

**NOTICE OF MEETING OF THE
UNDERGROUND STORAGE TANK POLICY COMMISSION**

Pursuant to Arizona Revised Statutes (A.R.S.) § 38-431.02, notice is hereby given to the members of the Underground Storage Tank (UST) Policy Commission and to the general public that the **UST Policy Commission** will hold a meeting open to the public on **August 26, 2009** from 9:00 a.m. until noon, at ADEQ in room 250 located at 1110 West Washington, Phoenix, Arizona. The Commission may discuss, deliberate or vote on any item listed on the agenda. The Commission may vote to hold an executive session for consultation with its attorney for legal advice pursuant to A.R.S. § 38-431.03 (A) (3) concerning any item on the agenda.

1. Call to Order and Roll Call (Gail Clement, Chairperson)
2. Approval of Minutes from July 22, 2009 Meeting (Gail Clement, Chairperson)
3. ADEQ Updates (Mike Fulton, TPD)
4. SAF Status (Mike Fulton, TPD)
5. Discussion of September 1, 2009 UST Assurance Account (SAF) Liabilities Report (Mike Fulton, TPD)
6. Discussion of Recent Legislation and Rules Affecting the UST Program (Mike Fulton, TPD)
7. Evaluation Subcommittee Update (Bill Bunch, Chairperson)
 - a. August 20, 2009 Subcommittee Meeting
8. Technical Subcommittee Update (Theresa Kalaghan and Catherine Chaberski, Chairpersons)
 - a. Tier 2 Screening Process Changes and Potential Technical Subcommittee Meeting
9. General Call to the Public (Gail Clement, Chairperson)
10. Summary of Meeting Action Items (Gail Clement, Chairperson)
11. Discussion of Agenda Items and Schedule for next Commission Meeting (Gail Clement, Chairperson)
12. Announcements:
 - a. Next Policy Commission meeting is scheduled to be held on September 23, 2009 at 9:00 a.m., in Room 250 at ADEQ located at 1110 W. Washington, Phoenix, AZ.
 - b. The November UST Policy Commission Technical Subcommittee meeting date has changed from November 11 to November 10, 2009. (November 11 is Veteran's day).
13. Adjourn

Call to the Public is for consideration and discussion of comments and complaints from the public. Those wishing to address the Commission need not request permission in advance. Action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or rescheduling the matter for further consideration, discussion and decision at a later date.

A copy of the agenda background material provided to commission members (with exception of material relating to possible executive session) is available for public inspection at the ADEQ reception area, 1110 W. Washington Street, Phoenix, Arizona. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting June Schellenberg at (602) 771-4837. Requests should be made as early as possible to allow time to arrange the accommodation.

ADEQ State Assurance Fund Analysis

February 16, 2009

UST Program Revenues

- Underground Storage Tank Fund
Approximate balance as of February 1, 2009: \$ 24,800,000

 - State Assurance Fund
Approximate projected SAF revenue 2/1/09 to 12/31/13:
(assumes \$29.4 million per year) \$145,000,000
- Total Projected UST Projected Revenue: \$169,800,000**

UST Program Liabilities

- Eligible UST Releases: \$108,700,000

The UST Program currently has 493 facilities that have at least one SAF eligible release. Approximately 396 of those facilities have releases to both soil and groundwater, and 97 have releases that have impacted soil only.

In ADEQ's experience, \$250,000 will be required for a facility at which both soil and groundwater cleanup is required, and \$100,000 for a soil only facility cleanup. The estimated cost to remediate these 493 facilities is approximately \$108.7 million. To be eligible for SAF coverage, Arizona law requires SAF applicants to complete cleanups and submit claims by June 30, 2010.*

- Cost to Administer the SAF/Corrective Action Program: \$31,200,000

Cost to administer the SAF program and implement the corrective action program through December 31, 2013 is approximately \$31.2 million (an average of \$6.2 million per year for five years).

- FY2009 Transfers from UST Fund: \$18,271,900

Includes UST Fund transfers of \$2,571,900 (authorized through SB1001) and \$15,700,000 in lieu of WIFA Drinking Water and Clean Water Revolving Fund transfers.

Total Projected UST Program Liability: \$158,171,900

Regulated Substance Fund

In 2004, Senate Bill 1306 in Arizona Revised Statute §49-1015.01, and Session Law Section 14 of SB 1306 established the Regulated Substance Fund for ADEQ to continue monitoring groundwater sites not closed before releases become ineligible for SAF on June 30, 2010 and to continue cleanup of orphan UST facilities. Up to a maximum of \$60,000,000 is to be transferred from the SAF to the regulated substance fund after all eligible claims are paid based on SB 1306. Current projections of revenues minus liabilities indicate substantially less will be available for transfer.

