



Single-Walled Tank Closure and the RUST Program

WHAT IS IN THE WORKS!



Hannah Thompson (Redhorse Corporation) &
McLean Reich (CA State Water Board)

23rd California Unified Program Annual
Training Conference
February 2 – March 18, 2021

Presentation Agenda

➤ Topics Covered

1. *Single Wall Tank Closure Stats Update*
2. *Single Wall Tank Closure Project Update*
3. *RUST Program Update (McLean)*

Single Walled Tank System Universe

SLIDO POLL – How many single-walled tank systems (USTs and/or piping) still exist in California?

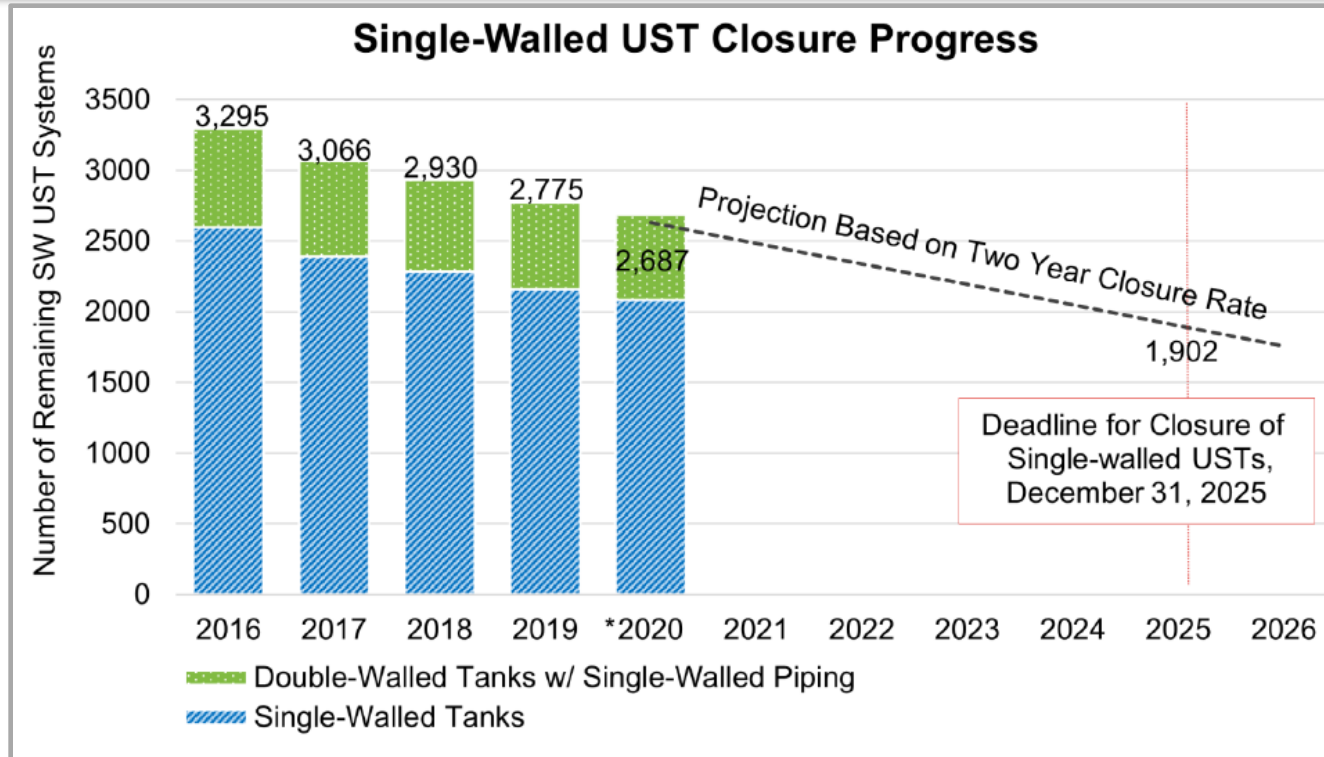
SWT Universe (continued)

California Single-Walled USTs			
	SW Tank	DW Tank SW Piping	Total
USTs	2,080	607	2,687
Facilities	755	357	1,089

SWT Universe (continued)

Single-Walled UST Closures			
Year	SW Tanks	DW Tanks SW Piping	Total
2017	206	23	229
2018	107	29	136
2019	123	32	155
2020	76	12	88

SWT Universe (continued)

