



WASHINGTON STATE POLLUTION LIABILITY INSURANCE AGENCY



2021-23 Strategic Plan

The Pollution Liability Insurance Agency provides an effective and efficient government funding model to support owners and operators in meeting financial responsibility and environmental cleanup requirements for underground storage tanks.



Photo Credit: Acme Fuel Company



Photo Credit: Quick Stop #4



Photo Credit: Smitty's Conoco



Washington State Pollution Liability Insurance Agency



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For questions about this Strategic Plan, please contact Phi.Ly@plia.wa.gov. To access this document electronically, visit: https://plia.wa.gov/wp-content/uploads/2019/10/21_23_StrategicPlan_Final.pdf
To request materials in an alternative format, call PLIA at 1-800-822-3905. Relay Service 711, or TTY at 1-800-833-6388.

MISSION STATEMENT

The Washington State Pollution Liability Insurance Agency (PLIA) provides an effective and efficient government funding model to support owners and operators in meeting financial responsibility and environmental cleanup requirements for underground storage tanks.

VISION

PLIA is a leader in integrated financial responsibility, technical assistance, enhanced economic development, and innovative cleanup approaches.

CORE VALUES

Be the government you would want at your door: PLIA is passionate about customer engagement, communication, and education and is committed to providing clear guidance and excellent service to our customers.

Stimulate economic development: PLIA works to restore property values and create and preserve jobs while protecting human health and the environment.

Making the impossible possible: PLIA's strong culture, vision and leadership provide staff with the ability and confidence to take on any challenge in service of the people of Washington State.

Accountable stewardship of resources: PLIA maintains a lean and fiscally sound agency budget and we hold ourselves accountable for efficient and effective stewardship of the state's resources.

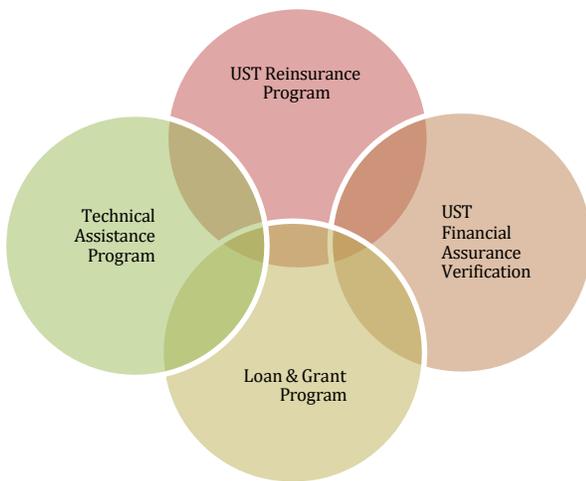
STATUTORY AUTHORITY

PLIA was created in 1989 by the Washington State Legislature. The enabling legislation is contained in:

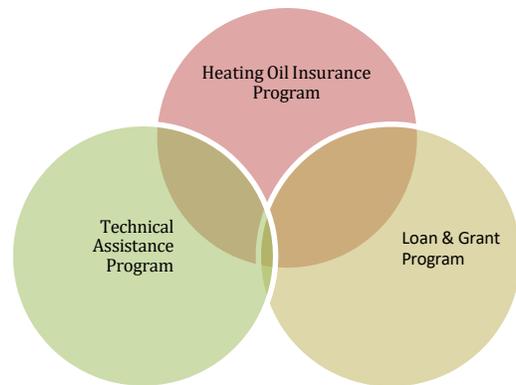
- **Chapter 70A.325 RCW, Underground Petroleum Storage Tanks** – Creates a state financial responsibility (pollution liability insurance) program meeting the U.S. Environmental Protection Agency requirements for owners and operators of underground storage tanks.
- **Chapter 70A.330 RCW, Petroleum Storage Tank Systems – Pollution Liability Protection Act** – Authorizes PLIA to develop a program that provides pollution liability insurance for home heating oil tanks.
- **Chapter 70A.345 RCW, Underground Storage Tank Revolving Loan and Grant Program** – Authorizes PLIA to establish a revolving loan and grant program to assist owners and operators of petroleum underground storage tank systems to: (1) Remediate past releases; (2) upgrade, replace, or remove petroleum underground storage tank systems to prevent future releases; and (3) install new infrastructure or retrofit existing infrastructure for dispensing renewable or alternative energy.
- **Title 374 WAC, Pollution Liability Insurance Agency** – Agency rules and operating procedures.

