

RESIDENT INSPECTOR PROGRAM
2006 ANNUAL REPORT

Presented to
The Environmental Review Commission

November 14, 2006



HAZARDOUS WASTE SECTION

North Carolina Department of Environment and Natural Resources

Michael F. Easley

Governor

William G. Ross, Jr.

Secretary

Department of Environment and Natural Resources

Dexter R. Matthews

Director

Division of Waste Management

Elizabeth Cannon

Chief

Hazardous Waste Section

1646 Mail Service Center
Raleigh, North Carolina 27699-1646
(919) 508-8400

www.enr.state.nc.us

Resident Inspector Program

Michael Brailsford

Program Supervisor

(919) 508-8532

or (704) 947-9512

TABLE OF CONTENTS

I. OVERVIEW 1

II. PROGRAM STAFFING 1

III. THE RESIDENT INSPECTOR 1

IV. SUBJECT FACILITIES 2

V. FACILITY CATEGORY RANKINGS 2

VI. FUNDING & RELATED ISSUES 3

VII. INSPECTION GOALS & ACHIEVEMENT 3

VIII. ENFORCEMENT & COMPLIANCE 4

Enforcement Activities 4

Compliance Assistance Activities 4

IX. PUBLIC MEETINGS / HEARINGS & PERMIT RENEWALS 4

X. SUMMARY 5

LIST OF ATTACHMENTS

1. Organizational Chart i

2. Category Rankings & Inspection Frequencies - Commercial Hazardous Waste Facilities ii

3. Facility Hazardous Waste Tonnage Received Totals iii

4. Facility Inspection Totals iv

5. Enforcement Activities at Commercial Hazardous Waste Facilities v

RESIDENT INSPECTOR PROGRAM

2006 ANNUAL REPORT

This annual report is presented to 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, 2005 through June 30, 2006.

I. OVERVIEW

The Resident Inspector Program has been operating for more than 15 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)]. Under the program, commercial facilities, which receive and process a wide variety of hazardous waste from large quantity, small quantity and small quantity conditionally exempt generators, are subject to an inspection frequency of two, four or six times per month. This level of inspection presence helps to ensure a high compliance rate at these facilities whose primary business is the management of hazardous waste.

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.

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. Beginning in April, Heritage Environmental Services, (one of four commercial permitted treatment, storage and disposal facilities located in Mecklenburg County), ended their suspended operations status and resumed operation. Although currently treating, storing or disposing of hazardous waste at a limited/minimal operating level at the Charlotte facility, Heritage Environmental Services continues to provide full services for their North Carolina customers, still utilizing the Charlotte facility as a transfer station. While this permitted RCRA Part 'B' TSDF was inactive, the facility was monitored by the Resident Inspector Program as a Category 1; after operations were resumed, the facility ranking returned to a Category 3 (See Section V and Attachment 2).

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, which is based on such factors as the capacity of the facility, the nature of the hazardous waste and the type of treatment being performed. 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 continued to increase this year, yielding increased Program fees, Program operating expenses have increased due to transportation / fuel costs. However, Program costs were again reduced due to delayed staff replacement caused by the previous year's 75% turnover in personnel. The savings to the salary budget during the re-staffing period (lapse in personnel coverage) was partially offset by the cost incurred for the vacancy re-staffing and training of new personnel. The Program's effectiveness is hampered by the inability to attract and keep sufficiently skilled, competent personnel with competitive compensation in today's job market. Due to the periodic loss of personnel, it remained necessary for the Resident Inspector Program supervisor to conduct a significant portion of the required inspections to meet the Program's minimum mandates.

For FY 2005-2006, the budget was developed using anticipated revenues from Resident Inspector Program fees of approximately \$295,000. 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 2005-2006 can be found in Attachment 3.) The actual Program receipts in FY 2005-2006 totaled \$297,000, while Program expenses were held to \$225,934.

