

RESIDENT INSPECTOR PROGRAM

2005 ANNUAL REPORT

Presented to

The Environmental Review Commission
and
The Joint Legislative Commission
On Governmental Operations

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HAZARDOUS WASTE SECTION

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RESIDENT INSPECTOR PROGRAM

2005 ANNUAL REPORT

This annual report is presented to the Joint Legislative Commission on Governmental Operations and the Environmental Review Commission pursuant to Article 9, G.S. 130A 295.02(m).

The report covers the activities of the Resident Inspector Program from July 1, 2004 through June 30, 2005.

I. OVERVIEW

The Resident Inspector Program has been operating for more than 14 years in the Division of Waste Management. This program monitors all aspects of the commercial hazardous waste facilities in North Carolina and assures compliance with all laws and rules administered by the Department of Environment and Natural Resources. It may also enforce laws or rules administered by any other state agency through a memorandum of agreement.

The Resident Inspector Program was established "... to enhance the ability of the Department to protect the public health and the environment by providing the Department with the authority and resources necessary to maintain a rigorous inspection and enforcement program at commercial hazardous waste facilities" [G.S. 130A-295.02(f)].

II. PROGRAM STAFFING

For this fiscal year, the program was comprised of two resident inspectors assigned to home duty stations, one administrative assistant and a program supervisor (See Attachment 1 for the Organization Chart). The Resident Inspector Program resides within the Hazardous Waste Section's Compliance Branch.

III. THE RESIDENT INSPECTOR

Most state agencies perform their compliance monitoring inspections as required from their specific respective regulations. The Resident Inspector Program, however, is unique in that its inspections utilize a multi-media approach. This approach covers all regulatory responsibilities for which DENR is authorized, such as hazardous waste management and treatment requirements, workplace safety, air emissions requirements, wastewater treatment and discharge requirements, etc.

There are inherent overlaps of DENR's regulatory requirements with regulations administered by other departments. Two examples include the Department of Labor's Occupational Safety & Health Act and the Department of Transportation's hazardous materials transportation regulations. Deviations from these various departments' regulations could adversely affect public health and the environment, as well as a facility's compliance with air, water or hazardous waste management regulations. As part of the Resident Inspector Program's comprehensive approach to monitoring commercial hazardous waste facilities, resident inspectors also evaluate these sites for potential violations in these other regulatory areas. When necessary, they make recommendations to the facilities and/or make referrals to the authorized agency or agencies. The mandated frequency of inspection at each facility gives resident inspectors the time needed to achieve this high degree of oversight.

To prepare resident inspectors for their multimedia approach to inspections, initial training typically consists of Hazardous Waste Operations and Emergency Response (40 hours), Environmental Surveillance, RCRA Hazardous Waste Training, Hazardous Materials Transportation and the care and use of Level B / Personal Protective Equipment.

Annual training for resident inspectors includes an 8-hour Health & Safety Basic Refresher, Level B Update and Environmental Surveillance Update. Depending upon the inspector's area of expertise and responsibility, other miscellaneous training may be received, including Hazardous Waste Incineration, Ambient Air Monitoring, Air Pollution Control Devices, Chemical Safety Audit, OSHA Inspector's Course, Hazardous Materials Management and various EPA regulatory workshops.

