



Claims and Payments

Petroleum Storage Tank Environmental Assurance Fund (PSTEAF) & Small Owners Tank Removal Account (SOTRA) and Temporarily Closed Tanks Initiative

KENTUCKY UNDERGROUND STORAGE TANK BRANCH

2025

Who we are?

We manage the fund (PSTEAF) that reimburses for UST corrective actions and some UST closures

- Review and approve applications for eligibility
- Apply fixed costs by making financial obligations for closures and corrections actions
- Review and approve claim requests
- Attend No Further Action Monitoring Well abandonment site visits
- Review No Further Action Monitoring Well abandonment reports for technical completeness and claim approval

What is PSTEAF?

The **P**etroleum **S**torage **T**ank **E**nvironmental **A**ssurance **F**und

...was Created in 1990 by the General Assembly in response to Federal legislation requiring UST owners and operators to demonstrate ability to pay for remediation and restoration.

- Owners and Operators were not able to obtain affordable insurance to pay for corrective action
- The implementing statute recognized that we all use motor fuel
- Fund availability should encourage timely corrective action
- Fund availability should minimize disputes over responsibility

What PSTEAF is made of: FRA and PSTA

- \$0.014 assurance fee assessed on each gallon of gas/fuels imported to Kentucky

KRS 224.60-130

- PSTA \$0.010
- FRA \$0.004- SOTRA paid out of the FRA account



PSTEAF Budget

- PSTEAF not only is used for USTB reimbursements
 - Operating expenses within the division
 - Salaries for staff dealing with UST corrective actions
- The USTB is allotted an annual amount of funding
- Outstanding Obligations are carried over the FY
- The fund is continually being funded every year

FRA and PSTA

Within PSTEAF there are two accounts that are paid from and both accounts reimburse for corrective actions



FRA is the **F**inancial **R**esponsibility **A**ccount

is *in* compliance at the time of release (determined by communication with compliance)

receives reimbursements for third party claims



PSTA is the **P**etroleum **S**torage **T**ank **A**ccount

is *out* of compliance at the time of release (determined by communication with compliance)

only receives reimbursements for third party claims for 60 days after being notified not eligible for FRA

FRA and PSTA

To apply for the FRA/PSTA account:

1. Must be registered as owner/operator at the time of the release
 2. Complete application
 3. Contract with an Eligible Company
 4. Release occurred or USTB directs actions
- Each application is based on a release so one AI/tank could have multiple releases
 - Each release receives \$1 million
 - An entry level is applied to each application based on the number of tanks the applicant owns at the time of release.
 - \$500 – 5 or fewer tanks
 - \$2,500 – 6 to 10 tanks
 - \$12,500 – 11 or more tanks

Small Owner Tank Removal Account (SOTRA)



- Reimbursed from the FRA account
- No entry level required
- Used for reimbursement of tank system removal/closure in place, including newly discovered tanks during removal.
- This program has reimbursed over 3,000 sites for tank removals.

SOTRA Eligibility Requirements:

- 1. On average must make \$100,000 or less over the last 5 years*
- 2. Tanks were used for motor fuel*
- 3. Must be registered/apply as owner*
- 4. Owner certifies that sales of motor fuels will cease at facility*
- 5. All known tanks must be removed*
- 6. Owner has owned the tanks for more than 1 year*

Small Owner Tank Removal Account (cont.)

What is required when submitting a SOTRA application?

- Last 5 years of taxes showing total income.
- Contract
- LPOA (if applicable)
- Facility map with tank pit and piping locations and square footage.
- Colored pictures of facility and tank and piping area.

SOTRA & Temporarily Closed Tanks (TTC)

- We started an initiative to contact tank owners that have tanks in temporarily closure for more than 12 months to let them know about the SOTRA program that is available to pay for reimbursement of the removal of their tank systems, if they qualify.



Tanks in Temporary Closure (TTC)



Tanks that have been taken out of service

- Registered as TTC
- Continue operation and maintenance of corrosion protection and release detection
- If a UST system is empty continue release detection and walkthrough inspection
- If a UST system is TTC for more than 3 months; leave vent lines open and functioning; and cap and secure all other lines, pumps, man ways, and ancillary equipment.

