

Underground Storage Tank (UST) Program Updates

APMA October 24, 2023 Luncheon Meeting



Clean Air, Safe Water,
Healthy Land for Everyone



Introductions

Agenda

- Regulated UST Facilities
 - Facilities with open and temporarily closed USTs
 - Facilities with open leaking UST (LUST) releases
- Financial Assistance Programs
 - Noncorrective Action
 - Tank Site Improvement Program (TSIP)
 - Corrective Action
 - Preapproval Program (PA)
 - State Lead Corrective Action Program (SLCA)
- Program Funding
- TSIP Summary

Who's Here?

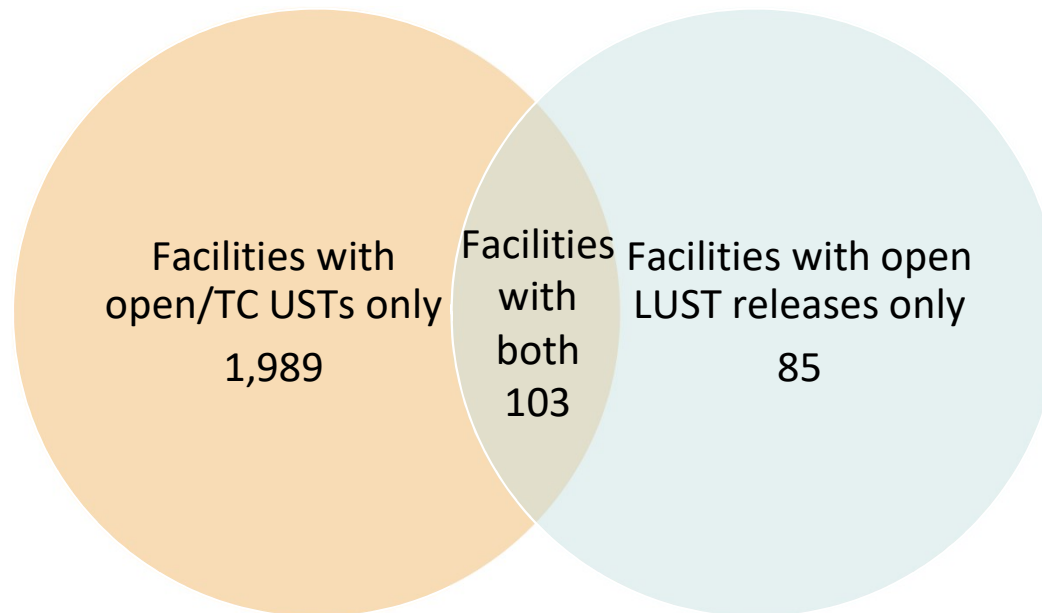
- Joey Kiker - UST Manager
- Tim Binder - UST Deputy Manager



Regulated UST Facilities

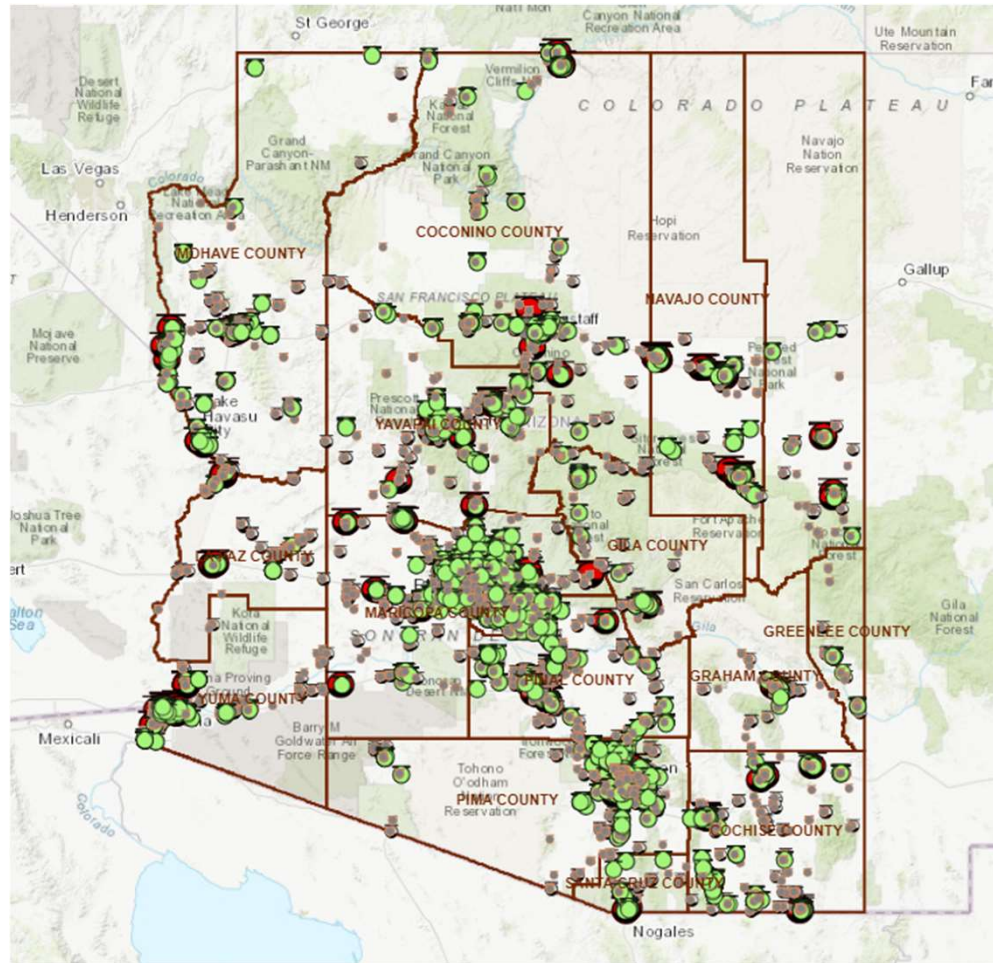
2,177 total facilities with open/temporarily closed (TC) USTs and/or open leaking UST (LUST) releases

