



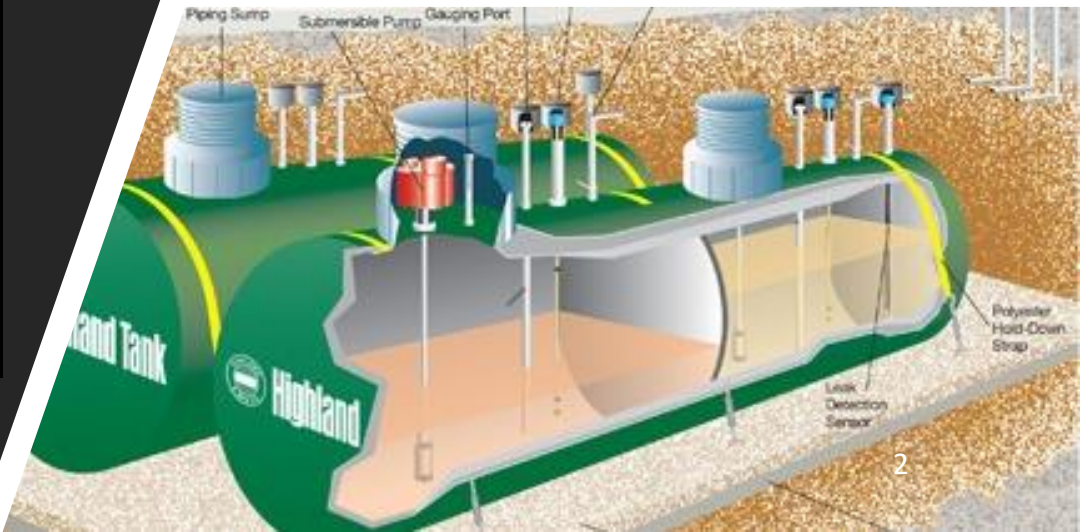
Underground Storage Tank Cleanup Fund (USTCF) Update

California CUPA Forum
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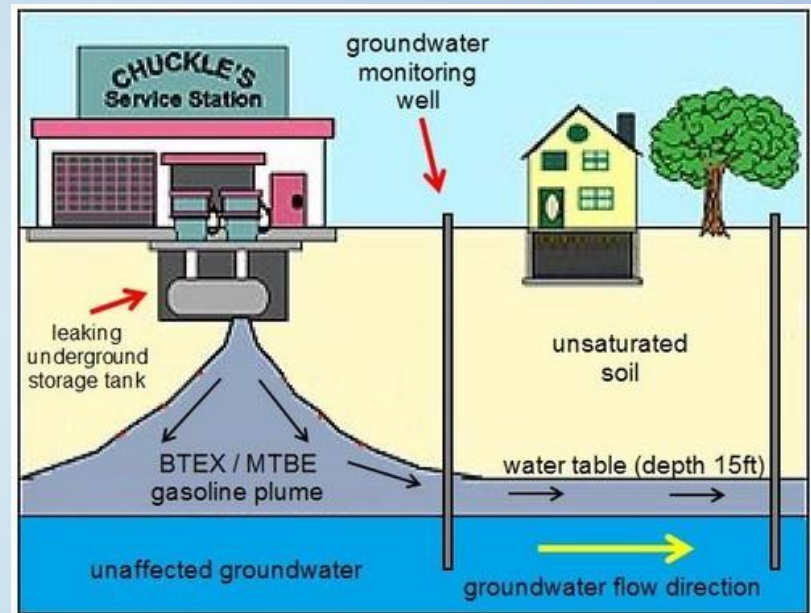
Mission

- Provide an alternative mechanism to meet the Financial Responsibility requirements for owners & operators of petroleum USTs
- Reimburse **eligible corrective action costs** incurred in the cleanup of contamination resulting from the unauthorized release of petroleum from USTs



Funding Source

- Funds generated via a \$0.02 per gallon storage fee on petroleum stored in USTs
- Fee generates ~\$340 M per year
- Annual appropriation authorizes \$185 M per year for reimbursements
- Additional funds are directed to subaccounts, Cleanup Fund administration, and regulatory oversight costs

