

**Funding Options for Petroleum Cleanups**

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**OPS Funding Sources**

- Brownfield Assessment Grant
- Leaking Underground Storage Tank (LUST) Trust Grant
- State Funding – Petroleum Storage Tank Fund

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**Brownfields Grant**

- Brownfield site means real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.
- There is a strong municipal commitment—either financially, or through commitment of municipal resources.
- There is a clear municipal/community vision and support for property revitalization.

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## Criteria for Brownfields Sites

- Based on known or perceived environmental impacts, the site is considered a low priority.
- The current owner and the previous past owner did not dispense fuel or in any other way contribute to the contamination at the site.
- There is no viable responsible party (RP).
- The site cannot be under an administrative order that would require a party to assess or cleanup the site

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## OPS Brownfields Assessments

- Brownfields Assessment Grant - \$200,000.
- OPS has conducted Phase I and Phase II assessments at six sites that qualify as Brownfields.
- At least three additional potential Brownfields sites have been identified and are under evaluation.

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## Brownfields Assessments



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### EPA LUST Trust Grant

- The owner is unknown, unwilling, or unable
- Contamination is from an underground storage tank
- Funds distributed to States and Tribes based on number of registered tanks and releases
- Sites must be considered a high priority, based on threats to receptors

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### LUST Trust/ Unknown

- Petroleum contamination is discovered and the source is unknown
- State Contractor assigned to identify the responsible party
- Require RP to take appropriate actions

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### LUST Trust – Unable or Unwilling

- Petroleum contamination from an underground storage tank exists.
- The RP is financially unable or unwilling to conduct the work.
- Costs will be recovered from the RP.

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## State Funding

- Petroleum Storage Tank Fund (PSTF)
- Provides reimbursement of allowable costs for eligible parties.
- Funded through an environmental surcharge, registration fees, and civil penalties.

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## Environmental Surcharge

- Environmental surcharge amount varies depending on PSTF balance.
  - Fund Balance < 3 million \$100.00
  - Fund Balance 3 – 6 million \$ 75.00
  - Fund Balance 6 – 12 million \$ 50.00
  - Fund Balance > 12 million \$ 0.00

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## PSTF - State Fund

- Eligibility Categories
  - Non Responsible Party - bears no responsibility for the release.
  - Owner/Operator (O/O) – responsible for release (\$10,000 deductible).

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## Cleanup Options for Non-Responsible Party

- Property owner hires contractor and oversees cleanup
  - Reimbursed from PSTF
  - \$10,000 deductible waived
- State Lead - OPS assigns State contractor and OPS oversees cleanup
  - Costs paid directly from the PSTF

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## O/O Cleanup

- O/O responsible for managing clean-up
- O/O reimbursed from the PSTF
- \$10,000 deductible applies
- Subject to % reductions (leak detection, registration, closure, release reporting, corrective action)

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## PSTF Balance and Expenditures

- State Fiscal Year 2007
- Revenue Generated - \$ 41,596,248
  - Balance (June 30, 2007) - \$10,365,348

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## PSTF Expenditures

State Fiscal Year 2007

- Total State Fund Expenditures for all eligible petroleum storage tank sites- \$44,703,952
- State Fund expenditures at petroleum impacted sites where there are no active tanks - \$5,159,809

*\* Since January 11, 2002, approximately \$21,700,000 has been expended at sites where there were no active tanks.*

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## Former Gas Station, Lakewood

- Operated as a service station until 1998
- Tanks removed; NFA issued
- Property owner discovered abandoned tank in 2005
- Property owner conducted assessment and remediation
- Site was issued NFA letter. Property owner was reimbursed from the PSTF for assessment and remedial activities



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## Former Gas Station, Ft. Collins

- Facility operated as a service station until 2005.
- Tanks were removed in 2006.
- Responsible party (RP) conducted assessment and remedial activities.
- RP received an NFA
- RP applied for and received reimbursement from the PSTF



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