REPORT OF COMPLIANCE EVALUATION INSPECTION
(INDUSTRIAL STORMWATER)

Alter Trading Corporation
dba Alter Metal Recycling- Cedar Rapids
6305 11th Street
Cedar Rapids, Iowa 5404
Authorization Number: **IA-1986-1849**

BY
U.S. ENVIRONMENTAL PROTECTION AGENCY
REGION 7
ENFORCEMENT AND COMPLIANCE ASSURANCE DIVISION (ECAD)
WATER BRANCH/DRINKING WATER & INSPECTIONS SECTION (WB/DWIS)

ON
February 6 and 7, 2024

Introduction

At the request of the Water Branch (WB), Enforcement and Compliance Assurance Division (ECAD), a Compliance Evaluation Inspection (Industrial Stormwater) was conducted on February 6 and 7, 2024, at the Alter Metal Recycling facility in Cedar Rapids, Iowa. The inspection was conducted under the authority of Section 308 of the Clean Water Act, as amended. It was conducted in accordance with the U.S. Environmental Protection Agency (EPA) Region 7 Standard Operating Procedures for Compliance Inspections (ENST SOP No. 2332). This narrative report presents the findings of the inspection.

Participants

Alter Metal Recycling
• Mike Loeffelholz, Facility Manager Mike.Loeffelholz@altertrading.com
• Patrick Kohlmeier, Regional Environmental Manager Patrick.Kohlmeier@altertrading.com

U.S. Environmental Protection Agency (EPA), Region 7
• Naji J. Ahmad, Environmental Engineer, ECAD/WB/DWIS
• Connor Finn, Life Scientist, ECAD/WB/DWIS

Inspection Procedures

Connor Finn and I arrived at the Alter Metal Recycling facility in Cedar Rapids, Iowa on February 6, 2024, at 9:30 AM. We met with Mike Loeffelholz, Facility Manager. We introduced ourselves, presented our credentials, and explained the purpose and procedures of the industrial stormwater compliance evaluation inspection. These included completing the Region 7 Industrial Stormwater Worksheet and the U.S. EPA Confidentiality Notice, evaluating self-monitoring and stormwater management practices, and conducting a facility walk-through with photographs (Attachment 7).

I provided Mike Loeffelholz with the U.S. EPA Small Business Resources Information Sheet

and the U.S. EPA Confidentiality Notice. The Facility chose not to claim any confidential business information.

Mike Loeffelholz contacted Patrick Kohlmeier, Regional Environmental Manager. We had the opening conference with Patrick Kohlmeier on a conference call.

Mike Loeffelholz presented us with the Stormwater Pollution Prevention Plan (SWPPP) folder that included the SWPPP document, training records, site map with drainage patterns, site inspection reports, and other stormwater management documents. He also presented us with the Spill Prevention Control and Countermeasure (SPCC) Plan.

After a brief description of the site operations and a brief review of the SWPPP and stormwater management records with Mike Loeffelholz and Patrick Kohlmeier, Mike Loeffelholz escorted Connor Finn and I on a visual inspection of the site.

We started our inspection at the site's entrance from 11th Street where we pointed out to Mike Loeffelholz sediment on the road caused by vehicular track out from the site (photos 1 and 3) and sediment entering the Cedar Rapids Municipal Separate Storm Sewer System (MS4) via the street stormwater inlet (photo 2); we looked at the outdoor storage yard and outdoor process (photos 4, 9-11); indoor process (photo 5 and 6); above ground storage tanks (photos 7, 18, and 19), spill kits (photos 8 and 20), polluted stormwater with oil sheen discharging from the site from beneath the east fence (photos 12-14); floatables (foam) at the white goods process area at the southeast part of the site (photo 15 and 16), ground drain grate as part of the stormwater system at the scale (photos 17) and its outlet pipe (photo 22); and the ground discoloration outside the east maintenance shop (photo 21).

After the site walkthrough, we held an exit meeting with Messer. Loeffelholz and Kohlmeier. We discussed the preliminary observations, and I informed them that we will issue a Notice of Preliminary Findings (NOPF) and return the next day to conduct a formal exit meeting. We all agreed to meet the next day at 9:00AM.

