

South Carolina HAZARDOUS WASTE CONTINGENCY FUND

Annual Report

Fiscal Year 2013: July 1, 2012 — June 30, 2013



Bureau of
Land and Waste Management

Division of
Site Assessment, Remediation,
and Revitalization



PROMOTE PROTECT PROSPER

South Carolina Department of Health
and Environmental Control

Catherine B. Templeton, Director

PURPOSE OF HWCF ANNUAL REPORT

The Hazardous Waste Contingency Fund Annual Report is submitted by the SC Department of Health and Environmental Control in compliance with S.C. Code Ann. Section 44-56-180. Additionally, Act 119 of 2005 mandates that agencies provide all reports to the General Assembly in an electronic format.

Cover Photograph:

Abandoned chemical totes at the Lobeco Products Site—Beaufort County

This site was abandoned in 2010. DHEC conducted a site evaluation and referred it to US EPA for consideration of a federally –funded removal action. EPA initiated removal activities in FY12 and completed them in FY13. DHEC supported USEPA’s efforts by reviewing work plans, conducting sampling activities, and assisting with other technical activities.

www.scdhec.gov



South Carolina Department of Health
and Environmental Control



Inside this Report:

Introduction	1
FY13 Accomplishments at a Glance	2
History and Status of HWCF	3
HWCF Financial Snapshot for FY13	4
Primary Uses of HWCF	6
Number of RP-VCCs	6
Number of Sites Addressed with HWCF	7
Types of Sites Supported with HWCF	8
State Superfund's Response Process	8
Community Involvement	9

Introduction

The South Carolina Department of Health and Environmental Control's (DHEC or the Department) mission is to promote and protect the health of the public and the environment. In FY13, DHEC's Division of Site Assessment, Remediation, and Revitalization continued its efforts to accomplish this mission by working on approximately 348 uncontrolled waste sites that were supported by the Hazardous Waste Contingency Fund (HWCF). These uncontrolled sites are often referred to as "Superfund" sites. The hazardous substances present at many of these sites present a risk not only to human health and the environment, but they may also be harmful to the economy of the surrounding communities. DHEC works hard to effectively and efficiently address the challenges posed by these sites.

The South Carolina Hazardous Waste Management Act (HWMA) supports DHEC's mission in many ways including:

1) empowering DHEC to implement and enforce the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA or Superfund) and subsequent amendments;

2) establishing the HWCF to provide funds for response actions necessary in the event of accidents in the transportation of hazardous materials and to defray the costs of governmental response actions at uncontrolled hazardous waste sites; and

3) establishing the Brownfields/Voluntary Cleanup Program which encourages responsible and non-responsible parties to perform response actions under DHEC's oversight. This program provides liability and third party protection to non-responsible parties for past environmental issues, and a covenant not to sue for work completed under this program to both responsible and non-responsible parties. Provisions for reimbursing DHEC's oversight costs are also included.

This report, which is mandated by the HWMA, S.C. Code Ann. Section 44-56-180(b), provides information on the activities and response actions carried out in FY13 under the auspices of the HWCF.

G. Kendall Taylor, P.G., Division Director
Division of Site Assessment, Remediation & Revitalization

FY13 Accomplishments at a Glance

The HWCF supported activities at approximately 348 sites across the state. These activities included sampling and analysis, remedial actions, technical reviews and oversight, project management, public participation and outreach, potentially responsible party (PRP) searches, cost recovery activities, negotiation of voluntary cleanup contracts and other settlements, and many other activities to support the investigation and cleanup of contaminated sites. Site-specific expenses ranged from less than one hundred dollars in personnel costs to hundreds of thousands of dollars in contractor costs for sampling and cleanup activities. A few of this year's highlights are described below.

