

TABLE 4. Cost Control Measures/State Fund Updates 2018

State	<u>Cost Control Mechanisms Used</u>	<u>New or Proposed Legislative or Regulatory Changes</u>	<u>Current Status of Fund</u>
Alabama	Pre-Approval of Costs; Unit Rates established for most commonly used work efforts; Fee Schedule; Owners required to hire an Approved Response Action Contractor	The Trust Fund Management Board voted to increase the per occurrence coverage amount to \$1.75 million. Effective December 7, 2018.	Funds are available to pay all incoming investigative/corrective action requests for payment and for third party claims.
Alaska			Fund is no longer active.
Arizona		In 2015, House Bill 2636 established several new UST program components for AZ. None of the programs may be used to demonstrate compliance with financial responsibility requirements. Programs include: funding for UST removal, suspected release confirmation, baseline assessments, and system upgrades to new tank installation standards; an expanded state lead program to conduct UST removals, suspected release confirmation, and baseline assessments; a cleanup funding assistance (preapproval) program; and, a time-barred claims program to reimburse corrective action costs for owners and operators who were time-barred from submittal under the old state fund program (deadline to submit for time-barred - December 31, 2016).	State Fund as partial FR mechanism is no longer active. New AZ programs are in initial stages of implementation with funding available for cleanup and leak prevention efforts.
Arkansas	Pre-approval of Costs; Require competitive bidding;	No legislative changes in 2018, Regulation 12 was changed to incorporate 40 CFR Parts 280.250 through 280.252	Funds are available to pay all approved corrective action plans and third-party claims.
California	Annual Site Budgets; Project Execution Plan; Case Closure Reviews	No new or proposed legislation for FY 18/19	The Fund continues to accept claims for unauthorized releases. An annual appropriation of funds each fiscal year continues to provide for the payments of claims. Significant cash balance as regulatory cases close, and unnecessary remediation not implemented.

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Colorado	<p>Use standard forms for site assessment and corrective action plans, Require pre-approval of cleanup plans and/or budget, Require competitive bidding for remediation costs > \$100,000, Require use of a fee schedule, Limit overhead paid, Certify contractors, Cover cleanups based on site-specific risk-based end points, Additional risk-based closure criteria were put into rule in October 2014 which allow for regulatory closure with dissolved phase impacts off property. This has allowed our program to effectively close low-risk sites that have undergone multiple remedial and mass reduction efforts. A beneficial result of this is that the Fund can focus spending on high-risk sites where remedial efforts can recognize much larger returns on investment. Money is also available to offer incentives for compliance upgrades.</p>	<p>The Petroleum Storage Tank Fund, extended incentives for early testing and upgrading of spill buckets and containment as now required by OPS regulations, and also for tank removals. The incentive is a reduction or elimination of the deductible if a release is discovered during the testing or upgrade, or tank removal. 40 sites applied for one or more incentive, 36 who have successfully received the incentive during 2018. Colorado regulations were revised to allow for reimbursement of tank removal costs on a \$1 per gallon basis up to a maximum of \$30,000 per facility with a cap of \$1 million per owner/operator. The incentive becomes effective March 2, 2019, and eligible tank removal costs can be reimbursed retroactively to January 1, 2019.</p>	<p>The Colorado Petroleum Storage Tank Fund is solvent with a fiscal year 2018 year end fund balance of \$8.1 million The Environmental Response Surcharge (the source of greater than 90% of our revenue) was \$100/tanker throughout the first 10 months of the calendar year, lowered to \$75/tanker for the remaining 2 months as the Fund Balance exceeded \$3M.</p>
Connecticut		None	Currently processing claims and making payments when funds are available.
Delaware		Program closed on 12/31/2011 via statue change.	closed 12/31/2011. Tank owners and operators must comply with FR requirements through private mechanisms.
District of Columbia ¹	All UST Fees received by the UST Fund are scheduled in the DC UST Regulations, which is updated whenever there is a change or increase in fees.	2018 updates to our regulations will include new fees for UST removal and voluntary remediation and increase all other fee annually based on infiltration rate. All revenue collected will be directed to a Brownfields Clean Lands Fund, which can be used for any future DC led contaminated site assessments, cleanups, emergency responses, UST removals, residents relocation, compensations, etc.	None Existant - Tank owners and operators must comply with FR requirements through private mechanisms.The DC UST Fund is no longer active, it was converted to a lapsing fund and all fund balance was spent prior to 2013 and new revenue generated from fines, registration, permits and certification fees goes into the general DC Gov't fund.

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Updated Winter/Spring 2019.

