



PAT MCCRORY
Governor

DONALD R. VAN DER VAART
Secretary

MEMORANDUM

TO: ENVIRONMENTAL REVIEW COMMISSION
The Honorable Jimmy Dixon, Co-Chairman
The Honorable Chuck McGrady, Co-Chairman
The Honorable Trudy Wade, Co-Chairman

FROM: Mollie Young, Director of Legislative Affairs, NCDEQ

SUBJECT: Superfund Cost Share Fund Expenditures Report

Pursuant to S.L. 1999-237, section 15.6 (b), "The Department of Environment and Natural Resources and the Office of State Budget and Management shall report to the Environmental Review Commission and the Joint Legislative Commission on Governmental Operations the amount and the source of the funds used pursuant to subsection (a) of this section within 30 days of the expenditure of these funds."

If you have any questions or need additional information, please contact me by phone at (919) 339-9433 or via e-mail at mollie.young@ncdenr.gov.

Cc: Don Van der Vaart, Secretary, NCDEQ
Tom Reeder, Assistant Secretary for Environment, NCDEQ
Michael Scott, Director of Waste Management, NCDEQ
Lanier McRee, Fiscal Research Division, NCGA



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

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

August 2016

**NORTH CAROLINA DEPARTMENT OF
ENVIRONMENTAL QUALITY**

**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 39 hazardous waste sites on the National Priorities List (NPL). Seventeen 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 federal Superfund) contributes 90 percent of the money for the remedial action and the state contributes the remaining 10 percent. The state is also obligated to conduct operation and maintenance (O&M) at NPL sites after EPA completes its remedial action.

The state's 10 percent contribution and O&M funding comes from the Superfund Cost Share Fund (SCSF). As of Aug. 31, 2016, the fund had accumulated \$16,697,725 in appropriations, interest and other income. Of that total, \$11,919,168 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). A total of \$634,935 remains encumbered by contract for the operation and maintenance of the Cape Fear Wood site pump-and-treat facility. Other disbursements and reductions, including past O&M costs at Cape Fear Wood and other O&M sites, have removed \$2,280,403 from the SCSF, leaving \$1,863,218 available for future cleanup actions and long-term O&M costs.

Planning for remedial action is underway at other sites, including Cape Fear Wood Preserving in Cumberland County, the GMH Electronics Site in Person County and the Benfield Industries Site in Haywood County, and some of the available funding may be obligated for these sites during the 2017 fiscal year. New SSCs have not been negotiated for these sites and we have not received firm cost-estimates from the Environmental Protection Agency. Other sites may be added to the NPL and could require a 10 percent, state-cost-share match for cleanup.

For Superfund-financed cleanups, CERCLA section 1040(c)(3) requires the state to pay for the long-term O&M of sites after they have been transferred to the state by EPA. The funds to perform O&M come from the SCSF. O&M for the following sites is being managed by North Carolina and paid for using the SCSF:

- 1) FCX Statesville in Iredell County,
- 2) Cape Fear Wood Preserving in Cumberland County,
- 3) Davis Park Road TCE in Gaston County, and
- 4) Potter's Septic Tank Service Pits in Brunswick County.

A total of \$250,000 from the fund will be obligated to help residents at the Ore Knob Mine Site in Ashe County get clean water through a new waterline. The funds are needed to assist the town of Jefferson with the O&M of the waterline. EPA has obligated \$10 million to construct the waterline. When first approached by EPA, the town of Jefferson aldermen were initially unwilling to take ownership and operation of the waterline, owing to their concerns about meeting O&M obligations during the years

immediately following construction. Although Ashe County planning staff anticipate steady future growth in the western part of the county, the initially small number of connections will not provide sufficient billing revenue. Jefferson's municipal water system and its budget are modest, and the town's reluctance is understandable. Federal law prohibits EPA from either owning or funding O&M of waterlines it installs with federal funds at Superfund sites. The Superfund Section will work with the town of Jefferson to negotiate a contract to provide assistance with the waterline O&M.

During the period since the previous report dated February 2015, \$318,632 has been paid to Environmental Field Management, Inc. for the operation of the pump-and-treat facility at the Cape Fear Wood Preserving site and \$161,517 has been used by North Carolina Superfund personnel for salaries and sampling activities at the O&M sites.

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.

Since the previous report, dated February 2015, three disbursements totaling \$58,901 were made to the EPA from the SCSF. The money was used for cleanup activities at the Operable Units 1 and 2, at the ABC Cleaners Site in Onslow County (\$44,853) and the Blue Ridge Plating Site (\$14,048) in Buncombe County. Other than the payments for O&M discussed above, these were the only disbursements from the SCSF since the previous report (February 2015).

