

Department of Ecology STATEMENT OF BASIS
Notice of Intent to Terminate Interim Status Permit for PRS Group, Inc.

3003 Taylor Way, Tacoma, WA

ID No. WAD980511729

The Washington State Department of Ecology (Ecology) proposes to terminate a state-only interim status permit for PRS Group, Inc. (PRS) at its facility located at 3003 Taylor Way in Tacoma. This notice is made pursuant to WAC 173-303-840-(10)(e).

This Statement of Basis, developed by Ecology:

- Contains facility description and history.
- Explains the lack of justification for an interim status permit and the reason for its termination.
- Describes the process for making a final decision.

Ecology will make a final decision regarding the status for the PRS facility after receiving and evaluating public comments. When a final decision is made, Ecology will notify PRS Group, Inc. and each person who has submitted written comments or requested notice of the final decision.

Facility Description:

The facility is located in the Tacoma tideflats. PRS receives and manages wastes from off-site generators. Activities conducted on-site include: storage and treatment of used oil for resale, storage of spent antifreeze for recycling, and treatment of wastewater suitable for discharge to the local sewer utility.

Annually, PRS estimates that it manages approximately six million gallons of waste such as used engine oil, non-PCB transformer oils, lubricating oils, oily wastewaters, bilge and ballast wastes, drilling fluids, and waste ethylene glycol.

PRS indicated it also manages non-dangerous waste sludge for ultimate disposal at a Subtitle D landfill.

Written comments: Please send written comments by December 11, 2014 to:

Ava Edmonson
Southwest Regional Office
Department of Ecology
P.O. Box 47775
Olympia, WA 98504-7775

or by e-mail to: aedm461@ecy.wa.gov

E-mailed comments should include your name and mailing address.

To be considered, written comments must be submitted to Ecology or post-marked by December 11, 2014.

Information Review: The information Ecology used to make its tentative decision can be reviewed at the following during normal business hours, 9 a.m. and 4:30 p.m.:

Department of Ecology
Southwest Regional Office
300 Desmond Drive
Lacey WA 98503
Attn: Susan Baxter
(360) 407 - 6365

Public Hearing: Interested persons can request a public hearing. See page 5 for more information.

Questions? If you have questions, or want to obtain documents in an alternate format, contact Ava Edmonson at the address above or at (360) 407-6337 (TDD).

Ecology is an equal opportunity and
affirmative action employer.

Historical Chronology:

- 11//83** PRS submitted its first notification of dangerous waste activity to Ecology. Facility owners listed are: Ms. May Annon and Ms. Ruth Smith.
- 8/85** PRS submitted a Dangerous Waste Permit application (Forms 1 and 3) to store (SO2) 149, 625 gallons of waste in tanks and treat (TO1) 40,000 gallons per day. The waste codes listed are: K051, K052, K049 and W001.
- 11/89** PRS submitted updated permit application forms 1 and 3 for tank storage (SO2) of 212,000 gallons, tank treatment (TO1) of 231,432 and 47,000 gallons per day, and surface impoundment treatment (TO2) of 1,500 gallons per day.
- 4/91** PRS submitted another set of forms 1 and 3 increasing the TO2 volume to 8,000 gallons per day and adding container storage (SO1) for 550 gallons per day, and changing the codes to W001, D002,D006, D007, D008, D018, and WT02.
- 11/91** Ecology granted PRS approval to manage state-only WTO2 waste under interim status.
- 7/92** PRS submitted another set of application forms 1 and 3. The owner listed is Gary Smith. The facility description refers to *“the reclamation of waste oil, the treatment and disposal of wastewater and the storage of treated oil. The waste oils include: used engine oil, transformer oil (non-PCB), lubricating oils, water soluble oil products, and dirty fuel oil. Waste waters include: tank cleaning wash water, bilge water, ballast water, sump water, and water recovered from oil reclaiming operations.”* The waste code listed is WT02 for 6,000 tons per year; 212,000 gallons for storage (SO2); 3,000 gallons per hour for treatment (TO4).
- 6/93** PRS submitted updated permit application forms 1 and 3 (Part A) listing waste codes: W001, WT02, WP02, D002, D006, D007, D008 and D018, and the following process design capacity: 212,000 gallons for SO2; 550 gallons for SO1; 3,000 gallons per hour for TO4; and 286,432 for TO1.
- 8/93** Ecology denied the 6/93 Part A permit application: *“Ecology must deny the application due to lack of process information. If you still desire to expand your state interim status to include WPO2, please re-submit the application... Ecology cannot grant interim status for the management of federal RCRA wastes.”*
- 9/93** EPA Region X sent a letter to PRS: *“EPA has reviewed the September 1990 Form 2 and April 1991 part A [PRSI] application and finds that they do not contain sufficient information to make a determination regarding PRSI’s status under the RCRA regulations.”*
- 10/93** PRS responded to the EPA Region X letter stating: *“After diligent search of our records...we need to officially withdraw our Part A application.” “We never handled federal wastes before or after the TC rule and have no desire to be a Federal-interim status facility.”*
- 11/93** PRS submitted an updated part A permit application (forms 1 and 3) listing waste codes: W001, WT02, WP01, WP02, WC01 and WT01, and the following process design capacity: 149,625 gallons for SO2; 550 gallons for SO1; 3,000 gallons per hour for TO4; and 40,000 gallons per day for TO1.
- 8/01** Traci Rhode, Safety and Compliance Officer for Spencer Environmental Inc., filed a form to withdraw the RCRA site identification number effective 09/01/2001 for the site. The form shows Spencer Environmental Inc. as the new legal owner. The waste streams listed are: wastewater, waste oil and waste

