



Florida Department of Environmental Protection

Northeast District
7825 Baymeadows Way, Suite B200
Jacksonville, Florida 32256-7590
Phone: 904/807-3300 ♦ Fax: 904/448-4366

Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Mimi A. Drew
Secretary

November 4, 2010

SENT VIA EMAIL

GReynolds@wrijax.com

Mr. Greg Reynolds, Vice President & General Manager
Water Recovery, LLC
1819 Albert St
Jacksonville, Florida 32202

**Re: Water Recovery, LLC
Non-Compliance Letter NCL10-2619HW16NED
EPA/DEP ID: FLR 000 069 062
Duval County - Hazardous Waste**

Dear Mr. Reynolds:

The purpose of this letter is to advise you of possible violations of law for which you may be responsible and to seek your cooperation in resolving the matter. A hazardous waste compliance inspection conducted on September 2, 2010, indicates that violations of Florida Statutes and Rules may exist at your facility. Florida Department of Environmental Protection (DEP) personnel made observations described in the attached Hazardous Waste Inspection Report. The "Summary of Potential Violations" section of the report lists the alleged violations.

Section 403.727, Florida Statutes, provides that it is a violation to fail to comply with rules adopted by the DEP. The activities observed during the DEP's field inspection and any other activities at your facility that may be contributing to violations of Florida Statutes or Rules should be ceased.

PLEASE BE ADVISED that this Non-Compliance Letter is part of an agency investigation preliminary to agency action within the meaning of Section 120.57(5), Florida Statutes. It is the DEP's intention to allow you to document compliance or corrective actions, so that this matter can be closed promptly without further enforcement. Your failure to respond in writing within 30 days of receipt of this Non-Compliance Letter may result in the initiation of formal enforcement proceedings. **Your written response should either describe what you have done to comply with the requests made in the attached Hazardous Waste Inspection Report or provide evidence to support a claim that the violations did not occur.**

Water Recovery, LLC
Non-Compliance Letter NCL10-2619HW16NED

Please address your response to me, Jenna Perry, at Jenna.D.Perry@dep.state.fl.us or at the letterhead address. If you have any questions, you may contact me at 904.807.3382. We look forward to your cooperation in completing the investigation and resolving this matter.

Sincerely,

A handwritten signature in blue ink that reads "Jenna Perry". The signature is fluid and cursive, with the first name "Jenna" and last name "Perry" clearly distinguishable.Handwritten initials in blue ink, appearing to be "JDP", located to the left of the typed name.

Jenna Perry
Environmental Specialist III
Hazardous Waste Section

Enclosure(s)



**Florida Department of
Environmental Protection
Hazardous Waste Inspection Report**

FACILITY INFORMATION:

Facility Name: Water Recovery LLC

On-Site Inspection Start Date: 09/02/2010

On-Site Inspection End Date: 09/02/2010

ME ID#: 36081

EPA ID#: FLR000069062

Facility Street Address: 1819B Albert St, Jacksonville, Florida 32202-1103

Contact Mailing Address: 1819 Albert St, Jacksonville, Florida 32202-1103

County Name: Duval

Contact Phone: (904) 475-9320

NOTIFIED AS:

CESQG (<100 kg/month)

Used Oil

INSPECTION TYPE:

Routine Inspection for Used Oil Processor facility

Routine Inspection for CESQG (<100 kg/month) facility

Routine Inspection for Used Oil Transfer Facility

INSPECTION PARTICIPANTS:

Principal Inspector: Jenna Perry, Inspector

Other Participants: Greg Reynolds, Vice President/General Manager

LATITUDE / LONGITUDE: Lat 30° 19' 35.9975" / Long 81° 37' 52.9911"

SIC CODE: 2992 - Manufacturing - lubricating oils and greases

TYPE OF OWNERSHIP: Private

Introduction:

Water Recovery, LLC (WR) was inspected on September 2, 2010, as an unannounced hazardous waste compliance evaluation inspection. WR last notified the DEP as a used oil transporter/transfer facility, processor, marketer, used oil filter transporter/transfer facility, and filter processor. WR is currently operating as a used oil processor (Permit number 79677-HO-06) and used oil filter transfer facility. WR is also an industrial wastewater pre-treatment facility.

The facility consists of a main office, a laboratory, a maintenance shed, a container storage area, a used oil processing area, a wastewater processing area, and a solids/sludge/residues management area. Mr. Greg Reynolds, Vice President/General Manager, was present throughout the inspection.

