



*Washington State
Pollution Liability Insurance Agency*

**Pilot Heating Oil
Revolving Loan and Grant Program
GUIDANCE**



Photo courtesy of access.wa.gov



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Introduction

The Washington State Pollution Liability Insurance Agency (PLIA) provides an effective and efficient government funding model to support owners and operators in meeting environmental cleanup requirements for heating oil tank systems.

There are more than 50,000 heating oil tank systems in Washington State. As with other underground storage tanks statewide, heating oil tanks are aging and deteriorating. These tank systems are predominantly located at private homes. For many, homeowner's insurance does not cover expenses and liabilities arising from a tank release. This potentially leaves a homeowner without financial resources to address contamination. For heating oil tanks registered in PLIA's Heating Oil Insurance Program (HOIP) before July 2, 2020¹, HOIP provides a policy at no cost to registered homeowners, for active tanks, with coverage up to \$60,000 for costs associated with contamination cleanup from a heating oil tank release. HOIP's insurance coverage is not available for inactive tanks, and it cannot be used to pay for a heating oil tank replacement or infrastructure upgrades. For some insured, the policy limit is insufficient to fully cover cleanup expenses. The HOIP is no longer open to new participants. Current registrations and transfers of existing registrations (e.g., home seller to buyer) will continue to be covered under the program.

To further support owners and operators, PLIA is implementing a Heating Oil Revolving Loan and Grant Program² (Program) to provide financial assistance. This Program is modeled after PLIA's Underground Storage Tank Loan and Grant Program. The Program will offer low-interest loans and grants so that owners and operators of a heating oil system can:

- Pay for site assessment and cleanup of releases.
- Upgrade, replace, or remove heating oil tank systems to prevent future releases.
- Install new infrastructure.

This document provides an overview of the Heating Oil Loan and Grant Program and serves as an interpretive guidance as PLIA completes the Program rules. This guidance also lists the roles and responsibilities of PLIA and heating oil tank owners and operators. Updates to the Program and rules are on PLIA's website at www.plia.wa.gov.

Please call 1-800-822-3905 or email pliamail@plia.wa.gov for additional information or questions about this guidance.



Photo courtesy of Filco Company, Inc.

¹ [RCW 70A.330.040\(1\)](#).

² [Chapter 70A.345 RCW Underground Storage Tank Revolving Loan and Grant Program](#).

Definitions

Agency	Washington State Pollution Liability Insurance Agency (PLIA).
Access Agreement	A contract authorizing PLIA and its representative's access rights to your property to conduct data collection and monitoring.
Agreement	A contract between the heating oil tank owner or operator and PLIA that details each party's rights and responsibilities.
Applicant	Owner or operator of a heating oil tank system who has applied for a loan or grant.
Borrower	A person or entity who has been approved to receive a loan and is then obligated to repay it and any additional fees according to the loan terms.
Collateral	Property subject to a security interest within the lender's legal control which may be sold to satisfy any unpaid amounts owing.
Environmental Justice	The fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies.
Facility	Any site or area where a hazardous substance has been deposited, stored, disposed of, or placed or otherwise come to be located. Chapter 70A.305 RCW .
Grant	A sum of money awarded by PLIA for costs associated with heating oil tank cleanup, repair, or closure and which does not require any repayment or security lien.
Heating Oil Tank	A tank and its connecting pipes, whether above or below ground, or in a basement, with pipes connected to the tank for space heating or human living or working space on the premises where the tank is located. A heating oil tank is considered an underground storage tank.
Heating Oil Tank System	A heating oil tank and the associated furnace and/or heating mechanism within the structure.
Heating Oil Technical Assistance Program	PLIA administrated program which may provide informal site-specific technical consultations to persons conducting independent remedial actions at a hazardous waste site.
Heating Oil Tank Facility	Location of an actual or planned heating oil tank system.