- **BC Components (a/k/a Philips Components) Site.** This Irmo site is the location of a former electronic capacitor manufacturing operation. Following closure of the facility, the property was purchased as a Brownfields property and is scheduled for redevelopment as a public park. Lorick Branch separates the property from a residential area and closely follows the western property boundary before flowing into the Saluda River. Between March and June 2013, DHEC conducted multiple sampling events which identified high levels of polychlorinated biphenyl (PCB) contamination in surface and near-surface soils within the footprint of the former main manufacturing building and within an onsite ditch. Based on these results, DHEC determined that a time-critical removal action should be conducted to protect public health and the environment. Because the responsible parties were unwilling to conduct the removal action, DHEC used its authority under the HWMA to plan a removal action using a state contractor and the HWCF. The removal action will be completed in FY14 at an estimated cost of over \$400,000. After the removal report is complete and all costs are finalized, DHEC will pursue recovery of its response costs from the responsible parties.
- **AVX Corporation--Myrtle Beach Site.** Late in FY12, DHEC issued a Record of Decision for the off-site groundwater remedy. Throughout FY13, AVX continued implementation of the remedy and routine monitoring. DHEC held a public meeting in the spring of 2013 to update nearby residents on the progress.
- **Congaree River Site.** In June 2010, DHEC responded to a complaint of a tar-like material (TLM) in the Congaree River near SCE&G's former Huger Street Manufactured Gas Plant. Between 2010 and 2012, SCE&G conducted five phases of assessment to determine the extent of the TLM. In FY13, SCE&G completed an evaluation of cleanup alternatives, DHEC held a proposed plan public meeting, and

SCE&G initiated a lengthy permitting process with the Army Corps of Engineers. SCE&G hopes to begin a sediment cleanup in 2015.

- **F.S. Royster Guano Site.** This site was a fertilizer plant in Columbia in the early 1900s, prior to environmental regulations. The fertilizer manufacturing process resulted in waste material with high levels of arsenic and lead. In May 2012, arsenic was found in soil and groundwater on part of the former Royster property. DHEC collected numerous samples and based on the results, requested United States Environmental Protection Agency (EPA) involvement and assistance. The EPA conducted additional sampling and eventually removed contaminated soil from 12 residential properties where the highest levels of arsenic and lead were found. After the EPA removal, DHEC and a state contractor developed a work plan to conduct follow-up activities in the area to address potentially impacted commercial properties. Implementation of this plan will occur in FY14.
- **Horton Sales Development—Piedmont Site.** DHEC continued its pursuit of responsible parties for over \$4 million in response costs. DHEC received \$1,945,000 in payments from five separate settlements. Another settlement was reached that required the property to proceed through a foreclosure sale and DHEC will recover additional reimbursement when the property is sold.
- **Langley Pond Site.** Langley Pond is a 280-acre impoundment that received large quantities of wastewater from textile mills and other sources beginning in the mid-1800s. Langley Pond is an important economic and recreational resource where historic sediment contamination has led to fish consumption advisories. In FY12, DHEC collected hundreds of samples from Langley Pond. In FY13, DHEC, in consultation with the EPA, completed an evaluation of potential risks for human exposure. This effort is being conducted in partnership with Aiken County.
- **Responsible Party Voluntary Cleanup Contracts (RP-VCCs) and Consent Agreements/Orders.** DHEC worked on approximately 79 sites under RP-VCCs and 83 sites under Consent Agreements/Orders. DHEC entered into eight new RP-VCCs in FY13.
- **EPA Removal Sites.** DHEC provided support to the EPA for several sites where EPA's Emergency Response and Removal Branch either conducted a time-critical removal action or evaluated a site for eligibility for an EPA-lead removal action.

