STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 88- 23

ADOPTION OF THE POLICY REGARDING THE
UNDERGROUND STORAGE TANK
PILOT PROGRAM

WHEREAS:

1. State law requires local governments to implement an underground tank permit program consisiting of monitoring requirements for existing underground tanks containing hazardous substances and design, construction and monitoring requirements for new tanks.

2. Monitoring efforts have led to the identification of approximately 5,000 leaking underground storage tank release sites with approximately 150 new cases being discovered statewide each month.

3. To address the problem of funding governmental oversight of remedial actions at these release sites, the Legislature appropriated funds and enacted AB 853 (Chapter 1317, Statutes of 1987).

4. Prior to expending funds from the reserve account established by Subdivision (c) of Section 7, Chapter 1439, Statutes of 1985 the State Water Resources Control Board must adopt administrative and technical prodecures for cleanup and abatement action taken under this pilot program.

THEREFORE BE IT RESOLVED:

THAT THE STATE BOARD:

1. Adopts the attached policy regarding implementation of the underground tank pilot program.

2. Directs the Executive Director or his designee to take actions needed to implement the policy.

CERTIFICATION

The undersigned, Administrative Assistant to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on February 18, 1988.

Maureen Marche
Administrative Assistant to the Board

STATE WATER RESOURCES CONTROL BOARD POLICY REGARDING THE UNDERGROUND STORAGE TANK PILOT PROGRAM

Statutory authority exists at the federal, state and local level to require remedial action at underground storage tank release sites and to rank and fund remedial action at underground storage tank release sites where a responsible party cannot be identified or has insufficient financial resources to accomplish the needed work. Some local agencies have used this authority to respond to some of these releases, as have the nine Regional Water Quality Control Boards. In addition, the Regional Boards are providing technical assistance to local agencies addressing underground storage tank cleanup. However, no specific statewide program for funding governmental oversight of remedial action by responsible parties has been established. As a result, underground storage tank release oversight is not being consistently addressed statewide, leaving site cleanup by responsible parties without adequate guidance.

To address this problem, the State Board, in cooperation with the Department of Health Services, is implementing a pilot program to fund oversight of remedial action at underground storage tank sites. This program will be funded through an appropriation from the state Hazardous Substances Cleanup Bond Fund and the federal Underground Storage Tank Petroleum Trust Fund.

Prior to implementation of this pilot program, the State Board is required by Section 25297.1 of the Health and Safety Code (AB 853, Chapter 1317, Statutes of 1987) to adopt, as state policy for water quality control, administrative and technical procedures to guide local agencies in development of their individual programs.

As participants in the pilot program, local agencies may contract with the State Board to oversee preliminary site assessment and, if necessary, remedial action at leaking underground storage tank sites. The State Board plans to initially enter into 12 contracts with subsequent expansion as appropriate.

Site and Agency Selection

Local agencies will be selected for participation based on their readiness to implement the pilot program and the size of program which the agencies plan to conduct. Those agencies which have existing oversight efforts and plan to expand staff using pilot program funds were ranked highest among eligible candidates. Any local agency which, unless exempted, has failed to implement Chapter 6.7 of the Health and Safety Code and/or which has failed to collect and transmit to the State Board the surcharge fees pursuant to subdivision (b) of Section 25287, was eliminated from consideration.

Under the pilot program, funds may be used at all sites containing leaking tanks which are subject to the state permit program or Subtitle (I) of the federal Resource Conservation and Recovery Act. While contracting local agencies may perform oversight activities at any site within their jurisdictions, agencies may defer lead responsibility for any case affecting, or threatening to affect, ground water to the appropriate Regional Board.

In addition, the local agencies may defer lead responsibility for any case involving a non-petroleum substance to either the appropriate Regional Board or the Department of Health Services. Under terms of the contract between the local agencies and State Board, all cases involving no financially solvent responsible party, no identifiable responsible party or no responsible party willing to conduct remedial action must be reported to the State Board for possible listing on the state Site Expenditure Plan.

