

# Eureka! How the California UST Cleanup Fund Got Its Groove Back

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**National Tanks Conference**

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# Agenda

- What Makes CA UST Cleanup Fund Unique
- Fund History – (Cliff Notes version!)
- 2016 – 2022 Comparison (An interesting “before” and “after”)
- How the Fund Got Its GROOVE Back –
  - Improvements Undertaken
  - Pending Challenges & Improvements
- The Future of the Fund



# Unique Attributes



## Volume Coverage

60,000 covered facilities – 180,000 tanks – To date over 20,000 have filed claims – only about 16,000 deemed eligible



## Prioritization system

Claim funding prioritized by claimant's size (ability to pay) not by risk



## Age of claims

Majority of RR's reviewed today are **decades old** making it **very time consuming**.



## Revenue volume

Fees raise over \$300M per year currently with appx \$200M appropriated to pay claims



## No Claim Filing Deadline

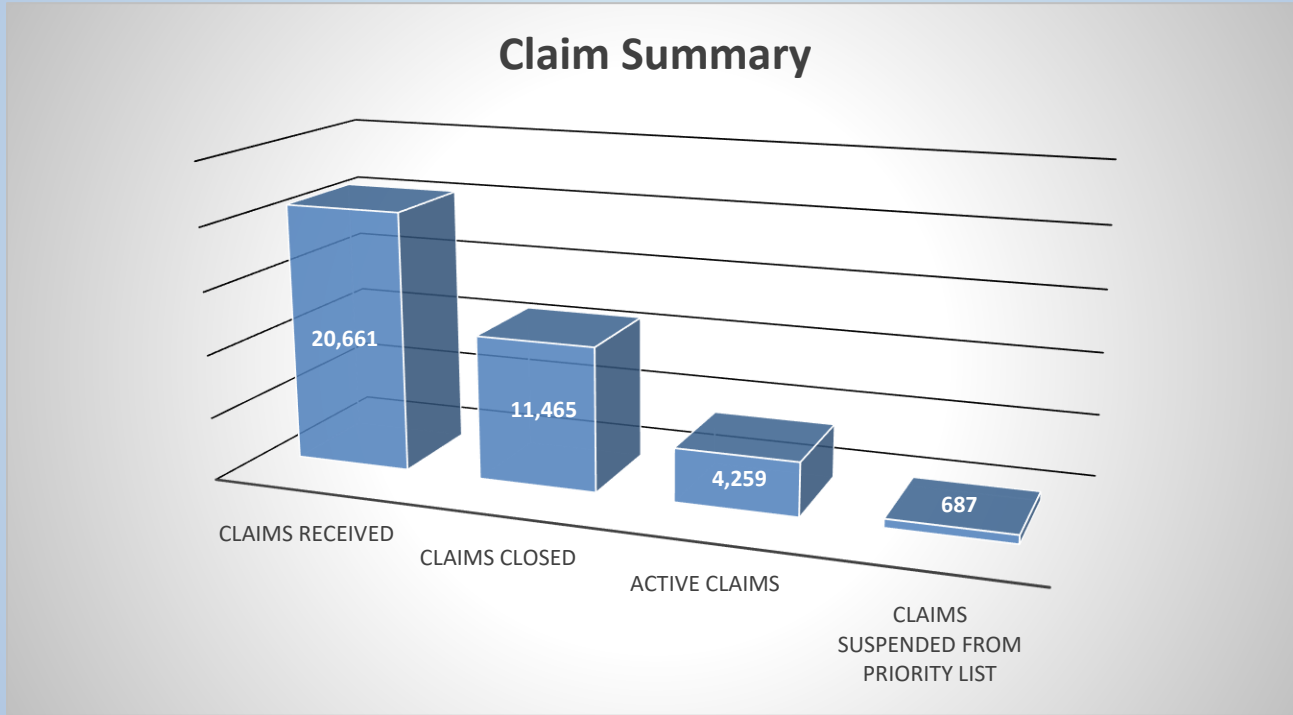
Unknown fund demand as old releases can still be covered