History and Status of HWCF's Uncontrolled Sites Fund

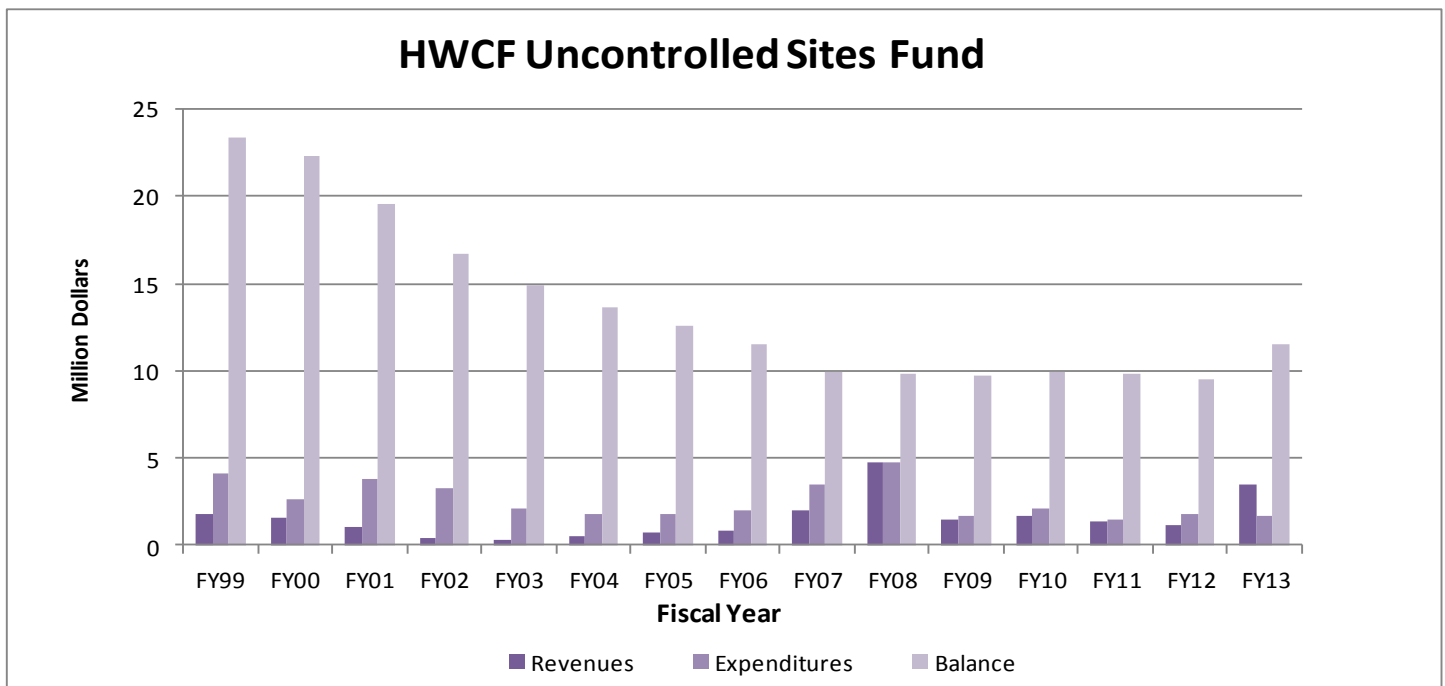
The HWCF was established in the 1980s to ensure the availability of funds for response actions at uncontrolled sites that do not qualify for federal assistance. The HWCF was initially financed through the imposition of fees on waste disposed at the Pinewood Hazardous Waste Landfill. From its beginning in the 1980s, the Uncontrolled Sites Fund portion of the HWCF grew to a balance of approximately \$11 million at the close of FY90.

Through the 1990s, revenues for the Uncontrolled Sites Fund averaged approximately \$2 to \$3 million annually and the balance grew and briefly exceeded \$25 million in 1998. However, the HWCF lost its primary funding source in 2000 when Safety-Kleen filed for bankruptcy protection and shortly thereafter stopped receiving waste at the Pinewood Landfill. At that time, the Uncontrolled Sites Fund had a balance of approximately \$22 million (see figure below). With the exception of monies from cost recovery efforts and the billing of private parties for DHEC's oversight of work performed under consent agreements and voluntary cleanup contracts, there were no new revenues for the HWCF. From FY99 through FY07, expenditures greatly exceeded revenues and the HWCF balance steadily declined.

Beginning in 2000, establishing a continuing funding source for the HWCF was a budget priority for the De-

partment. Budget Proviso 9.45, which was passed in 2006, allowed the HWCF to retain the interest on the Fund balance. In FY08, Budget Proviso 9.54 authorized DHEC to assess an annual fee on hazardous waste generators and to levy a per ton fee on hazardous waste generated with the proceeds to be deposited into the HWCF. These provisos were codified in 2008. Specifically, large quantity generators, as determined by R.61-79.262 (South Carolina Hazardous Waste Regulations), producing greater than 100 tons of hazardous waste per year are assessed an annual base fee of \$1,000 per facility and a \$1.50 per ton fee for all hazardous waste the company generates. Small quantity generators are assessed an annual fee of \$500. Fees collected shall not exceed an annual cap of \$15,000 per generator. Companies subject to fees required by S.C. Code Ann. Section 44-56-170(F)(1)(1976) are exempt from these fees. Annually, the interest and fees provide approximately \$1 to \$2 million in new revenues.

