



2018 Annual Report

Purpose

This report is submitted to the General Assembly and the Department of Health and Environmental Control (DHEC) in order to fulfill the requirements of Title 44, Chapter 2 of the 1976 South Carolina Code of Laws, as amended. Specifically, Section 44-2-150(G) of the State Underground Petroleum Environmental Response Bank (SUPERB) Act requires the SUPERB Advisory Committee (the Committee) to submit an annual report that addresses the financial status and viability of the SUPERB Account and the SUPERB Financial Responsibility Fund (SFRF), the number of sites successfully remediated, the number of sites remaining to be remediated, and any statutory or regulatory changes the Committee recommends. In addition, this report contains information regarding the current status of the underground storage tank (UST) population in South Carolina.

The SUPERB Accounts

Federal regulations (enacted in 1988) require UST owners or operators to demonstrate financial responsibility for corrective action and third party liability at \$1,000,000 per leak occurrence. The South Carolina General Assembly created the SUPERB Account in 1988 to assist UST owners and operators in meeting the corrective action portion of the federal financial responsibility requirements, and the SFRF was legislatively created in 1993 to assist owners and operators in meeting the third party liability requirement. UST owners and operators are responsible for a \$25,000 deductible per UST leak occurrence, and they remain liable for costs above \$1,000,000.

A ½ cent environmental impact fee imposed on each gallon of petroleum entering the state funds the SUPERB Accounts. The Department of Revenue collects the fee under the authority of Section 12-28-2355. Impact fee revenue received during calendar year 2018 totaled \$19,522,139.43 and the total revenue received including impact fee revenue, tank fees, interest, and recovered funds totaled \$24,567,895.29 (Table 1). SUPERB payments during calendar year 2018 totaled \$22,430,470.94. As of December 31, 2018, a total of \$30,505,538.28 in SUPERB funds was committed through current contracts for site rehabilitation activities leaving an available SUPERB balance of \$7,866,300.37 (Table 1). The cumulative expenditures since 1988 total \$475,116,182.12. Cumulative expenditures do not include committed funds.

Table 1. SUPERB Account information as of December 31, 2018

REVENUE	
Impact Fee Revenue	\$19,522,139.43
Tank Fee Revenue	\$4,412,260.18
Interest Revenue	\$606,576.95
Penalties received	\$26,918.70
Total Revenue Received	\$24,567,895.26
Beginning Cash Balance	\$36,834,414.33
Total Available CY	\$61,402,309.59
EXPENDITURES	
Site Rehabilitation	\$20,455,070.35
Administrative Expenses	\$1,975,400.59
Total Expenditures	\$22,430,470.94
Transfers	\$600,000
Cash Balance	\$38,371,838.65
Commitments	\$30,505,538.28
Available for Commitment	\$7,866,300.37
Cumulative Spent since 1988	\$475,116,182.12

per SCDHEC EFIS financial report on January 2, 2019

SUPERB Financial Responsibility Fund (SFRF)

DHEC is currently aware of three active third party claims or suits and actively participates in their resolution as allowed for in Section 44-2-40 of the SUPERB Act. No claim was resolved during the 2018 calendar year. A total of \$1,340,476.02 has been spent for claims, legal fees, and appraisal activities since the creation of this fund in 1993. In July 2017, the fund balance was less than one million dollars. According to Section 44-2-40, monthly transfers of \$100,000 from the SUPERB account shall occur when the Superb Financial Responsibility Fund becomes less than one million dollars, and the monthly transfer shall continue until the balance reaches two million dollars. Monthly transfers dating from August 2017 to June 2018 totaled \$1,100,000. As of December 31, 2018, the SFRF balance was \$2,107,938, negating the need to continue the \$100,000 monthly transfers.

Financial Responsibility for the State Fund Deductible

The SUPERB Act requires that UST owners and operators demonstrate financial responsibility (FR) for \$25,000 per UST leak occurrence as the SUPERB Accounts provide the remaining required coverage. Allowable FR options include: self-insurance, environmental insurance, guarantee, surety bond, letter of credit, trust fund, and several local government options. With a total of 4,034 facilities or responsible parties (owner/operator) that require proof of financial responsibility, the following is a breakdown of what is currently recorded. Fifty-two percent

(52%) are covered by self-insurance, eighteen percent (18%) by environmental insurance, sixteen percent (16%) by guarantees, nine percent (9%) by letters of credit, two percent (2%) by local government options, two percent (2%) by surety bonds and trust funds, and the remaining one percent (1%) of facilities or responsible parties (owner/operator) are in violation of R.61-92 or are new owners required to submit FR.

