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ENVIRONMENT DEPARTMENT

Surface Water Quality Bureau

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DAVE MARKLIN
Secretary

BUTCH TONGATE
Acting Deputy Secretary

Certified Mail - Return Receipt Requested

October 20, 2011

Mr. Tom Link, Owner
Valley Scrap Metal, Inc.
522 S. Miller Avenue
Farmington, New Mexico 87401

RE: Industrial Storm Water; SIC 5093; NPDES Compliance Evaluation Inspection; Valley Scrap Metal, Inc.; NPDES Permit NMU001769; October 12, 2011

Dear Mr. Link:

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 Tate, EPA, by e-mail
Darlene Whitten-Hill, EPA, by e-mail
NMED District II by e-mail



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
1 N 2 5 3 N M U 0 0 1 7 6 9 11 12 1 1 1 0 1 2 17 18 ~ 19 S 20 2					
Remarks					
S C R A P M E T A L R E C Y C L I N G					
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) Valley Scrap Metal, Inc; 4346 Hwy 64, Kirtland, New Mexico San Juan County	Entry Time /Date 1300 Hours / 10-12-2011	Permit Effective Date 9-29-2008
	Exit Time/Date 1355 10-12-2011	Permit Expiration Date 9-29-2013
Name(s) of On-Site Representative(s)/Title(s)/Phone and Fax Number(s) David Chavez/Site Manager/505-598-5288 cell 505-320-5798 fax 505-598-9711	Other Facility Data N. 36° 44' 15.71" W. -108 °19' 57.36"	
Name, Address of Responsible Official/Title/Phone and Fax Number Thomas Link, Owner, Valley Scrap Metal, Inc., 522 S. Miller Avenue, Farmington, New Mexico 87401 / 505-325-5064 and fax 325-5065	Contacted Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> *	SIC 5093 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	U	Self-Monitoring Program	N	Sludge Handling/Disposal	N	Pollution Prevention
U	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)

The Valley Scrap Metal, Inc. facility does not have permit coverage under the USEPA NPDES industrial stormwater 2008 Multi-Sector General Permit (MSGP). The facility did have coverage under the 2000 MSGP, (NMR05B294).

Name(s) and Signature(s) of Inspector(s) DANIEL VALENTA /s/Daniel Valenta	Agency/Office/Telephone/Fax NMED/SWQB 505-827-2575	Date 10/20/2011
Signature of Management QA Reviewer RICHARD E. POWELL /s/Richard Powell	Agency/Office/Phone and Fax Numbers 505-827-2798	Date 10/20/2011

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Further Explanation

Introduction

On October 12, 2011, a Compliance Evaluation Inspection (CEI) was conducted at the Valley Scrap Metal, Inc. facility, 4346 Hwy 64, Kirtland New Mexico in San Juan County 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 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).

Valley Scrap Metal, Inc. is a Scrap Recycling and Waste Recycling facility (see Standard Industrial Classification (SIC) code 5093) that meets the description in Category 40 CFR 122.26(b)(14)(vi), and Sector N of the MSGP. Per the site representative the facility has been active at this site for 26 years.

Stormwater may discharge to the Coolidge Arroyo and thence to the San Juan River in the San Juan River Basin, Segment 20.6.4.401 of the State of New Mexico Standards for Interstate and Intrastate Surface Waters, 20.6.4 New Mexico Administrative Code (NMAC). Designated uses are public water supply, industrial water supply, irrigation, livestock watering, wildlife habitat, marginal coldwater aquatic life, secondary contact, and warmwater aquatic life. This segment has been assessed as not supporting marginal coldwater aquatic life, secondary contact and warmwater aquatic life.

Upon arrival at the office at 1300 hours the inspector made introductions and stated the purpose of the inspection. Mr. Chavez, Site Manager, arrived shortly, credentials were presented. The inspector and Mr. Chavez briefly toured part of the facility. Following the tour, an on-site exit interview to discuss preliminary findings was conducted with Mr. Chavez. The inspector left the facility at approximately 1355 hours.

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 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.

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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.

An industrial stormwater fact sheet for Sector N: Scrap Recycling and Waste Recycling Facilities including a summary of typical pollutants associated with activities and types of stormwater control measures (BMPs) used to minimize the discharge of those pollutants is available at USEPA's website: http://www.epa.gov/npdes/pubs/sector_n_scraprecycling.pdf

Pollutants Associated With Material Stockpiling.