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Florida	All cost preapproved pr cntract fee schedule, quotes for items not covered by fee schedule or negotiated pay for performance agreements	In FY17/18 the Advanced Cleanup Redevelopment (ACR) Program was created to provide for the timely petroleum cleanup of sites scheduled for redevelopment (376.30713 (2) and (4) Florida Statutes F.S.). The aim of ACR is to support the redevelopment and revitalization of petroleum contaminated property with a \$5 million total annual allocation. Allows previously eligible sites access to funding out of priority order (FCFS) to coordinate cleanup with redevelopment plans, with written concurrence of redevelopment plans by local government.	The Inland Protection Trust Fund is sound and well funded, with a legislative appropriation this FY of \$110 M for cleanup at eligible sites. Continuing effort to screen all eligible facilities in the next 5-6 years with a limited assessment to better identify imminent health threats, potential clean closures and estimate future trust fund liabilities.
Georgia	Pre Approval of Scope of Work Detailed cost review form State contractor pay for performance and fee schedule Robust Remediation Review Committee Greater Use of RBCA including Free Product. Detailed Evaluations of Mutliple Releases at Single Facility	None	Solvent. Due to fee increase in FY14, additional revenue is available to tackle more of the backlog.
Idaho	Every insured site is visited atleast twice yearly to ensure underwriting compliance.	None	Actuarially sound for at least the next five years.
Illinois	Pre-approval of Corrective Action costs. All costs incurred must be eligible costs as identified in the regulations	None	Solvent
Indiana	None	None	Solvent.
Iowa			Solvent and in run off with 110 open claims.
Kansas		Modifying regulations to meet new EPA regulatory requirements.	Solvent.
Kentucky	Preapproval worksheets, Use of Fee Schedule, Prioritizing claims, Use of Standard forms for cost Estimates, Competitive Bidding	N/A	Solvent.

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Louisiana	Require pre-approval of site investigation and cleanup plans which include a defined budget, Require competitive bidding for cost over \$10,000, Require use of a guidance document which includes fee schedules and unit pricing, Utilize pay-for-performance contracts when appropriate, Use standard forms for site assessment and corrective action plans, Certify contractors	Legislation passed, which would change the Motor Fuel fee from \$0.008 / gallon to a maximum of \$0.008 / gallon with the Trust Fund Advisory Board and the Department Secretary having the ability to modify the rate on an annual basis. Department Secretary at the recommendation of the Trust Fund Advisory Board reduced the in-compliance deductible from \$5,000 to zero (\$0) dollars effective 7/1/2017.	Solvent.
Maine	Require pre-approval of clean-up plans and/or budgets. Require competitive bidding (state as agent of owner). Use clean-up standards based on site specific risk based end points. Amended rule to require standardized format for submittal of site assessments effective September 26, 2018.	Revised state rules incorporating the 2015 changes to federal rule became effective on September 26, 2018. Program authorization application submitted to EPA.	Currently sound but requires active monitoring and management.
Maryland			
Massachusetts	Schedule of Acceptable Costs Competitive bidding List of ineligible costs, computer assisted claim processing	Effective 7/1/2018 the first \$30M of the per-gallon Delivery Fee each year is deposited to a new dedicated UST Fund. The remainder of the fees collected is deposited to the Commonwealth Transportation Fund. The UST Fund is used to fund claim reimbursements and program administrative costs, subject to appropriation. At the end of the fiscal year, the unobligated balance in the UST Fund reverts to the Commonwealth Transportation Fund, and beginning on the first of subsequent the fiscal year, the UST Fund begins to accept fee deposits until the \$30M cap is reached.	Financially sound.
Michigan ²	Schedule of Costs Competitive bidding Pre-approval of excavation costs List of ineligible costs	None	Financially sound.

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Minnesota	Fee schedule. Competitive bidding. Pre-approval of active remediation costs. Use of standard forms for proposing/invoicing costs.	None	Financially sound.
Mississippi	Pre-approval of costs, use of standardization of hours for assessment and remediation, use of a fee schedule, use of standard forms for cost estimates, require competitive bidding	None	Solvent.
Missouri	Pre-approval of costs; require competitive bids if needed; personnel onsite to observe field work; use pay-for-performance in some cases	2018 Legislature extended sunset date to 2025	Excellent. Collaborative work with regulator and industry minimizes number of new leaks. Funding is available for all claims. Time from release to closure is reasonable for recent claims; sill working on very old "legacy" releases.
Montana	Preapproved costs, approved rates, competitive Bids, appropriate Technology, established standards, statistical anlysis, cost estimating tools.	None	Solvent: Continue to obligate available funds to releases which pose greatest threat to human health and the environment.
Nebraska	Cost estimates are a required part of work plans. Statute requires the use of a reasonable rate schedule. Bidding for larger projects is also an option. PFP was tried and no longer used.	No bills in 2018.	RBCA Tier 1 & Tier 2 investigation program working well.
Nevada	Reference CEM Cost Guidelines and Policy Resolutions on our website at: https://ndep.nv.gov/environmental-cleanup/petroleum-fund/board-policy-resolutions	None for state FY 2018	Fund is solvent.
New Hampshire	Pre-Approval of All Reimbursable Work Except Emergency Response, Competitive Bidding on Large Remediation Projects	None	Fund is active. We continue to prioritize work based on site risk.