- 2,092 facilities with open/TC USTs
- 188 facilities with open LUSTs
 - 103 facilities with both USTs and LUSTs, 85 with open LUST releases only



Data as of 9/19/23

Regulated UST Facilities Across the State



Facilities With Open/Temporarily Closed (TC) USTs



Facility Category	Number of Facilities	Number of USTs
Only open USTs (no TC USTs)	2,016	5,496
Only TC USTs (no open USTs)	46	97
Both open and TC USTs	30	111
Total	2,092	5,704*

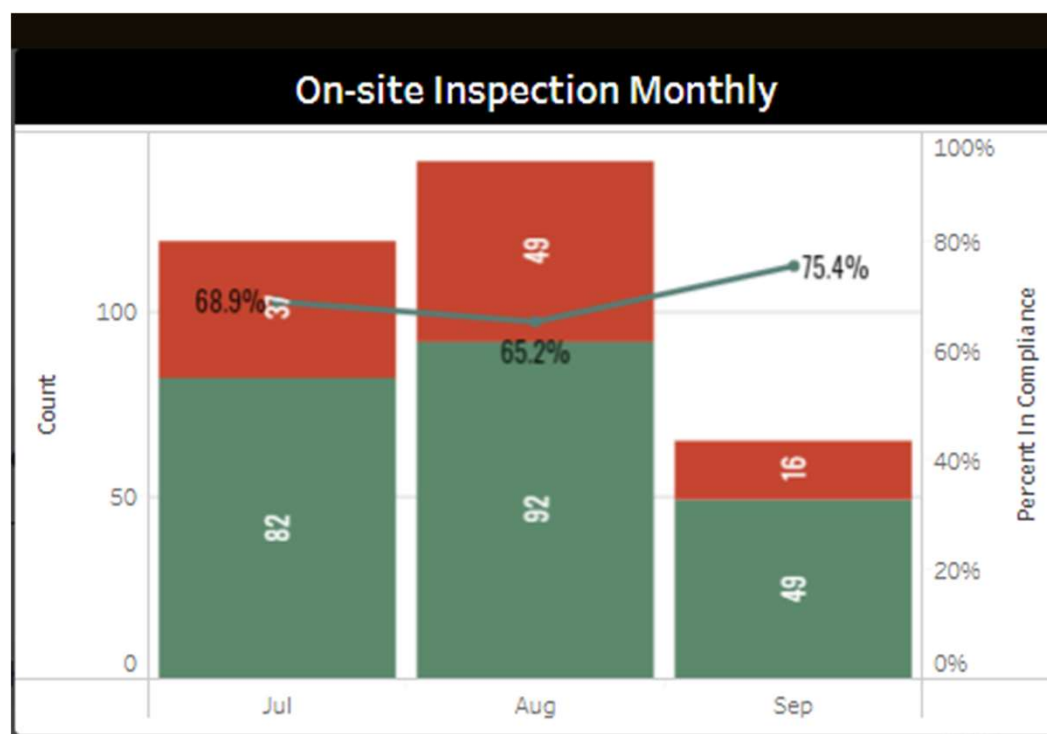
Note: Tanks in temporary closure must also meet requirements for financial responsibility, cathodic protection, and release detection.