Process Description:

WR treats and discharges wastewaters collected from marine, petroleum, transportation, environmental, and industrial sources. WR also receives leachate water from solid waste landfills. Incoming wastewaters are separated by type. Used oil, oily wastewaters and petroleum-contact water (PCW) are piped to the "black side" of the facility, which includes black tanks the facility uses in its used oil processing operations. All other wastewaters are piped to the "green side" of the facility, which uses green tanks.

Incoming oily wastewater, used oil, and PCW are treated by gravity separation and/or by dissolved air flotation. The waste is then chemically treated to adjust the pH in order to induce coagulation and flocculation. The wastewater fraction receives further treatment and processing, and it is then discharged to JEA. The solids, sludges, and residues generated from the facility's activities are

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de-watered, loaded into roll-off containers, analyzed, and then disposed at an appropriate disposal facility. Waste analysis records indicate that the solids are typically non-hazardous solid waste. WR has been sending this waste to the Cheshire Island landfill.

Pursuant to WR's used oil processor permit, all incoming shipments of used oil and PCW require a pre-approved waste profile before arriving at the facility. Upon arrival, the incoming material is sampled and compared to the fingerprint analysis for total organic halogen compounds (TOX), pH, flashpoint, and general physical appearance prior to final acceptance and off-loading. Oily wastewater is handled in the same manner; however, according to Mr. Reynolds, facility procedure states that shipments designated by the generator as "oily wastewater" will not receive a TOX screen unless the oil content is at least 90% [Section 403.161, F.S.].

Laboratory operations generate small amounts of hazardous waste solvents from analytical testing. The waste solvents (designated as D001/D002/D030/F003/F005 hazardous waste) are collected in a closed, labeled satellite container within the lab. According to the lab technician, WR generates about two 5-gallon buckets of this waste stream per year. Immediately outside the lab was a trash can containing two sample cups of used oil. Approximately one inch of used oil was in the bottom of these cups (Photo 1) [Section 403.751, F.S.].

All of the facility's used oil processing tanks were properly labeled; however, three containers of used oil and two containers of sludge/used oil mix were not labeled with the words "Used Oil" (Photos 2-4) [40 CFR 279.54(f)].

The facility currently accepts used oil filters from one customer only. Used filters are brought back to the facility, where they are picked up for disposal by FCC Environmental.

Record Review

Only oily wastewater and PCW acceptance records were available for review because, according to Mr. Reynolds, the facility rarely gets just used oil. Used oil delivery records were reviewed, and most of the records were in order. On 3/18/10, the facility sent 5,847 gallons of used oil to Coastal Refining in Savannah, Georgia, on manifest number CR031810, using a company called APC to transport the used oil. At the time of that shipment, APC, which is short for Associated Petroleum Carriers (EPA ID number SCD987597655) was not a registered used oil transporter in Florida [Section 403.161, F.S. - Permit Specific Condition 4 : Part II] [Rule 62-710.300(1)(a), FAC]. APC's registration expired on 6/30/09. The EPA ID number for APC was also not on the manifest [Rule 62-710.510(1)(a), FAC, and 40 CFR 279.56(b)(3)]. In addition, this same manifest did not list the end use designation code or the EPA ID number of Coastal Refining [Rule 62-710.510(1)(f), FAC, and 40 CFR 279.56(b)(4)].

Incoming PCW records appeared to be complete and in order. Rule 62-740.300(5), FAC, and Specific Condition 24(f) of Part I of the facility's permit require the facility to maintain records documenting quantities of PCW recovered and submit a report to the DEP every March 1 covering PCW activities for the previous year. The report must include the total quantity of PCW received and an estimate of the total quantity of product recovered from the PCW during the previous calendar year. According to Mr. Reynolds, recovered product is shipped off-site as used oil, and the recovered totals are included in the facility's annual used oil report. Neither the quantity of PCW received nor the estimated quantity of product recovered has been designated separately from the other totals on the facility's used oil annual report. WR has not submitted a separate report to the DEP detailing the amount of product recovered from PCW [Rule 62-740.300(5), FAC, and Section 403.161, F.S.].

A review of the facility's remaining operating records, including state registrations, required inspections, financial assurance records, incoming and outgoing analysis found them to be in order.

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Water Recovery, LLC is currently operating as a used oil processor (Permit number 79677-HO-06) and used oil filter transfer facility.