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New Jersey	Cost Guidance Document Used for processing of estimates/invoices	None since 2009	Current requests for funding exceed available funding. Requests for funding are prioritized for regulated UST facilities and Petroleum UST discharges that pose a threat to Human Health and the Environment. Unregulated UST requests for financial assistance are not reviewed for a period of 3-4 years as these requests for funding are prioritized based on actual available funds.
New Mexico		NA since 2004	Constant oversight and reconciliation is required and prioritization of sites activity as necessary to ensure that we do not over extend available funds.
New York	All contract expenditures are competitively bid in accordance with State Finance Law and procurement guidelines. All contract expenditures are pre-audited by the State Comptroller's office. Cleanups are prioritized based on impact to human health and environment, including presence of off-site impacts. Third party claims are rigorously evaluated on legal and technical merit.	None related to USTs	Fund is solvent.
North Carolina		Commercial Fund continuation review by legislature determine current funding mechanism appropriate; Noncommercial claims no longer accepted after 6/30/16, terminated 12/31/16	Comm - Active & Solvent Noncomm - Terminated 12/31/16 (final liabilities transferred to Commercial Fund for payment)
North Dakota		Move the administration of Fund to new ND DEQ	Fund is solvent.
Ohio	use standard forms for site assessment and corrective action plans require pre-approval of cleanup plans and/or budget limit overhead paid use pay-for-performance cover cleanups based on site-specific risk-based end points	None	The Fund continues to accept claims for releases discovered before and after 12/22/98. It is supported solely by annual tank fees, revenue bond proceeds, if any, and interest income. No change in the Fund as the State's financial responsibility mechanism is anticipated.

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Oklahoma	<p>Use standard forms for site assessment and corrective action plans</p> <p>Require pre-approval of cleanup plans and/or budget</p> <p>Require competitive bidding (tank owner)</p> <p>Require use of fee schedule</p> <p>Limit overhead paid</p> <p>Use pay-for-performance</p> <p>Prioritize claims to conserve funds</p> <p>Certify contractors</p> <p>Cover cleanups based on site-specific risk-based end points</p>	<p>PSTD incorporated 40 CFR 280 by reference in the definitions of financial responsibility, financial security and lender liability; added underground piping as part of the system in the definition of underground storage tank; require statistical inventory reconciliation (SIR) analysis report on site every 30 days; disallowed non-functioning ball float replacement or repair; require permanent tank closure for not meeting temporary closure requirements; tank destruction upon removal; tank tightness testing with monthly inventory will be discontinued 6-30-18; require specific signage for single hoses dispensing ethanol and 100% gas; expanded reimbursable expenses to allow certain municipal fees incurred in conjunction with corrective action; updated codes and standards to current editions; and updated emergency/after hours contact phone numbers.</p>	<p>Active and Solvent:</p> <p>We consider our fund successful as remediation of sites is being accomplished, claims are being processed in a timely manner and the fund remains solvent.</p>
Pennsylvania	Competitive Bidding	<p>Changes to the DEP regulations on 12/22/2018 will increase operation and maintenance issues because of increased inspections and testing. The changes are expected to increase the frequency of claim volume.</p>	<p>Fund is financially viable and processes claims as they are submitted and confirmed for eligibility.</p>
Rhode Island		<p>Fund regulations have been incooperated into the UST Regulations and re-codified.</p>	<p>The RI UST Fund disburses quarterly and is currently up to date on payment of claims.</p>

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South Carolina	<ul style="list-style-type: none"> •use standard forms for site assessment and corrective action plans •require pre-approval of cleanup plans and/or budget <ul style="list-style-type: none"> •require competitive bidding (tank owner) •require competitive bidding (state as agent of owner) <ul style="list-style-type: none"> •require use of fee schedule •use pay-for-performance •prioritize claims to conserve funds <ul style="list-style-type: none"> •certify contractors •cover cleanups based on site-specific risk-based end points •cover long-term monitoring/maintenance of engineering controls following risk-based closure 	none	2015 increase in tank fees generated \$4.412 million in cleanup funds (2018 calendar year).
South Dakota	<p>require pre-approval of cleanup plans and/or budget require competitive bidding (state as agent of owner) require use of fee schedule cover cleanups based on site-specific risk-based end points cover long-term monitoring/maintenance of engineering controls following risk-based closure</p>	Legislation enacted that transfer of funds to the PRCF if the balance goes below \$2M and redirects funds that would exceed \$6M.	The PRCF is able to pay all claims in a timely manner and has sufficient revenue to handle future claims.
Tennessee	<p>Use standard forms for site assessment and corrective action plans require use of fee schedule certify contractors cover cleanups based on site-specific risk-based end points require pre-approval of cleanup plans and/or budget</p>	None	Solvent.
Texas	<p>Use standard forms for site assessment and corrective action plans, require pre-approval of cleanup plans and/or budget, require competitive bidding (state as agent of owner), require use of fee schedule, limit overhead paid, certify contractors, cover cleanups based on site-specific risk-based end points</p>	None	The fund is able to pay all invoices in a timely manner and has sufficient revenue to handle future invoices.