Cleanup Progress

Since the inception of the program and through December 31, 2018, DHEC has confirmed a total of 10,247 UST releases. Of these, 7,963 or just over 77% have been closed. A total of 104 releases were closed in calendar year 2018; of these, 39 releases were closed under the regulatory program where no assessment activities were required, 43 releases were closed under the assessment program where some assessment activities were completed, and 22 releases were closed under an approved Corrective Action Plan for either Monitored Natural Attenuation or Active Corrective Action. SUPERB funds were expended on 32 of the 104 releases. The remaining 69 release closures aside from the 39 regulatory closures were comprised of 24 release closures under the \$25,000 deductible and 9 release closures where SUPERB funds could not be used to provide coverage (e.g., site could not be qualified or another financial mechanism was in place). Pay for Performance contracts, often referred to as active cleanups, can take more than five years to complete. In order to foster quicker cleanups, current specifications for active corrective action sites now require the site rehabilitation work to be completed within five years unless DHEC provides written approval to extend the duration of the contract. Significant contract modifications have been reviewed by the Office of General Counsel to enhance contract requirements which should result in a greater efficiency of producing more active cleanups.

At year's end, there were 2,285 open releases, of which 2,260 are eligible to receive SUPERB funds. Confirmed releases are ranked by DHEC for funding priority according to the risk each poses. The priority system is outlined in the SUPERB Fund Access Regulations (R.61-98). Appendix 1 of this report depicts the total number of SUPERB eligible releases by their risk category and Appendix 2 depicts this number by county. Appendix 3 depicts the number of cases, by risk category, where rehabilitation activity is being funded and the number where no funding is provided.

For SUPERB eligible releases as of December 31, 2018, 134 releases were in active cleanup, 97 releases were in limited cleanup with free product removal activities being conducted, and 259 releases were being monitored as part of a formalized natural attenuation remedial plan. Site rehabilitation activities were being conducted at another 1,511 releases. A total of 1,750 releases were receiving SUPERB funding at year's end. Majority of site rehabilitation activities are funded by SUPERB or by the UST owner under the \$25,000 SUPERB deductible.

At year's end, nineteen (19) DHEC project manager positions were overseeing environmental assessment or cleanup efforts on 2,164 releases being funded by the SUPERB Account or under the \$25,000 deductible. Over the 2018 calendar year, a total of three (3) project managers left the Corrective Action and Assessment Sections. In addition, one senior project manager was

promoted to a section manager. As a result, in 2018, a total of 10 employees were hired in the Corrective Action and Assessment Sections. As of December 31, 2018, there were two (2) project manager vacancies for the Assessment Section and both are anticipated to be filled in early 2019. Once at full staff, twenty-one (21) project managers will be providing oversight on the active UST releases. During the calendar year, approximately 14% of the project management staff left SUPERB program positions resulting in vacancies (Assessment or Corrective Action sections). The departures were mainly due to personal and promotional opportunities, both within and outside the UST Program. This considerable turnover of staff created delays in project work.

Quality Assurance Program Plan

The UST Program Quality Assurance Program Plan (QAPP) Revision 3.1 was approved by EPA and implemented in August 2016. The purpose of the QAPP is to ensure that all data produced and reported to the Department is scientifically valid, legally defensible, and of known and acceptable precision and accuracy. Between January 1, 2018 and December 31, 2018, 1,562 reviews of QAPP Addendums and Site-specific Work Plans were completed. Since implementation of the QAPP, UST Program staff has worked closely with contractors to facilitate the review process. Based on experience and feedback from contractors, the latest revision of the QAPP includes changes designed to streamline the process and improve efficiency of implementation. Once the annual contractor QA plan has been approved, the contractor is only required to submit a two-page work plan with a few attachments for each scope of work. As of December 31, 2018, the Department has received and approved 33 annual contractor QA plans. An extensive vacancy period for the QAPP Coordinator position has resulted in the lag of approved QA plans for contractors. That position was filled in mid-November. One (1) contractor was removed from the ACQAP renewal process at their request since they no longer perform UST work in SC due to closure of their local office.