Total Projected UST Program Revenue:	\$169,800,000
Total Projected SAF Liability:	<u>\$158,171,900</u>

Total Available for Transfer to Regulated Substance Fund \$11,628,100

* It is unlikely that \$108,700,000 in cleanup work will be completed by owners, operators and volunteers by June 30, 2010 (the deadline for filing SAF direct pay and reimbursement applications). \$108,700,000 is the maximum ADEQ expects to be expended for cleanup.

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
Tank Programs Division

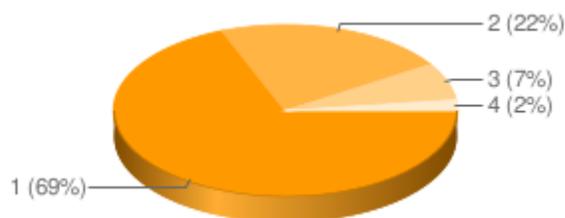
Corrective Action Section

UST POLICY COMMISSION REPORT

Leaking UST (LUST) Statistics

LUST STATISTIC	APRIL 2009	MAY 2009	JUNE 2009	JULY 2009
Monthly reported	0	4	2	7
Monthly closed	1	7	12	8
Cumulative reported	8,508	8,510	8,512	8,519
Cumulative closed	7,467 (88%)	7,473 (88%)	7,494 (88%)	7,505 (88%)
Cumulative open	1,041 (12%)	1,037 (12%)	1,018 (12%)	1,014 (12%)

Status of Open LUST Cases



[Status: 1 = groundwater impact, 2 = uncharacterized, 3 = soil only, 4 = potential closure]

Corrective Action Documents Pending Review

DOCUMENT TYPE	APRIL 2009	MAY 2009	JUNE 2009	JULY 2009
Site Characterization Rpt (SCR)	5	1	2	3
Revised SCR	0	0	1	1
Corrective Action Plan (CAP)	1	1	2	1
CAP Modification	1	3	2	1
Risk Assessment	6	10	6	6
LUST Case Closure Request	5	5	10	8
SAF Pre-Approval Work Plan	2	2	16	1
Total	20	12	39	15

Municipal Tank Closure Program (MTCP)

CUMULATIVE ACTIVITY	APRIL 2009	MAY 2009	JUNE 2009	JULY 2009
Applications received	*	*	*	*
Cities/Counties	*	*	*	*
Applications approved	*	*	*	*
UST closure completed	*	*	*	*
USTs removed	*	*	*	*

* As of 1/30/2009, ADEQ ceased all MTCP activities until further notice.

Other Activities

Route 66 Initiative
State Lead Program

School Assistance Initiative
ARRA funding

MNA Program implementation

State Assurance Fund Status
FY 2010
Updated: August 26, 2009

a.) Sources

Beginning Balance (July 1, 2009)	\$19,969,700
Projected Revenue	<u>\$28,882,400</u> ⁽¹⁾
Projected Total Available Funds	\$48,852,100

b.) Uses

Projected Expenditures	\$29,703,900
FY2010 Estimated Transfers	<u>\$15,215,000</u> ⁽²⁾
Total Uses	\$44,918,900