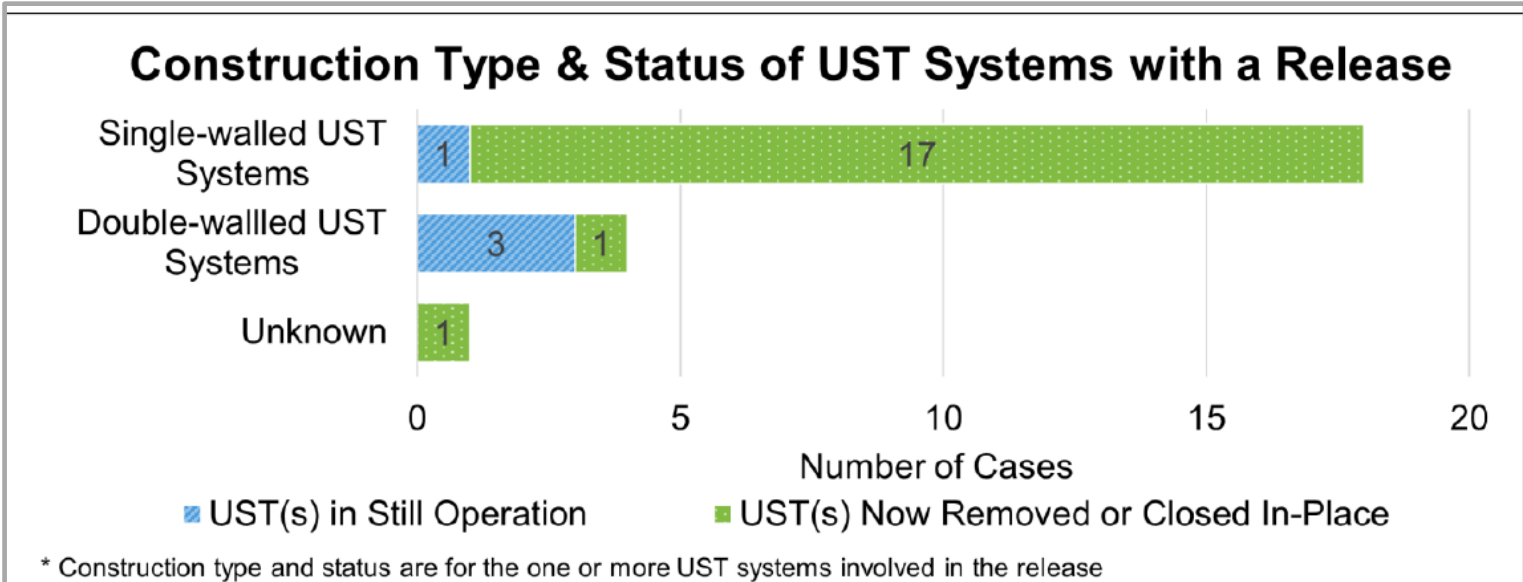


SWT Universe - Compliance

*~30% of SWT Facilities have
Unresolved Priority Violations*

SWT Universe - Release

23 new petroleum UST Cleanup Cases



SWT Universe – Release (continued)

*SLIDO POLL – What Percentage of SW UST
Closures or Upgrades Result in a Discovery of a
Release?*

SWT Universe – Release (continued)



SWT Permanent Closure Project – What has been going on?

➤ Redhorse Support:

- *Continued Owner & Operator Outreach*
- *Survey*
- *Personalized Letters*



SWT Permanent Closure Project – What has been going on? (continued)

- *Constantly Updating SWT Inventory*
- *GeoTracker SWT Universe Tracking Development*