Underground Storage Tank Information

Since 1986, there have been 46,494 petroleum USTs registered with DHEC. Of those, 34,283 have been removed from the ground or properly closed in place. As of December 31, 2018, there were 11,273 operating USTs at 4,015 locations across the state owned by 2,063 individuals or companies.

EPA requires reporting on the percentage of UST facilities deemed to be in combined significant operational compliance with both the UST spill, overflow, and corrosion protection requirements and the UST leak detection requirements. At the end of the calendar year, DHEC reported that 70.47% of the 3,380 UST facilities inspected during 2018 met both the release prevention and release detection requirements and were in significant operational compliance (SOC). The SOC rate is affected by many factors including; tank population, rate of inspections performed, tank owner compliance, inspector knowledge/efficiency and other factors. Beginning in December 2013, the SC UST Program moved from paper inspections to an electronic inspection program requiring inspectors to answer specific compliance questions, promoting a more consistent

inspection process. The precision of capturing this information electronically has resulted in a more accurate determination of SOC by allowing for consistency between inspections conducted by different staff across the state. Additionally, the UST Program determines SOC by following a specific matrix of compliance measures provided by the EPA. A review of citations used to determine SOC issued since 2013 revealed that some citations included by the electronic inspection are not included in the EPA matrix. The electronic program has been updated to include only those citations that match the EPA matrix. The Program has reevaluated each inspection for the last two years and updated the SOC rate as deemed appropriate. Historically, SCDHEC rates have been as follows:

Table 2. Significant Operational Compliance

Calendar Year	SCDHEC
2018	70%
2017	65%
2016	63 %
2015	68 %
2014 *First full year of performing electronic inspections	73 %
2013	76 %
2012	77 %
2011	79 %
2010	77 %
2009	76 %
2008	72 %

Electronic Inspections

In April 2013, DHEC began development of a custom electronic inspection program to be used to inspect all UST facilities in South Carolina. With implementation of this electronic system, DHEC has benefitted from paperless operations, improved data quality, and fewer man hours necessary to transfer data into the database. The system is designed to incorporate the existing regulatory requirements of the Agency for consistent citations and to enhance the reporting capabilities to the EPA, owners and operators. Most owners and operators now receive their inspection results via email at the time of inspection. This continues to benefit owners and operators by increasing the time available for them to return to compliance. Violations are documented thoroughly using the tablet camera and photos are stored electronically. Also, the ability to retrain owners and operators on site is reducing the burden to follow up for training. State wide deployment began in December of 2013, and 19,869 facility inspections have been performed to date using the tablets, with 3,380 conducted in 2018.

Release Rate

For the 2018 reporting period, a total of 114 new releases were confirmed. Seventy-five (75) of these were forwarded to the assessment section and 39 were issued regulatory no further actions. Of the 114 confirmed releases, 98 releases were confirmed from currently in use tanks, of which 62 of these releases were forwarded to the assessment section for review and 36 were issued regulatory no further action decisions. Regulatory no further actions are issued when sampling results are reported above the reporting limit, but below the risk based screening level. To determine the release rate, the DHEC divides the number of confirmed releases from currently in use tanks (98), by the total number of currently in use tanks (11,273). Therefore, a release rate of 0.87% is calculated for 2018.

Table 3. Annual Release Rate

Year	Total Number of confirmed Releases from currently in use tanks (Releases Forwarded to Assessment / Releases closed via Regulatory NFA)	Release Rate
2008	119 (77 / 42)	119/11,933*100=1%
2009	116 (70 / 46)	116/11,836*100=0.98%
2010	97 (64 / 33)	97/11,850*100=0.82%
2011	70 (39 / 31)	70/11,782*100=0.59%
2012	82 (50 / 32)	82/11,792*100=0.69%
2013	87 (61 / 26)	87/11,749*100=0.74%
2014	61(53 / 8)	61/11,610*100=0.52%
2015	102 (75 / 27)	102/11,511*100=0.89%
2016	67 (43 / 24)	67/11,429*100=0.59%
2017	114 (89 / 25)	114/11,340*100=1%
2018	98 (62/36)	98/11,273*100=0.87%