glycol.

- 7/03** Gary Smith filed a form to re-activate the RCRA site identification number for Petroleum Reclaiming Service, Inc. Gary Smith is listed as the owner.
- 3/13** PRS Group, Inc. submitted a dangerous waste management final facility permit application (Part A and Part B).
- 10/13** Ecology sent a letter to PRS expressing concerns regarding its application for a final facility permit (pursuant to WAC 173-303-806) received on March 15, 2013. Ecology requested that PRS clarify its intent.
- 2/14** PRS responded by withdrawing the permit application.
- 2/14** Ecology acknowledged receipt of the permit application withdrawal letter and declared the permitting process closed.

Compliance Summary

Since 2008, Ecology has conducted three compliance evaluation inspections. The most recent inspection occurred in July 2011. Corrective actions required from the inspections included providing engineering certification for the secondary containment and used oil tanks, and developing and following a waste analysis plan. PRS completed the required actions in a timely manner.

During that same time period there were multiple incidents where PRS did not follow their waste analysis plan and accepted dangerous waste without a permit. Each time PRS responded by cleaning affected tanks and properly disposing of the waste. In 1989, Ecology penalized PRS for violation of a majority of the applicable regulatory requirements. Following termination of interim status, Ecology will resume regular compliance evaluation inspections.

Summary of Corrective Action Activities and Closure Requirements

Ecology requires environmental cleanup or “corrective action” at dangerous waste management facilities with releases of dangerous wastes to soil, groundwater, or surface water. Facility owners or operators must institute corrective action as necessary to protect human health and the environment from releases of dangerous waste. Ecology uses the state cleanup law, the Model Toxics Control Act (MTCA), to conduct all environmental cleanups, including corrective action.

Corrective action requirements apply to facilities seeking or required to have a treatment, storage and disposal (TSD) permit, including those under interim status. Corrective action is required regardless of when a waste was managed or placed in solid waste management units (SWMUs)^a at a facility.^b Termination of interim status does not affect Ecology’s authority to compel corrective action.

Inspections during the 1980s documented potential releases of dangerous wastes at PRS. In October 1990, PRS and the Department of Ecology signed a Stipulation and Agreed Order of Dismissal (PCHB No. 90-30). This order required PRS to determine the extent of soil and groundwater contamination at

^a A solid waste management unit or SWMU is any discernible location at a facility, as defined for the purposes of corrective action, where solid wastes have been placed at any time, whether or not the location was intended for the management of solid or dangerous waste. This includes any area at a facility where solid wastes, including spills, have been routinely or systematically released. Regulated units (surface impoundments, landfills, land treatment areas, or waste piles) are also SWMUs.

^b Several SWMUs are identified in the RCRA facility assessment prepared by the U.S. Environmental Protection Agency (EPA) for PRS. See *Final RCRA Facility Assessment Report, Petroleum Reclaiming Service, Inc., Tacoma, Washington, EPA I.D. WAD 980511729* (RFA Report), dated July 1996, prepared by the United States Environmental Protection Agency (EPA).

the PRS facility. In April 1997, PRS and Ecology signed an Agreed Order (AO No. DE 95 HS-S349) which rescinded and superseded the 1990 Stipulation and Agreed Order of Dismissal. Activities conducted under the 1997 Agreed Order include continued remedial investigations of soil and groundwater, installation of additional monitoring wells, and routine groundwater monitoring.

The 1997 Agreed Order required PRS to conduct an interim action after closure of the existing tank farm and before construction of a new tank farm. The interim action was not conducted, so, following termination of interim status, Ecology will issue a revised agreed order to complete corrective action at PRS. The revised agreed order will require groundwater monitoring, completion of a remedial investigation/feasibility study (RI/FS) report, and drafting of a cleanup action plan (CAP).

In addition to corrective action, PRS must follow requirements for closing their facility. Closure activities at PRS are designed to meet state closure performance standards. The closure activities will accomplish the following performance standards in WAC 173-303-610(2)(a):

- Minimize the need for further maintenance;
- Control, minimize, or eliminate to the extent necessary to protect human health and the environment, post-closure escape of dangerous waste, dangerous constituents, leachate, contaminated run-off, or dangerous waste decomposition products to the ground, surface water, ground water, or atmosphere; and
- Return the land to the appearance and use of surrounding land areas to the degree possible given the nature of the previous dangerous waste activity.

