



State Fund Stories Compendium:

Pulse of the Nation Session
at the 17th Annual
Meeting in
Charleston, SC

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ASTSWMO's State Fund Task Force

State Fund Stories Compendium: Pulse of the Nation

Pulse of the Nation was a new type of session that appeared at the 17th Annual State Fund Administrator's Meeting. Tables were set up in the meeting room to form a large "U" shape, and each attending State had an assigned seat at the table. All other meeting participants sat in the audience section, which consisted of the round tables. Each state was allotted two and one-half minutes of time to share with the group its program successes, failures, significant claims, challenges, initiatives, and legislative changes that have recently taken place, preferably within the last two years. If you need further information on something that was discussed by one of the State Fund representatives, please feel free to contact them via email.



Alabama

The State of Alabama is having fewer releases but seems to be having bigger releases. In fact, Alabama had one 50,000 gallon release that was a tremendous challenge. The State implemented document scanning, which is working well; the digital format allows project managers to review reports easily. Alabama implemented a new enforcement guideline – which has produced an increase in the amount of enforcement actions. Also, Alabama has issued AO's, and small penalties, which has resulted in sites moving toward closure. Alabama is having problems with trial lawyers because, it seems, UST releases are on their radar screens, which means that more lawsuits are being filed than in the past, including some against consultants and equipment companies. Trial lawyers opposed and killed a bill to make changes to the Fund. Representative: Dorothy Malaier, dsm@adem.state.al.us



Arizona

The most significant thing happening in Arizona is that the Fund is sun-setting, which has been a good thing. A crucial result is that it has put emphasis on closing sites and completing cleanups. The agency has been meeting with owners and operators to educate them about the impending sunset date and facilitate actions to file claims and complete cleanups. Arizona has instituted a new database that has helped immensely. New legislation limits claim submittals to one per month per site, which has reduced the paperwork load. Arizona is currently doing tons of outreach. We think sun-setting the fund is a great thing because it has expedited cleanups. Representative: Tara Rosie, Rosie.Tara@azdeq.gov



California

California's State Fund processed its first reimbursement 16 years ago and is projected to hit the \$2.5 billion dollar mark this September. Due to the impending sunset date of January 1, 2011, a stakeholders group was convened, and it decided that there should be no increase in fees. The group also sought an extension of the Fund; they wanted 10 years, but the legislator carrying the bill agreed to only 5 years. The bill has passed the Senate and is now being considered by the Assembly [as of July 2008]. The bill would reestablish an orphan site cleanup of \$10 million per year for a three-year period, totaling \$30 million. One challenge the State faces is approximately 2000 facilities with single-wall tanks, with anticipated costs for removal, replacement and corrective action of approximately \$500,000 per site, or a total of \$1 billion. The State's goal is to become more proactive by working closely with local regulators. California is in the early stages of working with EPA Region 9 to look at costs of remediation and greenhouse effects. Representative: Toru Okamoto, tokamoto@waterboards.ca.gov



Colorado

Dick Piper, manager of the Colorado program for several years, will retire on August 1, 2008. Laura Smith, Colorado's new Remediation Section Manager, was introduced. The legislature and Governor have expanded the division's responsibilities beyond tanks largely because of the success of the division's tanks work. Colorado created a successful Energy Act Implementation workgroup that consisted of various stakeholders. Through the workgroup, the State adopted new regulations to implement EAct. There have been some improvements in the day to day business of the State Fund, including a new application form for claims which has reduced the turn-around time to 57 days. The protest process was revised, too, which reduced the number of signatures required and the length of the forms. The remediation unit has revised and streamlined report formats for consultants to use, and is working on risk-based submittal deadlines (i.e., a low risk site consultant has more time to submit reports than a high risk site consultant).

Representative: Jane Bral, jane.bral@state.co.us



Delaware

In Delaware, 378 new pages of regulations were issued on January 11, 2008, including all Energy Policy Act requirements, which includes secondary containment (double-wall), as well as red-tag authority. The State expects an increase in claims as a result of an increased inspection frequency. The small state fund program will be phased out within the next three years, and the

state will focus just on orphan tanks. Delaware also will conduct a survey of owners/operators to learn what experience they are having with private insurers (i.e., have they filed a claim, was it paid, etc.).