Lien	A claim or encumbrance on property used as security for a debt.
Loan	A sum of money awarded by PLIA to a heating oil tank owner or operator that is repaid with interest.
Loan and Grant Community	The online tool used by owners or operators and their consultants to apply for a loan or grant, and to view or manage their projects.
Local Government	A political subdivision of the state, including a town, city, county, special purpose district, tribe, or other municipal corporation.
MTCA Cleanup Rules	Chapter 173-340 WAC
Operator	A person in control of, responsible for, the daily operation of a heating oil tank system.
Owner	A person who owns a heating oil tank system.
PLIA Environmental Consultants	Prime contractors selected by PLIA to perform the Preliminary Planning Assessment.
Program Participant	Owner or operator of a heating oil underground storage tank system who has been accepted into the Program and receives a PPA Grant.
Preliminary Planning Assessment	For the purposes of this Program; the identification, as applicable, of the extent of contamination, the required clean up actions, and a cost estimate for the cleanup and any desired infrastructure upgrades
Program	Pilot Heating Oil Loan and Grant Program under Chapter 70A.345 RCW .
Prime Interest Rate	Interest rate set by the U.S. Federal Reserve .
Project	A work plan with a specific purpose and an identified timeline.
Release	Any intentional or unintentional entry of any hazardous substance into the environment, including but not limited to the abandonment or disposal of containers of hazardous substances.
Remedial action	Any action or expenditure consistent with the Model Toxics Control Act (MTCA) purposes to identify, eliminate, or minimize any threat or potential threat posed by hazardous substances to human health or the environment. This includes any investigative and monitoring activities related to any release or threatened release of a hazardous substance and any health

assessments or health effects studies conducted in determining the risk or potential risk to human health.

Service Provider Company that provides environmental consultation and education to a heating oil tank system owner or operator regarding the necessary cleanup under MTCA Regulations. A Service Provider is not an employee or representative of PLIA.

Statement of Work Narrative description of a project's work requirement. This defines the project-specific activities, deliverables, and timelines.

Business day Measurement of time that refers to any day in which normal business is conducted. Agency working day is considered Monday through Friday, excluding weekends and state holidays.

Acronyms

CAP	Cleanup Action Plan
CERCLA	Comprehensive Environmental Response, Compensation and Liability Act
DOH	Washington State Department of Health
Ecology	Washington State Department of Ecology
HOIP	Heating Oil Insurance Program
HOTAP	Heating Oil Technical Assistance Program
MTCA	Model Toxics Control Act, chapter 70A.305 RCW and chapter 173-340 WAC .
PLIA	Washington State Pollution Liability Insurance Agency
PPA	Preliminary Planning Assessment
RCW	Revised Code of Washington
WAC	Washington Administrative Code

Heating Oil Loan and Grant Program

Under this Program, PLIA assists heating oil tank owners and operators with the costs to clean up property contaminated by a heating oil release, including decommission and removal of a tank, and installation of new infrastructure or retrofitting existing infrastructure.

PLIA manages the Program in partnership with the Department of Health (DOH). PLIA receives applications, conducts preliminary planning assessments (PPAs), provides technical advice, assists in evaluating financial options, lends funds, and oversees cleanups. DOH completes financial assessments of Applicants, manages the loan accounts, and makes lending recommendations to PLIA. Program funds are offered through a PPA grant, and a low-interest loan which is paid back to PLIA. In limited circumstances, PLIA may offer funding through a Environmental Health grant, or Financial Hardship grant.

All qualified Program Participants receive a grant award of up to \$7,000 for the assessment of the site and \$1,500 for enrollment in the Heating Oil Technical Assistance Program³ (HOTAP). These grants are not paid back to PLIA, but the grant amount is included as part of the total funding award, which is limited to a maximum of \$75,000. After assessment of the site and a financial assessment completed by DOH, PLIA will determine if the Program Participant qualifies for additional loan or grant funding. [RCW 70A.345.030\(2\)](#) authorizes PLIA to fund up to \$75,000 for a single heating oil tank Station (site). This funding is secondary to a site owner's or operator's insurance coverage, which includes insurance from the HOIP, and homeowners insurance. PLIA will primarily provide funds through a low-interest loan.

Funds can only be used for eligible work activities such as:

- Removal of contaminated soils and replacement with clean fill.
- Heating oil tank system removal and installation of an upgraded system.
- Remedial actions to reduce threats to soil, groundwater, and/or indoor air.

Heating oil tank Station (site)s under a Model Toxics Control Act (MTCA) order or consent decree with the Department of Ecology (Ecology) are not eligible for the Program.

³ [Chapter 374-80 WAC Advice and Technical Assistance Program.](#)

I. **Loan and Grant Program Process**

An owner or operator may apply to the Program at any time during an open application period. The application period will be open up to 45 days or until 35 completed applications have been received. However PLIA may close an application period early if necessitated by limited Agency resources and/or funding. PLIA will publish a notice on its website detailing if the application process is open or closed.

