building, N2050
1190 South St. Francis Drive (87505)
P.O. Box 5469, Santa Fe, NM 87502-5469
Phone (505) 827-0187 Fax (505) 827-0160
www.nmenv.state.nm.us



DAVE MARKLIN
Secretary

BUTCH TONGATE
Acting Deputy Secretary

Certified Mail - Return Receipt Requested

October 6, 2011

Mr. T. Hardy Allen, President
Mt. Taylor Manufacturing, LLC
P.O. Box 2307, West Old Rout 66
Milan, New Mexico 87021

RE: Industrial Storm Water; SIC 2499; NPDES Compliance Evaluation Inspection; Mt. Taylor Manufacturing, LLC; NPDES Permit NMU001767; September 29, 2011

Dear Mr. Allen:

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 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 your cooperation and assistance during this inspection. If you have any questions about this inspection report, please contact me at (505) 827-2575.

Sincerely,

/s/Daniel Valenta

Daniel Valenta
Surface Water Quality Bureau

Cc: Marcia Gail Adams, EPA, Enforcement Section by e-mail
Carol Peters-Wagnon, EPA by e-mail
Diana McDonald, EPA by e-mail
Samual Bates, EPA, by e-mail
Darlene Whitten-Hill, EPA, by e-mail

NMED District I by e-mail



NPDES Compliance Inspection Report

Section A: National Data System Coding

Transaction Code	NPDES	yr/mo/day	Inspec. Type	Inspector	Fac Type
1 N 2 5 3 N M U 0 0 1 7 6 7 11 12 1 1 0 9 2 9 17 18 ~ 19 S 20 2					
Remarks					
T I M B E R P R O D U C T S					
Inspection Work Days	Facility Evaluation Rating	BI	QA	Reserved	
67 [] [] [] 69	70 2	71 N 72 N 73 [] [] 74 75 [] [] [] [] 80			

Section B: Facility Data

Name and Location of Facility Inspected (For industrial users discharging to POTW, also include POTW name and NPDES permit number) Mt. Taylor Manufacturing, LLC: From Interstate 40 west of Grants, exit onto Horizon Blvd, turn right on Horizon Blvd. Turn left at State Hwy 122/Stanley Rd, travel north for approximately 1.3 miles, mill can be seen on the right across the railroad tracks. Cibola County	Entry Time /Date 1408 Hours / 9-29-2011	Permit Effective Date 9-29-2008
	Exit Time/Date 1455/ 9-29-2011	Permit Expiration Date 9-29-2013
Name(s) of On-Site Representative(s)/Title(s)/Phone and Fax Number(s) G. Matthew Allen/Site Manager/Corporation Director/ 505-287-9469 fax 505-287-9468 cell 505-240-1821	Other Facility Data N. 35° 12' 12.4194" W. -107° 54' 16.884"	
Name, Address of Responsible Official/Title/Phone and Fax Number Mr. T. Hardy Allen, P.O. Box 2307, West Old Rout 66, Milan, New Mexico/ 87021/Company President/ 505-287-9469 fax 505-287-9468	Contacted Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> *	SIC 2499 Sector A

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	U	Self-Monitoring Program	N	Sludge Handling/Disposal	N	Pollution Prevention
S	Facility Site Review	N	Compliance Schedules	N	Pretreatment	N	Multimedia
N	Effluent/Receiving Waters	N	Laboratory	M	Storm Water	N	Other:

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

- 1) Mt. Taylor Manufacturing, LLC. is a timber products manufacturer; the company did not obtain coverage under the USEPA NPDES industrial stormwater 2008 Multi-Sector General Permit (MSGP).
- 2) See attached further explanations.

Name(s) and Signature(s) of Inspector(s) DANIEL VALENTA /s/Daniel Valenta	Agency/Office/Telephone/Fax NMED/SWQB 505-827-2575	Date 10/6/2011
Signature of Management QA Reviewer RICHARD E. POWELL /s/Richard Powell	Agency/Office/Phone and Fax Numbers 505-827-2798	Date 10/6/2011

Mt. Taylor Manufacturing, LLC
Compliance Evaluation Inspection – Industrial Stormwater
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Further Explanations

Introduction

On September 29, 2011, a Compliance Evaluation Inspection (CEI) was conducted at the Mt. Taylor Manufacturing, LLC by Daniel Valenta, 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 NPDES permit requirements for stormwater discharges associated with industrial activity under 40 Code of Federal Regulations (CFR) 122.26(b)(14) and the industrial stormwater Multi-Sector General Permit (MSGP).

Storm water runoff from this facility may discharge to a ditch and thence to the Rio San Jose in segment 20.6.4.98 of the *State of New Mexico Standards for Interstate and Intrastate Surface Waters*, thence to the Rio Puerco, thence to the Rio Grande.