**43 USTs are either orphan or do not have UST owner information entered*

Data as of 9/19/23

Inspections, Compliance, and Enforcement

ADEQ is required to inspect UST facilities with open or temporarily closed USTs at least once every three years for operational compliance.



Inspections, Compliance, and Enforcement



Responsible Parties are required to conduct testing and inspections to prevent a release from the UST into the environment.

Current process includes:

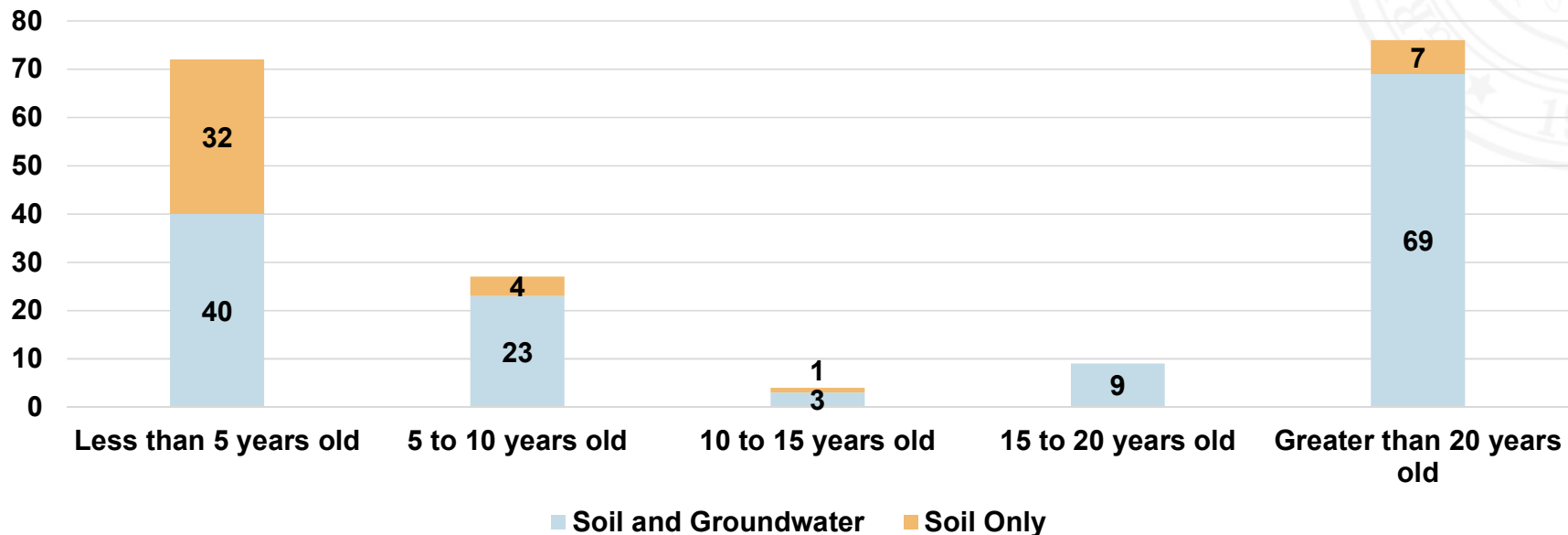
- Updated Pre-Inspection Outreach
- NOV Follow Up Inspections
 - Facilities that had an NOV issued last fiscal year are prioritized for re-inspection
- Fines and Penalties
 - The Department considers penalties to be appropriate when there are repeat violations in consecutive inspections
 - The civil penalties are intended to incentivize compliance by providing a deterrent for noncompliance

Facilities With Open LUSTs

Currently, there are 188 UST facilities with open LUSTs

- 144 facilities with impacts to both soil and groundwater
- 44 facilities with impacts to soil only

Open LUST Facilities



Note: A facility may have multiple releases at the site; information is based on the oldest open release

Data as of 9/19/23

Financial Assistance Programs – Noncorrective Action



Leak prevention activities, also known as “noncorrective actions”, are proactive measures designed to prevent future releases. These include:

- UST removal
- UST replacement/modification
- Baseline assessment
- Suspected release confirmation

