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ENVIRONMENT DEPARTMENT

Surface Water Quality Bureau

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Deputy Secretary

JAMES H. DAVIS, Ph.D.
Director
Resource Protection Division

Certified Mail - Return Receipt Requested

May 7, 2012

Mr. Jeff Miyake, President
DairiConcepts, L.P.
3253 E. Chestnut Expressway
Springfield, MO 65802

**RE: Industrial Storm Water; SIC 2023; NPDES Compliance Evaluation Inspection; DairiConcepts, L.P.
Portales, NM; NMU001791; April 26, 2012**

Dear Mr. Jeff Miyaka:

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



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	9	1	11	12	1	2	0	4	2	6	17	18 ~	19 S	20 2		
Remarks																								
D A I R Y P R O D U C T S																								
Inspection Work Days				Facility Evaluation Rating				BI		QA		-----Reserved-----												
67				70 3				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) DairiConcepts, L.P., 1820 S. Industrial Drive, Portales, NM 88130 Roosevelt County	Entry Time /Date 0955 Hours / 4-26-2012	Permit Effective Date 9-29-2008																																
	Exit Time/Date 1150 Hours / 4-26-2012	Permit Expiration Date 9-29-2013																																
Name(s) of On-Site Representative(s)/Title(s)/Phone and Fax Number(s) Ed Steven/Site Manager/ 575-359-3902/ cell 575-760-5163/ fax 575-359-3903	Other Facility Data GPS: N. 34° 10' 09.21" W. -103° 22' 19.72"																																	
Name, Address of Responsible Official/Title/Phone and Fax Number Mr. Jeff Miyake, 3253 E. Chestnut Expressway, Springfield, MO 65802/Company President/417-829-3400/ fax 417-829-3401	Contacted Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> *																																	
<p align="center">Section C: Areas Evaluated During Inspection (S = Satisfactory, M = Marginal, U = Unsatisfactory, N = Not Evaluated)</p> <table border="1"> <tr> <td>U</td> <td>Permit</td> <td>N</td> <td>Flow Measurement</td> <td>N</td> <td>Operations & Maintenance</td> <td>N</td> <td>CSO/SSO</td> </tr> <tr> <td>N</td> <td>Records/Reports</td> <td>N</td> <td>Self-Monitoring Program</td> <td>N</td> <td>Sludge Handling/Disposal</td> <td>N</td> <td>Pollution Prevention</td> </tr> <tr> <td>S</td> <td>Facility Site Review</td> <td>N</td> <td>Compliance Schedules</td> <td>N</td> <td>Pretreatment</td> <td>N</td> <td>Multimedia</td> </tr> <tr> <td>N</td> <td>Effluent/Receiving Waters</td> <td>N</td> <td>Laboratory</td> <td>U</td> <td>Storm Water</td> <td>N</td> <td>Other:</td> </tr> </table>			U	Permit	N	Flow Measurement	N	Operations & Maintenance	N	CSO/SSO	N	Records/Reports	N	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	U	Storm Water	N	Other:
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Section D: Summary of Findings/Comments (Attach additional sheets if necessary)

At the time of this inspection DairiConcepts L.P. did not have permit coverage under the USEPA NPDES industrial stormwater 2008 Multi-Sector General Permit (MSGP).

Name(s) and Signature(s) of Inspector(s) Daniel Valenta /s/Daniel Valenta	Agency/Office/Telephone/Fax NMED/SWQB 505-827-2575	Date 5/7/2012
Signature of Management QA Reviewer Richard Powell /s/Richard Powell	Agency/Office/Phone and Fax Numbers NMED/SWQB 505-827-2798	Date 5/7/2012

**Compliance Evaluation Inspection
DairiConcepts L.P.
April 26, 2012
NMU001791**

Further Explanations

Introduction

On April 26, 2012 a Compliance Evaluation Inspection was conducted at DairiConcepts L.P. (Standard Industrial Classification 2023, Sector U: Food and Kindred Products Facility) located at 1820 Industrial Drive, Portales, New Mexico by Daniel Valenta of the State of 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 multi-sector general storm water permit (MSGP) for industrial activities (this facility has industrial activities being conducted on-site that meet the description of industrial activities in Sector U) and stormwater regulations at **40 Code of Federal Regulations (CFR) Part 122.26**.

DairiConcepts, L.P. manufactures and markets dairy and cheese products to commercial, food service, and retail customers in the United States, Canada, and internationally. The company provides cheese powder blends, straight and high flavor cheese powders, dairy powders, snack seasonings, cheese concentrates, dairy replacement systems, and dry grated and fresh ground Italian cheeses. Its products are used to provide flavor and color requirements for seasonings, sauces, soups, dressings, snacks, and baked foods. The company was founded in 2000 and is based in Springfield, Missouri. It has locations in Greenwood, Chili, and Bruce, Wisconsin; Pollock, South Dakota; Allerton, Iowa; El Dorado Springs, Missouri; Portales, New Mexico; and Hummelstown, Pennsylvania. DairiConcepts, L.P. operates as a subsidiary of Dairy Farmers of America, Inc and Fonterra Co-Operative Group Ltd.

