

**Annual Report to the
North Carolina General Assembly**

Risk-Based Remediation Fund

(July 1, 2022 to June 30, 2023)

Division of Waste Management



**NORTH CAROLINA
DEPARTMENT OF ENVIRONMENTAL QUALITY**

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Executive Summary

This report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Environmental Review Commission and the Fiscal Research Division, is required on or before Oct. 1 of each year and includes the following required information:

1. **The amounts and sources of funds collected by year to be paid into the Risk-Based Remediation Fund (Fund) established under G.S. 130A-310.76A.**
Fees received in fiscal year (FY) 2022-23 from applicants for risk-based remedies totaled \$17,500. There are two types of receipts:
 - a. An application fee used to pay for administrative and operating expenses necessary to implement the statutes governing risk-based environmental remediation of sites, which totaled \$14,500; and
 - b. An oversight fee used to establish, administer and maintain a system for the tracking of land-use restrictions recorded at sites that are remediated pursuant to the statute. Oversight fees totaled \$3,000.
2. **The number of acres of contamination for which funds have been received pursuant to the statute.**
In FY 2022-23, three sites, totaling four acres of contamination, contributed to the funding pursuant to the statute.
3. **An accounting of how the funds collected have been used by the N.C. Department of Environmental Quality (DEQ) to advance the purposes of the statute.**
Expenditure totaled \$54,135.56, leaving the Fund with an end-of-fiscal-year balance of \$194,263.59. DEQ will continue to evaluate the need to support key technical staff to reduce projected total expenses, while allowing continued funding for ongoing outreach and training. Fund receipts and expenditures will be monitored closely to ensure the continued solvency of the Risk-Based Remediation Fund.

During FY 2022-23, the Risk-Based Remediation Fund supported the update and improvement of the risk evaluation resources available to internal staff and the public. The DEQ Risk Calculator is routinely updated by a DEQ contractor whenever the EPA releases its new toxicological information and screening levels, typically twice per year. The fund also supports updates to the *Technical Guidance for Risk-Based Environmental Remediation of Sites* document and the *DEQ Risk Calculator User Guide*, developed by DEQ, based on improvements and comments received since their public release five years ago.

The Fund also partially supported the salary of one technical staff member who contributes to the GIS mapping and database tools needed to efficiently track institutional controls on deeds and enhances public access to information about sites where risk-based remedies are applied.

Amounts and Sources of Funds Collected

The department's Risk-Based Remediation Fund, administered by DEQ's Division of Waste Management, was created in 2011 and its uses further modified in 2015 by the General Assembly. North Carolina General Statute 130A-310.76 requires that a person who

undertakes remediation of environmental contamination with site-specific remediation levels, as provided in G.S. 130A-310.68, to pay two fees to the Fund, an application fee and oversight fee.

The application fee pays for administrative and operating expenses to implement the statute, including the department's cost associated with human health or ecological risk assessments, groundwater modeling, financial assurance matters or community outreach. The application fee is not to exceed \$5,000 for each contaminated acre or portion thereof, and it is not to exceed \$100,000 for a given site. The department takes the following factors into account when calculating a reduced application fee:

- The size of the site subject to a proposed remedial action plan;
- Whether groundwater contamination from the site has migrated, or is likely to migrate, to off-site properties;
- The complexity of the work to be conducted at a site;
- The resources that the department will need to evaluate and oversee the work at a site, particularly in those cases where the work is to be performed by a registered environmental consultant in accordance with the provisions of G.S. 130A-310.75; and
- The resources the department will need to monitor a site after completion of remediation.

The oversight fee is required by N.C.G.S. 130A-310.76. The fee is used to establish, administer, and maintain a system for tracking land-use restrictions recorded at sites that are remediated pursuant to the statute. This fee, set at \$500 per contaminated acre, is not subject to modification, nor can it exceed \$25,000 for a given site.

Fiscal Year 2022-23 Expenditures

In FY 2022–23, , \$14,862.25 was paid to a contractor to update and enhance the department’s online Risk Calculator, and for updates to the associated risk evaluation resources available to the public. The DEQ Risk Calculator is designed to (1) facilitate remediators’ risk assessment calculations and documentation, and (2) reduce departmental staff review time. Since its release five years ago, the calculator has been used widely by DEQ staff and the public to assess site-wide risk – not only at the sites listed in this report but at other sites managed by DEQ’s cleanup, Brownfields and permitting programs.

Expenditures of \$39,273.31 were used for the partial salary of one technical staff member who helps track the sites closed by risk-based remediation, notifies the GIS database manager of the restricted properties, reviews and files annual certifications of owners’ compliance with land-use restrictions and their continuing operation and maintenance of engineering controls. Fees have also supported DEQ’s periodic inspections of properties with approved cleanup remedies to ensure the adherence of the risk-mitigation measures.

