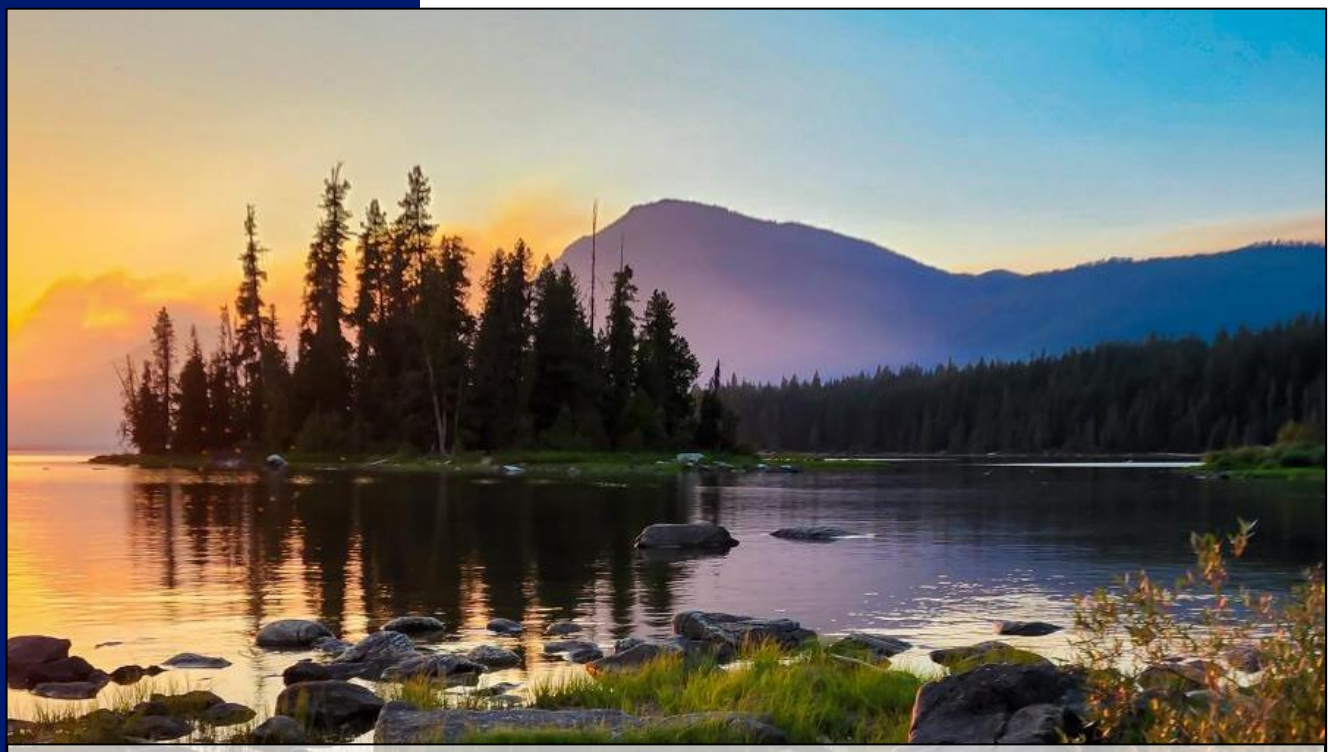
Underground Storage Tank Revolving Loan and Grant Program

Washington State Pollution Liability Insurance Agency



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Report to the Legislature

As required by RCW 70A.345.090.

2021-2023 Biennium

September 2024

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Underground Storage Tank Revolving Loan & Grant Program

In 2016, the Washington State Legislature authorized the Pollution Liability Insurance Agency (PLIA) to establish the Underground Storage Tank Revolving Loan and Grant Program (Loan and Grant Program) to address Washington's aging underground storage tank (UST) infrastructure. RCW 70A.345.010(1). This program assists owners and operators of petroleum UST systems with financial assistance to:

- Remediate historical or ongoing contamination caused by UST releases.
- Replace, remove, or upgrade aging petroleum fuel systems to prevent future releases.
- Install new infrastructure or retrofit existing infrastructure for dispensing or using renewable or alternative energy including the installation of electric vehicle (EV) charging stations.

In 2020, the Legislature expanded the Loan and Grant Program to include heating oil tanks. RCW 70A.345.010(2). The program assists owners and operators to:

- Remediate past or current releases from heating oil tank systems.
- Prevent future releases by upgrading, replacing, decommissioning, or removing heating oil tank systems.
- Transition home heating by installing new infrastructure.

PLIA partners with the Washington state Department of Health (DOH) for administration of the financial lending portion of the program. The DOH has existing underwriting capabilities and experience administering loan and grant programs, while PLIA has the technical expertise and project management experience to efficiently and effectively guide cleanups and infrastructure upgrades to prevent future contamination.

This report to the Legislature describes activities in the Loan and Grant Program and meets the reporting requirements of RCW 70A.345.090. By September 1st of each even-numbered year, the agency must provide the Office of Financial Management and the appropriate legislative committees a report on the agency's activities supported by expenditures from the Pollution Liability Insurance Agency Underground Storage Tank Revolving Account. The report covers program activities between July 1, 2021, through June 30, 2023, and includes the following details.

(1) The amount of money the Legislature appropriated from the Pollution Liability Insurance Agency Underground Storage Tank Revolving Account under RCW 70A.345.080 during the last biennium;

(2) For the previous biennium, the total number of loans and grants, the amounts loaned or granted, sites cleaned up, petroleum underground storage tank systems upgraded, replaced, or permanently closed, and jobs preserved;

(3) For each loan and grant awarded during the previous biennium, the name of the recipient, the location of the underground storage tank facility, a description of the project and its status, the amount loaned, and the amount repaid;

(4) For each underground storage tank facility where PLIA conducted remedial actions under RCW 70A.345.060 during the previous biennium, the name and location of the site, the amount of money used to conduct the remedial actions, the status of remedial actions, whether liens were filed against the underground storage tank facility under RCW 70A.345.070, and the amount of money recovered; and

(5) The operating costs of PLIA and DOH to carry out the purposes of this chapter during the last biennium.

This report describes program activities during the 2021–2023 biennium and is supported with the following appendices.

- Appendix A includes background information on the current state and impacts of Washington's aging storage tank infrastructure and historical petroleum contamination across the state.
- Appendix B presents summaries of each of the projects accepted into the UST and Heating Oil Loan and Grant Program for the 2022-2023 fiscal years, as well as anticipated funding needs for ongoing remediation projects.
- Appendix C presents selected project highlights from the biennium.
- Appendix D is the agency's organizational chart.

