



State of Ohio Environmental Protection Agency

Southwest District Office

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Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Korleski, Director

June 26, 2007

RE: Kerry Proteins and Nutritionals
Pretreatment Inspection and
Notice of Violation

Mr. Larry Hensler
Kerry Proteins and Nutritionals
400 Hazel Street
Covington, OH 45318

Dear Mr. Hensler:

On May 15, 2007 I met with Ms. Agatha Blanchett, Mr. Jim Homan and you to conduct a pretreatment inspection of your facility. A compliance review since my previous inspection has revealed that, in addition to an Oil and Grease violation of 285.3 mg/l for monitoring done on February 16, 2007 that you reported to me on April 3, 2007, Kerry Proteins and Nutritionals has failed to submit its monitoring report for the period of December 2006 through May 2007 by the June 15th due date. The overdue report must be submitted immediately and Kerry must outline how it plans to ensure its reporting obligations will be met in the future.

My inspection revealed the following items that require your action:

1. A review of my 2005 inspection letter revealed that you did not provide me a production process flow diagram for your manufacturing operations by October 3, 2005 as requested. You have committed to submitting an updated diagram to me by August 1, 2007.
2. During my inspection of the DAF system it was my observation that the DAF unit did not appear to be exhibiting the characteristic floating solids. Mr. Homan investigated the operating conditions and found that the air induction system appeared to be operating abnormally. Instead of continuing to try to diagnose the condition then and there, I asked him to investigate and let me know of his findings. Upon returning to the office, he called and informed me that the recirculation pump was worn out and that, upon replacement, the DAF was functioning much better and that all the injection points had to be readjusted to compensate for the improved performance.

I find it disconcerting that this critical component apparently does not have performance criteria established for its operation and that the DAF's poor performance was only investigated upon my inspection finding. Although it is possible that the DAF pump failed

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soon before my inspection, it appears that its decline in performance was gradual. To address this serious issue, it is necessary to provide a plan for preventing this condition for occurring in the future. I ask that you contact the manufacturer to find out what performance measures they recommend you track to allow you to determine when pump replacement is recommended. Once these are determined, you will need to commit to monitoring them. Finally, it is necessary for you to determine whether a replacement pump needs to be available on-site.

3. Finally, I noted that the DAF unit is processing approximately 45 gpm of wastewater which is just slightly less than its 50 gpm design flow. I believe that Kerry would be well-served by finding a way to reroute the wastewater generated by its water treatment system around the wastewater pretreatment system. Wastewater from the water treatment system is unaffected by the DAF equipment and removing it from treatment would likely enhance the performance DAF and would provide additional capacity for treating process wastewater. Please investigate the feasibility of this proposal and let me know if you plan to pursue it.

Please provide a written response to this letter by July 20th with an indication of your intentions to address the issues raised including dates for any necessary submittals. If you have any questions concerning this letter or the inspection forms, please call me at (937) 285-6095.

