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# UST Compliance Program

## UST Compliance Advisory Committee

May 31, 2016  
Portland, OR



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# UST Compliance Program Advisory Committee



# UST Compliance Program Overview



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# Reasons for National Program



50% of US and Oregon citizens gets their water partially or solely from groundwater



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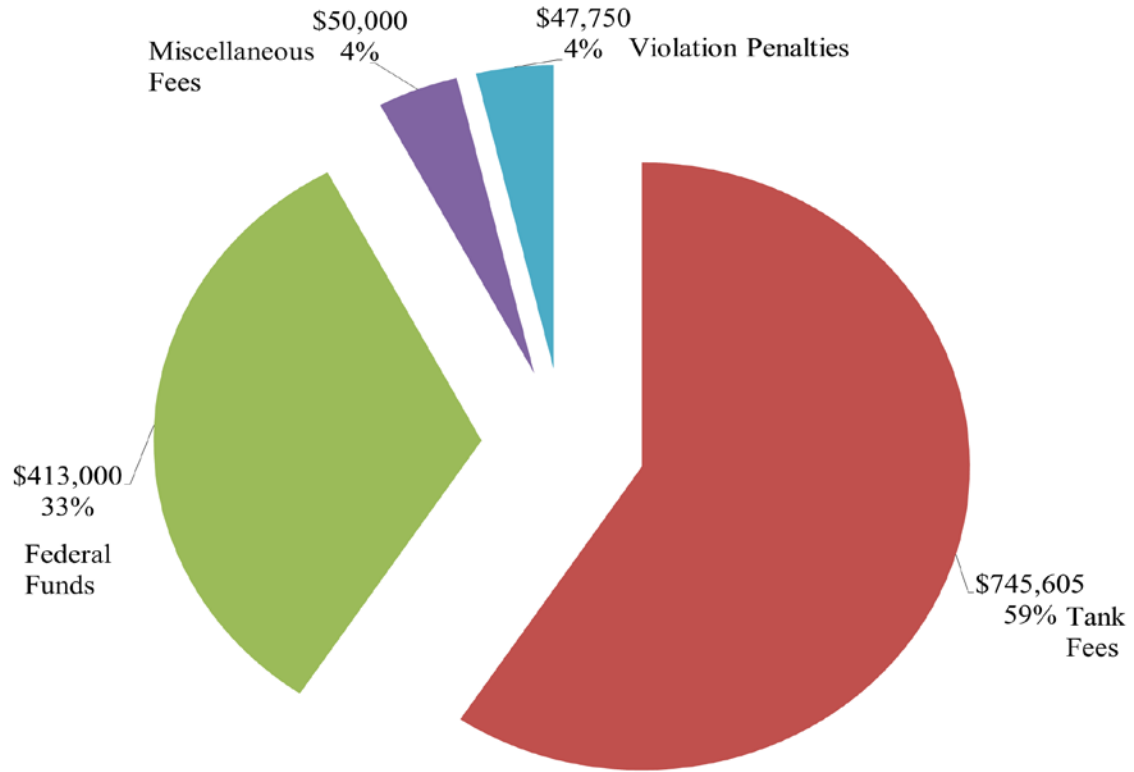
# Oregon Program's Genesis

- 1984 – Subtitle I of RCRA
- 1985 - Oregon Legislature directed DEQ to start program
- 1986 - Tank registration
- 1998 – Upgrade Required
- 2005 – Energy Policy Act



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# Annual UST Program Funding



Program receives no general fund money.