Appropriations[1]

In the 2021-2023 biennium, the agency Loan and Grant Program account (20T) received expenditure authority of $46,195,640 which includes:

- $957,000 for operating costs.
- $34,195,640 designated for USTs.
- $12,000,000 designated for heating oil tanks.

Program Timeline and Accomplishments

UST Loan & Grant Program Timeline	
April 2016	Enabling legislation signed by Governor.
July 2016	Legislation took effect.
October 2016	Program launch, open applications for 2016-2017 Award Cycle.
2017	43 applications received.
2018	12 applications received and accepted.
2019	23 applications received and accepted.
2020	11 applications received and accepted.

[1] RCW 70A.345.090(1): The amount of money the Legislature appropriated from the Pollution Liability Insurance Agency Underground Storage Tank Revolving Account under RCW 70A.345.080s during the last biennium.

March 2020	Application cycle suspended for UST owners/operators.

Heating Oil Loan & Grant Program Timeline	
June 2021	Program launch and application cycles open.
2021	16 applications received.
2022	19 applications received.
2023	14 applications received.

Applications

UST Owners and Operators.

From calendar years 2017 through 2020, PLIA received applications between October and March with program acceptance notifications given in May. During the 2017-20 yearly time frame, the program received a total of 89 applications with estimated total project costs of $59,057,733. The response far exceeded the agency's anticipation and caused PLIA to redirect staffing resources to address the strong public interest.

In March 2020, PLIA suspended the UST Loan and Grant Program application cycle. This suspension was necessary to address the unanticipated backlog of applications. To accommodate this number of applicants, PLIA refined program processes and allocated resources, i.e., staff, to ensure that accepted applicants had activity at the project site. Funding was applied to Preliminary Planning Assessments so that applicants had a full understanding of their project needs and the costs associated with work to be performed.

PLIA has determined that site funding will be grouped based on the following project tiers:

(1) "Shovel-ready" reflects a stage of construction preparation and the identification and obtainment of required permits. Three projects at a time are at this stage.

(2) "Active remediation" is the status of active cleanup or construction work. Ten projects are at this stage.

(3) "Monitoring" reflects that construction work is complete and ongoing measures are in place. Once a project site reaches this tier, then another applicant project is reviewed for funding.

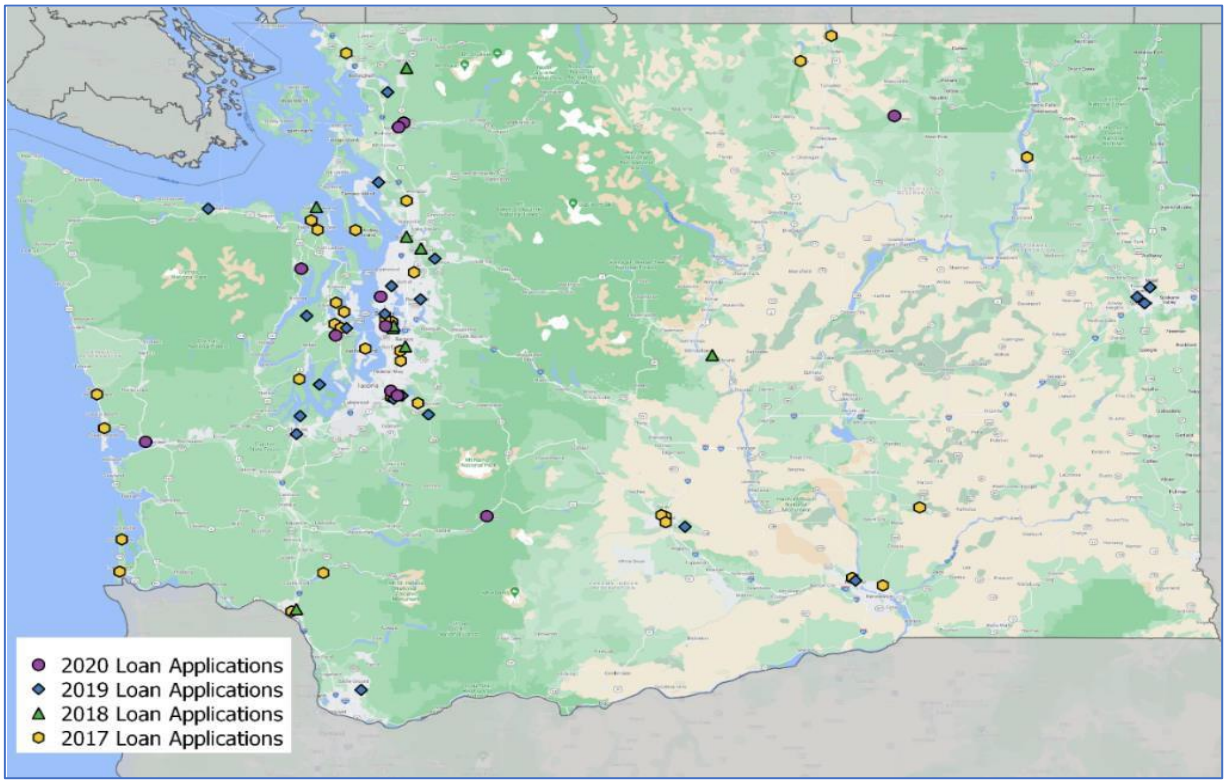
Program appropriations were requested and approved, and these amounts established necessary funding to meet the 2017-2020 applicant needs. During the 2021-2023 biennium, twenty (20) project applicants withdrew from funding consideration. These applicants all obtained Preliminary Planning Assessments. Through those assessments, some participants were informed that no further action was necessary, and others received necessary information that the applicant owner or operator can use to conduct projects outside of the program. Appendix B reflects current UST project sites that

continue to be considered for program funding.

The appropriated funding amount allows PLIA to increase staffing resources. With dedicated program staff, applicants can obtain understanding of project needs and program processes in a timely manner. PLIA intends to re-open the UST Loan and Grant Program application cycle in October 2024 and proceed with funding awards for the backlog of applicant sites created by unanticipated demand in the programs.

The following map shows the geographical distribution of the 2017 through 2020 applicant project sites.

