Dave Freudenthal, Governor

Department of Environmental Quality

To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

John Corra, Director

October 8, 2010

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

RE: Wyoming STP LUST Prevention Grant and LUST Trust Fund Cleanup Grant
Semi-Annual Status Report (April 1, 2010 – September 30, 2010)

Dear Ms. Chambus:

This report provides required information for Wyoming's LUST Prevention Grant and LUST Trust Fund Cleanup Grant. The report includes data for "Indian Owned" facilities that are in our program. Financial Status Report requirements listed under 40 CFR 31.41 are completed annually by WDEQ/Administration and submitted to EPA, Region 8, Grants Office, with a copy to EPA, Region 8, UST/LUST Office. That reporting is not duplicated in this report.

BACKGROUND: The Wyoming Storage Tank Program (STP) regulates underground storage tanks (USTs) and aboveground storage tanks (ASTs). The definition of an UST is the same as the federal definition. ASTs are defined as aboveground storage tanks used by a fuel dealer to dispense gasoline or diesel to the public. The following table provides an overview of the STP in Wyoming:

	4/6/2010	10/8/2010
Total STP Facilities – Statewide Regardless of Status	3,849	3,838
Total Number of *Systems* of all types (includes non-federally regulated systems)	10,611	10,624
Total Number of UST *Systems*	10,040	10,051
Total Number of AST *Systems*	571	573
Total Number of UST Facilities not Permanently Out of Use (POU)	736	735
Total Number of UST *Systems* not POU	1,887	1,891
Total Number of UST *Systems* Temporarily Out of Use (TOU)	113	121
Total Number of AST Facilities not POU	86	85
Total Number of AST *Systems* not POU	186	181
Total Number of AST *Systems* TOU	16	16
Total Number of Petroleum UST Systems (only federally regulated systems)*	9,846	10,023
Total Number of Active Petroleum UST *Systems* (Not POU)	1,901	1,891
Total Number of Hazardous Substance UST *Systems*	29	29
Total Number of Active Hazardous Substance UST Systems (Not POU)	6	6

SECTION 1 – SUMMARY OF ACTIVITIES

A. LUST Prevention: The STP compliance program continued to perform routine and follow up inspections; installation inspections; tank removal inspections; Operator Annual Inspection reviews; facility testing result reviews; operator, tester, and installer licensing; and issuing Notices of Violations for facilities out-of-compliance with STP rules and regulations. Owners/operators were contacted, as needed, to notify the facility of upcoming testing deadlines. The STP received and responded to calls from the regulated community and the public.

B. LUST Trust Fund Cleanup: The STP remediation program continued remediation efforts at contaminated sites in on-going projects. This work included subsurface investigation, design, on-going operation and maintenance activities, construction of designed remedial alternatives, and decommissioning. The consultant selection process was completed on 1 project that included a total of 14 sites.

SECTION 2 – ACCOMPLISHMENTS/PROBLEMS

A. LUST Prevention:

Cathodic Protection Testing: There are 668 USTs in Wyoming that are protected against corrosion using sacrificial anodes. This number includes both currently in use (CIU) and temporarily out-of-use (TOU) tanks. As of September 30, 2010, only 48 of these tanks had not been tested within the last 3 years. These tanks are located at 18 facilities. This is a 92.8% compliance rate. There are 435 tanks in Wyoming that are protected against corrosion by impressed current systems. Only 14 tanks at 12 locations have not been tested within the last 3 years. This is a 96.8% compliance rate.

Inspections: There are 266 facilities due for state inspection during calendar year 2010. This includes inspections scheduled at less than the required 3-year interval because of violations found during a previous inspection, all aboveground storage tank facilities, and any new facilities that have not yet been inspected for the first time. We expect to make all or nearly all of these inspections without a problem. From April 1, 2010, through September 30, 2010, the STP conducted 233 on-site compliance inspections. The STP conducted 439 on-site compliance inspections during the current federal fiscal year.

Significant Operational Compliance (SOC) Measures: The STP conducted 439 compliance inspections during the past 12 months. SOC compliance rates are:

SOC-1: 95.9%
SOC-2: 96.6%
SOC-3: 92.5%

Operator's Annual Inspection (OAI): During an OAI, the operator is required to complete all tasks the STP does during a field inspection and fully document the inspection in a report to the program. Between October 1, 2009, and September 30, 2010, operators conducted, documented, and reported 579 inspections. All OAIs submitted have been reviewed by the STP.

Enforcement: Since the beginning of the current federal fiscal year, the STP has issued 9 Notices of Violation. During the current federal fiscal year, the STP issued 5 red-tags and lifted 1 red-tag.

Compliance with the Underground Storage Tank Compliance Act of 2005.

- *Inspect every facility not inspected since December 22, 1998:* This has been completed.
- *Inspect every facility on a three (3) year schedule:* We are on track with this work.
- *Write compliance report of government owned tanks:* This was completed on schedule and updated on schedule. This report is available on our website.