## Agencies Involved

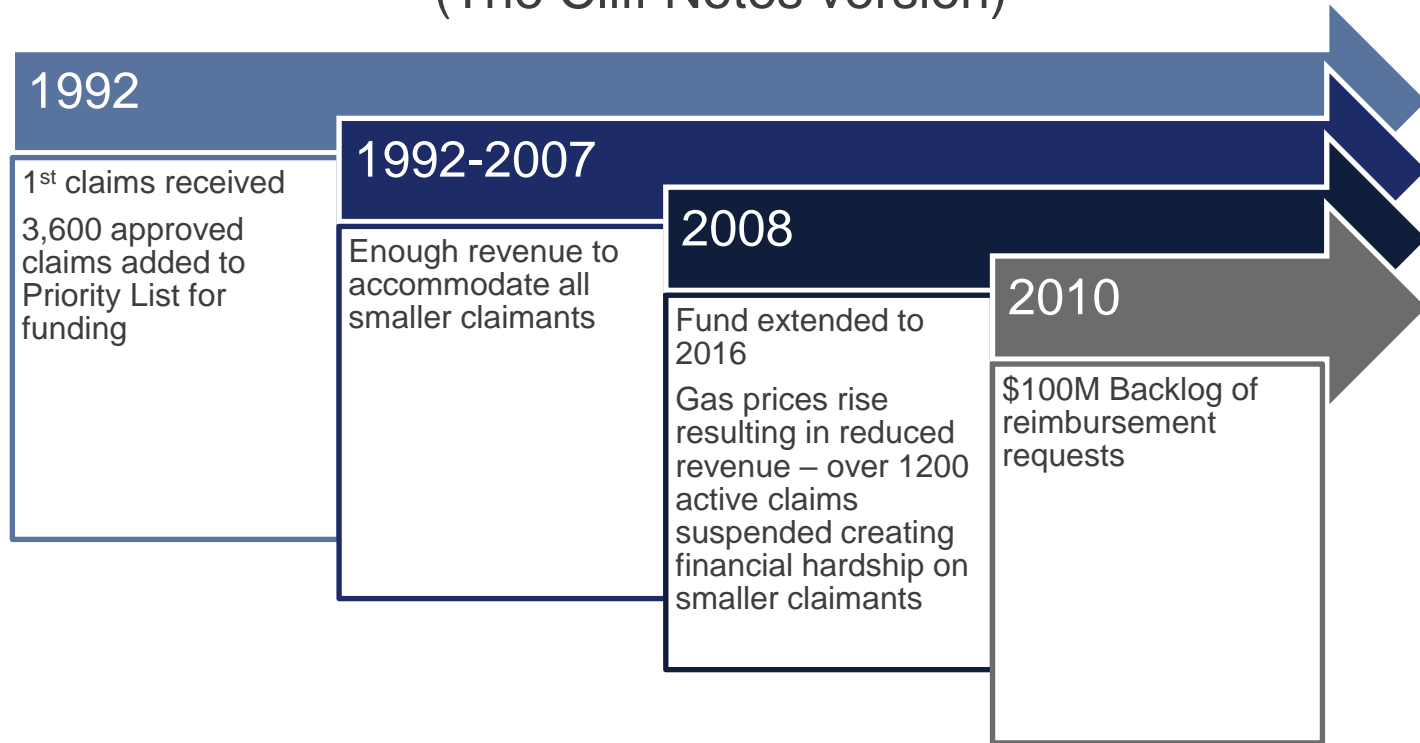
Local Water Boards, oversight agencies, and State Fund involved