Additional Tank Fee Information

An actuarial study of the SUPERB fund, completed in March 2007, listed the current liabilities of the fund at \$153 million and estimated future liabilities at \$373 million. The fund was projected to have a negative balance of \$32 million at the scheduled sunset date in 2026. The EPA voiced concerns about solvency of the SUPERB fund and in September of 2006, DHEC received official notice from EPA Region 4 that the SUPERB Fund was in danger of being declared insolvent. DHEC consulted with South Carolina Petroleum representatives and ultimately developed a funding solution with EPA Region 4, EPA Headquarters Office of Underground Storage Tanks, and the SUPERB Advisory Committee. In January 2009, Bill H. 3270 was introduced through industry-led efforts to address SUPERB solvency by amending Section 44-2-60 Code of Laws of South Carolina, relating to the registration of underground storage tanks so as to establish new annual renewal fees and to require that the additional revenue generated from the tank fee increases be deposited into the SUPERB account. Bill H.3270 was signed by the Governor and made effective on May 19, 2010. The EPA fully

endorsed the funding solution incorporated in the 2010 legislation to address the solvency of SUPERB.

Beginning January 1, 2012, the amended SUPERB Act increased annual tank fees by \$100 each year over four years, ultimately reaching \$500 per tank, and maintains the fee at this level until an additional \$36 million is generated and deposited into the SUPERB account. When the SUPERB account is credited with the additional \$36 million, the annual tank fee will revert back to \$100 per tank the following January. The additional tank fee monies began being collected following the June 1, 2012 billing cycle for tank fees.

Table 4 on the next page provides information on revenues collected and expenditures on calendar year basis. The balance is derived by subtracting the revenues from the previous year's balance. Please note that expenditures listed in previous reports have been corrected. The fund for the additional tank fees was audited and discrepancies in expenditures were noted. Based on Section 44-52-60(A), no portion of the increases may be used by the Department for administration of the program or for orphan sites defined in Section 44-2-20(11). The audit determined that 64 sites from calendar years 2013 thru 2016 were declared as orphan sites and should not have been paid utilizing the additional tank fees. As a result of the audit findings, a total of \$446,452.44 was reallocated to the appropriate accounts. Audits of the additional tank fees will be performed on an annual basis and reported in the SAC report. Further study indicated that not all eligible reimbursements had been allocated with the appropriate funding codes during 2017. In February 2018 funds totaling \$3,663,150.50 were reallocated to cover eligible site rehabilitation work that occurred during 2017.

Table 4. Additional Tank Fee Revenues and Expenditures

Calendar Year	Fee Increase/Year	Fund Reallocation	Expenditures	Revenues	Balance*
					\$36,000,000.00
2011				\$1,088,000.00	\$34,912,000.00
2012	\$100	\$0	\$0	\$1,135,120.00	\$33,776,880.00
	LUST Trust Grant			\$1,154,310.00	\$32,622,570.00
2013	\$200	\$44,451.91	\$3,346,989.18	\$2,307,586.36	\$30,314,983.64
	LUST Trust Grant			\$1,174,744.00	\$29,140,239.64
2014	\$300	\$28,957.92	\$3,407,967.84	\$3,384,491.61	\$25,755,748.03
	LUST Trust Grant			\$999,997.24	\$24,755,750.79
2015	\$400 (A)	\$27,766.61	\$4,307,469.36	\$4,505,919.70	\$20,249,831.09
	Legal Settlement	\$0	\$0	\$1,350,554.62	\$18,899,276.47
	LUST Trust Grant			\$1,000,000.00	\$17,899,276.47
2016	\$400 (A)	\$345,366.00	\$3,769,966.10	\$4,481,194.37	\$13,418,082.10
	LUST Trust Grant			\$1,000,000.00	\$12,418,082.10
	LUST Trust Grant Addendum	\$0	\$0	\$192,470.00	\$12,225,612.10
2017	\$400 (A)	\$0	\$4,202,585.97	\$4,445,707.80	\$7,779,904.30
	Legal Settlement	\$0	\$0	\$197,977.92	\$7,581,926.38
	LUST Trust Grant			\$1,000,000.00	\$6,581,926.38
2018	\$400 (A)	\$3,663,150.50	\$5,568,383.76	\$4,412,260.18	\$2,169,666.20
2018	LUST Trust Grant			\$1,000,000.00	\$1,169,666.20

*Remaining to be collected to reach \$36 million
 (A) Maximum fee increase of \$400 per statute.