ADEQ may provide financial assistance for these activities to eligible UST owners, operators, and property owners through the:

- Tank Site Improvement Program (TSIP)

Noncorrective Action – Tank Site Improvement Program (TSIP)



Reimbursement funding is available up to \$300,000 per facility, including:

- Up to \$200,000 per site for UST system replacement or modification
- Up to \$40,000 per event for baseline assessments
- Up to \$25,000 per tank for UST removal and up to \$15,000 per site for over-excavation of petroleum contamination, if required
- Up to \$20,000 per event for suspected release confirmation sampling

Since implementation, TSIP has reimbursed \$49.6M in total as of the end of FY 2023

- 182 facilities for UST removal
- 153 facilities for UST replacement
- 53 facilities for UST modification
- 55 facilities for suspected release confirmation
- 8 facilities for baseline assessment

Note: Facilities may conduct multiple categories of work and receive up to the maximum of \$300,000 in reimbursement

Data as of 7/26/23

Financial Assistance Programs – Corrective Action



LUST owners and operators may qualify for financial assistance to conduct corrective actions (activities necessary to investigate, analyze and conduct cleanup) through the:

- Preapproval Program (PA)
- State Lead Corrective Action Program (SLCA)

Property owners of LUST sites may qualify for financial assistance for corrective actions through SLCA, subject to the potential use of a lien on the property for unrecovered corrective action costs (A.R.S. § 49-1056)



Corrective Action – Preapproval Program (PA)



For eligible LUST owners and operators, the program provides:

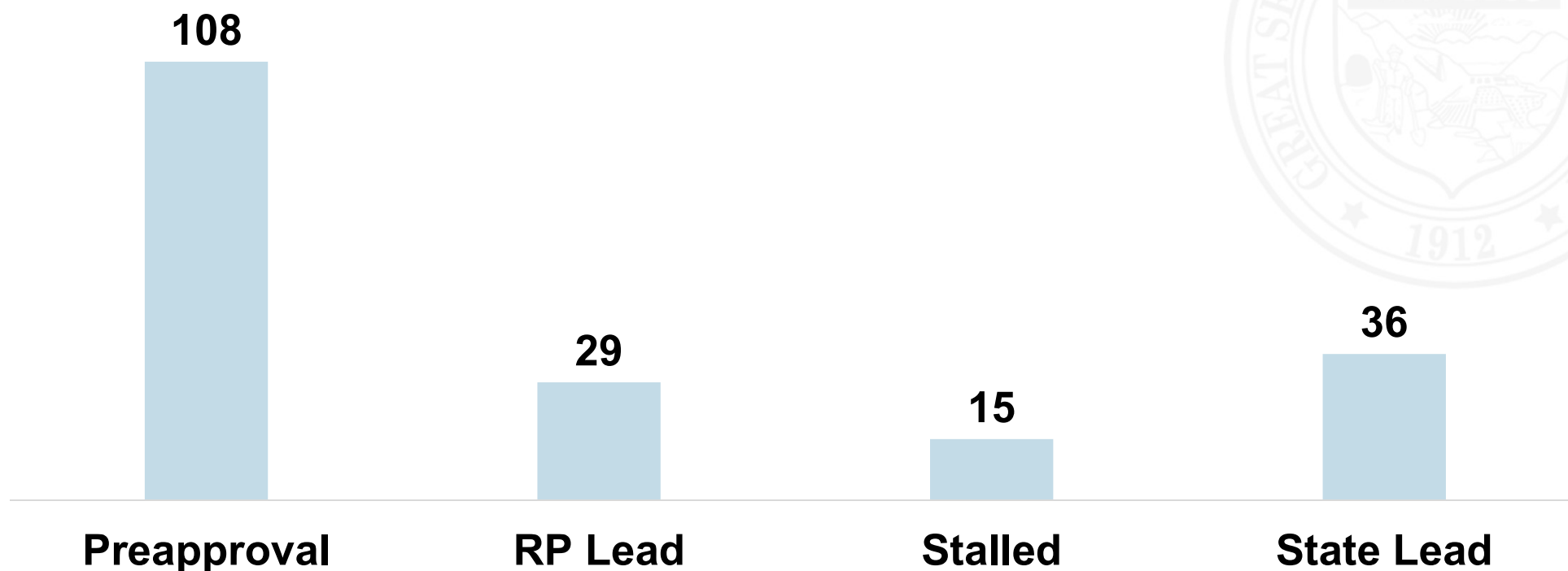
- Financial assistance and technical support to address releases when either:
 - The UST insurance relied upon to meet financial responsibility (FR) requirements has not provided coverage
 - For cases in which UST insurance has accepted coverage, applicants may apply to the state to be reimbursed up to the deductible amount of their policy
 - The applicant is relying on either an alternate financial assurance mechanism or has UST insurance with a high deductible and has already paid at least \$50,000 for corrective actions
- Reimbursement funding up to \$1,000,000 per facility
 - Applicants qualifying under A.R.S. § 49-1006.02(C) are limited to reimbursement up to \$500,000 after meeting a cost share requirement

