



# Underground Storage Tank Cleanup Fund Update

February 2, 2021

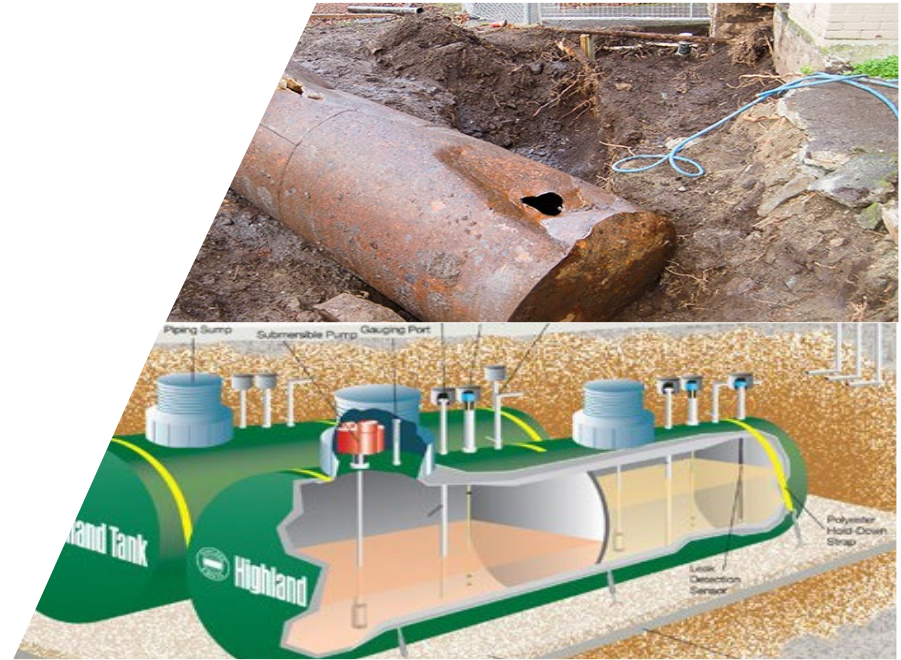
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916-341-5797



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

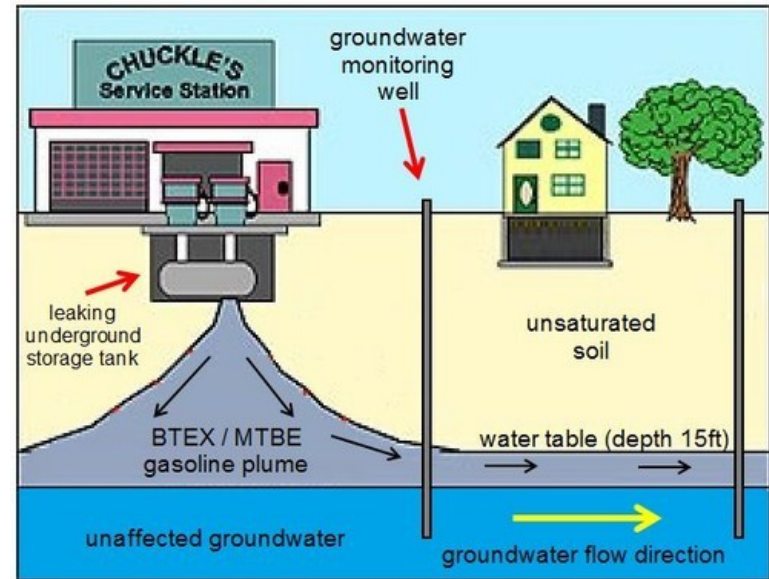
# Mission

- 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 ~\$337 M per year
- Annual appropriation authorizes \$200 M per year for reimbursements
- Additional funds are directed to subaccounts, Cleanup Fund administration, and regulatory oversight costs