UST Loan and Grant Applications Statewide



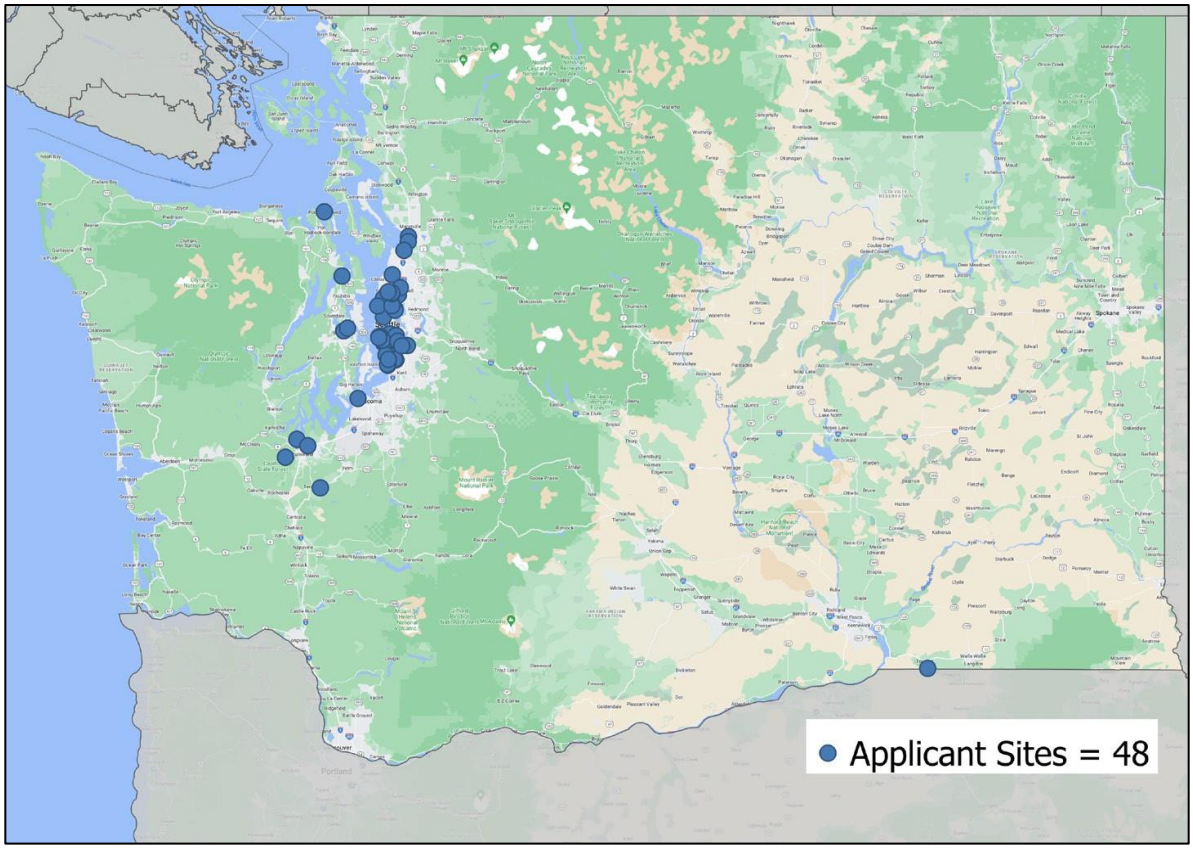
Heating Oil Tank Owners and Operators.

From 2020 through 2023, PLIA received applications for the Heating Oil Loan and Grant (HOLG) Program between May through June and November through December, with program acceptance notifications given in July and January. PLIA received a total of 49 applications with 48 applicants accepted. Not all accepted applicants proceeded with Preliminary Planning Assessments.

Appendix B summarizes, by city, the project sites accepted into the program for the 2021-2023 biennium.

The following map shows the geographical distribution of Fiscal Year (FYs) 2021-2023 applicant project sites.

Heating Oil Loan and Grant Total Applications Statewide



Preliminary Planning Assessment Grants

The first phase of both the UST and Heating Oil Loan and Grant Programs after applicant acceptance is the Preliminary Planning Assessment (PPA) process. Grants of up to $150,000 are awarded to each UST owner/operator applicant. For each heating oil tank owner/operator, up to $7,000 are awarded for each applicant.

PLIA conducts a Preliminary Planning Assessment (PPA) to review existing data and reports, identify and fill existing data gaps, and develop a robust cleanup and construction plan. PLIA has used a competitive solicitation process to establish a pool of consultants and service providers that contract with PLIA to complete the PPAs. These assessments may include:

- Soil and groundwater borings.
- Laboratory analysis of soil and groundwater samples.
- Development of a conceptual site model.
- Development of a cleanup scope of work.
- Design specifications for alternative fuel infrastructure.

Data collection and assessment are critical, given that the issues the program addresses are typically invisible from the surface, such as the condition of a UST or heating oil tank, associated piping, and the extent and impacts of contamination to soil and groundwater. Data and reporting from each PPA provide the crucial groundwork for a successful project.

Completing a thorough PPA at the outset of any project ensures accountability and efficiency and reduces the time it takes to successfully complete site cleanup.

The PPAs provide PLIA with the necessary information to critically evaluate and rank each site using the program criteria, which consider the environmental and financial aspects of each site. The PPA also provides participants with a better understanding of the site conditions and the costs of cleaning up and upgrading the site. In some cases, data collection during the PPA alerts a participant to previously undiscovered contamination, for which they may be able to access pollution liability insurance funds to help offset project costs. In other cases, data from the PPA can reveal that contamination at the site has already been remediated adequately to bring the site to closure with no further action required.

While PLIA provides funding for PPAs, the grant cost is subtracted from the financing limit for each participant. This approach and business model ensures reliable, high-quality data collection and reduces uncertainty in environmental projects over the long-term. PPAs also provide information needed to right-size financing to fit participant needs and successfully bring projects to closure. UST and heating oil tank owners and operators who receive a PPA from PLIA are not guaranteed financing through the Loan and Grant Program.

- **USTs**: During the 2021-2023 biennium, the total amount spent on PPAs was $674,586. This includes PPA grant funding for the 2017-2020 applicant sites that did not obtain or complete PPAs in the last biennium.
    - In FY 2022, a PPA grant was awarded to 1 site, and 10 sites completed their PPAs.
    - In FY 2023, no new PPAs were awarded, and 10 sites completed their PPAs, with 1 of those sites withdrawing from the program.
    - At the end of the 2022-23 biennium, all 2017-2020 applicants had a completed PPA.
- **Heating oil tank**: During the 2021-2023 biennium, the total amount spent[2] on heating oil PPAs was $23,839.
    - In FY 2021, 4 PPA grants were awarded, 3 of which later withdrew from the Program.
    - In FY 2022, no PPA grants were awarded and no PPAs were completed.
    - In FY 2023 application period, PPA grant was awarded at 2 sites and 6 sites completed their PPAs.
    - At the end of the 2021-2023 biennium, no sites were in the process of completing their PPAs.