	A	B	C	D	E	F	G	H
	Regulator Name	CERS ID	Facility ID	Facility Name	Facility Street Address	Facility City	Facility ZIP Code	Type of Actio
2	Alameda County Environmental H	10002946	01-008-000191	SERVICE CENTER, CITY OF NEWAI	37440 FILBERT ST.	NEWARK	94560	Renewal Permit
3	Alameda County Environmental H	10002946	01-008-000191	SERVICE CENTER, CITY OF NEWAI	37440 FILBERT ST.	NEWARK	94560	Renewal Permit
4	Contra Costa County Health Serv	10004485	07-000-705656	STERLING AVIATION	145 John Glenn Dr	Concord	94520	Renewal Permit
5	Contra Costa County Health Serv	10004485	07-000-705656	STERLING AVIATION	145 John Glenn Dr	Concord	94520	Confirmed/Updat
6	Contra Costa County Health Serv	10004521	07-000-706057	UNITED BROTHERS ENTERPRISES	2501 N Main St	Walnut Creek	94597	Confirmed/Updat
7	Contra Costa County Health Serv	10004521	07-000-706057	UNITED BROTHERS ENTERPRISES	2501 N Main St	Walnut Creek	94597	Confirmed/Updat
8	Contra Costa County Health Serv	10004521	07-000-706057	UNITED BROTHERS ENTERPRISES	2501 N Main St	Walnut Creek	94597	Confirmed/Updat
9	Contra Costa County Health Serv	10005598	07-000-710181	OAK GROVE SHELL	800 Oak Grove Rd	Concord	94518	Confirmed/Updat
10	Contra Costa County Health Serv	10005598	07-000-710181	OAK GROVE SHELL	800 Oak Grove Rd	Concord	94518	Confirmed/Updat
11	Contra Costa County Health Serv	10005598	07-000-710181	OAK GROVE SHELL	800 Oak Grove Rd	Concord	94518	Confirmed/Updat
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13	Contra Costa County Health Serv	10005796	07-000-712688	SUNSET DEVELOPMENT COMP	3453 CAMINO RAMON	SAN RAMON	94583	Renewal Permit
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15	Contra Costa County Health Serv	10005988	07-000-716126	OAK GROVE VALERO	2411 Oak Grove Rd	Walnut Creek	94598	Renewal Permit
16	Contra Costa County Health Serv	10005988	07-000-716126	OAK GROVE VALERO	2411 Oak Grove Rd	Walnut Creek	94598	Renewal Permit
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STATE WATER RESOURCES CONTROL BOARD
GEOTRACKER

SWT Permanent Closure Project – What has been going on? (continued)

➤ Redhorse Support:

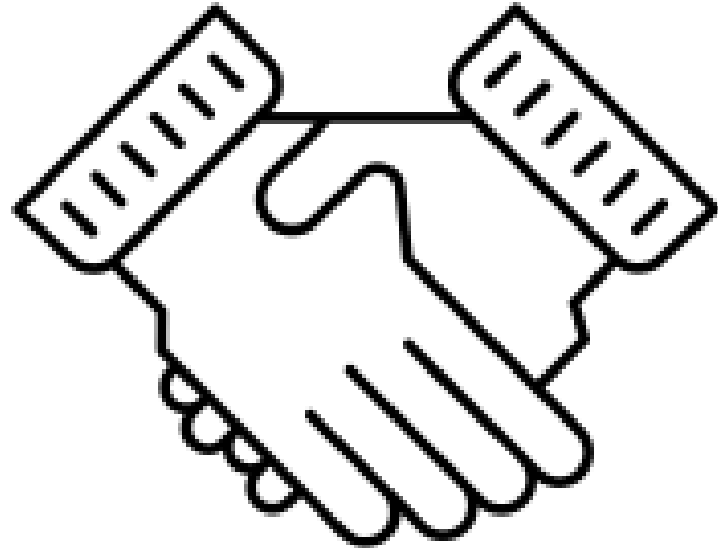
- *Checklists and Common Q&A Development*
- *RUST Guidebook and Training Development*



SWT Permanent Closure Project – What has been going on? (continued)