# USTCF Cumulative Claim Statistics



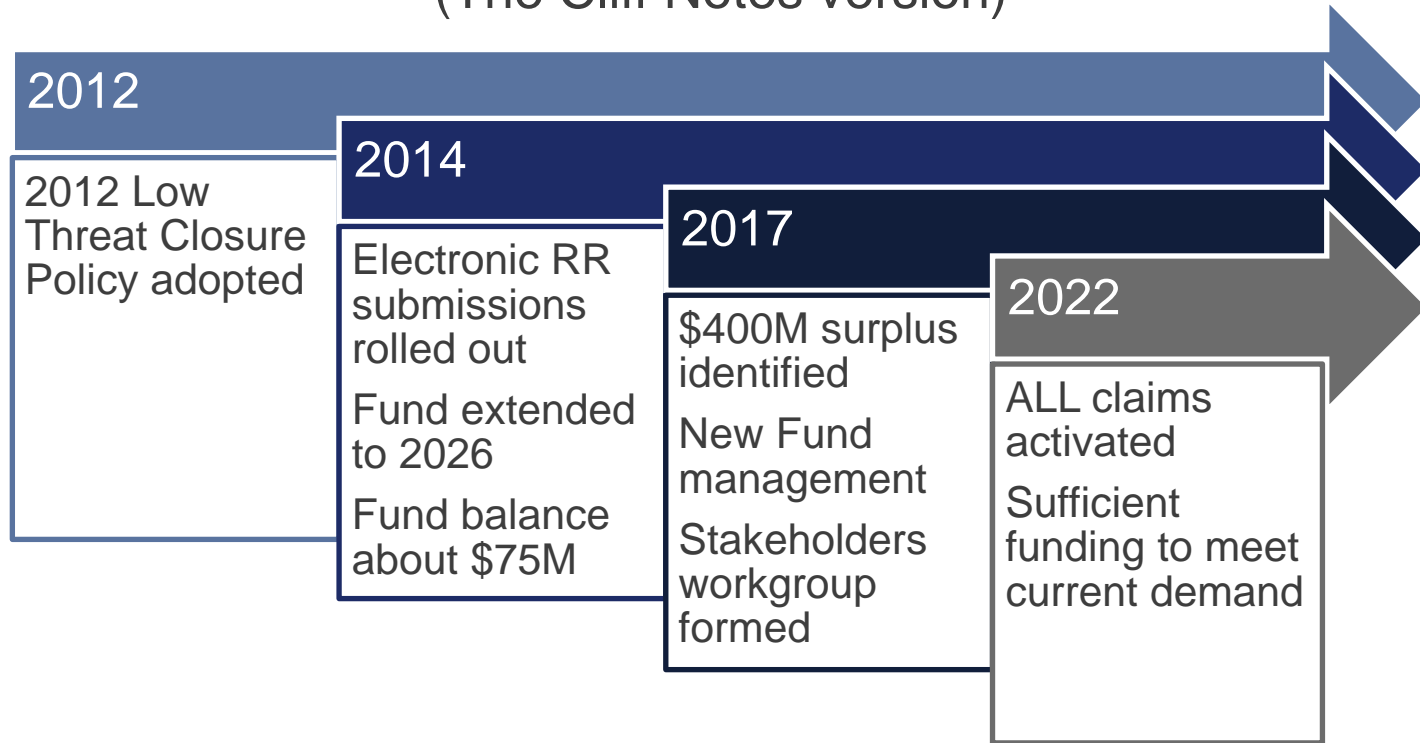
# California UST Cleanup Fund History

(The Cliff Notes version)