New Potential Violations and Areas of Concern:

CFR = Code of Federal Regulation; FAC = Florida Administrative Code; F.S. = Florida Statute

Type:	Violation 1
Rule:	Section 403.751, F.S.
Explanation:	The facility failed to properly dispose of used oil when it threw away two plastic cups containing used oil in the solid waste trash.
Corrective Action:	No further action is required. The facility returned to compliance on 10/13/10.
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Type:	Violation 2
Rule:	Rule 62-710.300(1)(a), FAC and Section 403.161, F.S.
Explanation:	Permit Condition - Part II, Specific Condition 4 The facility used an unregistered used oil transporter for one shipment of 5,847 gallons of used oil on 3/18/10.
Corrective Action:	No further action is required. The facility returned to compliance on 10/13/10.
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Type:	Violation 3
Rule:	Rule 62-710.510(1), FAC and 40 CFR 279.56(b)(3)
Explanation:	The facility failed to ensure that the EPA ID number for the used oil transporter was on a tracking record dated 3/18/10.
Corrective Action:	No further action is required. The facility returned to compliance on 10/13/10.
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Type:	Violation 4
Rule:	Rule 62-710.510(1)(f), FAC and 40 CFR 279.56(b)(4)
Explanation:	The facility failed to ensure that the EPA ID number for the destination facility was on a used oil tracking record dated 3/18/10.
Corrective Action:	No further action is required. The facility returned to compliance on 10/13/10.
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Type:	Violation 5
Rule:	Rule 62-740.300(5), FAC and Section 403.161, F.S.
Explanation:	Permit Condition - Part I, Specific Condition 24(f) The facility failed to maintain records documenting quantities of PCW recovered and failed to submit annual reports covering its PCW activities for the previous year.

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Corrective Action: In order to return to compliance, beginning January 1, 2011, the facility should begin recording the amount of product recovered from all PCW it receives and maintaining records on-site, so it will be able to submit an annual report by March 1, 2012, and subsequent years.

Type: Violation 6

Rule: Section 403.161, F.S.

Explanation: Permit Condition - General Condition 2
Permit Condition - Part I, Specific Condition 23(c)

According to Mr. Reynolds, facility procedure states that shipments designated by the generator as "oily wastewater" will not receive a TOX screen unless the oil content is at least 90%. Mr. Reynolds also stated that, while this is the procedure in place, the lab technician on-site will run the TOX screen most of the time when any oil is present; however, a training program submitted by the facility on October 7, 2010, as part of its Used Oil Permit application, stated that, "Wastes manifested with the description such as "oily wastewater" are not handled as used oil unless they contain greater than 90% oil." Wastewater contaminated with used oil is regulated by DEP as used oil.

Corrective Action: Please refer to the attached letter mailed statewide to used oil processors on February 24, 1997, which details the DEP's position on wastewaters containing oil. A generator's designation on the shipping paper as "oily wastewater" does not change the regulatory status of the used oil. WR's misinterpretation of the regulation may require procedural changes at the facility, in addition to the TOX screening of incoming shipments. Some of these changes may affect the permit renewal that is currently under review by the Hazardous Waste Regulation Section in Tallahassee. A copy of this report will be forwarded to Tallahassee for review.

Type: Violation 7

Rule: 40 CFR 279.54(f)

Explanation: The facility failed to label three containers of used oil and two containers of a used oil/sludge mixture with the words "Used Oil."

Corrective Action: No further action is required. The facility returned to compliance on 10/13/10.

Summary of Potential Violations and Areas of Concern:

Potential Violations

Rule Number	Area	Date Cited	Explanation
403.751		09/02/2010	The facility failed to properly dispose of used oil when it threw away two plastic cups containing used oil in the solid waste trash.
62-710.300(1)(a), 403.161		09/02/2010	Permit Condition - Part II, Specific Condition 4 The facility used an unregistered used oil transporter for one shipment of 5,847 gallons of used oil on 3/18/10.