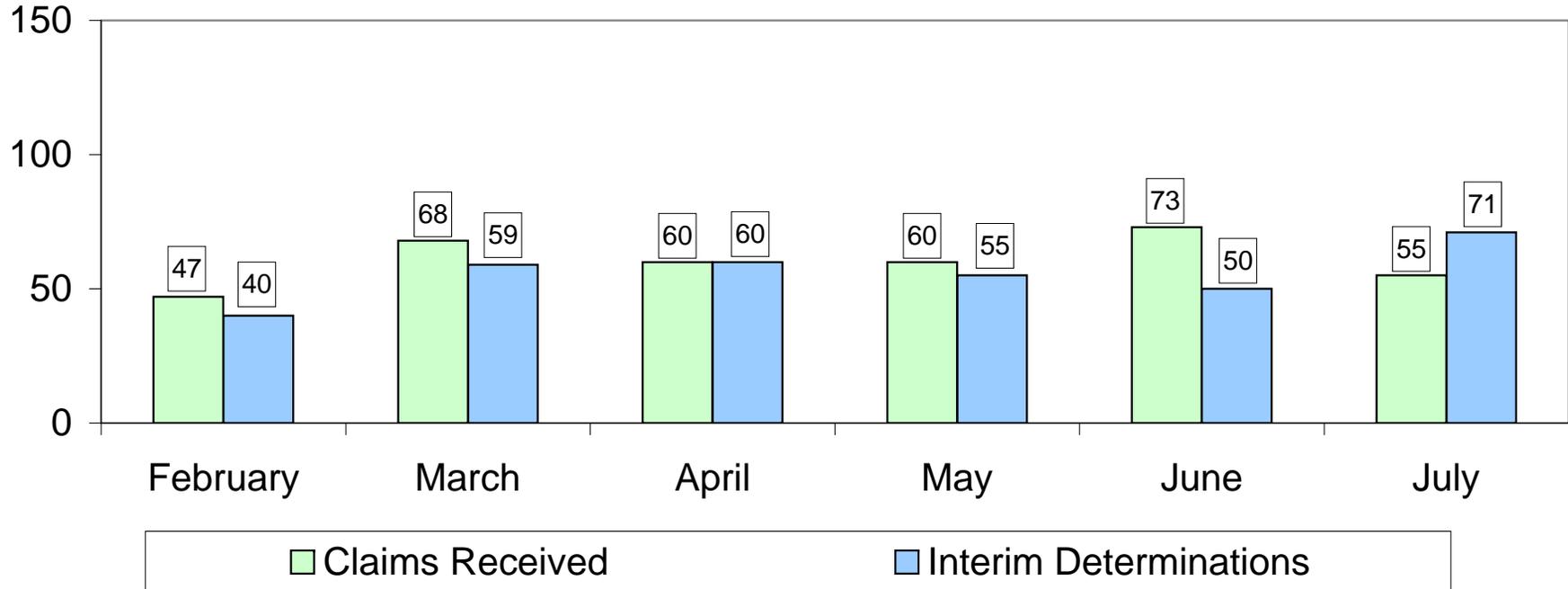
c.) Summary

Projected Total Available Funds	\$48,852,100
Total Uses	<u>-\$44,918,900</u>
Projected Ending Balance	\$3,933,200

NOTES:

- (1) Revenue (taxes, cost recovery, and interest) may vary depending on fuel demand and current cash balances.
- (2) Source: House Bill 2643 (Proposed).

State Assurance Fund July 2009



Claim Type	Claims Received This Month	Number of Interim Determinations	Claims Pending Less Than 90 Days	Claims Pending More Than 90 Days	Claims Pending More Than 180 Days	Claims Pending More Than 365 Days	Total Number of Active Claims
Direct Pay	24	21	36	0	0	0	36
Pre Approval	0	11	8	0	0	0	8
Reimbursement	31	39	75	0	0	0	75
Totals	55	71	119	0	0	0	119

State Assurance Fund Work in Process Summary
July 2009

Administrative Review				
	Less than 90 days	Over 90 days	Over 180 days	Over 365 days
Direct Payment	12	0	0	0
Reimbursement	30	0	0	0

Technical Review/Corrective Action Review				
Direct Payment	24	0	0	0
Preapproval	8	0	0	0
Reimbursement	44	0	0	0

Payment Processing				
Direct Payment	0	0	0	0
Preapproval	0	0	0	0
Reimbursement	1	0	0	0

Summary				
Direct Payment	36	0	0	0
Preapproval	8	0	0	0
Reimbursement	75	0	0	0
Total	119	0	0	0

State Assurance Fund

July 2009

Informal Appeal Requests Received

May	June	July
19	17	10

Informal Appeal Determinations

May	June	July
23	17	17

Formal Appeal Requests Received

May	June	July
2	4	4

Formal Appeal Determinations

May	June	July
7	2	3

No Hearings were conducted in July.

State Assurance Fund Appeals

As with any process that involves a decision by one party that affects another, there are disagreements. SAF determinations, as well as many technical decisions, have two processes for appeal. The informal appeal process, provided for in A.R.S. '49-1091, is an opportunity for the applicant to request that ADEQ re-evaluate the decisions or determinations made. It also provides the applicant with an opportunity to provide additional information for ADEQ to review. As provided for in A.R.S. '49-1091(E), this informal appeal process is the opportunity for both the applicant and SAF to explain their position and exchange information related to the matter appealed. This free exchange of information is intended to resolve issues in dispute without the necessity of pursuit of the formal administrative appeal process under A.R.S. Title 41.