



State of Oregon  
Department of  
Environmental  
Quality

# UST Compliance Program

## UST Compliance Advisory Committee

October 18, 2016  
Portland, OR



State of Oregon  
Department of  
Environmental  
Quality

# UST Compliance Program Advisory Committee



# Meetings Review



State of Oregon  
Department of  
Environmental  
Quality

# Fee Options Revisited

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



State of Oregon  
Department of  
Environmental  
Quality

# Advisory Committee Recommendations

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



State of Oregon  
Department of  
Environmental  
Quality

# 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



State of Oregon  
Department of  
Environmental  
Quality

# Tank Fees: Then and Now

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





State of Oregon  
Department of  
Environmental  
Quality

# Service Level Today

## Full Service Level

## Service Level Today

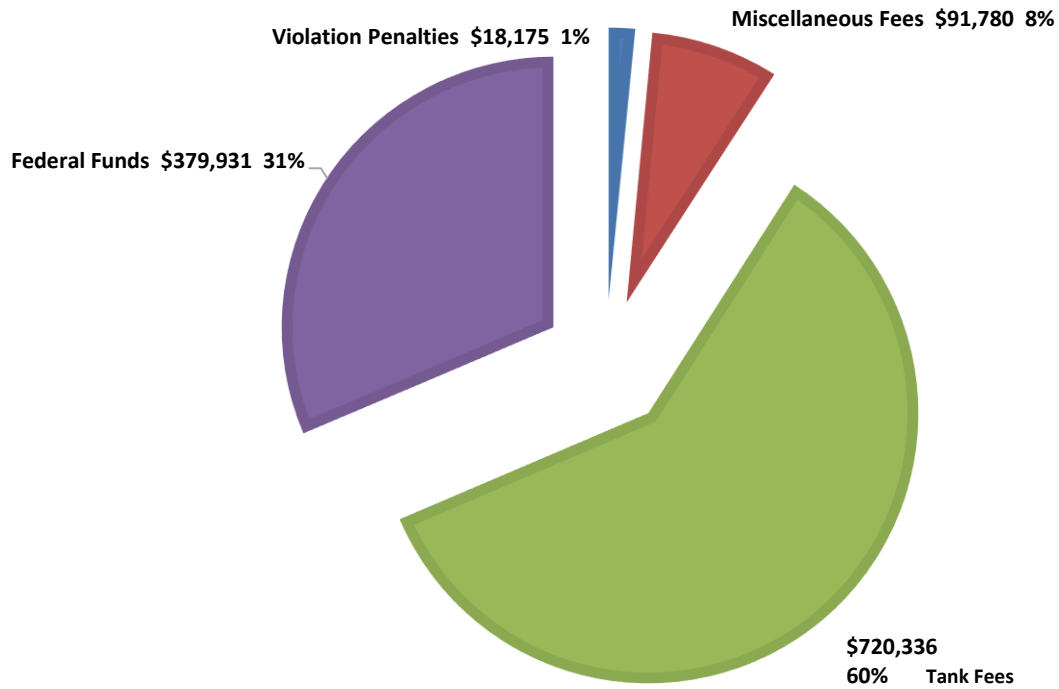
- \$720K/year
- 3.5 inspectors = 385 inspections/yr  
**(1 in 5+ inspection rotation)**
- Total of 7.4 FTE including:
  - Licensing Coordinator (1 FTE)
  - Inspectors (3.5 FTE)
  - Policy, Grant & Data Staff  
(1.25 FTE)
  - Administrative (.75 FTE)
  - Management (.9 FTE)



State of Oregon  
Department of  
Environmental  
Quality

# Annual UST Program Funding

PROGRAM RECEIVES NO GENERAL FUND MONEY





State of Oregon  
Department of  
Environmental  
Quality

# Funding Shortfalls

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



State of Oregon  
Department of  
Environmental  
Quality

# Funding Implications

- EPA is doing more inspections
- Increased EPA enforcement



State of Oregon  
Department of  
Environmental  
Quality

# Accomplishments

- Program Efficiencies
- Program Successes

# Current Tank Fee Options



State of Oregon  
Department of  
Environmental  
Quality

# Fee Options Revisited

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

# Service Level Discussion





State of Oregon  
Department of  
Environmental  
Quality

# 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)
  - Policy, Grant & Data Staff  
(2.25 FTE)
  - Administrative (.75 FTE)
  - Management (.9 FTE)



State of Oregon  
Department of  
Environmental  
Quality

# Program Service Level

## Full Service Level

- \$1.6M/year
- 5.5 inspectors = 600 inspections/yr  
**(1 in 3 inspection rotation)**
- Total of 10.40 FTE including:
  - Licensing Coordinator (1 FTE)
  - Inspectors (5.5 FTE)
  - Policy, Grant & Data Staff (2.25 FTE)
  - Administrative (.75 FTE)
  - Management (.9 FTE)

## 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)

Any Questions?

# Next Steps

*Thank you!*



State of Oregon  
Department of  
Environmental  
Quality

# Throughput Tank Fee Option

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- now \$1,834,300 based on \$332/tank for fully funded program</b>	<b>5,523-now 5525</b>



State of Oregon  
Department of  
Environmental  
Quality

# 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



State of Oregon  
Department of  
Environmental  
Quality

# Tank Fee Option 1

## Annual Tank Fee Amount Based on Facility Capacity

Tank Fee	Current Per Tank Fee	Proposed	# of Sites
<b>Fuel Capacity (gallons)</b>			
≤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
<b>Total</b>	<b>\$745,605</b>	<b>\$1,999,591 – now \$1,834,300 based on \$332/tank for fully funded program</b>	<b>1,686 – now 1,683</b>





State of Oregon  
Department of  
Environmental  
Quality

# 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



State of Oregon  
Department of  
Environmental  
Quality

# 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*



State of Oregon  
Department of  
Environmental  
Quality

# Staffing

## Legislatively Approved Budget:

- 11 DEQ staff

## Currently Operating At:

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