Loan and Grant Process

Using the data submitted by applicants and collected during the PPAs, PLIA prioritizes project sites according to the criteria listed in the program guidance document which is found on PLIA's website (www.plia.wa.gov/ust-loan-and-grant-program/).

After project site ranking, DOH reviews each participant's financial resources so PLIA can determine eligibility for financing. As financial reviews are completed, PLIA, DOH, and the participant meet to discuss financing options.

- UST owners and operators may receive financing to cover the estimated costs of cleaning up their site and/or upgrading fuel systems infrastructure. Interest-rate discounts may be awarded as an incentive to encourage recipients to opt for alternative fuel strategies, such as installing EV charging stations, in support of the Governor's Pollution Reduction and Clean Energy Executive Order 14-04.
- Heating oil tank owners and operators may receive financing to cover the estimated costs of cleaning up their site, decommission and removal of a heating oil tank, or to upgrade their heating infrastructure.

PLIA works with recipients to identify all existing funding sources such as current

[2] FY 2021 is included here because the program had just been implemented prior to the previous Biennium Report, and its spending was not included in that document.

insurance policies or other financial responsibility mechanisms to ensure the use of these private funding sources before expending loan and grant funds.

Recipients select an environmental consultant or service provider to complete the cleanup work outlined in the PPA. PLIA, the recipient, and the consultant hold a project kickoff meeting to develop shared project expectations, timelines, and milestones. After the meeting, the consultant submits a final cleanup and construction plan for review and approval. Once approved by the recipient, the plan is submitted to PLIA for review to ensure it meets program requirements and state cleanup regulations.

Upon approval from PLIA, the consultant begins work on the project, including submittal of permit applications. PLIA will schedule meetings and site visits as necessary throughout the project to ensure oversight of cleanup activities, regulatory compliance, and continued transparency for interested parties.

Upon completion of cleanup activities, the consultant will submit a plan to PLIA for a Model Toxics Control Act (MTCA) compliance review through PLIA's Technical Assistance Program.

Project Timelines

Projects begin with a project kickoff meeting and must follow an agreed-upon timeline established at that meeting. Any changes require written concurrence by PLIA and the recipient. Contracts may be terminated if projects are not progressing as scheduled.

Loan Repayments

Loan repayment begins after the first project invoice is submitted for payment. The DOH administers the loan repayment process by sending invoices and tracking payments.

Rulemaking

The Loan and Grant Program's procedures and award process is governed by interpretive guidance while the program rules are under development. PLIA submitted a CR-101 on August 1, 2017, and developed a stakeholder outreach plan to support formal rulemaking. However, after the 2020 legislative expansion to include heating oil tanks, PLIA required additional time to develop and implement the program for residential heating oil tank owners and operators.

During the biennium, PLIA conducted listening sessions in May 2023 prior to finalizing the rule drafting. Although rulemaking is still under the CR-101 notice, PLIA anticipates completion and a CR-102 filing by October 2024 to include the required Small Business Economic Impact Statement. Until the rule is adopted, uses the published guidance documents for both Heating Oil and UST programs. These documents are regularly updated to reflect adjustments to program administration and policy changes.

Loan and Grant Program Total Costs[3]

During the 2022-2023 biennium, the total program costs for both Loan & Grant areas was $2,408,424.

- Loan and Grant operating costs: $1,184,341.
- DOH operating costs: $174,683.
- Total capital costs: $1,049,400.

Program Status

UST Program Status 2021-2023 Biennium

	Fiscal Year			
	2021	**2022**	**2023**	**Totals**
Applications Received	--	--	--	--
PPAs Completed	--	10	10	20
Estimated Total Project Costs	--	$8,692,000	$3,661,700	$12,353,700
PPA Funds Spent	--	$ 432,506	$ 242,080	$ 674,586
Grant Offers Made	--	1	0	1
Loan Offers Made	--	1	0	1

Heating Oil Program Status 2021-2023 Biennium

	Fiscal Year			
	2021	**2022**	**2023**	**Totals**
Applications Received	16	19	14	49
PPAs Completed	4	1	0	5
Estimated Total Project Costs	$62,646	$26,332	0	$88,978
PPA Funds Spent	$18,869	$4,970	0	$23,839
Grant Offers Made	0	0	0	0
Loan Offers Made	0	0	0	0

[3] RCW 70A.345.090(5): The operating costs of PLIA and DOH to carry out the purposes of this chapter during the last biennium.

Loan and Grant Sites with Accepted Funding Awards[4]

Through June 30, 2023, PLIA made funding award offers to two sites which have accepted and received repayment from two sites that received funding awards in the 2019-2021 biennium.

- Nordic Properties[5], Inc., Port Orchard. (Choice Texaco and Minimart.)
  - Loan: $159,084 for cleanup and construction.
- Port of Illahee, Bremerton. (Illahee Foods.)
  - Grant: $539,500 for cleanup and construction.
- Seaview Mobil, Pacific.
  - Total funding of $727,944.
  - Repayment of $108,926 in July 2022.
- Quick Stop #4, Longview.
  - Total funding of $1,377,022.
  - Repayment of $756,913 in April 2022.

Heating Oil Loan and Grant Program

As previously mentioned, the Legislature expanded the UST Loan and Grant Program to include heating oil tank owners and operators in 2020. RCW 70A.345.010(2).

Heating oil tanks are generally located in residential homes, and cleanup of releases and contamination are not as costly as those at commercial UST sites. However, not all heating oil tank owners and operators have the capital available to pay for necessary cleanup and required infrastructure needs.

PLIA implemented an initial application cycle in June 2021 and received sixteen (16) applications.

Conclusion

For the 2021-2023 biennium, PLIA had 20 UST project sites complete PPAs. The estimated project cost requests total $12,353,700. PLIA had five heating oil project complete PPAs with project cost requests total $$88,978.

Since the program's inception in 2017, PLIA received more than 80 applications for UST project sites and more than 40 applications for heating oil tank sites.

- There are 64 UST project sites with completed PPAs and the total cost estimate for these UST project sites is $38,601,557.
- There are 12 heating oil tank sites with projected cost estimates of $556,318.

[4] RCW 70A.345.090(3): For each loan and grant awarded during the previous biennium, the name of the recipient, the location of the underground storage tank facility, a description of the project and its status, the amount loaned, and the amount repaid.
[5] Nordic Properties, Inc. received additional funding in 2024.

