



Bureau of Environmental Remediation Incentivizing UST Compliance

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UST Redevelopment Fund Program

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KDHE has 2 incentive programs to encourage redevelopment:

#1: Removal of Abandoned UST's

#2: Removal of Single-Wall UST's and Replace with Double-Wall UST systems

#1: Removal of Abandoned UST's



- July 2, 2012 - The Kansas Storage Tank Act was amended and a reimbursement fund was created.
- The purpose was to assist property owners with the removal of abandoned UST's.
- The program provides for reimbursement of 90% of the cost up to \$25,000 per facility for permanent closure of abandoned UST's.

What qualifies as an 'abandoned UST' ?

One of the following conditions must be met:

- The UST has not been used for more than 3 months,
- The UST does not have a current tank permit, or
- The UST has been temporarily out-of-service for more than 12 months.



Who is eligible for this program and what are the requirements?

- The property owner who never used the UST; the federal government is not eligible for this program;
- The property owner must be in compliance with the Kansas Storage Tank Act;
- The property owner obtains 3 bids for the work;
- The property owner obtains a 10-year deed restriction prohibiting UST's on the property;
- The property owner provides 30-day notice prior to the UST removal;
- The property owner provides access to KDHE for a site assessment of the tank excavation zone; and
- The property owner agrees to apply to the Petroleum Storage Tank Release Trust Fund if contamination is discovered.

Cumulative numbers since implementation

Since 2012:

- 95 applications approved
- 77 projects completed
- 235 abandoned UST's removed
- 7 abandoned UST's filled-in-place
- 31 UST Trust Fund Applications



Over \$1M was reimbursed to property owners in Kansas through this program.



Some examples of redeveloped properties include:

- Auto dealership
- Auto / truck repair shop
- Storage company
- Bar
- Restaurant
- Liquor Store
- Car title / loan office



#2 Remove Single-Wall UST's and Replace with Double-Wall UST Systems

As a result of the secondary containment requirements beginning July 1, 2013, new UST's and UST systems must be fully contained.

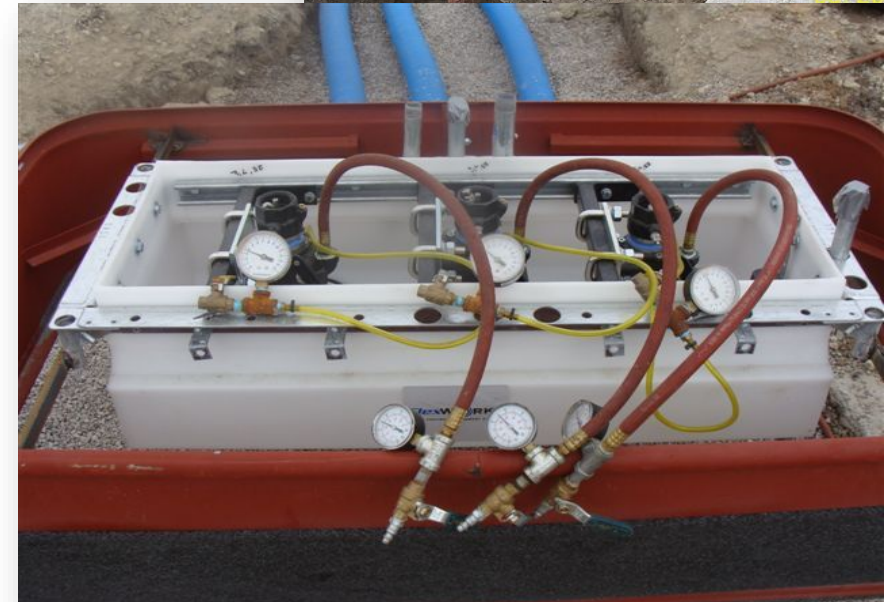
At that time:

- 90% of Kansas retail UST facilities had single-wall UST's;
- A majority of these facilities were owned by small businesses;
- Installation of secondarily contained UST's and UST systems was very expensive.



What's the incentive ?

- The program, which began in July 2015, will reimburse up to \$50,000 per facility to UST owners that remove single-wall UST's and replace with double-wall UST systems;
- The program is retroactive to August 8, 2005; and
- The deductible is waived for the UST Petroleum Storage Tank Release Trust Fund (if contamination is discovered).



Who is eligible for this program and what are the requirements?

- The UST owner (but not the federal government);
- The UST owner is in compliance with the Kansas Storage Tank Act;
- The UST must store petroleum products for resale;
- The stored petroleum is subject to the environmental assurance fee (which is a penny per gallon)
- The UST owner provides 30-day notice prior to removal;
- The UST owner obtains 3 bids for the work;
- The application to the program must be on KDHE forms;
- The UST owner provides access to KDHE to perform a site assessment of the excavation zone;



Eligibility and requirements (continued)

- All components of a single-wall UST system are replaced with a UST system that has full secondary containment, including sumps and dispensers;
- The UST owner provides proof of the costs; and
- If petroleum contamination is discovered, the UST owner agrees to apply to the UST Petroleum Storage Tank Release Trust Fund.



Cumulative numbers since implementation

Since July 1, 2015:

- 29 applications approved
- 23 facilities addressed
- 74 single-wall UST's removed
- 77 double-wall UST's installed
- 5 applications to the UST Petroleum Storage Tank Release Trust Fund

Over \$1M was reimbursed to UST owners in Kansas through this program.



Limitations

- This program expires on June 30, 2020.
- No more than \$3M can be reimbursed per fiscal year.
- Many UST owners will not be able to afford the complete cost of removal and replacement.





Thanks!
Any Questions?

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