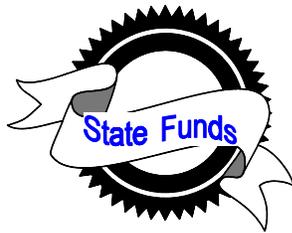


***State Fund Success Stories
Compendium***

Eleventh Edition



**The Association of State Underground
Storage Tank Cleanup Funds**

June 2006

**Supported by:
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(ASTSWMO)**

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The "State Fund Success Stories Compendium," Eleventh Edition, 2006, is complete. After all the dust settled, we received seven entries from two states.

The success story process began in 1995 during the planning of the 5th Annual State Fund Administrators Conference. We believe that all state funds have one or more successes that may help other fund programs. We want to keep this tradition going and, while we understand it is difficult to devote time to this, we encourage you to write your successes because of the educational benefit for everyone. If you have suggestions on how the Compendium could be made more beneficial or the process streamlined, please tell us this as well.

The Association of State Underground Storage Tank Cleanup Funds will again initiate the success story process for the 16th Annual State Fund Administrators Conference with the first invitational letter early in 2007. Start thinking about your successes now. As they evolve through the next year jot down some notes so it will be easy to construct your success stories.

Congratulations to all of the states who submitted stories this year. You are all winners and you make us winners by submitting your successes.

Chuck Schwer, VT, Co-Chair
James Pearson, MN, Co-Chair
Association of State Underground
Storage Tank Cleanup Funds

State Fund Success Stories

1. Financial Success

Colorado

Economic Feasibility Summary (EFS) Process

Describe the Success:

A new method of processing reimbursement applications (RAPs) to the Petroleum Storage Tank Fund (Fund) was successfully implemented in February 2003. The purpose of the Economic Feasibility Summary (EFS) is to allow for standardized submittals, accurate coding and streamlined reviews of all costs submitted in a Corrective Action Plan (CAP). The negotiation between OPS technical staff and consultants, of remediation project costs through closure, has significantly reduced reimbursed amounts from the Fund.

As EFSs are submitted, OPS tracks and determines reasonableness of costs for specific phases of work within different remediation technologies. The information obtained is used to update a listing of reasonable rates (review tool) that is used by the staff when evaluating costs for corrective actions.

What Problem(s) did it Resolve and Describe the Results:

The use of the review tool allows for less time spent in EFS negotiations and approvals, therefore less time to remediate the sites, and finally less Fund dollars spent.

Who are the Beneficiaries of the Success?

As of May 2006, the EFS process has saved the Fund approximately \$18 million dollars. This amount is based on submitted cleanup costs minus approved costs.

The Fund applicants benefit because only necessary and reasonable costs are approved to complete the CAP. This is particularly important for applicants that have a reduction of reimbursed costs, due to non-compliance, and have to pay for that percent reduction with their own funds.

How was it implemented?

Phase of work and activity costs for various remediation technologies or combinations of technologies are continuously researched by OPS technical reviewers. This information as well as costs submitted on EFSs are evaluated to determine reasonable costs for specific activities. As these costs change and as new costs are identified, the review tool is periodically updated and distributed to OPS staff to ensure consistency in EFS negotiations.

Contact Information

Marilyn Hajicek, P.G.
Remediation Section Manager
Division of Oil and Public Safety
633 17th Street, Suite 500
Denver, CO 80202-3660
Tel: (303) 318-8530
Fax: (303) 318-8546
E-Mail: marilyn.hajicek@state.co.us

2. Policy, Productivity, and Innovation

Colorado – 1

Elimination of Payment Backlog

Describe the Success:

A backlog of applications approved for reimbursement from the Colorado Petroleum Storage Tank fund totaling approximately \$8,000,000 was eliminated. This backlog was created by a shortage of funds during the last two years. A team of Oil and Public Safety (OPS) staff members from the Field Inspection Section, the Remediation Section and the Fund Section was assembled and trained in the various steps of the payment process. The backlog was eliminated in 30 days, with the processing of 675 applications totaling approximately \$8,000,000, the largest ever processed during a 30-day period.