Agreements Between the State Board and Local Agencies

The State Board has developed a model contract which will be used as the basis for negotiations between the local agencies and the State Board. This contract outlines in detail the types of activities expected of contracting agencies and the administrative duties of the State and Regional Boards. The model contract (Attachment 1) is hereby made a part of this water quality control policy. Language in the model contract may be modified in negotiations with the local agencies.

Petition for Review

Responsible parties or any other aggrieved persons may petition the State Board for review of actions or decisions made by a local agency as part of the agency's participation in the pilot program. The procedures for such review are contained in "Review by State Board of Action or Failure to Act by Local Agencies" (Attachment 2), which is hereby made a part of this water quality control policy.

Cost Recovery Procedures

Under terms of both the Cooperative Agreement with the federal government transferring money from the Trust Fund and Section 25297.1 of the Health and Safety Code concerning the Bond Fund, local contracting agencies must agree to keep site-specific accounting records and other such records as are necessary to verify all hours worked and expenses incurred at each underground storage tank site. Local contracting agencies will forward to the State Board monthly invoices listing all site-specific and administrative expenses.

The State Board must undertake cost recovery. Procedurally, the cost recovery efforts will be handled in the following manner. The State Board is responsible for ensuring the preparation of cost data and for invoicing responsible parties for all costs incurred by the State Board and/or local contracting agencies in performing activities covered by this agreement. Such costs shall include all additional costs required to be recovered pursuant to Health and Safety Code Section 25360. The State Board will provide guidelines to the local contracting agencies to ensure that necessary cost data are developed, maintained and reported to the State Board.

The State Board will invoice the responsible parties for all costs, both direct and indirect, attributable to that site upon conclusion of the preliminary site assessment phase. If cleanup of the site has not been completed, the State Board will continue invoicing the responsible parties at regular intervals thereafter until conclusion of site cleanup.

Upon receipt of a final invoice for each site, the State Board will invoice the responsible parties for all costs attributable to the site which have not previously been reimbursed by the responsible parties.

Payments received from responsible parties of sites having state-funded oversight will be deposited in the Hazardous Substances Clearing Account. Payments from responsible parties at federally funded sites will be handled according to procedures established by the federal Environmental Protection Agency.

Whenever a responsible party fails to repay all of the costs specified above, the State Board shall request the State Attorney General to bring a civil action to recover these moneys. The State Board shall be responsible for providing all necessary litigation support, including testimony, to the Attorney General and the Department of Health Services in any action to recover costs. The State Board will submit to the Department of Health Services a copy of each referral of state-funded sites to the Attorney General.

Evaluation Criteria

In conjunction with the pilot program, the State Board is developing the Leaking Underground Storage Tank Information System (LUSTIS). This computer tracking system will enable all local agencies and the Regional Boards to report known leaking tank sites and their cleanup status. Using LUSTIS, it will be possible to compare cleanup of sites in the pilot program with sites handled by non-contracting local agencies and the Regional Boards. Comparison criteria will include number of sites cleaned and length of time required to clean up each site. Additional statistics will be tracked by State Board staff to determine costs under the pilot program and success in cost recovery. Staff will report annually on the status of the pilot program including the above criteria. The report will be submitted to the State Board no later than September 1, 1988 and annually thereafter for the duration of the pilot program.

BECAUSE OF ITS TECHNICAL NATURE AND LENGTH, THE MODEL CONTRACT (ATTACHMENT 1) IS NOT INCLUDED IN THIS PACKET. COPIES WILL BE PROVIDED UPON REQUEST. FOR COPIES, PLEASE CONTACT BETTY MORENO, DIVISION OF WATER QUALITY, STATE WATER RESOURCES CONTROL BOARD, P.O. BOX 100, SACRAMENTO, CA 95801-0100, (916) 324-1262.