During material stockpiling, including the unloading and loading areas, the potential exists for some types of inbound recyclable materials to deposit residual fluids on the ground. Used automotive engines, radiators, brake fluid reservoirs, transmission housings, and lead-acid from batteries may contain residual fluids that, if not properly managed, can eventually come in contact with storm water runoff.

Another concern of outdoor stockpiling, including unloading and loading areas, is associated with deterioration of materials. Metal surfaces that are stockpiled for extended periods may be subject to corrosion. Corrosion is the deterioration of metal surfaces that typically results in the loss of metal to a solution, i.e., water. The following metals are referred to as the galvanic (or electromotive) series and have a tendency to corrode and become soluble in water; magnesium, aluminum, cadmium, zinc, steel or iron, cast iron, chromium, tin, lead, nickel, soft and silver solder, copper, stainless, steel, silver, gold, platinum, brass and bronze.

For some metals, the extent and rate of corrosion is dependent on whether it occurs in an oxygen-starved or oxygen-abundant atmosphere. Corrosion of stockpiled materials at scrap recycling facilities is a potential source of pollutants given that metals such as copper, lead, nickel, zinc, chromium and cadmium were frequently detected in sampling data. In addition, the majority of these metals are associated with recyclable materials handled by the scrap recycling industry.

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Another significant material of concern is the acceptance and temporary storage of scrap lead acid batteries from automotive vehicles and equipment. If a battery casing becomes cracked or damaged, special precautions are necessary to ensure that the contents do not come in contact with storm water runoff. This includes battery terminals with visible corrosion. In all cases, used batteries should be handled and stored in such a manner as to prevent exposure to either precipitation or runoff.

Findings

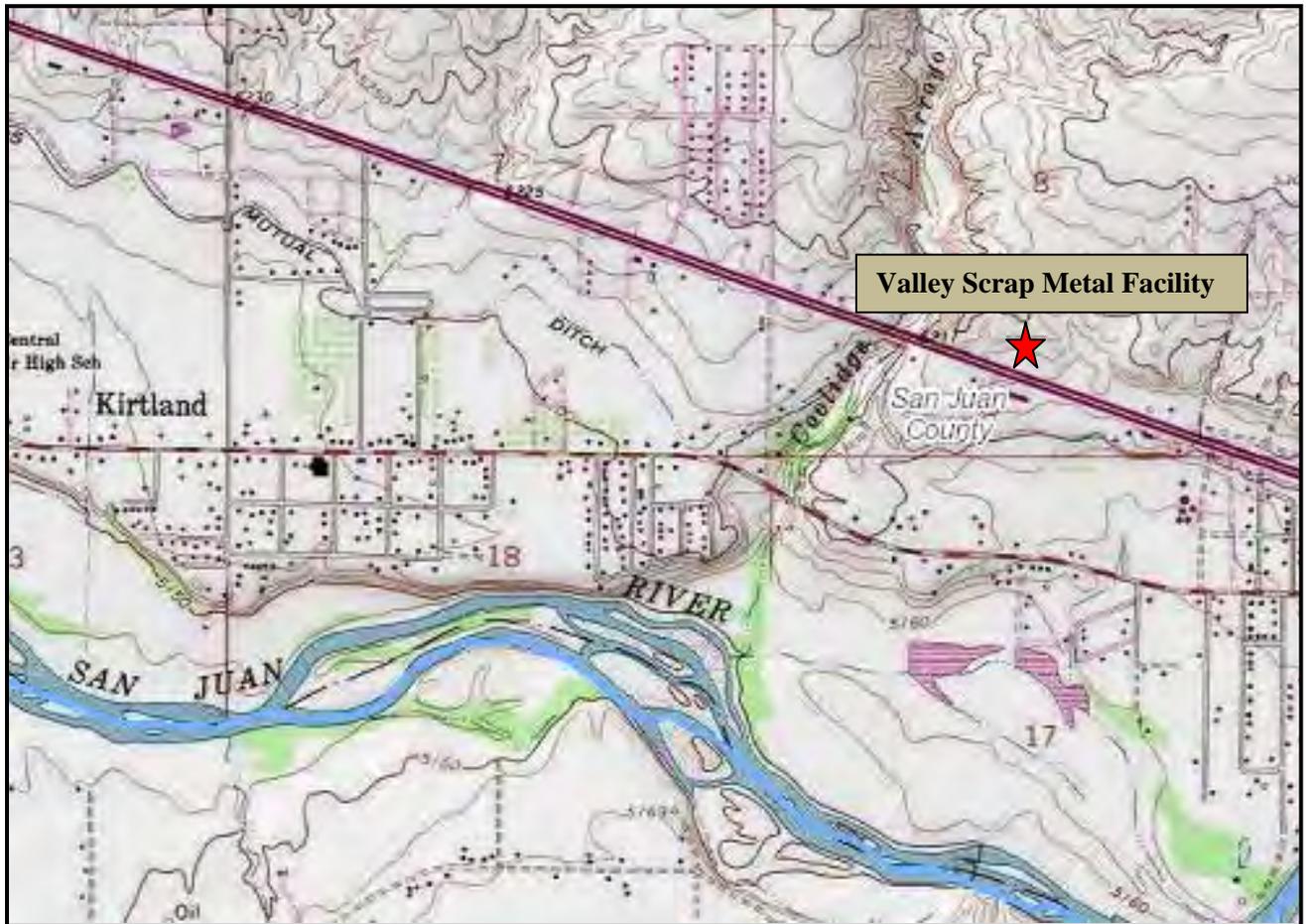
The operator did not obtain coverage under the USEPA 2008 MSGP when the permit became available. The facility did have coverage under the 2000 MSGP, (NMR05B294). No SWPPP or inspection reports were present to review from the 2000 MSGP.

