



COLORADO

**Department of
Labor and Employment**

DIVISION OF OIL AND PUBLIC SAFETY

ANNUAL UPDATE FOR FISCAL YEAR 2015 – 2016

SB 181

COMPLIANCE WITH WATER QUALITY STANDARDS AND CLASSIFICATION

SEPTEMBER 2016

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, 2016.

Technical Actives for Fiscal Year 2016

Number of Open Releases as of June 30, 2016.....	749
Number of New Confirmed Releases	195
Number of Sites Issued NFA Letters	224
Number of CAPs Reviewed	180

State Fund Information for Fiscal Year 2016

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 2016

Number of Notices of Violations issued.....	563
Number of Notices of Violations resolved.....	493
Number of Enforcement Orders issued.....	40
Number of Enforcement Orders resolved.....	33
Number of Tanks with Delivery Prohibition.....	17

Summary of Statistics

The number of open release events within our program continues to gradually decline. 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.

Environmental Cleanup Program

Tier III and Tier IV risk-based closure update

Tier III and Tier IV closure criteria became effective in October 2014 and established criteria to allow for regulatory closure of releases with low-risk contamination offsite but no risk to actual receptors. OPS continued to engage with impacted offsite property owners over the course of the year to discuss the risks associated with the releases. Offsite properties and contaminant boundaries of releases granted closure under Tier III/Tier IV criteria are communicated to Colorado 811 such that change in exposure scenarios can be identified prior to work (e.g., utility upgrades or structural improvements) being completed.

27 of the 224 closures granted over the year were issued with Tier III or Tier IV status. The average release age at the time of closure for Tier III/Tier IV sites was 19 years compared to an average age of 7 years for Tier I/Tier IV sites.

Consultant-Based Program Enhancements

Over the year, OPS continued to work with engaged environmental consultants to identify enhancements to the existing consultant-based 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.

OPS anticipates that a new Recognized Environmental Professional (REP) program will replace the existing Listed Consultant in 2017. Broadly, the REP program establishes a REP of record for each release event in our program. This distinction will better align responsibility between the responsible party, consultant and the State and will ultimately allow for OPS to shift program resources toward education and release prevention.

Petroleum Brownfields Program

The Petroleum Cleanup and Redevelopment Fund (Redevelopment Fund) provides financial resources to assist property owners with the removal of abandoned storage tanks and to conduct site assessments where the outcomes derived will enhance the protection of Colorado's valuable groundwater resources. During FY 2016, the Redevelopment Fund approved twelve projects that will result in the removal of 21 underground storage tanks. Eight of the approved projects conducted site assessment work that led to a No Further Action determination. To date, the vast majority of the Redevelopment Fund sites have posed little threat to groundwater quality.

Petroleum Program Guidance and Outreach

The Petroleum Program has published web-based, program-wide guidance. The guidance contains information on what OPS expects from tank owners and ancillary industries; from storage tank system installation, release detection and identification, conceptual site model development, corrective action preparation and implementation through release closure and reimbursement. The guidance provides required forms and has functions for users to ask questions and provide comment. It is updated periodically and the most recent update includes guidance on assessing phase-separate fuel in the subsurface.

OPS co-sponsored a nationally recognized training class in Denver on Petroleum Vapor Intrusion this past May. 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.

The Division conducted a series of conferences from June through August of 2016 during which the Petroleum Program provided regulated owners/operators with information regarding forthcoming updates to the Petroleum Storage Tank regulations that will be effective January 1, 2017.

Release Prevention

Regulations Update

OPS has finalized our Petroleum Storage Tank Regulation revisions of 2016. The revised rules have been adopted and will become effective January 1, 2017. The changes being adopted come primarily from the 2015 revisions to the Federal EPA's underground storage tank (UST) regulations.

The 2016 revisions increase emphasis on properly operating and maintaining UST equipment and will help prevent and detect UST releases. Common release pathways including spill buckets and containment sumps will now require periodic integrity testing. Release detection and overfill prevention equipment will require periodic inspection and testing as well. Additionally, minor updates were made to the Motor Fuel Dispensing and Product Quality and Release Response sections.

Enforcement Improvements

OPS has made a concerted effort toward shortening enforcement cycle time. This effort promotes timely release prevention, relevancy of enforcement, and a greater understanding on the part of the tank owner. First, we implemented a much more efficient violation entry and tracking mechanism within our existing database. This has led to decreased time devoted to staff data entry and improved accuracy and clarity of violations. Second, we created a new Notice of Violation letter format that is much more readable and aligns follow up with the original compliance reviewer. Third, we're making an additional contact with the tank owner following a Notice of Violation that ensures accurate contact information and receipt of OPS requests. These efforts have resulted in an

average 20% decrease in the time from our original request to a compliant resolution.

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 the summer of 2016 OPS formed a small focus group to determine best management practices in implementing an incentive program. The group includes members of the Colorado Wyoming Petroleum Marketers Association Board, the Petroleum Storage Tank Committee, contractors and staff. Initial considerations include waiving the \$10,000 release response deductible, or a portion of it, for those owner/operators who conduct the testing requirements and upgrade leaking equipment to a higher standard than required by regulations in 2017 or 2018. Additional meetings with the focus group are planned for this fall. OPS intends to implement the incentive program in January 2017.

Other Notable Improvements

GIS/Mapping

During FY 2016, OPS published its first public map of open petroleum release events on the Division's website. The map is also posted on the State portal for open data, otherwise known as the Colorado Information Marketplace (data.colorado.gov). OPS will continue to post new data and refine the map to eventually include all regulated fueling facilities in Colorado.

Inspector Mobile Inspection Tools

OPS is developing an innovative mobile application for field inspectors that will allow them to view and update inspection data while on-site at regulated petroleum storage tank facilities. This process improvement effort will save time, reduce paperwork, improve data quality, and help to maintain OPS's strong compliance program.