

Legislative Update 2020

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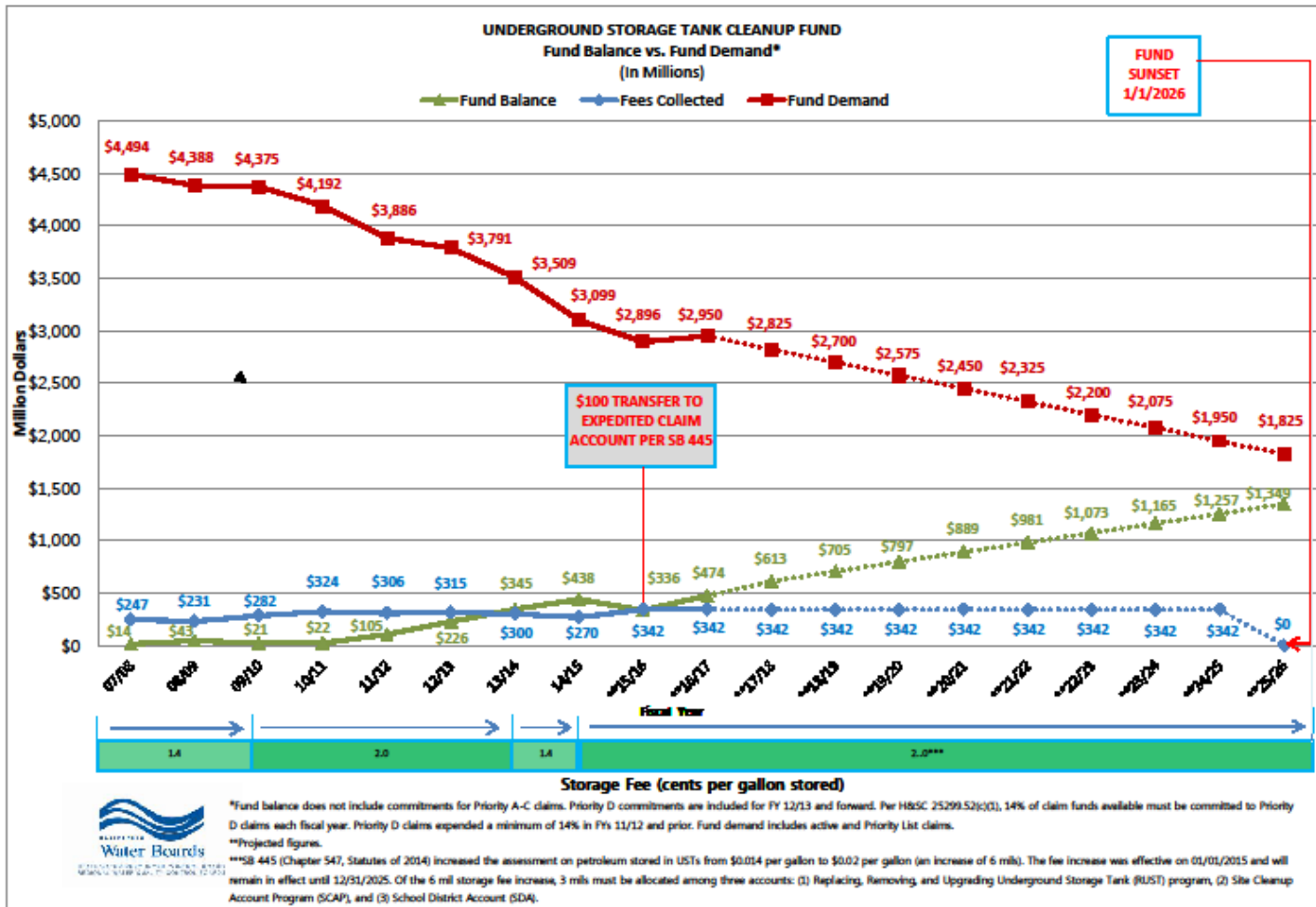
UST Cleanup Fund

