



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

McLean Reich, RUST Program Manager

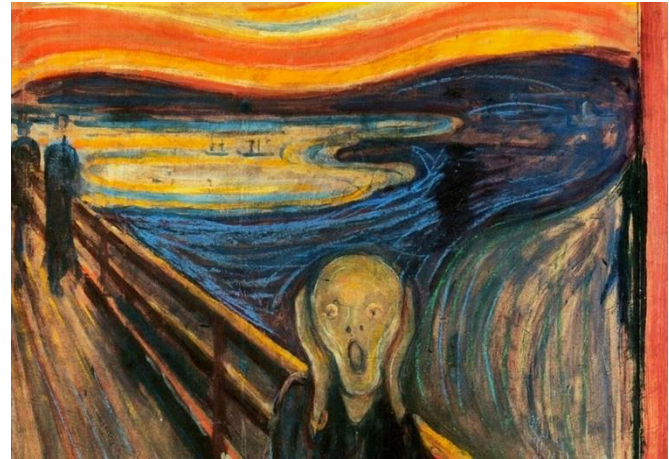
RUST PROGRAM

- 💧 Provides financial assistance - grants and low-interest loans to remove and/or replace, repair, and upgrade USTs
- 💧 Assists eligible small business UST owners/operators to come into compliance with UST regulatory requirements
- 💧 An executed agreement is required for reimbursable work to begin

IMPORTANT DEADLINES

*****All single-walled tanks and piping must be removed and/or replaced on or before December 31, 2025*****

*****RUST Program Sunsets – January 1, 2022*****



ELIGIBLE APPLICANTS

💧 Small Business UST Owner and/or Operator Residing in California

💧 Grants

- ✓ Independently owned/operated
- ✓ Under 20 employees
- ✓ Less than 900,000 gallons sold per year

💧 Loans

- ✓ Independently owned and operated
- ✓ Under 500 employees



TYPICAL PROJECTS COVERED

- 💧 Removing and/or replacing USTs and/or piping
- 💧 Repairing and/or upgrading USTs



TYPICAL REPAIR/UPGRADE COSTS

- 💧 Replace or repair secondary containment, including penetration fittings, test boots, and/or containment sumps
- 💧 Replace under-dispenser containment
- 💧 Replace or repair spill buckets, fill pipes, and/or overflow protection devices
- 💧 Replace electronic monitoring system
- 💧 Conduct enhanced leak detection test
- 💧 Replace manway covers
- 💧 Enhanced vapor recovery upgrades



TYPICAL INELIGIBLE COSTS

- 💧 Aboveground Storage Tanks – exception: If replacing UST with an AST, will fund costs associated with removal/disposal of the UST only
- 💧 Non-qualifying dispensers – unless replacing entire fueling system or for an environmental reason
- 💧 Payment Card Industry/Point of Sale equipment
- 💧 Signage, decals, bollards, speakers, and monitors
- 💧 Canopies, valances, cash registers, fuel software, travel, and convenience store-related expenses



GRANTS

- 💧 Between **\$3K** to **\$70K maximum** per entity
- 💧 Finance up to 100 percent of the costs for certain UST-related work
- 💧 Includes UST removal only work



GRANTS - ELIGIBILITY

- 💧 Applicant's principal office/officers reside in CA and have CA address;
- 💧 Facility legally in business retailing gas after January 1, 1999;
- 💧 Facility retails less than 900K gallons of gasoline annually
- 💧 Tanks owned/operated in compliance with H&S Code Chapter 6.7 and implementing regulations and EVR requirements (requires current UST permit and current PTO)

❖ **Exception:**

- ✓ Meet requirements for waiver from RUST grant permit compliance requirements – **Removal-Only Grants**

GRANT PERMIT WAIVER

- 💧 If applicant does not meet permit compliance requirements, applicant may apply for a waiver of requirements if:
 - ✓ Tank owner or operator;
 - ✓ Removal only project (any type of tank; not limited to single-walled tank); and
 - ✓ Does not qualify for RUST loan



GRANTS - CERS COMPLIANCE

- 💧 Compliance with California Environmental Reporting System (CERS) is mandatory before grant eligibility can be assessed and completed.
- 💧 Notices of Violations cleared with return to compliance dates
- 💧 Submittals **accepted** by local regulatory agency
- 💧 Owners and Operators should work with regulatory agency to ensure issues resolved



LOANS

- 💧 **\$10K to \$750K** maximum per entity
- 💧 10 or 20 year terms
- 💧 Below Market Interest Rate: (1.3%)
- 💧 Financing up to 100 percent of costs to upgrade, remove, or replace USTs, Two percent (2%) loan fee
- 💧 Must apply through Financial Development Corporations



LOANS - ELIGIBILITY

- 💧 Must be UST owner and/or operator - Meeting following requirements:
 - ✓ Tanks owned/operated must comply with H&S Code chapter 6.7 and regulations adopted pursuant to chapter and EVR requirements, **unless the work will bring them into compliance**
 - ✓ Demonstrate ability to repay loan and possess adequate collateral; and
 - ✓ Must be in compliance, or will comply with, financial responsibility requirements

LOANS – ELIGIBILITY (cont.)

- 💧 Tanks owned/operated must comply with H&S Code chapter 6.7 and regulations adopted pursuant to chapter and EVR requirements, unless the work will bring them into compliance
- 💧 Demonstrate ability to repay loan and possess adequate collateral; and
- 💧 Must have complied with, or will comply with financial responsibility requirements



LOAN - CERS COMPLIANCE

- 💧 Compliance with CERS is mandatory for administrative items affecting compliance (e.g., UST monitoring, site plans submittal), before eligibility assessment can be completed.
- 💧 Owners or Operators should work with local regulatory agency to ensure issues resolved and Return to Compliance dates are in CERS



REDHORSE CORP - OUTREACH

- 💧 Respond to questions related to single-walled UST system removal, replacement, and closure requirements
- 💧 Provide one-on-one support to SWT owners/operators that may be eligible for RUST
- 💧 Provide assistance with the RUST Grant and Loan applications
- 💧 Work with CUPAs on CERS data cleanup and clarifications

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IMPORTANT DEADLINES

- 💧 RUST Program Sunsets – **January 1, 2022**
- 💧 Corrective Action Claim application submittal to UST Cleanup Fund for reimbursement of eligible costs – **December 31, 2024**
- 💧 Single-Walled Tank Closure Deadline – **December 31, 2025**
- 💧 UST Cleanup Fund sunsets – **January 1, 2026**

RUST PROGRAM INFORMATION

For more information, visit our website at:

http://www.waterboards.ca.gov/water_issues/programs/ustcf/rust.shtml

Join our Electronic Notification List to receive Program updates:

http://www.waterboards.ca.gov/resources/email_subscriptions/swrcb_subscribe.shtml#financial

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