Revisions to State UST Regulations, R. 61-92, Part 280

The Underground Storage Tank (UST) Management Division amended the SC UST Regulation R. 61-92, Part 280 on May 26, 2017 in response to revisions to the Federal UST Regulations which became effective October 13, 2015. In preparation for the revisions, DHEC's goals were to foster collaboration with the regulated community and interested stakeholders, exhibit transparency in regulation development activities, and demonstrate accountability. DHEC hosted outreach meetings for stakeholders to provide an opportunity to share their ideas and concerns and arranged for these meeting to be available by webinar also. An informational forum was held May 16, 2016. The meeting was attended by approximately 50 UST facility owners and operators, members of the SUPERB Advisory Committee, South Carolina Petroleum Marketers Association, South Carolina Association of Convenience Stores, as well as equipment testing, repair, and installation companies. During the meeting, stakeholders were invited to participate in a regulation revision workgroup, which met on four occasions. A total of 26 individuals participated in the workgroup meetings. These workgroups were well received and many attendees expressed interest in continuing their involvement with DHEC.

The Division continued its efforts to include the regulated community in the regulation revision and compliance process through several industry workgroup meetings, where implementation of the regulatory requirements were discussed. Also, a review of the UST program's outreach plan and proposed activities to educate the regulated community of regulation revisions was reviewed and discussed at these meetings. Workgroup members again expressed continued interest in working with DHEC program personnel.

On May 26, 2017, revisions to the SC UST Regulation R. 61-92, Part 280 became effective. Immediately following the revision date, the Division developed the following outreach initiatives:

1. A tri-fold implementation brochure was developed and mailed out with all annual tank invoices to owners. This brochure is also being provided to owners/operators during regular compliance inspections as well as compliance and outreach activities.
2. Information was posted on the DHEC website, to include forms revised or developed with input from the regulation revision workgroup.
3. Inspection documents continue to be revised to include due dates for new requirements.
4. Information outlining specific regulatory requirements and deadlines is provided to new owners at the time of permit issuance or ownership transfer.
5. The operator training program was modified to incorporate new regulations for new operators. Operators trained prior to May 26, 2017, need only complete a supplemental training module that includes regulation updates. This operator training program is found on our website, free of charge.
6. Newsletter articles were published regarding the amended regulatory requirements.
7. Developed standardized informational language that can be inserted in all outgoing correspondence, including E-mail, providing a link to our webpage where the regulation revision information and A/B operator supplemental training will be located.

8. At the bottom of each Compliance Section member's email, information is provided to direct the regulated community to links to information on the webpage.
9. Workgroups are being held with contractors on a quarterly basis.
10. A workshop was held in October 2018 with industry stake holders.

The Division continued its efforts to include the regulated community with two workgroup meetings held on March 16, 2018 and July 24, 2018. These meetings created dialogue for quality improvements that DHEC implemented to improve cleanup processes where SUPERB funds were applicable. Through the processes implemented, the Division was able to successfully achieve its goal of expending SUPERB funds for site rehabilitation work. A separate meeting was held on April 26, 2018 with industry stakeholders that assisted in developing criteria for a workshop to enhance compliance outreach for the regulated community pertaining to the new regulation requirements.

The Division hosted a workshop in the fall of 2018 to discuss the new requirements of the recently amended UST regulations. The goals of the workshop were to strengthen stakeholder partnerships and provide proactive compliance assistance for new UST regulations becoming effective in May 2020. Invitations for the workshop were extended to UST owners and operators, compliance and site rehabilitation contractors, and various other stakeholders in the petroleum industry. Leadership from DHEC's Environmental Affairs office and the Bureau of Land and Waste Management attended the workshop. UST staff from Region 4 of the United States Environmental Protection Agency (EPA) also attended to support the UST Division and gave high remarks for DHEC's UST program for ongoing compliance improvements and outreach.

During the second half of 2018, the Division created a new quarterly contractor group to hold meetings with UST compliance contractors. These meetings took place on August 29, 2018 and November 8, 2018. The goal of these meetings is to create dialogue and develop a collaborative partnership with industry leaders in compliance operations while receiving feedback on implementation of the newly amended regulations. This group will continue to meet in the 2019 calendar year.

