

RESIDENT INSPECTOR PROGRAM
2004 ANNUAL REPORT

Presented to

The Environmental Review Commission

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HAZARDOUS WASTE SECTION

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RESIDENT INSPECTOR PROGRAM

2004 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, 2003 through June 30, 2004.

I. OVERVIEW

The Resident Inspector Program has been operating for more than 13 years in the Division of Waste Management. This program monitors all aspects of the commercial hazardous waste facilities in North Carolina and ensures 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 regional 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 (24 or 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)]. Currently, there are 12 permitted commercial hazardous waste treatment, storage, and disposal facilities in North Carolina under the jurisdiction of the Resident Inspector Program. The Giant Resource Recovery facility continues with its previously announced intention to close 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 and periodically by the Resident Inspector Program. Heritage Environmental Services, (one of four commercial permitted treatment, storage and disposal facilities located in Mecklenburg County), has suspended normal 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. 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. The commercial hazardous waste facilities' tonnage throughput has increased marginally; consequently, the fees received from these facilities have increased slightly.

For FY 2003-2004, the budget was developed using anticipated revenues from Resident Inspector Program fees of approximately \$275,000. The actual hazardous waste tonnage received by many of the commercial facilities increased slightly over the previous year due to general improvement in economic stability of industry. (A detailed list of the individual tonnages received by each of the commercial hazardous waste facilities in FY 2003-2004 can be found in Attachment 3.) The actual program receipts in FY 2003-2004 totaled \$276,605, while Program expenses for the year were held to \$242,123. Currently, it remains necessary for the Resident Inspector Program Supervisor to conduct a portion of the required inspections in order to meet all aspects of the Program's mandates.

VII. INSPECTION GOALS & ACHIEVEMENTS

During this past fiscal year, the program staff conducted a total of 557 inspections. Additional inspections, over the required minimum of 504 inspections, were performed to monitor closure activities at one facility, the 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 2003-2004 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 five notices of violation to commercial facilities (see Attachment 5 for current and historic enforcement tracking). These notices of violation, when compared to the actual number of inspections, translate to an overall compliance rate of 99.1 percent.

Compliance Assistance Activities

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, current regulatory requirements, the reasons for the requirements, and the potential risks incurred for noncompliance. Inspectors continue to develop and schedule 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 facility compliance manager, 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 continue to observe and assist/support public meetings/hearings that involve the operation of and proposed modifications to the commercial hazardous waste facilities in the 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 off-site 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 storage units. 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. This also provides the facility with a unified, consistent means of communication with the section.