In sum, PLIA **has project cost estimates of $39,157,875 for UST and heating oil tank** sites. PLIA is finalizing financial review and preparing funding awards to meet these project needs.

Additionally, the agency is now better-resourced with dedicated staffing and program monies to meet the unanticipated backlog from the program's first three years. By establishing a refined process to meet program interest, PLIA can re-open the UST application cycle in October 2024 and continue to market the program's offerings and expand its Heating Oil Tank program.

The Loan and Grant Program continues to assist UST owners and operators to achieve their environmental cleanup and infrastructure management goals so they can effectively and responsibly serve their communities. The program has also assisted heating oil tank property owners address cleanup and heating infrastructure needs. Program updates and information for prospective program participants is posted to PLIA's website at www.plia.wa.gov.

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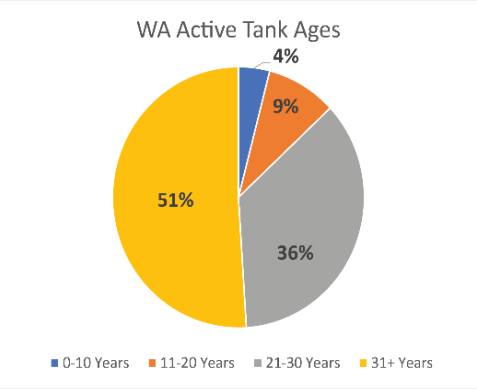
Appendix A: UST Loan and Grant Program Background

Washington's existing underground storage tank (UST) infrastructure is aging. In the 1990s, television news coverage of leaking fuel tanks and their impact on community drinking water sources led to national initiatives for large-scale replacement or lining of UST infrastructure. Now, more than 20 years later, the infrastructure once again needs replacing or upgrading, but the national and state programs of the 1990s no longer exist to provide incentives and support.

Aging Infrastructure

The average age of Washington's UST infrastructure is over 20 years. These older UST systems are more difficult and costlier to insure since the likelihood of leaks from the tanks or the associated piping and fittings increases over time (ASTSWMO, 2015). UST manufacturers generally warranty UST systems for 30 years.



Data gathered from the EPA's UST Finder on July 28, 2022.

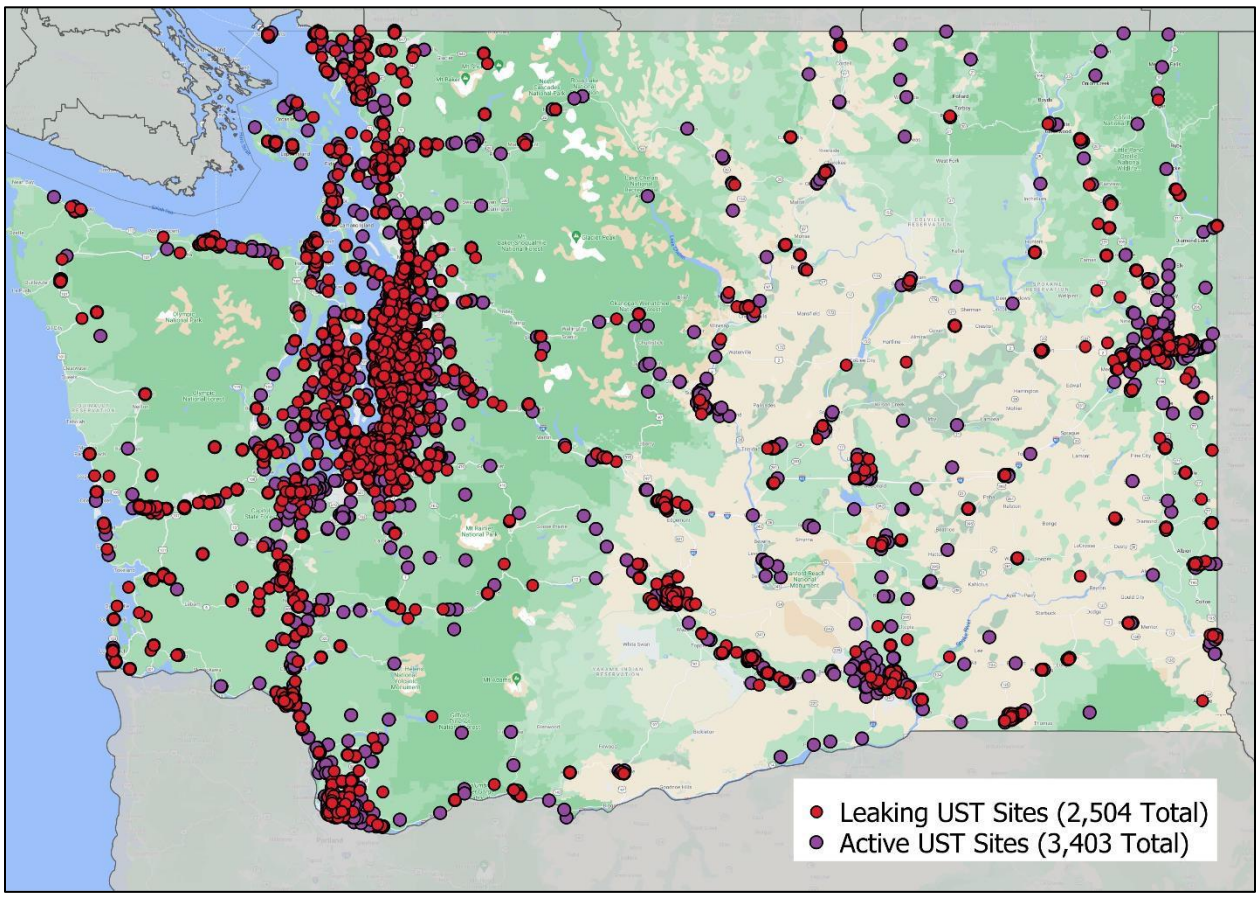
Historical Contamination

Washington has more than 2,500 leaking UST sites still awaiting remediation, several of which include historical contamination. In 1989, PLIA was established to ensure the continued availability of affordable UST insurance in Washington from that point forward.

PLIA's Commercial UST Reinsurance Program reinsures approximately 80% of Washington's current UST infrastructure. At the time PLIA's program was established, it was assumed that pre-existing contamination would be resolved through other means, such as property redevelopment. Two factors affect the overall ability to resolve historical contamination in Washington: 1) the high groundwater tables in many parts of the state, and 2) Washington's stringent environmental cleanup laws. When a gasoline leak reaches the groundwater table, cleanup costs rise sharply. In Washington's major metropolitan areas, redevelopment has led to a large number of cleanups. In many of the state's rural areas, however, property values are disproportionate to cleanup costs, so redevelopment has not been as successful a driver of cleanup.