IV. SUBJECT FACILITIES

To be subject to oversight by the Resident Inspector Program, the facility must be a commercial hazardous waste facility. The term "commercial," as it relates to a hazardous waste facility, is defined as a facility "... that accepts hazardous waste from the general public or another person for a fee" [G.S. 130A-290(a)(3)]. Presently, there are 11 permitted commercial hazardous waste treatment, storage, and disposal facilities in North Carolina under the jurisdiction of the Resident Inspector Program. In September 2004, the permitted treatment, storage and disposal facility, Giant Resource Recovery, completed RCRA closure for all hazardous waste operations at the Stanly County, North Carolina location. The Carolina Solite facility (owned by the Giant Resource Recovery) continues to operate the light weight aggregate kilns utilizing "used oil" as a fuel and continues to be monitored by the Division of Air Quality. With the RCRA closure of this facility, it is no longer considered a commercial hazardous waste treatment, storage or disposal facility and therefore not inspected under the Resident Inspector Program. The permitted treatment, storage and disposal facility, Heritage Environmental Services, (one of four commercial permitted treatment, storage and disposal facilities located in Mecklenburg County), continues with suspended operations during a corporate economic evaluation. Although not currently treating, storing or disposing of hazardous waste at the Charlotte facility, Heritage Environmental Services continues to provide disposal services for their North Carolina customers, utilizing this Charlotte facility as a transfer station. As the RCRA Part 'B' TSDF permit is still valid, this facility continues to be monitored by the Resident Inspector Program.

V. FACILITY CATEGORY RANKINGS

Each commercial hazardous waste treatment, storage and disposal facility is ranked to determine its required inspection fees and minimum inspection frequency as required under 15A NCAC 13A .0116. The frequency of the inspections at each facility is dependent upon its qualification as a "special purpose" commercial hazardous waste facility and the category ranking assigned to it.

Currently, all existing commercial hazardous waste treatment, storage and disposal facilities in North Carolina qualify as "special purpose" facilities. (See Attachment 2 for current category rankings and primary waste treatment activities for these facilities.) The designated categories of 1, 2 or 3 correspond to a minimum inspection frequency of two, four or six times per month, respectively.

VI. FUNDING & EXPENSES

The Resident Inspector Program is funded by fees collected from the commercial hazardous waste facilities. These fees are based upon each facility's category ranking and volume (tons) of hazardous waste handled. The category ranking system is designed to be an indirect measure of the costs associated with the oversight at each commercial hazardous waste facility. While the commercial hazardous waste facilities' total tonnage throughput has increased this year to pre "9/11" levels, yielding increased Program fees, Program operating expenses have increased due to transportation / fuel costs. However, Program costs were reduced due to a 75% turnover in personnel which caused a savings to the salary budget during the re-staffing period (lapse in personnel coverage). This savings was partially offset by the cost incurred for the vacancy re-staffing and training of new personnel. The personnel turnover has been caused by the Program's inability to keep and attract skilled competent personnel with sufficient compensation in today's job market. Due to the periodic loss of personnel, it remains necessary for the Resident Inspector Program supervisor to conduct a greater portion of the required inspections to meet the Program's minimum mandates.

For FY 2004-2005, the budget was developed using anticipated revenues from Resident Inspector Program fees of approximately \$275,000. The actual hazardous waste tonnage received by two of the commercial facilities greatly increased over the previous year, while all other facilities remained relatively unchanged. (A detailed list of the individual tonnages received by each of the commercial hazardous waste facilities in FY 2004-2005 can be found in Attachment 3.) The actual Program receipts in FY 2004-2005 totaled \$287,036, while Program expenses for the year were held to \$247,272.

VII. INSPECTION GOALS & ACHIEVEMENT

During FY 2004-2005, for the periods when the program was fully staffed additional inspections were conducted. Thus, a total of 469 inspections were conducted exceeding the required minimum of 438 inspections. These inspections included routine site inspections as well as specific inspections to monitor closure activities at one facility and temporary suspension of normal operation at another facility, and to assist in improving compliance performance by other facilities. (A detailed list of the inspections performed by program staff at the commercial hazardous waste facilities in FY 2004-2005 can be found in Attachment 4.)

VIII. ENFORCEMENT & COMPLIANCE

Enforcement Activities

In general, the commercial hazardous waste facilities continue to be cooperative and have rapidly responded with corrective action in most cases when deficiencies or violations were cited or recommendations made. When either of these actions do not result in timely and consistent compliance, a more severe enforcement action is taken, such as, a compliance order with administrative penalty.