The opening balance for FY13 was \$9,729,490.90. During FY13, revenues were \$3,483,931.54 and expenditures were \$1,698,948.58. The revenues included over \$2.2 million in cost recovery and over \$1.1 million in generator fees and interest earnings. The Uncontrolled Sites Fund closed FY13 with a balance of \$11,514,473.86, much of which is committed to future assessment and remediation activities at existing sites.



HWCF Financial Snapshot for FY13

HWCF Uncontrolled Sites Fund

Opening Balance (07/01/12)	9,729,490.90
Revenues*	3,483,931.54
Total Expenditures FY13 <i>(See Table below)</i>	1,698,948.58
Closing Balance (06/30/13)	11,514,473.86
Obligated as State Cost Share Match for National Priorities List (NPL) Sites**	240,262.00
Obligated for Site Response Activities <i>(See Table on page 5)</i>	2,390,244.91
Obligated for Supplies, Equipment, Travel, Etc.	50,000.00
Obligated for Administrative Expenses for FY14 (Salaries, Fringe Benefits & Agency Assessment)	1,250,000.00
Un-obligated Balance for Uncontrolled Sites Fund (06/30/13) ***	7,583,966.95

* Includes primarily hazardous waste generator fees, interest, reimbursement of oversight costs, and cost recovery.

** At federal fund-lead NPL sites, CERCLA requires the state to provide a 10% cost share for remedial actions. This figure is for the outstanding portion of DHEC's 10% cost share for the Brewer Gold Mine Site—Operable Unit 1 (\$194,172.00) and the Geiger Site (\$46,090.00). As of this report, the EPA is proposing a final remedy for the Brewer Gold Mine Site that could result in a \$1 million/year cost share for the state. DHEC has not concurred with EPA's proposed remedy. A substantial cost share is also anticipated for the Barite Hill Mine Site in the next several years.

*** This figure does not account for upcoming assessment/cleanup activities that are in the planning stages and which have not yet been assigned to a contractor.

Breakdown of Total FY13 Expenditures

Uncontrolled Sites*	475,452.52
Emergency Response	32,548.95
Salaries, Fringe Benefits, Agency Administrative Assessment	1,183,201.40
Total Expenditures	1,698,948.58

* Does not include approximately \$375,000 in contractual money spent from site-specific settlement accounts.

FY14 Obligations for Site Response Activities

This table shows site-specific obligations (approximately \$2.4 million) that were already assigned to a state contractor or which were planned to be committed as of June 30, 2013. These sites represent a very small portion of DHEC's inventory of sites. Based on recent and historical averages, it is estimated that the existing inventory of sites will present a liability to the HWCF in the tens of millions of dollars or more.

Obligation	Description	Amount
Bamberg Hwy 301	Private Well Sampling and Assessment Activities	10,480.92
BC Components	Assessment and Soil Removal	428,189.00
Can City Road	Removal Action	40,000.00
Cannon's Campground	Private Well Sampling and Assessment Activities	18,825.29
Carner Avenue	Offsite plume delineation	6,396.00
Carolina Chemicals	Sampling	10,000.00
Cone Mills/US Finishing	Annual Operation and Maintenance and Receiver Activities	10,000.00
Cryovac-Horse Head	Sampling	5,544.20
Elmore Waste Disposal (NPL Site)	Groundwater Remediation System, Operation and Maintenance, and Groundwater and Surface Water Sampling	150,000.00
F.S. Royster Guano	Removal Sampling Assessment	200,000.00
Langley Pond	Sediment and Surface Water Sampling and Evaluation Report Completion	35,000.00
Palmetto Wood Preserving (NPL Site)	Additional Injections, Annual Operation and Maintenance, Sampling, and Additional Monitoring Well Installation	54,987.00
Philip Services Corporation	Remedy Selection Support, Groundwater Treatment Operation and Maintenance	150,000.00
South Lake	Groundwater Pilot and Remedy Evaluation	265,565.00
Stoller Chemical	PRB-1 Performance Evaluation and Offsite Access	100,000.00
Suffolk Chemical	Groundwater Remediation Operation & Maintenance	60,000.00
Weylchem	Private Well, Surface Water, and Sediment Sampling	35,000.00
Whetsell Farm	Removal Action	100,000.00
Wilsontown Road Drum Site	Complete Removal Action and Soil Sampling	10,257.50
Original Contractor Commitments	Various Sites Activities	600,000.00
Miscellaneous	Outside Legal Services to Support Cost Recovery, etc.	100,000.00
Total Obligations as of June 30, 2013		2,390,244.91