Since implementation, \$34.8M has been reimbursed for work at 95 facilities up to the end of FY 2023.

Data as of 7/27/23

LUST Sites by Category

Facilities with Open LUST Releases



Data as of 9/19/23

UST Program Funding



Revenues

- FY23 = \$38,909,386
- FY22 = \$36,493,752
- FY21 = \$33,635,136

Current and future liabilities

- Corrective Action: PA and SLCA
- Noncorrective Action: TSIP

Anticipated impacts to funding availability

- Increased share of electric vehicles and renewable fuels
- Decreased driving habits
- Increased fuel efficiency



TSIP Prioritization Period Summary



Previous Prioritization Period Summary

(UST Removal and Replacement, UST Removal Only, UST Modification, Baseline Assessment)

Period	Applications Received	Amount Requested/ Millions	Percent Approved for Funding	Prioritization Score Range
Spring 2023	69	\$15.5	26%	95 to 75
Fall 2022	91	\$23	29%	100 to 75*
Spring 2022	119	\$29	18%	100 to 80*
Fall 2021	135	\$35	19%	100 to 87

*Note: Funding did not allow for approval of all applications scoring 75/80 points; therefore, secondary scoring criteria were evaluated.

Not Subject to Prioritization:

Preapproval Suspected Release Confirmation Summary

Timeframe Received	Preapproval Approved	Preapproval Funded
July 2022 – June 2023	18	\$330,727.66
July 2021 – June 2022	10	\$171,826.95

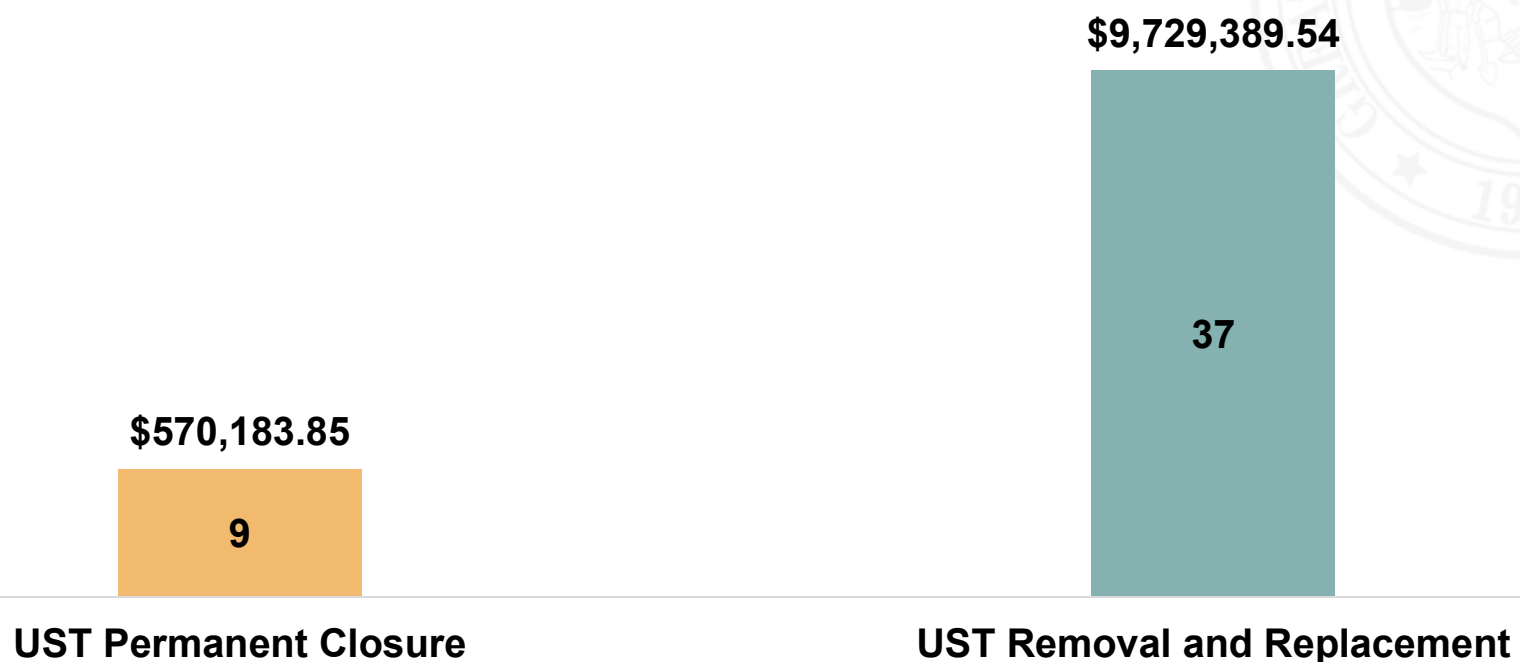
Non-Preapproval Suspected Release Confirmation Summary

