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NEW MEXICO
ENVIRONMENT DEPARTMENT

Surface Water Quality Bureau

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DAVE MARKLIN
Secretary

BUTCH TONGATE
Acting Deputy Secretary

Certified Mail - Return Receipt Requested

October 24, 2011

Mr. Ray Malouff, Owner
Malouff Salvage
P.O. Box 42
4140 Hwy. 64
Kirtland, New Mexico 87417

**RE: Industrial Storm Water; SIC 5093; NPDES Compliance Evaluation Inspection; Malouff Salvage;
NPDES Permit NMU001772; October 12, 2011**

Dear Mr. Malouff:

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	7	2	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						70	2	71	N	72	N	73			74														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)		Entry Time /Date		Permit Effective Date	
Malouff Salvage, 4140 Hwy 64, Kirtland, New Mexico		1032 Hours / 10-12-2011		9-29-2008	
San Juan County		Exit Time/Date		Permit Expiration Date	
		1105 10-12-2011		9-29-2013	
Name(s) of On-Site Representative(s)/Title(s)/Phone and Fax Number(s)				Other Facility Data	
Ray Malouff/Site Manager/505-598-9454				N. 36° 44' 47.13"	
Name, Address of Responsible Official/Title/Phone and Fax Number				W. -108° 22' 05.24"	
Ray Malouff/P.O. Box 42, 4140 Hwy 64, Kirtland, New Mexico 87417/ Owner/505-598-9454				SIC 5093	
				Sector N	
				Contacted	
				Yes <input type="checkbox"/> * No <input type="checkbox"/>	

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)

Malouff Salvage does not have permit coverage under the USEPA NPDES industrial stormwater 2008 Multi-Sector General Permit (MSGP).

Name(s) and Signature(s) of Inspector(s)		Agency/Office/Telephone/Fax		Date	
DANIEL VALENTA /s/Daniel Valenta		NMED/SWQB 505-827-2575		10/24/2011	
Signature of Management QA Reviewer		Agency/Office/Phone and Fax Numbers		Date	
RICHARD E. POWELL /s/Richard Powell		505-827-2798		10/24/2011	

Malouff Salvage
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Further Explanation

Introduction

On October 12, 2011, a Compliance Evaluation Inspection (CEI) was conducted at Malouff Salvage, 4140 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). Malouff Salvage 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.

From the Malouff Salvage yard, stormwater may discharge to the Coolidge Arroyo, Stevens Arroyo, or to a stormwater drain, (see overview). The Stevens Arroyo is an unclassified intermittent water of the state, 20.6.4.98 which discharges to the San Juan River. The Coolidge Arroyo also discharges to the San Juan River, both arroyos to 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 1032 hours the inspector made introductions, stated the purpose of this inspection and presented credentials to Mr. Ray Malouff, Owner. The inspector and Mr. Malouff briefly toured the facility. Following the tour, an on-site exit interview to discuss preliminary findings was conducted with Mr. Malouff. The inspector left the facility at approximately 1105 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. Common requirements for coverage under an industrial stormwater permit include development of a written stormwater pollution prevention plan (SWPPP), implementation of control measures, and submittal of a request for permit coverage, usually referred to as the Notice of Intent or NOI. The SWPPP is a written assessment of potential sources of pollutants in stormwater runoff and control measures that will be implemented at your facility to minimize the discharge of these pollutants in runoff from the site.

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These control measures include site-specific best management practices (BMPs), maintenance plans, inspections, employee training, and reporting. The procedures detailed in the SWPPP must be implemented by the facility and updated as necessary, with a copy of the SWPPP kept on-site.

The industrial stormwater permit also requires collection of visual, analytical, and/or compliance monitoring data to determine the effectiveness of implemented BMPs. For more information on EPA's industrial stormwater permit go to www.epa.gov/npdes/stormwater and click on "Industrial Activity."

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 stormwater 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 stormwater. 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 stormwater 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.

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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.

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. At the site a wide variety of materials are brought in to be sold and recycled. Some items observed were white goods, automotive rims and tires; see attached photos of assortment of items. Metal items were sorted into large piles depending on the type of material, sorting involved cutting, crushing, and stacking.

At the entrance there is a stormwater drain. A drain pipe could be seen, Mr. Malouff said the pipe was blocked and did not drain. It is unknown if the pipe has been permanently sealed. The site appears to slope towards the south or out the entrance road. The Malouff Salvage Scrap yard is higher than the surrounding area thus the site will be a challenge to manage. They are installing a fence around the site, note pipes in pictures. If installed with an eye to stormwater control as well as a visual barrier it may aid the company in managing its stormwater issues. At present there are no Best Management Practices (BMP's) in place to manage or monitor discharges from the facility.

**NMED/SWQB
Official Photograph Log**

Photo # 1

Photographer: Daniel Valenta	Date: 10/12/2011	Time: 1044 hours
City/County: Kirtland/San Juan		
Location: Malouff Salvage, 4140 Hwy 64, Kirtland, New Mexico, facing north.		
Subject: Main entrance road through the salvage yard.		



**NMED/SWQB
Official Photograph Log**

Photo # 2

Photographer: Daniel Valenta	Date: 10/12/2011	Time: 1111 hours
City/County: Kirtland/San Juan		
Location: Malouff Salvage, 4140 Hwy 64, Kirtland, New Mexico, facing northeast.		
Subject: Front of property, stormwater may discharge to the storm drain.		



**NMED/SWQB
Official Photograph Log**

Photo # 3

Photographer: Daniel Valenta	Date: 10/12/2011	Time: 1111 hours
City/County: Kirtland/San Juan		
Location: Malouff Salvage, 4140 Hwy 64, Kirtland, New Mexico, facing northeast.		
Subject: West side of property.		



**NMED/SWQB
Official Photograph Log**

Photo # 4

Photographer: Daniel Valenta	Date: 10/12/2011	Time: 1056 hours
City/County: Kirtland/San Juan		
Location: Malouff Salvage, 4140 Hwy 64, Kirtland, New Mexico, facing south.		
Subject: East side of property facing Hwy 64.		



**NMED/SWQB
Official Photograph Log**

Photo # 5

Photographer: Daniel Valenta	Date: 10/12/2011	Time: 1040 hours
City/County: Kirtland/San Juan		
Location: Malouff Salvage, 4140 Hwy 64, Kirtland, New Mexico, facing northwest.		
Subject: Middle of site where the office is, piles of recyclable materials.		



**NMED/SWQB
Official Photograph Log**

Photo # 6

Photographer: Daniel Valenta	Date: 10/12/2011	Time: 1049 hours
City/County: Kirtland/San Juan		
Location: Malouff Salvage, 4140 Hwy 64, Kirtland, New Mexico, facing north.		
Subject: Back of site, a variety of scrap metal and equipment.		



**NMED/SWQB
Official Photograph Log**

Photo # 7

Photographer: Daniel Valenta	Date: 10/12/2011	Time: 1049 hours
City/County: Kirtland/San Juan		
Location: Malouff Salvage, 4140 Hwy 64, Kirtland, New Mexico, facing east.		
Subject: Back of site, a variety of scrap metal.		

