



COLORADO

Department of
Labor and Employment

DIVISION OF OIL AND PUBLIC SAFETY

ANNUAL UPDATE FOR FISCAL YEAR 2013 – 2014

SB 181

COMPLIANCE WITH WATER QUALITY STANDARDS AND CLASSIFICATION

OCTOBER 2014

This update to the Water Quality Control Commission summarizes the activities of the Division of Oil and Public Safety Storage Tank Program related to SB 181 for the period ending June 30, 2014.

Technical Activities for Fiscal Year 2014

	<u>FY2014</u>	<u>Recent Trendline</u>
Number of Open Releases as of June 30, 2014.....	806	
Number of New Confirmed Releases.....	165	
Number of Sites Issued NFA Letters.....	193	
Number of SCRs Reviewed.....	59	
Number of CAPs Reviewed.....	251	
Number of Monitoring Reports Reviewed.....	2806	

State Fund Information for Fiscal Year 2014

Number of reimbursement applications heard by the PST Committee.....	50
Number of supplemental reimbursement applications approved by Staff.....	1,179
Dollars reimbursed by the PST Committee (including State Lead and LUST Trust).....	\$29,466,213
Total dollars reimbursed since inception of the Fund (1991).....	\$520,200,156

Enforcement Actives for Fiscal Year 2014

Number of Notices of Violations issued.....	818
Number of Notices of Violations resolved.....	565
Number of Enforcement Orders issued.....	52
Number of Enforcement Orders resolved.....	46
Number of Tanks with Delivery Prohibition.....	27

Summary of Statistics

The number of active release events within our program has been gradually decreasing over the years. This has been a result of increased release prevention efforts, identifying releases earlier and developing sound release closure plans.

OPS Program Improvements

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

Storage Tank Regulations

Revisions to the petroleum storage tank regulations will become effective on October 15, 2014. A following summarizes key changes to Article 5, Release Response, of the regulations:

- The requirement to submit an Initial Site Risk Assessment report within 60 days of release discovery was removed. The purpose of this was to remove regulatory burden and to place emphasis on a complete Site Characterization Report (SCR).
- The site risk classification system was removed. The system was previously utilized to determine when a SCR was due to OPS. All SCRs are now due within 180 days of release discovery.
- Tier III and Tier IV risk-based closure criteria was added. Tier III closure criteria establishes conditions where dissolved-phase COCs can remain above Tier I RBSLs at the release property boundary and beneath, but not beyond, an adjoining public roadway. Tier IV closure criteria establishes conditions where dissolved-phase COCs can remain above Tier I RBSLs at offsite properties irrespective of land use.

Corrective Action Plan Process Improvement Statistics

OPS fully implemented improvements to the Corrective Action Plan (CAP) evaluation process in July 2013. These results are based on upfront communication with all appropriate parties prior to requesting a scope of work, an increased emphasis on developing and approving sound scopes of work, and reducing regulatory constraints to aid in the implementation of approved scopes of work.

The following results are based on implementation of the process improvements:

- The time to approve a CAP or CAP Modification has been reduced from > 70 days to < 30 days.
- The number of CAP or CAP Modifications approved as submitted has increased from < 5% to > 40%.
- The amount of time spent by OPS staff to review a CAP or CAP Modification has reduced from ~20 hours to ~10 hours.
- The volume of CAP or CAP Modifications reviewed by staff during the year has reduced by 20%.

Release Prevention

The Petroleum Program began integrating its duties and purpose in FY 2014 in new and significant ways. Members of our Remediation and Compliance Sections have been actively cross training in an effort to create a team that focuses on the benefits of release prevention. The ability to convey the full life cycle of a petroleum facility to tank owners during inspections has resulted in a more educated and proactive regulated community. OPS aims to promote a healthy petroleum storage industry by highlighting the benefits of compliance, and will implement incentives for compliance in FY 2015 with a goal of further improving operational compliance.

Storage Tank Closure Program

OPS Remediation Section provided regulatory oversight for the permanent closure of 308 petroleum storage tanks at 132 locations during FY 2014 and will continue this role in FY 2015. During 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 2014, 76 site closures (57.6%) had confirmed petroleum releases. This percentage is consistent with previous years and is related to release prevention efforts and the increased number of aboveground storage tank clean closures. Of the 76 petroleum tank sites with confirmed releases, 58 sites (76.3%) were later issue no further action determinations.

During FY 2014, the number of petroleum storage tanks in temporary closure remained high. 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.

Because aboveground storage tank system layouts are highly variable, OPS is now requiring a specific assessment plan as part of permanent AST closure. This has resulted in more accurate data collection and quicker response to the discovery of releases from these tank systems.

Petroleum Brownfields Program

In FY 2014, Regulations were promulgated which allowed for the implementation of the Petroleum Cleanup and Redevelopment Fund (Redevelopment Fund). This fund is currently accepting applications to assess, characterize and cleanup petroleum contamination at former petroleum storage tank sites that have gone unaddressed for decades. The Redevelopment Fund endeavors to facilitate the removal of abandoned storage tanks and conduct assessments where the outcomes derived will enhance the protection of Colorado's valuable groundwater resources.

State-Led Investigations

The purpose of the OPS Remediation Section is to ensure that owners/operators of regulated storage tank systems take action to protect human health and the environment from releases from their storage tank systems.

Responsible parties or innocent property owners who may have difficulty funding remedial activities may request acceptance into the State Lead program. Once accepted, OPS becomes directly involved in managing site assessments and remedial activities, using eight State selected environmental contractors. Additionally, OPS can utilize the US EPA Leaking Underground Storage Tank (LUST) Trust Fund to address releases where emergency action is required or where the responsible party is unknown, unwilling or unable to perform the cleanup.

In FY 2014, OPS managed over one hundred release events under the State Lead program and twenty release events under the LUST Trust grant, which allowed for remedial activities to proceed at these sites to ensure the protection of Colorado groundwater.

Enforcement Improvements

The OPS Enforcement Section focuses on guiding regulated facilities back into compliance. Regulations are enforced fairly and consistently to help maintain a level playing field within the industry, and to be protective of human health and the environment.

The Section is constantly trying to improve compliance through education, outreach and training. Current projects that are being developed include: designing informational pamphlets for targeted stakeholders; creating step-by-step compliance training videos; and developing posters outlining facility-specific compliance requirements.