In 1997, Ecology approved a closure plan under interim status requirements. In 2009, Ecology approved a replacement plan for closure of the PRS facility under the closure requirements for used oil processors and hazardous waste recyclers.

Lack of clear justification for status as an “Interim State-only” Facility

The Department of Ecology (Ecology) did not respond to PRS’ original dangerous waste permit application submitted on 8/8/1985. Such lack of response appears to have implied granting an interim status permit to the facility, even though the application was submitted after the acceptable date per WAC 173-303-400 and -805. On 11/15/1991, Ecology granted approval to Petroleum Reclaiming Services, Inc. to manage WTO2 waste under interim status. Although, the facility underwent transfers of ownership, it is not clear that it met the requirements in WAC 173-303-805(7)(a)(iv) in order to maintain interim status through such ownership transitions.

Significant regulatory changes occurred since 1993 that impacted PRS. The addition of sections -515 (Standards for the management of used oil) in 2000 and -522 (Special requirements for recycling spent antifreeze) in 1998 re-defined which waste streams are regulated as used-oil, and what processing units fall under the requirements of- 120(4)(d) and (e) and -510 . If PRS desired to maintain status as a state-only interim facility, PRS should have submitted updated Part A applications per -805(5)(c), Maintaining the interim status permit, and-805 (7)(a)(vi), Changes during interim status. Specifically, an application for newly regulated units such as those for storing or treating WPCB, WP02, WP01, WT01 and certain WT02 wastes intended for energy recovery under -510 needed to have been submitted if PRS planned to engage in such operations. In light of the above, maintaining state-only interim status appears to have not been justified. Thus, the basis for PRS interim status cannot be clearly or firmly established based on historical records.

Reason Supporting proposed termination:

Requirement: WAC 173-303-800 establishes the permit requirements for facilities that treat, store, and dispose of dangerous waste (dangerous waste facility). WAC 173-303-805(8)(a) authorizes Ecology to terminate an interim status permit once a

final administrative disposition of a final facility permit application is made.

E-mailed comments should include your name and mailing address.

Reasons for termination:

In 2013, PRS submitted a dangerous waste permit application; Parts A and B. Ecology responded detailing concerns about the application, and requesting that PRS clarify its intent. In early 2014, PRS clarified its intent via a letter to Ecology withdrawing its application. The final disposition of the PRS application is acknowledged in a letter from Ecology to PRS on 2/27/2014, declaring the permit process closed.

PRS' actions clearly point to operating within the purview of WAC-173-303-515 (Standards for the Management of used Oil) and -522 (Special requirements for recycling spent antifreeze).

Operating in that manner, PRS is conducting activities that do not require a permit. PRS' withdrawal of its application indicates PRS is not pursuing final facility status, and thus the final administrative disposition of the application is that a permit was not granted under WAC 173-303-806. Thus, based on WAC 173-303-805(8)(a), and to clarify PRS' regulatory status, Ecology's intent is to explicitly terminate PRS' interim state-only status.

Procedures for Reaching a final Decision:

Ecology has reached the tentative decision to terminate PRS' interim status. The comment period on these proposed actions is from October 27, 2014 to December 11, 2014.

The public is invited to submit written comments. Please send written comments to:

Ava Edmonson
Southwest Regional Office
Department of Ecology
P.O. Box 47775
Olympia, WA 98504-7775

or by e-mail to: aedm461@ecy.wa.gov

To be considered, written comments must be submitted to Ecology or post-marked by December 11, 2014.

In addition, if significant interest is expressed in having a public hearing, Ecology will conduct a hearing to take formal comments on the proposed interim status termination. If a hearing is held, Ecology will record oral comments from people who wish to make them. To request a hearing, submit a written request by the end of the comment period to Ava Edmonson. Please identify the issues to be raised at the hearing.

Ecology will consider all written comments received by the deadline and orally during the public hearing, if held, in making final decisions regarding the proposed termination of interim status.

Once the comment period is over, Ecology will consider all the comments submitted during that period, then issue a final decision. When the final decisions have been made, Ecology will provide notice to PRS Group, Inc. and to each person who has submitted written comments or requested notice of the final decision.

The final decision will state the date the decision will become effective. If no comments are received on the proposed denial/termination, the final decision may become effective as early as the final decision date. If the agency receives comments, the final decision will become effective no sooner than thirty (30) days after notice is provided. If someone appeals Ecology's decision under WAC 173-303-845, then the effective date of the denial may be impacted.

Questions?

If you have questions, or need this document in alternate format, please contact Ava Edmonson at (360) 407-6337 or (360) 407-6306 (TDD).