AGENCY STRUCTURE

COMMERCIAL UNDERGROUND STORAGE TANKS



HEATING OIL



PLIA operates seven core programs:

- **Commercial UST Reinsurance Program**
This program provides reinsurance services to private insurance companies to ensure the availability and affordability of insurance policies allowing UST owners and operators to meet state and federally mandated financial assurance requirements.
- **Heating Oil Pollution Liability Insurance Program**
This program provides registered heating oil tank owners with up to \$60,000 of insurance coverage to clean up heating oil releases. Beginning July 2, 2020, PLIA no longer accepts new insurance registrations for the insurance program. However, PLIA will accept transfers of an existing registration to a new owner when done within 180 days of a change in property ownership.
- **Technical Assistance Program**
Gasoline/Diesel and Heating Oil
This program provides technical assistance to owners of petroleum-contaminated sites on meeting the state's environmental regulations when cleaning up a petroleum release. Site owners can request and receive opinion letters to verify that they have met the necessary cleanup requirements.
- **Underground Storage Tank (UST) Revolving Loan and Grant Program**
Commercial UST
This program provides financial resources in the form of a loan or grant to UST owners to clean up historical or ongoing contamination caused by a UST release, replace or upgrade aging fuel systems to dispense today's fuels and prevent leaks, and transform old stations

into the gas stations of the future, adapted to the changing transportation market including the installation of electric vehicle (EV) charging stations.

Heating Oil

This program provides up to \$75,000 in financial resources to heating oil tank owners to pay for cleanup of contamination caused by a heating oil tank release. Based on program funding availability, this program can also provide resources to pay for infrastructure upgrades.

- **UST Financial Assurance Verification**

This program works with the Department of Revenue and the Department of Ecology to verify UST owners and operators meet state and federally mandated financial assurance requirements.

AGENCY CAPACITY AND FINANCIAL HEALTH

PLIA operates its statewide programs with twenty-one (21) employees. Employees work across several programs, and all have a passion for the agency's mission and customers. PLIA strives to provide ongoing training opportunities to all staff to encourage and support employee development as well as furthering a positive work environment.

In August 2020, PLIA submitted the agency's Diversity Plan. PLIA has established agency policies on diversity, equity, inclusion, and respect in the work environment (DEIR). DEIR are the foundation of PLIA's operations and programs. From the agency work culture to how the staff interact with customers, stakeholders, and other partners, PLIA fully values all agency interactions and the opportunities to improve access to agency services.

In September 2022, the agency submitted its Pro-Equity Anti-Racism strategic plan to the Office of Equity. The plan identifies how PLIA intends to provide equitable access to programs and services and reduce disparities to better serve historically marginalized, underserved, and underrepresented populations and communities. Public participation and communications are vital to enhancing customer accessibility. PLIA is also developing opportunities to include environmental justice considerations in the agency's programs. These efforts include revising certain solicitation documents and processes for improved access to veteran-, and woman-owned businesses, participating in the state's Environmental Justice Council work group sessions, and using the Department of Health's Health Disparities map system to obtain data about communities and neighborhoods impacted by petroleum releases.

The agency's strategic plan development is carried out biennially, with as-needed updates to reflect program enhancements and improvements and to adapt to external changes. PLIA's primary strategic planning timeline is two (2) years, to align with our budgeting environment, with additional strategic focus on the period from the present through 2030 (the agency's expiration date).

With leadership transition in 2013, the agency critically evaluated its programs and implemented several improvements, including:

- Portfolio Management of UST claim sites.

- A Scope of Work Form for the Heating Oil Liability Insurance Program that aligns with the Model Toxics Control Act (MTCA).
- Increased technical rigor in the Heating Oil Technical Assistance Program.

The Governor and Legislature authorized PLIA to expand its services in 2016 and 2017 to include:

- A Loan and Grant Program for UST owners and operators to upgrade and clean up UST infrastructure.
- A technical assistance program for owners of qualifying petroleum contaminated sites.

