



# UST QUARTERLY



A Newsletter of the Kentucky Underground Storage Tank Program

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Commonwealth of Kentucky  
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Energy and Environment Cabinet  
Charles G. Snavely, Secretary

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Environmental Protection  
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Division of Waste Management  
Anthony R. Halton, Director

Underground Storage Tank  
Branch  
Edward J. Winner, Manager

## No Guarantee of Future PSTEAF Coverage

By Edward Winner, Manager, UST Branch

Kentucky UST owners and operators are facing serious deadlines that could have far-reaching effects on available funding for financial responsibility coverage and reimbursement for investigation and cleanup of UST sites. If the Kentucky legislature fails to pass HB187 that extends the Petroleum Storage Tank Environmental Assurance Fund (PSTEAF) deadlines, or subsequently redirects PSTEAF dollars, Kentucky tank owners and operators will lose all or some of the liability coverage that the PSTEAF provides. Therefore, UST owners and operators will be required under both federal and state law to pay out-of-pocket for the investigation and cleanup of UST releases, or purchase private liability insurance.

Private liability insurance costs around \$2,700 per year and has deductibles between \$10,000 and \$20,000 per event. USTs older than 25 to 30 years are typically ineligible for coverage due to tank age. The cost for cleaning-up a UST release averages \$180,000. HB187 contains requests for three date extensions from the legislature:

**Extend the time allowed to register USTs** - Unregistered USTs do not qualify for PSTEAF coverage. Without extension of the registration date, the fund ends on July 16, 2016, for currently unregistered USTs and all future tank owners and operators. The re-

quest is for an extension to July 16, 2021.

**Extend the Petroleum Storage Tank Account (PSTA) reimbursement deadline** - PSTA covers 75% of all PSTEAF applicants, and particularly Kentucky's "mom and pop" businesses who have three or fewer facilities. The request is for an extension from July 15, 2019 to July 16, 2024.


**Extend the Small Owners Tank Removal Account (SOTRA)** - SOTRA provides reimbursement for the removal of UST systems for small owners or operators getting out of the business of retail sales of motor fuels. SOTRA is extremely valuable to small operators in that it preserves property value. It is appreciated by communities because it supports redevelopment of UST properties. The request is for an extension from July 15, 2016 until July 15, 2021.

Please encourage support of HB187 and discourage the redirecting of funds from PSTEAF.

**For more information on the upcoming fund deadlines, contact Edward Winner at [Edward.Winner@ky.gov](mailto:Edward.Winner@ky.gov) or 502-564-5981, ext. 4782.**

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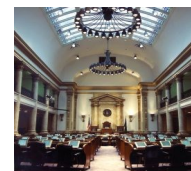
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For more information, comments or story suggestions, please contact Lajuanda Haight-Maybriar, Editor, at 502-564-5981 or [lajuanda.haight-maybriar@ky.gov](mailto:lajuanda.haight-maybriar@ky.gov)

To report a release or suspected release, call the Environmental Response Branch at 1-800-928-2380.

### Proposed PSTEAF Deadline Extensions in HB 187

- **UST Registration**—from July 15, 2016 to July 15, 2021
- **PSTA Reimbursement**—from July 15, 2019 to July 15, 2024
- **SOTRA Registration**—from July 15, 2016 to July 15, 2021



Visit our website today at <http://waste.ky.gov/ust>

## Welcome to New Compliance Section Supervisor!



Kris Fink has joined the UST Branch as the new Compliance Section Supervisor. Kris graduated from the University of Kentucky with a Bachelor of Science degree in Biology. He started his career with the Kentucky Department for Environmental Protection in 2007 by joining the Division of Enforcement. From 2007 until 2015, he specialized in the enforcement of environmental regulations for the Division of Waste Management with an emphasis in UST compliance. Most recently, Kris served as an Environmental Scientist for the DWM Superfund Branch, managing and conducting oversight of hazardous waste releases and the administration of the Kentucky Brownfield Program. He expects his new job will build on the knowledge he has already gained about UST compliance, and he looks forward to being part of the quality team already established in the UST Branch, the division and the department. He can be reached at [Kris.Fink@ky.gov](mailto:Kris.Fink@ky.gov) or 502-564-5981 ext. 4776.

## Making Good Decisions When Buying USTs

By Lola Lyle, Supervisor, Administrative Section

Buying the gas station down the road may seem like a great deal, but is it? It could be, but there are many issues, and possible costs, to consider when buying an underground storage tank facility. Here are some important questions to get answered before buying:

**Have you performed an open records request?** A simple email sent to [dep.kora@ky.gov](mailto:dep.kora@ky.gov) will give you all of the information in our database regarding a UST facility. Please include the property address and current owner if possible.

**Is the UST facility in compliance?** There are many regulations that must be followed by a UST facility owner. To avoid getting a notice of violation, owners must bring their UST facility into compliance with both federal and state requirements. Also, if the site isn't currently in compliance, make sure it can actually be brought back into compliance. Some UST systems can only be removed. All of the Kentucky UST statutes, regulations, and forms can be found at <http://waste.ky.gov/UST/Forms/Pages/default.aspx>.

**Will you be registering your UST system with a corporation as the owner?** Corporations and limited liability companies (LLCs) must be in good standing with the Kentucky Secretary of State's Office in order to be registered as owners of underground storage tanks (USTs) in Kentucky. Go to <http://sos.ky.gov> and "Search Businesses" to verify that your company is in active status and good standing. If your corporation or LLC is a foreign (incorporated

out-of-state) entity, you must obtain a Certificate of Authority to transact business in Kentucky from the Kentucky Secretary of State prior to registering your USTs. You must maintain good standing with the Secretary of State as long as the company is listed as the tank owner.