Timeframe Received	Non-Preapproval Approved	Non-Preapproval Funded
July 2022 – June 2023	4	\$48,760.43
July 2021 – June 2022	2	\$23,948.58

TSIP – Fall 2023 Work Category Distribution

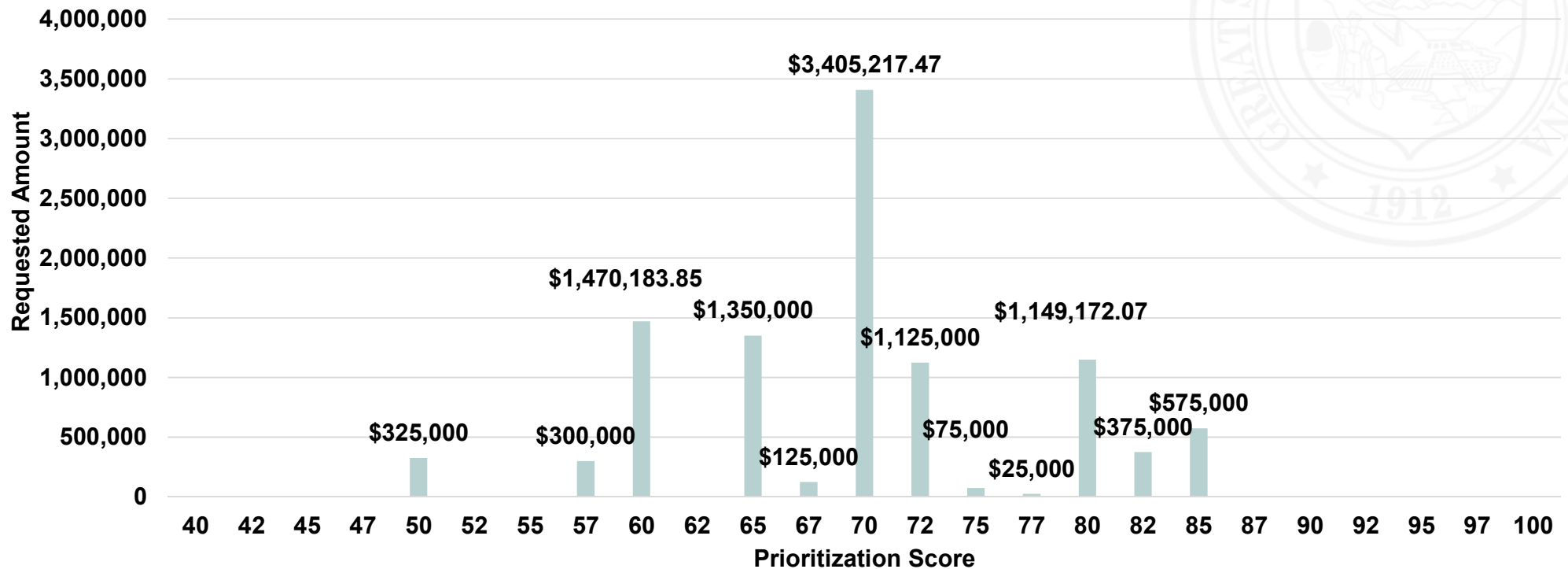


TSIP Work Category Distribution
Period 5: September 1 - 29, 2023
Total Submittals = 46 (includes 1 late submittal)
Total Amount Requested (All Scores) = \$10,299,573.39



TSIP – Fall 2023 Prioritization Distribution

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Thank You! Questions?



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