- ▶ Nearly 39,000 cases closed to date (93% of all cases)
 - Nearly 5,500 cases closed since the LTCP was adopted (2012)
 - 508 cases closed during 2017/2018 FY
- ▶ Approximately 2,760 remaining open cases
 - ~1,940 Regional Board cases
 - ~ 820 Local Oversight Program cases
- ▶ • Funding
 - ~ 1,560 Active Cleanup Fund claim
 - ~ 1,200 No Cleanup Fund claim
- ▶ • Number of new cases is decreasing

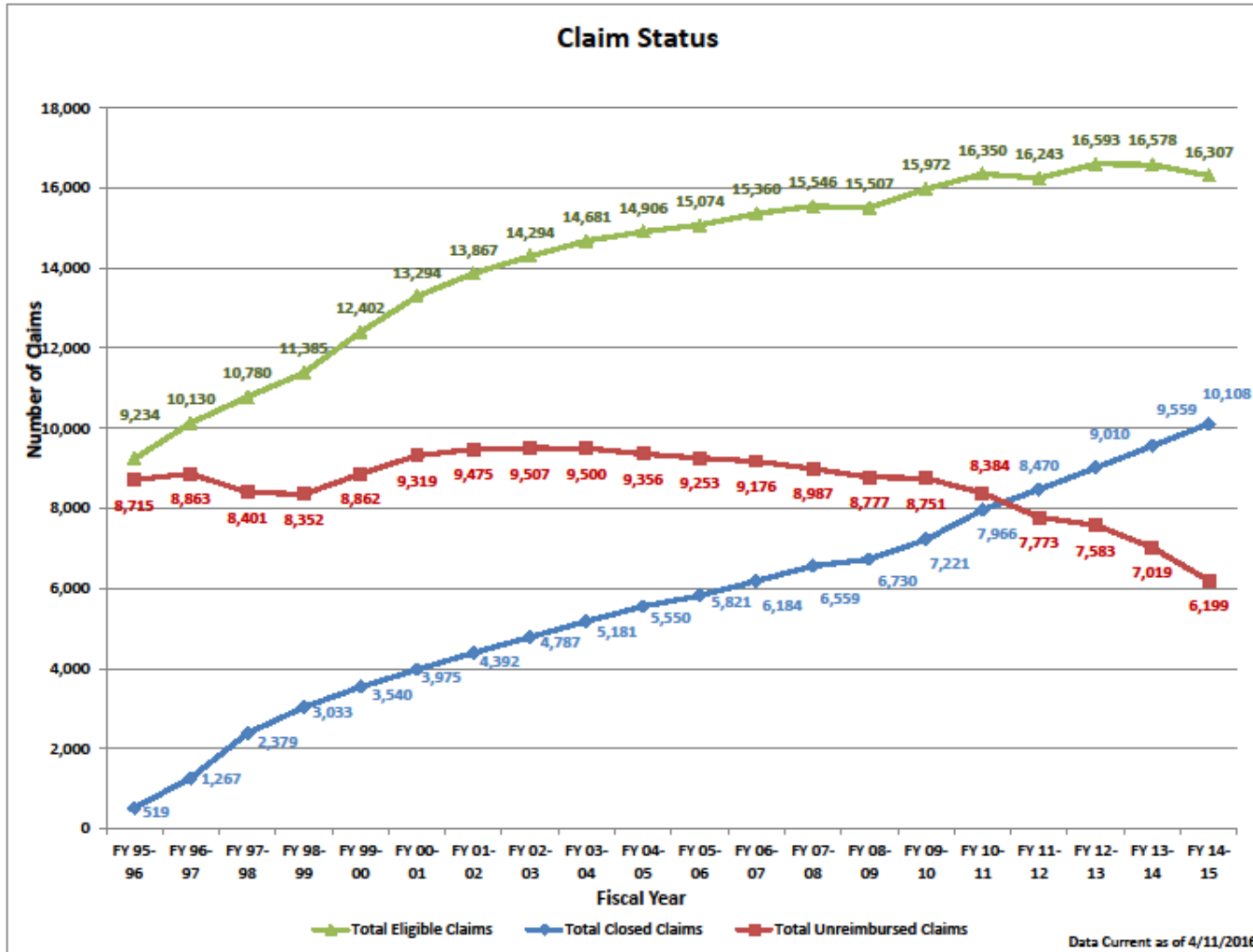
UST Cleanup Fund

- ▶ In 2013 – Over 100 oversight agencies
- ▶ Now 19 oversight agencies – State Board, 9 Regional Water Boards, and 10 Local Oversight Programs (LOPs)
- ▶ Currently 90 USTCF staff overseeing underground storage tank cleanup sites across all agencies
- ▶ The average number of cases per staff is reducing