Fund History

The number of sites and fees collected since the Fund’s inception in 2011 are summarized in **Table 1** below. The Fund has been non-interest-bearing since 2015.

Table 1. Risk-Based Remediation - Summary of Sites, Acreage and Fees Collected

Fiscal Year	# Sites	Contaminated Acres	Application Fee	Oversight Fee ¹	Total Fees (Receipts)
2012-2013	3	15	\$67,500.00	NA	\$67,500.00
2013-2014	1	1	\$4,500.00	NA	\$4,500.00
2014-2015	0	0	\$0.00	NA	\$0.00
2015-2016	4	18	\$70,500.00	\$500.00	\$71,000.00
2016-2017	5	170	\$235,000.00	\$55,500.00	\$290,500.00
2017-2018	6	9	\$20,500.00	\$9,000.00	\$29,500.00 ²
2018-2019	6	7	\$19,500.00	\$3,500.00	\$23,000.00 ²
2019-2020	6	9	\$21,500.00	\$4,000.00	\$25,500.00
2020-2021	9	34	\$101,875.00	\$13,000.00	\$114,875.00
2021-2022	6	18	\$46,500.00	\$13,000.00	\$59,500.00
2022-2023	3	4	\$14,500.00	\$3,000.00	\$17,500.00
Pre-2015 Int. ³					\$543.87
Totals	49	285	\$599,375.00	\$101,500.00	\$701,418.87

¹ Oversight fees were not applicable (NA) until 2015.

² Received \$6,500 on Dec. 6, 2017. Correction made and applied on Aug. 21, 2018.

³ Interest accrued during FY 2012-2015 but reverted to the General Fund beginning FY 2015-16.

The receipts, expenses and balance of the fund overtime are shown in **Table 2** below. **Figure 1** graphically represents the history of receipts and expenses, and their relation to the number sites that have been addressed through risk-based remediation.

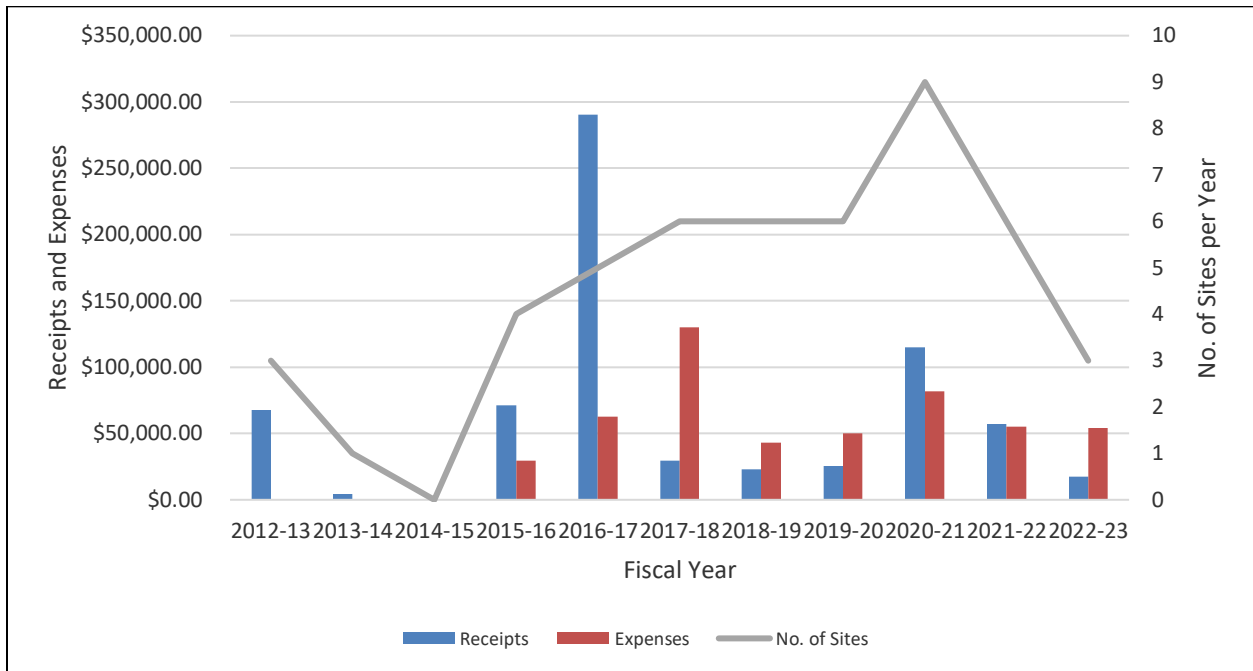
Table 2. Risk-Based Remediation Fund - Summary of Receipts and Expenditures