Representative: Jill W. Hall, jill.hall@state.de.us



Florida

In Florida, there have been several recent statutory changes; two of the cleanup eligibility programs had funding caps of \$150k, \$300k, or \$1 million, depending on when the release was reported. There was a bill that was passed to increase those caps to \$300k, \$400k, or \$1.2 million, in part because delays in cleanups have increased costs over time. Florida's fund also had a problem in the preapproval program with some contractors not submitting invoices in a timely manner; consequently the bill sets a 30-day limit for submitting invoices after approval of the final deliverable or risk possible loss of payment for that invoice. Previously, subcontractors were required by statute to be paid by the preapproval contractor within 7 days after the state fund issued payment, but there was an exception if the contractor and subcontractor had a payment agreement that provided otherwise and many contractors were taking advantage of this loophole and not paying their subs in a timely manner. The bill eliminates the exception for payment agreements so contractors will be required to pay their subs promptly. Another bill extends for one additional year an initiative that helps folks with eligible sites with low cleanup priority who are upgrading their UST systems to meet the 2009 secondary containment deadline to get preapproval out of priority order for source removal activities to be conducted concurrent with their system upgrade.

Representative: Charles Williams, charles.williams@dep.state.fl.us



Georgia

Georgia has focused on controlling costs in the past years, but now, it has changed their focus to managing costs instead. They were dealing with 10,000 invoices per year; but didn't have resources to do what they were trying to do. Georgia has implemented a standard form for submitting costs, which has subsequently pushed owners, operators, and consultants to focus on having a budget. This new procedure has helped the State greatly and allowed for managing costs better. Georgia's fund has limited submittal frequencies, so consultants are required to use standard forms and now must submit their report with the invoices for the work. Georgia has worked to get better buy-in from owners and consultants and to improve outreach and communication.

Representative: Darnell Manning, darnell.manning@dnr.state.gov.us



Idaho

Idaho's program is not a traditional State Fund; rather, it provides reinsurance for commercial insurers. The program is divided into underwriting and loss prevention. The State has seven field representatives throughout the State who visit each site twice per year. Each of the seven State representatives travels 82-92k miles per year, visiting owners/operators and tank facilities. Those sites that need more help are visited more frequently. Between March 1 and May 31, 2008, the State made 440 site visits. The State believes that they have minimized claims with this aggressive effort to inspect and prevent releases. Idaho also increased the cap on its state fund from \$25 million to \$35 million.

Representative: Richard Ostrom, dick.ostrom@idahostf.org



Illinois

While the state fund is not on life support, there are many problems that need to be solved. Illinois has a significant revenue shortfall. Revenues are used to pay off bonds and for multiple agency staff/expenses, in addition to paying claims. There is currently an 18-month delay in paying claims. The Illinois State Fund is due to sunset on January 1, 2013. The State projects that it will not be able to fund any new claims after June 2010. There have been recent attempts to increase fees on fuel exports to address this problem, but they were blocked by large oil companies. Illinois was also unsuccessful in limiting hours charged by consultants. The agency proposed an increase in the cost share paid by owners/operators; this did not make the legislative agenda. On a more positive note, legislation was passed in 2007 to allow assignment of claims. NatLUST is the most active player funding claims through third-party assignments. There is hope for legislative success next year to address long-term solvency issues.

Representative: Bill Radlinski, bill.radlinski@illinois.gov



Indiana

The current governor of Indiana has a reputation for liking outsourcing, but oddly enough, this administration has moved remediation reviews back in-house. The State fund still uses Navigant Consulting to process claims. A 10% cap for administrative cost has been imposed on the fund, which may have an impact on staffing levels. The State Fund was previously prioritizing claims, but now has implemented changes to get site assessment done more quickly when a new release is reported. The State Fund held six or seven workgroup meetings to get input from interested

parties. These workgroup meetings were really helpful because everyone saw what had changed and what was being proposed. Indiana's State Fund is currently doing a major rewrite of risk-based cleanup guidance.