401 KAR 42:020 Section 3

(4) If a UST system is in temporary closure for more than twelve (12) months, and does not comply with the requirements of subsections (2) and (3) of this section, the owner and operator of the UST system shall:

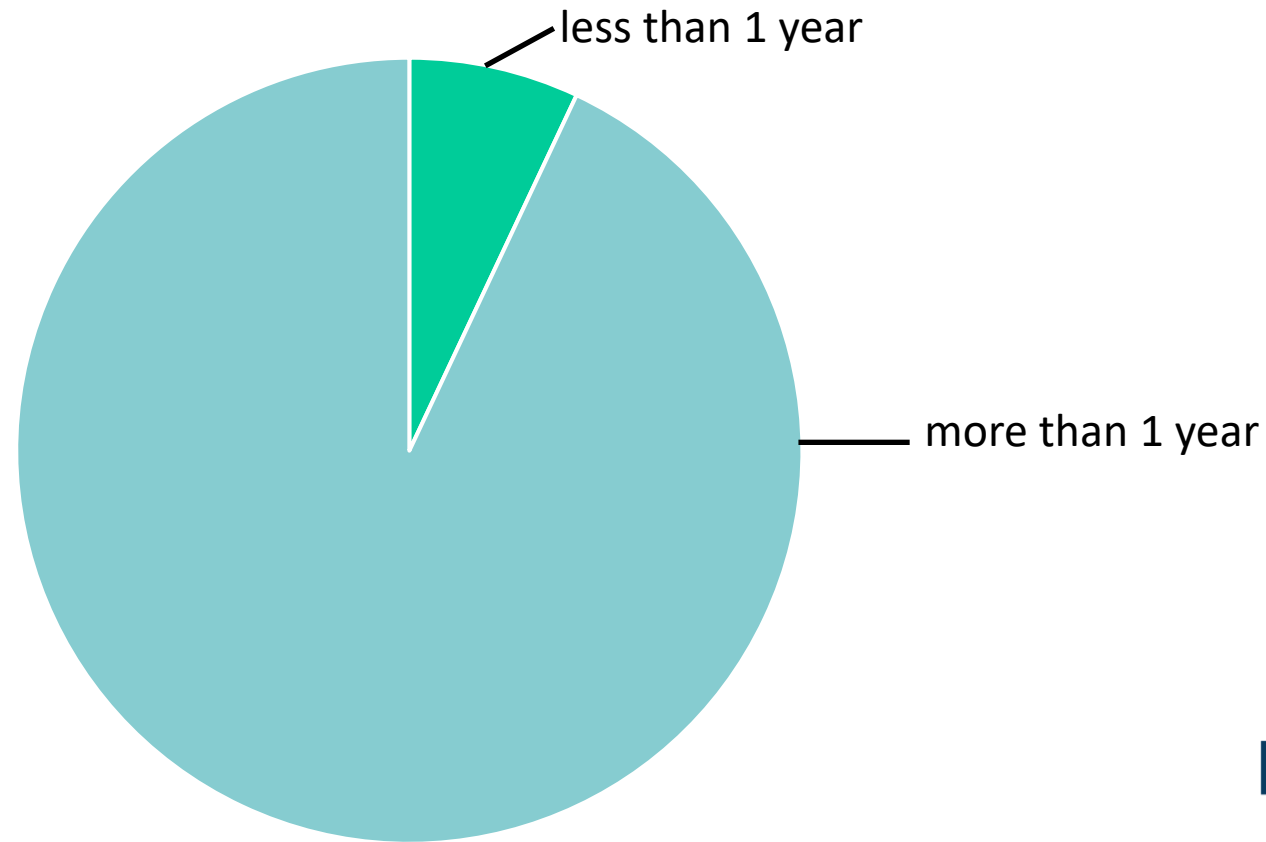
(a) Perform permanent closure in accordance with 401 KAR 42:060 or

(b) Request an extension of temporary closure in accordance with Section 22 of this administrative regulation and perform an assessment in accordance with Section 4.0 of the UST Corrective Action Manual, incorporated by reference in 401 KAR 42:060.