The Program anticipates cycling through accepting applications and distributing loan or grant funds every six months (as funding permits). To be considered for a Program funding cycle, a complete application must be submitted during the application period.

1. **Eligibility**

To be eligible, Applicants must:

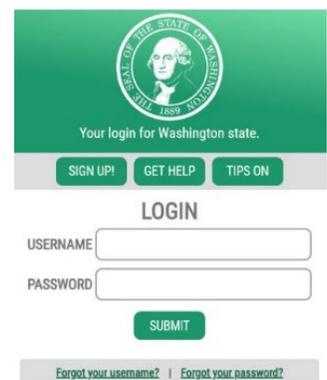
- Own or lease the home or property where the heating oil tank is located. If the property is leased, then the operator must provide the property owner’s written consent to Program requirements.
- Submit a complete application.
- Meet other criteria provided by Program rules.
- Exhaust any insurance funds available or provide proof of insurance denial.
- Must exhaust their HOIP insurance funds, if applicable, before proceeding with this Program.

2. **Declines**

PLIA may decline to offer a loan or grant to an Applicant at any point in the process. A written explanation for a decline will be sent to the Applicant.

3. **Application**

Apply online at PLIA’s Loan and Grant Community or contact PLIA by email at pliamail@plia.wa.gov, or by phone at 1-800-822-3905 to request a paper application. Only one



The image shows a login interface for Washington state. At the top is the state seal with the text "Your login for Washington state." Below this are three buttons: "SIGN UP!", "GET HELP", and "TIPS ON". The main heading is "LOGIN". There are two input fields: "USERNAME" and "PASSWORD". Below the password field is a "SUBMIT" button. At the bottom, there are two links: "Forgot your username?" and "Forgot your password?".

complete application is required to be considered for any funding award (i.e., either a loan award or grant award).

Applications are accepted in the order in which they are received. This includes online and paper applications. Only completed applications are considered.

The Program will award financing for up to 26 Applicants during the six month award cycle, and anticipates processing up to six applications each month for five months. Should an award cycle have less than 26 eligible Applicants, PLIA may reduce the number of awardees for that cycle and increase by the same amount the number of awardees for the next cycle.

- During the application period, PLIA will be accepting applications for up to 45 days or until 35 completed applications have been received. PLIA will review applications for completeness. If an application is incomplete, PLIA will notify Applicant in writing and the Applicant will have 10 business days from the date of that notice to provide the missing information. Incomplete applications that have not been finished after the 10 day period will be discarded and individuals must reapply.
- PLIA will set aside application slots for each application cycle in accordance with the chart below. If your county’s reserved slots are filled, your application will be moved into the next award cycle unless there are available slots from other counties. Other available county slots may be filled by a completed application, in the order they are received.
- For the purposes of this Program, Washington State will be divided into the following groups of counties:

County Groups	Reserved slots
King, Snohomish, Skagit, Whatcom, San Juan, Island	17
Clallam, Jefferson, Grays Harbor, Pacific, Mason, Kitsap, Thurston, Pierce	4
Lewis, Wahkiakum, Cowlitz, Clark, Skamania, Klickitat	1
Kittitas, Yakima, Benton, Franklin	1
Ferry, Stevens, Pend Oreille, Lincoln, Spokane, Whitman, Garfield, Walla Walla, Columbia, Asotin	2
Okanogan, Chelan, Douglas, Grant, Adams	1
Total applications	26

Applicants must provide:

- A demonstration of an insurance claim denial from the Applicant's insurance policy, as applicable for cleanup.
- A signed Access Agreement allowing PLIA and its representatives access rights to any property which is part of the Site to conduct data collection and monitoring. If contamination is determined to spread off property, the Participant will attempt to gain access.
- A completed application to include:
 - Applicant name, address, marital status if not joint application.
 - Income Verification:
 - Employed: prior year W-2 and two recent paycheck statements.
 - Self-employed: three years of tax returns; depending on type of business PLIA may request additional documents.
 - Trust account or investments information, or other financial situation: PLIA may request additional documents.
 - All information submitted to PLIA must have identifiers such as social security number and account numbers marked out. All information submitted to PLIA is subject to public records requests.
 - Prior to a funding award offer, Program Participants submit a credit report to DOH for final underwriting. PLIA will provide the web link.
 - List of Assets and Debts (not to include account numbers but lists balance owed and monthly payment amounts).
 - As applicable, description of actual or potential sources of cleanup action funding, including:

- Insurance policies and claims made against those policies.
- Lawsuits that have been filed to pursue a contribution claim or cost recovery claim under MTCA.
- Any other items or clarification requested by the Agency following submission.