Representative: William Davis, bdavis@iden.in.gov



Iowa

Iowa is currently experiencing funding challenges. There are not much cash available in Iowa's fund. Since there are limited cash reserves this may cause the prioritizing of claims and/or cessation of funding for innocent landowner claims. The Fund expects Iowa's LUST regulator to revise the state's cleanup rules, but there is some lack of cooperation between the fund and the regulator. Iowa is working to get quicker reviews and responses from the regulatory agency so cleanups can move forward more timely. UST inspections are being done by third parties, which are paid for by tank owners and operators. Iowa has started to pay for tank removals; which is encouraging removal of old equipment. By removing old equipment, the State is finding more releases which makes it very hard to determine a "new vs. old" release. Iowa is interested in other states' actions vis-à-vis the recent MTBE settlement. Specifically Iowa is curious whether other States' fund managers have asked those cities who got money from the settlement to pay back the state fund for cleanup costs?

Representative: Scott Scheidel, scott_scheidel@ars.aon.com



Kansas

In Kansas, legislation was passed to allow the state tank fund to pay for operator training, which has been implemented in the State for approximately one year with good response to date. The legislation also included Financial Responsibility (FR) for installers and manufacturers. Kansas was initially concerned that some manufacturers would balk, but it has not been a problem; all now have FR. There has been a big emphasis on the cleanup backlog, which has resulted in the number of closures doubling from previous years; has been a difficult but good thing.

Representative: Randall Carlson, rcarlson@kdhe.state.ks.us



Kentucky

In 2004, the State Fund merged with the Underground Storage Tank branch; which has streamlined the entire process. Every directive that comes from cleanup regulators also includes information on funding. The combination of information has made payments quicker and easier. Kentucky has also increased the amount of money owners and operators can get for closures. However, Kentucky no longer pays for cleanup of contamination in the tank pit. The State has increased compliance criteria that must be met in order to get full funding from the Fund for a claim, which has been a good change.

Representative: Margery Wilhaite, margery.wilhaite@ky.gov



Louisiana

Louisiana's State Fund program was reimbursing 350 sites five years ago and paying out \$24 million per year. Now, it is reimbursing 750 sites and paying out \$16 million per year. Some reasons for the dramatic decrease in reimbursements include a remediation oversight group in which senior scientists review remediation plans before the Fund agrees to pay for it. Also, Louisiana only commits to 2 years of remediation. The State Fund now only accepts claim submittals quarterly and has instituted unit pricing, which reduced workload. This new procedure reduced claim processing time from four months to two weeks. Louisiana has also implemented "Pay for Performance" at some sites and hopes broaden implementation of this method. Now, there is more consistency in reviewing corrective action plans. Last year at this meeting, Louisiana found out Mississippi was paying considerably less for lab costs and subsequently reduced their reimbursement levels (e.g., reduced allowable rate for EPA Method 8260 from \$133/sample to \$75/sample); this one change generated a savings of \$300,000 per year. Louisiana requests information on the Tiered Assessment process, and how other States are expediting the assessment and remediation process to reach NFA at the lowest cost.

Representative: Don Haydel, don.haydel@la.gov



Maine

The good news: legislation was passed that tightens the agency's delivery prohibition authority and allows use of the State Fund for owner/operator training. Also legislated were improvements to Maine's groundwater protection statute. Maine now prohibits new ASTs, auto salvage, dry cleaners, and other similar facilities in public water resource protection zones or within certain distances of private wells. The bad news: Maine has experienced the sequel to the "perfect storm" that we experienced last year. In the fall of 2007, revenues were down and

claims were up. Maine has about 40 sites that account for 67% of expenditures. Since 2005, Maine has seen an increase in the number of sites coming to the tanks program from the Brownfields program. The increase occurred at same time the agency reorganized. The agency did not realize checks were not being issued as quickly as they normally are, and therefore, did not realize fund balance was not what the accounting printouts showed.

