

# latest leaks



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PETROLEUM STORAGE TANK INSURANCE FUND

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## New Reimbursement Procedures

Claimants and consultants recently received notice that the PSTIF will limit the number of checks issued for various activities.

Historically the PSTIF only issued a payment when a specific project – e.g., a UST removal and cleanup, a site characterization, or a corrective action – was completed. In recent years, consultants have sent invoices to the PSTIF office more frequently and requested multiple payments, often monthly. This has substantially increased claims processing costs. Therefore, effective immediately, the PSTIF typically will make only one payment for cleanup associated with a tank removal project, two payments for site characterization and risk assessment, and one payment for each required groundwater monitoring event. When costs for corrective action are pre-approved, the PSTIF will notify the claimant of its intended payment frequency.

The PSTIF encourages owners and consultants to enter into a mutually satisfactory business relationship that includes payment arrangements. The owner should then request a single reimbursement from the PSTIF at the completion of a project.

Details of this policy are posted on the PSTIF web site at [www.pstif.org](http://www.pstif.org), under "Claims."

## Reminder – Free Training!

UST owners and operators are encouraged to take advantage of the free training courses on the PSTIF web site. Developed by the Petroleum Equipment Institute, the five courses use real people and real work situations

to explain how UST equipment works.

UST owners/operators who are insured by the PSTIF can access the courses free of charge. Well-trained operators mean fewer leaks and lower costs for environmental cleanup!

## Tank Removals

As with most things in life, planning ahead is crucial when removing tanks or piping from your property! This is especially true when doing a "raze and rebuild."

Since the cleanup requirements in Missouri are now risk-based, it is prudent to create a conceptual model of the site and identify exposure pathways of concern *before* tank removals. That way, you can be sure you know what the cleanup target levels for the site are when the excavation begins. Too many consultants are failing to prepare, think, and plan in advance – then when impacted soil or groundwater is encountered during the removal of the old tank system, everyone is pressured to try and make hasty decisions.

Once contamination is documented – often when the "landfill sample" is collected early in the planning process, or during a Phase II Environmental Assessment – you can make a claim. The PSTIF then will recognize costs to identify land use, collect soil and water samples to characterize the extent of petroleum impact in the environment, and analyze the exposures of future users of the property. All of this can be done prior to decommissioning and removing the existing tanks and piping.

Consultants who want more advice on how to plan these projects can review the July 2004 Internet Seminar

on the PSTIF web site.

## Inspections Underway

The PSTIF Board has engaged a contractor, Rounds & Associates, to conduct inspections of insured tank sites. Inspectors will be working through June 2007 to complete approximately 1,100 site visits.

The inspections are dubbed "Compliance Plus," as the inspectors will be looking for violations of environmental and fire and safety rules, *plus* will look for other operating and maintenance issues that need attention to prevent future leaks. Results from all UST inspections will be provided to both the PSTIF and the Department of Natural Resources; those of AST locations will be provided to the PSTIF and the Department of Agriculture's Division of Weights and Measures.

## New Requirement for Equipment Companies

Anyone who manufactures, installs, or repairs petroleum equipment for use in Missouri is now required to have a pollution liability insurance policy, or similar mechanism, that will pay for cleanup of leaks caused by defect or faulty work. The Department of Agriculture's Division of Weights and Measures is planning to implement this new requirement as part of its registration of equipment companies.

An Internet Seminar will be held on January 17 to discuss this new requirement with equipment companies; interested companies may register for the free seminar by calling Kerry Kaullen at 573-751-5636.

A proposed rule is being circulated by the Division of Weights and Measures, and is available on the PSTIF web site. The Division will formally publish the proposed rule in the *Missouri Register* in early 2007, but anyone who wishes to offer input on the draft rule may do so now.

The new requirement is part of Missouri's efforts to comply with a 2005 federal law that imposes several new requirements related to USTs.

## **Bio Fuels & Equipment Compatibility**

As new fuels like ethanol and biodiesel become more prevalent, questions arise about the compatibility of tank and piping systems with the new fuels. The Petroleum Equipment Institute now offers an online Guide to help answer these questions. It can be searched by equipment, fuel, or company, and is available at [www.pei.org/altfuels/guide.asp](http://www.pei.org/altfuels/guide.asp).

## **PSTIF Rule Changes**

Proposed amendments to PSTIF rules are available in the January 2 issue of the *Missouri Register*, available at local libraries and at [www.sos.mo.gov/adrule/moreg/moreg.asp](http://www.sos.mo.gov/adrule/moreg/moreg.asp).

The proposal formalizes procedures already in place, and was published by the Board of Trustees after extensive review and discussion

by its Advisory Committee. Comments may be sent to the PSTIF through February 1, 2007.

## **Reminder: 6 months of records**

To obtain or renew insurance coverage from the PSTIF, UST operators are now required to provide six months of leak detection records. (Previously, the minimum requirement was two months.)

Since 1992, state regulations have required UST owners and operators to monitor their underground systems for leaks at least monthly, and to maintain a record of each month's leak detection results. Today, many UST systems are equipped with modern devices that check for leaks continuously, or at least daily. The PSTIF requires submittal of one result from each of the previous six months.

## **National Tanks Conference**

The 19th Annual Tanks Conference will be held in San Antonio, Texas on March 5-7, 2007. The meeting attracts about 650 regulators, consultants, and industry experts. The agenda includes workshops and sessions on site characterization and cleanup technologies, leak prevention strategies, and the UST requirements in the 2005 Federal Energy Act. See [www.neiwpcc.org/tanks07](http://www.neiwpcc.org/tanks07).

*Latest Leaks* is a newsletter of the Missouri Petroleum Storage Tank Insurance Fund.

[www.pstif.org](http://www.pstif.org)

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