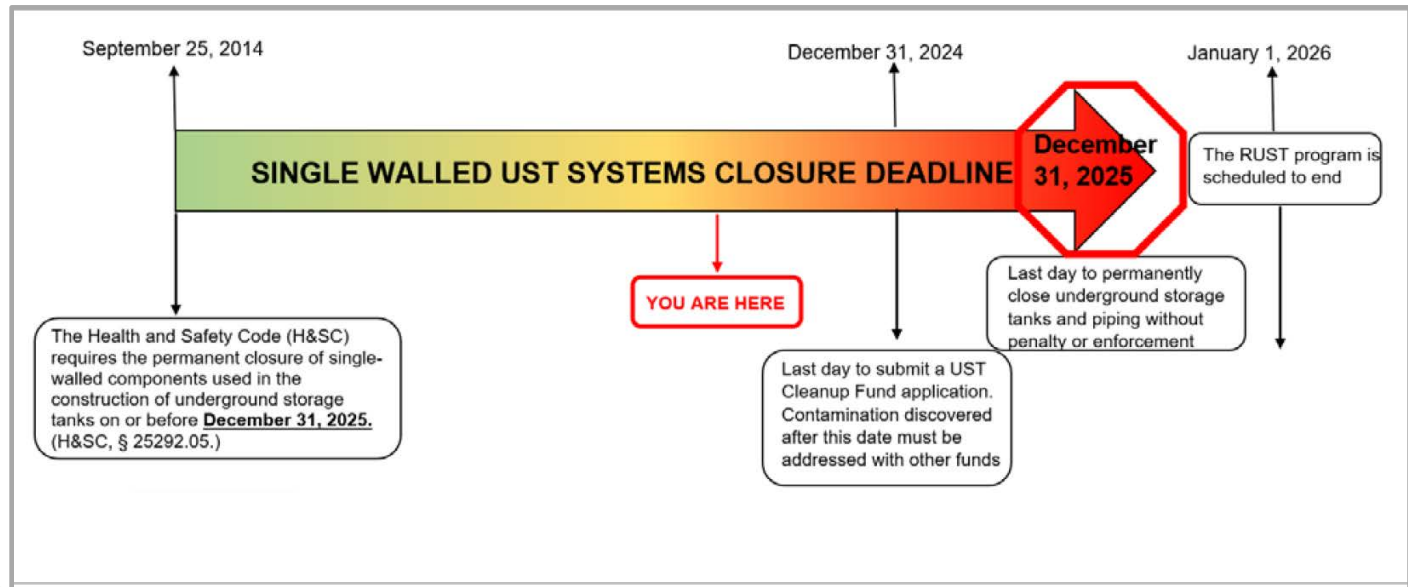
Coming Soon

Commitment Plans



SWT Permanent Closure Project – Outreach

Messaging to SWT Owners and Operators



SWT Permanent Closure Project – Outreach (continued)

Messaging to SWT Owners and Operators

Tank owners/operators who wait until the last year (2025)

- Could miss out on RUST grants and loans
- Will not be able to submit application to the UST Cleanup Fund
- Will likely pay more for the same services or may not be able to find a contractor or new tank equipment in time.



SWT Permanent Closure Project – Outreach (continued)

Messaging to SWT Owners and Operators

Tank owners/operators who wait until
2026

- Will be red-tagged and fuel dispensing and deliveries will be prohibited
- Civil penalties will begin accruing come Jan 1, 2026



SWT Permanent Closure Project – Outreach (continued)

Messaging to SWT Owners and Operators

RUST PROGRAM

Apply for the RUST Program ASAP!

- ◆ 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

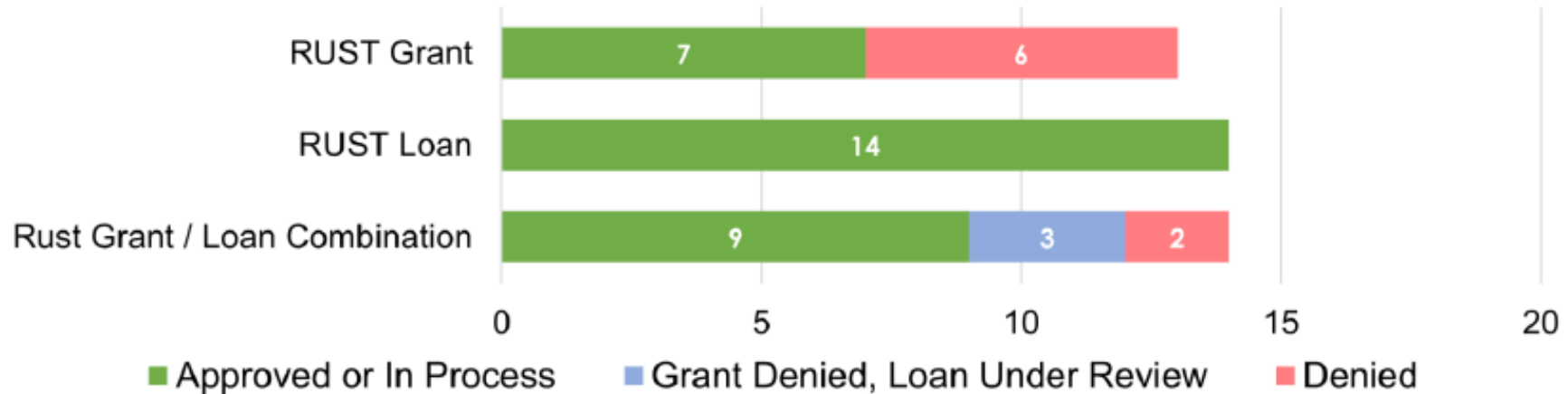
Work cannot begin until the loan or grant applicant has an executed agreement with the State Water Board.