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# Staffing

## Legislatively Approved Budget:

- 11 DEQ staff

## Currently Operating At:

- 3 staff below the LAB due to a shortage in revenue



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# Compliance Inspections

5,523 regulated USTs at 1,860 facilities

- 1,815 - 2007 to 2010
- 1,746 - 2010 to 2013
- 1,551 - 2013 to present



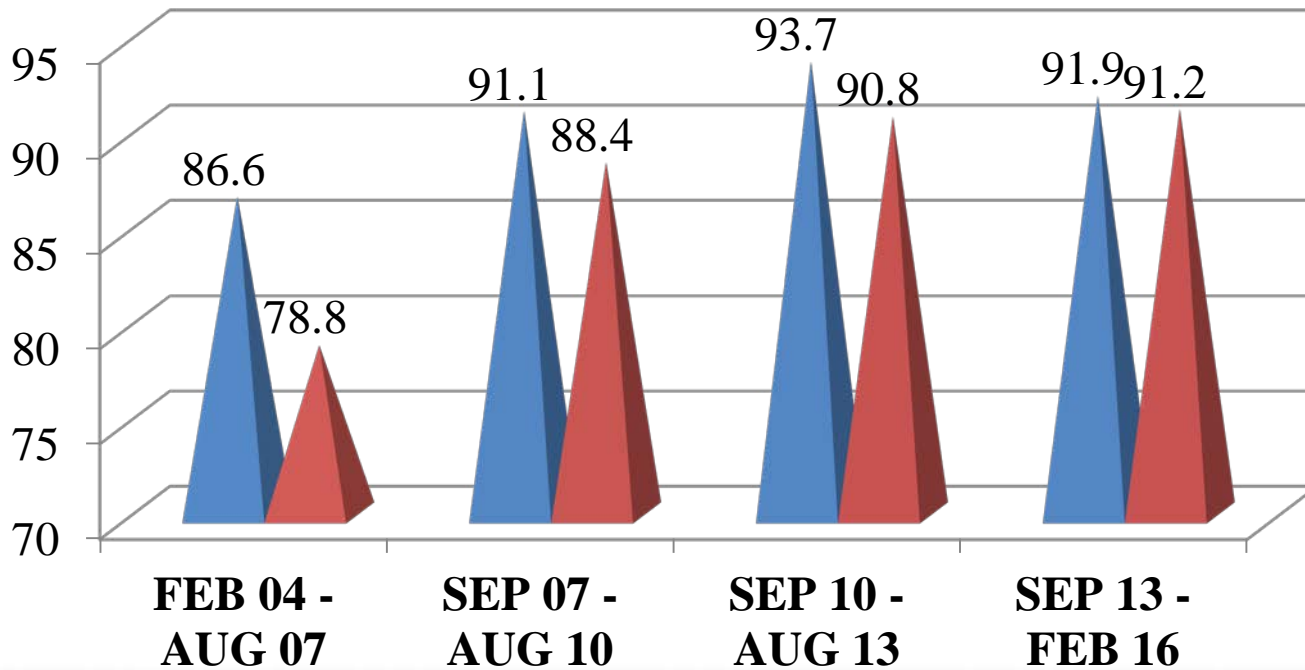




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# Compliance Rates

## PERCENTAGE OF UST FACILITIES IN SIGNIFICANT OPERATIONAL COMPLIANCE



■ **RELEASE PREVENTION**

