

RESIDENT INSPECTOR PROGRAM
2007 ANNUAL REPORT

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HAZARDOUS WASTE SECTION

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RESIDENT INSPECTOR PROGRAM 2007 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, 2006 through June 30, 2007.

I. OVERVIEW

The Resident Inspector Program has been operating for more than 16 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, where the management of hazardous waste is their primary business.

II. PROGRAM STAFFING

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

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 multimedia 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 North Carolina adopted federal regulations enforcing the Department of Labor's Occupational Safety & Health Act and the Department of Transportation's hazardous materials transportation regulations. Deviations from these 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, DOT Hazardous Materials Transport, OSHA Inspector's Course, Hazardous Materials Management, Emergency 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.

On the evening of Oct. 5, 2006, a fire broke out in the hazardous waste storage area of EQ - North Carolina, a commercial hazardous waste facility located in Apex, NC. This fire, consuming the majority of the hazardous waste in storage at that time, resulted in the evacuation of approximately 16,000 residents from their homes. The Resident Inspectors and various other members of the Hazardous Waste Section's Compliance Branch provided on-site coverage overseeing the facility's cleanup and waste disposal. Oversight coverage during this period ranged from 24 hours per day to being present only when EQ-NC operational personnel were present (HWS staff were present at all times when cleanup and disposal activities were conducted by EQ - NC). In total, for the five month effort at EQ-NC, the Resident Inspectors expended 1,500 man-hours with an additional 3,900 man-hours provided by other HWS staff.

The cause of the fire is still unknown at this time and the incident remains under review by the Chemical Safety Board, whose findings will be issued by calendar year end. A preliminary report by the Chemical Safety Board in June 2007 indicated that a box of unspent oxygen generators is likely to have contributed to the intensity of the fire. Based on subsequent findings, the Division of Waste Management has issued an Administrative Order with Penalty and a notice of intent to terminate EQ-NC's Part "B" RCRA Permit.

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 oversight at each commercial hazardous waste facility. While the commercial hazardous waste facilities' total tonnage throughput has decreased approximately 11 percent this year, Program fees remained approximately unchanged from the previous year due to a facility ranking change. Resident Inspector Program operating expenses have increased due to increases in transportation / fuel costs. Due to the staffing demands to cover the EQ-NC fire and cleanup, it remained necessary for the Resident Inspector Program supervisor to conduct a portion of the required inspections. Only through the assistance of two Hazardous Waste Section inspectors (part-time) did the Resident Inspector Program meet the required minimum number of inspections mandated.

For FY 2006-2007, the budget was developed using anticipated revenues from Resident Inspector Program fees of approximately \$275,000. The actual hazardous waste tonnage received by three of the commercial facilities significantly decreased over the previous year but was partially offset by one facility's tonnage increase. All other facilities remained relatively unchanged. (A detailed list of the individual tonnages received by each of the commercial hazardous waste facilities in FY 2006-2007 can be found in Attachment 3.) The actual Resident Inspector Program receipts in FY 2006-2007 totaled \$295,000, while Resident Inspector Program expenses were held to \$248,000.

VII. INSPECTION GOALS & ACHIEVEMENT

During FY 2006-2007, the Resident Inspectors conducted a total of 456 inspections, which includes 175 additional inspections of EQ-NC as part of the cleanup and waste disposal following the October incident, exceeding the required minimum of 450 inspections. These inspections included routine site inspections as well as specific inspections to monitor cleanup activity and other inspections 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 2006-2007 can be found in Attachment 4.)

VIII. ENFORCEMENT & COMPLIANCE

Enforcement Activities

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

During the past fiscal year, resident inspectors issued two Notices of Violation to a commercial facility and one Compliance Order (see Attachment 5 for current and historic enforcement tracking). The overall compliance rate for the commercial facilities is 98.6 percent.

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 trouble areas observed at each and all of the other facilities and work with each facility toward permanent solutions. If a facility begins to have compliance problems, the inspectors increase scrutiny of these problem 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, schedule and facilitate roundtable training workshops customized for each specific facility. These workshops cover the most frequent deficiencies 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.

