



# Washington State Pollution Liability Insurance Agency



*An aboveground fiberglass heating oil tank. (Photo credit: Kevin Brine/Shutterstock.com)*

## Heating Oil Loan and Grant Program GUIDANCE

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## Program Summary

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 petroleum underground storage tanks.

Heating oil tanks in Washington are aging and deteriorating. These above ground and underground storage tank (UST) systems are primarily used as a heat source for residential homes. Homeowners using heating oil tanks often do not have pollution liability insurance to cover the costs of addressing heating oil tank releases. Without insurance, a homeowner may lack the financial resources to address and clean up contamination.



*Heating Oil Tank removal (Source: Langseth Environmental Services Inc.)*

To support owners and operators of heating oil tanks, PLIA administers the [Heating Oil Loan and Grant Program](#). This Program offers financial assistance in the form of loans and grants to heating oil tank owners and operators to:

- Clean up historical or ongoing releases from leaking heating oil tanks and piping.
- Upgrade, replace, or remove heating oil tank systems to prevent future leaks.
- Retrofit and modernize existing heating oil infrastructure.
- Install new infrastructure for renewable or alternative energy.

These efforts directly impact Washington communities by improving and benefitting:

- Environmental and drinking water protection.
- Protection of public health.
- Restoration of property values.

This guidance document describes the Heating Oil Loan and Grant Program (Program) and serves as Program guidance while PLIA completes its rules. Updates to the Program and rulemaking are on PLIA's website at [www.plia.wa.gov](http://www.plia.wa.gov). You may also contact PLIA at 1-800-822-3905 or [pliamail@plia.wa.gov](mailto:pliamail@plia.wa.gov) for additional information about the Program.

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## Definitions

<b>Agency</b>	Pollution Liability Insurance Agency (PLIA).
<b>Access Agreement</b>	A written agreement in which the participant grants PLIA and its representatives access rights to your property to conduct data collection and monitoring.
<b>Applicant</b>	Owner or operator of a heating oil tank who has applied for a loan or grant.
<b>Borrower</b>	A person or entity approved to receive a loan and obligated to repay it and any additional fees according to the loan terms.
<b><u>Department of Archaeological and Historical Preservation (DAHP)</u></b>	Washington State agency with knowledge and expertise in historic preservation that provides consultation, identification of historic properties and determination of their eligibility for protection, and assessment of potential project adverse impacts ( <a href="https://dahp.wa.gov">https://dahp.wa.gov</a> ).
<b><u>Department of Health (DOH)</u></b>	Washington State agency that works with others to protect and improve the health of all people in Washington State. Provides PLIA with financial review services for underwriting ( <a href="https://doh.wa.gov">https://doh.wa.gov</a> ).
<b><u>Department of Ecology (Ecology)</u></b>	Washington State agency for environmental protection ( <a href="https://ecology.wa.gov">https://ecology.wa.gov</a> ).
<b>Environmental Health Disparity Score</b>	A value taken from a map administered by the Washington State Department of Health that reflects differences in risks and health outcomes associated with a location’s environmental exposures, environmental effects, socioeconomic factors, and sensitive populations.
<b>Environmental Justice</b>	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, rules, and policies. Environmental justice includes addressing disproportionate environmental and health impacts in all laws, rules, and policies with environmental impacts by prioritizing vulnerable populations and overburdened communities, the equitable distribution of resources and benefits, and eliminating harm. <a href="#">RCW 70A.02.010</a> .