What Problem(s) did it Resolve and Describe the Results:

Over the last two years, and before the implementation of the new environmental surcharge rate structure, the Colorado fund manager delayed the payment of applications in order to maintain a positive fund balance. Applications were reviewed and approved by the Fund Analysts for payment, but the final processing step that authorized the actual payment was delayed. Due to an ever increasing volume of applications, a two to three month backlog of applications ready for payment was created. With the implementation of the new environmental surcharge rate structure in July 2005, revenues to the fund increased approximately 25%. The money was now available to pay these backlogged applications, however, staff assigned to this final processing step could typically process approximately 200 applications per month, totaling approximately \$2,000,000.

Who are the Beneficiaries of the Success?

Fund applicants benefit from the elimination of the backlog as they now receive their reimbursements sooner as there is now no delay in the payment after the application is approved. The Fund and Fund Section staff also benefits as our overall processing time decreases.

How was it implemented?

During a manager's meeting in November 2005, the topic arose about what could be done to speed up payments to fund applicants. It was determined that although numerous applications were approved for payment, due to the volume, fund section staff were processing these applications as fast as they could. It was determined if additional staff were temporarily assigned to the final processing step, the backlog could be eliminated. Two staff members each from the Field Inspection Section and the Remediation Section were identified who would assist the Fund Section staff in this effort. The effort began on November 21, 2005 with cross-training of these individuals in the final processing step. The steps involved included preparation of a fund payment report, review of the report for accuracy, obtaining the signature of the Fund Section Manager and Division Director, assembling a contract folder that is taken to the Department of Labor and Employment Finance Department where the check is generated, emailing the approved fund payment report to the applicant, and tracking the process in the database. A total of six staff completed the effort on December 22, 2005, having processed 675 applications for payment, totaling approximately \$8,000,000.

Contact Information

Jane M. Bral, P.G.
State Fund Section Program Manager
Division of Oil and Public Safety
633 17th Street, Suite 500
Denver, CO 80202-3660
Tel: (303) 318-8510
Fax: (303) 318-8518
E-Mail: jane.bral@state.co.us

Colorado - 2

Reduction in Application Processing Time

Describe the Success:

The overall average processing time for applications to the Colorado Petroleum Storage Tank fund has been reduced to 65 working days, a reduction of 27% from previous years. Processing time is tracked from the date when the application is received until the date the application is approved for payment. Typically, applicants receive their checks within two weeks after approval. This success was achieved during a time when applicants to the Fund have increased 40%.

What Problem(s) did it Resolve and Describe the Results:

The Colorado Division of Oil and Public Safety (OPS) is always looking for ways to reduce the time for processing of reimbursement applications. Over the last three to four years, several efforts have been made to reduce processing times including full implementation of the Economic Feasibility Summary/electronic reimbursement application (EFS/eRAP) process, reorganization of the Fund Section to better address the volume of applications now received as eRAPs, revision of the application checklist, elimination of a payment backlog, and ongoing review of the entire reimbursement process. By the results described above, down to an average of 65 working days to process reimbursement applications, these efforts appear to have made an impact.

Who are the Beneficiaries of the Success?

Fund applicants are the primary beneficiaries of reduced processing time as they receive their reimbursements in less time, thus having the resources to continue their cleanups. Ultimately, tax payers in the State of Colorado benefit by having a well managed Fund that provides for successful and timely remediation of petroleum contaminated sites.

How was it implemented?

Begun in 2003, the EFS/eRAP process has been fully implemented. The EFS/eRAP process involves upfront negotiation and pre-approval of the estimated costs to bring a site to closure. The approved EFS costs are submitted in Excel format, and converted into an Access database. Subsequent reimbursement applications are then submitted to OPS electronically as Excel files, called an eRAP. The eRAP is then converted to an Access file and imported into the database where costs are tracked against the approved EFS budget. In July 2005, 61% of applications were submitted as eRAPs. During this last year, this percentage has increased to 74%.

To better address the volume of applications submitted as eRAPs, the Fund Section staff was reorganized. Out of five staff members that process reimbursement applications, three were assigned to processing of eRAPs full-time. The other two staff members process original applications and supplemental applications processed by traditional methods.

Last year, the application checklists were revised and expanded. The purpose of the checklists is to prompt applicants as to the information and documentation that is necessary to be submitted with an application. This information is of course more detailed for original applications where eligibility must be established, than for supplemental applications. The use of the checklists has helped to have the needed information submitted initially, thus reducing deficiencies that ultimately lengthen the processing time.