Representative: Scott Whittier, scott.whittier@maine.gov



Massachusetts

As in prior years, Massachusetts seems to be facing issues related to inadequate funding. What may make Massachusetts unique from other States is that it does not have a dedicated fund. This year, the State Fund got an appropriation for about 60% of what was needed; normally the legislature gives the Fund a supplemental appropriation to get through the fiscal year, but that may not occur this year. In addition, the agency's administrative budget was cut, but this has challenged us to figure out how to do more with less. Part of the strategy: implementation of paperless claim processing along with streamlining procedures. Other program changes instituted this year that have helped claimants include: eliminating penalties for late filing, prioritizing so small owners/operators can get to the front of the line for claims processing, a expediting the claims processing for claimants with an economic hardship, and revisiting the reimbursement rates to bring them into alignment with current costs, regulatory requirements, and industry practices.

Representative: Gordon Bullard, bullardgh@dor.state.ma.us



Minnesota

Minnesota had two important bills passed this year. The first bill dealt with PVC piping for home heating oil tanks. Regulators identified problems with the glue used for joints. As a result of the legislation, Minnesota's state fund will pay \$250 per household to replace the piping. The hope is that this will prevent future releases and claims. The second bill shifted the responsibility of Cost Recovery from the regulatory agency to the State fund. Minnesota's PetroFund has not dealt with Cost Recovery before and now must set it up by August 1, 2008.

Representative: Joel Fischer, joel.fischer@state.mn.us



Mississippi

Mississippi is still dealing with issues related to Hurricane Katrina. One can stand on highway 90 and look back 500 yards and see nothing but slabs where buildings used to be. As a result of Katrina, Mississippi assessed 148 sites, initiated cleanup at many, of which 106 are now complete. Mississippi also has a new UST database that ties all sections of the agency working on tanks issues together: registration staff, compliance/enforcement staff, cleanup staff, certification staff, funds staff, etc. This new system has greatly improved internal communications. Legislation has been passed that amended the State's UST law to comply with EPCRA. The State trust fund is healthy. There were raids a few years ago but not recently. Representative: Karen Stephens, karen_stephens@deq.state.ms.us



Missouri

Like Kansas, Missouri implemented Financial Responsibility for manufacturers and installers. Because all manufacturers of USTs and piping now have pollution liability insurance, any state fund that pays a claim where you think there was a manufacturing defect should be able to get the manufacturer's insurer to pay for cleanup. The biggest news: the petroleum industry wrote and lobbied for a bill to extend the Fund's sunset date from 2010 to 2020, and it passed with very few opposing votes. The same piece of legislation provides "red tag" authority for the regulatory agency and requires AST owners to have Financial Responsibility. (Heretofore, AST owners could get coverage from the State fund if they wanted it, but participation was voluntary.) Now, after a two-year phase-in period, all AST owners/operators must have Financial Responsibility, which should help get cleanups done. In the past, when there was an AST leak, the owner/operator often went out of business, and the cleanup didn't get done. The biggest current challenge is that the pace of cleanups has slowed. Missouri is interested in learning what other states are doing to accelerate cleanups.

Representative: Carol Eighmey, pstif@sprintmail.com



Montana

Montana has a revenue shortfall of \$6 million; every month we look at CAPs and commit money to those that are the highest priority. Montana tells the low priority sites that it will be 2 to 3

years before they get funding. Consequently, low priority sites are not submitting claims. Legislature refused to increase our fee, so this is the solution.
Representative: Paul Hicks, phicks@mt.gov



Nebraska

Nebraska's fund balance grew to \$33 million, \$18 million of which was redirected for other uses in last several years. The State Fund's goal is to keep a balance in the \$3 to \$5 million range to avoid future redirections. RBCA was implemented in Nebraska in 1999, which has saved the State a lot of money. However, the State has had some challenges with sites we have not gotten to because of funding limitations. We have used Pay for Performance (PfP) with some successes and some failures. We have 24 PfP contracts, of which 6 have been successful. At a few sites, the PfP contractors did not reach target cleanup levels, and their contracts were terminated; the state will have to do a little additional work to complete those cleanups. The State Fund is currently revising its reasonable rates schedule, which will be out soon.
Representative: David Chambers, david.chambers@ndeq.state.ne.us



