August 3, 2010

Ms. Francisca M. Chambus
U.S. Environmental Protection Agency
1595 Wynkoop Street MC: 8P-W-GW
Denver, Colorado 80202-1129

RE: Wyoming Storage Tank Program (STP) Semi-Annual LUST TF ARRA Report
February 2010 through July 2010; Grant #2L-97882201

Dear Ms. Chambus:

The State of Wyoming was awarded an American Recovery and Reinvestment Act (ARRA) Grant on July 6, 2009. This letter provides required semi-annual reporting under that grant.

Measure 1: Summary of Activities

Two projects were authorized: investigation and remediation of the Kelly Oil site in Rawlins and investigation and remediation of 27 pre-law tank sites throughout the state.

Measure 2: Accomplishments/Problems

Kelly Oil/Esquibel Site: The owner (Esquibel) of a site adjacent to Kelly Oil provided documentation to WDEQ indicating he was unable to pay for the cleanup. After EPA approval, the STP added the Esquibel property to the Kelly Oil work plan. Petroleum contaminated soil excavation and disposal was completed at both sites. Limited BOS-200 injections were also completed. The sites are in active monitored natural attenuation, and quarterly groundwater monitoring is being conducted.

Kelly Oil Site Problems: No problems encountered.

Pre-Law Tanks Project: The STP sent letters requesting access from site owners so the consultant could begin the Phase I Environmental Site Assessment (ESA) Report for the remaining 19 sites (8 sites were previously closed). Thirteen site owners contacted the STP and provided information that allowed the sites to be closed without further action. Those sites are:

Buffalo GMC
AYP Service Station
Falstaff Beer Distributing
Gooey Louie's
Bill's Auto Service
Buzz's Transmission
Bear River Taxidermy
Old Marina and Café
North Side Truck Stop
Sioux Service
Tesoro
Outlaw Motors
Dan's Home Center

The remaining six site owners did not contact the STP. The STP sent a second letter, and still did not receive a response from the site owners. The remaining six sites are:

Low Buck Cars and Trucks
Star Building Parking
ABC Auto Sales
Recycling Center
Fred's Market
Matt Brown Real Estate

The STP cannot complete work on the remaining six sites without site owner willingness and participation. Those sites have been referred to the Voluntary Remediation Program (VRP).

Pre-Law Tanks Project Problem: All 27 sites were input to EPA's LUST-4 website. It is unclear as to how to remove or otherwise categorize in LUST-4 the sites that have been removed from the project. This problem was conveyed to Theresa Martella, EPA, in emails dated January 5, 2010, and February 4, 2010. Ms. Martella responded on January 7, 2010, via email stating that she had not received information from OUST regarding how to count these sites within the LUST-4 database. Ms. Martella instructed the STP to remove the sites from the "cleanups initiated" and "cleanups completed" sections within LUST-4, which was done. All sites, including the six sites that have been referred to VRP, remain counted in LUST-4 as "investigation initiated" and "investigation completed."

Measure 3: Schedules

Kelly Oil/Esquibel Site: Excavation and backfill are complete. The consultant has begun quarterly groundwater sampling.

Pre-Law Tanks Project: This project is complete. All but six sites were closed with no further work required. No work will be completed on the remaining six sites because the STP does not have site owner participation.

Measure 4: Funds

The Wyoming Department of Environmental Quality received $929,000 in economic stimulus funds for work under the Leaking Underground Storage Tank Trust Fund.

Kelly Oil/Esquibel Sites: Terracon is the consultant for the project. The STP has obligated $354,546.50 to Terracon for subsurface investigation including tank removal, remedial alternative design (small-scale source removal with BOS-200 injection), construction management during remedial alternative completion, and groundwater and soil sampling after implementation of the remedial alternative. To date, Terracon has submitted invoices for $185,523.74.

Platinum Environmental Services, LLC, is the construction contractor for the Kelly Oil/Esquibel sites. The STP has obligated and Platinum has invoiced $50,800.63. Ten percent retainage has been withheld pending 41-day advertising period and lien waiver submittal. Platinum's work is complete.

Pre-Law Tanks Project: Delta Environmental is the consultant for the project. The STP has obligated $335,402.50 for ownership review and Phase I ESAs at 27 sites and subsurface investigation at 13 sites. To date, Delta has submitted invoices for $54,297.74. Delta's work is complete.

Summary: A total of $740,749.63 or 79.7% of the grant has been obligated. A total of $290,622.11 or 31.3% of the grant has been invoiced. Invoices have either been paid or are in the State's system for payment.

Measure 5: Estimates

Funding estimates for the next six-month reporting period are:

Kelly Oil/Esquibel Site Engineering: The STP estimates that approximately $69,000 will be used over the next 2-3 years for groundwater monitoring to close the site. Approximately $17,250 may be invoiced during the next reporting period. Approximately $100,000 currently obligated will not be used. These funds were to be used for an extensive injection program, which is not needed and will not be completed.

Kelly Oil/Esquibel Site Construction: Ninety percent of the contract has been paid. The remaining 10 percent will be paid upon receipt of all lien waivers and after the 41-day advertising period has expired. The retainage amount ($5,080.06) will be paid during the next reporting period.

Pre-Law Tanks Project Engineering: All work is completed and has been invoiced. There is $281,104.76 remaining in the contract that will not be needed. No payments will be made during the next reporting period.

On July 6, 2010, the STP notified WDEQ Administration that the entire ARRA grant could not be used. The STP recommended sending a portion of the grant back to EPA. WDEQ has forwarded the recommendation to the Governor's office. The STP will be unable to use the following grant amount:

Unencumbered: $188,250.37
From Terracon's Kelly Oil/Esquibel contract $100,000.00
From Delta's Pre-Law Tanks contract $281,104.76
Total: $569,355.13

The STP has amended Terracon's contract to reduce the amount by $100,000. Delta's contract has been terminated.

If you have any questions, please do not hesitate to call me.

Sincerely,

Karen L. Halvorsen, P.E.
STP Manager

Cc: Carl Anderson, PhD, SHWD Administrator
Todd Parfitt, WDEQ Deputy Director
Steve Toalson, WDEQ Administration