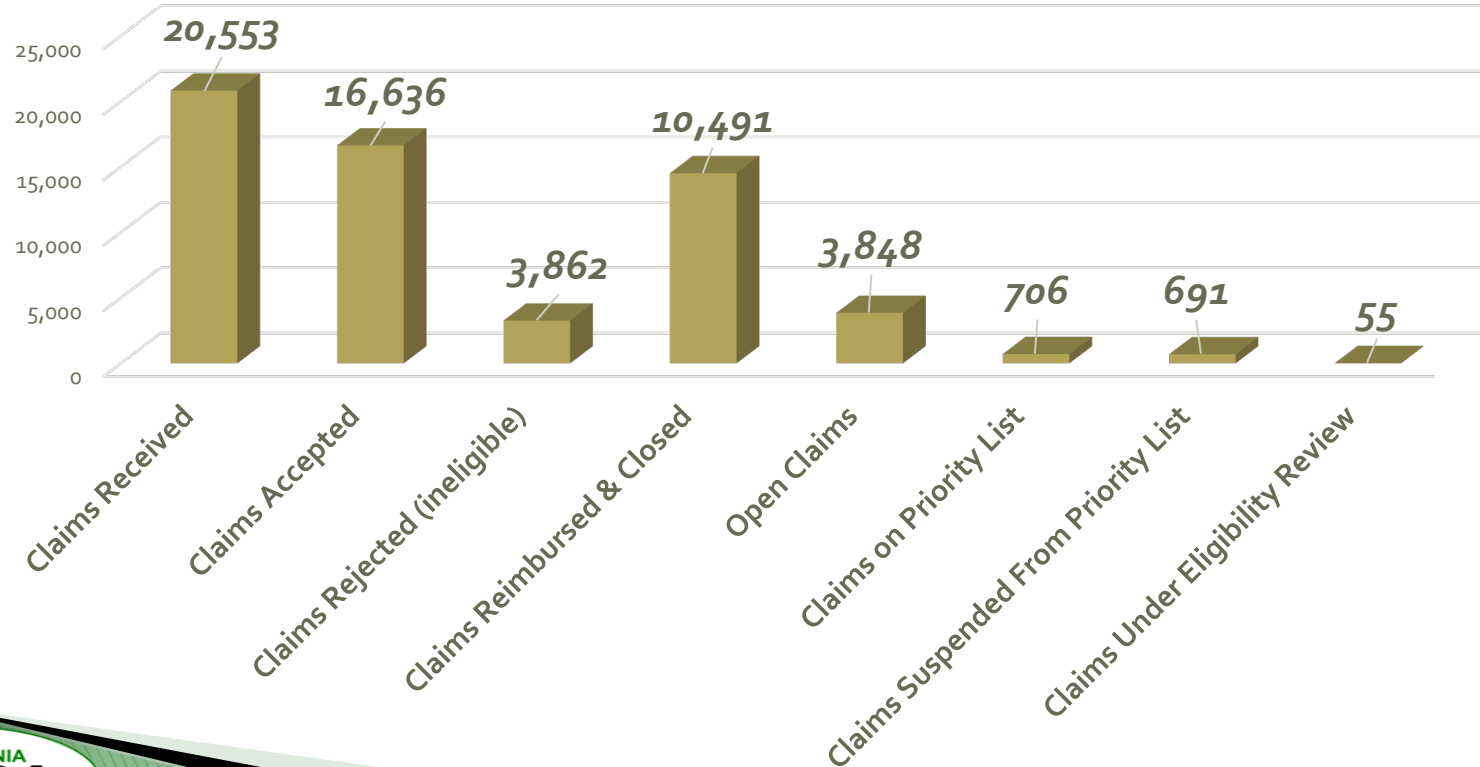
# USTCF Statistics

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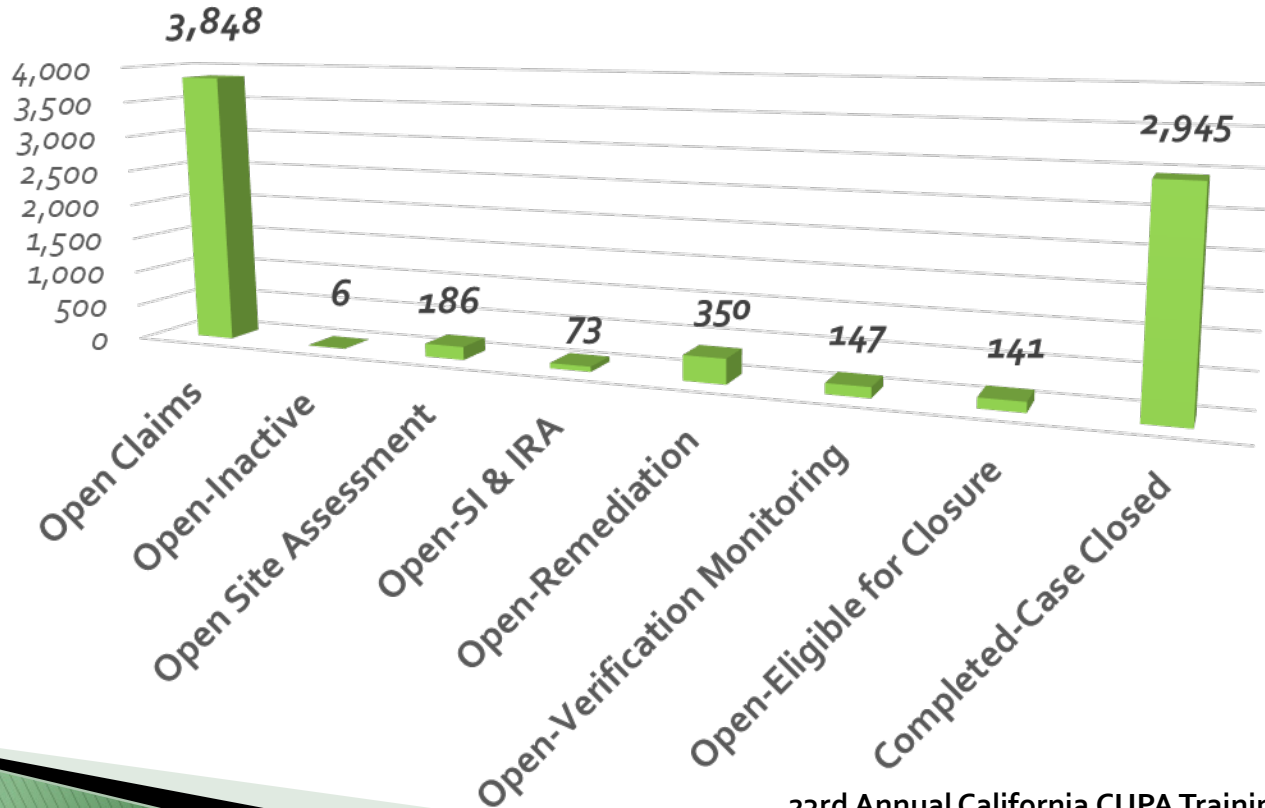


