



North Carolina Department of Environment and Natural Resources

Beverly Eaves Perdue
Governor

Dee Freeman
Secretary

September 1, 2012

TO: Joint Legislative Commission on Governmental Operations
The Honorable Thom Tillis, Speaker of the House of Representatives
The Honorable Phil Berger, President Pro Tempore

Environmental Review Commission
The Honorable David Rouzer, Chair
The Honorable Mitch Gillespie, Co-Chair
The Honorable Ruth Samuelson, Co-Chair

FROM: Kari Barsness *KKB*
Director of Legislative and Intergovernmental Affairs

RE: Report of Superfund Cost Share Fund Expenditures for North Carolina's Ten Percent
Share for Cleanup of Sites on the National Priorities List – June 30, 2012

Section 15.6.(a) of S.L. 1999-237 authorizes the Department of Environment and Natural Resources, with the approval of the Office of State Budget and Management, to use available funds for the 10 percent cost share required for Superfund cleanups on the National Priorities List sites.

Section 15.6.(b) directs DENR to report to the Environmental Review Commission and the Joint Legislative Commission on Governmental Operations as to “the amount and source of the funds used pursuant to subsection (a) of this section within 30 days of the expenditure of these funds.” The attached report provides this information.

If you have any questions, please contact Mr. David Lown, Head, Federal Remediation Branch, Superfund Section at 919-707-8325.

Attachment

cc: Robin Smith, Assistant Secretary for Environment
Dexter R. Matthews, Director, Division of Waste Management
Kristin Walker, Fiscal Research Division
Lanier McRee, Fiscal Research Division
Mariah Matheson, Research Division

**Report to the
Joint Legislative Commission on Governmental Operations**

**Expenditures from the
Superfund Cost Share Fund
For North Carolina's Ten Percent Share**

June 2012



**Division of Waste Management
Superfund Section**

**REPORT TO
THE JOINT LEGISLATIVE COMMISSION ON
GOVERNMENTAL OPERATIONS
ON EXPENDITURES FROM THE
SUPERFUND COST SHARE FUND
FOR NORTH CAROLINA'S TEN PERCENT SHARE
OF CLEANUPS FOR SITES ON THE
NATIONAL PRIORITIES LIST**

North Carolina has 37 hazardous waste sites on the National Priorities List (NPL). Fifteen of the NPL sites are fund-financed, where no viable responsible parties have been identified. These sites are being cleaned up using a combination of federal and state public funds. The Hazardous Response Trust Fund (the Superfund) contributes 90 percent of the money for the remedial action and the state contributes the remaining 10 percent.

The state's 10 percent contribution comes from the Superfund Cost Share Fund (SCSF). As of June 30, 2012, the fund had accumulated \$16,564,915 in appropriations, interest and other income. Of that total, \$12,078,064 has been encumbered or disbursed to pay for the state's share of the cleanup costs at the 14 NPL sites with signed Superfund State Contracts (SSCs). Other disbursements and reductions, including operations and maintenance costs, have removed \$1,680,152 from the SCSF, leaving \$2,806,699 available for future cleanup actions and long-term operation and maintenance. Planning for remedial action at two sites, Ore Knob in Ashe County and the Aberdeen Contaminated Groundwater Site in Moore County, is underway and some of the available funding may be obligated for this cleanup in the next few months. An SSC has not been negotiated for Ore Knob or Aberdeen and the Superfund Section has not received firm cost-estimates from USEPA. Other sites may be added to the NPL and could require a 10-percent, state-cost-share match for cleanup.

For Superfund-financed cleanups, the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) section 104(c)(3) requires the state to pay for the long-term operation and maintenance (O&M) of sites after EPA has transferred them to the state. The funds to perform O&M will come from the SCSF. The first site to come under the state's care is the FCX Statesville site. Since the previous report for May 2011, \$7,490 has been used for operation and maintenance at the FCX Statesville site. The total cost for operation and maintenance since the work began in October 2009 is \$28,919. The annual cost estimate is \$15,000 and two sampling events are planned for the site in FY 2013. Active remediation of the site is complete. Effective May 30, 2012, the State Superfund Contract for the remediation of the FCX Statesville Site was terminated. The work was completed under budget. Termination of the contract frees up \$219,359 from the obligated amount of the SCSF (see Table 1). In addition EPA is crediting North Carolina for \$5,346 due to over-match.