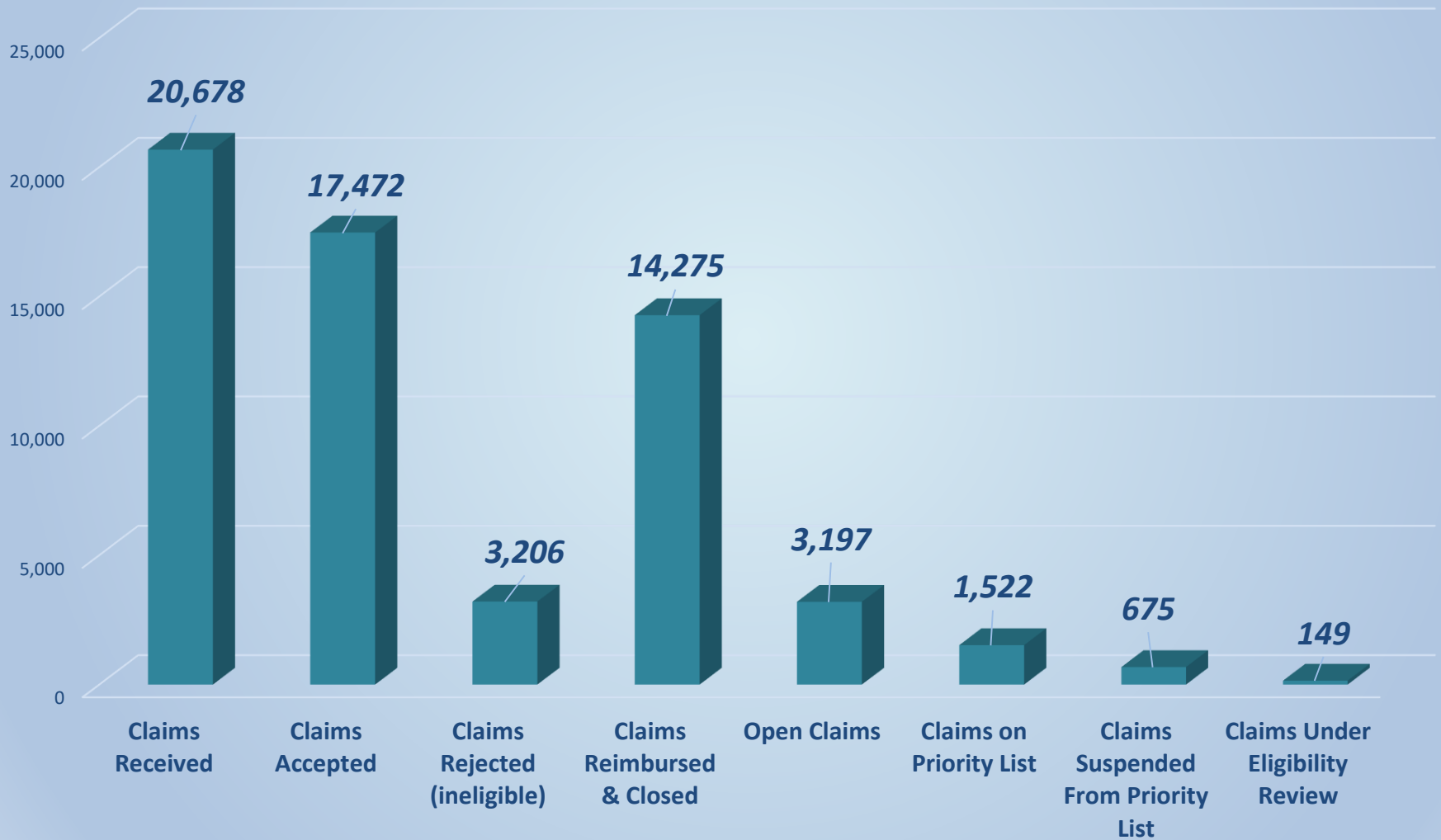


USTCF Statistics

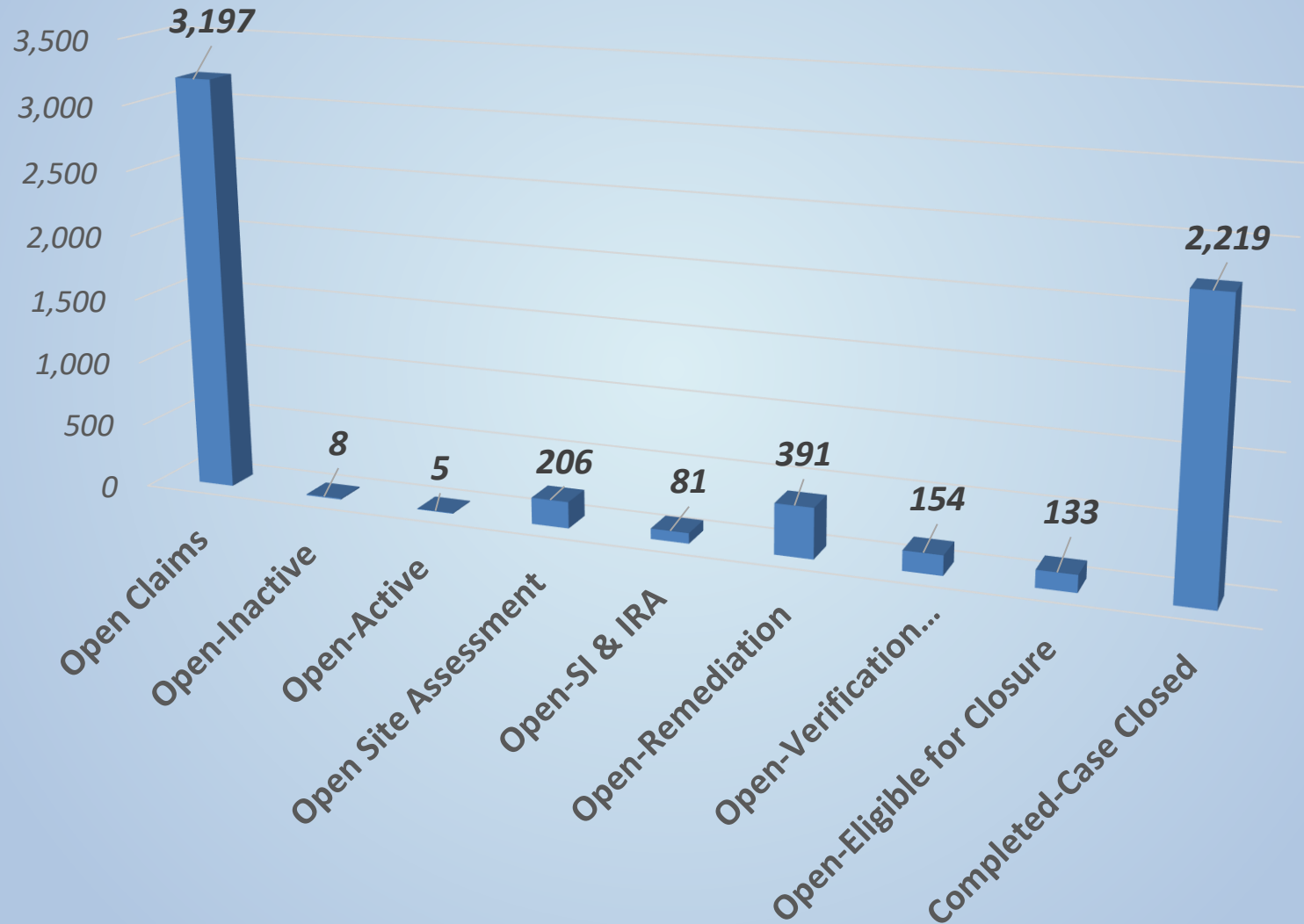


- Reimbursed \$3.8 billion since 1992
- Expect ~\$1.4 billion available for reimbursement through 12/31/2025
- USTCF sunsets 1/1/2026

USTCF Cumulative Claim Statistics



USTCF Open Claim Status



Letters of Commitment

- Commits the Fund to provide reimbursement for corrective action costs
- Satisfies the financial assurance requirements for UST owners/operators
- Issued 951 LOCs in FY 18/19
- Plan to issue ~950 LOCs/year to activate the entire priority list in next two years





Reimbursements

- Paid 1,077 requests for reimbursement (RRs) in FY 18/19 (\$55M)
- Have received ~2,400 RRs in FY 19/20
- Have Paid 2,219 RRs since July 1, 2019 (\$136M)
- Fund currently reviewing RRs within 30 days and forwarding for payment

2019 Payment Challenges – Fi\$Cal

- Additional workload setting up claims in new accounting system
- Volume of claims
- Additional approval levels/steps
- Steps taken to minimize effects:
 - Prioritization of claims and payments
 - Reallocation of staff
 - Communication
- Good news