Inspection Date: 09/02/2010

Rule Number	Area	Date Cited	Explanation
62-710.510(1), 279.56(b)(3)		09/02/2010	The facility failed to ensure that the EPA ID number for the used oil transporter was on a tracking record dated 3/18/10.
62-710.510(1)(f), 279.56(b)(4)		09/02/2010	The facility failed to ensure that the EPA ID number for the destination facility was on a used oil tracking record dated 3/18/10.
62-740.300(5), 403.161		09/02/2010	Permit Condition - Part I, Specific Condition 24(f) The facility failed to maintain records documenting quantities of PCW recovered and failed to submit annual reports covering its PCW activities for the previous year.
403.161		09/02/2010	Permit Condition - General Condition 2 Permit Condition - Part I, Specific Condition 23(c) According to Mr. Reynolds, facility procedure states that shipments designated by the generator as "oily wastewater" will not receive a TOX screen unless the oil content is at least 90%. Mr. Reynolds also stated that, while this is the procedure in place, the lab technician on-site will run the TOX screen most of the time when any oil is present; however, a training program submitted by the facility on October 7, 2010, as part of its Used Oil Permit application, stated that, "Wastes manifested with the description such as "oily wastewater" are not handled as used oil unless they contain greater than 90% oil." Wastewater contaminated with used oil is regulated by DEP as used oil.
279.54(f)		09/02/2010	The facility failed to label three containers of used oil and two containers of a used oil/sludge mixture with the words "Used Oil."

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Photo 1



Photo 2



Photo 3



Photo 4



Inspection Date: 09/02/2010

Signed:

A hazardous waste compliance inspection was conducted on this date, to determine your facility's compliance with applicable portions of Chapters 403 & 376, F.S., and Chapters 62-710, 62-730, 62-737, & 62-740 Florida Administrative Code (F.A.C.). Portions of the United States Environmental Protection Agency's Title 40 Code of Federal Regulations (C.F.R.) 260 - 279 have been adopted by reference in the state rules under Chapters 62-730 and 62-710, F.A.C. The above noted potential items of non-compliance were identified by the inspector(s).

This is not a formal enforcement action and may not be a complete listing of all items of non-compliance discovered during the inspection.

Jenna Perry

PRINCIPAL INSPECTOR NAME

Inspector

PRINCIPAL INSPECTOR TITLE**PRINCIPAL INSPECTOR SIGNATURE**

FDEP

ORGANIZATION

11/4/2010

DATE

Greg Reynolds

REPRESENTATIVE NAME

Vice President/General Manager

REPRESENTATIVE TITLE

NO SIGNATURE

REPRESENTATIVE SIGNATURE

Water Recovery, LLC

ORGANIZATION**Report Approvers:**

Vicky Valade

SUPERVISOR NAME

Environmental Manager

SUPERVISOR TITLE**SUPERVISOR SIGNATURE**

FDEP

ORGANIZATION

11/4/2010

DATE

NOTE: By signing this document, the Site Representative only acknowledges receipt of this Inspection Report and is not admitting to the accuracy of any of the items identified by the Department as "Potential Violations" or areas of concern.

Attachment

MEMORANDUM

TO: Used Oil Processing Facilities
 PCW Recovery Facilities
 Interested Parties

FROM: Raoul Clarke, Administrator
 Hazardous Waste Management Section

DATE: February 24, 1997

SUBJECT: Rule Interpretations

Attached is a recent letter from the Department explaining several used oil and petroleum contact waste (PCW) rule interpretations relating to used oil processing and PCW recovery facilities. This letter is being sent to you in an effort to keep our channels of communication open and information exchanged.

RC/rc

attachment

cc: District Waste Program Administrators
 Chris McGuire
 Diana Davis
 Satish Kastury
 Rick Neves
 Joan Flint

February 20, 1997

Mr. Charles Dudley, Vice President
Industrial Water Services, Inc.
Post Office Box 43369
Jacksonville, Florida 32203

Re: Interpretation of Used Oil and PCW Regulations

Dear Mr. Dudley:

This letter is in response to questions raised by Industrial Water Services, Inc. (IWS) during a November 5, 1996 meeting between IWS and the Northeast District Office of the Department of Environmental Protection. You requested an interpretation of several rules pertaining to the regulation of used oil processing facilities and petroleum contact water (PCW) recovery facilities. We have reviewed the issues IWS presented on November 5, 1996 and stated them as questions with our response to each.

Q. 1: Which management units are subject to used oil regulations?

A. 1: All containers and tanks that are used for the storage or processing of used oil or wastewater containing used oil are subject to the used oil regulations under Chapter 62-710, F.A.C. (which adopted by reference 40 CFR Part 279). This includes receiving tanks, oil-water separators and any other management units used, even for a very short (temporary) time, to manage (store, treat, or process) used oil or oily wastewater. 40 CFR 279.54(a) explains which units are subject to the used oil regulations, and 40 CFR 279.54(c)(d) and (e) explain which units are subject to the secondary containment requirements. Specifically, all drip pans and other ancillary equipment are considered part of the tank systems and are subject to the used oil regulations. However, the Department agrees that tanks and containers which are used only for the management of the water portion of the wastewater, after removal of used oil, are not subject to the used oil regulations, but these tanks and the final wastewater processes leading to final discharge to the POTW should be explained or outlined in the used oil processing facility application.