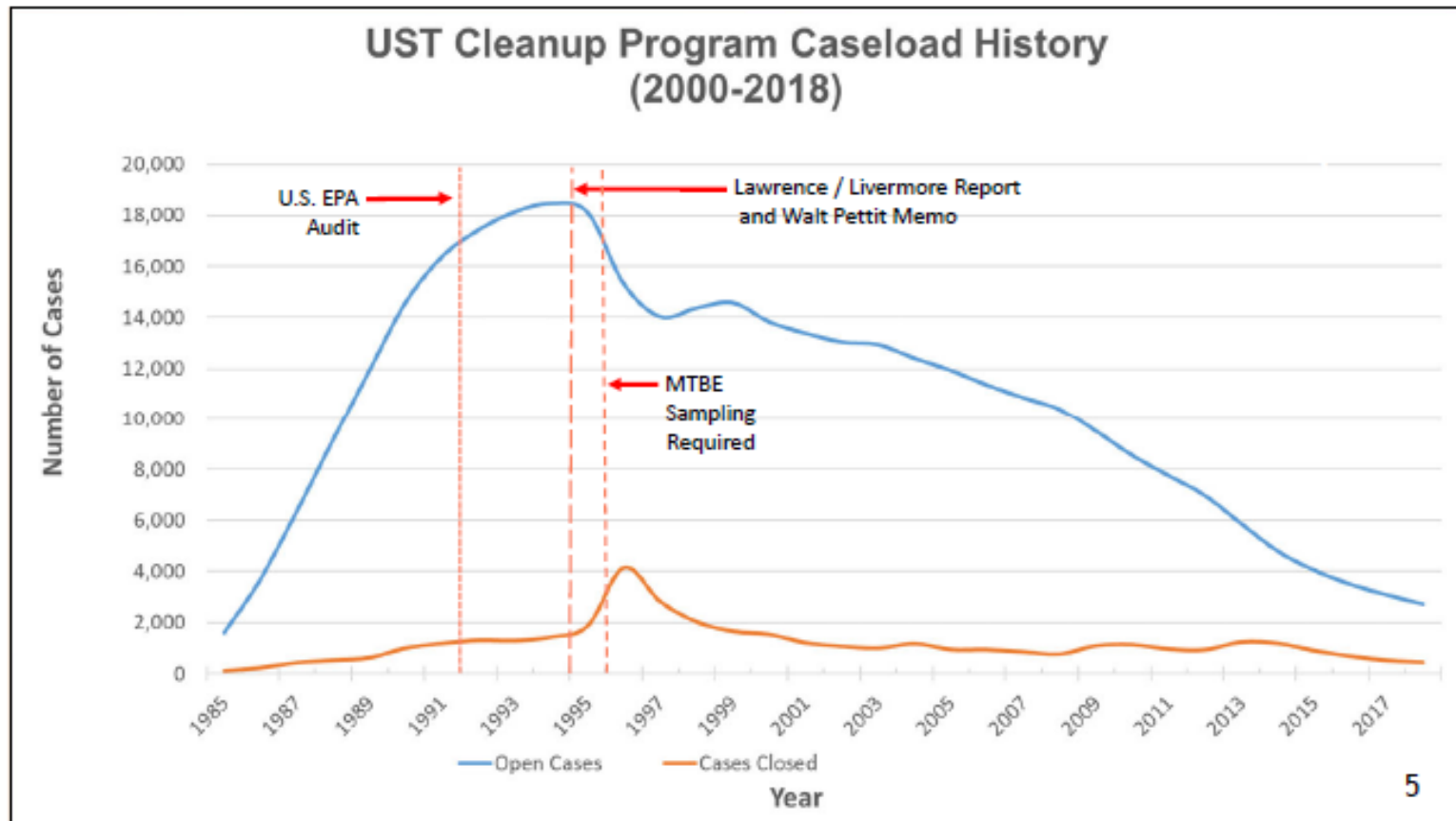
UST Cleanup Fund



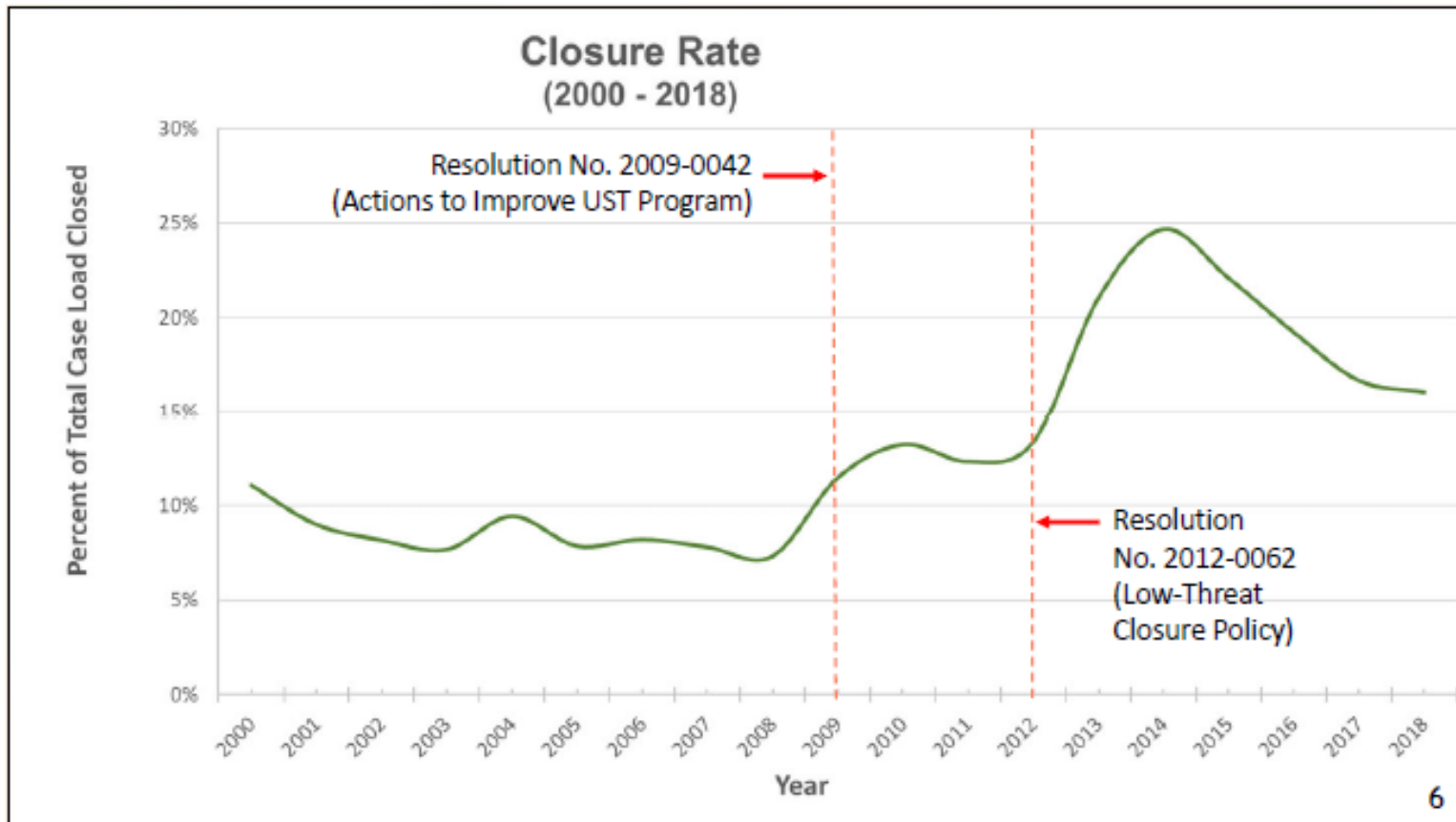
UST Cleanup Fund



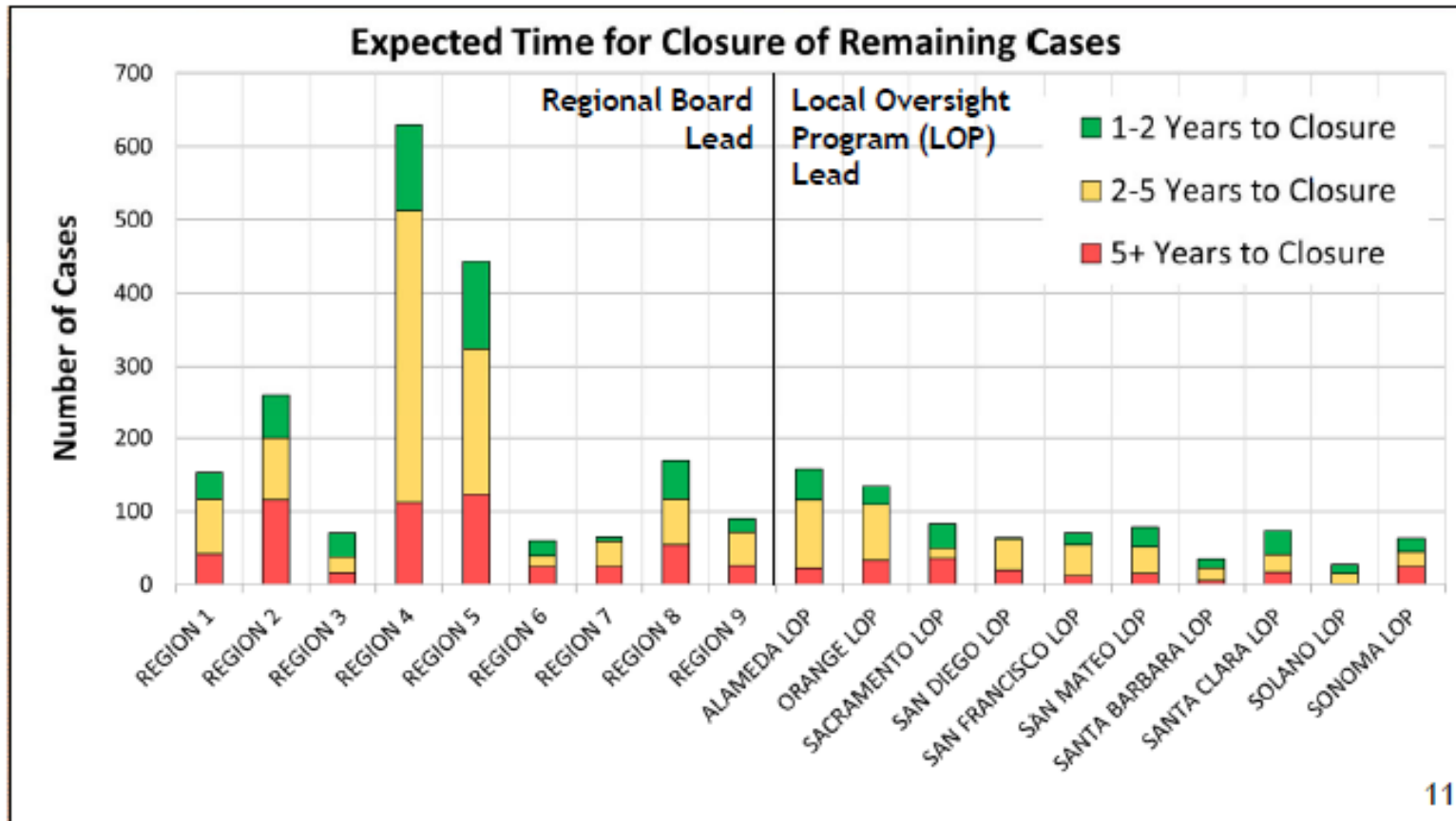
UST Cleanup Fund



UST Cleanup Fund



UST Cleanup Fund



Future Status of USTCF

- ▶ The Cleanup Fund is scheduled to sunset after December 31, 2025
- ▶ After that date, funding for the UST Program (Regulatory and Cleanup) is uncertain
- ▶ Tank owners and operators will have to find alternative financial assurance mechanisms

UST Funding Programs

- ▶ UST Cleanup Fund (USTCF)
- ▶ Expedited Claim Account Program (ECAP)
- ▶ Orphan Site Cleanup Fund (OSCF)
- ▶ Emergency, Abandoned and Recalcitrant (EAR)
- ▶ Site Cleanup Subaccount Program (SCAP)
- ▶ Prop 1 (Groundwater Sustainability Program)
- ▶ Removing, Replacing or Upgrading UST (RUST)
- ▶ School District Account

https://www.waterboards.ca.gov/water_issues/programs/ustcf/docs/funding_matrix.pdf

Funding Programs

Funding Programs for Underground Storage Tanks (USTs) California State Water Resources Control Board