VII. INSPECTION GOALS & ACHIEVEMENT

During FY 2005-2006, for the periods when the program was fully staffed, additional inspections were conducted. Thus, a total of 460 inspections were conducted, exceeding the required minimum of 444 inspections. These inspections included routine site inspections as well as specific inspections to monitor partial closure activities at one facility and the resumption 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 2005-2006 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 and two Compliance Orders (see Attachment 5 for current and historic enforcement tracking). These violations, when compared to the actual number of inspections, translate to an overall compliance rate of 97.8 percent. The root cause for the decline in compliance from the previous year has been identified as changes in facility operating personnel and/or changes in the facility's operating methods.

Compliance Assistance Activities & Homeland Security

Compliance assistance activities offered under this program are conducted routinely during the inspectors' site visits. Since the inspectors visit 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

The 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 members 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 continues 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.

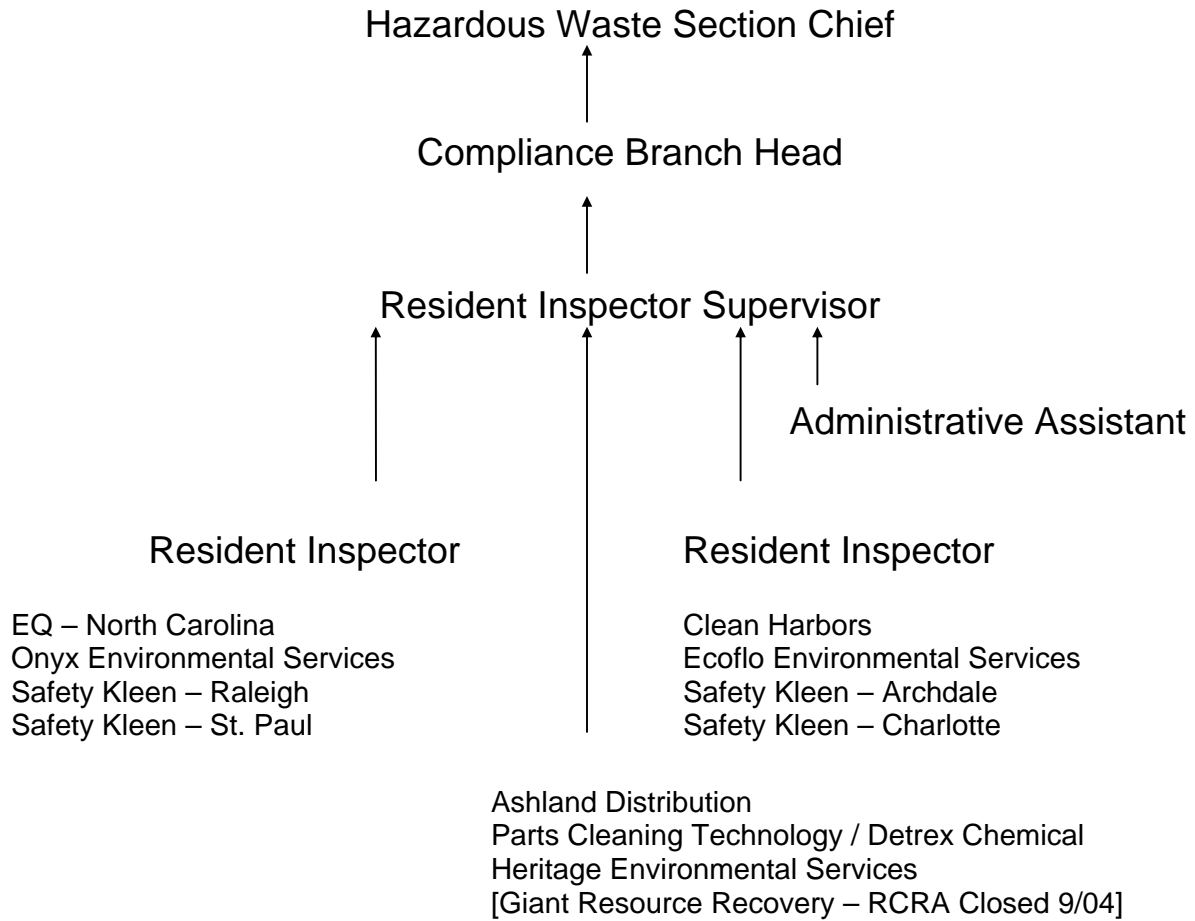
X. SUMMARY

At the conclusion of the program's 15th year, the Resident Inspector staff continues to provide rigorous oversight of the commercial hazardous waste facilities in this state. This is reflected in the facilities' overall compliance rate of 97.8 percent. The staff is constantly seeking new approaches and initiatives to improve the department's ability to protect public health and the environment. Also, the staff works 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 2005-2006)