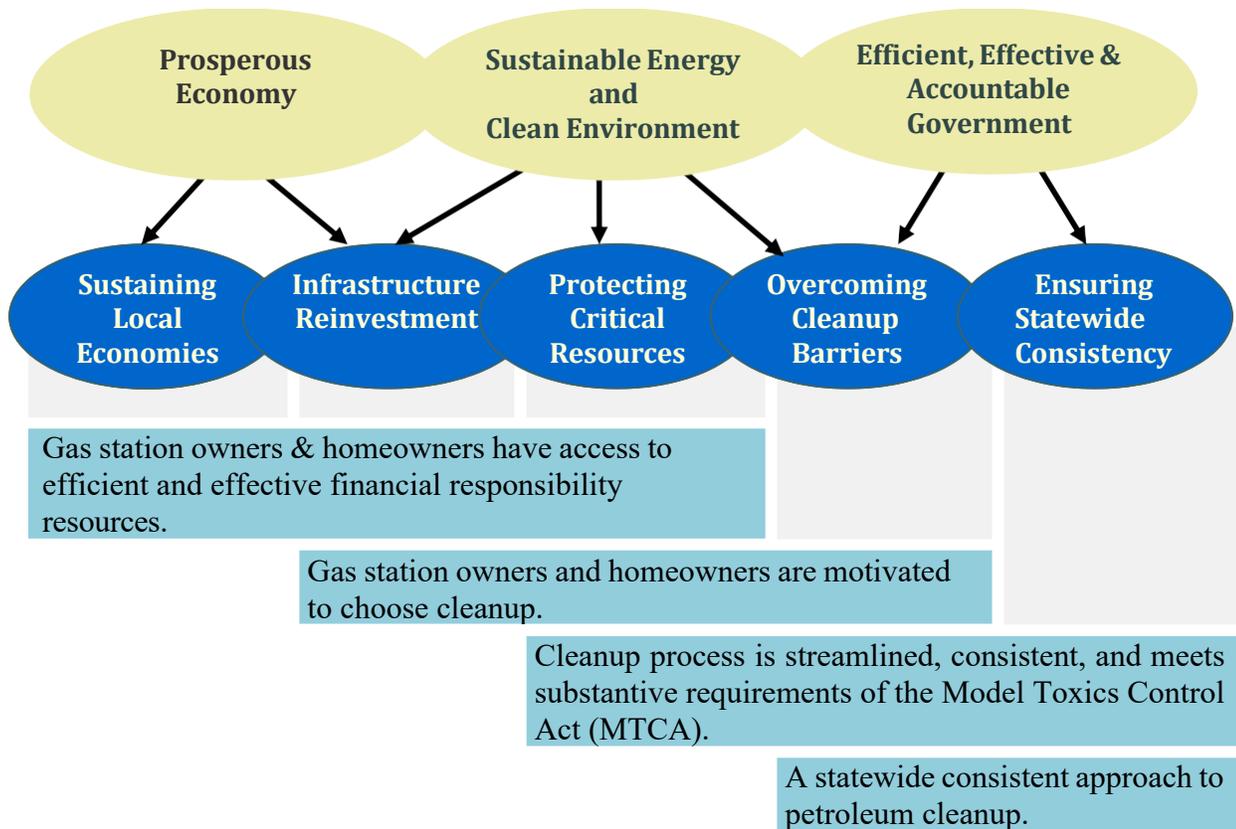
In 2020, the Governor and the Legislature directed PLIA to:

- Discontinue new registrations for the Heating Oil Insurance Program unless the tank owner has an existing registration and is transferring this during a property sale.
- Implement a Heating Oil Loan and Grant Program to provide financial resources to heating oil tank owners to pay for cleanup of contamination and infrastructure needs.
- Implement an emergency financial responsibility program in the event of private insurer withdrawal from the state market.

The agency implemented a modern IT infrastructure that meets technological digital standards. The first step was modernization of the agency's website. Following the launch of the new website, PLIA also took the first step toward replacing its legacy databases with modern solutions (architecture and platform) to enable the agency to meet its desired transparency goals. PLIA's goal is to implement a modern IT solution that allows for cross-program and cross-agency coordination to include the Department of Ecology, Department of Health, and Department of Revenue. In 2018, PLIA adopted a new PaaS solution for the Loan and Grant Program. This modern IT solution will streamline agency workflows, and allow PLIA to provide real-time, on-demand access for our customers to their claim and cleanup information. In 2020 and 2021, PLIA expanded the IT system to include the Heating Oil Insurance Program and the Technical Assistance Program.

PLIA's operating budget for the 2019-21 Biennium was \$4,690,000. The major funding source for the agency is the petroleum products tax which is assessed on the first possession of petroleum products in the state and is deposited in the agency's pollution liability insurance program trust account (fund 544). The current tax rate for the petroleum products tax is 0.0015% and is based on the wholesale value of the product. The agency also receives a modest amount of funding from a 1.2 cents/gallon fee assessed on heating oil dealers, which is deposited in the heating oil pollution liability trust account (fund 545). None of the agency funding comes from the State General Fund. Interest from both of the agency's trust accounts is deposited in the State General Fund. The trust accounts have contributed more than \$29 million in interest revenue to the State General Fund since 1992.

AGENCY GOALS



OUTCOME: Gas station owners & heating oil tank homeowners have access to efficient and effective financial responsibility resources.