	Removing, Replacing, or Upgrading Underground Storage Tanks (RUST) Grant	Removing, Replacing, or Upgrading Underground Storage Tanks (RUST) Loan	UST Cleanup Fund (USTCF)	Orphan Site Cleanup Fund (OSCF)	Emergency, Abandoned and Recalcitrant (EAR) Account	Site Cleanup Subaccount Program (SCAP)	Proposition 1 (Prop 1) Groundwater Sustainability Program
Purpose	Petroleum UST removal, replacement and/or upgrade	Petroleum UST removal, replacement and/or upgrade	Petroleum UST site assessment and cleanup	Petroleum UST site assessment and cleanup <i>Note: May include UST removal</i>	Petroleum UST site assessment and cleanup <i>Note: May include UST removal</i>	Cleanup of groundwater or surface waters impacted by human-made contaminants	Protection and cleanup of groundwater previously or currently used as drinking water
Funding Type	Grants	Loans Terms of 10 or 20 years, at ½ the State's most recent general obligation bond rate	Grants (Reimbursement)	Grants (Reimbursement)	Cost Recovery <i>Note: State hires and pays contractors, recovers costs via property liens or civil lawsuits</i>	Grants	Grants & Loans <i>Note: Grant applicants may provide grants or loans to public entities or private developers</i>
Eligible Applicants	Independently owned and operated small businesses with petroleum UST(s) and fewer than 20 employees Principal office and officers must be domiciled in California Excludes businesses dominant in their field of operation	Independently owned and operated small businesses with petroleum UST(s) and fewer than 500 employees Principal office and officers must be domiciled in California Excludes businesses dominant in their field of operation	Current or past owners and operators of petroleum USTs Excludes state and federal government agencies	Public or private parties addressing petroleum UST contamination – but not eligible for the USTCF Excludes parties that caused or contributed to UST release (and their family or business affiliates)	Regional Water Quality Control Boards and Local Oversight Program (LOP) agencies <i>Note: Nominated sites must be approved by the State Water Resources Control Board</i>	Public and private parties Includes responsible parties, public agencies, public utilities, non-profit organizations, tribes, and mutual water companies	Public entities Includes public agencies, public utilities, non-profit organizations, tribes, and mutual water companies <i>Note: Grant applicants may provide grants or loans to public entities or private developers</i>
Additional Criteria	The facility must have legally been in business, retailing gasoline after January 1, 1999 The facility must have sold less than 900,000 gallons of gasoline annually for the two years prior to application	All tanks owned and operated by applicant are in compliance with State UST regulations	Claimants must be in compliance with applicable UST permitting requirements and regulatory cleanup orders Claimants must have paid applicable UST