Underground Storage Tank (UST) Sites in Washington

(Data retrieved from Ecology's Integrated Site Information System website in August 2022)



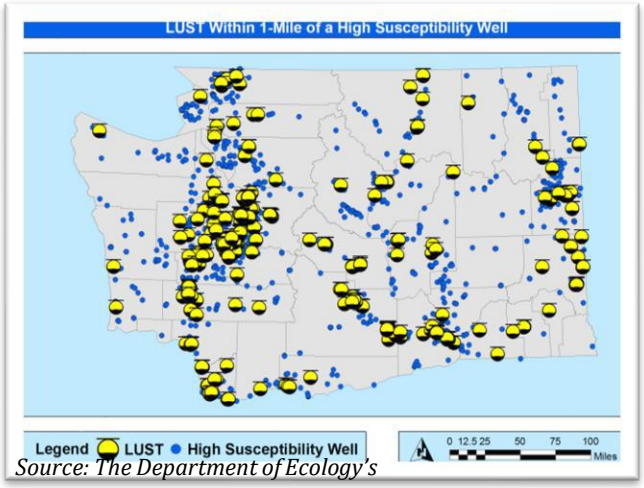
Financial Barriers

Many owners and operators of USTs are currently unable to access the financial resources necessary to upgrade their UST systems and clean up residual contamination. Traditional lenders are hesitant, and sometimes unable, to provide financing for UST infrastructure, especially if the property already has documented contamination. In addition, many of the UST owners in Washington are small business owners who cannot raise the capital needed from other sources, despite their desire to clean up existing contamination and protect the environment from future releases of contaminants.

Community Impacts

The problem of failing USTs combined with a lack of financial resources negatively impacts Washington's communities (Integrative Economics, LLC & Sound Resource Economics, 2016).

Drinking water: More than 2,500 operational USTs are located within one mile of a well designated as highly susceptible to contamination. When one of those USTs begins to leak, local drinking water sources are jeopardized, requiring either costly treatment or well abandonment and loss of a resource.



Source: The Department of Ecology's "Leaking Underground Storage Tank (LUST) Sites Neat Sensitive Wellheads"

Economy: Surrounding property values can decrease due to historical and current contamination. A recent national study estimates that housing prices decrease by 3–6% when a contaminant release from a nearby UST is discovered (Guignet, et al., 2016). The study also found that prices return to pre- contamination levels once the contamination has been cleaned up.
Lower property values impact not only individual property owners, but also the amount of property tax collected by local municipalities to support community services.

Environment: Aging tanks and their infrastructure release fuel into soil and groundwater, causing contamination that can take years to clean up. Harmful vapors from the contamination can travel through the soil and impact air quality in nearby houses and commercial buildings. When contaminated groundwater reaches surface water, it can harm fish and other organisms.

Small businesses: When owners of small and midsize gas stations cannot obtain the capital needed to meet regulations and adapt to alternative fuel strategies, they may not be able to continue operating. This leads to the loss of local businesses, some of which have been handed down over several generations and are a central component in their communities.

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Appendix B: 2022–2023 Fiscal Year Project Summaries

Spending by UST projects

Project	City	PPA spending	Remedial spending	Total Project Need	Description	Current Status
Aeneas Valley Country Store	Tonasket	$37,363		N/A		PPA completed
Bill's Garage	Chimacum		$245,247.47	$400,000		Project complete
Butler Garage	Seattle	$47,777		N/A		PPA ongoing
Divine Corp. (2nd Ave)	Spokane	$1,153		N/A	Divines Auto Center	PPA completed
Divine Corp. (Market St.)	Spokane	$1,538		N/A	Divine Fastmart	PPA completed
Edgewood Mobile	Edgewood	$50,374		$1,140,000	Union 76 station	PPA completed
Estate of Ruby McDonald	Port Angeles	$20,786		$121,000	Lincoln Park Grocery	PPA completed
Everybody's Store	Deming	$8,205		$280,000		PPA completed
Former Arnold Building	Hoquiam	$45,662		N/A		PPA completed
Former Northern State Hospital	Sedro-Woolley	$40,296		$277,000		PPA completed
Genessee Fuel and Heating Co., Inc.	Seattle	$22,136		$150,000		Compliance monitoring
Greenwood Five-Plex	Seattle	$70,973		$113,300.00	Site of former gas station	PPA completed
Gull Harbor Mercantile, Inc.	Olympia	$35,818		$1,250,000		PPA completed
Herb's Muffler and Tune-up Center, Inc.	Sedro-Woolley	$50,380		N/A		PPA completed
Orchard Mart	Port Orchard	$26,071		N/A	Country Junction Store	PPA completed
Packwood Auto Parts	Packwood	$34,371		$291,000		PPA completed
PK Sandhu LLC	Oroville	$1,413		$1,822,000		Reevaluating finances
Port of Illahee	Bremerton		$84,721	$539,500		In cleanup/ construction
R&R Food Mart	Spokane	$1,285		N/A	Gas station	PPA complete
Red Barn	Monroe	$4,232		N/A	Gas station	Withdrawn
Snider Petroleum	Sumner	$49,416		$731,000		PPA complete
Step in Style Hair Design	Snohomish	$12,704		$207,000	Former Time Oil	PPA complete
Superior Transmission, Inc.	Seattle	$87,303		$95,700		PPA complete
Vashon Athletic Club	Vashon		$60,958	$1,566,000		In cleanup/ Construction
TOTAL		**$649,255**	**$390, 927**	**$8,983,500**		

Financial awards granted to USTs in FYs 2022-23

Project	City	Total approved project costs	Total loaned/granted in FYs 2022-23	Amount repaid to date	Description	Status
Nordic Properties, Inc.	Port Orchard	$1,313,761	$0	$0	Choice Texaco and Minimart	Cleanup/ construction
Port of Illahee	Bremerton	$689,490	$689,490	$0		Cleanup/ Construction
TOTAL		**$2,003,251**	**$689,490**			

Remediation spending on USTs in FYs 2022-23[6]

Project	City	Remedial spending	Status	Liens filed
Bill's Garage	Chimacum	$245,247	Project complete	None
Port of Illahee	Bremerton	$84,721	In cleanup/ construction	None
Vashon Athletic Club	Vashon	$60,958	In cleanup/ construction	None
TOTAL		**$390,927**		

Heating oil PPA spending by Project in FYs 2022-23

Project	City, County	PPA spending	Status
HOLG-00250	Lynnwood, Snohomish Co.	$4,969	Withdrawn
HOLG-00251	Seattle, King Co.	$4954	Terminated
HOLG-00252	Des Moines, King Co.	$4,983	Project complete
HOLG-00254	Everett, Snohomish Co.	$1,401	Withdrawn
HOLG-0255	SeaTac, King Co.	$5,000	Withdrawn
HOLG-0277	Seattle, King Co.	$2,529	Referred to other program.
TOTAL		**$23,839**	

Remediation spending on Heating Oil Loan and Grant projects for FYs 2022-2023

No money spent on HOLG remediation projects during FYs 2022-2023.