Measures:

- 80% of statewide owners and operators of regulated USTs have access to a state-run financial responsibility option.
- 90% of claim sites cleaned and claims closed within negotiated timeline and policy limit.
- At least seven (7) owners/operators per year apply for a revolving loan or grant to upgrade their equipment.
- Five (5) or more aged (older than 25 years) USTs systems are upgraded per year as a result of PLIA's revolving loan and grant program.
- Four (4) or more EV charging stations (or alternative fuel infrastructure) are installed per year through PLIA's revolving loan and grant program.

Strategies:

- Develop and propose a state financial assurance program as a financial responsibility mechanism to assist UST owners and operators.
- Provide loans and grants to gas station owners and operators who want to upgrade existing infrastructure but cannot access traditional financing.
- Incentivize the installation of alternative fueling infrastructure in the revolving loan and grant program.
- Make UST compliance and cleanup information easily accessible to all UST owners and operators.

- Provide education and outreach to UST owners and operators concerning risk factors that influence costs associated with meeting financial responsibility requirements.
- Improve access to agency materials and documents to populations requiring non-English translation or other accessibility needs.

OUTCOME: Gas station owners and homeowners are motivated to choose cleanup.

Measures:

- Accept at least sixty (60) new gasoline/diesel sites into the Technical Assistance Program each year.
- Maintain the increased participation in the Technical Assistance of 200 sites per a year.
- Restore a minimum of \$5 million in property values each year.
- Initiate more than four (4) cleanups per year with PLIA's low interest loan program.

Strategies:

- Provide language translated documents and offer language interpretation to gas station owners and homeowners seeking to cleanup petroleum releases.
- Conduct additional community engagement through participation in neighborhood events, workshops, and industry conferences.
- Provide clear, consistent, and timely technical assistance to owners of petroleum-contaminated sites.
- Provide loans and grants to gas station owners and operators and homeowners who want to clean up contamination but cannot access traditional financing.
- Conduct financial and technical audits of UST reinsurance claims.
- Enhance relationships with an owner's or operator's consultant to improve communications on cleanup actions.
- Develop and implement ongoing marketing efforts that include contacting realty companies, financial institutions, and other relevant parties to encourage cooperation in providing their customers with agency program information.

OUTCOME: Cleanup process is streamlined, consistent, and meets substantive requirements of MTCA.

Measures:

- 75% of gasoline/diesel sites accepted into the Technical Assistance Program meet cleanup timelines.
- 90% of claim sites will be cleaned and claims closed within negotiated timelines and policy limits.
- Remove financial barriers for petroleum-contaminated sites based on proximity to high susceptibility wells.

Strategies:

- Conduct intake meetings with each applicant to the Technical Assistance Program.
- Strengthen agreements with insurance partners to establish and enforce cleanup milestones for all insurance claim and loan and grant sites. Program activities include meeting with the parties to discuss paths moving forward to closure, submission of a scope of work, a formal review/comment process, and the issuance of an opinion letter to insurance partners and the insured's consultant.
- Prioritize reinsurance sites based on environmental issues and remaining monies left on the

policy.

- Prioritize loan and grant sites based on their proximity to highly susceptible wells.
- Contract with a third party to assess the current Commercial UST Reinsurance and Heating Oil Liability Insurance programs given current commercial UST insurance market and residential heating fuel market conditions.
- Continue process improvement efforts in the areas of reviews and approvals.

OUTCOME: A statewide consistent approach to petroleum cleanup.

Measures:

- Endeavor to have all UST owners and operators enrolled in other PLIA programs also enter the Technical Assistance Program.
- Interagency collaboration with Department of Health to protect groundwater.
- A majority of heating oil release cleanups go through our agency.
- Design and implement a data collection strategy to effectively assess and proactively address aging petroleum infrastructure.

Strategies:

- Strengthen the performance accountability requirements in the Heating Oil Service Provider Agreement to ensure timely cleanups that meet the substantive requirements of MTCA.
- Require annual renewal of the Heating Oil Service Provider Agreement.
- Continue to participate in leadership activities for national associations and organizations.

AGENCY STRATEGIC PARTNERS

The agency's external strategic partners include:

- Washington Independent Energy Distributors
- Western States Petroleum Association
- Washington Environmental Council
- Washington Realtors
- Colony Specialty Insurance Agency
- Great American Insurance Group
- Crum & Forster Specialty Insurance Agency
- United States Environmental Protection Agency
- Korean American Grocers Association
- Puget Sound Energy
- Association of State and Territorial Solid Waste Management Officials

State agency partners include:

- Department of Health
- Department of Ecology
- Office of the Insurance Commissioner
- Department of Commerce

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