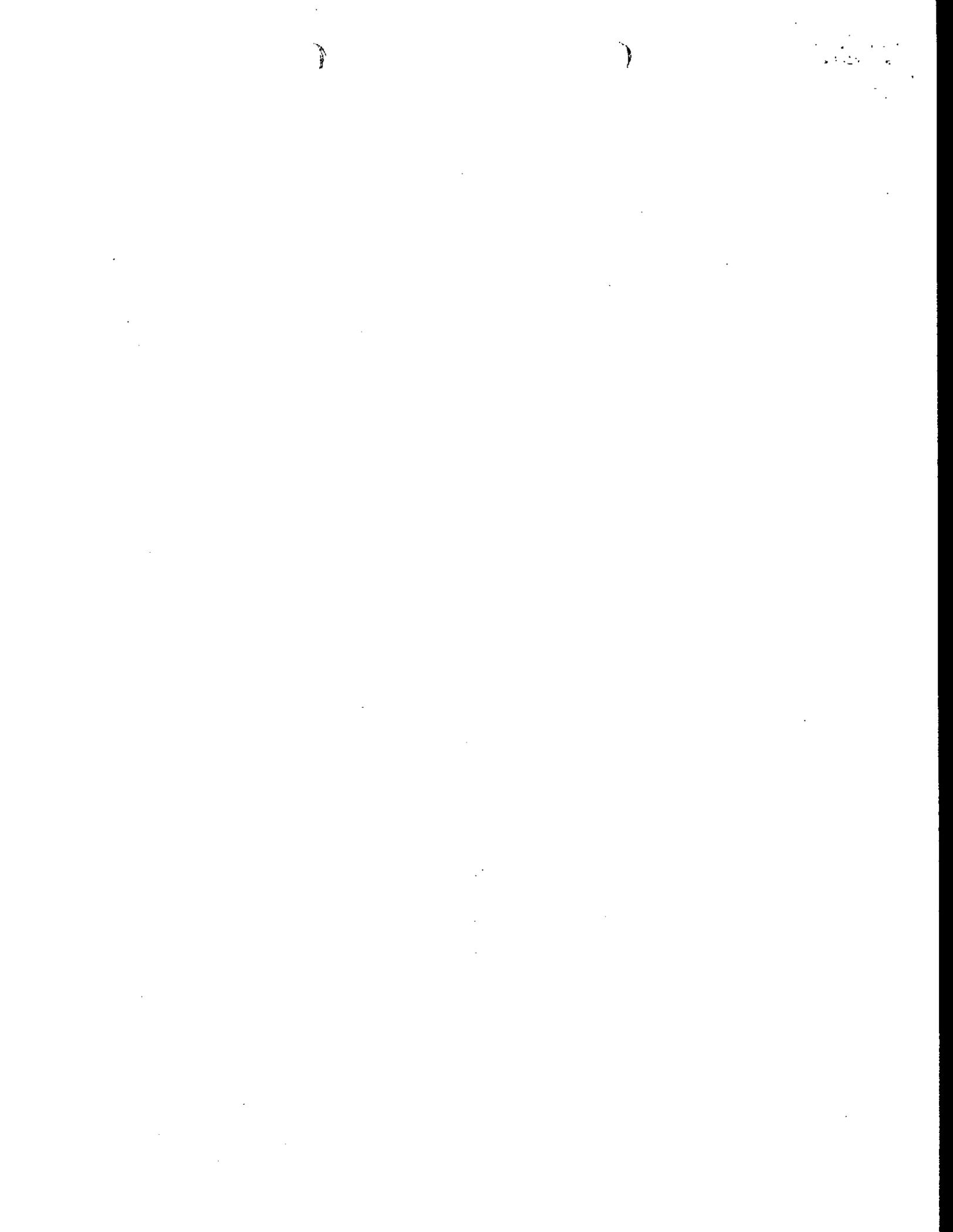
Sincerely,



Matt Walbridge
Pretreatment Coordinator
Division of Surface Water

ENCLOSURE

CC: Julia Zhang - Ohio EPA / Central Office / DSW
Michael Manson - Village of Covington



INDUSTRIAL USER INSPECTION CHECKLIST

Facility: **Kerry Ingredients**

Date of inspection: **May 15, 2007**

OH Number of receiving POTW: **OH0020761**

IDP Number: **1DP00011*BP**

Facility Representative: **Larry Hensler, Jim Homan & Agatha Blanchett**

Inspector(s): **Matt Walbridge**

COMPLIANCE

1. Date of last pretreatment inspection: **August 2, 2005**
2. Has the facility been in compliance with its permit limits since the last inspection? Y/N
If no, explain:
Oil and Grease limit (100 mg/l) was violated on February 16, 2007 (285.3 mg/l).
3. Is the facility in compliance with all other requirements?
Sampling procedures Y/N/NA
Reporting (late reporting, failure to report, etc) Y/N/NA
Compliance schedules Y/N/NA
Submitted BMR and 90 day compliance reports Y/N/NA
Any other requirements Y/N/NA

If any of the above five answers is no, explain:
4. Was the facility required to perform any actions as a result of the last inspection? Y/N
Explain any unresolved actions:
None.