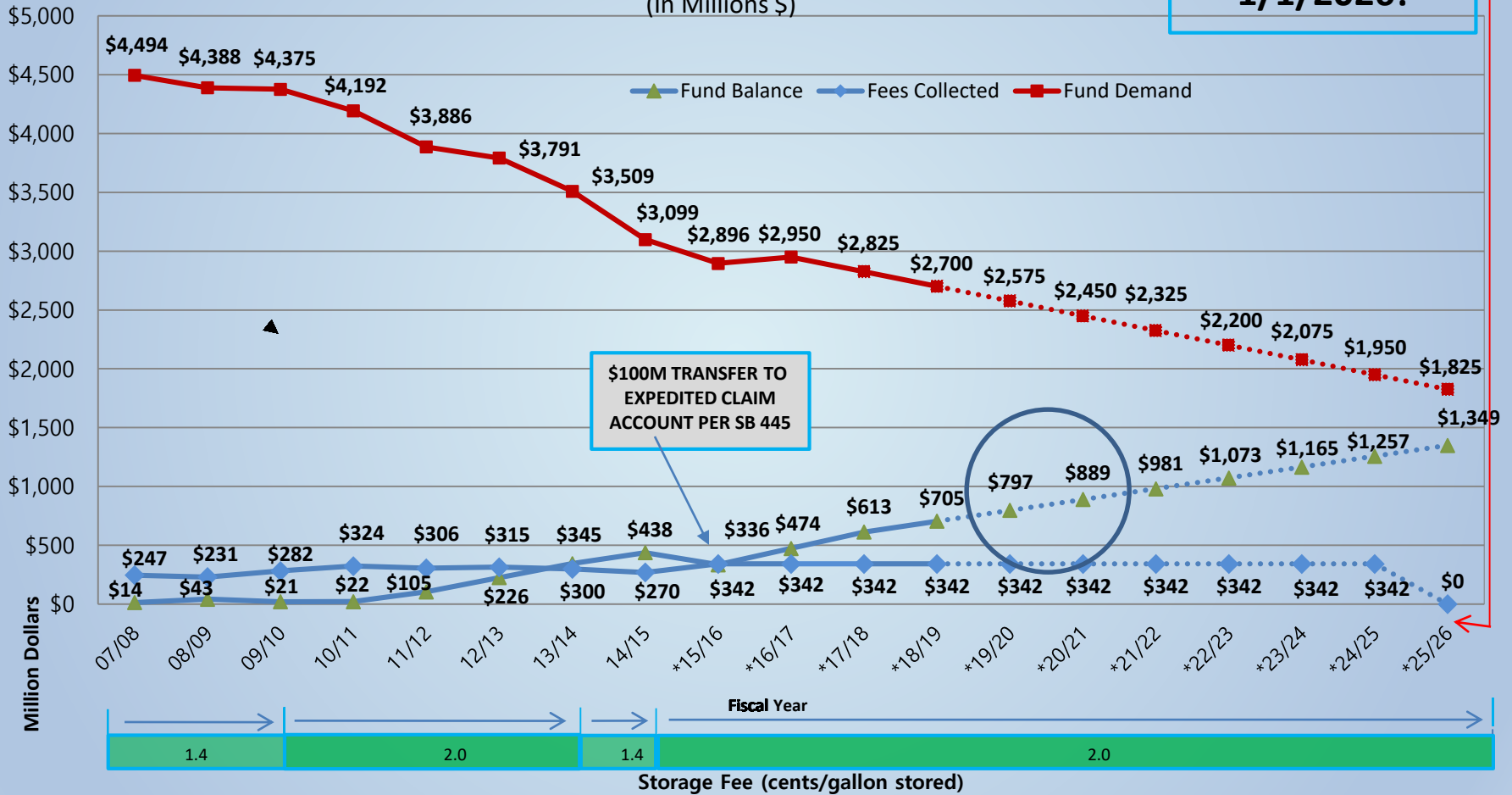


Cleanup Fund \$ Balance vs. Demand

UNDERGROUND STORAGE TANK CLEANUP FUND

**FUND SUNSET
1/1/2026!**

(In Millions \$)



Reimbursement Appeals

Currently only two of original 240 appeals in 2017 remain to be resolved

Focus on consistency and concise response format

Cleanup Fund now receiving ~five appeals per month

Fraud, Waste and Abuse Prevention



- Office of Enforcement (OE) Unit
- Deterrent
- False, misleading, inflated invoices
- Violators subject to:
 - Criminal/civil prosecution
 - \$500K fine/misrepresentation
 - Disqualification from Fund
 - Liability for OE costs
- 11 Firms/15 individuals permanently disqualified
- 2 criminal actions
- 4 civil actions
- 7 administrative actions
- ReportFraud@waterboard.ca.gov