TABLE 1
 FUND-FINANCED NPL SITES
 AMOUNTS ENCUMBERED AND DISBURSED
 (As of August 31, 2016)

	Dates	Estimated		Dates		Remaining
Site Name and Location	SSC Signed	Total Cost of Remediation	Cost to State	Disbursed	Amounts Disbursed	Amount Encumbered
ABC One Hour Cleaners Operable Unit #1 Jacksonville, Onslow Co.	9/12/1996 7/16/2013	\$3,760,000 \$721,077	\$376,000 \$72,108	11/20/1997 10/15/2001 3/31/2004 12/31/2006 1/31/2008 12/31/2008 3/31/2010 5/31/2011 3/31/2013 8/31/2014 8/31/2016	\$94,000 \$26,964 \$126,091 \$40,336 \$14,904 \$18,574 \$16,198 \$23,929 \$15,003 \$29,307 \$32,345	
Site Totals		\$4,481,077	\$448,108		\$437,651	\$10,457
ABC One Hour Cleaners Operable Unit #2 Jacksonville, Onslow Co.	9/19/1997 9/1/2009 7/16/2013	\$750,000 \$322,000 \$603,548	\$75,000 \$32,200 \$60,355	11/20/1997 7/31/2003 11/30/2003 10/31/2006 1/31/2008 12/31/2008 3/31/2010 5/31/2011 3/31/2013 8/31/2014 8/31/2016	\$18,750 \$3,803 \$5,133 \$31,600 \$7,163 \$8,515 \$16,235 \$12,448 \$3,552 \$28,565 \$12,508	
Site Totals		\$1,675,548	\$167,555		\$148,273	\$19,282
Barber Orchard Operable Unit #1 Waynesville, Haywood Co.	5/26/2005	\$24,300,000	\$2,430,000	3/31/2013 2/28/2015	\$1,379,805 \$16,637	
Site Totals		\$24,300,000	\$2,430,000		\$1,396,442	\$1,033,558
Benfield Industries Hazelwood (Waynesville) Haywood Co.	9/27/1996	\$6,729,200	\$672,920	11/20/1997 3/31/2001 12/31/2013	\$168,230 \$69,841 \$345,215	
Site Totals		\$6,729,200	\$672,920		\$583,286	\$89,634
Blue Ridge Plating Arden, Buncombe County	10/27/2005 5/25/2007	\$1,357,600 \$917,600	\$135,760 \$91,760	4/30/2007 6/30/2008 3/31/2010 5/31/2011 8/31/2012 12/31/2013 8/31/2016	\$47,591 \$118,204 \$16,212 \$9,651 \$10,839 \$5,832 \$14,048	
Site Totals		\$2,275,200	\$227,520		\$222,377	\$5,143
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 \$4,634,850 \$2,000,000 \$3,513,450 \$2,000,000	\$985,170 \$463,485 \$200,000 \$351,345 \$200,000	11/20/1997 4/30/2001 2/28/2003 3/31/2005 7/31/2006	\$246,293 \$20,266 \$1,181,561 \$497,867 \$153,534	
Site Totals		\$22,000,000	\$2,200,000		\$2,099,521	\$100,479

TABLE 1
 FUND-FINANCED NPL SITES
 AMOUNTS ENCUMBERED AND DISBURSED Continued
 (As of August 31, 2016)

	Dates	Estimated				Remaining
	SSC	Total Cost of	Cost to	Dates	Amounts	Amount
Site Name and Location	Signed	Remediation	State	Disbursed	Disbursed	Encumbered
Carolina Transformer Groundwater Remediation	6/15/2006	\$328,300	\$32,830			
Site Totals		\$328,300	\$32,830		\$0	\$32,830
Davis Park Road TCE Site Gastonia, Gaston Co.	5/5/2000	\$3,873,299	\$387,330	3/31/2001	\$49,061	
				12/3/2001	\$13,226	
				11/30/2003	\$21,958	
				4/30/2007	\$16,961	
				2/28/2015	\$415	
Site Totals		\$3,873,299	\$387,330		\$101,621	\$285,709
FCX-Statesville Operable Unit #1 Statesville, Iredell Co.	9/12/1996	\$4,161,525	\$416,153	11/20/1997	\$104,038	
				5/31/2003	\$3,245	
				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 Operable Unit #2 Statesville, Iredell Co.	9/25/1997	\$4,840,000	\$484,000	11/20/1997	\$121,000	
				4/30/2001	\$53,979	
				3/31/2002	\$379,969	
				4/30/2003	\$23,814	
	5/30/2012	-\$212,380	-\$21,238			
Site Totals		\$5,787,620	\$578,762		\$578,762	\$0
FCX-Washington Washington, Beaufort Co.	6/15/2006	\$255,791	\$25,579			
Site Totals		\$255,791	\$25,579		\$0	\$25,579
GMH Electronics Roxboro, Person Co.	5/18/2009	\$2,158,550	\$215,855	11/30/2010	\$98,300	
				6/29/2012	\$26,082	
Site Totals		\$2,158,550	\$215,855		\$124,382	\$91,473
North Belmont PCE Site North Belmont, Gaston Co.	7/26/2000	\$7,535,000	\$753,500	12/3/2001	\$31,835	
				5/14/2003	\$223,157	
				3/31/2007	\$112,076	
				5/31/2013	\$15,654	
Site Totals		\$7,535,000	\$753,500		\$382,722	\$370,778
Potters Septic Tank Pits Sandy Creek, Brunswick Co.	9/16/1994	\$8,000,000	\$800,000	1/30/1995	\$200,000	
	6/15/1998	\$350,000	\$35,000			
Site Totals		\$8,350,000	\$835,000		\$200,000	\$635,000
Ram Leather Care Charlotte, Mecklenburg Co.	6/15/2006	\$2,244,800	\$224,480	1/31/2009	\$127,596	
				3/31/2010	\$23,479	
				5/31/2011	\$14,359	
				10/31/2012	\$1,672	
Site Totals		\$2,244,800	\$224,480		\$167,105	\$57,375
Sigmon's Septic Tank Statesville, Iredell Co.	6/24/2008	\$2,415,801	\$241,580			
	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		\$119,191,674	\$11,919,167		\$8,938,303	\$2,980,864