4. **Application Review**

- An application will be reviewed within 30 business days after submission for completeness. Once the open application period has closed, complete applications will be numbered in the order received, based on their time stamp (see Section 7 Application Prioritization For Funding).
- Twenty-six applications will be adjusted into the six groups of counties as defined above.

5. **Program Acceptance**

PLIA will notify the 26 accepted Applicants in writing. The acceptance letter confirms that an Applicant becomes a Program Participant and includes information on next steps in the Program.

6. **Preliminary Planning Assessment (PPA) Work and PPA Grant**

- a. The next step in the process is a PPA, conducted at the heating oil site (or submission by the Applicant of equivalent information to be approved by PLIA). The PPA work identifies, as applicable, the extent of contamination, the required clean up actions, and a cost estimate for the cleanup and any desired infrastructure upgrades at the facility. The PPA work is conducted by a PLIA-contracted and assigned environmental consultant.
- b. Each Program Participant is eligible for a PPA grant award of up to \$7,000 for the assessment of the site and \$1,500 for enrollment in the HOTAP. An additional application is not required for this grant. Program Participants do not repay the PPA grant.

- c. Program Participants registered in PLIA's HOIP are not required to obtain a PPA. The Statement of Work from the insurance claim provides information equivalent to a PPA.
- d. PLIA will review the PPA work and receive the results of tests and investigations conducted by the PPA environmental consultant. That PPA work may include:
- Collecting soil samples and completing laboratory analysis.
 - Collecting vapor samples and completing laboratory analysis.
 - Collecting, monitoring and completing laboratory analysis of samples.
 - Developing a conceptual site model.
 - Identifying preferred cleanup alternatives.
 - Developing a cleanup action plan (CAP).
 - Developing design specifications for infrastructure upgrades such as an upgrade of the current system or installation of a new heat system.
- e. The PPA grant will cover up to \$7,000 in PPA work. If the PPA work costs are lower than \$7,000, then Participants are not paid the difference. The final cost of the PPA work is deducted from the total funding amount which may potentially be awarded to the Program Participant. For example, the maximum amount a Program Participant can be awarded in the Program is \$75,000. If the PPA work costs \$3,000, then the maximum amount awarded as a loan or grant is \$72,000.
- f. If a Program Participant chooses to enroll in PLIA's HOTAP, an additional \$1,500 enrollment fee is added to the PPA grant. This amount also reduces the total maximum funding amount that may be awarded.

7. Application Prioritization for Funding

- a. After PPA work is completed for all applications in the current cycle (or the equivalent PPA work is approved by PLIA), the applications will be placed in priority order. The priority order will determine the order and timing by which PLIA will allocate Program funds.
- b. PLIA will prioritize applications based on their health disparity score. Health disparity scores are determined by the Washington Health Disparities data published by the DOH.
- c. Program participants are placed into three categories based on type of work requested:
 - i. Contamination cleanup with no infrastructure upgrades.
 - ii. Contamination cleanup with infrastructure upgrades.
 - iii. Infrastructure upgrades only.
- d. The Participants will be informed in writing by PLIA of their order in the priority list and next steps in the process.

8. Intake and Financial Strategy Meeting

- a. A meeting will be held online, at PLIA’s office, or by phone to discuss the results of the PPA work and to outline a financial strategy.
- e. PLIA and the Participant will discuss the project including the estimated project costs. PLIA will also discuss financial resources and options. In almost all instances, Participants will be offered a low interest loan. A Program grant may be offered if the Participant meets grant requirements and Program funding and resources is available.
- f. PLIA will explain how the funds will be administered and detail the Agency’s and Participant’s roles and responsibilities.