- Reimbursed \$3.9 billion since 1992
- Expect ~\$1.3 billion available for reimbursement through 12/31/2025
- Underground Storage Tank Cleanup Fund (USTCF) sunsets 1/1/2026

# USTCF Cumulative Claim Statistics



# USTCF Open Claim Status



# Letters of Commitment

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- Commits the Fund to provide reimbursement for corrective action costs
- Satisfies the financial assurance requirements for UST owners/operators
- Issued 954 LOCs in FY 19/20
- Plan to issue LOCs to activate the entire priority list by the end of 2021



# Reimbursements

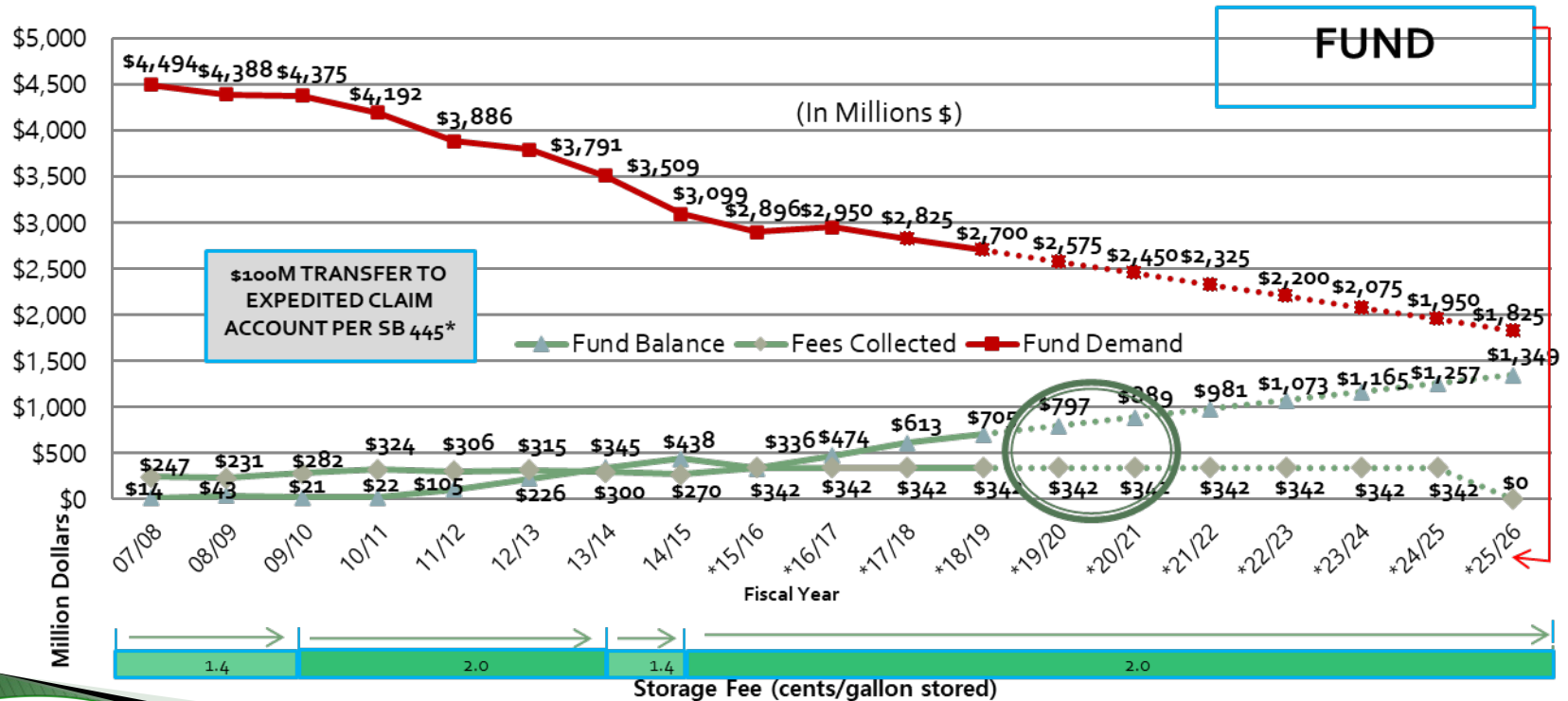
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- Paid 2,878 requests for reimbursement (RRs) in FY 19/20 (\$190M)
- Have received 1,230 RRs in FY 20/21
- Have Paid 847 RRs since July 1, 2020 (\$41M)
- Fund currently reviewing RRs within 30 days and forwarding for payment