Upon arrival at 1408 hours on September 29, 2011, the inspector made introductions, stated the purpose of the inspection and presented credentials to Mr. G. Matthew Allen, Facility Manager. The inspector toured the facility. An on-site exit interview to discuss preliminary findings was conducted with Mr. Allen. The inspector left the facility at approximately 1455 hours on the day of the inspection. This report is based on review of EPA's on-line notice of intent (eNOI) database, files maintained by the operator and 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."* Regulations in 40 Code of Federal Regulations (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."*

Storm water discharges can be regulated by either an individual or a general USEPA NPDES permit. USEPA's Storm Water Multi-Sector General Permit (MSGP) for industrial activities, re-issued effective September 29, 2008, authorizes stormwater discharges from 29 sectors of industrial activity. The 29 sectors are defined by either the facility's SIC code and/or a general description of the facility's industrial activities.

To obtain permit coverage for stormwater discharges, 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). If eligible, operators may also submit a No Exposure Certification to USEPA once every five years.

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USEPA's MSGP is available at http://cfpub1.epa.gov/npdes/stormwater/msgp.cfm#permit_factsheet. Also, USEPA's industrial fact sheet series at <http://cfpub1.epa.gov/npdes/stormwater/swsectors.cfm> provides a brief summary of the NPDES industrial stormwater permitting program, the types of facilities included in that sector, a summary of typical pollutants associated with each sector, and types of stormwater control measures (best management practices or BMPs) used to minimize the discharge of those pollutants for each industrial sector.

On-site Industrial Activity Description

Mount Taylor Millworks opened in 1965 and produced a variety of timber products. In the last few decades it focused on manufacturing molding and closed in 2010. The facility was reopened and renamed Mount Taylor Manufacturing, LLC which began to produce a new line of wood products. The site sits on 15 acres and employs 11. The company expanded beyond wood pellet production and developed a line of livestock bedding and garden mulch. Future changes may include purchasing de-barking equipment in order to produce landscaping mulch. No chemicals are used at the facility in the processing of their line of wood products.

Some facilities generate residue as a product, in lieu of lumber or other finished products, while other facilities may generate residues as a waste product. In most cases, there are markets for these residues. For example, chips and sawdust are used in the production of pulp and paper and wood products manufacturing. A summary of the residues generated and their potential uses include: bark (used in landscaping, compost, recreational applications (trails), energy recovery); wood chips (used in pulp and paper mill feed, landscaping, recreational applications, fire logs, energy recovery); planer shavings (used in particle board, livestock bedding, compost, fire logs, domestic pet litter, energy recovery); and sawdust (used in particle board, livestock bedding, compost, fire logs, domestic pet litter, energy recovery.)

Pollutants resulting from lumber and residue generation and storage activities are typically conventional in nature. Low pH levels can result from the leachate of decaying organic materials. TSS and BOD5 may be elevated in this leachate. In addition to leachate, washed away residue particles contribute to TSS loadings. Equipment and machinery at the facility site may result in the discharge of oil and grease.

The site the facility operates on is fairly flat; rainwater falling on the site tends to pond. A series of shallow channels has been dug to drain the area and collect rainwater in a settling pond found on the east side of the facility, (see photo 1). This depression may minimize pollutants from leaving the area and allow rainwater to be absorbed into the ground. An unmaintained berm is present along the southeast border of the property to reduce run-on or runoff of rainwater. An elevated roadbed for a railroad is present along the west side of the property.

Finding

Mt. Taylor Manufacturing, LLC does not have permit coverage and has not prepared the required documents to file for and receive a permit or conducted the required inspections.

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The published deadlines for new discharges or new sources commencing discharging after January 5, 2009 are:

- A Minimum of 60 days prior to commencing operation of the facility or a minimum of 30 days if your SWPPP is posted on the internet during this period and the internet address to your SWPPP is provided on the NOI form.

A SWPPP should include the following information:

- **A description of potential pollutant sources** – 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 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, 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.

**NMED/SWQB
Official Photograph Log**

Photo # 1

Photographer: Daniel Valenta	Date: 9/29/2011	Time: 1429 hours
City/County: 1.8 miles north of Milan, NM/Cibola County		
Location: Mt. Taylor Manufacturing, LLC, West Old Rout 66 facing toward east side of property.		
Subject: Shallow ditches are present at the site to catch and direct stormwater.		



**NMED/SWQB
Official Photograph Log**

Photo # 2

Photographer: Daniel Valenta	Date: 9/29/2011	Time: 1427 hours
City/County: 1.8 miles north of Milan, NM/Cibola County		
Location: Mt. Taylor Manufacturing, LLC, West Old Rout 66 facing toward east side of property.		
Subject: Shallow ditches are present to catch and direct stormwater, unloading logs for processing.		



**NMED/SWQB
Official Photograph Log**

Photo # 3

Photographer: Daniel Valenta	Date: 9/29/2011	Time: 1434 hours
City/County: 1.8 miles north of Milan, NM/Cibola County		
Location: Mt. Taylor Manufacturing, LLC, West Old Rout 66 facing toward east side of property.		
Subject: Open containers of oil in scrap metal area.		

