



Financial Assurance Board Meeting

October 26, 2023



Financial Assurance Board Meeting

Fund Administrators Report

Hilary Alderete

Chief Financial Officer

halderet@idem.in.gov



**IDEM Excess Liability Trust Fund
Fiscal Year 2023 Expenses as of June 30, 2023**

Appropriation	\$ 37,260,610
Less Reserve	-
Total Available Budget	\$ 37,260,610
Expenses:	
Personal Services	\$ 3,784,078
Utilities	93,917
External Services	1,056,146
Supplies, Materials, Parts	2,403
Capital	-
Claim Payments	6,392,467
Administrative & Operating Expenses	100,467
Total Expenses	\$ 11,429,478
Budget Balance as of 06/30/2023	\$ 25,831,132
Administrative Cost % of Prior Year Revenues	11.00%

**IDEM Excess Liability Trust Fund
Fiscal Year 2023 Revenue as of June 30, 2023**

UST Fuel Inspection Fee	\$ 43,033,867
Underground Storage Tank Fees	-
Total Revenue as of 6/30/2023	\$ 43,033,867

**IDEM Excess Liability Trust Fund
Fund Balance as of June 30, 2023**

Ending Fund Balance	\$ 178,813,169
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IDEM Excess Liability Trust Fund
Fiscal Year 2024 Expenses as of September 30, 2023

Appropriation	\$ 37,260,610
Less Reserve	\$ (745,212.00)
Total Available Budget	\$ 36,515,398
Expenses:	
Personal Services	\$ 1,018,630
Utilities	23,287
External Services	176,825
Supplies, Materials, Parts	10,868
Capital	-
Claim Payments	1,766,042
Administrative & Operating Expenses	21,686
Total Expenses	\$ 3,017,338
Budget Balance as of 09/30/2023	\$ 34,243,272
Administrative Cost % of Prior Year Revenues	2.91%

IDEM Excess Liability Trust Fund
Fiscal Year 2024 Revenue as of September 30, 2023

UST Fuel Inspection Fee	\$ 11,573,773
Underground Storage Tank Fees	-
Total Revenue as of 9/30/2023	\$ 11,573,773

IDEM Excess Liability Trust Fund
Fund Balance as of September 30, 2023

Ending Fund Balance	\$ 184,612,342
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Petroleum Storage Tank Excess Liability Trust Fund

Fiscal Year 2024 Revenue and Payouts

As of 09/30/2023

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Revenue	\$ 3,945,260.00	\$ 3,635,521.00	\$ 3,828,060.00										\$ 11,408,841
Payouts	\$ (499,108.00)	\$ (665,149.00)	\$ (601,785.00)										\$ (1,766,042)
Revenue Over/(Under) Expenses	\$ 3,446,152	\$ 2,970,372	\$ 3,226,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,642,799

Petroleum Storage Tank Excess Liability Trust Fund

Fiscal Year 2023 Revenue and Payouts

As of 6/30/2023

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Revenue	\$ 3,597,471.81	\$ 2,853,191.94	\$ 3,797,011.14	\$ 4,064,156.30	\$ 3,640,958.61	\$ 3,665,761.69	\$ 3,548,047.12	\$ 3,499,506.94	\$ 3,304,331.06	\$ 3,740,015.83	\$ 3,614,749.37	\$ 3,708,664.78	\$ 43,033,867
Payouts	#####	\$ (354,404.59)	\$ (416,284.55)	\$ (719,559.13)	\$ (343,748.67)	\$ (271,755.47)	\$ (499,915.89)	\$ (429,583.19)	\$ (442,327.56)	\$ (388,790.09)	\$ (464,675.44)	\$ (376,976.37)	\$ (6,392,467)
Revenue Over/(Under) Expenses	\$ 1,913,025	\$ 2,498,787	\$ 3,380,727	\$ 3,344,597	\$ 3,297,210	\$ 3,394,006	\$ 3,048,131	\$ 3,069,924	\$ 2,862,004	\$ 3,351,226	\$ 3,150,074	\$ 3,331,688	\$ 36,641,399