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
Heritage Environmental Services	3*	Hazardous Waste Consolidation, Fuels Blending, Container Storage
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

* Operations previously suspended by the corporate office to evaluate facility economics and were designated as a Category 1. When normal operations were resumed effective April 1, 2006, the facility was re-designated as a Category 3

ATTACHMENT 3
RESIDENT INSPECTOR PROGRAM

Commercial Hazardous Waste Facilities
ANNUAL HAZARDOUS WASTE TONNAGE RECEIVED REPORT
(FY 2005/2006)

COMMERCIAL FACILITY	Tons Received 2005/2006	Tons Received 2004/2005	Tons Received 2003/2004	Tons Received 2002/2003	Tons Received 2001/2002
ASHLAND	3,933.47	3,624.00	3,164.72	3,363.58	3,108.87
CLEAN HARBORS	10,561.87	8,593.29	4,039.98	4,199.94	5,333.92
DETREX	742.13	522.68	674.57	1,017.31	1,643.76
ECOFLO	3,961.10	4,938.21	6,126.56	4,916.60	4,131.37
EQ-North Carolina	7,345.74	6,626.97	3,221.14	152.52	0
HERITAGE	5.85	0.00	431.28	920.54	2,501.15
ONYX	1,530.00	1,248.24	1,297.00	1,245.00	1,325.55
SK-ARCHDALE	435.90	474.00	498.00	564.50	728.90
SK-CHARLOTTE	411.20	423.00	472.00	493.20	653.30
SK-RALEIGH	391.60	406.60	449.90	512.00	676.50
SK-ST. PAULS	288.80	317.80	319.73	339.90	396.00
TOTAL	29,607.66	27,174.79	20,694.88	17,726.09	20,499.32

ATTACHMENT 4
RESIDENT INSPECTOR PROGRAM

Commercial Hazardous Waste Facilities

INSPECTION TOTALS

(FY 2005/2006)

FACILITY	REQUIRED INSPECTIONS	ACTUAL INSPECTIONS
Ashland Distribution Co.	24	25
Clean Harbors	72	73
Detrex Chemical / Parts Cleaning Tech.	48	50
ECOFLO, Inc.	72	73
EQ - North Carolina	48	49
Heritage Environmental Services	36*	36
ONYX Environmental Services	48	49
Safety-Kleen / Archdale	24	26
Safety-Kleen / Charlotte	24	27
Safety-Kleen / Raleigh	24	27
Safety-Kleen / St. Pauls	24	25
TOTAL	444	460

* [nine months as Category 1 = 18] + [three months as Category 3 = 18] = Total 36

ATTACHMENT 5
RESIDENT INSPECTOR PROGRAM

**ENFORCEMENT OVERVIEW at
COMMERCIAL HAZARDOUS WASTE FACILITIES
(7/1/91 through 6/30/06)**

FACILITY	NOVs FY 05-06	NOVs To Date	Compliance Orders FY 05-06	Compliance Orders To Date
ASHLAND	0	13	1	1
CLEAN HARBORS ¹	0	15	0	0
DETREX	0	12	0	1
ECOFLO	0	9	0	0
ENVIROCHEM ²	0	10	0	1
EQ-North Carolina ²	0	0	1	1
HERITAGE	0	30	0	3
ONYX	0	11	0	1
SK-ARCHDALE ³	0	14	0	0
SK-CHARLOTTE ³	1	17	0	0
SK-RALEIGH ³	0	11	0	0
SK-ST. PAULS ³	0	15	0	0
GIANT ⁴ CLOSED	0	12	0	0
SOLITE ⁵ CLOSED	0	8	0	1
TOTALS	1	177	2	9

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 SK = Safety-Kleen Corporation

⁴ Giant Resource Recovery (formerly owned by Oldover Corp.) - CLOSED September 2004

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