

ANNUAL UPDATE FOR FISCAL YEAR 2011 - 2012

**COLORADO DEPARTMENT OF LABOR AND EMPLOYMENT
DIVISION OF OIL AND PUBLIC SAFETY**

SB 181

COMPLIANCE WITH WATER QUALITY STANDARDS AND CLASSIFICATION

OCTOBER 2012

This update is offered to the Water Quality Control Commission concerning the activities of the Division of Oil and Public Safety Storage Tank Program for the period ending June 30, 2012.

Technical Activities

Number of releases active during Fiscal Year 2012.....	1,193
Number of confirmed releases.....	178
Number of sites issued No Further Action required letters.....	265
Number of Site Characterization Reports reviewed.....	73
Number of Corrective Action Plans reviewed and approved.....	305
Number of Monitoring Reports reviewed.....	2,943

State Fund Information for Fiscal Year 2012

Number of reimbursement applications heard by the PST Committee.....	73
Number of supplemental reimbursement applications approved by Staff.....	1,669
Dollars reimbursed by the PST Committee (including State Lead and LUST Trust).....	\$28,602,246
Total dollars reimbursed since inception of the Fund (1991).....	\$457,198,321

Enforcement

Number of Notices of Violations issued.....	573
Number of Enforcement Orders issued.....	33
Number of tanks with Delivery Prohibition.....	49

Program Improvements

Listed below are improvements made by the Division to the program in order to more effectively investigate and remediate the contamination associated with petroleum storage tank system failures and protect the solvency of the Petroleum Storage Tank Fund.

Electronic Deliverables

A (FTP) site is available for uploading monitoring and remediation reports and site summary forms. OPS anticipates being able to accept all of its reports electronically within the year. This is a waste reduction/data storage effort.

Storage Tanks Regulations

OPS is preparing revisions to the petroleum storage tank regulations. The purpose of the revisions is generally to clarify regulations, to make them easier to read and understand, and to reduce the burden on the regulated community. In addition to members of the regulated community, municipalities, equipment companies, and fire departments, representatives from the Water Quality Control Commission and the Colorado Department of Public Health and Environment will be invited as stakeholders to review and comment on the proposed revisions. The proposed revisions will also be made available for public comment.

Storage Tank Closure Program

OPS Remediation Section provided regulatory oversight during the permanent closure of 344 petroleum storage tanks at 145 locations during FY 2012 and will continue this role in FY 2013. During the closure inspections, OPS staff ensures that proper tank closure methods are utilized and closure assessment sampling of soil and groundwater is conducted to measure for the presence of a release. During FY 2012, 75 site closures (51.7%) had confirmed petroleum releases. This percentage is down from previous years and is related to release prevention efforts and the increased number of aboveground storage tank clean closures. Of the 75 petroleum tank sites with confirmed releases, 58 sites (77.3%) were issue no further action determinations demonstrating that the magnitude of observed petroleum impacts had declined in FY 2012.

During FY 2012, the number of petroleum storage tanks in temporary closure remains near historic highs. OPS has developed a methodology to assist tank owner/operators with extending the allowable time for competent, compliant tank systems to remain in temporary closure. A fundamental element in this extension process is the completion of an environmental site assessment to ensure the protection of State waters.

Petroleum Storage Tank Fund - State Lead Cleanups

During FY 2012 the OPS conducted assessment and remediation activities at 132 petroleum impacted sites using State environmental contractors. These sites fall into two classifications: innocent property owners or tank owner/operators who are unable to conduct remediation for financial reasons. The State Lead for Responsible Parties (SLRP) program was established to assist these tank owner/operators. Of the 132 active State Lead sites, 71 are in the SLRP program and 61 sites are being addressed for persons bearing no responsibility for the release. In FY 2012 the OPS expended over seven million dollars protecting groundwater through soil and groundwater remediation.

LUST Trust Fund

OPS has continued to assess and remediate sites via USEPA LUST Trust grant monies, where tank owners were unknown or in some cases financially unable to perform the work. Many of these sites with financially unable responsible parties are now being addressed under the SLRP program. During FY 2012, the OPS expended approximately \$400,000 at the 20 sites. Work performed at these sites was funded through the USEPA Leaking Underground Storage Tank (LUST) Trust Grant and through costs recovered from the Petroleum Storage Tank Fund (PSTF) for eligible sites. At each of the sites being addressed, the owner is financially unable to perform the work. Of these sites 14 have active remediation systems operating, system installation is planned for one site, and 5 are on a quarterly groundwater monitoring schedule, with two of these under monitoring following ISCO treatment.

Green and Sustainable Remediation

OPS continues to develop a Green and Sustainable Remediation (GSR) Program in an effort to more thoroughly consider of public health and the environment. Over the past year OPS has developed a GSR website complete with guidance and best management practices with the goal of minimizing total energy use, air pollutants, and waste associated with petroleum contamination assessment and remediation. Additionally, a GSR best management practices checklist accompanies every SCR request. OPS is actively developing this program and has made efforts over the past year to make information more readily available to the storage tank remediation industry.

Petroleum Brownfields Program

In FY 2012, OPS continued to dedicated resources to develop a sustainable Petroleum Brownfields Program. The highlight in FY 2012 for this program was the site assessment activities conducted at the Blake TOD redevelopment project. The work included the removal of two underground storage tanks. The completed site work was funded with EPA Targeted Brownfields Assessment dollars and plays an integral part in preparing the site for redevelopment.

This project property is suitably located adjacent to the Blake Street Station along the RTD FasTrack's East Corridor line that connects downtown Denver and Denver International Airport. The redevelopment of this site will have a direct impact upon temporary and permanent job creation through the planned building of a mixed use development with up to 100 residential units. Temporary jobs will be created during the preparation and construction of the site. Permanent jobs will be created through the businesses occupying the commercial units and through management of the residential units. Residents will directly impact the economic vitality of the area through living, working, and spending in the neighborhood.

Enforcement Improvements

The Enforcement Section now has a link on the OPS website. The link is still under development, but in addition to tracking facilities currently under delivery prohibition, plans are to include a summary table of Enforcement Orders that have been issued, and Settlement Agreements that have been reached.

Municipality Release Notification

Although OPS regulates owners and operators of storage tanks systems only, we are working on improving communication with local municipalities in an effort to inform them of potential health and environmental risks issues associated with releases from the tank systems. OPS has been collecting information from each of Colorado's counties regarding how they wish to be informed of release events and cleanups, and how they prefer to receive communication. The increased communication is expected to result in better information regarding fuel releases impacting water resources.

Announced Inspections

Currently OPS inspectors conduct unannounced compliance inspections at all tank facilities on a bi-annual basis. OPS is increasing the frequency of announced regulated facility inspections, during which an OPS inspector, OPS remediation staff member, and the facility's owner/operator meet onsite to discuss storage tank system compliance and environmental protection. Announced inspections allow OPS staff to familiarize the facility owner with their tank system equipment, requirements for release detection and record keeping, and environmental remediation equipment, if present. Most importantly perhaps, announced inspections allow OPS to make a professional and personal presentation of our staff, thereby elevating the communication and understanding between the two parties.

Low-Risk Sites

OPS is working with CDPHE to develop alternate, risk-based cleanup criteria for low-risk contaminated sites. OPS estimates that approximately 80 sites exceed the risk-based screening levels (RBSL) for petroleum constituents in groundwater at the property boundary although this contamination is inaccessible for remediation due to its location under a roadway. In these cases the current status of the contamination does not pose the potential for receptor impact, and risk-based modeling predicts that contamination will not migrate across the street to the nearest property.