Continuous Improvement Action Plan

Following recommendation by the committee, the UST Management Division (the Division) has developed an Action Plan to maximize operational efficiencies, increase cleanup activities and SUPERB fund commitments, and improve consistency throughout the program while providing exemplary customer service. The Division expected measurable improvements over time and a summary of accomplishments for the calendar year is documented below. Three (3) full time positions were created in the Corrective Action Section. A new full time employee position was created for the Assessment Section. Two (2) administrative staff positions were added to assist with our file management system. One (1) accountant position was added to assist with reviewing and processing increase invoice workload. One (1) customer service liaison position was created and filled. Overall the Division has added nine (9) new full time positions and three

hourly positions in last 6-12 months.

The Division has implemented several processes that should reveal operational efficiencies for the UST program:

1. Revised Active Corrective Action (ACA) Option Letters that will provide clarity in the responsibilities of owners/operators as well as SUPERB fund allowance.
2. The declaration of an orphan site for dissolved corporations has been revised to allow the registered agent of that corporation to be notified of the Division's intent prior to making the final decision.
3. The monitored natural attenuation (MNA) process has been modified to issue one sampling directive for multiple events for that year, if deemed appropriate.
4. Pay-For-Performance (PFP) Contract Bid Specification language was revised and reviewed by the Office of General Counsel (OGC) to provide better contract management, so corrective action can be completed in a timely manner.
5. State-Lead contracts are being modified with the help of Office of General Counsel (OGC) to give the Division the flexibility to direct work to more than one contractor under the same state-lead contract if deemed necessary.

Additionally, in 2018, the Division has implemented several long term and short term initiatives to address site rehabilitation activities and fund commitments:

1. A process was developed to accelerate the number of aggressive fluid and vapor recovery (AFVR) events to be directed.
 - During the AFVR Push Initiative, directives for AFVR events were sent out on 156 owner/operator sites from February to April 2018, at a total commitment cost of \$5,458,779.31. From May through December, the Corrective Action Sections issued 200 AFVR directives at owner/operator sites, of which 56 were for multiple AFVR events, at a commitment cost of \$6,729,740.27. Upon review of the report, the next appropriate scope of work was directed. Project managers are continuing to review plans and reports as received giving priority to the free product sites within each priority classification.
2. The Division established a voluntary "Blitz" program allowing project managers to be compensated for working extra hours to manage high risk sites for vacant staff positions.
 - The Division allowed staff to work overtime hours to address higher priority sites that were assigned to vacant positions and were active as a result of the vacancies. The UST Blitz Project completed over 1,311 hours of work at over 410 sites from September 25, 2017 through December 31, 2018. During this same period, 350 directives were issued, \$3,734,334.07 was financially pre-approved and \$1,399,845.86 was paidout for site rehabilitation work.
3. The Division created a path for the implementation and utilization of High Resolution Site Characterization (HRSC) profiling tools at UST release sites. This modern technology will

provide better understanding of the nature and extent of the contamination at a release site and help reduce uncertainty in the corrective action process.

- Two HRSC state lead solicitations were awarded in 2018, the first on November 13, 2018 and the second on December 13, 2018. Each contract consists of 13 state lead sites throughout South Carolina where HRSC assessments will be conducted. The HRSC assessments will be completed in 2019.
4. Senior staff members' job duties have been modified to assist with providing more in depth training of new staff and support with project management; revising technical templates and bid specifications; with the overall goal of program consistency and efficiency.
 - A senior project manager was tasked with training new staff to ensure a consistent application of regulations, policies, and procedures. This on-boarding is a 2-3 week process that immerses new staff into an intensive training program involving training segments from several senior staff members pertaining to various different aspects of the UST process.
 5. Five volunteer staff members from other areas of the bureau assisted with UST project review work.
 - The Volunteer project was conducted from February 2, 2018 through June 15, 2018. Volunteers received 2 weeks of training prior to assisting the UST Division with site review and issuing directives on 225 low risk rank sites. The total SUPERB money expended as a result of this effort was \$1,880,053.70.

The Division has established protocols and processes to provide consistency with the state-wide inspection and compliance program through:

1. The "Phase 4 Inspection" during the permitting process as of April 28, 2018, will now be a Compliance Assistance/Outreach inspection with the goal of providing education to the new owner/operator on the inspection and compliance process.
 - After a facility receives their permit to operate and begins operation, a compliance outreach inspection will be conducted. The new process will provide opportunities for the tank owner to meet the inspector, gain an understanding of their UST system, and understand the compliance expectations of the UST Division. If compliance issues are noted at the time of the site visit, the owner is provided options on how to correct the issues without citations. The regional inspector will return within 90 days to follow up on the progress and begin the annual inspection cycle. If the facility is in compliance, this will begin the annual inspection cycle with the next inspection in one year. Citations will only be issued for serious violations (such as absence of line leak detectors or by-passing of overfill prevention) or suspected releases.

