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**NOTICE**

To: Underground Storage Tank (UST) Owners/Operators and Eligible Companies

From: Jill Stoltz, UST Branch Manager

Date: July 9, 2025

Subject: PSTeAF reimbursement of water during closure

The UST Corrective Action Manual, incorporated by reference in 401 KAR 42:060, states that during permanent closure of an underground storage tank system, if water is encountered and prevents the collection of a bottom sample, the water must be removed, up to one (1) pit volume, to collect a bottom sample. The removal of the water also helps to determine if the water encountered is pit water or groundwater. The water must be sampled. If the water is above applicable screening levels, transportation and disposal will be reimbursed under the Petroleum Storage Tank Environmental Assurance Fund (PSTeAF). This can occur for applicants approved for reimbursement through the Small Operator Tank Reimbursement Account (SOTRA) or a non SOTRA closure. The SOTRA matrix reimbursement costs to permanently close a tank includes removal of water. However, it does not include reimbursement for transportation or disposal of water that tests below the applicable screening level.

In the 2019 regulation update, the Cabinet allowed for eligible companies to obtain a Kentucky Division of Water (DOW) onetime discharge (OTD) authorization as an option to satisfy the need to transport and dispose of water removed from the pit that was not above applicable screening levels. The reimbursement rate document lists discharge of water permitted by a DOW OTD authorization into a storm sewer or on the ground surface as an option for reimbursement.

In response to a threatened citizen suit under the Clean Water Act, as of June 1, 2024, the OTD authorizations, described as an option in the reimbursement rate document, are no longer being issued by DOW. Because of the elimination of OTD authorizations as an option and so that permanent closure requirements can be met, the removal, transportation, and disposal of up to one pit volume of water encountered during permanent closure may be reimbursed.