Fiscal Year	Receipts (from Table 1)	Expenses	Balance
2012-2013	\$67,500.00	\$0.00	\$67,500.00
2013-2014	\$4,500.00	\$0.00	\$72,000.00
2014-2015 ¹	\$543.87	\$0.00	\$72,543.87
2015-2016	\$71,000.00	\$29,718.00	\$113,825.87
2016-2017	\$290,500.00	\$62,654.23	\$341,671.64
2017-2018	\$29,500.00 ²	\$130,052.33	\$241,119.31
2018-2019	\$23,000.00 ²	\$42,993.90	\$221,125.41
2019-2020	\$25,500.00	\$50,360.50	\$196,264.91
2020-2021	\$114,875.00	\$81,926.08	\$229,213.83
2021-2022	\$57,000.00	\$55,314.68	\$230,899.15
2022-2023	\$17,500.00	\$54,135.56	\$194,263.59

¹ Interest of \$543.87 accrued during FY 2012-2015 but reverted to the General Fund beg. FY 2015-16.

² Received \$6,500 on Dec. 6, 2017. Correction made and applied on Aug. 21, 2018.

Figure 1. Risk-Based Remediation Fund over Time



Anticipated Future Uses of the Application and Oversight Fee Receipts

Biannual updates of the Risk Calculator using an outside contractor paid by the Fund will continue to be necessary. Departmental review requirements, particularly for risk-based remedies addressing contamination spanning multiple properties, often in residential or commercial areas not owned by the remediating party, can entail potential risks that are not easily predictable. Applicants’ risk assessments and groundwater models will need to firmly demonstrate that contaminants left on the property will not migrate in the future to places where they will adversely impact human health or the environment. The department has increased the responsibility, technical training, and compensation of several lead technical staff in preparation for broader use of risk-based remedies. Therefore, a portion of the application fee receipts will be used for the ongoing training of lead technical staff in each program reviewing risk-based remedy submittals.

The department needs to be prepared for situations where it will have to employ outside contractor support to facilitate the timely and comprehensive risk evaluation of large, complex sites. The need for such outside contractors is expected to be rare, but one large risk evaluation may significantly deplete the current Fund’s total balance. An adequate, ongoing balance must be maintained in the Fund to meet this future need.

Upon approval of risk-based remedies, the department assumes the long-term oversight of permanent engineering and institutional controls needed to ensure that those remedies remain protective. Under its risk-based programs, DEQ requires annual certification by landowners that engineered barriers are being maintained, site-specific land-use restrictions are being adhered to, and deed instruments remain in effect through the property’s sale or subdivision. The department will continue to apply some of its available resources, including part of the oversight fee receipts, to conduct periodic inspections of properties with approved cleanup remedies to ensure that imposed conditions are met.

Tracking adherence to the restrictions in a comprehensive department-wide database provides a crucial supplement to land-use restriction documents held in local government tax records. The department has developed an easy-to-use online mapping tool for the public to view properties with institutional controls and their associated records. This tool serves as a cost-effective way to notify communities and prospective purchasers of the environmental conditions, so they are aware of and protected from inadvertent exposure to contaminants. The Risk-Based Remediation Fund receipts will continue to support the information technology infrastructure needed to administer and maintain this tool and its supporting databases.

Appendix A. History of DEQ Sites Pursuing Risk-Based Remediation per N.C.G.S 130A-310.65-77

DEQ Oversight Program	Site Name	Site Identification Number	City	County	Contaminated Acres	Risk-Based Remedy Approved	Deed Recordation Complete
INITIATED IN FISCAL YEAR 2012-13							
HWS	Schneider Electric	NCD067203752	Knightdale	Wake	1	X	X
REC	Holding Pond for Wastes/USS	NCD045920279	Navassa	Brunswick	13	X	X
HWS	Daimler Truck	NCD018652339	Cleveland	Rowan	1	X	X
INITIATED IN FISCAL YEAR 2013-14							
REC	Prestige Labels	NONCD0001143	Burgaw	Pender	1	Withdrew	
INITIATED IN FISCAL YEAR 2015-16							
REC	Coffing Hoists	NONCD0001187	Wadesboro	Anson	2	X	X
HWS	AB Carter	NCD003154010	Gastonia	Gaston	5	X	X
REC	MOEN – Sanford	NONCD0002090	Sanford	Lee	10	X	X
REC	Fontaine Fifth Wheel	NONCD0001730	Rocky Mount	Nash	1	X	X
INITIATED IN FISCAL YEAR 2016-17							
REC	Reeves Bros. - Bailey Rd. Dump	NONCD0001201	Cornelius	Mecklenburg	18	X	X
HWS	Former Georgia Pacific Hardwood Mill Facility	NCD980559967	Murfreesboro	Hertford	1	X	X
HWS	DuPont Brevard	NCD003152339	Cedar Mountain	Transylvania	100	X	
HWS	YRC, Inc.	NCD046362117	Kernersville	Forsyth	1	X	X
REC	Diamond Shamrock	NCD057454670	Castle Hayne	New Hanover	50		
INITIATED IN FISCAL YEAR 2017-18							
REC	Emerson Leather	NONCD0001680	Hickory	Catawba	1	X	X
REC	Parker Hannifin	NONCD0002268	Wilson	Wilson	1	X	X
REC	CMI Drum Cleaning Area	NONCD0002987	Elkin	Surrey	1	X	X
REC	American Skin Food Group, LLC	NONCD0001996	Burgaw	Pender	2	X	X
REC	Mount Hope Facility	NONCD0002101	Charlotte	Mecklenburg	2	X	X
REC	Former Piedmont-Hawthorne Aviation	NONCD0001140	Winston-Salem	Forsyth	2	X	X