Petroleum Storage Tank Excess Liability Trust Fund

Fiscal Year 2022 Revenue and Payouts

As of 6/30/2022

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Revenue	\$ 3,900,701	\$ 4,007,232	\$ 3,907,378	\$ 3,723,423	\$ 4,037,673	\$ 3,852,667	\$ 3,720,702	\$ 3,380,503	\$ 3,178,749	\$ 3,817,856	\$ 3,812,055	\$ 4,050,834	\$ 45,389,773
Payouts	\$ (668,026)	\$ (993,247)	\$ (411,331)	\$ (439,977)	\$ (571,816)	\$ (894,878)	\$ (643,405)	\$ (3,671,251)	\$ (616,448)	\$ (692,157)	\$ (121,752)	\$ (528,748)	\$ (10,253,036)
Revenue Over/(Under) Expenses	\$ 3,232,675	\$ 3,013,985	\$ 3,496,047	\$ 3,283,446	\$ 3,465,857	\$ 2,957,789	\$ 3,077,297	\$ (290,748)	\$ 2,562,301	\$ 3,125,699	\$ 3,690,303	\$ 3,522,086	\$ 35,136,737



IDEM Petroleum Trust Fund
Fiscal Year 2023 Expenses as of June 30, 2023

Appropriation	\$	1,110,000
Less Reserve	\$	-
Total Available Budget	\$	1,110,000
Expenses:		
Personal Services	\$	-
Utilities	\$	-
External Services	\$	-
Supplies, Materials, Parts	\$	-
Capital	\$	-
Claim Payments	\$	977,800.00
Administrative & Operating Expenses	\$	-
Total Expenses	\$	977,800
Budget Balance as of 06/30/2023	\$	132,200

IDEM The Petroleum Trust Fund
Fiscal Year 2023 Expenses as of June 30, 2023

Annual - Msop Fees		
Fesop Fees		
Hw Facility Generator Anul Fee		
Annual Operation Fees		
Underground Storage Tank Fees	\$	1,269,899.00
Enforcement Fine/Pen Ust	\$	415,863.00
Total Revenue as of 6/30/2023	\$	1,685,762.00

IDEM The Petroleum Trust Fund
Fiscal Year 2023 Expenses as of June 30, 2023

Ending Fund Balance	\$	6,842,984.90
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**IDEM Petroleum Trust Fund
Fiscal Year 2024 Expenses as of September 30, 2023**

Appropriation	\$	1,110,000
Less Reserve	\$	(22,200.00)
Total Available Budget	\$	1,087,800
Expenses:		
Personal Services	\$	-
Utilities	\$	-
External Services	\$	-
Supplies, Materials, Parts	\$	-
Capital	\$	-
Claim Payments	\$	-
Administrative & Operating Expenses	\$	-
Total Expenses	\$	-
Budget Balance as of 09/30/2023	\$	1,110,000

**IDEM The Petroleum Trust Fund
Fiscal Year 2024 Revenue as of September 30, 2023**

Annual - Msop Fees		
Fesop Fees		
Hw Facility Generator Anul Fee	\$	1,935
Annual Operation Fees	\$	(360)
Underground Storage Tank Fees	\$	38,880.00
Enforcement Fine/Pen Ust	\$	47,267.00
Total Revenue as of 9/30/2023	\$	87,722

**IDEM The Petroleum Trust Fund
Fund Balance as of September 30, 2023**

Ending Fund Balance	\$	6,965,997.02
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Office of Land Quality