Review Summary Reports

Review Summary Reports (RSRs) are required by statute if a claim has been in the Fund for five years or more

RSRs help evaluate path forward toward closure and effectiveness of corrective actions to protect public health and the environment

Completed 525 RSRs in FY 17/18 and 510 in FY 18/19; plan to continue pace of >500 RSRs per year



Emergency, Abandoned or Recalcitrant (EAR)



- State Water Board provides funds to Regional Boards and Local Oversight Program (LOP) agencies to perform or contract for corrective actions when a responsible party fails or refuses to perform corrective action in response to a directive
- Currently 53 projects underway statewide
- \$5.0 million annual appropriation
- EAR account is currently underutilized. Fund is collaborating with USEPA to increase use
- Regional Board nominates cases to the State Board and oversees corrective action at approved sites

https://www.waterboards.ca.gov/water_issues/programs/ustcf/ear.html

Orphan Site Cleanup Fund (OSCF)

*(H&S Code § 25299.50.2 and
Orphan Site Cleanup Fund
Regulations (Cal. Code of Regs.,
tit. 23, § 2814.20, et seq.)*



- \$10.0M in FY 19/20 appropriation
- Currently 76 projects funded, 30 applications under review.
- No financially viable responsible party identified
- Petroleum from a UST release(s) is principal contaminant
- Applicant did not cause or contribute to the release
- Applicant and person(s) who caused the release are not affiliated
- Applicant is not eligible for the Cleanup Fund
- Applicants for a cleanup grant must be a public agency or be the equitable or legal owner of the site

Site Cleanup Account Program (SCAP)

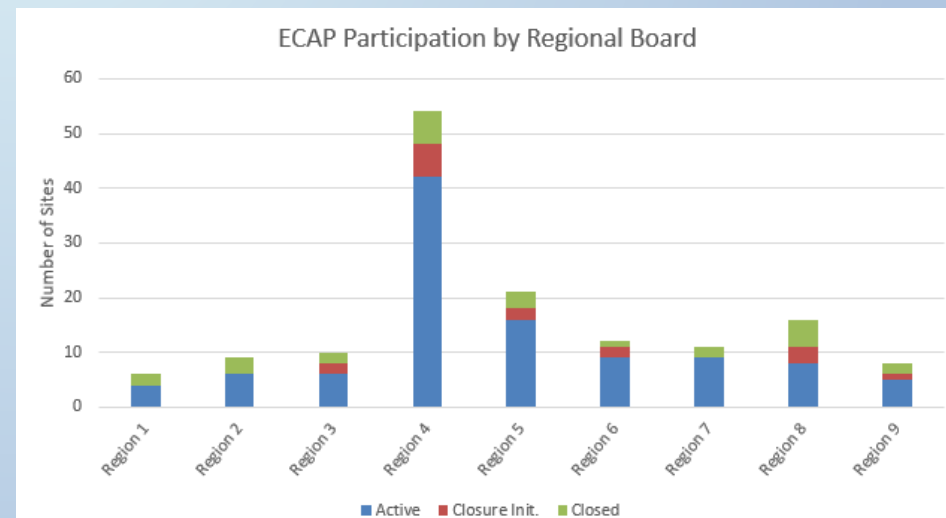


- 65 grant-funded projects as of September 2019
- 12 Regional Board contract-funded projects
- Over \$65 million in awards
- More than 300 applications reviewed since inception
- Four funded projects have achieved case closure



Expedited Claim Account Program (ECAP)

- Faster technical review of reimbursement requests
- Much fewer ineligible costs
- Rare appeals
- 218 sites currently in ECAP
- 63 ECAP cases have either closed or are in the process of closing (28% closure rate).
- \$65M of original \$100M set aside has been expended.





RUST

REPLACING, REMOVING, OR UPGRADING UNDERGROUND STORAGE TANKS (RUST) PROGRAM

- The RUST Program Unit is moved from Loans and Grants to the UST Cleanup Fund in July 2019.
- Many advantages to this move including RUST staff utilizing the technical and administrative resources of the Cleanup Fund to better serve owner/operators in the State.

Questions?