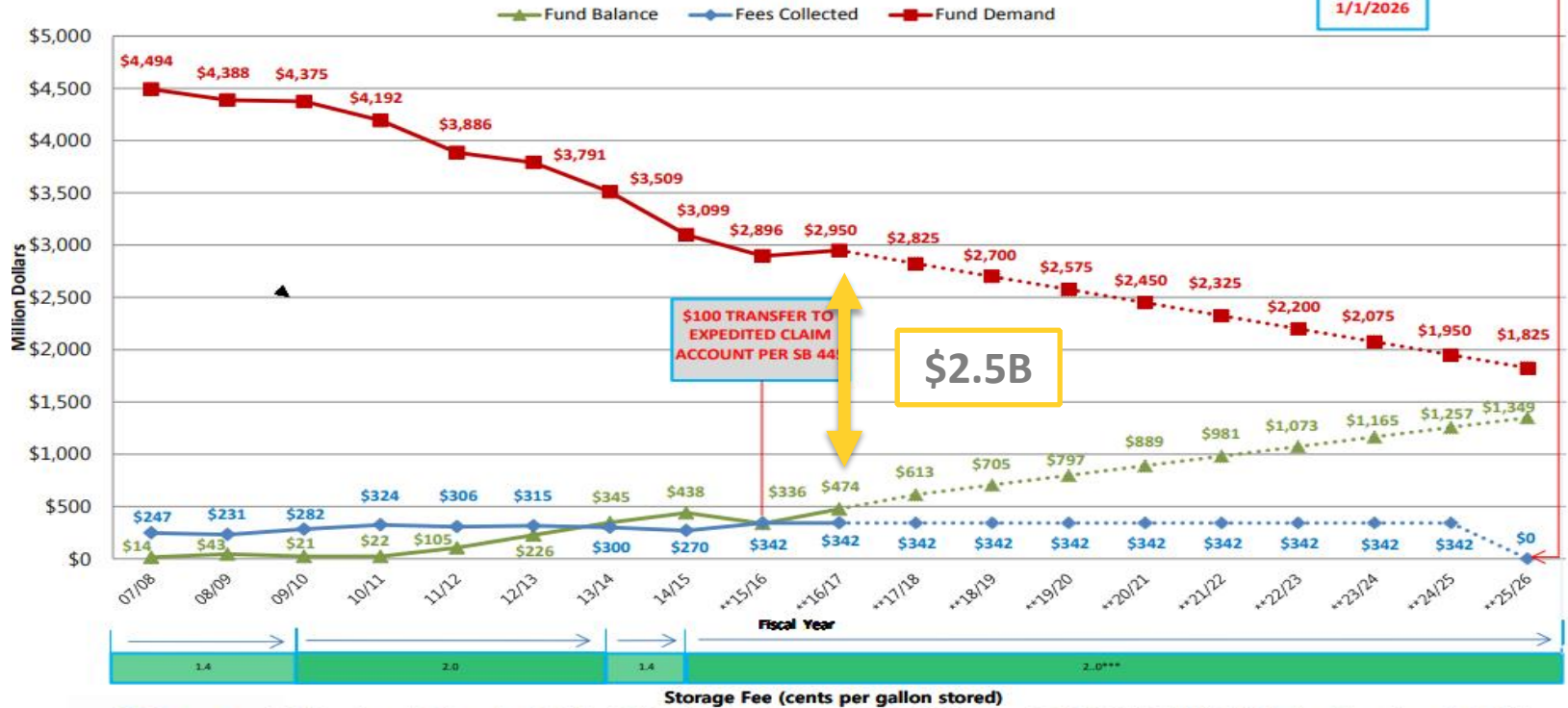
# California UST Cleanup Fund History

(The Cliff Notes version)



## UNDERGROUND STORAGE TANK CLEANUP FUND Fund Balance vs. Fund Demand\*

(In Millions)



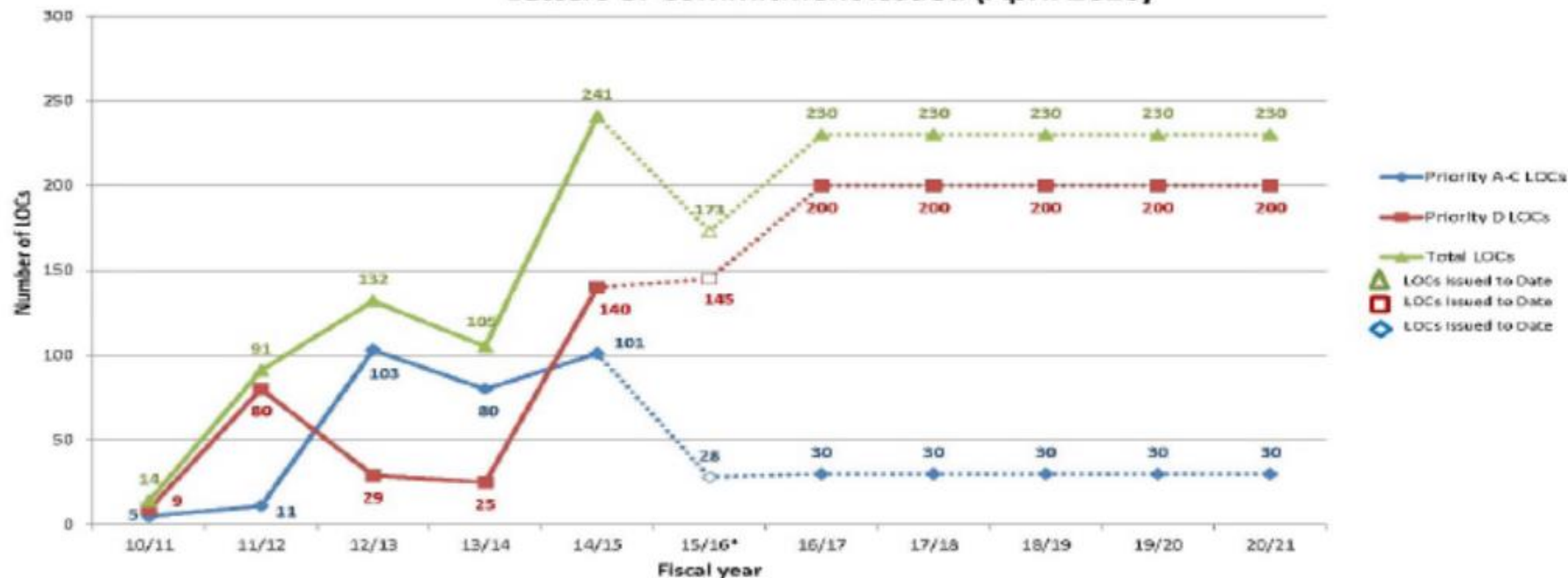
\*Fund balance does not include commitments for Priority A-C claims. Priority D commitments are included for FY 12/13 and forward. Per H&SC 25299.52(c)(1), 14% of claim funds available must be committed to Priority D claims each fiscal year. Priority D claims expended a minimum of 14% in FYs 11/12 and prior. Fund demand includes active and Priority List claims.