2. For all new UST owners/operators, compliance assistance visits will be performed by the central office staff effective April 1, 2018, unless the owner/operator has explicitly indicated that they do not want such a visit.
 - Since the effective date, there have been 159 outreach opportunities, with 11 involving compliance assistance visits performed by central office staff. All owners and operators were contacted; however, most declined the site visit because they had existing knowledge of compliance requirements from their experience in owning other facilities or the current operator remained on staff with only a change in owner.
3. The UST Division has developed a form where an owner/operator with multiple facilities can identify all the facilities owned/operated and corresponding financial responsibility mechanisms on one form.
 - The UST Division has updated the Certificate of Financial Responsibility (CFR) form to allow owners/operators with multiple facilities sharing the same owner/operator and financial mechanism to submit only one CFR, compared to historically having to submit separate forms for each facility.
4. The UST Division developed a standardization of the inspection process to maintain consistency in the inspection process statewide and was implemented on January 1, 2019.
 - A phase installation inspection is now performed after the permit to operate application is received and before the final permit to operate is issued. This will provide an opportunity for contractors to correct any compliance issues noted before the final permit to operate is issued and allow the inspector an opportunity to document equipment and ensure proper installation before issuance of the final permit.
5. The UST Division is in the process of developing an owner/operator handbook to assist owners/operators meet the regulatory requirements.
 - Position papers are being created in an effort to maintain consistency at inspections. These are typically one page documents pertaining to specific compliance issues that are not clearly defined in the regulations but need clarification. These papers plainly discuss technical issues and provide options for owners and operators to maintain or regain compliance. Papers are available to inspectors and the general public on the website. Tablet software has also been updated to reflect these decisions on compliance inspection reports.
6. Additionally the Division has implemented several compliance assistance initiatives to deliver consistent customer service to owners and operators.
 - A new process concerning release responsibility was initiated to determine correct signatures for corrective action liability. Signatures on site rehabilitation invoices are investigated to determine the signer's association with the person responsible for the release. If tanks are abandoned at a facility, the tank owner is deceased and the family is no longer connected to the land; a letter is mailed to the entity signing the invoice

providing options to continue signing or the Department may perform the remaining necessary site rehabilitation work through its own contractors. The contractor and project manager are also copied on the correspondence. This process improves the quality of liability paperwork for the Division to maintain the correct responsible party signing for corrective action work.

Recommendations

1. The UST Management Division should commission an independent actuarial study of the SUPERB Account to include several scenarios for sunset date that would provide an update on fund solvency.
2. The SAC supports industry efforts to repeal the sunset date provision of the SUPERB Act through a proposed amendment to legislation (Senate Bill 525).
3. An executive summary to be included at the beginning of the SAC report.
4. The UST Management Division orchestrate a mid-year conference call with committee members.

Appendix 1

SUPERB Eligible Releases by Risk Category As of December 31, 2018

Risk Category	Open Releases							
	2018	2017	2016	2015	2014	2013	2012	2011
1	174	154	148	136	134	152	160	177
2A	102	105	100	104	112	105	114	124
2B	682	713	731	747	772	797	818	876
3A	73	63	59	63	54	46	47	50
3B	788	758	752	770	784	818	879	915
4A	186	189	192	193	203	204	182	189
4B	116	116	116	123	121	128	134	132
5	139	144	119	129	109	122	137	136
Total	2,260	2,242	2,217	2,265	2,289	2,372	2,471	2,599

Risk Category Definitions:

- Category 1 Emergency
- Category 2A Threat to human health or environment is predicted to be less than 1 year
- Category 2B Drinking well identified less than 1,000 feet away
- Category 3A Threat to human health or the environment is predicted to be 1 to 2 years
- Category 3B Release in shallow groundwater with migration expected
- Category 4A Threat to human health or the environment is predicted to be greater than 2 years
- Category 4B Release in shallow groundwater with minimal migration expected
- Category 5 Data currently inconclusive

Appendix 2

SUPERB Eligible Releases by Risk Category and County as of December 31, 2018.