After the inspection Connor Finn and I walked the railroad ditch that runs along the east perimeter of the site and verified that the discharge from the site does lead to the ditch (photos 23-25).

On February 7, 2024, at 9:00AM, Connor Finn and I returned to the site and held a formal exit meeting with Mike Loeffelholz and Kohlmeier. We discussed the five observations I included on the NOPF (Attachment 9). After our discussion, I deleted one of the observations I included on the NOPF.

I informed Mike Loeffelholz and Patrick Kohlmeier that I will communicate all other matters with Patrick Kohlmeier upon my further review of the submitted records upon my return to the office.

On February 6, 2024, I received an email from Patrick Kohlmeier that included the Facility SWPPP with handwritten notes; Annual inspection reports (3 years); copy of the Alter Stormwater Training; and an uncontrolled copy of the SPCC Plan.

On February 7, 2024, I received an email (Attachment 10) from Mike Loeffelholz that included photos of corrective actions taken by Alter personnel in response to my site observations.

Facility Description

Alter Trading Corporation, doing business as Alter Metal Recycling (AMR), is a family-owned company that was founded in 1898 in Davenport, Iowa. Currently, the company has 62 facilities operating in nine states. AMR has eleven facilities in Iowa, eight in Nebraska, and one in Missouri.

According to AMR's website, Alter began operating in the Cedar Rapids area in 1987 when it purchased the assets of E. Cohn & Sons, a well-established, multi-generational facility located near the heart of the city. In 2001 Alter opened a second location in the southwest quadrant of the city and in 2003 consolidated all operations at that site located at 6305 11th St S.W. According to the Linn County, Iowa website, the facility sits on a 6.89-acre parcel.

AMR is located within an industrial park, with industries to the north, west, and south. To the east is the CR & IC Railway tracks and approximately 70 feet east of the railway tracks is an unnamed tributary to Prairie Creek.

Site operations consist of receiving, processing, storing of turnings and borings scrap metal, ferrous and nonferrous scrap metal, crushing, baling, torch cutting of large pieces, and equipment fueling. Auto demanufacturing such as removing fluids, mercury, and batteries is done offsite. Nonferrous scrap metal is primarily unloaded, processed, and stored in the warehouse. Ferrous scrap metal is stored outdoors in a gravel area.

Hours of operations at AMR are Monday through Friday from 7:30AM to 4:00PM. Currently there are nine people employed as office and field personnel. On average, AMR Cedar Rapids processes 2,500 tons of ferrous scrap metal and 0.5 million tons of nonferrous scrap metal annually.

AMR Cedar Rapids is authorized by the Iowa Department of Natural Resources (IDNR) to discharge stormwater associated with industrial activity under the National Pollutant Discharge Elimination System (NPDES) General Permit No 1 (GP #1). The IDNR originally granted AMR authorization to discharge on October 1, 1992, under permit number 1986-1849. The current GP #1 coverage is provided through October 1, 2027 (Attachment 2).

Site Drainage Patterns

Based on the site's local topography, surface runoff would flow off site from the southeast corner and east off the site. There are two drainage areas as indicated in Figure 1:

Drainage Area 1: Stormwater runoff from outdoor ferrous process and storage area would flow east from beneath the fence (photos 12-14) onto a steep slope into the the CR & IC Railway tracks ditch (photos 23 and 24). Surface runoff would also flow toward the southeast corner of the site (photo 10) into the Cedar Rapids & Iowa City Railway tracks ditch as well (photo 25). Water in the railway ditch will eventually travel west via a storm pipe beneath the tracks approximately 90 feet and make its way into the unnamed tributary to Prairie Creek. The tributary would flow north approximately one mile into Prairie Creek. Prairie Creek flows north approximately 3 miles into Cedar River.

Drainage Area 2: Stormwater runoff from the area just west of the site entrance (paved driveway) flows northwest onto 11th Street and enters the stormwater inlet (photo 2) which is part of the Cedar Rapids MS4.

Figure 1, AMR Cedar Rapids, Iowa Surface Runoff

Findings and Observations

All findings and observations of this inspection concern AMR's status of compliance with the requirements of the Iowa NPDES GP1 and the SWPPP. These findings are based on our interview with facility personnel, my review of the SWPPP, and our visual observations of the site. All observations were discussed in detail with Mike Loeffelholz throughout the inspection on February 6, 2024, and with Patrick Kohlmeier and Mike Loeffelholz during the formal exit meeting on February 7, 2024. All photos taken during the inspection on February 6, 2024, are included as Attachment 7 to this report.