■ **RELEASE DETECTION**

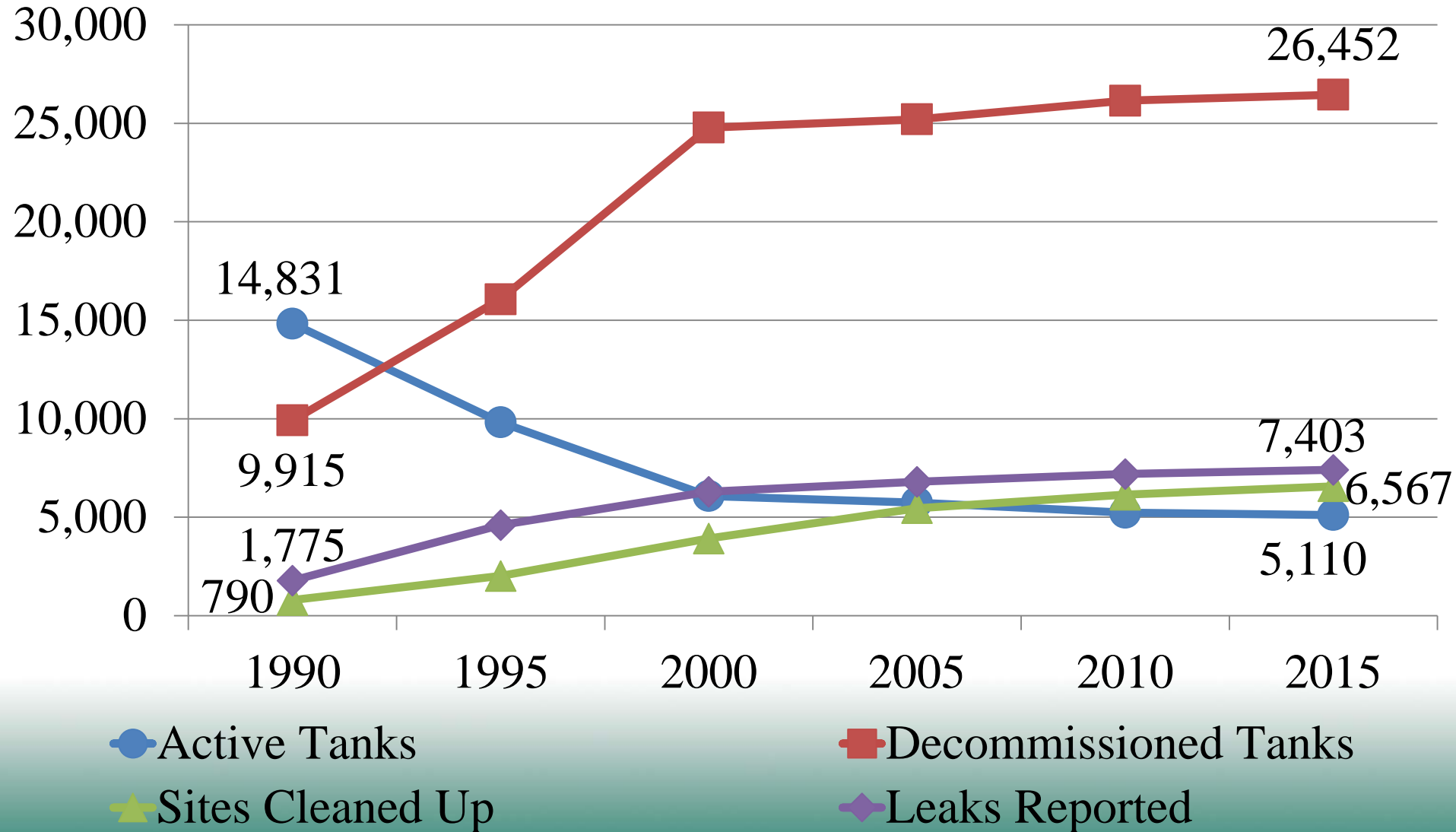


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# Regulated Tank Compliance & Cleanup Trends





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# Non Field Work

- Manage EPA grants
- Rulemaking
- Reapply to retain State Program Approval status
- Verify tank insurance
- Invoice fees
- DEQ licenses UST contractors and supervisors
- Manage temporarily closed tanks
- Investigate Mystery & Abandoned Tanks
- Issue operating certificates

Any Questions?

