



SUNSETTING THE ARIZONA STATE FUND

Philip A. McNeely
Tank Programs Division Director
Arizona Department of Environmental Quality
(602) 771-7645

CENTRALIZED PROGRAM

- UST Program located within 1 state agency
- Single division created in 2004 dedicated solely to the UST Program
- Improved coordination between UST Compliance, LUST Corrective Actions and State Assurance Fund (SAF)

STATE ASSURANCE FUND (SAF)

- Funded by one cent per gallon tax on UST regulated substances since July 1, 1990 (~ \$30 million per year).
- Total pay out ~ \$284 million
- Process ~ 1,000 claims per year
- Reimburse ~ \$20 million corrective action costs per year

SAF SUNSET

- Senate Bill-1306: effective August 2004
- Established schedule to sunset SAF
- Eligibility for new releases ended 6/30/06
- No claims accepted after 6/30/10
- Monitored Natural Attenuation Fund created for groundwater sites where active remediation complete & source removed

COORDINATED APPROACH

- Limit new releases by increasing focus on UST operational compliance
- Enforce Financial Responsibility (FR) requirements for operating facilities
- Actively manage current releases toward closure
- Actively manage new releases that are not SAF eligible
 - 58 releases reported since July 1, 2006
 - 25 releases closed, 33 releases open
- Aggressive outreach to stakeholders

UST COMPLIANCE

- Approximately 2,600 operating facilities with 7,100 USTs
- Conduct ~1,000 inspections/ year which includes:
 - Complete operational compliance inspection
 - FR compliance check
 - Compliance assistance
- FR Compliance of 1,806 facilities inspected from 6/30/06 to April 2008:
 - 74% demonstrated compliance at time of inspection
 - 94% demonstrated compliance subsequent to the inspection

CORRECTIVE ACTION PROCESS

REMEDIATION STANDARDS

Arizona Water Quality Standards (AWQS)

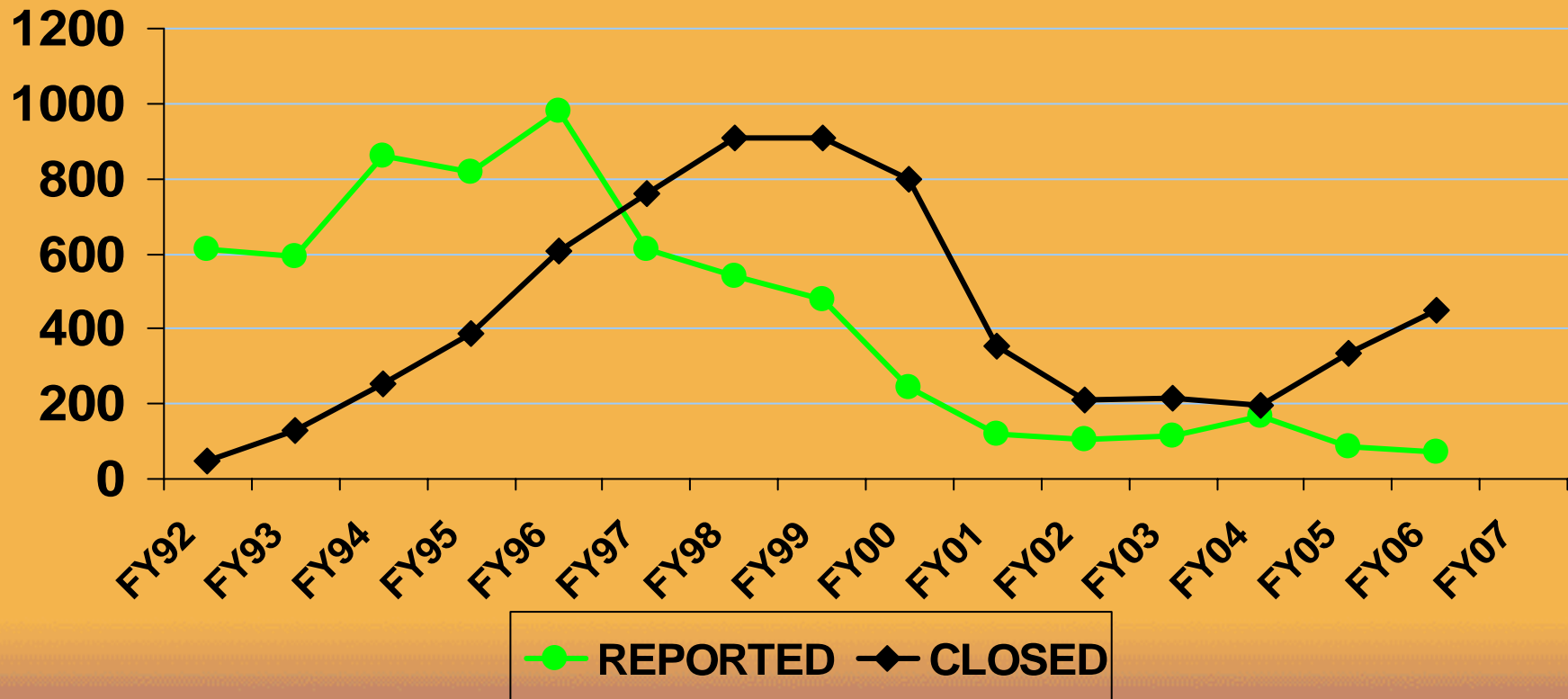
- Risk assessment to develop standards for COC's without AWQS if receptor threatened