- g. For Participants offered a loan, this financial strategy meeting will also detail the loan amount and the loan terms.
- h. Participants are given 10 business days to accept or decline the loan or grant.⁴
- i. A project may qualify for both a loan and grant; however Program funding (including both loan and grant amounts) is capped at \$75,000 for a single heating oil tank facility.
- j. After PLIA and the Participant agree to the financing and scope of work terms, PLIA will prepare a Loan Agreement or Grant Agreement.
- k. After signature by all parties, PLIA submits the Agreement to DOH for account preparation.

9. Loan Funding and Invoice Payments

a. A Participant does not directly receive the loan funds, instead, the Participant will review and approve their contractor or consultant’s invoices, i.e. contracts. Contractors or consultants submit the invoices to PLIA for payment.

- i. Participants will select a contractor or consultant to conduct the work.
- ii. Contractors and consultants may only invoice for eligible costs.
- iii. Environmental consultants and contractors performing non-cleanup work must be registered as a [statewide vendor](#) with Office of Financial Management.

Loan Awards

- *Limited at up to \$75,000 (includes PPA costs).*
- *Interest rate: prime*
- *Term: 30 years*
- *No penalty for early payoff.*

⁴ Under unprecedented circumstances, such as a natural disaster or pandemic, PLIA may temporarily pause action on a financial offer. PLIA will provide advance notice if any such situation arises.

- b. PLIA will review invoices to ensure that work performed aligns with the loan's eligible cost requirements⁵ and the approved scope of work. PLIA's approval is not an endorsement of the work performed by the contractor or consultant. PLIA is not reviewing or approving the quality of the work performed.
- c. PLIA issues payments, drawing from the Participant's loan fund. PLIA administers the loan funds by issuing payments directly to contractors or consultants hired by the Participant to perform site work.

10. Participant Loan Repayments

- a. Loan payments are due 30 days following PLIA's approval of the first submitted payment request form, and every 30 days thereafter.
- b. DOH will send billing statements one month prior to the payment due date.
- c. Participants will make loan payments directly to PLIA.

11. Suspension or Termination of Loan

- a. A suspension is a PLIA action that temporarily withholds or stops a project, including payment of invoices from the loan fund.
- b. A termination is the cancellation of a loan prior to its expiration.
 - i. Termination prevents the Participant from submitting further invoices for payments from loan funding.
 - ii. Termination of the loan does not terminate the loan agreement or relieve the Participant (Borrower) of the obligation to fulfill the requirements of the loan agreement. The Borrower must continue to make loan payments for the money that has been dispersed in accordance with the terms of the loan agreement.
- c. A suspension or termination may occur for reasons including:

⁵ Contractors and consultants hired by Participants may contact PLIA directly to discuss eligible cost requirements.

- The Participant fails to comply with the loan terms and conditions.
- The Participant files for bankruptcy or the property is foreclosed.
- PLIA and the Participant mutually agree to suspend a project or an assessment, or terminate a project or loan.
- Funding from state, federal, or other sources are withdrawn from the Program. PLIA may choose to pursue a suspension until the lack of Program funds is resolved.
- Ecology places a site under a MTCA Order.
- Other causes which impede the Program's purposes.

d. Notice to Participant by PLIA.

- PLIA will provide written notice to the Participant prior to any action unless immediate suspension or termination is required to protect the state's interests.
- For written notice, PLIA will explain the reason(s) for the action, provide the effective date, and other details about the suspension or termination. PLIA will provide the Participant the opportunity to correct any deficiencies.
- Either PLIA or the Participant may initiate a suspension or termination when there is a catastrophic event, a disruption which frustrates the Project's purpose, or any other cause which makes the Project impracticable legally or financially.

e. Notice to PLIA by Participant.

- The Participant must provide written notice to PLIA to request a suspension or termination.
- PLIA will respond in writing within 30 days of receipt.

- f. Costs cannot be incurred during a suspension or after a termination.
- g. Following a termination, the Participant will provide a progress summary that includes a cost accounting of costs and expenses incurred.