Next to the Valley Scrap Metal yard is the Kirtland Southwest Building Blocks Facility, an inspection was completed at the facility, NMU001770, on the same day. Both facilities are owned by Mr. Link who also owns Southwest Building Blocks in Farmington which was inspected in July, NMU001747.

The back of the site slopes toward the front, south. On half of the east side is just a fence with a road, there is a gate to enter and exit at this point, (see photo 4). The southeast corner of the site is not owned by Mr. Link there are no BMP's in place to prevent runoff from entering this area, (see photo 3). Halfway along the west side is a berm between the salvage yard and the cement brick yard. There are no other BMP's in place to prevent stormwater from leaving the site.

**NMED/SWQB
Map of Area**

City/County: Kirtland/San Juan	
Location: 4346 Hwy 64, Kirtland, New Mexico	
Subject: The Valley Scrap Metal site is north of the San Juan River, west of the site is the Coolidge Arroyo.	



**NMED/SWQB
Official Photograph Log**

Photo # 1

Photographer: Daniel Valenta	Date: 10/12/2011	Time: 1330 hours
City/County: Kirtland/San Juan		
Location: Valley Scrap Metal, 4346 Hwy 64, Kirtland, New Mexico, facing southeast.		
Subject: Piles of metal scrap at back of property.		



**NMED/SWQB
Official Photograph Log**

Photo # 2

Photographer: Daniel Valenta	Date: 10/12/2011	Time: 1319 hours
City/County: Kirtland/San Juan		
Location: Valley Scrap Metal, 4346 Hwy 64, Kirtland, New Mexico, facing north.		
Subject: Facing back of property along the west border.		



**NMED/SWQB
Official Photograph Log**

Photo # 3

Photographer: Daniel Valenta	Date: 10/12/2011	Time: 1322 hours
City/County: Kirtland/San Juan		
Location: Valley Scrap Metal, 4346 Hwy 64, Kirtland, New Mexico, facing east.		
Subject: Southeast corner of property.		



**NMED/SWQB
Official Photograph Log**

Photo # 4

Photographer: Daniel Valenta	Date: 10/12/2011	Time: 1324 hours
City/County: Kirtland/San Juan		
Location: Valley Scrap Metal, 4346 Hwy 64, Kirtland, New Mexico, facing east.		
Subject: Gate along the east side of property.		



**NMED/SWQB
Official Photograph Log**

Photo # 5

Photographer: Daniel Valenta	Date: 10/12/2011	Time: 1340 hours
City/County: Kirtland/San Juan		
Location: Valley Scrap Metal, 4346 Hwy 64, Kirtland, New Mexico, facing southwest.		
Subject: Pallets loaded with batteries.		

