Environmental
Protection Agency

Ted Strickland, Governor
Lee Fisher, Lt. Governor
Chris Korleski, Director

May 17, 2010

RE: PBM Covington, LLC
Pretreatment Compliance Inspection

Mr. Kent Mowry
PBM Covington
400 Hazel Street
Covington, OH 45318

Dear Mr. Mowry:

On April 22, 2010 I met with you to conduct a pretreatment inspection of your facility. PBM was previously notified of being in significant non-compliance for failing to monitor and report but has since started conducting the required monitoring and have conveyed the analytical results to me ahead of the next report due date. You indicated PBM began production on December 11, 2009.

pH Violation

During the inspection you provided me the most recent data which revealed an apparent pH violation of 4.4 SU that occurred on March 26th. However, the analysis date was March 29th which does not satisfy the requirement to analyze within 15 minutes of sample collection. It is necessary for pH monitoring to be done on grab samples using a properly calibrated pH meter. It is necessary to explain the apparent pH violation, outline the corrective measures that were taken and will be taken to avoid future violations, and establish protocol for ensuring proper sample analysis in the future.

Permit Renewal/Transfer

PBM's discharge permit is currently in the process of being renewed. Since the date of the inspection, PBM Holdings, which includes PBM Covington, has been acquired by Perrigo Company. At the time of the inspection I provided you information for transferring the discharge permit, but apparently no action to transfer the permit has been taken.

I am not sure how this transfer can be initiated after PBM has been acquired, but I am sure that as long as Perrigo does not hold an Indirect Discharge Permit, it is in violation for discharging without authorization. Ohio EPA will accept a permit transfer application submitted during the public-notice period for the proposed renewal. If this transfer cannot be obtained, then Perrigo will need to submit an application for its own Indirect Discharge Permit as soon as possible.

If the permit is transferred to Perrigo, please note that the next monitoring report (due July 20th) will need to cover the period of January through June. If the permit is not transferred, PBM is responsible for reporting the results of required monitoring up until the time Perrigo took ownership of the facility (through April).

Southwest District Office
401 East Fifth Street
Dayton, OH 45402-2911

937 | 285 6357
937 | 285 6249 (fax)
www.epa.ohio.gov

Reporting

I recommend that a responsible official of the company who works at the facility (the plant manager), or their delegated responsible official, be made responsible for submitting discharge monitoring reports. This is much more practical than collecting and transmitting data to a responsible official that is located in another state.

Flow-Proportional Sampling

You indicated that you are likely to provide for flow-proportional sampling; I strongly support this proposal. The existing flow meter should make it easy to provide this ideal method of sample collection and, along with a log book to record the temperature of the composite sample refrigerator, will provide the best possible monitoring protocol. A log book should also be provided for the pH meter to record calibrations and monitoring results. Please inform me of your progress toward achieving these goals.

Process Flow Diagram Update

Finally, please review the 2008 *EPA Water Flow* diagram attached to this inspection. If there are any changes to reflect current operations, please provide an updated diagram by June 21st. I will otherwise presume that the diagram is substantially accurate.

Please provide a written response to this letter by June 7th addressing the items I've presented. If you have any questions concerning this letter or the attached inspection form, please call me at (937) 285-6095.

Sincerely,

Matt Walbridge
Pretreatment Coordinator
Division of Surface Water

ENCLOSURE

CC: Eric Matovich – PBM Covington
Ray Kimmel – Village of Covington
Ryan Laake – Ohio EPA / Central Office / DSW

Ohio Environmental Protection Agency

Southwest District Office

PRETREATMENT INSPECTION REPORT

PERMIT NUMBER	FACILITY NUMBER	DATE CONDUCTED
*1DP00011*CP*	*OHP000090*	*April 22, 2010*

INSPECTION TYPE	INSPECTOR	FACILITY TYPE	TIME IN	TIME OUT
I	*S*	*2*	*1000*	1240

GENERAL INFORMATION

NAME AND LOCATION OF FACILITY

PBM Covington, LLC
400 Hazel Street
Covington, OH 45318

POTW RECEIVING DISCHARGE

Village of Covington WWTP

MAILING ADDRESS OF FACILITY

PBM Covington, LLC
400 Hazel Street
Covington, OH 45318

CONTACT (NAME/TITLE/PHONE)

Kent Mowry / Plant Manager / Maintenance Supervisor / (937) 473-2050

FACILITY EVALUATION (See inspection letter for a more complete description of finding)

(S = Satisfactory, M = Marginal, U = Unsatisfactory, NA = Not Applicable)

S	Sampling Procedures	***NA***	Compliance schedule requirements
U	Reporting	***NA***	Notification
M	Compliance with effluent limits	***U***	Other – ***Sampling Frequency***