12. **Grant Funding and Invoice Payments**

PLIA offers an initial grant to all Participants for the PPA. Pending Program funding availability, additional grants may be considered as defined below:

- a. **Environmental Health Grant:** Grant funds may be available to pay for cleanup of heating oil leaks that pose an immediate threat to human health and safety. Funds may only be used for cleanup work. For leaks at an Applicant's property, the local health jurisdiction can assist and determine whether the leak or contamination is a threat. If the leak is deemed as an immediate threat, then an Applicant must include such documentation with a completed application. For consideration, PLIA will review this documentation with the financial information provided on the application.
- b. **Financial Hardship Grant:** PLIA recognizes that some homeowners can face significant financial burden by assuming a loan to finance a necessary cleanup and upgrading, replacing, decommissioning, or removing a heating oil tank. Some Applicants may own their home, but also face other long-term economic hardships such as limited household incomes, lack of savings account or liquid assets, and inability to make long-term loan payments. Financial Hardship Grants are awarded to Applicants with existing adverse economic challenges and who are reliant on heating oil to heat the homes. DOH will review application materials and may request additional documentation to support a Financial Hardship Grant. Homeowners seeking to apply for this grant must be within 200% of the federal poverty guidelines as determined by the U.S. Department of Health and Human Services.⁶

⁶ <https://aspe.hhs.gov/2021-poverty-guidelines>

13. Grant Repayments

- a. Participants awarded a full Program grant, but who subsequently obtain additional funds from an insurance claim, contribution claim, or recovery claim under MTCA or the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), will have the grant award amount reduced by the additional fund amount.
- b. If additional funding becomes available to the Participant after PLIA has already awarded and made payments under the grant, then PLIA requires repayment of the grant amount.

14. Suspension and Termination of Grants

- a. A suspension is a PLIA action that temporarily withholds or stops a Project, including payment of invoices from the grant fund. PLIA may suspend a grant agreement, in whole or in part, at any time upon written notice to the Participant.
- b. A termination is the cancellation of a grant. PLIA may terminate an Agreement at any time for fraud, other illegalities in the course of Project work, or insolvency, upon written notice to the Participant. The parties may agree to terminate the Agreement at any time by written mutual agreement.
- c. PLIA's ability to award grant payments is contingent on availability of Program funding. In the event Program funding from state, federal or other sources is withdrawn, reduced, or limited in any way, PLIA at its sole discretion, may elect to terminate the grant agreement, in whole or part, or renegotiate the Agreement, subject to new funding limitations or conditions.
- d. PLIA may also elect to suspend performance of the Agreement until PLIA determines the funding insufficiency is resolved. PLIA may exercise any of these options with no notification or restrictions, although PLIA will make a reasonable attempt to provide notice.

II. Additional Information

1. Applicable State Laws and Regulations

- Underground Storage Tank Revolving Loan and Grant Program, [Chapter 70A.345 RCW](#).
- Model Toxics Control Act (MTCA), [Chapter 70A.305 RCW](#).
- Underground Petroleum Storage Tanks, [Chapter 70A.325 RCW](#).
- Petroleum Storage Tank Systems - Pollution Liability Protection Act, [Chapter 70A.330 RCW](#).
- MTCA Cleanup Regulation, [Chapter 173-340 WAC](#).
- Heating Oil Technical Assistance Program, [Chapter 374-80 WAC](#).

2. Participant Role and Responsibilities

- Participant understanding and adherence to the Program is vital. Participants are responsible for:
 - Submitting a complete application package and providing PLIA with any requested application materials.
 - Engaging with PLIA technical and Program staff throughout the process.
 - Ensuring that hired environmental consultants and contractors for both cleanup and non-cleanup work comply with the PLIA-approved scope of work.
 - Meeting all state and local requirements.
 - Approving and directing all work conducted by their consultants and contractors. Ensuring participant selected consultants submit regular status reports on cleanup and discuss findings with PLIA.

- Maintaining communications with PLIA staff to mitigate project disruptions and to apprise PLIA of new concerns.
- Complying with all applicable rules and regulations.

3. PLIA Role and Responsibilities

- PLIA technical and Program staff are committed to assisting heating oil tank Station (site) owners and operators in identifying the work to be done and help them understand the Program's process.
- During the technical advice and Program implementation process, PLIA agrees to:
 - Maintain open communications with Participants about all site-related issues.
 - Review regular status reports from consultants and discuss findings with Participants.
 - Initiate and lead regular conference calls with consultants, vendors, and Participants.
 - Conduct follow-up meetings with Participants after construction completion.
 - Assist Participants in understanding project scope of work.
 - Review all consultant and vendor invoices for accuracy and alignment with Program requirements.