During the past fiscal year, resident inspectors issued one Notice of Violation to a commercial facility (see Attachment 5 for current and historic enforcement tracking). This Notice of Violation, when compared to the actual number of inspections, translates to an overall compliance rate of 99.8 percent.

Compliance Assistance Activities & Homeland Security

Compliance assistance activities offered under this program are conducted routinely during the inspectors' site visits. Since the inspectors are at these facilities at least semi-monthly, they have the opportunity to become very familiar with the operations of each facility and may offer compliance assistance in several ways. Inspectors identify past trouble areas and work with the facility toward a permanent solution. They also increase scrutiny of these areas during each visit to keep the facility's compliance awareness high. Inspectors communicate frequently with facility management and front-line workers to clarify the permit and current regulatory requirements, the reasons for the requirements, and the potential risks incurred for noncompliance. Inspectors continue to develop and schedule and facilitate roundtable training workshops customized for each specific facility. These workshops cover the most frequent violations observed overall at commercial facilities, the most frequent violations observed at their particular facility, any potential areas of concern and positive facility operations.

If a facility repeats a violation, the primary inspector and program supervisor will set up an informal enforcement conference with the local facility compliance managers, the plant manager, and, if applicable, the corporate compliance officers. They discuss the facility's current compliance issues and work with the facility to find a permanent solution, which may include formal enforcement.

IX. PUBLIC MEETINGS / HEARINGS & PERMIT RENEWALS

Resident Inspector Program staff continues to observe and assist/support public meetings/hearings that involve the operation of and proposed modifications to the commercial hazardous waste facilities in this state. A continuing program goal is for the staff to be fully aware of public concerns and to be conscious of these concerns during oversight efforts at these facilities. Program staff have provided assistance in facility compliance audits by generators, consultants, other agencies and the public. Program staff work with area schools to provide information in the classroom about environmental responsibility and how the facilities help with that responsibility.

The Resident Inspector Program staff continue to work with the Facility Management Branch (the permitting arm of the Hazardous Waste Section) and each commercial hazardous waste facility during the permit renewal/application process and other compliance reviews, such as , closure of a permitted unit (storage tank, processing area, container storage area, etc.). The purpose of this joint effort is to provide clarification, address areas of concern, and assist in ensuring the permit application accurately reflects the facility as it is operated.