REVIEW BY STATE BOARD OF ACTION OR FAILURE TO ACT BY LOCAL AGENCIES

(1) Applicability. This section establishes the procedures by which a responsible party or other aggrieved person may petition the State Board for review of the action or decision a local agency made as part of that local agency's participation in the pilot program. Actions or decisions made by local agencies independent of their participation in the pilot program, and actions or decisions of local agencies that are not participating in the pilot program, are not subject to review by the State Board under this section.

(2) Petitions. Any responsible party or other aggrieved person may petition the State Board for review of an action or decision of a local agency, including a local agency's failure to act, as part of the pilot program.

(A) The petition shall be submitted in writing and received by the State Board within 30 days of the action or decision of the local agency. In the case of a failure to act, the 30-day period shall commence upon refusal of the local agency to act, or 60 days after the request has been made to the local agency to act. The State Board will not accept any petition received after the 30-day period for filing petitions but the State Board may, on its own motion, at any time review any local agency's action or failure to act.

(B) The petition shall contain the following:
(1) The name and address of the petitioner;
(2) The specific action or inaction of the local agency which the State Board is requested to review;
(3) The date on which the local agency acted or refused to act or on which the local agency was requested to act;
(4) A full and complete statement of the reasons the action or failure to act was inappropriate or improper;
(5) The manner in which the petitioner is aggrieved;
(6) The specific action by the State Board or the local agency which the petitioner requests;
(7) A statement of points and authorities in support of legal issues raised in the petition;
(8) A list of persons, if any, other than the petitioner, known by the local agency to have an interest in the subject matter of the petition. Such list shall be obtained from the local agency;
(9) A statement that the petition has been sent to the local agency, the appropriate Regional Board, and to any responsible parties other than the petitioner, known to the petitioner or the local agency;
(10) A copy of the request to the local agency for preparation of the local agency record.

(C) If petitioner requests a hearing for the purpose of presenting additional evidence, the petition shall include a statement that additional evidence is available that was not presented to the local agency or that evidence was improperly excluded by the local agency. A detailed statement of the nature of the evidence and the facts to be proved shall also be included. If evidence was not presented to the local agency, the reason it was not presented shall be explained. If the petitioner contends that evidence was improperly excluded, the request for a hearing shall include a specific statement of the manner in which the evidence was excluded improperly.

(D) Upon receipt of a petition which does not comply with this subdivision, the petitioner will be notified in what respect the petition is defective and the time within which an amended petition may be filled. If a properly amended petition is not received by the State Board within the time allowed, the petition shall be dismissed unless cause is shown for an extension of time.

(E) The State Board may dismiss the petition at any time if the petition is withdrawn or the petition fails to raise substantial issues that are appropriate for review.

(3) Responses. Upon receipt of a petition which complies with subdivision (2), the State Board shall give written notification to the petitioner, the responsible party or parties, if not the petitioner, the local agency, the Regional Board, the Toxic Substances Control Division Office of Legal Counsel in the Department of Health Services, and other interested persons that they shall have 20 days from the date of mailing such notification to file a response to the petition with the State Board. Respondents to petitions shall also send copies of their responses to the petitioner and the local agency, as appropriate. The local agency shall file the record specified in paragraph (B)(10) of subdivision (2) within this 20-day period. Any response which requests a hearing by the State Board shall comply with paragraph (C) of subdivision (2). The time for filing a response may be extended by the State Board. When a review is undertaken on the State Board's own motion, all affected persons known to the State Board shall be notified and given an opportunity to submit information and comments, subject to such conditions as the State Board may prescribe.

(4) Proceedings before the State Board. After review of the record, the State Board may deny the petition or grant the petition in whole or in part.

(A) The State Board may order one or more proceedings which are legally or factually related to be considered or heard together unless any party thereto makes a sufficient showing of prejudice.

(B) The State Board may, in its discretion, hold a hearing for the receipt of additional evidence. If a hearing is held, the State Board shall give reasonable notice of the time and place and of the issues to be considered to the responsible party or parties, if not the petitioner, the local agency, any interested persons who have

filed a response to the petition pursuant to subdivision (3) and such other persons as the State Board deems appropriate. The State Board in its discretion may require that, not later than ten days before the hearing, all interested parties intending to participate shall submit to the State Board in writing the name of each witness who will appear, together with a statement of the qualifications of each expert witness who will appear, the subject of the proposed testimony, and the estimated time required by the witness to present direct testimony. The Board may also require that copies of proposed exhibits be supplied to the State Board not later than ten days before the hearing.