Soil Remediation Standards

- Predetermined
- Site specific (risk assessment or background)
- Residential and non-residential

CORRECTIVE ACTIONS – LUST releases

Total - approx. 1,200 open releases and 7,200 closed releases



CORRECTIVE ACTION PROCESS (cont.)

- Emphasis on source removal (free product, soil contaminated above standards, areas of high dissolved phase) with active remediation
- Clean up can be initiated prior to complete site characterization
- Corrective action plans only required for high risk LUST sites

REGULATORY TOOLS TO REACH SITE CLOSURE

- Monitored Natural Attenuation Program
- Ground water closures with an exceedance of AWQS under certain conditions
- RBCA Tier II Software
- Deed Restrictions for non-residential/ engineering control cleanup
- State Lead Program
 - Owner/ operator financially, technical incapable
 - Owner/ operator in violation of Administrative Order
 - Orphan and volunteer sites

OUTREACH INITIATIVES

- County and Municipal Tank Closure Program
- Route 66 Initiative
- School Assistance Program
- Contractor review of all low risk sites
- Meeting with large O/O's to strategize cleanups

COUNTY AND MUNICIPAL TANK CLOSURE PROGRAM

	2005	2006	May 2008
Cities Involved	20	28	33
Applications Received	58	71	91
Applications Approved	50	60	82
USTs Removed	81	104	158

CUMULATIVE DATA

STATE LEAD LUST SITES

	2006	May 2008
Total in State Lead	61	70
Under Investigation	11	24
Remediation	50	32
Post Remediation Monitoring	0	14
Closed (Cumulative)	44	56

ROUTE 66 INITIATIVE

- Expedites closure of abandoned USTs and corrective actions along Route 66
- Provides increased communication and cooperation between ADEQ, EPA, the regulated community and local residents
- 347 LUST sites along AZ Route 66
 - 69 open (100 open in 2004)
 - 37 orphan sites with USTs removed

SCHOOL ASSISTANCE PROGRAM

- Initiated Summer 2007 to assist schools with leak prevention and cleanup
- 47 schools had operating USTs and 19 had an open LUST
- Provided compliance assistance and offered the state lead option to 19 schools with open LUST
 - 10 LUSTs are either closed or in the closure process
 - 7 entered the state lead program and the remaining 2 are considering entering state lead.

ARIZONA CONTACTS

- Philip McNeely: Director, Tank Programs Division
 - 602-771-7645
 - mcneely.philip@azdeq.gov
- Ronald Kern: Manager, UST & Division Support Section
 - 602-771-4242
 - kern.ronald@azdeq.gov
- Tara Rosie: Manager, State Assurance Fund Section
 - 602-771- 4725
 - rosie.tara@azdeq.gov
- Joseph Drosendahl: Manager, Corrective Action Section
 - 602-771-4845
 - drosendahl.joseph@azdeq.gov