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DEQ Oversight Program	Site Name	Site Identification Number	City	County	Contaminated Acres	Risk-Based Remedy Approved	Deed Recordation Complete
INITIATED IN FISCAL YEAR 2018-19							
REC	AMF/Hatteras Yachts	NCD045924065	New Bern	Craven	1	X	X
HWS	Former Burlington Industries	NCD060295417	Lexington	Davidson	1	X	X
HWS	International Paper	NCD072022726	Wilmington	New Hanover	1	X	X
HWS	Safety-Kleen Charlotte	NCD079060059	Charlotte	Mecklenburg	1	X	X
REC	Parker Hannifin Corporation	NONCD0002267	Snow Hill	Greene	2	X	X
REC	Conover Chair Company	NONCD0002304	Conover	Catawba	1		
INITIATED IN FISCAL YEAR 2019-20							
REC	CSX-Rosindale	NONCD0002776	Clarkton	Bladen	1	X	X
REC	Fleet Aerospace Corp./Aeronca	NONCD0000029	Charlotte	Mecklenburg	1	X	X
REC	Cummins Atlantic - Distrib.	NONCD0001181	Charlotte	Mecklenburg	1	X	X
REC	Henson Landfill	NCD981003957	Forest City	Rutherford	4	X	X
SF	Ritter Millworks	NONCD0002404	Castle Hayne	New Hanover	1	X	X
REC	General Foam Plastics Corp.	NCD095118212	Tarboro	Edgecombe	1	X	X
INITIATED IN FISCAL YEAR 2020-21							
REC	South Sea Rattan	NONCD0002491	Greensboro	Guilford	1	X	
REC	CSX Hamlet Diesel Shop	NONCD0001420	Hamlet	Richmond	12		
REC	Trion, Inc	NONCD0002843	Sanford	Lee	2		
REC	Dixie Yarns	NONCD0001621	Belmont	Gaston	2	X	
REC	Purina Mills	NONCD0002128	Wilson	Wilson	5		
REC	Flowline Corp	NONCD0001726	Whiteville	Columbus	6	X	
FRB	Former Masonite Facility	NCD055359079	Spring Hope	Nash	2	X	
REC	Urethane innovators	NONCD0003061	New Bern	Craven	1	X	
REC	Gray & Creech (Fmr)	NONCD0002822	Raleigh	Wake	3		

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DEQ Oversight Program	Site Name	Site Identification Number	City	County	Contaminated Acres	Risk-Based Remedy Approved	Deed Recordation Complete
INITIATED IN FISCAL YEAR 2021-22							
REC	Ingersoll Rand	NONCD0001902	Davidson	Iredell	1	X	
SWS	N. White Street Landfill	9205-MSWLF-1980	Wake Forest	Wake	8	X	
REC	Total Auto Repair & Service	NONCD0002985	Brevard	Transylvania	1	Withdrew	
REC	Wilson, Ralph Plastics	NCD093334209	Fletcher	Henderson	6		
HWS	Safety Kleen	NCD000776740	Raleigh	Wake	1		
REC	Alliance Carolina Tool and Mold	NCD002464691	Arden	Buncombe	1		
REC	Carr Mill Mall	NONCD0001186	Carrboro	Orange	1	Withdrew	
INITIATED IN FISCAL YEAR 2022-23							
HWS	Safety Kleen	NCD000776740	Raleigh	Wake	1	X	
HWS	Transco Station 150	NCD981863012	Mooresville	Iredell	1	X	
REC	Funder America	NONCD0000092	Mocksville	Davie	2	Withdrew	
Total:				50 Sites		286 Contaminated Acres	

HWS - Sites managed in the Hazardous Waste Section of DEQ.

REC - Sites managed in the Registered Environmental Consultant Program within the Superfund Section of DEQ.

SF - Sites managed in the Superfund Section of DEQ.

SWS - Sites managed in the Solid Waste Section of DEQ.