- *Require new tanks and lines within 1,000 feet of a community water supply or a potable water supply well to be installed as double wall tanks and lines:* The state statute was amended to require double wall tanks and lines regardless of distance from a water system.
- *Make available a list of all facilities and underground tanks, statewide:* This list is available on our website. The public records information is available on our website and will be updated annually every September 30.
- *All states must have the ability to prohibit deliveries to non-compliant tanks:* This rule was passed into law by the Governor on August 1, 2008.
- *States must require that operators of underground storage tanks be certified:* The STP chose to require operators to pass either the International Code Council (ICC) - Underground Storage Tank Operator's Test (U6) or the International Code Council - Wyoming State Specific Test (W7). The rule was passed into law by the Governor on November 10, 2008.

Problems: None.

B. LUST Trust Fund Cleanup: As of September 30, 2010, there were 2,704 confirmed releases. We initiated cleanup at 1,999 releases using state funds and 64 releases using LUST Trust Funds. A total of 1,342 releases have been cleaned up using state funds and 12 releases using LUST Trust Funds. During the current federal fiscal year, 55 releases were resolved.

Problems: The STP receives loan authority through the Office of State Lands (OSL). The loans from OSL are necessary for the STP to encumber funds for remediation in excess of the balance in the Corrective Action Account (CAA). By statute, the 20% state match on the grants OSL receives from the federal government is taken out of the CAA. OSL received significantly larger grants this year, which resulted in a greater than anticipated match required from the CAA. This has greatly reduced the amount of work the STP can complete. One project that was scheduled to start summer 2010 has been delayed indefinitely. The WDEQ Director, SHWD Administrator, and STP Manager are meeting with OSL to discuss the issue. Additionally, the WDEQ Director intends to address the issue during the upcoming legislative session.

SECTION 3 - SCHEDULES

A. LUST Prevention: The STP is on schedule to complete required compliance activities within timelines established in the grant work plan.

B. LUST Trust Fund Cleanup: By statute, the STP must begin corrective action based on a site's placement on the priority list. Lower priority sites in close geographic proximity to a high priority site are placed in projects because it is cost effective to complete corrective action at a group of sites in close proximity rather than one site at a time. Funding for the program is limited to the balance in the Corrective Action Account. When funding becomes available, new projects are started. Based on current projections the last known contaminated site will be remediated in the year 2063. This estimate is based on the anticipated increase in the OSL match (discussed above) and a decrease in revenue. Revenue into the CAA comes from a penny per gallon of diesel or gasoline sold to the public. During 2010 we saw a decrease of about $2 million in revenue from fiscal year 2009. As discussed in the problems sections above, WDEQ is addressing the issue with OSL and the legislature.

SECTION 4 – FUNDS

A. LUST Prevention: Wyoming received a fiscal year 2010 LUST Prevention grant in the amount of $301,000. The state match was $100,333, for a total of $401,333. The total FY10 LUST Prevention Grant (federal plus state match) used during April 1, 2010, through September 30, 2010, was $212,720.04. These funds were used to complete LUST prevention activities authorized in the work plan. This expenditure met planned expenditures for the period.

B. LUST Trust Fund Cleanup: Wyoming received a fiscal year 2010 LUST Trust Fund Cleanup grant in the amount of $450,000.00. The state match was $50,000, for a total of $500,000. The total FY10 LUST Trust Fund Cleanup Grant (federal plus state match) used during April 1, 2010, through September 30, 2010, was $37,523 (remaining funds as of April 1, 2010). Typically sites are not remediated using the LUST Trust Fund Cleanup Grant, as the majority of facilities in Wyoming are in the state-funded cleanup program. STP project manager salaries and fringe benefits are paid using the federal LUST Trust Fund Cleanup Grant for remediation project contracts administered by the state.

SECTION 5 – ESTIMATES

A. LUST Prevention: The FY10 LUST Prevention Grant remaining as of the end of the reporting period was $20,722.54 (includes the state match). Approximately half of the FY11 grant will be used during the next reporting period.

B. LUST Trust Fund Cleanup: The FY10 LUST Trust Fund Cleanup Grant remaining as of the end of the reporting period was $0.00 (includes the state match). The State's Corrective Action Account has been used to continue to complete remediation at eligible sites. Remaining ARRA grant funds not used for ARRA-eligible projects were retained by the state to be used for administration of non-ARRA projects per EPA. Those funds are being used before the FY11 grant funds are used. We don't anticipate using any FY11 grant funds during the next reporting period.

SUMMARY: At this time, the Wyoming STP has an excellent compliance rate. Corrective action is proceeding as quickly as possible, given the financial and technical constraints that we work under. The STP has met the requirements of the Underground Storage Tank Compliance Act of 2005.

Numbers presented in this report were obtained from the STP database as of September 30, 2010, and October 8, 2010. As previously noted, this report contains both non-Indian owned sites and Indian owned sites. Indian owned sites are those sites identified by EPA as in "Indian Country." While the STP reports the Indian owned sites separately as requested by EPA, the State of Wyoming does not agree with the Federal definition of Wyoming "Indian Country." The mid-year report did not include Indian-owned sites; however, all future reports will include data for those sites. Lists generated as a result of the database queries are on file with the STP and are available upon request.

Sincerely,

Karen L. Halvorsen, P.E.
Storage Tank Program Manager
Solid and Hazardous Waste Division