By the nature of the business, and the required sanitary conditions, require that raw materials through final product be protected from stormwater. As such, the contamination of stormwater from these activities are primarily from the loading and unloading of products and raw materials; spillage and leaks from tanks and containers stored outdoors; waste management practices; and pest control. For example, flour/oil particulate emissions from vents (e.g., from baking operations) may be a significant source of pollutants at some facilities, while material storage may be a primary source at others

The nearest receiving water is an unclassified tributary to the Boone Draw in the Brazos River minor Basin, Southern High Plains major Basin. The Boone Draw is located 1.25 miles west of the facility

An entrance interview was conducted with Mr. Ed Steven, Site Manager, at approximately 0955 hours on April 26, 2012. The inspector made introductions, presented his credentials and discussed the purpose of the inspection. An exit interview to discuss the preliminary findings of this inspection was conducted at approximately 1150 hours on April 26, 2012 at the offices of DairiConcepts. Present at the meeting was Mr. Ed Steven and Mr. Steve Moore, Environmental Manager for Dairy Farmers of America, by speaker phone. This report is based on a review of the files maintained by the permittee and NMED, on-site observation by NMED personnel and verbal information provided by DairConcepts personnel.

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Findings:

DairiConcepts does not have permit coverage and has not prepared the required documents to file for and receive a permit. The facility applied for and received a permit in 2003. A SWPPP had been prepared for the 2000 permit with some completed inspection reports documented.

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. 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.

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

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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 U: Food and Kindred Products 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

During the inspection the possibility of the site qualifying for a No Exposure Certification was posed.

At loading and unloading bays a white material was found on the ground and thus exposed to rainwater. See instructions below on how to quantify for a No Exposure Certification. The site appeared well maintained and managed, trash containers had covers. Cement covered the area around the facility and had channels to funnel stormwater to a large stormwater storage area. However it is unknown if the impoundments do capture all stormwater discharges. The facility discharges its process waste to its lined treatment lagoons off site. The facility has a scrap area on the south side of the plant where old parts, process equipment, and broken items are stored. This area is exposed to the elements.

No Exposure Factsheet:

***No exposure** is defined as all industrial materials and activities are protected by a storm resistant shelter to prevent exposure to rain, snow, snowmelt, and/or runoff. Industrial materials or activities include, but are not limited to, material handling equipment or activities, industrial machinery, raw materials, intermediate products, by-products, final products, or waste products.*

To quantify for a No Exposure Certification each of the following questions has to be answered with a NO. If any of the questions are answered YES you are not eligible for the No Exposure exclusion. Are any of the following materials or activities exposed to precipitation, now or in the foreseeable future?

1. *Using, storing or cleaning industrial machinery or equipment, and areas where residuals from using, storing or cleaning industrial machinery or equipment remain and are exposed to stormwater*
2. *Materials or residuals on the ground or in stormwater inlets from spills/leaks*
3. *Materials or products from past industrial activity*
4. *Material handling equipment (except adequately maintained vehicles)*
5. *Materials or products during loading/unloading or transporting activities*
6. *Materials or products stored outdoors (except final products intended for outside use [e.g., new cars])*
7. *where exposure to stormwater does not result in the discharge of pollutants*
8. *Materials contained in open, deteriorated or leaking storage drums, barrels, tanks, and similar containers*
9. *Materials or products handled/stored on roads or railways owned or maintained by the discharger*
10. *Waste material (except waste in covered, non leaking containers [e.g., dumpsters])*
11. *Application or disposal of process wastewater (unless otherwise permitted)*
12. *Particulate matter or visible deposits of residuals from roof stacks and/or vents not otherwise regulated (i.e., under an air quality control permit) and evident in the stormwater outflow*

**NMED/SWQB
Official Photograph Log**

Photo # 1

Photographer: Daniel Valenta	Date: 4/26/2012	Time: 1033 hours
City/County: Portales/Roosevelt County		
Location: 1820 S. Industrial Drive, Portales, New Mexico, facing north.		
Subject: Picture taken from the scrap yard, south side of facility.		



**NMED/SWQB
Official Photograph Log**

Photo # 2

Photographer: Daniel Valenta	Date: 4/26/2012	Time: 1043 hours
City/County: Portales/Roosevelt County		
Location: 1820 S. Industrial Drive, Portales, New Mexico, facing north.		
Subject: Unloading bays for the delivery of milk.		