Effective Aug. 1, 2012, the state will take over the O&M of the Cape Fear Wood Preserving Site in Cumberland County. The state will be responsible for the O&M of a pump-and-treat facility that removed creosote from the groundwater at the site. The section is attempting to negotiate a contract for operation of the facility with the same contractors that EPA used at Cape Fear. The present estimate for operation of the facility is \$220,000 annually.

Attached Table 1, Fund-Financed NPL Sites, lists the 14 fund-financed sites for which State Superfund Contracts have been signed. The table also shows all encumbrances and disbursements that have occurred due to the state's 10 percent cost share requirement. Note that some sites are divided into operable units (OU). This is common practice in the cleanup of NPL sites, because it makes designing and executing the cleanups more structured and easier to control.

For the months of May and June 2012, two disbursements totaling \$26,590 were made to USEPA from the SCSF. The money was used for cleanup activities underway at the Sigmon's Septic Tank Site in Iredell County and the GMH Electronics Site in Person County. Other than the payments for O&M at the FCX Statesville site discussed above, these were the only disbursements from the SCSF since the last report (May 2012).

TABLE 1
FUND-FINANCED NPL SITES
AMOUNTS ENCUMBERED AND DISBURSED
(As of June 30, 2012)

Site Name and Location	Dates SSC Signed	Estimated Total Cost of Remediation	Cost to State	Dates Disbursed	Amounts Disbursed	Remaining Amount Encumbered
ABC One Hour Cleaners Operable Unit # 1 Jacksonville, Onslow Co.	9/12/1998	\$3,760,000	\$376,000	11/20/1997 10/15/2001 3/31/2004 12/31/2008 1/31/2008 12/31/2008 3/31/2010 5/31/2011	\$94,000 \$28,964 \$128,091 \$40,338 \$14,904 \$18,574 \$18,198 \$23,929	
Site Totals		\$3,760,000	\$376,000		\$360,997	\$15,003
ABC One Hour Cleaners Operable Unit # 2 Jacksonville, Onslow Co.	9/19/1997 9/1/2009	\$750,000 \$322,000	\$75,000 \$32,200	11/20/1997 7/31/2003 11/30/2003 10/31/2008 1/31/2008 12/31/2008 3/31/2010 5/31/2011	\$18,750 \$3,803 \$5,133 \$31,600 \$7,163 \$8,515 \$18,235 \$12,448	
Site Totals		\$1,072,000	\$107,200		\$103,647	\$3,553
Barber Orchard Operable Unit #1 Waynesville, Haywood Co.	5/26/2005	\$24,300,000	\$2,430,000			
Site Totals		\$24,300,000	\$2,430,000		\$0	\$2,430,000
Benfield Industries Hazelwood (Waynesville) Haywood Co.	9/27/1998	\$6,729,200	\$672,920	11/20/1997 3/31/2001	\$188,230 \$89,841	
Site Totals		\$6,729,200	\$672,920		\$238,071	\$434,849
Blue Ridge Plating Arden, Buncombe County	10/27/2005 5/25/2007	\$1,357,600 \$917,600	\$135,760 \$91,760	4/30/2007 8/30/2008 3/31/2010 5/31/2011	\$47,591 \$118,204 \$16,212 \$9,651	
Site Totals		\$2,275,200	\$227,520		\$191,658	\$35,862
Cape Fear Wood Preserving Fayetteville, Cumberland Co.	9/29/1994 9/22/2000 9/20/2002	\$16,965,300 \$4,350,000 \$3,092,274	\$1,696,530 \$435,000 \$309,227	3/31/2001 5/14/2003 5/31/2005	\$1,758,697 \$478,263 \$91,520	
Site Totals		\$24,407,574	\$2,440,757		\$2,328,480	\$112,277
Carolina Transformer Soil Remediation Fayetteville, Cumberland Co.	9/25/1997 1/14/2000 9/28/2001 9/20/2002 5/13/2003	\$9,851,700 \$4,834,850 \$2,000,000 \$3,513,450 \$2,000,000	\$985,170 \$483,485 \$200,000 \$351,345 \$200,000	11/20/1997 4/30/2001 2/28/2003 3/31/2005 7/31/2008	\$248,293 \$20,268 \$1,181,561 \$497,867 \$153,534	
Site Totals		\$22,000,000	\$2,200,000		\$2,099,521	\$100,479
Carolina Transformer Groundwater Remediation Fayetteville, Cumberland Co.	8/15/2008	\$328,300	\$32,830			
Site Totals		\$328,300	\$32,830		\$0	\$32,830