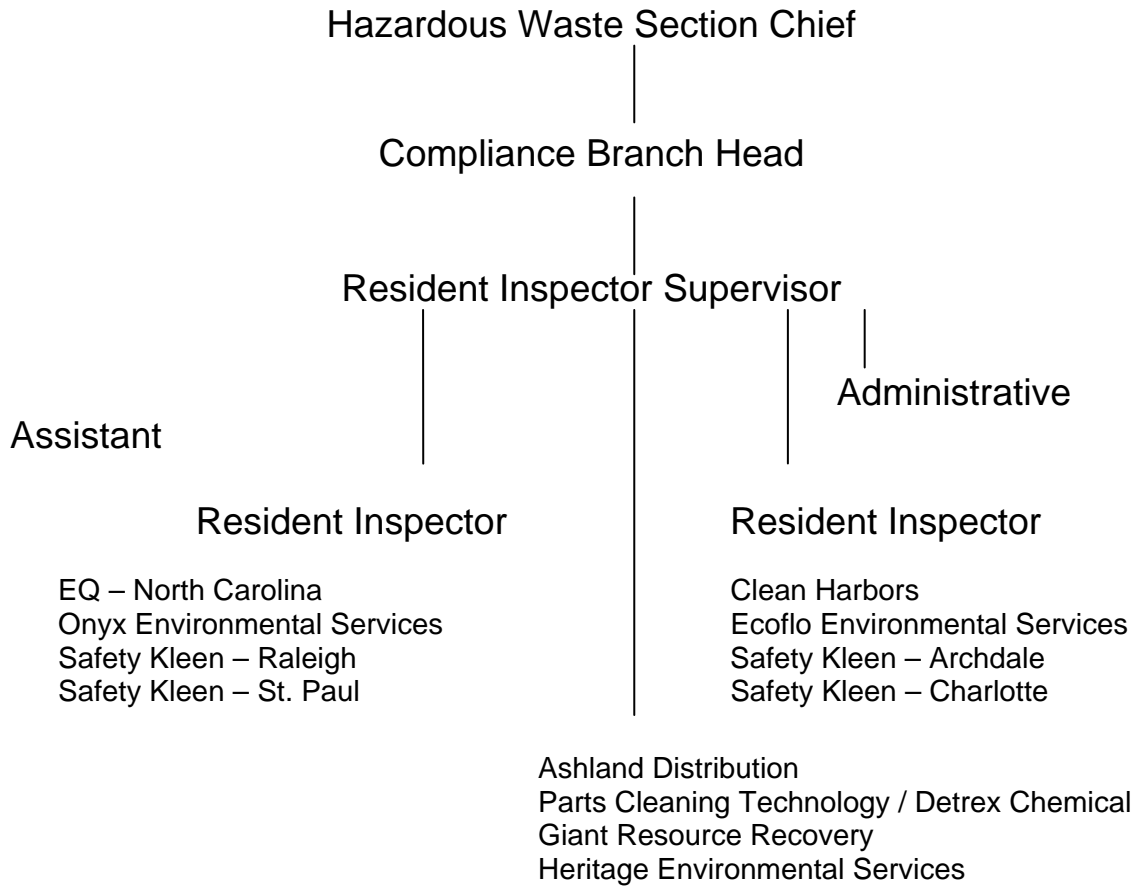
X. SUMMARY

At the conclusion of the program's 13th 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 99.1 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 awareness and continued 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 2003-2004)

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 *	1	Previously - Fuels Blending
Heritage Environmental Services	3	Aqueous Treatment, Fuels Blending, Container Storage, Hazardous Waste Consolidation
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

* Giant Resource Recovery is currently in the process of final closure as a permitted TSDF

**ATTACHMENT 3
RESIDENT INSPECTOR PROGRAM**

Commercial Hazardous Waste Facilities

ANNUAL HAZARDOUS WASTE TONNAGE RECEIVED REPORT

(FY 2003/2004)

COMMERCIAL FACILITY	Tons Received 2003/2004	Tons Received 2002/2003	Tons Received 2001/2002	Tons Received 2000/2001	Tons Received 1999/2000
ASHLAND	3,164.72	3,363.58	3,108.87	3,711.66	3,978.10
CLEAN HARBORS	4,039.98	4,199.94	5,333.92	4,788.78	5,207.73
DETREX	674.57	1,017.31	1,643.76	2,364.60	2,582.80
ECOFLO	6,126.56	4,916.60	4,131.37	6,221.00	6,092.37
EQ-North Carolina	3,221.14	152.52	0	176.39	873.74
GIANT/SOLITE	0	0	0	0	2,433.00
HERITAGE	431.28	920.54	2,501.15	4,850.90	5,519.38
ONYX	1,297.00	1,245.00	1,325.55	1,434.29	1,381.18
SK-ARCHDALE	498.00	564.50	728.90	854.30	858.70
SK-CHARLOTTE	472.00	493.20	653.30	865.20	952.00
SK-RALEIGH	449.90	512.00	676.50	829.80	863.54
SK-ST PAUL	319.73	339.90	396.00	482.90	534.22
TOTAL	20,694.88	17,726.09	20,499.32	26,579.82	31,276.76

**ATTACHMENT 4
RESIDENT INSPECTOR PROGRAM**

**Commercial Hazardous Waste Facilities
INSPECTION TOTALS
(FY 2003/2004)**

FACILITY	REQUIRED INSPECTIONS	ACTUAL INSPECTIONS
Ashland Distribution Co.	24	33
Clean Harbors	72	73
Detrex Chemical / Parts Cleaning Tech.	48	55
ECOFLO, Inc.	72	74
EQ - North Carolina	48	56
Giant Resource Recovery	24	33
Heritage Environmental Services	72	77
ONYX Environmental Services	48	50
Safety-Kleen / Archdale	24	26
Safety-Kleen / Charlotte	24	27
Safety-Kleen / Raleigh	24	27
Safety-Kleen / St. Pauls	24	26
TOTAL	504	557

**ATTACHMENT 5
RESIDENT INSPECTOR PROGRAM**

**ENFORCEMENT OVERVIEW at
COMMERCIAL HAZARDOUS WASTE FACILITIES
(7/1/91 through 6/30/04)**

FACILITY	NOVs FY 03-04	NOVs To Date	Compliance Orders FY 03-04	Compliance Orders To Date
ASHLAND	2	12	0	0
CLEAN HARBORS ¹	0	15	0	0
DETREX	1	12	0	1
ECOFLO	0	9	0	0
ENVIROCHEM ²	0	8	0	1
EQ-North Carolina²	0	0	0	0
GIANT ³	0	12	0	0
HERITAGE	1	30	0	3
ONYX	1	11	0	1
SK-ARCHDALE ⁴	0	14	0	0
SK-CHARLOTTE ⁴	1	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	5	173	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.) - Currently in closure

⁴ SK = Safety-Kleen Corporation

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