



State of Oregon
Department of
Environmental
Quality

UST Compliance Program

UST Compliance Advisory Committee

October 18, 2016
Portland, OR



State of Oregon
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UST Compliance Program Advisory Committee



Meetings Review



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Fee Options Revisited

- Per Tank Fee
- Tiered fee based on throughput
- Tiered fee based on capacity



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Advisory Committee Recommendations

- Majority recommended throughput option as preferred tank fee at 1st advisory committee meeting
- Majority recommended capacity option as preferred tank fee at 2nd advisory committee meeting



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Legislative Concept Placeholder

466.785 Annual storage tank fee; late payment fee.

(1) Every underground storage tank permittee shall pay a fee per calendar year ~~in the amount of \$135 per tank~~ based on the total capacity in gallons of all regulated underground storage tanks at an underground storage tank facility ~~per calendar year.~~ in accordance with the following schedule:

- (a) XX,XXX gallons or less, \$XXX per facility.
- (b) XX,XXX – XX,XXX gallons, \$XXX per facility.
- (c) XX,XXX – XX-XXX gallons, \$X,XXX per facility.
- (d) XXX,XXX gallons or more, \$X,XXX per facility.

UST Program Background



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Tank Fees: Then and Now

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



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Service Level Today

Full Service Level

Service Level Today

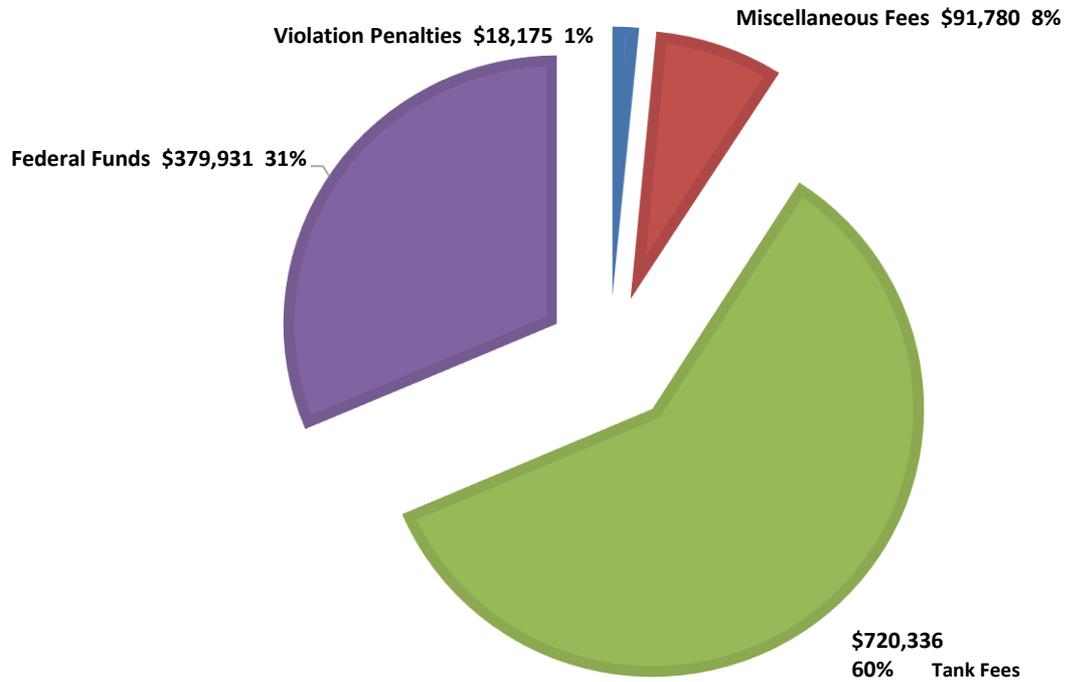
- \$720K/year
- 3.5 inspectors = 385 inspections/yr
(1 in 5+ inspection rotation)
- Total of 7.4 FTE including:
 - Licensing Coordinator (1 FTE)
 - Inspectors (3.5 FTE)
 - Policy, Grant & Data Staff
(1.25 FTE)
 - Administrative (.75 FTE)
 - Management (.9 FTE)



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Annual UST Program Funding

PROGRAM RECEIVES NO GENERAL FUND MONEY





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Funding Shortfalls

- Federal grant dollars are declining
- Tank fee hasn't been increased in 10 years
- Expenses are up



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Funding Implications

- EPA is doing more inspections
- Increased EPA enforcement



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Accomplishments

- Program Efficiencies
- Program Successes

Current Tank Fee Options



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Fee Options Revisited

- Per Tank Fee
- Tiered fee based on capacity
- Committee Recommendation?

Service Level Discussion



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Program Service Level

Full Service Level

- \$1.6M per year
- 5.5 inspectors = 600 inspections/yr
(1 in 3)
- Total of 10.40 FTE including:
 - Licensing Coordinator (1 FTE)
 - Inspectors (5.5 FTE)
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(2.25 FTE)
 - Administrative (.75 FTE)
 - Management (.9 FTE)



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Service Level Today

- **\$720K/year**
- 3.5 inspectors = 385 inspections/yr
(1 in 5+ inspection rotation)
- Total of 7.4 FTE including:
 - Licensing Coordinator (1 FTE)
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 - Administrative (.75 FTE)
 - Management (.9 FTE)

Any Questions?

Next Steps

Thank you!



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Throughput Tank Fee Option

Annual Tank fee amount based on facility throughput

Tank Fee	Current	Example	# of Tanks
Annual Fuel Throughput (gallons)			
≤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
Total	\$745,605	\$1,767,170- now \$1,834,300 based on \$332/tank for fully funded program	5,523-now 5525



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Throughput a Gas Tax?

- 1986 Attorney General Opinion
- Opinion stated fees were dedicated to roads if:
 - Assessed merely because of the storage of products; or
 - Fuel stored or passing into or out of the facilities
- Current DOJ advice cautioned against this option



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Tank Fee Option 1

Annual Tank Fee Amount Based on Facility Capacity

Tank Fee	Current Per Tank Fee	Proposed	# of Sites
Fuel Capacity (gallons)			
≤10,000	\$135	\$191	204
10,001 – 25,000	\$135	\$572	448
25,001 – 35,000	\$135	\$1,527	377
≥100,000	\$135	\$1,718	657
Total	\$745,605	\$1,999,591 – now \$1,834,300 based on \$332/tank for fully funded program	1,686 – now 1,683



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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



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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 9/30/17*



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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