<b>Grant</b>	A financial award to a program participant that is not repaid.
<b>Heating Oil Tank</b>	An underground or aboveground storage tank used for the purpose of storing heating oil.
<b>Lien</b>	A claim on property used as security for a debt.
<b>Loan</b>	A financial award to a program participant repaid according to the terms of a contract.
<b>Model Toxics Control Act (MTCA) or State Cleanup Standards</b>	The state’s cleanup law. See <a href="#">Chapter 70A.305 RCW</a> for the governing statute, and <a href="#">Chapter 173-340 WAC</a> for the governing regulations.
<b>Online Community</b>	PLIA’s cloud-based application and data system used by the agency's customers, environmental consultants, and service providers to submit applications, documentation, reports, and to look up project information.
<b>Operator</b>	A person in control of, or having responsibility for, the daily operation of a petroleum UST system ( <a href="#">Chapter 70A.325.010 RCW</a> ).
<b>Owner</b>	A person who owns an UST system.
<b>PLIA-contracted Consultant</b>	Environmental consultant contracted by PLIA to perform the Preliminary Planning Assessment.
<b>Participant</b>	A UST owner or operator accepted into the Program, who signs a Participant Agreement, and receives a Preliminary Planning Assessment Grant and/or loan.
<b>Participant Agreement</b>	A contract between the heating oil tank owner or operator and PLIA that details each party’s terms and responsibilities.
<b>Preliminary Planning Assessment</b>	The identification of the nature and extent of any existing contamination, the required clean up actions, and a cost estimate for the cleanup and any desired infrastructure upgrades.
<b>Prime Interest Rate</b>	Interest rate set by the <a href="#">U.S. Federal Reserve</a> and applied to loan award funding.
<b>Project</b>	Location where the assessment, cleanup or infrastructure upgrades will occur.

<b>Release</b>	An accidental leak or spill from a petroleum UST into the environment ( <a href="#">Chapter 70A.325.010 RCW</a> ).
<b>Remedial Action</b>	Any action or expenditure consistent with MTCA purposes to identify, eliminate, or minimize any threat or potential threat posed by hazardous substances to human health or the environment including any investigative and monitoring activities with respect to any release or threatened release of a hazardous substance and any health assessments or health effects studies conducted in order to determine the risk or potential risk to human health.
<b>State Environmental Policy Act (SEPA)</b>	A law that establishes a state policy whose purpose is to encourage a productive and enjoyable harmony between humankind and the environment. Identifies and analyzes environmental impacts associated with governmental decisions. See <a href="#">Chapter 43.21C RCW</a> and <a href="#">Chapter 374-100 WAC</a> .
<b>Statement of Work</b>	Description of a project’s work requirements. This defines the project-specific activities, deliverables, cost, and timelines.
<b>Technical Assistance Program</b>	A PLIA program that offers technical advice and assistance to UST owners and operators on petroleum cleanups. <a href="#">Chapter 374-80 WAC</a> .
<b>Heating Oil Underground Storage Tank (Heating oil UST)</b>	A heating oil tank (including connected underground pipes) that is used to contain a regulated substance and is ten percent or more beneath the ground surface or otherwise covered by earthen materials.

## Introduction

The Heating Oil Revolving Loan and Grant Program (Program), established by [Chapter 70A.345 RCW](#), provides eligible heating oil tank owners and operators with financial assistance when other funding sources are not available or have been exhausted. You may use funding to pay for cleanup of known or historical petroleum contamination, removal or replacement of UST systems to better prevent future releases, and upgrades or retrofits to infrastructure that may include the use of renewable energy. PLIA administers this Program in partnership with the Washington State Department of Health (DOH), evaluates Participants' financial status in determining an applicable financial award.

If you own or operate a heating oil tank and need to clean up a release or are seeking to decommission your tank, then you may be interested in applying for this Program. Accepted applicants in the Program are eligible to receive a financial award of up to \$75,000 that includes:

- A grant for Preliminary Planning Assessment and Technical Assistance Program enrollment fees.
- A loan to pay for cleanup and infrastructure upgrades or changes.

The Program process includes the following steps:

- I. Application review, which includes a review by both State Environmental Policy Act (SEPA) and the Department of Archeological and Historic Preservation (DAHP) with public comment periods.
- II. Preliminary Planning Assessment.
- III. Financial review and offer.
- IV. Environmental cleanup and/or infrastructure upgrades.
- V. If a loan was disbursed, loan repayment.

This guidance document describes these steps and provides additional Program information.

PLIA can assist you with meeting the substantive requirements of the Model Toxic Controls Act (MTCA), [Chapter 70A.305 RCW](#) and [Chapter 173-340 WAC](#). All work completed under PLIA's Loan and Grant Program must meet the substantive requirements of MTCA.