storage fees	No financially responsible party has been identified that can pay cleanup costs Must have legal site access	Responsible party cannot be identified or located; OR Responsible party is unable or unwilling to comply with written cleanup order <i>Note: Different procedures for sites requiring emergency response or prompt action</i>	Not restricted to sites with petroleum UST contamination, but contaminant sources must be anthropogenic/human-related Responsible parties must lack financial resources Regulatory agency must have issued a directive, if feasible	Not restricted to sites with petroleum UST contamination, and may address natural contaminant sources.
Funding Amounts	Up to \$70,000 per grant	Up to \$750,000 per loan	Up to \$1 Million per release Approximately \$180 Million available annually	Up to \$1 Million per release \$30 Million appropriated since State Fiscal Year 2008/2009	Up to \$1 Million per release \$5 Million annual appropriation	No project limits \$19.5 Million annual appropriation	Project limits not specified \$800 Million available in total

Contacts RUST Grants & Loans -- Janice Clemons -- (916) 341-5657 -- Janice.Clemons@waterboards.ca.gov -- http://www.waterboards.ca.gov/water_issues/programs/ustcf/rust.shtml
 UST Cleanup Fund -- Micha Reich -- (916) 341-7361 -- Micha.Reich@waterboards.ca.gov -- http://www.waterboards.ca.gov/water_issues/programs/ustcf/
 Orphan Site Cleanup Fund -- Lola Barba -- (916) 341-5059 -- Lola.Barba@waterboards.ca.gov -- http://www.waterboards.ca.gov/water_issues/programs/ustcf/oscf.shtml
 EAR Account -- Lola Barba -- (916) 341-5059 -- Lola.Barba@waterboards.ca.gov -- http://www.waterboards.ca.gov/water_issues/programs/ustcf/ear.shtml
 Site Cleanup Subaccount Program -- Kathryn Dominic -- (916) 449-5591 -- Kathryn.Dominic@waterboards.ca.gov -- http://www.waterboards.ca.gov/water_issues/programs/grants_loans/scap/
 SCAP Eligibility, Lauren Ruvalcaba -- (916) 341-5816 -- Lauren.Ruvalcaba@waterboards.ca.gov
 Prop 1 -- Robert Reeves -- (916) 319-8254 -- http://www.waterboards.ca.gov/water_issues/programs/grants_loans/proposition1/groundwater_sustainability.shtml

Prepared as part of the Cooperative Agreement L-99T11601-2 between U.S. Environmental Protection Agency (U.S. EPA) Region 9 and the California State Water Resources Control Board.

UST Cleanup Fund

▶ USTCF Highlights

- Sunset date of 1 / 1 / 2026
- Funded by petroleum storage fee of \$0.02 / gallon
- Reimbursement limited to \$1 M per claim (applicable to **applications** submitted after 12/31/14– claims before that date continue to have \$1.5 M cap)

Expedited Claim Account Program (ECAP)

- ▶ Funding: Transfers \$100 million currently in the UST Cleanup Fund to the new Expedited Claim Account.
- ▶ Purpose:
 - Investigate potential methods for reducing the overall cost for site cleanup and the time to reach closure.
 - Increase collaboration among Fund staff, regulatory staff, claimants and their consultants.