Note—This figure does not include several upcoming assessment/cleanup activities that are in the planning stages and which have not yet been assigned to a contractor. It also does not include State-lead activities funded by court-ordered site-specific cleanup funds established through cost recovery activities.

Primary Uses of the HWCF Uncontrolled Sites Fund

State-lead Response Actions. The primary uses of the HWCF are to provide funds for contractual services to perform state-funded investigation and cleanup activities at sites where other funds are not available, and to provide funds for personnel and operating costs to implement the program for conducting response actions. The State Superfund Program evaluates and sets priorities for sites in order to address the worst cases first. Unless the Department deems an imminent threat exists or a criminal investigation is necessary, state-funded response actions are generally conducted only after the Department initiates the appropriate procedures to secure alternative funding. Considerable time and effort are expended to ensure that all available funds from the responsible parties and other sources are utilized before drawing on funds from the HWCF.

In most cases, the Department attempts to negotiate voluntary cleanup contracts or other settlements with responsible and non-responsible parties. Various styles of settlements with responsible and non-responsible parties require settling parties to perform investigations to determine the source, nature, and extent of contamination and/or cleanup contaminated sites, to fund these response activities themselves, or, alternatively, to reimburse the Department's response costs when the Department performs cleanups of sites. With many of these settlements, the Department typically includes covenants not to sue for the work performed by the responsible or non-responsible parties to the Department's satisfaction, and/or state contribution protection from other responsible parties which may seek reimbursement of all or a portion of costs of responding to environmental conditions at a site.

When a responsible or non-responsible party enters into an agreement or voluntary cleanup contract with the Department to pay for or perform response activities, DHEC staff must review and approve all environmental reports,

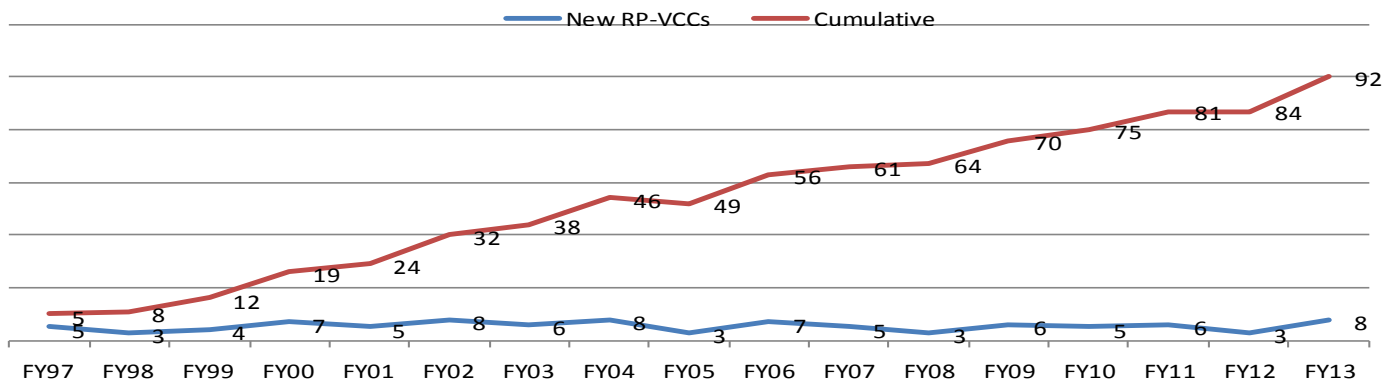
sampling data, and other activities associated with the cleanup of contaminated sites to assure that public health and the environment are protected. Under these contracts and agreements, parties are required to reimburse DHEC's costs for oversight activities. The authority of DHEC to use the HWCF and to seek cost recovery provides leverage that may encourage responsible parties to come forward voluntarily. Further, DHEC performs public participation/community involvement activities pursuant to CERCLA and the National Contingency Plan (NCP) to ensure that affected communities have input into the cleanup.