The effort to eliminate a payment backlog also helps to reduce processing time. Applications that were approved for payment, but where payment was delayed to help manage the fund balance, were eliminated, thus reducing the overall processing time by two to three months. (See Success Story concerning Elimination of the Payment Backlog)

During monthly meetings, OPS Section managers have been discussing all aspects of the reimbursement process. These discussions involve

examination of our interactions as sections and how we could better assist each other regarding processing of reimbursement applications. Many ideas have been put forward, and several processing changes have been made based on this review. Some of the actions that have been taken as a result of these discussions include:

- The effort to eliminate the payment backlog.
- If needed, the eRAP is requested in the letter that is sent acknowledging receipt of the application.
- Consolidation of fund report preparation. The fund analyst that generates one of our processing reports (the reimbursement summary sheet) now also generates a second report (the fund payment report) at the same time, and assigns a contract number. Previously, these reports were generated by different fund analysts, and the contract number assigned by a third staff.
- Implemented procedures to improve release reporting, and the sharing of compliance information between the Field Inspection, Remediation and State Fund Sections.

Contact Information

Jane M. Bral, P.G.
State Fund Section Program Manager
Division of Oil and Public Safety
633 17th Street, Suite 500
Denver, CO 80202-3660
Tel: (303) 318-8510
Fax: (303) 318-8518
E-Mail: jane.bral@state.co.us

Colorado - 3

Release Reporting and Operational Compliance Records

Describe the Success:

UST regulations require owner/operators to report suspected and confirmed releases and to maintain records documenting compliance with release detection requirements, the operation of corrosion protection equipment, and UST system repairs. The Division of Oil and Public Safety (OPS) has implemented procedures to improve release reporting, and the sharing of compliance information between the Field Inspection, Remediation and State Fund Sections.

What Problem(s) did it Resolve and Describe the Results:

If a suspected or confirmed release was evident during a routine compliance inspection, the field inspector would inform the owner/operator that the release has to be reported to OPS, if not done so already. OPS discovered that some owner/operators were still not reporting their suspected or confirmed releases. To ensure owner/operators report releases in a timely manner, OPS field inspectors now also send an email notification to the Remediation Section manager as well as to the Field Inspection office staff, so that appropriate follow-up can be conducted if an owner/operator fails to report the release. Implementation of this minor process modification has improved the timely sharing of information between the Field Inspection field and office staff as well as the Remediation Section, and has resulted in improved release reporting compliance.

As part of the reimbursement application process, OPS requires owner/operators to submit compliance records for the six months prior to the release date. Reimbursement applications are sometimes submitted years after the release date. Some owner/operators claim difficulty gathering this past compliance documentation due to changes in ownership, mergers and acquisitions. To remedy this situation, OPS field inspectors now conduct inspections on all new confirmed releases, and request owner/operators to submit their release detection and corrosion protection (if applicable) records for the twelve months preceding the release date. Implementation of this second minor process modification has ensured that release detection records for the twelve months preceding a release are readily available in the facility files for the reimbursement Fund Section, should a reimbursement application be submitted at a later date.

Who are the Beneficiaries of the Success?

By ensuring reporting of releases, and the availability of past compliance records, UST owner/operators, contractors, consultants, the OPS, Colorado citizens, and the environment, are all direct or indirect beneficiaries of the success. As a further incentive to comply, owner/operators may face additional percentage reductions on their state fund reimbursement, if they failed to report suspected or confirmed releases, or if they have not been operating in compliance with regulatory requirements.

How was it implemented?

In 2005, all field inspectors were notified about the reasons for the minor procedural changes, and were requested to begin implementing them. These procedures have been successfully implemented since then.

Contact Information

Mahesh Albuquerque, P.G.
Field Inspection Program Manager
Division of Oil and Public Safety
633 17th Street, Suite 500
Denver, CO 80202-3660
Tel: (303) 318-8533
Fax: (303) 318-8518
E-Mail: mahesh.albuquerque@state.co.us

Colorado – 4

Vapor Intrusion

Describe the Success:

In 1999, the Colorado Division of Oil and Public Safety (OPS) adopted Risk-Based Screening Levels (RBSLs) for the vapor intrusion exposure pathway. The study of this pathway has become very popular over the last few years and as a result more and more data is available. The data suggests that sampling methodology and analysis can be critical to obtaining credible results. Because of the new scientific evidence, the OPS developed a survey of best practices for installing soil vapor points, sampling and analyzing soil vapor and indoor air samples, and identifying critical field parameters. The survey was sent out to approximately 20 vapor intrusion experts for their input. The results of the survey were integrated into a vapor intrusion guidance document of best practices.