Nevada

Nevada's biggest change is in personnel. Gil Cerutti retired, and Bennett Kottler replaced him as director of the Fund. When Mr. Cerutti retired he left a solvent fund with good staff. Mr. Kottler's challenge is to not try and fix what is not broken. Nevada still has some large cleanups that are more than a decade old. The Fund program is hoping to cooperate with the LUST program to get these done. A Triad approach may be tried; it is a cooperative approach which includes up-front funding and real-time decision-making. The LUST program has been improving its technical tools. Using RBCA, they've concluded that if they spend a day in the office using data already available to assess risk, they maybe can conclude that cleanup to "zero" is not necessary. Nevada is also working with our county partners.
Representative: Bennett Kottler, bkottler@ndep.nv.gov



New Hampshire

New Hampshire is seeing fewer new releases. Recently, the fund sunset date was extended from 2010 to 2015. The fund also tried but failed to get a fee increase. However, the fund did get the authority to use an outside auditor. The fund is working on going paperless for claims. New

Hampshire got recovery from a major oil company. Landfills and thermal treatment facilities in New Hampshire have increased prices, so costs are going up. Delivery prohibition authority was enacted in a new law. New Hampshire is also working on an owner/operator training program. Representative: George Lombardo, george.lombardo@des.nh.gov



New Mexico

House Bill #19, enacted in New Mexico in 2005, diverts 30% of the revenues from the Tank program annually. Additional actions by agency management resulted in overall reduction of prior funding levels by 45%. However, despite the reductions of funding, the fund has adjusted; staff is working full bore, but New Mexico, for the first time in the program's history, has a genuine backlog. Therefore, the State Fund is prioritizing claims. Groundwater monitoring is not happening at some sites. And consultants and laboratories are unhappy with the reduction in work. There is an expectation that reduced consumption of fuel by consumers will result in lower revenues to the fund, which will further reduce our ability to get cleanups done. New Mexico currently has a great deal of Indian country within its borders, and as a result, has some jurisdictional issues to work out with EPA. Despite cutbacks in State Fund dollars available for cleanups, we are still closing more files than we're opening.

Representative: Steven Reuter, stephen.reuter@state.nm.us



North Carolina

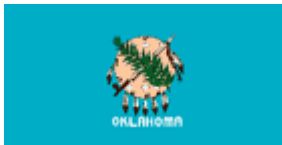
North Carolina's State Fund had a \$30 million deficit in 2004. The legislature provided \$30 million from the Department of Transportation's funds. The legislature required prioritizing of cleanups and specified that the Fund can only approve work that could be paid for by state tank fund within 90 days. Staff sent letters to all owners/operators to notify them of this change and that they would be notified when work would be directed and funded at their site. This new process caused us to re-evaluate high risk sites to determine what was really necessary and activate work at sites that were the highest priority. We are still adding sites to list of cleanups that are receiving funding. Of 8,700 sites that need work, 1,700 are now getting funding. The fund balance is positive for the first time, by about \$8 million, but the expectation is it will eventually drop into the red again as more work is authorized. The 2008 legislature is in session and considering a bill that will allow the State Fund to address all sites where there is free product. The bill would also require the timely submittal of requests for reimbursement, impose a statute of limitations on the State Fund's ability to seek cost recovery, and add more inspectors to the compliance program, as well as a few other items.