The chart below shows the number of responsible party voluntary cleanup contracts (RP-VCCs) executed and the cumulative total for each fiscal year since the first RP-VCC was executed in FY97. Eight new RP-VCCs were executed in FY13 and many more were under negotiation.

Emergency Response. DHEC's Emergency Response Program responds to accidental spills and other problems associated with the transportation of hazardous materials as well as other incidents where hazardous materials are spilled, illegally dumped, or otherwise abandoned on public property. The Emergency Response Program administers the Emergency Response Contract, which is used to secure, sample, and properly dispose of wastes. These activities are funded by the HWCF.

In FY13, the Emergency Response Program expended \$32,548.95 responding to six emergency response incidents. The Emergency Response Program generally seeks reimbursement from the National Pollution Funds Center. The amount of reimbursement money varies from year to year depending on the number and types of incidents that occur. All reimbursements are returned to the HWCF.

Responsible Party Voluntary Cleanup Contracts



Primary Uses of HWCF (Continued)

Administrative Costs/Salaries. DHEC uses HWCF monies for salaries and program administration. The HWCF currently funds approximately 21 FTEs (full-time equivalent positions) that perform site prioritization activities, project management, technical reviews and field oversight, cost recovery activities, public participation activities, and other administrative activities. During FY13, the HWCF provided approximately \$1,180,000 for salaries, fringe benefits, agency administrative assessments, and other operating costs. These costs are included in DHEC’s cost recovery efforts against PRPs.

Criminal Investigations. The State Superfund Program also assists DHEC’s Office of Criminal Investigations by providing technical assistance and contractual services for gathering evidence for environmental crime cases. After the initial criminal investigation activities are completed, DHEC may perform or oversee additional cleanup activities. These matters are considered enforcement confidential until the criminal investigations are completed.

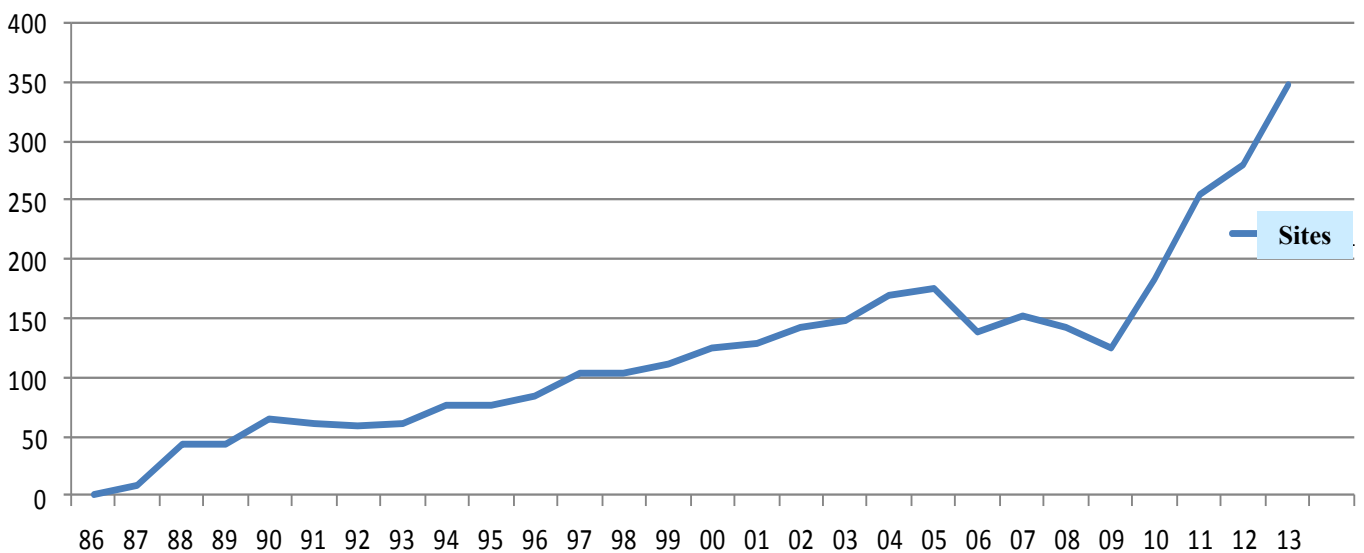
Federal-lead Superfund Sites. The HWCF supports certain DHEC activities at federal-lead Superfund sites. Cleanup activities on most of these sites are being funded by private parties and most of DHEC’s day to day costs are funded through the Support Agency Cooperative Agreement with EPA. However, DHEC may also incur costs for activities such as natural resource