What Problem(s) did it Resolve and Describe the Results:

The consultants will now have the knowledge they need to obtain more accurate soil vapor and indoor air results.

Who are the Beneficiaries of the Success?

Reimbursements from the Petroleum Storage Tank Fund relating to the vapor intrusion pathway will be spent more judiciously to aid in better protection of the health of the citizens of Colorado.

How was it implemented?

A guidance document was developed that consists of vapor intrusion best practices for installing soil vapor points, sampling and analyzing soil vapor and indoor air samples, and collecting critical field parameters.

Contact Information

Marilyn Hajicek, P.G.
Remediation Section Manager
Division of Oil and Public Safety
633 17th Street, Suite 500
Denver, CO 80202-3660
Tel: (303) 318-8530
Fax: (303) 318-8546
E-Mail: marilyn.hajicek@state.co.us

New Hampshire

The NH Petroleum Reimbursement Fund program encourages the use of electronic filing of documents when submitting technical reports, laboratory reports and reimbursement requests. Electronic submittal facilitates timely review and processing by DES and improves public access. Public access to documents is easy and instantaneous using the DES' online One Stop Retrieval Database, which allows retrieval of environmental information from over 30,000 sites in New Hampshire. The One Stop database can be accessed by anyone seeking information about a certain site or project location.

In order to submit data to the DES, the One Stop Data Provider Site assigns a user with PIN and Password protection once the user agrees to abide by DES internet security protocol. By rule, web based reimbursement requests submittals receive priority treatment for assignment and review. The documents are then uploaded to our system over the internet. Alternately documents can be submitted by sending in files on electronic media or via email.

In addition to encouraging the submission of electronic documents, the NH Fund program has made available application forms, example waiver letters, Fund Policy Statements and the Facility Funds Guidance Manual on the DES web page. Internet accessible reports are available to check the status of claims and technical report reviews. Copies of the Notice of Reimbursement, and technical reports can be downloaded. One can also check the status of compliance and eligibility of a particular site.

With the help of DES accounting and the NH Department of Treasury, DES has also established an application procedure for assigning a unique Vendor Code for those seeking direct applicant status through the NH Reimbursement Fund. Applicants with a vendor code receive electronic payment, similar to a direct deposit arrangement with an applicant's financial institution. Approximately 7-10 days of claim turn around time are saved by processing electronic payments versus the paper check and mailing method.

In addition, NH's new Fund rules allow for an internal cost recovery processing. DES can cost recover our project management labor and contractor expenses via direct transfer from Fund accounts to the cost recovery accounts without requiring a signature request from the facility owner. Hence, we are able to close sites faster, since cost recovery is required by statute, and is often the last step to site closure.

What Problem(s) did it Resolve and Describe the Results:

DES Project Managers are spending hours per week doing data entry for reimbursement claims for their project sites. Invoice details provided by the applicant has to be retyped resulting in laborious data entry, typographical errors, numbers being transposed and rework. Utilizing electronic media for the submission of reports and claims eliminates the need for Project Managers to expend time on data entry and clerical functions, prevents paper being lost, reduces physical storage requirements, saves time on claim log ins, saves duplication on invoice detail entry. As a result, project managers can spend less time on reimbursement claim review and more on technical review or reports and data submittals. By allowing the public access to reports and claims status online, the staff spends less time answering telephone and email requests regarding whether we received a claim, if it has been reviewed, and if it has been approved by DES. Having documents available online allows the regulated community and stakeholders to obtain guidance, direction, forms and instructions and saves numerous unnecessary iterations of incomplete or improper claims.

Who are the Beneficiaries of the Success?