Representative: George Matthis, george.matthis@ncmail.net



Ohio

Ohio has a \$9 million annual budget for claims. In the past four years, Ohio has started to make lump sum settlements with some of the major oil companies (400 claims were settled by a \$5 million offer). The lump sum settlements have saved a lot of staff time, the owners/operators get their money more quickly, and sites get NFA quicker, which makes this a win-win situation. Two years ago, one consultant proposed purchasing 24 dual phase extraction systems. We worked with an UST regulator and consultant, reduced the original request to a dozen, then used a prioritization system; we purchased only five remediation systems and move the equipment as its work is completed. Taking this approach will save considerable money.
Representative: David Reeder, dreeder@petroboard.com



Oklahoma

From 2002-2006 the Oklahoma State tank fund has seen its fund's assets redirected for other uses on an unparalleled scale. The Fund has lost \$38 million to higher education and, in 2007, lost 8% of revenues to economic department. Starting July 1, 2008, the fund will lose \$500,000 per month to the Oklahoma Department of Transportation. The State Fund expects this will cause the agency to have a funding shortfall and cleanups to be delayed. Fewer site assessments are occurring, perhaps due to higher fuel prices. The State's turn-around time for processing claims is 15-20 days because of a State law that imposes a requirement to process claims quickly. The fund uses standard costs and had the highest claim payout ever this year; the fund is seeing revenues go down while costs are going up. Also, the fund is taking a new approach to going paperless. Oklahoma is interested in seeing what other states are doing to improve FR.
Representative: Myra Fleming, m.fleming@occemail.com



Pennsylvania

Pennsylvania had a good year in 2007, with the number of submitted claims reduced. There were 184 new claims received, and the Fund paid out \$65 million for claims and administrative costs. During the year the Fund closed 224 claims. Currently, the program has about 1600 open claims, some of which date back to 1994. The State is working with DEP to focus on these old claims and has made a concerted effort that has resulted in some progress – more than 100 of these old claims are close. The state fund allocated \$2.5 million in funds to DEP in '07. We

have established a formal competitive bidding process, a summary of which is on the web site; this has helped control costs. Legislature enacted Uniform Environmental Covenants Act. There is a bit of uncertainty, what the impact will be, since it just became effective in February 2008. Pennsylvania is working with the State's third party administrator to implement document imaging and a paperless process.

Representative: James Miceli, jamiceli@state.pa.us



Rhode Island

Rhode Island's Fund balance is not clear since the fund is now incorporated as part of regulatory agency. The thought was that the implementation of the Energy Policy Act might help avoid raids from the State but not so. The governor took \$2 million in FY08, with another \$2 million potentially raided in FY09. By end of this fiscal year, we may have a funding problem. There is much suspense as to what the future holds for the State tank fund.

Representative: Michaela Brockmann, michaela.brockmann@dem.ri.gov



South Carolina

In January 2008, South Carolina got a new Fund manager. South Carolina's State Fund has been cited for being undercapitalized; an actuarial study estimated a \$153 million shortfall. To remain solvent, we will need an infusion of \$40 million of capital. South Carolina has worked with both EPA and the private sector to draft legislation. If this legislation passes, it will assure viability of the State fund as an FR mechanism. South Carolina received a onetime special appropriation last year of \$5 million to help with solvency issues. However, a long-term funding solution is still not in place. Both Pay for Performance and RBCA are used and are good tools. However, the State also has concluded that PfP may not accelerate cleanups and may also increase the risk of third-party claims. South Carolina has implemented an "early completion incentive" which has helped speed up cleanups.

Representative: Don Siron, sirondl@dhec.sc.gov



South Dakota

South Dakota has filed subrogation lawsuits and is aggressively pursuing manufacturers or installers when they're believed to be at fault. Currently the State has three such lawsuits underway, two of which involve flex piping. We recently closed a case in which the piece of

equipment had been thrown away and was thus unavailable; however, the claim was settled out of court with the equipment company's insurer. One case is currently in front of the State Supreme Court. South Dakota has spent time training owners/operators and staff; vapor intrusion training is also underway. Historically, our focus was on groundwater pathways. We're also using Triad and have done training on it. South Dakota is currently subsidizing ethanol. Representative: Alan Bakeberg, alan.bakeberg@state.sd.us