## Heating Oil Loan Grant Program

PLIA offers financial awards in the form of loans and grants. PLIA awards up to \$75,000 for a single heating oil tank. This funding is secondary to a property owner’s or operator’s other financial sources and insurance coverage. Not all Participants will require or receive \$75,000.

**Financial awards are primarily in the form of loans which are repaid to PLIA.**

You can only use loan funds for eligible work activities such as:

- Decommissioning and removal of heating oil tanks.
- Removal and replacement of contaminated soil.
- Cleanup actions.
- Upgrading or replacing heating infrastructure.

### I. Application for a Loan or Grant

You may apply to the Program when the application cycle is open. You must submit an application by the deadline established on the PLIA website. Before applying, review the eligibility requirements. PLIA assigns Applicants to an award year and offers financial awards based on funding availability. The loan interest rate is set at the prime interest rate for the award year when the application is accepted.

PLIA’s application cycles occur twice in a calendar year. Cycles are 45 days long during May to June, and November to December.

Application materials are accessed through the [Online Community](#). Guides for using the Online Community are available at <https://plia.wa.gov/online-community-help-guides/>. If you have questions or need help accessing the Online Community, please call PLIA at 1-800-822-3905 or email [pliamail@plia.wa.gov](mailto:pliamail@plia.wa.gov).

During each application cycle, PLIA may accept up to 26 completed applications. In order to serve all residents of Washington, PLIA reserves application slots by geographic region, as shown in the table below.

Counties	Application 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
<b>Total applications</b>	<b>26</b>

## 1. Eligibility

To meet Program eligibility:

- Your facility must have a heating oil tank or a property with a historical heating oil release.
- You must be the owner of the property or obtain written consent from the owner permitting you to proceed with Program.
- Submit a completed application.

If Program funding is applied towards cleanup costs, you must enroll in the [Technical Assistance Program](#).

## 2. Declines

PLIA may decline to offer you a loan or grant at any point in the process. For Program declines, PLIA will send a written explanation to you. Declined applications are agency decisions that cannot be appealed. If the application is declined, you may be eligible to reapply in the next application cycle. If the application is declined due to finances, you are encouraged to contact PLIA prior to reapplying.

## 3. Application

You can submit your application through PLIA's [Online Community](#). PLIA can be contacted by [email](#) or by phone at 1-800-822-3905 for assistance.

PLIA will consider an application for all Program funding awards. **Remove all personal identifiers, such as social security numbers and account numbers, before submitting documentation.** Required financial documentation may vary. An application must include the following:

Personal Information	Project Information	Financial Documentation
<ul style="list-style-type: none"><li><input type="checkbox"/> Mailing address.</li><li><input type="checkbox"/> Phone number.</li><li><input type="checkbox"/> Email address.</li><li><input type="checkbox"/> Marital status.</li><li><input type="checkbox"/> Employment information.</li><li><input type="checkbox"/> Joint applicant information, if applicable.</li></ul>	<ul style="list-style-type: none"><li><input type="checkbox"/> Address, if different from mailing address.</li><li><input type="checkbox"/> Project goals.</li><li><input type="checkbox"/> Desired infrastructure upgrade(s).</li><li><input type="checkbox"/> Reports on known contamination.</li></ul>	<ul style="list-style-type: none"><li><input type="checkbox"/> Prior year W-2.</li><li><input type="checkbox"/> Two recent paycheck statements.</li><li><input type="checkbox"/> Three years of tax returns.</li><li><input type="checkbox"/> Trust account or investment information.</li><li><input type="checkbox"/> Any court documents, including civil agreements pertaining to alimony or child support.</li><li><input type="checkbox"/> Assets<ul style="list-style-type: none"><li>○ Investment accounts.</li><li>○ Rental property income.</li></ul></li><li><input type="checkbox"/> Debts</li></ul>

Personal Information	Project Information	Financial Documentation
		<ul style="list-style-type: none"> <li>○ Mortgage statement.</li> <li>○ Auto loans.</li> <li>○ Student loan statements.</li> <li>○ Credit card statements.</li> <li>☐ Insurance policies and claims made against those policies.</li> <li>☐ Lawsuits that have been filed to pursue a contribution claim or cost recovery claim under MTCA or the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) (if applicable).</li> <li>☐ Agreements with other potentially liable persons and potentially responsible parties to help pay for cleanup costs (if applicable).</li> </ul>

\*See Appendix A for additional information and financial documentation for businesses, LLC, and other organizations.