[6] RCW 70A.3435.090(4): For each underground storage tank facility where PLIA conducted remedial actions under RCW 70A.345.060 during the previous biennium, the name and location of the site, the amount of money used to conduct the remedial actions, the status of remedial actions, whether liens were filed against the underground storage tank facility under RCW 70A.345.070, and the amount of money recovered.

Appendix C: Selected Project Highlights

Illahee Foods, Bremerton

This property is located on Illahee Road NE, located north of Bremerton, Washington. The property historically was occupied by two generations of gasoline stations and a convenience market. The former station and store were constructed on the property prior to World War II, which served the local community until 2002. Since this time, the property has remained vacant. Three underground fuel-storage tanks, empty and unused, remain on the property.

In December of 2016, the Port of Illahee applied for financial assistance from the Pollution Liability Insurance Agency (PLIA) Revolving Loan and Grant Program. This assistance was requested to provide funding for site characterization, removal of the underground tanks, and cleanup of possible petroleum contamination. With this completed effort, and approval of a PLIA grant, the Port would be able to purchase the Property and remodel the current building as a community- meeting space.

PLIA selected the Property to undergo a Preliminary Planning Assessment (PPA), in order for PLIA to gather additional information to determine if a loan or grant could be provided.

The initial site-characterization work has been completed, as summarized in the completed PPA report. Soil and groundwater contamination have been identified on the property. This contamination also has migrated to the east beneath the adjacent roadway. A preferred remedial-action alternative to address this contamination has been identified. The PPA report also includes an appraisal of the current property value, as well as a projected value should the cleanup work occur.

Current Project Status: Site has received grant funding of $539,500 and is in remediation.

Nordic Hufeng's Quick Stop, Port Orchard

Nordic Hufeng's Quick Stop has been operated as a retail gasoline fueling station since the 1930's. Four underground storage tanks (USTs) are currently operated at the site and were installed in 1958 and 1971. Both diesel and gasoline fuels are sold at the site. Previous environmental investigations have documented petroleum-impacted soil and groundwater at the site. A limited excavation of some of the petroleum-impacted soil occurred in 1999, but impacted soil was left in place. Additional remedial activities (chemical oxidation) have also been performed to address the residual impacted soil and groundwater at the site. Periodic groundwater monitoring at the site indicated that concentrations of petroleum hydrocarbons in groundwater still exceed cleanup levels but were decreasing over time.

In 2017, PLIA awarded Nordic Hufeng's Quick Stop a grant to conduct a Preliminary Planning Assessment (PPA) at the property. The PPA included funding for an assessment of the current status of impacted soil and groundwater at the site from fueling activities and development of cost estimates to replace the existing USTs and related infrastructure. Through funding from PLIA's Revolving Loan and Grant Program, the property owners were able to obtain an assessment of the current status of their property, which more fully characterized the extent of petroleum at their site. The owners also received a cost estimate for future work, including remediation and fueling system upgrades. The property owner is now working with PLIA to obtain funding for future activities at the site.

The Nordic Hufeng's Quick Stop is a busy gas station located in Port Orchard, Washington. The site is located along a high-traffic road and is near to several recreational activities that bring visitors to the area.

Current project status: This project is receiving a funding award in FY2024 and is currently under remediation.

Quick Stop #4, Longview

Quick Stop#4 is a family-owned and operated convenience store and gas station serving the community of Longview for over 20 years. The station employs 1 part-time and 5 full-time employees.

Quick Stop#4 in Cowlitz County.

Photo credit: Vertex

The Pollution Liability Insurance Agency (PLIA) received a Loan and Grant Program application for financial assistance to remove and replace five aging underground storage tanks (USTs) at the station. At the time of application, the tanks were 55 years old.

Old tanks are more costly to insure because of the greater risk of leaking. Gasoline and diesel leaks threaten human health and the environment and are expensive to clean up. Replacing the tanks was necessary at Quick Stop#4 so that the station maintained insurability and to mitigate further leaks.

In 2017, PLIA awarded Quick Stop#4 a grant of up to $150,000 to conduct a Preliminary Planning Assessment (PPA). The PPA tests for contamination and prepares cost estimates for infrastructure. No environmental testing had been performed on the property prior to the PPA. The PPA revealed that the USTs had leaked gasoline and diesel into soil and groundwater.

Removing concrete above USTs. Photo credit: Vertex.

Removed diesel tank. Photo credit: Vertex.

Quick Stop #4, Longview, continued

Construction began in October 2019. Five USTs and 3,873.56 tons of contaminated soil were removed. Efforts also included pumping contaminated groundwater out of the tank pit at the time of tank removal. Remaining pollution in groundwater is decreasing and continues to be monitored quarterly until the state cleanup levels are met.

Installation of wells for groundwater extraction.
Photo credit: Vertex.

Quick Stop #4 received insurance funds from PLIA's UST Reinsurance Program to pay for the cleanup and a $700,000 loan award from Loan and Grant Program to supplement construction costs and to pay for infrastructure. Loan dollars funded:

- Installation of a new, 22,000-gallon, double steel wall tank with 3 compartments and a fiberglass coating.
- Double wall piping.
- New canopy.
- An electric vehicle charging station to be installed in 2022.

Installation of new multi-chambered UST.
Photo credit: Vertex.

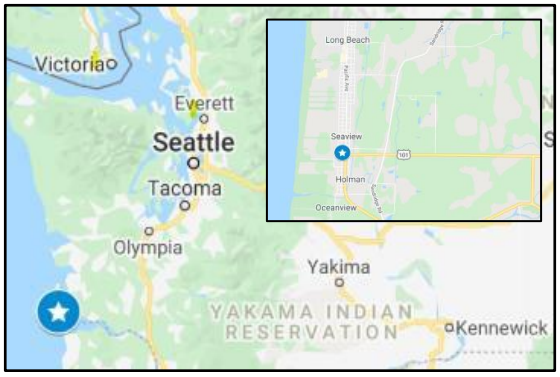
The new tank has been installed and re-fueling operations resumed in summer 2020.