Financial Assurance Board

Petroleum Branch Updates
October 26, 2023

Tim Veatch

Petroleum Branch Chief

tveatch@idem.IN.gov

Petroleum Branch Updates

- Petroleum Branch Overview
- SEA 246
- Rule Updates
- EPIC

Petroleum Branch Overview

Tanks Compliance Section

Tom Newcomb – Section Chief

- Responsibilities
 - Pollution Prevention
 - Inspections
 - Contractor Certifications
 - Compliance Management
- Staffing
 - Inspectors
 - Compliance Managers
 - Admin
- Stats
 - Facilities
 - Inspections

Petroleum Branch Overview

Petroleum Remediation Section
Shay Hartley – Section Chief

- Responsibilities
 - Release Reporting
 - Project Management
 - USTs, ASTs, Other Petroleum Releases (Petro/ICP)
 - UST Closure Report Reviews
- Staffing
 - Senior Environmental Project Managers
 - Project Managers
 - Admin
- Stats
 - Releases Reported
 - Active LUSTS, Petro, ICP

Incidents Reported per Month

Year	Month	Count of Incidents	Count of Confirmed Releases	Count of Suspected Releases
2023	July	16	15	1
2023	August	22	17	5
2023	September	9	7	2
2023	October	7	3	4
Total		54	42	12

Petroleum Branch Overview

Tanks Administration and Claim Section

Katie Blackburn – Section Chief

- Responsibilities
 - Claims Review
 - Registration and Notification Processing
 - Billing
 - ELTF Eligibility Reviews
- Staffing
 - Senior Claims Reviewers
 - Claims Reviewers
 - Admin
- Stats
 - ELTF Eligible Releases
 - Notification Form Processing

ELTF Claims - Claims Received and Reviewed per Month

Year	Month	Total Received	Total Amt Requested	Reviewed	Avg Review Time	Amt Reviewed	Amt Approved	Amt Reimbursed
2023	July	45	\$852,171	50	84.08	\$850,158	\$639,335	\$522,672
2023	August	62	\$1,020,512	51	64.86	\$936,563	\$543,236	\$431,725
2023	September	56	\$909,525	70	61.00	\$991,563	\$745,974	\$634,553
2023	October	37	\$489,907	78	42.99	\$1,544,361	\$903,643	\$773,423
Total		200	\$3,272,115	249	61.45	\$4,322,645	\$2,832,188	\$2,362,372

SEA 246

- ASTs
- Aviation Fuel Account
- 50% Decommissioning and Replacement Program
- Re-Openers

SEA 246 - ASTs

Definition (IC 13-11-2-0.4) for the purposes of IC 13-23:

- One tank or a combination of tanks that contains an accumulation of regulated substances;
- Where not more than 10% of the volume is underground;
- Between 1,500 – 20,000 gallons, and
 - Is used at (1) a bulk plant or facility regulated under the Pipeline Safety Act for the bulk storage or distribution of motor fuel (petroleum) to retailers*; or
 - An airport

**Retailer - means a person who purchases motor fuel for sale to the general public for ultimate consumption*

SEA 246 - ASTs

ELTF Eligible Release IC 13-11-2-62.7

(1) The release is from a UST **or** AST that was registered with the department before the date of the ELTF claim. **on which the claimant confirmed the existence of the release or (if earlier) first suspected the existence of the release.**

(2) The release is reported to the department **in accordance with applicable regulations and statutes** not later than thirty (30) days after the date on which the claimant **discovered the release: confirmed the existence of the release or (if earlier) first suspected the existence of the release.**

(3) An initial site characterization of the facility on which the release occurred is submitted to the department as required by rules adopted by the environmental rules board.

(4) The release from the UST **or** AST is from the tank or dispensing components of the UST **or** AST, not including the nozzle or hose connecting the nozzle to the pump.

