



# COLORADO

Department of  
Labor and Employment

## DIVISION OF OIL AND PUBLIC SAFETY

### ANNUAL UPDATE FOR FISCAL YEAR 2014 – 2015

SB 181

COMPLIANCE WITH WATER QUALITY STANDARDS AND CLASSIFICATION

OCTOBER 2015

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, 2015.

#### ***Technical Actives for Fiscal Year 2015***

Number of Open Releases as of June 30, 2015.....	801
Number of New Confirmed Releases .....	179
Number of Sites Issued NFA Letters .....	184
Number of CAPs Reviewed .....	202

#### ***State Fund Information for Fiscal Year 2015***

Number of reimbursement applications heard by the PST Committee.....	40
Number of supplemental reimbursement applications approved by Staff.....	1,370
Dollars reimbursed by the PST Committee (including State Lead and LUST Trust).....	\$33,617,824
Total dollars reimbursed since inception of the Fund (1991).....	\$561,572,417

#### ***Enforcement Actives for Fiscal Year 2015***

Number of Notices of Violations issued.....	786
Number of Notices of Violations resolved.....	672
Number of Enforcement Orders issued.....	50
Number of Enforcement Orders resolved.....	42
Number of Tanks with Delivery Prohibition.....	28

#### ***Summary of Statistics***

The number of open release events within our program continues to gradually decline. In addition the magnitude of contamination and associated cleanup costs are also on a downward trend. 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 Program Update**

Compliance Incentives - In May of 2015 HB 15-1299 was signed into law by the governor. HB 15-1299 enables monies from the Petroleum Storage Tank Fund to be used as incentives for compliance. The Division strongly believes that incentivizing increased compliance will reduce the long term cost for cleanups, saving the Fund and the state millions while protecting the environment. In 2016 OPS will be engaging with stakeholders to determine which incentives would have the greatest impact on preventing releases and protecting the environment.

Tier III and Tier IV risk-based closure update – OPS has been able to issue no further action determinations to a few sites where contamination has migrated offsite but there are no apparent risks to actual receptors. The first year of incorporating Tier III and IV has provided OPS the opportunity to engage with municipalities, CDOT and property owners in conversations on thoroughly evaluating risk, while being protective of human health and the environment.

### **Petroleum Program Guidance and Outreach**

The Petroleum Program has been developing program-wide guidance over the past year. The guidance will be web-based and evergreen complete with how to narrative, videos and step-by-step figures and will cover the full scope of our program from UST system installation, release detection and identification, conceptual site model development, corrective action abatement through release closure and reimbursement. It is anticipated that the guidance will be available on our website later this fall.

OPS co-sponsored a nationally recognized training class in Denver on Light Non-Aqueous Phase Liquids this past April. This class allowed OPS staff to work alongside environmental consultants to learn about and develop guidance on a technically challenging topic. Additionally, OPS staff attended numerous technical trainings over the past year with the specific purpose of utilizing the training to incorporate state of the practice technologies into our Petroleum Program guidance.

### **Consultant-Based Program Enhancements**

OPS is currently working with listed environmental consultants to identify enhancements to the existing program. The purpose of this effort is to remain focused on protection of human health and the environment while also incorporating value-added components to our program mission and stakeholders. This process will ultimately allow for OPS to shift program resources toward release prevention, which represents the truest form of environmental protection.

Enhancements have already been implemented in the Corrective Action Plan (CAP) development, submittal and review process. Identified enhancements include:

- 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.

These enhancements have resulted in:

- over a 50% reduction time for CAP approval (>70 days to <25 days),
- an increase in first pass yield for CAPs from 0% to >35%, and
- a 39% volume reduction in CAPs approved annually

### **Release Prevention**

The Petroleum Program now employs three cross-trained release prevention specialists guiding storage tank owners through the full life cycle of their facilities, from design and installation through release prevention and remediation. This has resulted in a more proactive and holistic approach from OPS, and a more educated regulated community aware of the benefits of compliance.

The Petroleum Program has identified the need to promote a “Healthy Industry” that understands the benefits of compliance and is collaborative, profitable, and proactive. An industry with these characteristics will have the ability, knowledge, and motivation to help us achieve our goal of preventing releases.

The Petroleum Program has also explored specific mechanisms to motivate our industry to prevent releases, realizing that our Petroleum Storage Tank Fund may be our most effective tool in this effort. We have engaged in discussions with stakeholders in an attempt to identify a meaningful change to our Fund’s current \$10,000 deductible, which poses a significant barrier to many tank owners, and to identify uses of the Fund that promote enhanced release detection and upgrades to high-risk tank systems. These efforts are ongoing, and will likely result in legislative efforts followed by regulation changes in FY 2016.

### **Petroleum Brownfields Program**

In FY 2014, Regulations were promulgated which allowed for the implementation of the Petroleum Cleanup and Redevelopment Fund (Redevelopment Fund). 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. During FY15, OPS met with hundreds of property owners throughout Colorado to discuss the program. These efforts resulted in over a dozen submitted

applications from property owners to reduce the risk associated with petroleum impacted media and redevelop the property to a beneficial end use.

### **2015 Revisions to EPA's UST Regulations**

In June, EPA (Environmental Protection Agency) released the 2015 UST regulations. This is the first major revision to these regulations since 1988. The revised regulations increase emphasis on properly operating and maintaining UST equipment to help prevent and detect UST releases, which are a leading source of groundwater contamination.

Significant revisions in the 2015 EPA UST regulations include:

- establishing federal requirements similar to certain key provisions of the Energy Policy Act of 2005;
- adding new periodic operation and maintenance requirements;
- removing past deferrals for emergency generator tanks, airport hydrant systems and field-constructed tanks; and
- updating referenced codes.

Since OPS revised Colorado's Petroleum Storage Tank Regulations to adopt the UST provisions of the Energy Policy Act in 2008, our current regulations already include many of the requirements in EPA's new regulations. However, over the next year, OPS will be identifying additional changes we will need to make to the Petroleum Storage Tank statutes and regulations to meet the other new requirements in EPA's 2015 UST regulations.

### **Enforcement Improvements**

OPS Enforcement 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.

OPS is constantly trying to improve compliance through education, outreach and training. Current projects include: providing informational pamphlets for targeted stakeholders, and step-by-step compliance training videos on the OPS website. OPS is also developing posters for each facility outlining their specific compliance requirements.