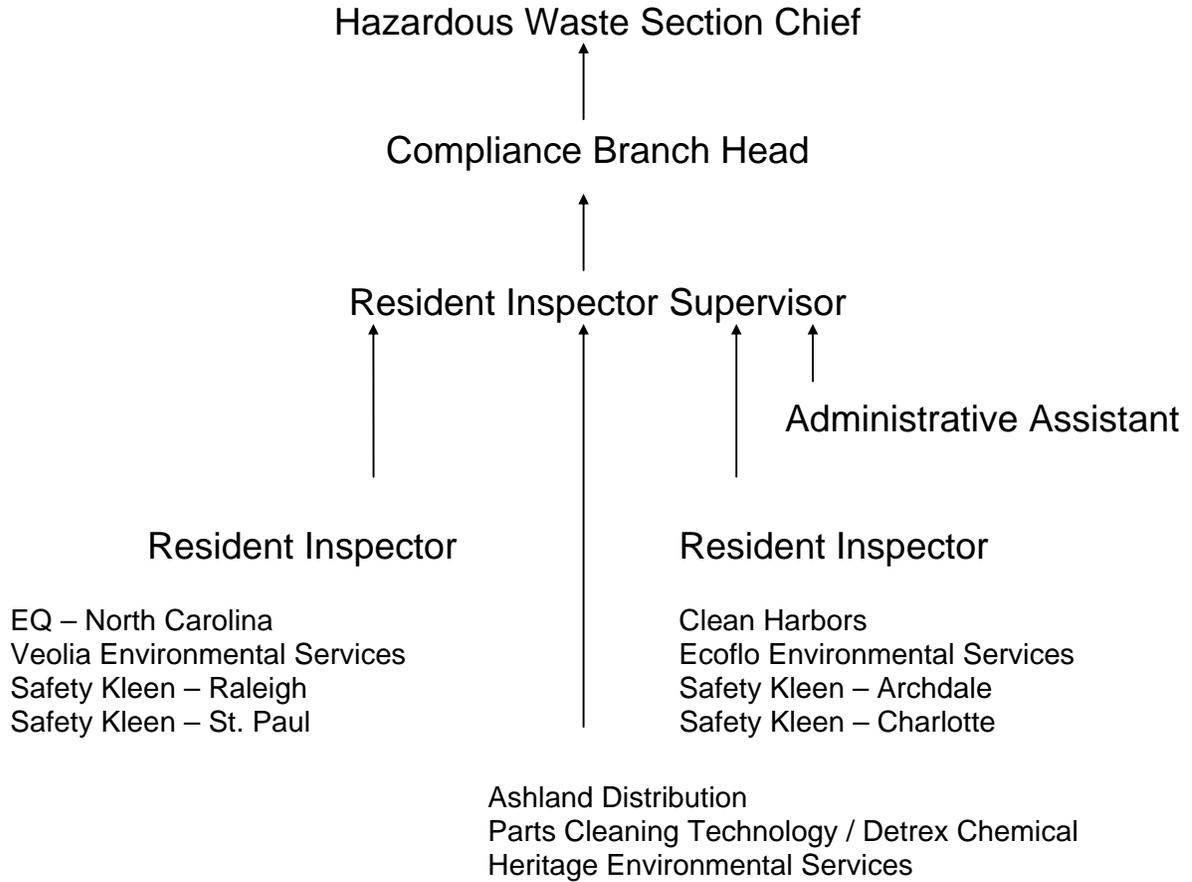
The Resident Inspector Program staff continues to work with the Facility Management Branch (the permitting arm of the Hazardous Waste Section) and each commercial hazardous waste facility during the permit renewal/application process and other compliance reviews, such as closure of a permitted unit (storage 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 16th 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 98.6 percent. The staff is constantly seeking new approaches and initiatives to improve the department's ability to protect public health and the environment. Additionally, the staff worked with the Governor's Task Force and the NC General Assembly to expand the current regulations governing the commercial TSD facilities. On June 26, 2007, Gov. Easley signed House Bill 36 into Session Law 2007-107. The major components of the law include increased assurance requirements, strengthened information-sharing requirements and enhanced technical requirements to improve the overall safety and security of commercial hazardous waste management facilities. The Resident Inspector Program will face new challenges in implementing the additional requirements of this law and will assist in the rulemaking process as required for this law. To ensure that new regulatory requirements are fully understood by the facilities so they can be implemented rapidly and correctly, the staff will continue to educate and instruct as the new requirements are enacted. With proactive approaches, such as workshops, program oversight and compliance assistance efforts, the Resident Inspectors will continue to target a high level of compliance at the commercial hazardous waste facilities in North Carolina.

