

TABLE 4. Cost Control Measures/State Fund Updates 2019

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Alaska			Fund is no longer active.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	State Fund as partial FR mechanism is no longer active.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 2019	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 through December 2018. For 2019, the incentive is a reduction or elimination of the deductible if a release is discovered during the permanent tank removal of tanks installed prior to August 2008. 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. The Petroleum Storage Tank Committee has approved the reimbursement of tank removal costs indefinitely up to a maximum reimbursement of \$4 million per fiscal year, providing there is sufficient fund balance.</p>	<p>The Colorado Petroleum Storage Tank Fund is solvent with a fiscal year 2019 year end fund balance of \$5.3 million. The Environmental Response Surcharge (the source of greater than 90% of our revenue) was lowered to \$75/tanker from November 2018 through October 2019 due to the Fund Balance exceeding \$3M. It is expected that by January 2020, the surcharge will be raised to the maximum of \$100/tanker. The incentives are helping to reduce the fund balance. The reimbursement rates for labor and some activities such as excavation and soil disposal, were increased this year also which will use up the fund at a faster rate. OPS also received approval to spend up to \$2.7 million over 3 years to move the legacy database to a Salesforce database and this is funded solely through the reimbursement fund. This project will be complete no later than June 2022.</p>
Connecticut		None	Currently processing claims and making payments when funds are available.
Delaware		Program closed on 12/31/2011 via statute change.	closed 12/31/2011. Tank owners and operators must comply with FR requirements through private mechanisms.

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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.
Florida	All cost preapproved by procurement per contract fee schedule, quotes for items not covered by fee schedule or negotiated pay for performance agreements.	The FDEP and PRP revised Rule 62-780 (Contaminated Site Cleanup Criteria) in February 2017 to include drycleaner Brownfield sites and to make needed changes to bring in remedial alternatives such as risk based closures. Additional changes have been made to the Florida Statutes this past spring to the Advanced Cleanup program to modify the number of sites in an application bundle from 20 or more to 5 or more and to include Brownfield redevelopment sites. In addition, the owner cost sharing portion of the rule has been changed to include a combination of cost sharing and cost savings to the remediation effort. The Department is also planning future revisions to rule 62-777 (Contamiant Cleanup Target Levels) to address Benzo-a-Pyrene and equivalent cleanup target levels.	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 4-5 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.

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Illinois	Pre-approval of Corrective Action costs. All costs incurred must be eligible costs as identified in the regulations	None	Solvent
Indiana	Fee schedule, require competitive bidding for corrective action, preapproval of corrective action costs, and routine review all claims for reasonableness and cost effectiveness for work performed	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.
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 Department Secretary having the ability to modify the rate on an annual basis. The Trust Fund Advisory Board are tasked with assessing the financial status of the Fund and making fee recommendations to the Secretary for his determination. 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.	Currently sound and can meet it's annual obligations to process reimbursement request for active eligible remediation sites.
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 re-authorization pending.	Currently sound but requires active monitoring and management.

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Maryland			
Massachusetts	Schedule of Acceptable Costs Competitive bidding List of ineligible costs, computer assisted claim processing	None	Financially sound. Staffing increased in FY20 to address the claim backlog.
Michigan ²	Schedule of Costs Competitive bidding Pre-approval of excavation costs List of ineligible costs	None	Financially sound.
Minnesota	Fee schedule. Competitive bidding. Pre-approval of active remediation costs. Use of standard forms for proposing/invoicing costs.	Changed contractor registration requirement from annually to every two years. Consultant registration requirement stayed at annually (related to insurance coverage requirement).	Fiscally 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	None	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.	Legislature merged agencies forming the Department of Environment and Energy. The legislature also appropriated up to \$1.5 million from the Fund for Superfund.	RBCA Tier 1 & Tier 2 investigation program working well.

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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 2019	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.
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	Costs must be pre-approved prior to commencing work.	New regulations promulgated July 24, 2018 to comply with federal 2015 regulations. New regulations pertaining to Corrective Fund Administration promulgated December 27, 2018. Updated contractor fee schedule, eligible and ineligible costs and competitive bid requirements for remediation.	Constant oversight and reconciliation is required and prioritization of sites activity as necessary to ensure obligations are within available fund balance.
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 rigerously evaluated on legal and technical merit.	None related to USTs	Fund is solvent.

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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	North Dakota Department of Environmental Quality (NDDEQ) administrative rules require bidding of excavation, environmental consultant, and remediation work at reasonable and necessary rates determined by the overseeing division of the NDDEQ.	Moved the administration of Fund to new NDDEQ on July 1, 2019.	Fund is active and 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.
Oklahoma	Use standard forms for site assessment and corrective action plans Require pre-approval of cleanup plans and/or budget Require competitive bidding (tank owner) Require use of fee schedule Limit overhead paid Use pay-for-performance Prioritize claims to conserve funds Certify contractors Cover cleanups based on site-specific risk-based end points	PSTD added new rule allowing corrective action to continue if the eligible person doesn't pay the fund co-payment within 30 days. PSTD will seek cost recovery after case closure for unpaid co-payments; UST systems registered as currently in use where the system is not active for more than 180 days or 2 consecutive annual inspections shall have the system deemed temporarily out of use by PSTD. Facility will have 60 days to comply with TOU requirements; low level liquid test for containment sump testing must ensure the alarm activates when sensor is activated and verify the sub pumps shut off automatically when liquid activates the sensors. Sensors must be mounted and positioned at the lowest point in sumps; Excluding AST's at retail lube shops & automotive service centers that contain motor oil, used motor oil, or antifreeze.	Active and Solvent: 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.

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Pennsylvania	Initial Site Characterization Workplan; Competitive Bidding	No new or proposed legislation.	Fund is financially viable and processes claims as they are submitted and confirmed for eligibility. The major highlight from June 2019 financial statement shows a \$10.2 million balance available for future claims. The unfunded liability that has existed for years has now been eliminated.
Rhode Island		Fund regulations have been incorporated into the UST Regulations and re-codified.	The RI UST Fund disburses quarterly and is currently up to date on payment of claims.
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 •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	<ul style="list-style-type: none"> 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 	None	The PRCF is able to pay all claims in a timely manner and has sufficient revenue to handle future claims.

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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>	<p>None</p>	<p>Solvent.</p>
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>	<p>None</p>	<p>The fund is able to pay all invoices in a timely manner and has sufficient revenue to handle future invoices.</p>
Utah	<p>Work Plans & Budgets must be pre-approved by the PST Fund. Labor categories and the basic activities that can be used on a Work Plan & Budget are incorporated by rule.</p>	<p>A set price for preparation of Work Plan & Budgets are being used for common scopes of work like groundwater sampling, subsurface investigation, etc. Reimbursement rules for the fund are being updated to include setting a single rate for each labor category to be reimbursed instead of individual rates for each consulting company. Proposing to also set lab analysis rates and update common equipment rates.</p>	<p>Positive cash balance. Last year had an increase in the fund balance from the previous year.</p>
Vermont	<p>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.</p>	<p>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 effect 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.</p>	<p>As of October 2019, the fund is in an excellent shape, with both the motor fuel and heating fuel accounts both running a positive balance. The heating fuel account is showing positive response to the new AST Rules requiring inspections. AST claims continue to decline and the heating oil account has been running a 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.</p>

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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.	As of June 2019 the fund exited delayed payment status and claims are released for payment weekly as there are no limitations on cash flow.
Washington		Effective July 2018 the Petroleum Technical Assistance Program was expanded to allow PLIA to provided 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 180 days 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.

No update for 2019.

2019 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.