Mr. Charles Dudley
February 20, 1997
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Q. 2: What is the applicability of the State's aboveground tank rules to used oil storage and processing tanks. Specifically, when do all the used oil tanks have to meet the applicable requirements of Chapter 62-762, F.A.C.?

A. 2: Rule 62-710.800(3), F.A.C., states that all the aboveground tanks, having a capacity of greater than 550 gallons, and all integral piping shall comply with the performance standards of Chapter 62-762.500, .510 and .520, F.A.C., by December 31, 1997. It should be noted that all containers and tanks used to manage used oil have been subject to the secondary containment requirements under 40 CFR 279.54(c), (d) and (e) since June 8, 1995. A copy of Chapter 62-710, F.A.C. (effective 12/23/96), is enclosed for your information.

Q. 3: Which management units within the entire IWS facility are subject to the used oil closure plan requirements?

A. 3: All management units including receiving tanks, oil-water separators, containers, storage and processing tanks, piping systems, drip pans and other ancillary equipment that are used for storage or processing of used oil (including wastewater containing used oil) and their secondary containment systems are subject to used oil closure requirements. This includes receiving tanks, oil-water separators and any other management units used, even for a very short (temporary) time, to manage (store, treat, or process) used oil or oily wastewater. The requirements of a closure plan are listed in Rule 62-710.800(9), F.A.C., and 40 CFR 279.54(h).

Q. 4: Which management units are subject to petroleum contact water (PCW) regulations?

A. 4: All containers and tanks that are used for the storage or processing of PCW are subject to the PCW regulations under Chapter 62-740, F.A.C. This includes receiving tanks, oil-water separators and any other management units used, even for a very short (temporary) time, to manage (store, treat, or process) PCW. Tanks and containers which are used only for the management of the water portion of the PCW, after recovery of product, are not subject to the PCW regulations, but these tanks and the final wastewater processes leading to final discharge to the POTW should be explained or outlined in the facility's operational plan.

Q. 5: Rule 62-740.300(1)(c), F.A.C., states that a permitted used oil processing facility can operate as a PCW recovery facility and is not required to obtain a hazardous waste facility operating permit. In the case of a permitted used oil processing facility operating as a PCW recovery facility, are the PCW management units considered part of and regulated under the used oil processing facility permit?

A. 5: Yes. All PCW management units are considered part of and regulated under the used oil processing facility permit. Therefore, all PCW management units have to comply with the requirements of both the PCW and the used oil management regulations. It should be noted that all aboveground PCW storage tanks over 550 gallons are subject to Chapter 62-762, F.A.C., in its entirety. It should also be noted that all aboveground PCW storage tanks over 550 gallons must meet the same requirements as do used oil storage tanks. That is, they must meet the performance standards of Chapter 62-762 by December 31, 1997, and should currently be meeting the secondary containment requirements of 40 CFR 279.54(c), (d) and (e).

Q. 6: How much used oil may a wastewater contain before it is regulated as "used oil"?

A. 6: The Department will not specify a numerical limit for distinguishing wastewater from used oil. The Department's interpretation and guidance is that if the material displays a visible sheen then it meets the definition of used oil and should be managed as such. There are several instances where the detection of a visible sheen has been used to establish that petroleum products are present, the latest being in the PCW rule at 62-740.030(1)(a)3. Likewise, any material received by IWS that is designated by the generator as used oil on the manifest or shipping paper must be managed as used oil. This same interpretation applies to PCW. It is the generator's responsibility to make the determination of what type of material is being shipped to IWS. IWS can, of course, assist the generator in making this determination. Note that if IWS receives a shipment of material not designated as used oil or PCW by the generator and IWS tests this material and it fails for TCLP-Benzene (or any other characteristic) then this material would be classified as a hazardous waste and must be managed accordingly.

Mr. Charles Dudley
February 20, 1997
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If you have any questions regarding this letter or rule interpretations, please contact Chris McGuire at (904) 291-9627, Diana Davis at (904) 921-9630, Raoul Clarke at (904) 921-9216, or Ashwin Patel at (904) 448-4320 ext. 378.

Sincerely.

Chris McGuire
Senior Attorney
Office of General Council

Raoul Clarke
Environmental Administrator
Hazardous Waste Management Section

CM:RC/apc

Enclosure

cc: Ernest E. Frey
Bill Hinkley
Satish Kastury
Diana Davis
Waste Program Administrators