FACILITY OPERATIONAL CHARACTERISTICS

5. Number of Employees: **~60**
6. Shifts/Day: **2 (14 on day shift, 9 on night shift in production)**
7. Production Days/Year: **355**
8. Hours/shift: **12**
9. Any production changes since the last inspection? Y/N
If yes, explain:
No longer producing powdered shortenings and non-dairy creamers.
10. General facility description and operations:

Processes include mixing (formulation), homogenization, pasteurization and spray drying of food ingredients including infant formula base and finished infant formula.

FACILITY OPERATIONAL CHARACTERISTICS - CONTINUED

11. Any change in materials used in production since the last inspection? ~~Y~~/N
If yes, explain:

Predominant ingredients are: Four-blend vegetable oil, casenates (dairy proteins), soy protein isolates, reduced sodium corn syrup, and sugar.

12. Any expansion or production increase expected within the next year? Y/~~N~~
If yes, explain:

Will be trying to get up to capacity.

WASTEWATER TREATMENT

13. Provide a schematic diagram and description of the wastewater treatment system:

Daily wash down water and wastewater from CIPs flow to a sump and then on to an equalization tank, flocculation tank and dissolved air flotation system.

See attached diagram.

14. Was a PTI issued for the treatment system? Y/~~N~~

15. Were there any modifications to the treatment system since the previous inspection? ~~Y~~/N

If yes, was a PTI obtained? N.A. ~~Y~~/N

PTI Number: _____ Date: _____

16. What is the treatment mode of operation? Batch / Continuous / Combination

If batch, list the frequency and duration:

17. Who is responsible for operating the treatment system? ***Mr. Jim Homan***

18. How often is the treatment system checked?

Approximately three times per shift (Don Griezzy, Dave Sipes and Kent ___).

The pretreatment system is automated with seven monitors.

WASTEWATER TREATMENT CONTINUED

19. Is there an alarm system for the system? Y / ~~N~~
Explain:

There is an alarm that is activated if the flow rate is exceeded and many alarms (such as pH) are on the new treatment system.
20. Is there an operations and maintenance manual? Y / ~~N~~
21. Is an inventory of critical spare parts maintained? Y / ~~N~~
If yes, list:

Spare pumps for EQ and DAF units, injection pumps, and air filter for blowers
22. Are there any bypasses in the system? ~~Y~~ / N
If yes, describe the location:

All process waste waters only go to the treatment system. Floor drains in the treatment building all drain to the sump that feeds the treatment system.
- Have bypasses occurred since the last inspection? ~~Y~~ / N
- Was the POTW notified? N.A. ~~Y~~ / ~~N~~
23. Are residuals or sludges generated? Y / ~~N~~
Method of disposal:

Hauled to lagoon treatment system operated by Mike's Sanitation.
- Frequency and amount of disposal:

The treatment system generates approximately 2,500 gallons of wastewater at 3 to 5 % solids every week.
- Name of hauler/landfill/disposal facility:

Mike's Sanitation
- Is any sludge generated subject to RCRA regulations? ~~Y~~ / N
- If land applying sludge, is there a sludge management plan? N.A. ~~Y~~ / ~~N~~

PROCESS AND WASTEWATER INFORMATION

24. List all processes generating wastewater, current wastewater flows, and where applicable, production rates as well as values on which the permit limits are based:

REGULATED PROCESS	SAMPLE LOCATION	WASTEWATER FLOW (GPD)		PRODUCTION DATA (SPECIFY UNITS)	
		Permit	Current	Permit	Current
Clean-in-Place (1), general cleaning and washdowns.	Effluent from DAF Treatment system	26 gpm (37,440 gpd)	~ 53,000 *	NA	NA
Total Regulated Process Flow		26 gpm (37,440 gpd)	~ 53,000		
Noncontact Cooling					
Boiler Condensate					
Reverse Osmosis			+		
Demineralizer Regeneration					
Softener Backwash					
Filter Backwash			+		
Compressor Condensate					
Water Softener Regeneration			+		
Total of Dilute Flows			(~8,000)		
Unregulated Flows					
Sanitary					
TOTAL FLOW		26 gpm (37,440 gpd)	~ 53,000		

* CIP events occur much more frequently now.