# USTCF \$ Balance vs. Demand



# Reimbursement Appeals

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



Focus on consistency and concise response format



USTCF now receiving ~five appeals per month

# Fraud, Waste and Abuse Prevention

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- 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
- 12 Firms/16 individuals permanently disqualified
- 2 criminal actions
- 4 civil actions
- 12 administrative actions
- [ReportFraud@waterboard.ca.gov](mailto:ReportFraud@waterboard.ca.gov)

# Review Summary Reports

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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 510 RSRs in FY 18/19 and 413 in FY 19/20; 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 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 55 projects underway statewide
- \$5.0 million annual appropriation
- EAR account is currently underutilized. USTCF is collaborating with USEPA to increase use
- Regional Board nominates cases to the State Board staff and oversees corrective action at approved sites
- [https://www.waterboards.ca.gov/water\\_issues/programs/ustcf/ear.html](https://www.waterboards.ca.gov/water_issues/programs/ustcf/ear.html)

# Orphan Site Cleanup Fund(OSCF)

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- \$10.0M in FY 19/20 appropriation
- Currently 33 projects funded, 17 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
- *(H&S Code § 25299.50.2 and Orphan Site Cleanup Fund Regulations (Cal. Code of Regs., tit. 23, § 2814.20, et seq.)*
- [https://www.waterboards.ca.gov/water\\_issues/programs/ustcf/oscf.html](https://www.waterboards.ca.gov/water_issues/programs/ustcf/oscf.html)

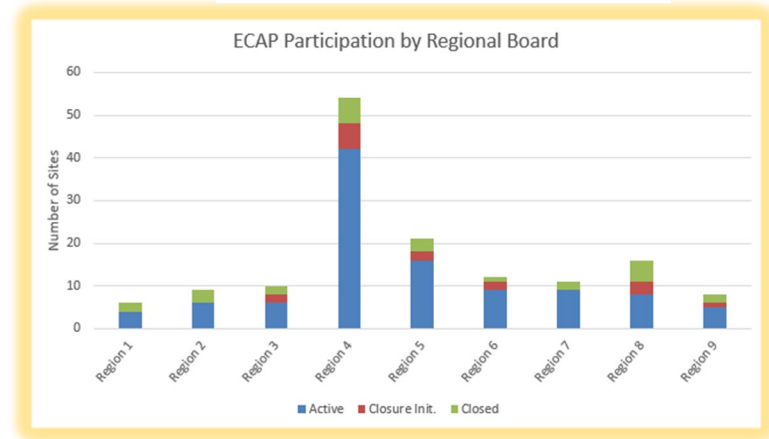
# Site Cleanup Account Program(SCAP)



- 87 grant-funded projects as of July 2020
- 12 Regional Board contract-funded projects
- Over \$88 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
- 225 sites currently in ECAP
- 60 ECAP cases have either closed or are in the process of closing (44% closure rate).
- \$65M of original \$100M set aside has been expended.





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

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AB3220 took effect January 1, 2021 extends the RUST program sunset date to January 1, 2026. Specific eligibility criteria was expanded as well.



CALIFORNIA

**Water Boards**

STATE WATER RESOURCES CONTROL BOARD

REGIONAL WATER QUALITY CONTROL BOARDS

# Any Questions?

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