Expedited Claim Account Program

- ▶ Selection Criteria:
 - Claims taken from all priority ranks.
 - Cases must pose a significant threat to human health, safety or environment.
 - Cases showing little cleanup progress (e.g. cases showing the same status code in GeoTracker for 5+ years, or cases without substantive regulator action for more than 1 year).
 - Claims expending more \$ than average, likely to exceed cap.
 - Cases where corrective action progress is limited by inadequate site budget.

Expedited Claim Account Program

- ▶ 174 cases currently selected for ECAP:
 - All priority categories (B–D)
 - 9 RWQCB Region 9 Cases
 - 8 SD County LOP Cases

- ▶ Is it Working?
 - December 2017 ECAP Project Report:
 - Cost savings of \$95,763 per claim
 - Time savings of 11.7 months per claim to closure
 - Shorter RR review time (84 days vs. 149 days)
 - Fewer ineligible costs

Expedited Claim Account Program

- ▶ Projections:
 - At least 75% of the pilot project cases will be closed within 2 years.
 - 92% of pilot project cases will be closed within 5 years.
 - The \$100M appropriated could provide reimbursement for at least 464 fund claims in addition to the 148 ECAP claims at end of 2017.

RUST

- ▶ RUST (Replacing, Removing or Upgrading USTs) grants and loans are available
 - Available for permanent removal of USTs.
 - Available to small business owners and operators.
 - Can provide financing up to 100% of the removal/replacement costs (including corrective action).
 - Loans: Low interest loans (\$10k–\$750k); 10–20 year terms; 2% loan fee
 - Grants: \$3k–\$70k

Site Cleanup Subaccount Program (SCAP)

- ▶ \$19.5 M appropriated annually.
- ▶ Applications accepted continuously.
- ▶ SWRCB, RWQCB, DTSC, or local agency can use funds to investigate or remediate surface or groundwater contamination.
- ▶ SWRCB, RWQCB, DTSC can issue grants to private parties:
 - Grant program for remediation of existing surface or ground water contamination (also available for sites with vapor intrusion).

Site Cleanup Subaccount Program (SCAP)

- ▶ **Grant Eligible Projects:**
 - Remediate the harm or threat of harm to human health, safety, and the environment
 - A regulatory agency has issued a directive
 - The responsible party lacks financial resources
 - Projects may include site characterization, source identification, or implementation of cleanup
- ▶ **Projects currently being funded**
 - 68 total projects receiving funding – 2 in Region 9.
 - Contaminants include chlorinated solvents, hydrocarbons, metals.

Site Cleanup Subaccount Program (SCAP)

- ▶ SB 519 (Chaptered October 2019)
 - Extends SCAP funding to DTSC and water replenishment districts (WRD).
 - WRDs purpose is to store, purify, treat and manage groundwater reservoirs.
 - WRDs were previously ineligible to obtain SCAP funding.
 - This bill finds that WRDs are well positioned to prevent harm to public health, safety and environment.
 - Funds are available for assessment and remediation.

Orphan Site Cleanup Fund

Eligibility Requirements:

- ▶ Grant Program – \$1 M per site
- ▶ Petroleum must be primary source of contamination – from a UST.
- ▶ Financially responsible party has not been identified (or site has been issued an NFA following tank closure).
- ▶ Site must be in an urban area.

School District Account

- ▶ \$30 Million account to fund claims by school districts.
- ▶ School districts get priority review.
- ▶ “No funding delays” for school districts.
- ▶ Originally intended for Priority D school districts, now includes all Priorities.
- ▶ Funding continues until money is gone or USTCF sunsets (12/31/2025)

Questions?

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