(5) If a UST system is in temporary closure for more than twelve (12) months, and complies with the performance standards for corrosion protection, spill containment and overfill prevention, and release detection in accordance with this administrative regulation, the owner and operator shall conduct tank and piping tightness tests, and any outstanding periodic test, prior to returning the UST system into use.

806 tanks in TTC/361 facilities with TTC

93% of all TTC tanks have been in temporary closure for over 1 year



Phase 1: SOTRA Information Outreach

Dear Underground Storage Tank Owner:

According to our records, you are a registered tank owner/operator of tanks that have been in temporary closure for over one year. The Kentucky Administrative Regulations (KAR) states the following regarding systems that have been temporarily closed for more than 12 months:

401 KAR 42:020

Section 3. Temporary Closure.

- (4) If a UST system is in temporary closure for more than twelve (12) months, and does not comply with the requirements of subsections (2) and (3) of this section, the owner and operator of the UST system shall:
- (a) Perform permanent closure in accordance with 401 KAR 42:060 or
- (b) Request an extension of temporary closure in accordance with Section 22 of this administrative regulation and perform an assessment in accordance with Section 4.0 of the UST Corrective Action Manual, incorporated by reference in 401 KAR 42:060.
- (5) If a UST system is in temporary closure for more than twelve (12) months, and complies with the performance standards for corrosion protection, spill containment and overfill prevention, and release detection in accordance with this administrative regulation, the owner and operator shall conduct tank and piping tightness tests, and any outstanding periodic test, prior to returning the UST system into use.

The following tank(s) are registered as temporarily closed in our database for your facility:

TANK#	CAPACITY	SUBSTANCE	INSTALLED	STATUS

If you are considering permanent closure, there are funds available for those who meet eligibility requirements under the Small Owner Tank Reimbursement Account (SOTRA). SOTRA eligibility requirements include:

1. The petroleum storage tank owner complies with the financial eligibility criteria of \$100,000.00 total income, or less, averaged over the last five (5) years.
2. The tanks are located at a facility that was involved in the storage of motor fuel.
3. The tanks are registered with the Division of Waste Management by the owner seeking SOTRA reimbursement pursuant to KRS 224.60-105 and 401 KAR 42:020.
4. The owner certifies that permanently closed tanks shall not be replaced or upgraded, and that all known tanks at the facility shall be permanently closed; and
5. The owner has owned the tanks for more than one (1) year prior to the date of the application for reimbursement from this account.
6. An owner shall submit a UST Notice of Intent to Permanently Close Underground Storage Tank System, DWM 4266, incorporated by reference in 401 KAR 42:060.
7. Tanks located at federally owned facilities are not eligible for reimbursement from SOTRA. See 401 KAR 42:330 for full eligibility details.

If you apply for SOTRA and your application is approved; reimbursement for the removal of your tanks could be reimbursed an up to estimated amount of [REDACTED] (items not included in estimated amount such as waste disposal, additional piping, mobilization for contractor, etc. will also be reimbursed upon approval). See example attached.

Certain closure requirements need to be met in accordance with 401 KAR 42:060. Should a facility be referred to Site Investigation for further sampling and remediation, an Application for Assistance may be submitted for additional coverage up to \$1 million per occurrence for eligible corrective action activities.

All documents may be submitted electronically (preferred) using our website, or by mail at the address below. Always refer to the appropriate site AI # when contacting the UST Branch and include the AI # on all documents submitted.

Division of Waste Management
Underground Storage Tank Branch
300 Sower Boulevard, Second Floor
Frankfort KY 40601
www.eec.ky.gov/Environmental-Protection/Waste/underground-storage-tank

More information including UST regulations, outlines, forms and updates can be found on our website. If you have any questions regarding this letter, please contact me at C&P REVIEWER PHONE # or C&P REVIEWER EMAIL.