(C) The State Board may discuss a proposed order in a public workshop prior to final action at a State Board meeting. At the workshop meeting, the State Board may invite comments on the proposed order from interested persons. These comments shall be based solely upon factual evidence contained in the record or upon legal argument.

(D) The evidence before the State Board shall consist of (i) the record before the local agency; (ii) any evidence admitted by the State Board at a hearing and (iii) any other relevant evidence which, in the judgment of the State Board, should be considered to effectuate and implement the pilot program. Upon the close of a hearing, the presiding officer may keep the hearing record open for a definite time, not to exceed thirty days, to allow any party to file additional exhibits, reports or affidavits. If any person desires to submit factual evidence not in the local agency record or hearing record, and the proposed order will be discussed at a workshop meeting such person may take this request to the State Board prior to or during the workshop. This request shall include a description of the evidence, and a statement and supporting argument that the evidence was improperly excluded from the record or an explanation of the reasons why the factual evidence could not previously have been submitted. If the State Board in its discretion approves the request, the evidence must be submitted in writing by the person requesting consideration of the evidence to the State Board, and to any other interested person who filed the petition or a response to the petition, within five days of such approval. The evidentiary submittal shall be accompanied by a notification that other interested parties shall be allowed an additional five days from the submittal date to file responsive comments in writing. A copy of the notification shall be filed with the State Board.

(E) Any order granting or denying the petition will be adopted at a regularly scheduled State Board meeting. At the meeting the State Board may invite comments on the matter from interested persons. These comments shall be based solely upon factual evidence contained in the record, including any evidence accepted by the State Board pursuant to paragraph (D), or legal argument. No new factual evidence shall be submitted at the State Board meeting. If new

legal argument is to be submitted at the State Board meeting, this argument is to be filed in writing with the State Board and other interested persons at least five working days prior to the State Board meeting in order for such argument to be considered by the State Board.

(F) An order adopted by the State Board may:
- (i) Deny the petition upon a finding that the action or failure to act of the local agency was appropriate and proper;
- (ii) Set aside or modify the local agency's action;
- (iii) Direct the local agency to take appropriate action; or
- (iv) Request appropriate action by the Regional Board or the Department of Health Services.

(G) If the State Board does not adopt an order or dismiss the petition within 270 days of written notification provided in subdivision (C), the petition is deemed denied. This time limit may be extended for a period not to exceed 60 days by written agreement between the State Board and the petitioner.

(5) Stay Orders. The State Board may stay in whole or in part, pending final disposition of any petition or any proceedings for review on the State Board's own motion, the effect of the action or decision of the local agency. The filing of a petition shall not operate as a stay of the local agency's action or decision, or effect of the local agency's authority to implement or amend that action or decision, unless a stay is issued by the State Board.

(A) A stay order may be issued upon petition of an interested person, or on the State Board's own motion. The stay order may be issued by the State Board, upon notice and a hearing, or by the State Board's Executive Director. If the stay order is issued by the Executive Director, the State Board shall conduct a hearing within 60 days after the stay order is issued by the Executive Director, to consider whether the stay order should be rescinded or modified, unless the State Board makes final disposition of the petition within that 60-day period. A request for a stay may be denied without a hearing.

(B) A petition for a stay shall be supported by affidavit of a person or persons having knowledge of the facts alleged. The requirement of an affidavit may be waived by the State Board in case of an emergency. A petition for a stay will be denied unless the petitioner alleges facts and produces proof of:
- (i) Substantial harm to petitioner or to the public interest if a stay is not granted;
- (ii) A lack of substantial harm to other interested persons and or the public interest if a stay is granted;
- (iii) Substantial questions of law or fact regarding the action or decision of the local agency.