TABLE 1
FUND-FINANCED NPL SITES
AMOUNTS ENCUMBERED AND DISBURSED Continued
(As of June 30, 2012)

	Dates	Estimated				Remaining
	SSC	Total Cost of	Cost to	Dates	Amounts	Amount
Site Name and Location	Signed	Remediation	State	Disbursed	Disbursed	Encumbered
Davis Park Road TCE Site	4/1/2000	\$3,873,299	\$387,330	3/31/2001	\$49,061	
Gastonia, Gaston Co.				12/3/2001	\$13,226	
				11/30/2003	\$21,958	
				4/30/2007	\$18,981	
Site Totals		\$3,873,299	\$387,330		\$101,206	\$286,124
FCX-Statesville	9/12/1998	\$4,161,525	\$416,153	11/20/1997	\$104,038	
Operable Unit # 1				5/31/2003	\$3,245	
Statesville, Iredell Co.				1/31/2008	\$38,749	
	5/30/2012	-\$2,701,210	-\$270,121			
Site Totals		\$1,460,315	\$146,032		\$146,032	\$0
FCX-Statesville	9/25/1997	\$4,840,000	\$484,000	11/20/1997	\$121,000	
Operable Unit # 2				4/30/2001	\$53,979	
Statesville, Iredell Co.	2/22/2002	\$1,160,000	\$116,000			
				3/31/2002	\$379,969	
	5/30/2010	-\$212,380	-\$21,238	4/30/2003	\$23,814	
Site Totals		\$5,787,620	\$578,762		\$578,762	\$0
FCX-Washington	6/15/2006	\$255,791	\$25,579			
Washington, Beaufort Co.						
Site Totals		\$255,791	\$25,579		\$0	\$25,579
GMH Electronics	5/18/2009	\$2,158,550	\$215,855	11/30/2010	\$98,300	
Roxboro, Person Co.				6/29/2012	\$28,082	
Site Totals		\$2,158,550	\$215,855		\$124,382	\$91,473
North Belmont PCE Site	7/26/2000	\$7,535,000	\$753,500	12/3/2001	\$31,835	
North Belmont, Gaston Co.				5/14/2003	\$223,157	
				3/31/2007	\$112,076	
Site Totals		\$7,535,000	\$753,500		\$367,068	\$386,432
Potters Septic Tank Pits	9/16/1994	\$8,000,000	\$800,000	1/30/1995	\$200,000	
Sandy Creek, Brunswick Co.	6/15/1998	\$350,000	\$35,000			
Site Totals		\$8,350,000	\$835,000		\$200,000	\$635,000
Ram Leather Care	6/15/2006	\$2,244,800	\$224,480	1/31/2009	\$127,598	
Charlotte, Mecklenberg Co.				3/31/2010	\$23,479	
				5/31/2011	\$14,359	
Site Totals		\$2,244,800	\$224,480		\$165,433	\$59,047
Sigmon's Septic Tank	6/24/2008	\$2,415,801	\$241,580			
Statesville, Iredell Co.	10/28/2009	(\$2,415,801)	(\$241,580)			
	10/28/2009	\$1,329,400	\$132,940	5/31/2010	\$21,141	
				5/31/2012	\$508	
Site Totals		\$1,329,400	\$132,940		\$21,649	\$111,291
TOTALS		\$117,867,049	\$11,786,705		\$7,026,907	\$4,759,798