County	Risk Category								Total
	1	2A	2B	3A	3B	4A	4B	5	
Abbeville	5	0	8	1	2	3	3	0	22
Aiken	3	1	11	2	11	2	1	5	36
Allendale	0	0	4	0	9	2	1	0	16
Anderson	3	1	15	1	44	8	1	8	81
Bamberg	0	1	6	0	4	0	0	1	12
Barnwell	1	2	6	2	5	0	0	0	16
Beaufort	2	3	10	3	14	0	0	0	32
Berkeley	0	0	15	1	23	0	2	2	43
Calhoun	0	0	1	0	4	0	1	1	7
Charleston	3	1	7	0	55	0	1	6	73
Cherokee	0	3	7	3	12	3	3	1	32
Chester	8	1	7	1	16	0	2	3	38
Chesterfield	3	2	7	0	6	0	2	1	21
Clarendon	8	3	29	1	11	0	2	2	56
Colleton	4	2	10	0	9	0	0	0	25
Darlington	0	0	20	0	22	1	5	5	53
Dillon	4	1	10	4	10	0	3	2	34
Dorchester	3	1	11	1	18	1	0	2	37
Edgefield	1	0	5	1	6	0	1	1	15
Fairfield	4	1	9	0	3	1	0	3	21
Florence	6	5	35	1	45	1	11	7	111
Georgetown	2	1	8	4	11	0	0	0	26
Greenville	8	7	33	7	70	41	16	25	207
Greenwood	3	1	17	1	10	7	3	2	44
Hampton	2	3	13	1	3	0	2	0	24
Horry	6	11	35	11	53	0	1	2	119
Jasper	0	5	18	1	4	1	2	0	31
Kershaw	3	2	6	0	11	3	0	4	29
Lancaster	2	1	20	4	15	6	10	1	59
Laurens	4	0	16	1	17	8	1	5	52
Lee	0	2	7	0	1	0	0	0	10
Lexington	10	2	26	6	33	6	5	2	90
Marion	2	1	16	1	17	1	0	1	39
Marlboro	3	2	11	1	12	2	1	1	33
McCormick	2	0	5	0	7	1	0	1	16
Newberry	4	2	16	1	12	5	4	3	47
Oconee	2	3	10	2	3	3	1	3	27
Orangeburg	3	2	36	0	34	0	2	1	78
Pickens	1	0	4	0	8	6	0	0	19
Richland	16	7	32	2	28	8	4	2	99
Saluda	3	0	2	0	9	0	0	0	14
Spartanburg	6	5	25	4	35	55	12	13	155
Sumter	7	4	32	0	17	1	3	2	66
Union	2	0	3	1	5	0	0	1	12
Williamsburg	6	6	17	2	12	1	0	0	44
York	19	7	37	1	29	10	9	3	115

Appendix 3
SUPERB Eligible Releases by Risk Category
Work Ongoing or Not Currently Working
As of December 31, 2018

Risk Category	Work Currently Ongoing With SUPERB Funds or under the \$25,000 Deductible¹	Not Currently Working Awaiting SUPERB Funding or under the \$25,000 Deductible
1	174	0
2A	100	2 ²
2B	661	21 ²
3A	70	3 ²
3B	735	43
4A	101	85
4B	49	67
5	105	34
Total	2005	255

In accordance with the SUPERB Site Rehabilitation and Fund Access Regulations R.61-98, Section II.B., UST releases, regardless of its time of occurrence, shall be classified accordingly:

¹SUPERB funds are available for the current scope of work and ongoing site rehabilitation activities (e.g., IGWA, Tier I, Tier II, AFVR, MNA, ACA) based on high priority or anticipation of a cleanup complete measure. Includes releases where the Owner/Operator is conducting activities under the deductible (includes a subset of 231 releases where the \$25,000 deductible has not been met).

²SUPERB funds are available for the next scope of work but currently no site rehabilitation work is funded (e.g., awaiting a decision from the owner/operator, between active scopes of work with new work pending process review and funding, ongoing enforcement actions, RP resolutions, etc.). This number may include the subset of 3 releases working strictly under the \$25,000 SUPERB deductible. However, all \$25,000 deductible sites are being actively worked or pursued to start work.