damages assessments, support to EPA’s Emergency Response and Removal Branch, and other activities that are outside the scope of the cooperative agreement. For federal-financed remedial actions at NPL sites, DHEC is “potentially liable” for a state cost share of 10% to 50% for long-term remedial action costs and 100% of operation and maintenance costs.

In November 2009, DHEC assumed responsibility for 100% of the operation and maintenance (O&M) costs for the existing groundwater pump and treat system at the Elmore Waste Disposal Site in Greer. Based on EPA’s historic costs, DHEC’s continuing costs were expected to be approximately \$150,000 per year. However, during DHEC’s first two and a half years of responsibility for O&M activities, DHEC has managed to conduct O&M activities for approximately \$87,000 per year. DHEC has also assumed responsibility for O&M costs at the Palmetto Wood Preserving Site. Annual O&M costs for this site are normally \$25,000 per year. Two additional NPL sites are obligated for a state match of \$240,000 in the next few years, and a third site, Barite Hill Mine Site, is expected to require a more substantial cost share in the next several years.

Currently, the Brewer Gold Mine is the NPL site with the most potential to have a major impact on the HWCF. At the end of FY13, EPA was proposing a remedy that could result in DHEC incurring estimated O&M costs of \$1,000,000 annually. DHEC has not concurred with EPA’s proposed remedy.

Number of Sites Addressed/Supported by HWCF by Fiscal Year



Types of Sites Supported by HWCF in FY13

- **State-lead Sites.** Investigation and cleanup activities have been funded primarily by the HWCF. Site conditions warrant DHEC's performance of the investigation and cleanup because owners and/or operators are bankrupt or otherwise unable or unwilling to perform cleanup. DHEC generally seeks cost recovery on these sites.
- **Sites with Responsible Party Voluntary Cleanup Contracts and Responsible Party Consent Agreements.** Responsible parties are performing assessment and cleanup activities under DHEC's oversight. In general, these parties are reimbursing DHEC's oversight costs.
- **Emergency Response Sites.** The HWCF funds emergency response activities; however, DHEC requests and generally receives reimbursement from responsible parties or the National Pollution Funds Center.
- **Federal-lead Sites.** The HWCF supported DHEC activities at nine federal-lead Superfund sites. This number does not include NPL sites where all of DHEC's activities are funded by the cooperative agreement with EPA. These activities included oversight of time-critical removal actions, support for listing of sites on the NPL, sampling and other long-term operation and maintenance activities at two sites, and pursuing natural resource damage claims.

State Superfund Program's Response Process

The purpose of the State Superfund Program is:

To protect public health and the environment by requiring investigation and cleanup of abandoned and uncontrolled hazardous waste sites and by taking short-term actions to mitigate immediate threats to human health and the environment.

DHEC focuses its attention and financial resources on the sites that pose the greatest risk to human health and the environment. DHEC's Bureau of Land and Waste Management's Division of Site Assessment, Remediation, and Revitalization is responsible for managing state-lead response actions and supporting federal-lead response actions. The State Superfund process begins with site discovery or notification of possible releases of hazardous substances.

DHEC's site assessment and remediation process may include a short-term removal action or a complex and lengthy remedial investigation and long-term cleanup.

Removal Process. If a site requires immediate attention, DHEC may perform an emergency response action or a time-critical removal to address immediate threats to the public health or the environment.

