



Florida Department of Environmental Protection

Northwest District – Panama City Branch Office
2353 Jenks Avenue
Panama City, Florida 32405

Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Michael W. Sole
Secretary

January 22, 2007

Sent via email
jhood@gwirr.com

Mr. Jerry Hood - General Manager
Bay Line Railroad, LLC
P.O. Box 35098
Panama City, Florida, 32412

Dear Mr. Hood:

Enclosed is a copy of the combined report on the Bay Line Railway compliance inspections that were conducted at your facility on August 4, 2006 and August 17, 2006. We found your facility to be in compliance with the Used Oil Management Program and the Resource Conservation and Recovery Act. This inspection did not address other areas of Department jurisdiction.

If you have any questions concerning this program or the enclosed report, please contact Thomas Dillard at 850/872-4375, extension 110 or by E-Mail at Thomas.dillard@dep.state.fl.us.

Sincerely,

Marlane Castellanos
Branch Office Manager

MC: tfd

Encl: Combined Inspection Checklist 8-4-06 & 8-17-06

Cc: Mr. Jim Byer, Hazardous Waste Section Supervisor, DEP NWD Pensacola



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HAZARDOUS WASTE INSPECTION REPORT

1. **INSPECTION TYPE:** ☒ Routine ☐ Complaint ☐ Follow-Up ☐ Permitting ☐ Pre-arranged

FACILITY NAME: Bay Line Railway **DEP/EPA ID #:** FLD 984 229 906

STREET ADDRESS: 1 Edwards Drive, Panama City, Florida 32405

MAILING ADDRESS: 1 Edwards Drive, Panama City, Florida 32405

COUNTY: Bay **PHONE:** (850) 785-4609 **DATE:** 8-4 & 17- 06 **TIME:** 1:05 P.M. & 8:35 A.M.

HW facility status

- ☐ non-handler
- ☐ CESQG
- ☐ SQG
- ☐ LQG
- ☒ transporter
- ☐ transfer facility
- ☐ TSD
- ☐ SQH
- ☐ LQH

used oil facility status

- ☒ generator
- ☐ transporter
- ☐ transfer facility
- ☐ marketer
- ☐ processor
- ☐ on-spec. burner
- ☐ off-spec. burner
- ☒ filter generator
- ☐ filter transporter
- ☐ filter transfer facility
- ☐ filter processor

Hg facility status

- ☐ exempt
- ☐ generator
- ☐ transporter
- ☐ Hg recovery facility
- ☐ Hg reclamation facility

PCW facility status

- ☐ producer
- ☐ transporter
- ☐ recovery facility

2. APPLICABLE REGULATIONS:

- | | | | |
|-------------------------------------|--|---|---|
| <input type="checkbox"/> 40 CFR 261 | <input checked="" type="checkbox"/> 40 CFR 262 | <input checked="" type="checkbox"/> 40 CFR 263 | <input type="checkbox"/> 40 CFR 264 |
| <input type="checkbox"/> 40 CFR 265 | <input type="checkbox"/> 40 CFR 266 | <input type="checkbox"/> 40 CFR 268 | <input type="checkbox"/> 40 CFR 270 |
| <input type="checkbox"/> 40 CFR 273 | <input type="checkbox"/> 40 CFR 279 | <input checked="" type="checkbox"/> 62-710, FAC | <input checked="" type="checkbox"/> 62-730, FAC |

3. **RESPONSIBLE OFFICIAL:** Jerry Hood – General Manager

4. **INSPECTION PARTICIPANTS:** 8-4-06 Mike Taylor – Operations Manager;
Roger Leonard – Dispatcher; Doug Davis – Bay Line RR; 8-17-06 Jerry Kildies – General
Manager; Arnie McCullough, Shop Foreman – WATCO; Doug Davis – Bay Line RR; Thomas
Dillard – Environmental Specialist – Florida Department of Environmental Protection

5. **LATITUDE/LONGITUDE:** Lat 30° 11' 28.9"/Long 85° 38' 11.5"

6. **TYPE OF OWNERSHIP:** private 7. **PERMIT No.:** N/A

8. Site History and Description:

Bay Line Railroad (BLR) is registered with the Department in 1992 as a transporter and generator of hazardous waste. The rail yard and the locomotive shop, run by WATCO are located in separate locations within the Bay Line Railroad Industrial Park.

9. Site Inspections:

BLR was last inspected on September 2, 2005 and was issued a warning letter for failure to have on hand a current Florida Hazardous Waste Transporter Certificate of Approval. Department had not issued a certificate due to BLRs failure to submit a current certificate of insurance as the one submitted expired one month after submitted in March '05. Between Apr. '05 and Aug. '05 BLR was without insurance coverage. During the '05 inspection the BLR office in Jacksonville faxed paperwork showing proof of insurance with coverage between Apr. '05 and Aug '06.

On October 4, 2006 Thomas Dillard inspected the BLR yard office to evaluate its status and compliance with the Resource Conservation and Recovery Act (RCRA) and with Florida Hazardous Waste Rule 62-730 F.A.C. as a Registered Hazardous Waste Transporter.