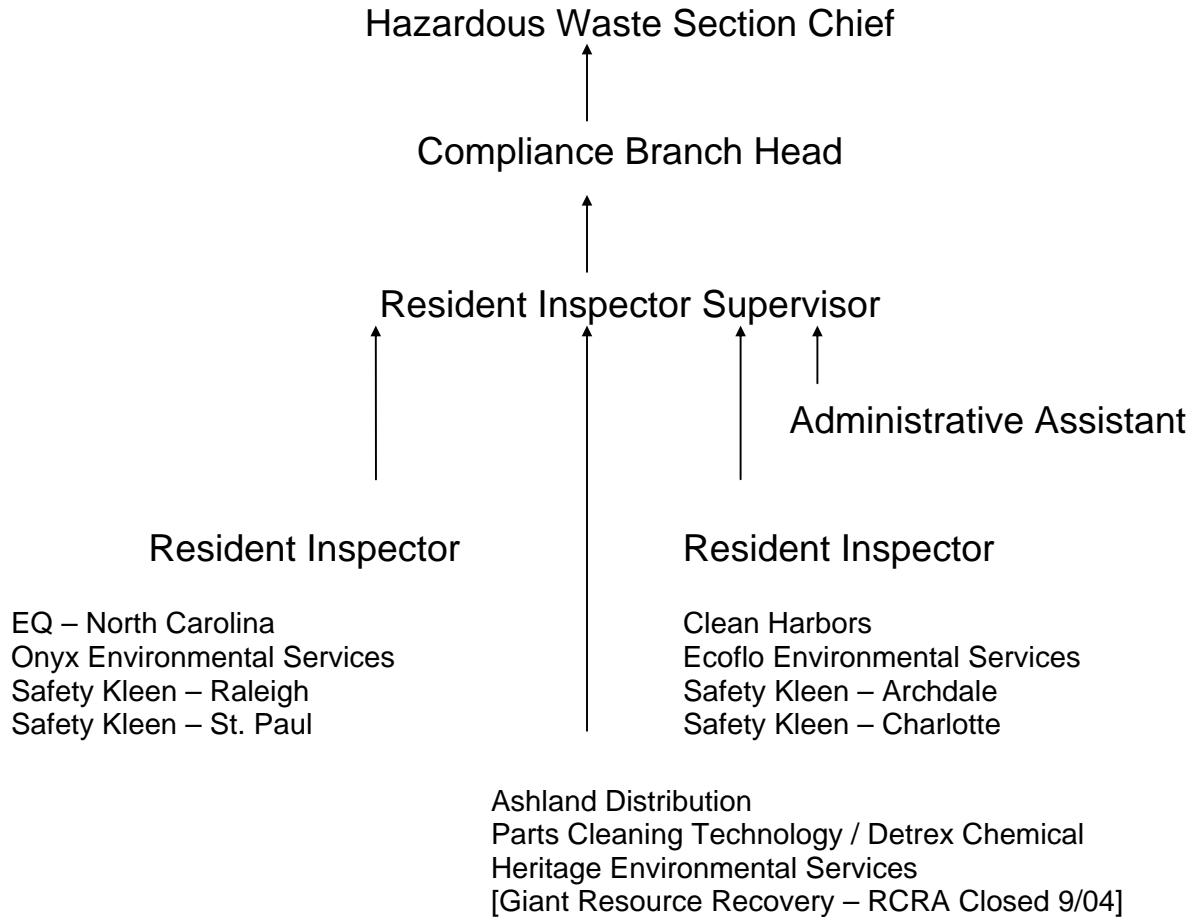
X. SUMMARY

At the conclusion of the program's 14th year, Resident Inspector staff continue to provide rigorous oversight of the commercial hazardous waste facilities in this state. This is reflected in the facilities' overall compliance rate of 99.8 percent. Staff constantly seek new approaches and initiatives to improve the department's ability to protect public health and the environment. Staff also work to ensure that new regulatory requirements are fully understood by the facilities so they can be implemented rapidly and correctly. Proactive approaches, such as workshops, program oversight and compliance assistance efforts, have clearly demonstrated a heightened level of compliance at the commercial hazardous waste facilities in North Carolina.

ATTACHMENTS

ATTACHMENT 1
RESIDENT INSPECTOR PROGRAM

ORGANIZATIONAL CHART



ATTACHMENT 2
RESIDENT INSPECTOR PROGRAM

Commercial Hazardous Waste Facilities
CATEGORY RANKINGS & PRIMARY TREATMENT
(FY 2004-2005)

FACILITY	CURRENT CATEGORY RANKING	Primary Waste Treatment
Ashland Distribution Co.	1	Container Storage
Clean Harbors	3	Hazardous Waste Consolidation, Fuels Blending, Container Storage
Detrex Chemical / Parts Cleaning Technologies	2	Chlorinated Solvent Reclamation
ECOFLO, Inc.	3	Hazardous Waste Consolidation, Fuels Blending, Container Storage
EQ – North Carolina	2	Container Storage
Giant Resource Recovery	0*	RCRA Closed September 2004
Heritage Environmental Services	1**	Operations currently suspended
ONYX Environmental Services	2	Container Storage
Safety-Kleen / Archdale	1	Mineral Spirits Reclamation
Safety-Kleen / Charlotte	1	Mineral Spirits Reclamation
Safety-Kleen / Raleigh	1	Mineral Spirits Reclamation
Safety-Kleen / St. Pauls	1	Mineral Spirits Reclamation