+ Individual contributions from these sources are not known at this time. The flow value is only an estimated guess.

Wastewater from these sources discharge through the pretreatment system. It would be ideal if they were able to be routed around the pretreatment system.

25. For the above flows not discharged to the POTW, list point of discharge and permit (if any).

(All industrial wastewaters are discharged to the POTW)

SELF MONITORING

26. Sample location(s) described in the facility's permit:

"The sampling point shall be the effluent from the dissolved air flotation (DAF) system at the flow monitoring manhole located just outside the pretreatment building. Samples for Oil and Grease (reporting code 00050) can alternately be collected at the overflow weir of the DAF."

27. Is the facility sampling at the location(s) described in the permit? Y / ~~N~~
If no, describe the actual location:

28. Is the location(s) where the facility is sampling representative? Y / ~~N~~
If no, indicate a representative location:

29. Is the flow measured or estimated? Measured / ~~Estimated~~

If measured, how often is the meter calibrated?

Yearly using DAF flow meter

If estimated, describe method of estimation:

30. Is pH monitored continuously? Y / ~~N~~

There is a pH meter on the DAF feed tank that is controlled to (8.5 to 9.0)

If yes, how often is the meter calibrated?

31. Does the facility collect its own samples? Y / ~~N~~
If no, specify the sample collector:

32. Are appropriate sampling procedures followed? Y / ~~N~~
Monitoring frequencies Y / ~~N~~
Sample collection (grab for pH, O&G, CN, phenols, VOCs) * Y / ~~N~~
Flow proportioned samples Y / ~~N~~
Proper preservation techniques Y / ~~N~~
Sample holding times Y / ~~N~~
Chain-of-custody forms Y / ~~N~~

Samples are time-proportional (once every 20 minutes) which is acceptable since the flow rate is fairly constant.

33. Are samples analyzed in accordance with 40 CFR 136? Y / ~~N~~

34. Laboratory conducting analyses:

Brookside Laboratories out of New Knoxville

TOXICS MANAGEMENT

35. Are any listed toxic organics used in the facility?
If yes, identify organics: Y/N
36. Does the facility have a current toxic organic management plan(TOMP)? Y/N
If yes, is it being implemented? N.A. Y/N
37. Has the facility had any uncontrolled releases or spills to the POTW since the previous inspection? If yes, please explain:
38. Does the facility need a spill prevention plan or slug discharge control plan?
(There is good flow equalization.) Y/N
If yes, does the facility have a written plan? N.A. Y/N
39. Identify any potential slug load or spill areas:

REQUIRED FOLLOW-UP ACTIONS

See inspection letter.

General Observations

- The DAF didn't appear to be producing much solids. Mr Homan checked the air feed and got some funny readings. He called me later after I was back at the office and said that the recirculation pump was shot and that they had to replace it. The new one has the DAF performing much better (they had to readjust all the induction valves once the pump was replaced).*
- They really need to look into getting water from the regeneration of resins used for softening, RO reject and activated carbon filter backwash treatment wastewater out of the pretreatment system (but still discharging to the sanitary sewer).*
- Mr. Hensler indicated that the production facility is almost always conducting CIP operations*
- The DAF unit is processing approximately 45 gpm of wastewater which is just slightly less than the 50 gpm design flow for the DAF. I believe that Kerry would be well-served by finding a way to segregate the wastewater generated by its water treatment systems and routing them around the wastewater pretreatment system. Wastewater from the water treatment system is unaffected by the DAF equipment and removing it from treatment would likely enhance the performance DAF and would certainly provide for additional capacity for treating process wastewater.*
- Production is currently limited by the capacity of the dryer. Production is currently about 16 million pounds a year and the dryer has a capacity for about 19 million pounds a year.*
- I noted that a recent chain of custody did not what type of sample was collected for Oil and Grease. I conveyed to them that it is necessary to ensure that sample types are correctly documented on the COCs.*
- I conveyed to them that they should try to be less conservative with the EQ tanks by instead utilizing more of their capacity to allow for the most uniform flow through the treatment system.*