Name and Signature of Inspector(s)	Agency / Office / Telephone	Date
Matt Walbridge	***Ohio EPA / Southwest District Office / (937) 285-6095***	5-17-10
Signature of Reviewer	***Ohio EPA / Southwest District Office / (937) 285-6034***	Date 5/17/10

INDUSTRIAL USER INSPECTION CHECKLIST

Facility: ***PBM Covington, LLC***

Date of inspection: ***April 22, 2010***

OH Number of receiving POTW: ***OH0020761***

IDP Number: ***1DP00011*CP***

Facility Representative: ***Kent Mowry***

Inspector(s): ***Matt Walbridge***

COMPLIANCE

1. Date of last pretreatment inspection: ***March 3, 2009***

2. Has the facility been in compliance with its permit limits since the last inspection? ~~Y~~ / N
   If no, explain:

   Oil and grease violation on February 1, 2010 (131 mg/l reported versus the limit of 100 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:
   Failure to monitor during the months of April through November 2009.

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: ***~35***

6. Shifts/Day: ***2*** ***(14 on day shift, ~7 on third shift in production)***

7. Production Days/Year: ***~182 (3 ½ work weeks)***

8. Hours/shift: ***12***

9. Any production changes since the last inspection? Y / N
   If yes, explain:

   The facility is operating well below capacity (approx. 25%)

10. General facility description and operations:

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

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

Facility now uses milk proteins instead of soy proteins.
Predominant ingredients are: Four-blend vegetable oil, casenates (dairy proteins), lactose reduced sodium corn syrup, non-fat milk and whey protein concentrates (WPC).

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

'Hopefully'

WASTEWATER TREATMENT

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

Daily wash down water and wastewater from general CIPs flow to a sump and then on to equalization tanks, flocculation tank and dissolved air flotation system. During full drier CIP events, which occur about once per month, wastewater is sent to the two large storage silos

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

pH sensor put on flocculation tank that controls a solenoid valve that will divert to the storage

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. Kent Mowry***

18. How often is the treatment system checked?

Approximately three times per shift (Mark Crosby and Kent Mowry). Maintenance staff also check in on the system.

The pretreatment system is automated with seven monitors. Mr. Mowry can monitor operating conditions at his desk via his PC.

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 there are many level alarms (such as pH) on the pretreatment 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. Hauling occurs on Fridays.

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, general cleaning and washdowns. (1)	Effluent from DAF Treatment system	*50 gpm (72,000 gpd)**	*~ 60,000*	*NA*	*NA*
Total Regulated Process Flow		50 gpm (72,000 gpd)*	~ 40,000		
Noncontact Cooling					
Boiler Condensate					
Reverse Osmosis			*(2)*		
Demineralizer Regeneration					
Softener Backwash					
Filter Backwash					
Compressor Condensate					
Water Softener Regeneration			*~1,200*		
Total of Dilute Flows			~1,200		
Unregulated Flows					
Sanitary					
TOTAL FLOW		50 gpm (72,000 gpd)*	~ 41,200		

** Flow is not limited by the permit.*

(1) Individual contributions from these operations are not known.

(2) The RO reject now discharges to its own sewer connection.

Note: The activated carbon filters (and associated backwashes) have been eliminated.

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:

At the request of the Village of Covington, they have relocated the sampler tube from the DAF overflow trough to the sampler. It's the same wastewater so it doesn't really matter that it's not being taken from the monitoring manhole.

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

They use the DAF flow meter to record and report discharge flow.

If measured, how often is the meter calibrated?

Calibrated by "Master Leo".

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?

Prior to analysis. Buffer solutions were expired

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

PBM delivers samples to Brookside. pH is field-measured by PBM.

32. Are appropriate sampling procedures followed?

Monitoring frequencies ***(they weren't, but now they are)***	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? ***(they weren't, but now they are)*** Y / ~~N~~

34. Laboratory conducting analyses:

Brookside Laboratories out of New Knoxville

TOXICS MANAGEMENT

35. Are any listed toxic organics used in the facility? ~~Y~~ / N
If yes, identify organics:

36. Does the facility have a current toxic organic management plan(TOMP)? ***N.A.*** 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: ~~Y~~ / N

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: ***Could occur if the DAF unit went down***

REQUIRED FOLLOW-UP ACTIONS

See inspection letter.

General Observations

1. ***The sample refrigerator indicated that the temperature was about 5 degrees Celsius (OK). Recommend that they fill the container used to hold the thermometer with water. Tubing and composite jug were clean***

2. ***DAF effluent was clear of solids but somewhat hazy.***