ATTACHMENTS

ORGANIZATIONAL CHART



ATTACHMENT 2
RESIDENT INSPECTOR PROGRAM

Commercial Hazardous Waste Facilities
CATEGORY RANKINGS & PRIMARY TREATMENT
(FY 2006-2007)

FACILITY	CURRENT CATEGORY RANKING	Primary Waste Treatment
Ashland Distribution Co.	2*	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
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
VEOLIA Environmental Services	2	Container Storage

* Following the annual facility ranking review, the Ashland Distribution facility was re-designated as a Category 2 effective April 1, 2007.

ATTACHMENT 3
RESIDENT INSPECTOR PROGRAM

Commercial Hazardous Waste Facilities
ANNUAL HAZARDOUS WASTE TONNAGE RECEIVED REPORT
(FY 2006/2007)

COMMERCIAL FACILITY	Tons Received 2006/2007	Tons Received 2005/2006	Tons Received 2004/2005	Tons Received 2003/2004	Tons Received 2002/2003
ASHLAND	2,986.51	3,933.47	3,624.00	3,164.72	3,363.58
CLEAN HARBORS	14,784.00	10,561.87	8,593.29	4,039.98	4,199.94
DETREX	1,030.17	742.13	522.68	674.57	1,017.31
ECOFLO	1,790.19	3,961.10	4,938.21	6,126.56	4,916.60
EQ-North Carolina	2,995.66	7,345.74	6,626.97	3,221.14	152.52
HERITAGE E. S.	21.66	5.85	0.00	431.28	920.54
SK-ARCHDALE	374.39	435.90	474.00	498.00	564.50
SK-CHARLOTTE	352.78	411.20	423.00	472.00	493.20
SK-RALEIGH	335.66	391.60	406.60	449.90	512.00
SK-ST. PAULS	258.34	288.80	317.80	319.73	339.90
VEOLIA E. S.	1,503.45	1,530.00	1,248.24	1,297.00	1,245.00
TOTAL	26,432.81	29,607.66	27,174.79	20,694.88	17,726.09

ATTACHMENT 4
RESIDENT INSPECTOR PROGRAM

Commercial Hazardous Waste Facilities
INSPECTION TOTALS
(FY 2006/2007)

FACILITY	REQUIRED INSPECTIONS	ACTUAL INSPECTIONS
Ashland Distribution Co.	30*	32
Clean Harbors	72	72
Detrex Chemical / Parts Cleaning Tech.	48	50
ECOFLO, Inc.	72	72
EQ - North Carolina	12**	12+
Heritage Environmental Services	72	73
Safety-Kleen / Archdale	24	24
Safety-Kleen / Charlotte	24	24
Safety-Kleen / Raleigh	24	24
Safety-Kleen / St. Pauls	24	24
Veolia Environmental Services	48	49
TOTAL	450	456

* [nine months as Category 1 = 18] + [three months as Category 2 = 12] = Total 30

** Normal hazardous waste operations were halted following the October 5, 2006 fire.

+ Normal operation inspections ceased after that date and an additional 1500 man-hours were accrued by the Resident Inspectors conducting on-site inspections [oversight operations were conducted during cleanup and remediation of the site].

**ATTACHMENT 5
RESIDENT INSPECTOR PROGRAM**

**ENFORCEMENT OVERVIEW at
COMMERCIAL HAZARDOUS WASTE FACILITIES
(7/1/91 through 6/30/07)**

FACILITY	NOVs FY 06-07	NOVs To Date	Compliance Orders FY 06-07	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	2	2	1	2
HERITAGE ES	0	30	0	3
SK-ARCHDALE ³	0	14	0	0
SK-CHARLOTTE ³	0	17	0	0
SK-RALEIGH ³	0	11	0	0
SK-ST. PAULS ³	0	15	0	0
VEOLIA ES ⁴	0	11	0	1
GIANT ⁵ CLOSED	0	12	0	0
SOLITE ⁶ CLOSED	0	8	0	1
TOTALS	1	179	2	10

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 Veolia Environmental Services (formerly known as ONYX)

⁵ Giant Resource Recovery (formerly owned by Oldover Corp.) - CLOSED September 2004

⁶ Solite Corporation has ceased operation as a hazardous waste burner - CLOSED January 2003