# Rule Revision Overview



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# Rule Revision Timeline

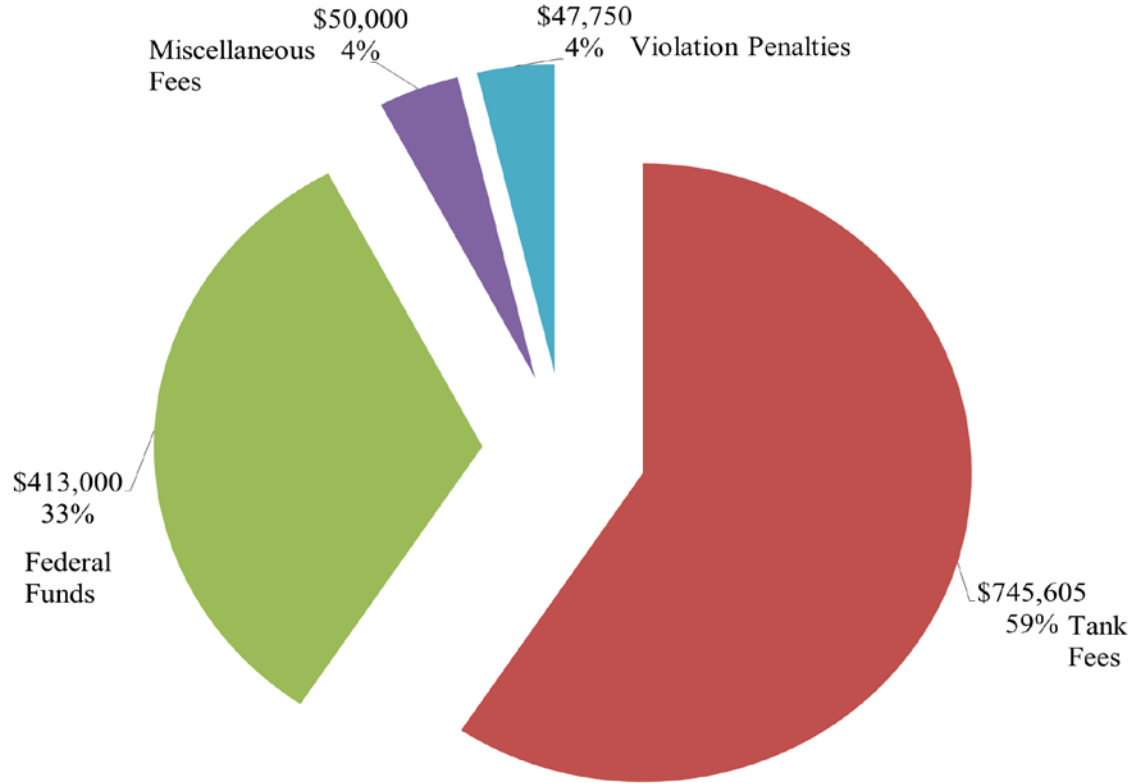
- **May 2016** - Advisory Committee discuss tank fee increase need
- **January - May 2017** - Advisory Committee discuss proposed rules
- **January - June 2017** – Legislature may consider a UST program fee bill
- **November 2017** - Proposed rules before Environmental Quality Commission
- **January 2018** – Rules effective
- **October 2018** - Submit State Program Approval Application to EPA

# Tank Funding Needs



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# Legislatively Approved Budget



Program receives no general fund money.





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# Program Today

- 3.5 inspectors = 350 inspections/yr
  - 3.25 staff and managers doing other program work
  - 3 less staff
- + 1-2 EPA inspectors = 90 inspections until 9/30/16*



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# Funding Shortfall Implications

- Federal grant dollars and fees are declining
- Expenses are up
- We have reduced services to the business community
- EPA is doing more inspections
- Increased environmental risk due to undetected releases

Any Questions?

# Tank Fee Options



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# Tank Fees: Then and Now

- History of program fees
- Current: \$135
- Last increased in 2007



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# Tank Fee Options

Two options to consider for fee increase

- Flat fee
- Tiered fee based on product throughput



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# Tank Fee Option 1

**All UST owners pay same per tank fee**

$$\text{\$321} \times 5,523 \text{ tanks} = \text{\$1,772,883}$$



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# Tank Fee Option 2

Annual Tank fee amount based on facility throughput

Tank Fee	Current	Example	# of Tanks
<b>Annual Fuel Throughput (gallons)</b>			
<100,000	\$135	\$175	1,000
100,000 – 500,000	\$135	\$225	1,050
500,000 – 1,000,000	\$135	\$360	2,917
>1,000,000	\$135	\$550	556
<b>Total</b>	<b>\$745,605</b>	<b>\$1,767,170</b>	<b>5,523</b>





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# Other Inspection Options Considered

- 3<sup>rd</sup> party inspection program
- Partner with other state agencies
- Increase fee by XX percent each year thereafter

Any Questions?

# Tank Fee Discussion

# Next Steps

*Thank you!*