4. Decommissioning a Heating Oil Tank

PLIA discourages decommissioning tanks in place due to hindrances on the cleanup process. Applicants seeking to decommission the heating oil tank in place should contact their local Fire Marshal before proceeding, because each jurisdiction has its own requirements. PLIA recommends the decision be made on a site-specific bases and

encourages making the determination after completion of a PPA to ensure that all substantive requirements of MTCA can be met.

5. Upgrading or Replacing a Heating Oil Tank System

Loan and grant funds can be used for upgrading or replacing infrastructure for the heating oil tank system. Infrastructure can include: the tank; piping; associated mechanisms, ventilation, and distribution systems. The Program Participant is responsible for ensuring that any upgrade or improvement meet municipal or local codes, laws and rules in addition to statewide requirements.

6. Contractor Services

Resources on selecting a contractor or consultant are available at:

- Department of Ecology:
<https://apps.ecology.wa.gov/publications/SummaryPages/FTCP92116.html>
- Department of Labor & Industries: <https://lni.wa.gov/licensing-permits/contractors/hiring-a-contractor/>

7. Eligible Costs

Invoices submitted for payment must be for performance on an approved work plan. Eligible costs are paid by the loan or grant funds. Ineligible costs are the Participant's responsibility, and loan and grant funds cannot be paid directly or indirectly for these costs. Participants must confirm with PLIA about what costs are eligible prior to starting any work paid by loan or grant funds.

PLIA may reject invoices for costs deemed excessive, such as consultant hourly rates charged more than the market rate. Additionally, charges for Personal Protective Equipment are capped at \$25 per person. Please see Appendix A for additional listings.

8. Repayment Options, Deferment, Forbearance, and Forgiveness

During the repayment period, Program Participants may experience financial difficulties impacting their ability to meet repayment terms or cost recovery terms. Difficulties can include unforeseen widespread emergencies such as economic impacts inflicted by a global health pandemic. In these circumstances, PLIA will work closely with the Participant to review current financial concerns and modify repayment options as necessary.

The following list describes the actions available to PLIA in seeking repayment and the options available to Participants facing financial difficulties. Not all options are available to every Program Participant.

A. Loans.

- a. For late and missed monthly payments, the loan agreement terms apply.
- b. For payments in arrears (up to six months past due) or in default (more than six months past due), PLIA may seek direct recovery through:
 - i. Debt collection.
 - ii. Court judgment filing.
 - iii. Lien filing and enforcement.
 - iv. Proceeds from property sale, specifically if property value increased after cleanup completion due to PLIA funding.

B. Repayment difficulties.

- a. Process:
 - a. Contact PLIA's Financial Manager to discuss concerns about financial difficulties. PLIA and DOH will review the Participant's current financial information to consider their ability to repay the loan and other options. Participants experiencing financial difficulties must contact PLIA prior to any late payments.
 - b. Consider changes to repayment terms.

- i. Option 1- Deferment: PLIA will suspend interest charges and monthly payments for a fixed period of time. The total loan obligation must still be repaid. The total months of suspended payments will be added on at the end of the original loan term. Available loan funds will not be dispersed during deferment.
- ii. Option 2 – Forbearance: PLIA will suspend monthly payments for a fixed period of time; however, interest charges will continue to accrue. The total loan obligation must still be repaid. The total number of months for repayment may not change. Available loan funds will not be dispersed.
- iii. Option 3 – Loan Modification: Modify payment structure and terms to accommodate Participant’s current financial situation. Participant is still responsible for full loan amount. Loan funding cannot exceed the original loan award.

C. Loan or Repayment Forgiveness

PLIA’s Executive Director may consider forgiveness and write off the balance of a loan, if it is in the best interest of the state.

PLIA will review the outstanding debt owed to determine a cost-effective approach to handling past due receivables, and whether the receivable should be removed from the Agency’s financial records (i.e., written off) as the expected costs of further collection efforts exceeds the expected benefits.

PLIA may forgive a portion or all of the debt owed. PLIA will consider the Participant’s current situation and may seek third party accounting of the Participant’s financial documents to support consideration of forgiveness. The Agency receivable may be written off as uncollectible when it meets any of the following criteria:

- a. The debtor cannot be located, nor can any of the debtor’s assets.
- b. The debtor has no assets and no expectation of having any in the future.