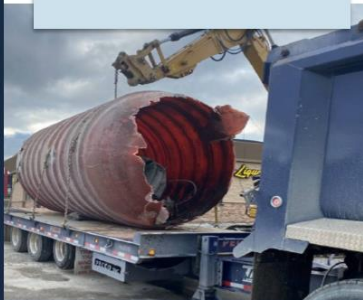
Phase 1: SOTRA Information Outreach

Itemization of the Reimbursable Amount						
Agency Interest Number (AI)	331 - EXAMPLE ONLY		Application Number			
Date of Itemization	9/16/2024		Claim Reviewer			
Name of Directive	Closure Assessment Report (SOTRA)					
Mileage and Nearest Contractor's Office Used for Pre-established Fixed Cost Directives						
The one way mileage from _____ office to the facility is _____ miles. Total round trip is 0 miles. Shall not exceed 1,000 miles round trip.						
SOTRA Permanent Closure						
Permanent Closure Cost Matrix						
PST Pit #	# of Tanks per Matrix Table (1-5)	Size of Largest Tank in Pit	Matrix Table Cost	# of Extra Tanks (> 5)	Cost of Extra Tanks	Total Cost per Pit
1	3	5,101 - 10,000	\$44,262.00	0	\$0.00	\$44,262.00
				0		
				0		
				0		
						\$44,262.00
Permanent Closure Cost per Tank Capacity (\$9.10 per gallon)						
PST Pit #	# of Tanks	Total Capacity of Tanks in Pit	Total Cost per Pit			
			\$0.00			
			\$0.00			
			\$0.00			
			\$0.00			
						\$0.00
Additional Piping Closure Cost (if greater than 35 feet outside the excavation zone)						
35 feet		=	0 feet of Additional Piping (> 35 feet)			
(enter total length of piping)						
0 feet	x	\$26.00	=	\$0.00		
						\$0.00
Transportation of Drummed Waste, Purged Water, or Soil Cuttings						
	drums	x	\$149.00	=	\$0.00	\$0.00
Disposal of Drummed Waste						
	cost	+	15%	=	\$0.00 (provide invoice)	\$0.00

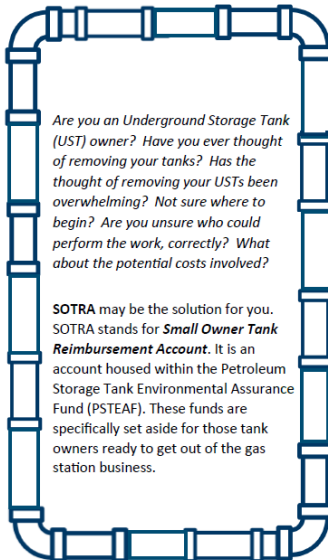
Removal and Transportation of Tank Contents						
	cost	+	15%	=	\$0.00 (provide invoice)	\$0.00
Disposal of Tank Contents						
	cost	+	15%	=	\$0.00 (provide invoice)	\$0.00
EPA Generator ID Number Fee						
	each	x	\$412.00	=	\$0.00	\$0.00
Waste Characterization						
	cost	+	15%	=	\$0.00 (provide invoice)	\$0.00
Mobilization/Demobilization of Heavy Equipment and Oversight Personnel to the Regulated Facility						
Equipment	miles (round trip)	x	\$7.95	=	\$0.00	\$0.00
			minimum		\$795.00	
Personnel Oversight	miles (round trip(s))	x	\$2.85	=	\$0.00	\$0.00
			maximum		\$2,850.00	
Laboratory Analysis						
BTEX (8021) MTBE included	8	x	\$110.00	=	\$880.00	
BTEX (8260) MTBE included		x	\$121.00	=	\$0.00	
PAH (8270)		x	\$291.00	=	\$0.00	
Total Lead (soil)		x	\$69.00	=	\$0.00	
Dissolved Lead (groundwater)		x	\$69.00	=	\$0.00	
Trip Blank for BTEX		x	\$110.00	=	\$0.00	
Grain Size Analysis		x	\$262.00	=	\$0.00	\$880.00
Reporting						
1 Closure Assessment Report (SOTRA)	1	x	\$2,880.00	=	\$2,880.00	
2	1	x	\$0.00	=	\$0.00	
3	1	x	\$0.00	=	\$0.00	
4	1	x	\$0.00	=	\$0.00	\$2,880.00
TOTAL						\$48,022.00

SOTRA Informational Brochure

KENTUCKY UNDERGROUND STORAGE TANK CLOSURE REIMBURSEMENT INFORMATION GUIDE



DIVISION OF WASTE MANAGEMENT
UNDERGROUND STORAGE TANK BRANCH
&
ENVIRONMENTAL COMPLIANCE ASSISTANCE PROGRAM



Are you an Underground Storage Tank (UST) owner? Have you ever thought of removing your tanks? Has the thought of removing your USTs been overwhelming? Not sure where to begin? Are you unsure who could perform the work, correctly? What about the potential costs involved?

