NEW MEXICO
ENVIRONMENT DEPARTMENT

Surface Water Quality Bureau

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Secretary

BUTCH TONGATE
Deputy Secretary

Certified Mail - Return Receipt Requested

November 9, 2011

Mr. Johnny Valdez., Owner
Grants Recycling
P.O. Box 116
1553 East Old Hwy 66
San Rafael, New Mexico 87051

RE: Industrial Storm Water; SIC 5093; NPDES Compliance Evaluation Inspection; Grants Recycling; NPDES Permit NMU001777; November 3, 2011

Dear Mr. Valdez:

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 Tates, EPA, by e-mail
Darlene Whitten-Hill, EPA, by e-mail
NMED District I 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 7 11	12 1 1 1 1 0 3 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)*	Entry Time /Date	Permit Effective Date
Grants Recycling, 1553 East Old Hwy 66, Grants, New Mexico 87020 **Cibola County**	**1122 Hours / 11-3-2011**	**9-29-2008**
	Exit Time/Date **1302/ 11-3-2011**	Permit Expiration Date **9-29-2013**

Name(s) of On-Site Representative(s)/Title(s)/Phone and Fax Number(s)	Other Facility Data
Johnny Valdez / Owner /505-287-4522 / 505-287-8865 cell	**N. 35° 8' 14.568"** **W. -107° 49' 32.1594"**
Name, Address of Responsible Official/Title/Phone and Fax Number **Johnny Valdez / Owner /505-287-4522 / 505-287-8865 cell**	Contacted Yes * No **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
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)

At the time of this inspection Grants Recycling 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**	11/8/2011
Signature of Management QA Reviewer	**Agency/Office/Phone and Fax Numbers**	**Date**
RICHARD E. POWELL *s/Richard Powell*	**505-827-2798**	11/8/2011

Grants Recycling
NPDES Tracking No. NMU001777
November 3, 2011

Further Explanation

Introduction

On November 3, 2011, a Compliance Evaluation Inspection (CEI) was conducted at Grants Recycling, 1553 East Old Hwy 66, Grants, New Mexico in Cibola 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). Grants Recycling 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.

Storm water runoff from this facility may discharge 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 1122 hours on November 3, 2011 the inspector made introductions, stated the purpose of the inspection and presented credentials to Mr. Johnny Valdez, Owner. The inspector and Mr. Valdez briefly toured the facility. Following the tour, an on-site exit interview to discuss preliminary findings was conducted with Mr. Valdez. The inspector left the facility at approximately 1302 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.

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.

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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.

Grants Recycling
NPDES Tracking No. NMU001777
November 3, 2011

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

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; radiators, and car batteries. See attached photos of assortment of items. Metal items were sorted into piles depending on the type of material. Sorting the materials involved cutting, crushing, and stacking.

Mr. Valdez became the Owner/Operator of the 1.5 acre site in May of 2011. At the time of the inspection he had two employees at the site. The site slopes slightly south from Old Hwy 66 toward the Rio San Jose, (see overview & photo 1). The south side of the property faces the Rio San Jose. This section of the river through town has been channelized with a dirt road running alongside the river. As stormwater falls and flows from the road onto the property it ponds onsite or may discharge to the neighbor's property on either side. The site may also discharge along the road beside the river, (see photo 4). Motors and other parts are placed on truck beds to help contain leaking fluids. A covered shed on site is used to store batteries and aluminum cans.

- Grants Recycling did not meet the requirement as a New Owner/Operator of Existing Discharger to obtain permit coverage a minimum of 30 days prior to date that the transfer will take place to the new owner/operator.

NMED/SWQB
Map of Area

City/County: Grants/Cibola	
Location: 1553 East Old Hwy 66, Grants, New Mexico	
Subject: The Grants Recycling yard is north of the Rio San Jose.	

NMED/SWQB
Official Photograph Log

Photo # 1

Photographer: Daniel Valenta	Date: 11/3/2011	Time: 1138 hours
City/County: Grants/Cibola		
Location: Grants Recycling, 1553 East Old Hwy 66, Grants, New Mexico, facing northeast.		
Subject: Main entrance road into the salvage yard, note slope is inward.		

NMED/SWQB
Official Photograph Log

Photo # 2

Photographer: Daniel Valenta	Date: 11/3/2011	Time: 1138 hours
City/County: Grants/Cibola		
Location: Grants Recycling, 1553 East Old Hwy 66, Grants, New Mexico, facing southwest.		
Subject: Entrance road along the east side of property.		

NMED/SWQB
Official Photograph Log

Photo # 3

Photographer: Daniel Valenta	Date: 11/3/2011	Time: 1146 hours
City/County: Grants/Cibola		
Location: Grants Recycling, 1553 East Old Hwy 66, Grants, New Mexico, facing southwest.		
Subject: Scrap metal piled along the west side of property.		

NMED/SWQB
Official Photograph Log

Photo # 4

Photographer: Daniel Valenta	Date: 11/3/2011	Time: 1143 hours
City/County: Grants/Cibola		
Location: Grants Recycling, 1553 East Old Hwy 66, Grants, New Mexico, facing southwest.		
Subject: Back of property facing the river, this area contained mostly tires and rims.