\*\*Projected figures.

\*\*\*SB 445 (Chapter 547, Statutes of 2014) increased the assessment on petroleum stored in USTs from \$0.014 per gallon to \$0.02 per gallon (an increase of 6 mils). The fee increase was effective on 01/01/2015 and will remain in effect until 12/31/2025. Of the 6 mil storage fee increase, 3 mils must be allocated among three accounts: (1) Replacing, Removing, and Upgrading Underground Storage Tank (RUST) program, (2) Site Cleanup Account Program (SCAP), and (3) School District Account (SDA).

# LOC Issuance

## Letters of Commitment Issued (April 2016)

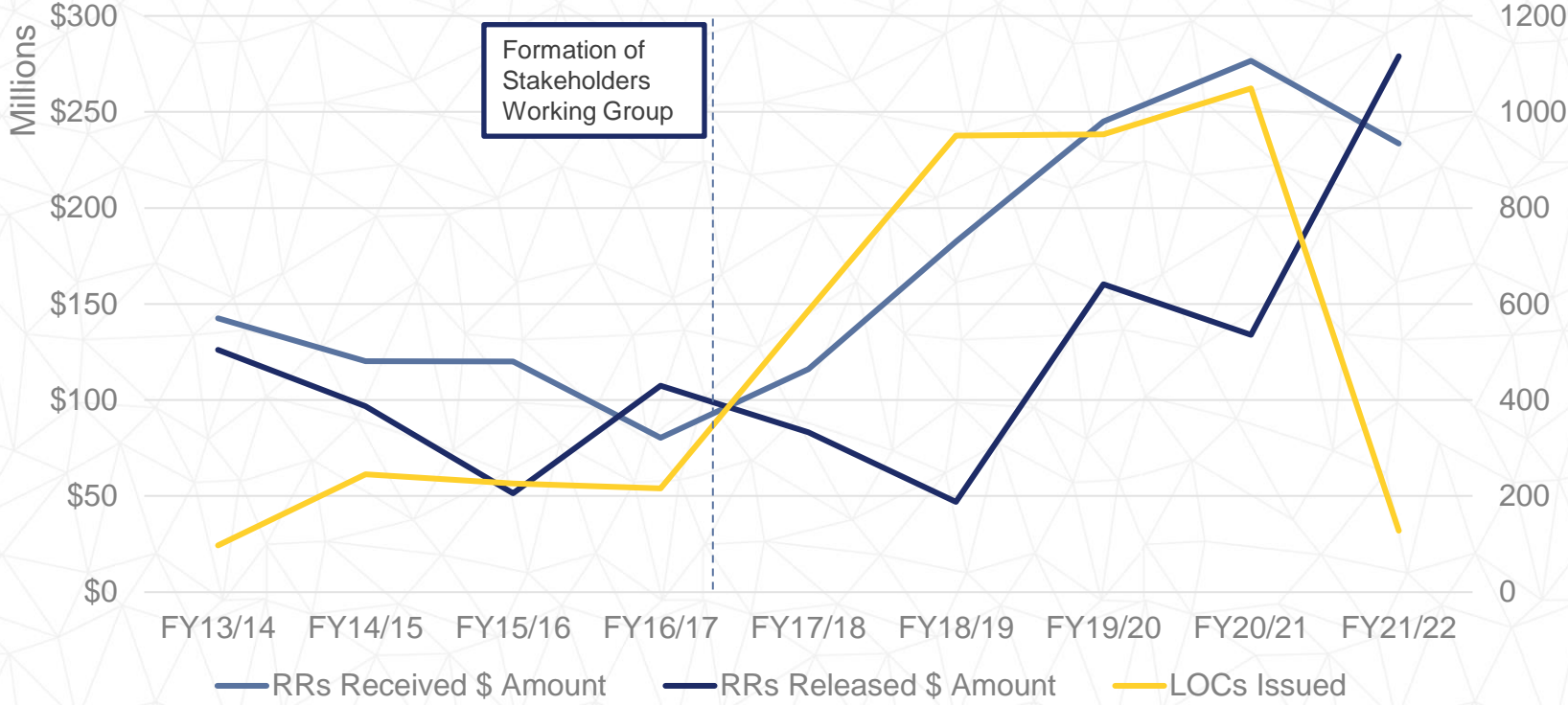


LOCs=Letters of Commitment

Data Current as of 4/11/2016



# Pace of Work



# Improvements Undertaken

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How the CA Fund Got Its Groove  
Back!

# It's a Big Machine

- Cleanup Fund
- Expedited Claims Account Program
- Emergency, Abandoned, Recalcitrant Account
- Orphan Account
- School District Account
- Removing, Replacing USTs
- Site Cleanup Subaccount