- c. The debt is discharged in bankruptcy, and there is no guarantor or successor.
- d. The debt is disputed, and PLIA has insufficient documentation to pursue collection efforts.
- e. The debtor has died and there is no estate or guarantor.
- f. Any time the expected costs exceed the expected benefits as determined by PLIA management or the Attorney General's Office.
- g. Accounts under a minimal amount where the debtors have not responded to the original billing, a telephone call, or a dunning letter.

Appendix A

Eligible and Ineligible Costs

This list provides guidelines in describing eligible and ineligible costs for PLIA’s Heating Oil Loan and Grant Program. Eligible costs are those charges that are approved to be paid for up to the amount associated with the site. This list does not describe every possible cost that may be needed to effectively establish MTCA boundaries, assess the site, or remediate the site.

All receipts for materials, tools, equipment, and landscaping materials must be submitted for payment to be processed. Additional requests for specific items not listed below require PLIA pre-approval prior to incurring costs in order to prevent delay or denial.

This document is intended for reference only. Specific questions should be directed to PLIA staff in writing.

Eligible Costs
<p>Preliminary Planning Assessment (PPA) Up to \$7,000 dollars will be available to cover the initial assessment of the site field work, lab sample analysis, labor, and reports.</p>
<p>Sampling and Field Screening Laboratory analysis of soil, groundwater and vapor assessments (soil-gas, sub-slab sampling, indoor ambient air devices). Installation of permanent and temporary groundwater monitoring wells, hydropunches, etc.</p>
<p>Personal Protective Equipment (PPE) Necessary equipment related to protecting the health and safety of workers required on site. This includes face shields, masks, and gloves. PPE costs should not exceed \$25.00 per person, per day.</p>
<p>Equipment and Tools Geoprobe, truck mounted geoprobe, auger sampling. PID (photo-ionization detectors) rental, or other equipment as applicable and authorized by PLIA.</p>
<p>Excavation and Site Remediation. Rental of excavators, skid-steerers, conveyors, etc. Filing for city/county permits, traffic control, excavation of clean and petroleum contaminated soil, back filling of excavation, ongoing vapor monitoring, approved bio-remediation techniques, etc.</p>
<p>Mobilization Normal costs of operation to deliver equipment and manpower to a job site. Delivery of clean back fill, removal of contaminated soil to licensed disposal facility. Please note: excessive or trivial mobilization fees will not be covered.</p>
<p>Construction Materials</p>

Plywood and metal sheets to protect sidewalks, shoring materials, materials to work in trenches, safety fences, caution tape, or other pre-approved materials.

Labor

General labor at the site, project supervisors/manager, office support staff, site managers, and sub-contractors.

Landscaping and repairs

PLIA will cover up to \$7,000 dollars for landscaping performed on the source property only if the activities performed are necessary to the long term maintenance and/or access to the property. These activities may include, but are not limited to, the following: the restoration of accessibility devices for handicap access to the dwelling, removal of trees, labor for the removal/replacement of fences, driveways, stairs or general items limiting site access. Repairs to stairs for necessary access to the dwelling, fences, decks patios and porches may be repaired using original materials.

Repairs

Repairs performed to underground utilities such as water service, electric, and gas lines from public utilities to the dwelling. Costs for repairs and landscaping to a neighboring property will be covered up to \$1,500.

Reports

Assessment of the site, final cleanup reports, etc. All documents must be complete when submitted. Line items for individual aspects of a report will not be covered. Additional administrative work such as Environmental Covenant preparation and filing, technical memorandums, etc. must be preapproved by PLIA and will only be covered on a case-by-case basis.

Travel

The Agency will not pay in excess of state per diem rates as published by the Office of Financial Management for travel costs. The Contractor can find per diem rates at <https://ofm.wa.gov/accounting/administrative-accounting-resources/travel>. Except for meals and mileage, the Agency requires receipts for all travel related expenses.

No payment of travel expenses will be made for routine travel to and from the Agency's location.

Ineligible Costs

General Items

Items including but not limited to the following: costs of general business expenses and overhead, subscriptions (software, newsletters, etc.), repairs to equipment, internet service, office equipment or maintenance, insurance, bonds, registrations, etc.

Repairs

Maintenance performed on accessory structures, auxiliary utility lines from the principal dwelling to accessory structures will not be covered.

Miscellaneous

Food, beverages provided to employees. Line items listed as “miscellaneous items” without a description.

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