1. The SWPPP was signed on December 10, 2012, and included the certification statement. The SWPPP (attachment 3) appeared adequate and conforms to current site activities. Updates to site activities are marked on the SWPPP document.

2. Site inspections are conducted annually by Patrick. Kohlmeier. The six-page inspection reports (Attachment 4) appeared adequate by identifying site observation and corrective actions. The last inspection was conducted on August 10, 2023.

3. Employee training is also conducted annually. Records indicated that training was conducted on May 19, 2021, June 28, 2022, and August 18, 2023. Training material covers stormwater management and spill prevention (Attachment 5). Training material appeared adequate.

4. The Facility has aboveground storage capacity over 1,320 U.S. gallons of petroleum products (diesel, hydraulic fluids, oil, and used oil) stored onsite in tanks, totes, and 55-gallon containers. As required by 40 CFR Part 112, §112.3, the facility prepared and is currently implementing a Spill Prevention Control and Countermeasure (SPCC) Plan in accordance with §112.7 and other applicable sections of this Part (Attachment 6).

5. We issued NOPF #1 because we noticed at two locations significant amount of floatables (foam from processing of white good/appliances) on the ground. The first location was on the southeast area (photo 15) and the second was at the northeast area (photo 16) of the property. We pointed out to Mike Loeffelholz that this is a good housekeeping deficiency.

6. Upon our arrival at the facility, Connor Finn and I noticed a significant amount of sediment deposits on 11th Street SW. Evidence of trackout leads to AMR main entrance. Evidence also indicated that deposited sediment is caused by vehicular activities existing at the site. We discussed our observation with Mike Loeffelholz. Mike Loeffelholz recognized the issue. Mike Loeffelholz added that they sweep the road every other day or as needed. Based on the

Photo 3, Sediment deposits at 11th Street SW caused by vehicular activity.

7. trackout evidence (photos 1 and 3), and sediment entering the Cedar Rapids MS4 (photo 2), I issued Notice of Preliminary Findings number 2 (NOPF#2).

Photo 2, Sediment entering street stormwater inlet which is part of the MS4.

8. We issued NOPF #3 for the evidence of significant ground discoloration which appeared to be caused by leaky equipment stored at the west entrance of the maintenance shop (photo 21).

Photo 21, Evidence of significant ground discoloration.

9. We issued NOPF #4 for the polluted surface runoff that was leaving the site from beneath the east fence line onto the steep slope and into the railway ditch. The water had a significant oil sheen caused by stormwater contact with stored piles of ferrous scrap metal stored at the edge of the fence (photos 12, 13, and 14). We also observed that the scrap metal had significant oil residue on it. Photo 13 below demonstrates the amount of sheen in the runoff. As mentioned above, runoff would flow east into the rail ditch then continue west through storm drainage pipe that runs beneath the rail and makes its way to the unnamed tributary to Prairie Creek.

Photo 13, Significant sheen in the stormwater runoff leaving the site.

10. Upon our return to that facility on February 7, 2024, for the formal exit meeting, we noticed that Mike Loeffelholz was using the sweeper and swept the road.

11. On site structural control is the concrete-block walls that separate stored material. Nonstructural control is implementing the SWPPP such as conducting inspections and employee training.

12. On February 7, 2024, at 9:07AM I received an email from Loeffelholz just before our exit meeting, that included photos of corrective actions taken in response to our observations (Attachment 10).

NAJI AHMAD Digitally signed by NAJI AHMAD Date: 2024.03.14 12:04:32 -05'00'

Naji J. Ahmad
Environmental Engineer,
ECAD-WB

JODI BRUNO Digitally signed by JODI BRUNO Date: 2024.03.14 13:28:24 -05'00'

Jodi Bruno
WB/DWIS Manager,

Attachments

1. ISW Checklist
2. NPDES GP1
3. SWPPP
4. 2021-2023 site inspections
5. Employee training
6. SPCC
7. Photo Log
8. emails
9. NOPF
10. Response to the NOPF