Tennessee

A few years ago, Tennessee had 1,600 open claim files and a 10- 12 month TAT for paying claims. We were using RBCA, which was taking a long time to get cleanups done. Tennessee revamped the RBCA program by using a task force that was created by the Governor to implement new ideas. The new releases have a flat fee of a \$20,000 deductible, which has helped. Tennessee also has revised our procedures to streamline risk assessment and it now costs about \$1,000 to do. Tennessee used the ASTM standard and customized it. Now, we have a positive fund balance and process claims as they come in the door. The staff is looking for more work! The State now takes ownership of remediation equipment and reuses it at multiple sites. Representative: Cindy Greene, cindy.greene@state.tn.us



Utah

Utah had an interesting year, much of it due to the reauthorization of the fund and extension of sunset from 2008 to 2018. A legislative audit of Utah's State Fund was conducted and had positive conclusions. There were proponents of privatizing Financial Responsibility (FR), but the audit and actuarial study culminated in a bill to extend sunset by 10 years. Utah had one catastrophic release of 20,000 gallons of gasoline. This release caused the evacuation of the town and lots of media coverage. Utah's State Fund spent \$1 million in 5 months doing cleanup and mitigation of this site. Now, there are 13 lawsuits filed against the RP. Representative: John Menatti, jmenatti@utah.gov



Vermont

Vermont's State fund has two accounts: motor fuel and heating oil. The motor fuel account has a healthy balance, according to an actuarial study. There is hope that recent legislation creating a fund ceiling will avoid future raids. Vermont is not promoting Pay for Performance as actively

as in past because it hasn't worked as well as hoped. One of Vermont's major challenges is finding the fairest way to update its current reimbursement rates. Chuck Schwer would like to talk to States that had success updating their rates. The heating oil account has been underfunded. Every year Vermont's State Fund receives more heating oil claims than they can afford. Vermont has funded removal of old tanks to help prevent leaks. Vermont has also developed an outreach program to mobile home parks to try and prevent leaks from ASTs. Representative: Chuck Schwer, chuck.schwer@state.vt.us



Virginia

Virginia has recently revised UCRs and implemented an optional cost savings program for laboratories and soil treatment facilities. In the past, contractors used state UCRs even if they negotiated a volume discount with the facility. A new incentive creates sharing between the State and contractors; as a result, the fund has realized a 26% savings on lab costs and 16% savings on soil costs. In FY07 the State Fund's revenue was down because there was an increase in number of claims being filed due to home heating oil claims. Costs are slightly lower than projected. Virginia is transitioning to electronic document imaging to go paperless. Representative: Marybeth Glaser, mmglaser@deq.virginia.gov



Washington

The Washington State fund is the reinsurer for private policies. Currently, we reinsure only Colony Insurance Company policies, although there are other private insurers in the state. Since 1990, Washington has spent a total of only \$15 million from the State Fund. A current concern is loss of retroactive dates when sites get a new owner or when the insured opts for lower premium to get a more recent retro date. Example: one site had a 1994 retroactive date, but the owner/operator saved \$200 in annual premium by allowing the insurer to write the coverage with a 2008 retroactive date. Though EPA's guidance says there is supposed to be coverage for the previous period of tank operation, (i.e., prior to the new retroactive date on the policy), the State is not sure how to accomplish this. Representative: Lynn Gooding, lgooding@plia.wa.gov



Wisconsin

Since 1988, Wisconsin has spent \$1.5 billion on 13,000 sites. Currently, there are 1,400 open active cleanup sites in the state. Historically, Wisconsin has closed sites with some level of contamination remaining where there is no threat to health or the environment. An issue of mixed plumes has arisen, "old" sites and "new" sites, depending on when the release occurred. Any release that occurred after 1998 must be covered by private insurance. A concern is that private insurance is not working very well. There are sites where there are both old and new releases; we need a mechanism for apportioning cleanup costs between the State Fund and the insurer. The State Fund is working on a legislative solution. Wisconsin uses the bidding process and a Usual and Customary Cost Schedule to control costs, which is working well.

Representative: Oscar Herrera, oscar.herrera@wi.gov