On October 17, 2006 Thomas Dillard inspected the BLR locomotive repair facility to evaluate its status and compliance with the Resource Conservation and Recovery Act (RCRA) and with Florida Hazardous Waste Rule 62-730 F.A.C. as a Registered Hazardous Waste Generator Non-handler.

BLR transports hazardous wastes primarily from the Panama City Arizona Chemical facility to either the Rhodia Inc., Baton Rouge Facility (LAD 008 161 234) or to the Systech Facility in Paulding, OH (OHD 005 048 947). Records reviewed showed that 17 shipments have been transported to the Systech facility since the last inspection on 9-2-05 and no deficiencies noted. Manifests checked reflected approximately 3.25 million pounds of RQ waste flammable liquid, Methyl Mercapitan, Dimethylsulfide, D001, D010, F003, being transported.

BLR failed to again have on-hand a current Florida Hazardous Waste Transporter Certificate of Approval from the Department. On hand was a Certificate of Approval as HWT which expired April 1, 2005. A current certificate of insurance coverage was not reviewable. During the visit Mr. Taylor had the Jacksonville office send him a current certificate of insurance from the current carrier, Marsh USA, showing an effective date of 8-1-06 to 8-1-07. However required paperwork to the Department to obtain a certificate of approval had not been submitted so the Department had not issued this document to BLR. Mr. Jasper, in the Jacksonville office of BLR has subsequently been in communication with Sebreana Peck to get required paperwork submitted and this recurring deficiency has been corrected.

The locomotive maintenance facility, operated for BLR by WATCO, performs maintenance on locomotive equipment and completes transport inspections of hazardous waste shipments in the main yard. The facility encompasses 6 acres and covers shop areas and surrounding rail yard. WATCO manages operations and employs 11 personnel.

The shop generates used oil and records reflect 12 pickups of used oil back to 11-24-04 with the most recent pickup by AFG on 7-28-06. Used oil shipped off-site totals 4100 gallons in the last 24 months. In the same period the shop has been bagging drained oil filters and sending with garbage pickup to the Bay County Waste to Energy Facility for incineration but recently BLR has begun to containerize filters in a new unit provided by Aaron Oil (ALD 983 180 233). This yellow dumpster was located outside the building in the weather on wheels. Unit was not closed, not labeled as containing UOF and lacked containment. During the visit unit was moved inside the maintenance building out of the weather and properly labeled with Department provided labels. On 7-21-06 AFG picked up three 55-gallon drums of UOF. In the building was one metal container labeled as containing UOF and closed. It contained 7 UOF.

Records reflect that BLR is having AFG pick up petroleum contaminated water from its oil water separator and three pickups totaling 3600 gallons were documented in the last three months.

BLR has on-site a System One parts washer identified as using QSol100. Personnel said this washer is not used. Contents of this unit were not determined but solvents used in this type unit typically are classified as Hazardous for ignitability and have a code of D001 when spent. Records failed to reflect shipping of solvent wastes off-site.

Also present was a large Magnus AJA-Dip aqueous parts washer which is heated to clean parts. Spent solution from this unit may be corrosive due to degreaser characteristics and would carry a hazardous waste code of D003 for corrosivity when spent if pH is 12.5 or greater.

Used oil is stored in two connected horizontal tanks within a tank farm along with fuel tanks. Tanks and connected piping from the locomotive wash rack staging area lacked labeling as USED OIL but the tanks were labeled Waste Oil. Provided labels were affixed during the visit. As the tanks were in the tank farm containment the 110% requirement was satisfied. Outside the tank farm containment area, within an area identified as fuel unloading area, four 55 gallon drums of used oil marked SAE 30 were lacking used oil labeling and had questionable proper containment. Used oil labels were provided.

10. Summary of Alleged Violations:

Rule 62-730.170(3) Failure to have a current Florida Hazardous Waste Transporter Certificate of Approval.

On the initial inspection visit BLR was unable to show documentation or evidence that it had completed requirements to be issued a current Certificate of Approval from the Department. However after the home office was contacted a Certificate of Insurance was provided during the visit by electronic transmittal. Subsequent to that visit BLR has submitted required paperwork to the Department and a Certificate of Approval has been issued to BLR. **CORRECTED**

11. Recommendations:

1. BLR needs to initiate procedures to insure that annual required documents are submitted to the Department.
2. BLR needs to insure that all containers and piping of used oil are properly labeled and within required 110% containment mechanisms.
3. BLR needs to clean up spilled used oil in the area around the new used oil filter outside location and promptly clean up all releases as they occur.

Observed status of facility: In-compliance



Report prepared by: _____

Thomas Dillard

Date: 1-17-07

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Photographs:



Parts washer



Used Oil Filter containers



Degreaser Parts washer



New Used oil Filter container showing spills



Unlabeled used oil drums



Unlabeled Used Oil tanks

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Labeled Used Oil tanks



Out of the weather and labeled Used Oil Filters



Label used oil containers



Entrance to Locomotive Maintenance Facility