SEA 246 - ASTs

- Announcement July 7, 2023
- New Forms
 - Registration
 - Notification
- Fees - \$90 per tank
 - Billed to owner as of Jan. 1, 2024
- Inspections
- Contractor Certifications

SEA 246 - Aviation Fuel Account

IC 13-23-7-1.2

- Creation of Aviation Fuel Account
- Fees on inspection of Avgas and Jet fuel
- Uses
 - Provide evidence of Financial Responsibility
 - Liabilities for Corrective Action involving Avgas and Jet Fuel
 - Indemnification of 3rd party claims
 - Pay expenses incurred by IDEM
 - Administering the account
 - Inspections
 - Operator Training

SEA 246

50% Decommissioning and Replacement Program

IC 13-23- 9-1.7

- New Program
- Goal – Remove aging UST systems to prevent releases
 - Lined Steel.
 - First-generation Fiberglass Reinforced Plastic (FRP)
 - 30+ years old.
 - Have caused or likely to cause catastrophic release and cannot be repaired or maintained to avoid such release.

SEA 246

50% Decommissioning and Replacement Program

- Qualifying Factors
 - Applicant must be the registered owner of the tanks.
 - Decommissioning or replacement is necessary to protect human health and the environment considering the age, obsolescence, and level of deterioration of the tank; and
 - The costs are reasonable and cost effective and result from the work performed to decommission or replace.

SEA 246

50% Decommissioning and Replacement Program

- Reimbursement Caps and Owner Size
- Maximums per Fiscal Year (July 1 – June 30)
 - ≤ 12 tanks = \$10M max.
 - 13-100 tanks = \$7.5M max.
 - > 100 tanks = \$2.5M max.
 - After the maximum reimbursement has been reached in any category, additional reimbursement claims will be in queue for a later fiscal year.
 - Cost claims will be reimbursed on a first in-first out (FIFO) basis.

SEA 246

50% Decommissioning and Replacement Program

- Examples of Eligible Costs
 - Removal & proper UST disposal
 - Proper disposal of contaminated water/sludge
 - Closure report costs
 - Report must be approved.
 - Installation of replacement UST systems to below the shear valve
 - In-place closure work plans
 - “Tank-in-a-Tank” related closures and installations
 - Concrete/asphalt replacement
- * ELTF rates found in 328 IAC 1 apply where relevant

SEA 246

50% Decommissioning and Replacement Program

Announcement June 22, 2023

- New Forms
 - Eligibility
 - Claims application
- Stats
 - Applications to date
 - Approvals
 - Denials
- Common Denial Reasons
 - Incorrect owner on application
 - Tanks that do not meet criteria
 - Decommissioning before application approval

SEA 246 - Re-Openers

Subsequent Owners and ERCs IC 13-23-8-9

- Each subsequent property owner that has had a restrictive covenant placed on it because of soil or water contamination from an UST or AST is eligible for reimbursement for remediation expenses if:
 - The tank was registered; and
 - All annual fees for the tank were paid before the eligible release.

SEA 246 - Re-Openers

NFA IC 13-23-11-7

- Requires IDEM to work with the Financial Assurance Board to establish procedures (rules) to reopen ELTF Eligibility and funding for a release previously granted a No Further Action (NFA) status by the department should either the department or the owner of the UST or AST:
 - Decide to permanently decommission the use of the site as a petroleum facility and undertake the investigation and remediation of any residual contamination arising from the site's former use as a petroleum facility.
 - Before reopening ELTF Eligibility and funding the administrator may require that the applicant provide information regarding the planned future use of the site.

SEA 246 - Re-Openers

- Expected Costs
 - Managing Wastes
- Risk-based principles apply

Rule Updates

- 328 IAC 1
 - Cost guidelines
 - Incorporation of SEA 246
 - ASTs
 - 50% Decommissioning and Replacement Program
 - Re-Openers
 - 2nd Notice
- 329 IAC 9
 - Codified notification and registration requirements
 - Repealed 329 IAC 9-5 corrective action requirements
 - Reference to Federal Code
 - Adoption by the Environmental Rules Board
 - Effective Oct. 12, 2023

EPIC Database

CRM

Portal

- Focus Group
 - Tanks Facilities Search
 - Tanks Dashboard

Next Steps