Remedial Process. If a site does not pose an im-

minent threat, it is screened to determine whether it warrants further evaluation for remedial (or long-term) measures. If a site does not qualify for placement on EPA's National Priorities List (NPL), then cleanup is addressed by the State Superfund Program.

- **RI/FS Phase.** A Remedial Investigation (RI) is an in-depth investigation to determine the source, nature, and extent of contamination at a site. The Feasibility Study (FS) provides a comparison of various cleanup options that would make the site safe for the public and the environment.
- **Proposed Plan Phase.** From the information in the FS, a Proposed Plan is developed offering a preferred remedial option. The public is given a 30-day comment period during which a public meeting is held to encourage community input and participation in the final remedy selection.
- **ROD Phase.** After the comment period, DHEC formally documents the selected remedy in the Record of Decision (ROD).
- **RD/RA Phase.** After the ROD, the project enters the Remedial Design/Remedial Action (RD/RA) phase where the remedy is designed and implemented. Ongoing monitoring occurs to ensure that the remedy remains protective of public health and the environment.
- **Closure.** If DHEC determines the cleanup is complete and no additional response action is required, DHEC will close the matter.

State Superfund Program's Community Involvement

The State Superfund Program strives to inform the public of environmental impacts of contamination in their communities and to involve local communities in decision-making opportunities. Depending on specific needs of the community and state and federal law, DHEC:

- Provides fact sheets specifically written for local communities;
- Holds community meetings and availability sessions specific to site needs and various phases of response;
- Provides notice in a local newspaper of 30-day periods to comment on proposed cleanup activities and availability of the administrative record (which contains decision-making documents and which is made available at a local library and at DHEC's Bureau of Land and Waste Management office);
- Provides notice of 30-day periods to comment on

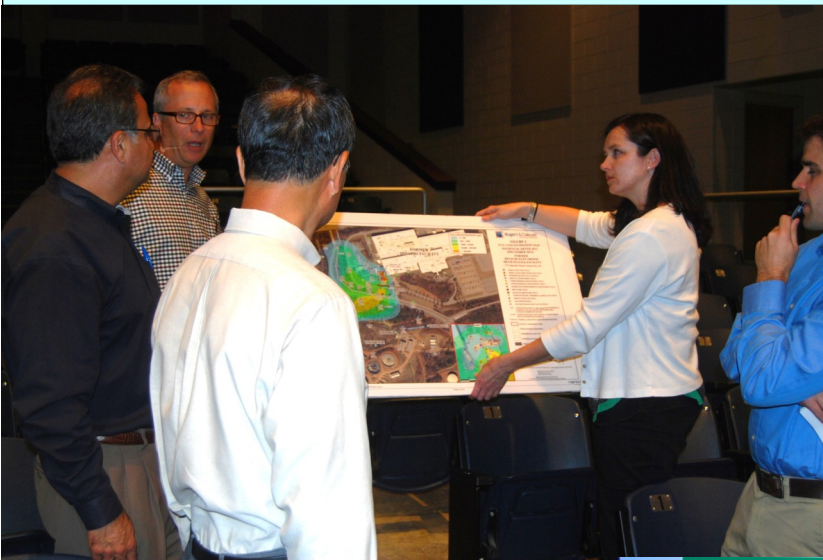
proposed settlements with responsible parties and publishes such notice in a local newspaper and/or the South Carolina [State Register](#);

- Establishes a community relations plan for state-lead sites as deemed appropriate;
- Participates or assists in media releases; and,
- Provides environmental reports, proposed contracts, public meetings and other information on DHEC's webpage for the public:

www.scdhec.gov/environment/lwm/html/superfund_info.htm

Community Involvement in FY13

• Community Meetings	7
• Newspaper Notices	16
• Public Comment Periods	2



Left: In the spring of 2013, DHEC updated the public regarding DHEC's proposed cleanup plan for the Hitachi Electronic Devices Site in Greenville. DHEC responded to comments at the meeting and provided the public a period in which to comment on the proposed cleanup remedy prior to DHEC issuing its final decision. The final remedy selection was detailed in a Record of Decision.

Right: In the spring of 2013, the Department also updated the public on the offsite groundwater remedy activities at the AVX—Myrtle Beach Site. The activities are performed and funded by AVX Corporation under a consent agreement with the Department.