**Are there tank fees due on the site?** Ask the old owner at your closing if the tank fees have been paid. You can also ask to get this information when you perform your open records request.

**Does the UST registration match the legal ownership of the tanks?** The person selling you the UST system should be the registered owner of the tanks. The last approved UST Facility Registration Form will be sent to you when you do an open records request. Keep in mind that if you do take ownership of the UST system, you will be required to submit a UST Facility Registration Form DEP7112 (Sept. 2011) with updated information, as well as a copy of the deed proving your ownership of the USTs.

The cost of the property is just the first of many things you should consider. Knowing the answers to the above questions will help to ensure that you have the facts when you decide to buy a UST system, and let you know if you really are getting a good deal.



## Getting It Done! - Who Does What in the UST Program

By Lajuanda Haight-Maybriar, Environmental Scientist III, UST Branch

There are several important pieces to ensuring the safety of human health and the environment from the potential problems associated with USTs. The UST Branch is, of course, one very big piece. The Branch regulates the registration, technical compliance, permanent closure activities, site investigation activities and corrective action (cleanup) activities for petroleum and hazardous substance UST systems. The Branch also oversees the operation of the Petroleum Storage Tank Environmental Assurance Fund (Fund) and manages the process of reimbursing tank owners for cleanup activities related to releases from regulated UST systems. However, other branches and divisions in the Department for Environmental Protection also provide important and essential pieces of the UST program.

The UST Branch administers the UST regulations by dedicating staff to different parts of the program. There are five sections in the Branch with the following responsibilities:

**Administrative Section** is responsible for maintaining the UST Branch files in the file room and within the TEMPO electronic filing system, collecting annual tank fees, and verifying and maintaining the registration of tanks. In a typical year the section will process approximately 700 tank registrations, bill and collect almost \$300,000 in tank fees and handle over 7,000 pieces of mail.

**Compliance Section** is responsible for measuring compliance with regulatory operating standards and requirements associated with active UST systems regarding leak detection, spill prevention, overfill prevention, corrosion protection and financial responsibility. The staff also assist with the Kentucky TOOLS (Tank Operator Online Learning System) training for designated compliance managers (DCMs). In the past years, they have helped to train over 3,000 individuals. The section responds to approximately 2,000 inquiries per year regarding the operations and maintenance of UST systems. Additionally, they load over 4,000 compliance records each year into TEMPO to support the UST inspectors in the field.

**Claims and Payment Section** is responsible for the reimbursement of cleanup costs for eligible petroleum UST owners and operators. Within a typical year the section will process over \$18 million of claims, review proposed payments for over 1,400 directives, and process approximately 100 applications for assistance for the PSTeAF (Petroleum Storage Tank Environmental As-

urance Fund) and SOTRA (Small Operator Tank Removal Account) funds.

**Corrective Action Sections** are responsible for the review and approval of all closure assessment reports, site investigation reports and supporting documents, corrective action plans and monitoring of all 735 (as of November 2015) long-term cleanup sites. In an average year the staff will direct over 1,400 remediation projects ultimately leading to the cleanup and closure of UST sites.

Other branches assisting with the management of the program are:

**Field Operations Branch** inspectors are responsible for providing the hands-on job of verifying compliance with the regulations for all regulated UST systems in all phases. The inspectors will go to over 3,000 UST sites per year. During their examination of the site, they will lift lids, pull the pump covers, and examine inventory records in an effort to accurately assess the UST system. As a result of these thorough inspections and other visits to the UST facilities, the inspectors issue over 1,100 UST Notices of Violation in an average year.

**Environmental Response Branch** is responsible for responding immediately to environmental emergencies such as accidents where hazardous material may have been spilled. The Environmental Response Team (ERT) is the group of trained Department for Environmental Protection staff who handle all types of these emergencies. They reduce environmental damage and threats to human health with their quick responses and use of appropriate cleanup techniques. In an average year, ERT responds to approximately ten UST related emergencies.

**Division of Enforcement** is responsible for handling all enforcement actions proposed and taken against owners and operators of UST systems that fail to comply with the regulations. The division enters into over 25 UST case agreed orders in an average year and, on average, collects over \$100,000 in UST penalties in a year. In addition, they close an average of 50 UST cases per year.

Underground Storage Tank Branch  
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Frankfort, KY 40601



UST Program  
Information  
Enclosed

## Employee Training Requirements for UST Facilities

By Michael Fant, Supervisor, Florence Regional Office

By this time, all owners and operators should be well aware of the Designated Compliance Manager (DCM) requirements that have been in effect since August 8, 2012. However, many may not yet be in compliance with another requirement that was effective that same date. Kentucky regulation 401 KAR 42:020 Section 8 requires the owner or operator of a UST facility to ensure that all employees associated with the operation of the UST system receive training on an annual basis. The training must include:

- Response to equipment alarms
- Fire extinguisher operation
- Spill and overfill response
- Threat to the public or the environment caused by spills or releases
- Emergency shut-off procedures
- Contact telephone numbers in response to emergencies caused by a release or threatened release from a UST system

Written documentation of this training, including a list of all trained employees, must be maintained and made available for inspection upon request from the Cabinet.



Previously this requirement has not been heavily enforced while UST facilities were adjusting to new DCM requirements. Inspectors have now begun documenting these violations and will begin issuing Notices of Violation for these requirements.

If your UST facility has not yet established a training program for employees, now is the time to get the program developed and implemented.