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State	<u>Cost Control Mechanisms Used</u>	<u>New or Proposed Legislative or Regulatory Changes</u>	<u>Current Status of Fund</u>
Utah	Work Plans & Budgets must be pre-approved by the PST Fund.	In 2016, the PST Fund surcharge increased from 0.5 to 0.65 cents per gallon. Rebates of up to 40% for UST facilities that upgrade their USTs to reduce risk of leaking into the environment. 10-year, 0% interest loans available to UST owner/operators to upgrade their USTs. Annual tank fund fee changed to \$150 if facility throughput is greater than 70,000 gallons and \$450 if facility throughput is 70,000 gallons or less.	Positive cash balance.
Vermont	Work Plans & Budgets must be pre-approved, and comply with our Procedures for Reimbursement, which includes a Fee Schedule for labor rates and equipment costs.	In May 2018, the Governor signed legislation that extended the PCF sunset dates by 10 years for both claims and fee collections. On August 15, 2017, new AST Rules went into affect that required inspections of all ASTs within 3 years and every three years thereafter. Tank systems failing inspection are red-tagged preventing deliveries until repaired/replaced. The rules are expected to reduce the number of releases and help stabilize the heating oil account.	As of June 2018, the fund is an excellent shape, with both the motor fuel and heating fuel accounts both running a positive balance. The financial pressure from a 1/1/18 single-wall combination tank deadline was less significant than anticipated on the motor fuel account. The heating fuel account may already be showing potential positive response to the new AST Rules requiring inspections. AST claims were down and the heating oil account ran a non-weather related surplus for the first time since inception. The extra monies will eventually be transferred back to the motor fuel account to repay past transfers required to keep the heating fuel account solvent.
Virginia	Require pre-approval of cleanup plans and/or budget; require competitive bidding (tank owner); require use of fee schedule; limit overhead paid; cover cleanups based on site-specific risk-based end points.	No new or recent legislative activity.	Claims are released for payment once a month due to continued cash flow limitations.
Washington		Effective July 2018 the Petroleum Technical Assistance Program was expanded to allow PLIA to provide technical assistance for qualifying petroleum sites.	Tax extended until 2030.

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Washington-heating oil only	Pre-approval for costs Use of standard forms	In March 2018, legislation passed limiting program expenditures to \$15,000,000 each calendar year for claims.	Fee extended until 2030.
West Virginia			Fund is no longer active.
Wisconsin	Usual and customary cost standards.	These changes have been adopted: No new claimants allowed into the program as of 7/20/2015. All claims must be submitted within 6 months of incurring costs. Program will sunset and all claims must be submitted by 6/30/2020	Sufficient funding until 2020.
Wyoming	Prequalify engineers and construction contractors; cost negotiations with engineer after qualifications-based selection; bid for construction work.	Excess funds may be used for landfill remediation or orphan site cleanups at the director's discretion. Tank work is priority of use of fund.	Fund is used to pay for cleanups based on priority. Third-party affected sites are also cleaned up using the fund. Majority of remediation funding is from a mineral severance offset equal to one cent per gallon of gasoline or diesel sold (not a tax collected at the pump).

¹ Washington, DC does not have a reimbursable state fund program, all RPs must comply with corrective action requirements through other FR mechanisms, usually private/self insurance. DOEE can administer state lead cleanup using LUST Trust Funds for emergency response and pursue cost recovery from the RPs.

² MI 2017 Update: Data provided is for new Fund created on December 30, 2014.

2018 State Fund Survey Instructions/Definitions

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Cost Control Mechanisms Used: Describe how costs are controlled for your fund. Examples include pre-approval of costs, use of a fee schedule, prioritizing claims, use of standard forms for cost estimates, require competitive bidding, pay-for-performance, etc. Please list all state-specific measures currently in use.

New or Proposed Legislative or Regulatory Changes: Briefly describe.

Current Status of Fund: Briefly describe any interesting information not captured elsewhere in the survey.