Everyone is benefiting from the NH Fund digital revolution. The Fund staff is less bogged down with requests for information that can be answered with web access, the DES Project Managers have more time and energy to focus on technical decision making, the consultant/contractor community gets paid faster, the facility owner benefits from having their contamination project managed more efficiently, and the public benefits from the easy access to compliance, cleanup information and eligibility information. The biggest beneficiary is NH's groundwater and environmental resources.

How was it implemented (Discuss any obstacles encountered with solutions - for the benefit of those who wish to duplicate your process or procedure):

The implementation of the digital revolution of the claims process required and still requires the cooperation and willingness of several state agencies. As in any state government, the availability of resources, particularly in the computer programming specialties, remains the biggest hurdle. An obstacle occurred when the main information technology guru working with the DES was placed in the newly reorganized New Hampshire Office of Information Technology, where his resources were in demand from a number of other state agencies. Gaining access to Scott and his time, and making our project his top priority for the day are continuing hurdles.

Contact Information:

In Recognition of

Timothy R. Denison
Supervisor, Fund Management Section

and

Scott Gentley,
Technical Support Specialist,
New Hampshire Office of Information Technology

Submitted by:

Joyce P. Bledsoe
PG, Facility Fund Manager

Fund Management Section
New Hampshire Department of Environmental Services
Waste Management Division
Oil Remediation and Compliance Bureau
29 Hazen Drive
PO Box 95
Concord, NH 0330-0095
Phone: 603-271-8740
Fax: 603-271-2181
E-Mail: jbledsoe@des.state.nh.us

3. Success with Stakeholders

Colorado

Brownfields

Describe the Success:

In the small town of Rangely, a one mile stretch of Main Street was blighted by two dilapidated, abandoned gas stations, the 5S Station and the Galaxy Station. The properties owners had no interest in bringing these sites into productive use and, due to the environmental liabilities associated with these sites, there were no perspective buyers.

Through the cooperative efforts of the Town of Rangely, Rangely Development Agency (RDA), the Division of Oil and Public Safety (OPS), the Colorado Department of Public Health and the Environment (CDPHE), and the Colorado Brownfields Revolving Loan Fund (CBRLF) the environmental issues at these properties are being addressed, resulting in removing liability for future buyers.

The former gas station properties, which were an eyesore for residents and visitors of the Town of Rangely, can now be put into productive use. This effort will have significant economic benefits for the Town of Rangely. New employment opportunities will be created, tax revenue for both the town and county will be increased and the downtown area along Main Street will be more aesthetically pleasing. Another benefit realized by the town was that once the abandoned building was removed and site conditions improved at the Galaxy station, interest in surrounding properties increased. The same results are anticipated for the area surrounding the 5S Station once remediation is completed.

What Problem(s) did it Resolve and Describe the Results:

Blighted properties that held no interest for prospective buyers are now being brought back into productive use. As cleanup progresses the sites are attracting more entrepreneurs to inquire about purchasing the properties. Areas surrounding the blighted sites are making improvements to their facilities.

Who are the Beneficiaries of the Success?

This project identified a means for two separate state agencies to work together to meet the needs of the citizens of Colorado. The CDPHE Brownfields funding leveraged with the OPS Petroleum Storage Tank Fund (Fund) resources has positively impacted the residents and visitors of Rangely, and the economic bases of the Town of Rangely, and Rio Blanco County.

How was it implemented?

The RDA acquired ownership of the properties and the environmental problems. The RDA then investigated sources for financial and technical support to address the environmental concerns. The support was provided through the cooperation of the OPS, the CDPHE, and the CBRLF. The CBRLF loaned RDA the money to excavate the underground storage tanks. To minimize costs the Town of Rangely provided the earthmoving equipment for the project. CDPHE performed the initial assessments at both of the sites to investigate for the presence of petroleum contamination. The results of the initial assessment indicated that one site, the 5S Station was impacted and the other site Galaxy was not. OPS promptly issued a No Further Action letter for the clean site to expedite redevelopment. The contaminated site was determined to be eligible to the Fund by the OPS and RDA is being reimbursed for costs associated with the site characterization and remediation of the impacted soil and groundwater.

Contact Information

Marilyn Hajicek, P.G., Remediation Section Manager
Division of Oil and Public Safety
633 17th Street, Suite 500
Denver, CO 80202-3660
Tel: (303) 318-8530
Fax: (303) 318-8546
E-Mail: marilyn.hajicek@state.co.us