SWT Permanent Closure Project – Outreach (continued)

RUST Applications for Single-Walled UST Closure

(41 / 87 total RUST applications submitted January 2019 - June 2020)



SWT Permanent Closure Project – Outreach (continued)

*SLIDO POLL – What Percentage of RUST
Applications does that State receive that are
missing documentation?*

SWT Permanent Closure Project – Outreach (continued)

Important!

**RUST GRANT AND LOAN ELIGIBILITY
CRITERIA HAS CHANGED!**



SWT RUST SUCCESS STORY

Khana Services and Distribution



Redhorse Support

Support from Redhorse

- SWT Tracking
- Answer SWT Closure Questions
- Answer RUST Eligibility Questions
- Assist with RUST Grant and Loan applications
- Work with CUPAs on CERS data
- Coordinate Stakeholder Meetings



Redhorse SWT Permanent Closure Team



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Single-Walled Tanks Permanent Closure – Things to Remember

- There is NO extension to the December 31, 2025 SWT permanent closure deadline
- The State Water Board will pursue enforcement come January 1, 2026
- Single-Walled Tanks are higher risk and a high % will also require cleanup
- Apply for RUST Early Early Early!
- Start addressing SWT closures now so that O/Os can potentially take advantage of all funding available.





BREAK TIME!





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



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 before work begins**

IMPORTANT DEADLINES

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

RUST Program Sunsets – ~~1/1/2022~~

RUST Program Extended!!!

January 1, 2026



ELIGIBLE APPLICANTS

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

💧 Grants

- ✓ Independently owned/operated
- ✓ Under 20 employees
- ✓ Less than 1,500,000 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 overfill protection equipment
- 💧 Replace electronic monitoring system
- 💧 Enhanced vapor recovery upgrades



TYPICAL INELIGIBLE COSTS

- 💧 Aboveground Storage Tanks – exception: If replacing UST with an AST, costs associated with removal/disposal of the UST only are eligible
- 💧 Non-qualifying dispensers – unless replacing entire fueling system or for an environmental reason
- 💧 Payment Card Industry/Point of Sale equipment
- 💧 Marketing signage or 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
- 💧 Increased maximum of **\$140K** for rural areas
- 💧 Finance up to 100 percent of the costs for certain UST related work
- 💧 Includes UST removal only work



Recent Legislative Changes

Grants Eligibility

- 💧 Annual Gas Sales - Changed from less than 900K gallons to less than **1.5M gallons**
- 💧 Retailing Gasoline - Facility legally in business retailing gas after January 1, 1999 changed to retailing motor vehicle fuel at any **time within the last 2 years**
- 💧 Compliance – Work now can go towards getting station into compliance with the below conditions:
 - Cannot have been out of compliance for more than 180 days before the application date
 - Cannot be red tagged
 - Facility, at the time of application, must not be subject to enforcement action
 - Project must fully resolve the compliance issues

GRANT WAIVER

- 💧 If applicant does not meet permit compliance and/or retail gasoline 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 is checked via California Environmental Reporting System (CERS) 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, repair, remove, or replace USTs, Two percent (2%) loan fee
- 💧 Must apply through a Financial Development Corporation



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 with financial responsibility requirements.

LOAN - CERS COMPLIANCE

- 💧 Compliance is checked via CERS before eligibility assessment can be completed. Any violations that will not be fixed by project (e.g., UST monitoring, site plans submittal), must have Return to Compliance dates.
- 💧 Owners or Operators should work with local regulatory agency to ensure issues resolved and Return to Compliance dates are in CERS



IMPORTANT DEADLINES

- 💧 RUST Program Sunsets – **January 1, 2026**
- 💧 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**

HOW TO APPLY

💧 Loan Applications and Grant Applications are submitted differently

💧 Grants

- ✓ Apply directly with the RUST Program
- ✓ Application and document checklist available via RUST Webpage
- ✓ FFAST Application available in March

💧 Loans

- ✓ Must apply through Financial Development Corporations (FDCs)
- ✓ Listing of partner FDCs available via RUST web page

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/wrcb_subscribe.shtml#financial

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Any Questions?

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