SOTRA may be the solution for you. SOTRA stands for **Small Owner Tank Reimbursement Account**. It is an account housed within the Petroleum Storage Tank Environmental Assurance Fund (PSTEAF). These funds are specifically set aside for those tank owners ready to get out of the gas station business.

SOTRA Made Easy

Eligibility Requirements taken from 401 KAR 42:330 Section 1:

1. The petroleum storage tank owner complies with the financial eligibility criteria of **\$100,000.00 total income, or less, averaged over the last five (5) years.**
2. The **tanks are located at a facility that was involved in the storage of motor fuel.**
3. The **tanks are registered** with the Division of Waste Management by the owner seeking SOTRA reimbursement pursuant to KRS 224.60-105 and 401 KAR 42:020.
4. The owner certifies that: **Permanently closed tanks shall not be replaced or upgraded; and all known tanks at the facility shall be permanently closed;**
5. **The owner has owned the tanks for more than one (1) year** prior to the date of the application for reimbursement from this account.
6. An owner shall **submit a UST Notice of Intent to Permanently Close Underground Storage Tank System**, DWM 4266, incorporated by reference in 401 KAR 42:060.
7. **Tanks are not federally owned facilities** and shall not be eligible for reimbursement from SOTRA in accordance with KRS 224.60-115(16).

Do you meet the seven eligibility requirements? If so, take these next steps:

- Step #1** Register your tanks by completing the DWM 4225 UST Facility Registration Form.
- Step #2** Apply for SOTRA by completing the DWM 4293 UST Application for Assistance for SOTRA and contracting a Certified Remover to perform the removal. A Certified Remover can be found by contacting the KY State Fire Marshal's Office at (502) 573-0382.
- Step #3** Receive a SOTRA Application Approval letter with an obligation for reimbursement. Once approved, UST will issue a letter of eligibility status and establish a reimbursement amount.



NOVEMBER 2022

What happens next?

Remove the tanks

Permanent closure within the reimbursable amount may begin.

Report

A **Closure Assessment Report** must be submitted for technical review.

Reimbursement

Payment will be processed when the review of the report and claim is complete.

Restore

Payment will be processed when the review of the report and claim is complete.

What happens if the closure exhibits contamination?

The site will be referred for a site investigation for further sampling and remediation. Reimbursement is available after an entry level is applied. Up to \$1 million is available for eligible corrective action activities. A UST project manager will communicate with you and your contractor about assessment and remedial actions.

Department for Environmental Protection Contact Information

Underground Storage Tank Branch
Address: 300 Sower Blvd., Frankfort, KY
Website: <https://eec.ky.gov/Environmental-Protection/Waste/underground-storage-tank>

- Phone: (502)782-6456
- Email: jill.stoltz@ky.gov
- Phone: (502) 564-5981
- Email: jenifer.cavender@ky.gov

Claims and Payments Section

- Phone: 502-782-6483
- Email: cheryl.yunt@ky.gov
- Phone: (502) 782-6644
- Email: brenda.harlow@ky.gov

Environmental Compliance Assistance Program

Website: eec.ky.gov/ECAP
Phone: (502)782-6189
Email: envhelp@ky.gov



TEAM
KENTUCKY®

ENERGY AND
ENVIRONMENT CABINET

SOTRA-TTC Tanks

The Claims & Payments Section has issued 153 informational letters to tank owners that have a tank that has been in temporary closure for longer than 12 months informing them about SOTRA.

Currently 12 sites have applied for SOTRA from these letters.

Questions?

Contact Information:

Cheryl Yunt

KY UST Branch – Claims & Payments Section

Cheryl.Yunt@ky.gov

502-782-6483