Current Project Status: Cleanup and construction completed and electrical vehicle charging station has been installed. Currently in the process of assessing off-site impacts. Repayment of $756,913 in April 2022.

Seaview Mobil, Seaview

Seaview Mobil is a gas station and convenience store located in Seaview, Washington, a popular beachside tourist destination. Seaview Mobil is a family run business serving the community since 1980. The owners purchased the property in 2007 and employ seven staff members.

Financial assistance was requested to replace three aging underground storage tanks (UST's). At the time of application, the tanks were 37 years old.



Location map showing Seaview Mobil in Pacific County, WA.

The canopy and fueling dispensers prior to cleanup and construction.

The PPA tested for contamination and developed cost estimates for replacement tanks and infrastructure. Testing results show that soil was not polluted from the fueling activities. Groundwater at the property was discovered to be contaminated with petroleum.

Tanks over the age of 25 years have a greater risk of leaking. Gasoline and diesel leaks threaten human health and the environment. New tanks are costly yet vital in preventing contamination as the site continues to operate as a commercial gasoline refueling station.

In 2017, PLIA awarded Seaview Mobil a grant to conduct a Preliminary Planning Assessment (PPA) at the property.

Cleanup and construction included removal of the canopy and dispensers to access tanks.

Seaview Mobil, Seaview, continued

Concrete pad installed after the old tanks were removed and decommissioned.

Cleanup and construction is complete.

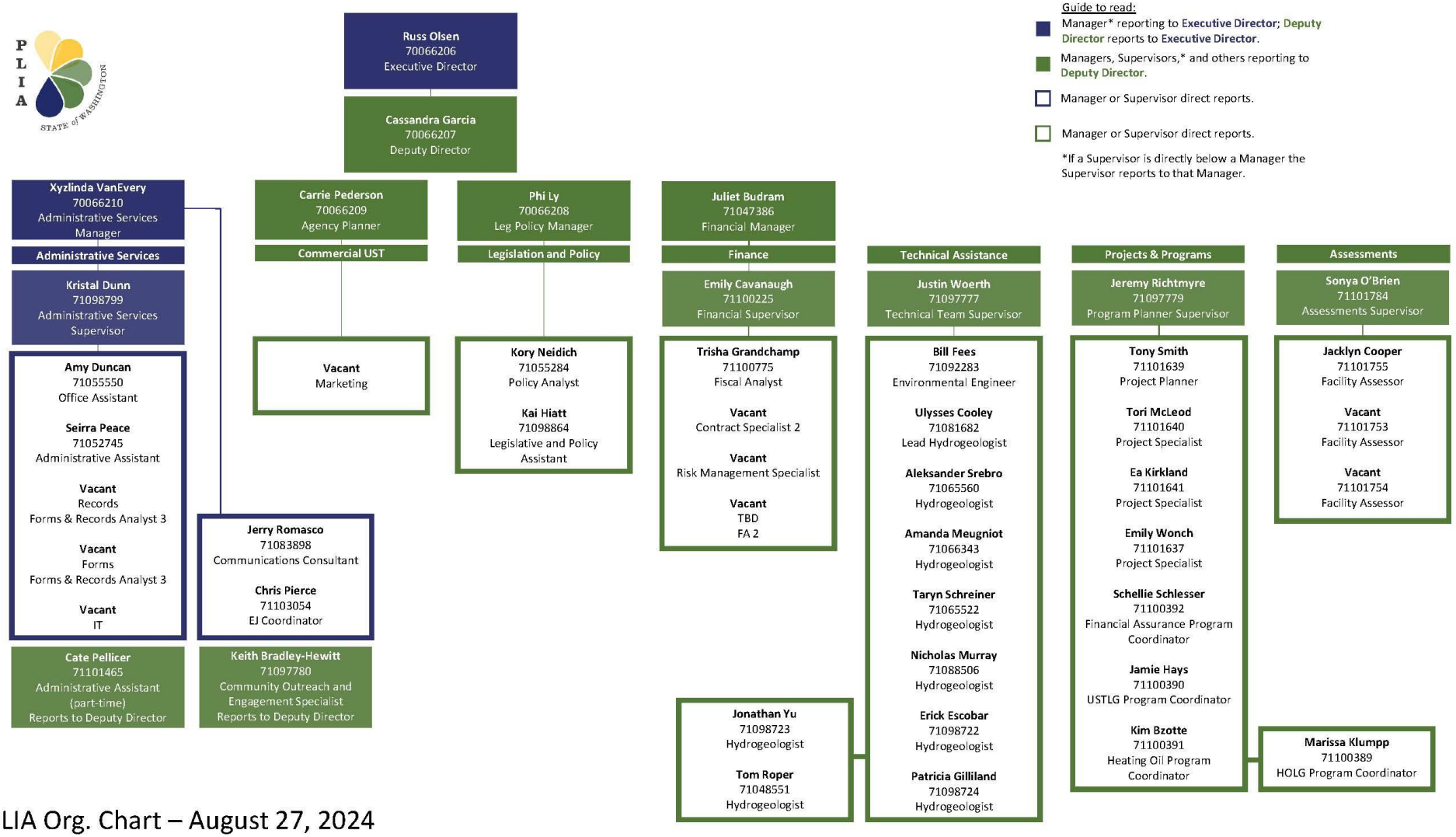
New electric vehicle charging station installed.

The groundwater pollution was addressed by *in situ* bioremediation. Nutrients are added to the water which stimulates microbes to breakdown the pollution. The pollution level in the ground water is currently being monitored.

The cleanup was funded by insurance dollars provided by PLIA's UST Reinsurance Program and a low interest loan provided by PLIA's Loan and Grant Program. Loan dollars also enabled the removal of two (2) tanks, closure of one (1) tank in place and installation of one (1) new, 23,000 gallon, double steel wall tank with 3 compartments and a fiberglass coating. The owners also installed an electric vehicle charging station.

Current Project Status: Cleanup and construction completed. Groundwater in confirmational monitoring phase. Property sold in 2022 following upgrades. Repayment of $108,926 in July 2022.

Appendix D: Agency Organizational Chart



PLIA Org. Chart – August 27, 2024

If you have questions about this report, please contact Phi V. Ly at phi.ly@plia.wa.gov.