# Areas of Improvement

High-Level Changes

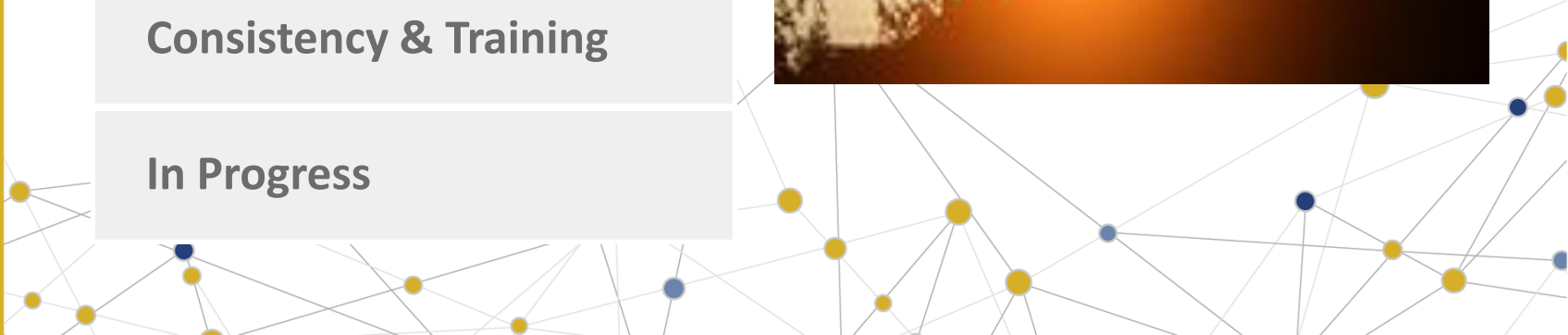
Customer Service  
Emphasis

Workflow Improvements

Process Review &  
Documentation

Consistency & Training

In Progress



# High-Level Changes Implemented



**Strategic Plan**

**Culture (Humanity/Performance Fulcrum and Telework)**

**Philosophy: 1. Do the right thing 2. Do it kindly**

**FI\$Cal – State-wide procurement change**

**Audit Results**

# Customer Service Emphasis

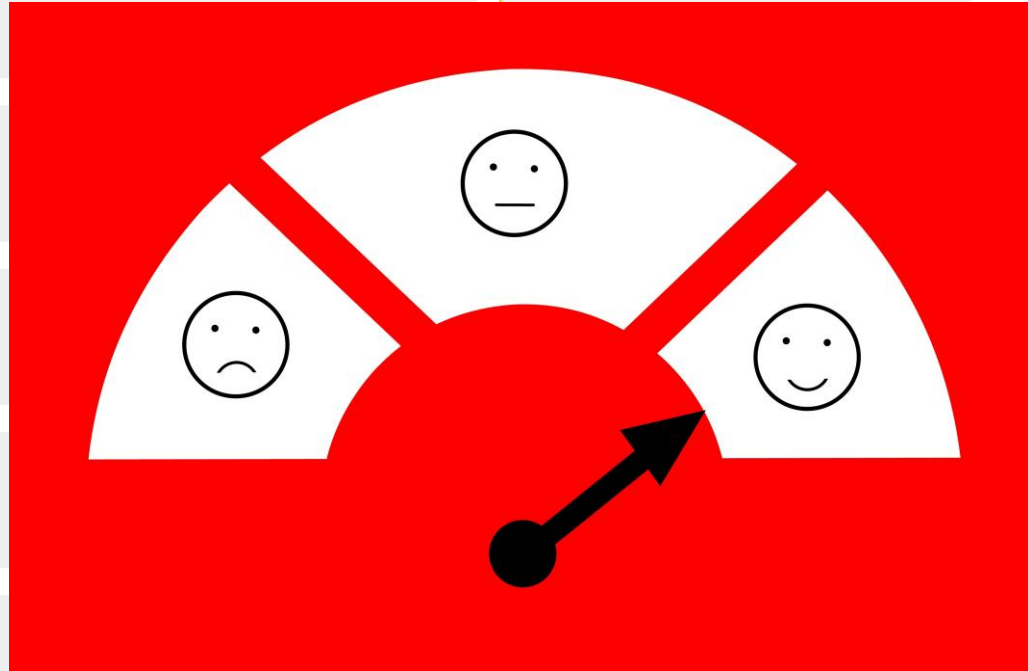
4-way customer service

Stakeholder relations

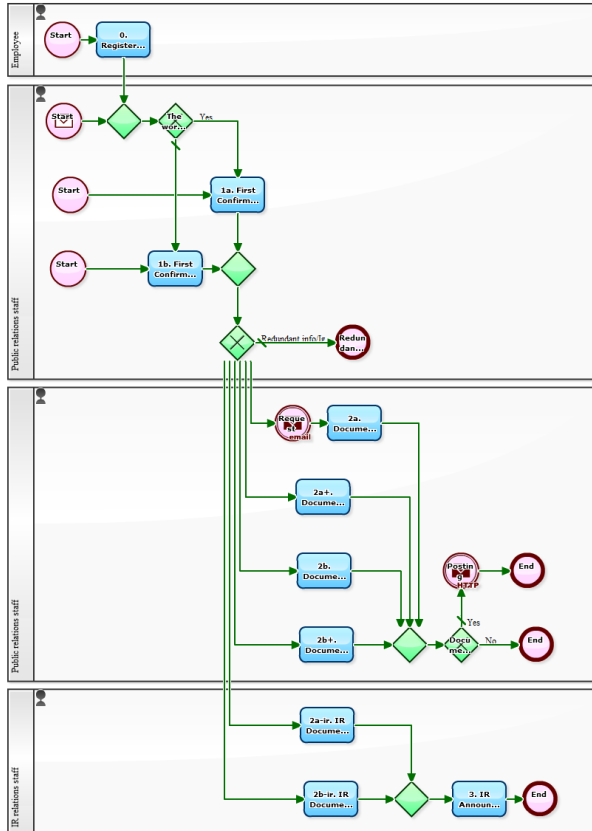
Stakeholder and FUN meetings

Two business-day max response

Activated priority list



# Workflow Improvements



RR Project

Appeals Project

Workflow Structure

# Process Review and Documentation

**Payment Summary Revision**

**D Claimant RR Procedure**

**Procedures with staff involvement, electronic and streamlining focus**

**Grant Management System**

**Narrative Cover Sheets**

**Revise Reimbursements Memo**





# Consistency & Training



**Reimbursement Team Meetings**

**Appeals and Grant Template Revisions**

**Field Trips**

**Remediation Cost Guidelines**

# In Progress

**Arrearages**

**A-C Claimant RR Review  
Process**



# Sunset / Extension Planning

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Financial Assurance ends  
12/31/2024 – other options?

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Stakeholder-driven effort to  
extend Fund

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Dual purpose planning for both  
sunset and potential extension

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Work with UST Program to  
provide needed funding now

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Future cleanup funding – Fund  
or other options?



**Questions?**