*Class 1 until September 2004

** Operations currently suspended by corporate to evaluate facility economics

ATTACHMENT 3
RESIDENT INSPECTOR PROGRAM

Commercial Hazardous Waste Facilities
ANNUAL HAZARDOUS WASTE TONNAGE RECEIVED REPORT
(FY 2004/2005)

COMMERCIAL FACILITY	Tons Received 2004/2005	Tons Received 2003/2004	Tons Received 2002/2003	Tons Received 2001/2002	Tons Received 2000/2001
ASHLAND	3,624.00	3,164.72	3,363.58	3,108.87	3,711.66
CLEAN HARBORS	8,593.29	4,039.98	4,199.94	5,333.92	4,788.78
DETREX	522.68	674.57	1,017.31	1,643.76	2,364.60
ECOFLO	4,938.21	6,126.56	4,916.60	4,131.37	6,221.00
EQ-North Carolina	6,626.97	3,221.14	152.52	0	176.39
HERITAGE	0.00	431.28	920.54	2,501.15	4,850.90
ONYX	1,248.24	1,297.00	1,245.00	1,325.55	1,434.29
SK-ARCHDALE	474.00	498.00	564.50	728.90	854.30
SK-CHARLOTTE	423.00	472.00	493.20	653.30	865.20
SK-RALEIGH	406.60	449.90	512.00	676.50	829.80
SK-ST PAUL	317.80	319.73	339.90	396.00	482.90
TOTAL	27,174.79	20,694.88	17,726.09	20,499.32	26,579.82

ATTACHMENT 4
RESIDENT INSPECTOR PROGRAM

Commercial Hazardous Waste Facilities INSPECTION TOTALS

(FY 2004/2005)

FACILITY	REQUIRED INSPECTIONS	ACTUAL INSPECTIONS
Ashland Distribution Co.	24	25
Clean Harbors	72	77
Detrex Chemical / Parts Cleaning Tech.	48	48
ECOFLO, Inc.	72	78
EQ - North Carolina	48	55
Giant Resource Recovery *	6	6
Heritage Environmental Services	24	24
ONYX Environmental Services	48	50
Safety-Kleen / Archdale	24	26
Safety-Kleen / Charlotte	24	26
Safety-Kleen / Raleigh	24	26
Safety-Kleen / St. Pauls	24	28
TOTAL	438	469

* RCRA closed September, 2004

ATTACHMENT 5
RESIDENT INSPECTOR PROGRAM

**ENFORCEMENT OVERVIEW at
COMMERCIAL HAZARDOUS WASTE FACILITIES
(7/1/91 through 6/30/05)**

FACILITY	NOVs FY 04-05	NOVs To Date	Compliance Orders FY 04-05	Compliance Orders To Date
ASHLAND	1	13	0	0
CLEAN HARBORS ¹	0	15	0	0
DETREX	0	12	0	1
ECOFLO	0	9	0	0
ENVIROCHEM ²	0	8	0	1
EQ-North Carolina ²	0	0	0	0
HERITAGE	0	30	0	3
GIANT ³	0	12	0	0
ONYX	0	11	0	1
SK-ARCHDALE ⁴	0	14	0	0
SK-CHARLOTTE ⁴	0	16	0	0
SK-RALEIGH ⁴	0	11	0	0
SK-ST PAUL ⁴	0	15	0	0
SOLITE ⁵	0	8	0	1
TOTALS	1	174	0	7

¹ Clean Harbors (formerly owned by Safety-Kleen Technical Services; formerly owned by Laidlaw)

² EQ-North Carolina (formerly owned by EnviroChem Environmental Services, Inc.)

³ Giant Resource Recovery (formerly owned by Oldover Corp.) - CLOSED September 2004

⁴ SK = Safety-Kleen Corporation

⁵ Solite Corporation has ceased operation as a hazardous waste burner - CLOSED January 2003