**During the Preliminary Planning Assessment, contamination may be discovered on the subject property. If so, PLIA will require proof of pollution liability insurance denial.**

Prior to any financial award, you must also provide the following:

- Agreement to expend all money available under insurance, prior to applying Program funds.  
OR
- Proof that you have spent all money available under your insurance.  
OR
- Documentation of insurance pollution exclusions or inability to access other financial responsibility resources.

#### 4. Application Review

After the application cycle ends, PLIA will review applications for completeness. We will notify you, in writing, of any missing information or documents. You will have ten (10) business days to submit the requested information to PLIA. If you don't provide the missing information or documents, PLIA will consider the application incomplete. You may re-submit a completed application in the following application cycle.

Once PLIA has verified the completeness of the application, you will receive a checklist for the State Environmental Policy Act ([SEPA](#)) that must be completed. The SEPA process identifies and analyzes environmental impacts of governmental decisions. This process helps the public and applicants understand how proposals will affect the environment. Contact Program staff for additional information.

### External Review

- **Department of Archaeological and Historical Preservation (DAHP):** Prior to acceptance, PLIA will provide the necessary information to DAHP for review. This review takes approximately 30 calendar days. [Executive Order 21-02](#).
  - **Tribal outreach:** Potentially affected Tribes will be notified of the Project in the event a potential historically important discovery is found.
- **Inadvertent Discovery Plan (IDP):** An IDP must be completed for the Project before any physical work is completed. This plan is required as part of the DAHP requirements and outlines the expectations of what should occur if historically significant artifacts are located. The IDP will be completed by the Consultant and PLIA.
- **SEPA:** PLIA will provide the applicant with a SEPA checklist. The applicant will have 30 calendar days to fill out this checklist and then PLIA must review it before the Project can begin. The SEPA review process identifies potentially harmful environmental impacts associated with government decisions and will determine if additional activities are necessary to avoid, reduce or compensate for probable impacts. The SEPA review process requires a 14-day public comment period after PLIA has completed its review.

## 5. Program Acceptance

### 1. Notification

PLIA will notify you, in writing, of your acceptance into the Program and preparation for the Preliminary Planning Assessment.

### 2. Credit Report

You will also receive a request from PLIA for a credit check. The credit check requires a fee payment by the Applicant. The information will be sent directly to PLIA. PLIA and DOH use this information to assess ability to repay. Credit information does not determine Program eligibility.

## II. Preliminary Planning Assessment

### 1. Overview

A PLIA contracted consultant will perform a Preliminary Planning Assessment (PPA) to develop a general understanding of the applicant's property. A PPA is different from a remedial investigation under MTCA because a PPA provides general information on a property and the contamination and a plan for further actions. A PPA may not fully investigate all the contamination pathways. It includes the following assessments:

- The potential presence, nature, and extent of contamination.
- Whether remedial actions are necessary or if completed actions have removed enough contamination that no more action is required.
- A list and cost estimate for necessary cleanup actions and infrastructure upgrades.

PLIA pays the cost of the PPA as a grant award. The PLIA-contracted consultant conducts the PPA, which can cost up to \$7,000. If the actual PPA costs are lower than \$7,000, PLIA does not pay the difference to you. If PLIA offers a financial award, the agency deducts the total cost of the PPA from the maximum available financial award of \$75,000. You do not need to conduct a PPA if you already have equivalent and technically sufficient data and information available. The PPA does not guarantee you will receive a loan or an additional grant through the Program. PLIA will not reimburse you for the costs of comparable work performed before entering the Program.

### 2. PPA Activities

The PLIA-contracted consultant will review any available data and assess the Project. PLIA oversees the necessary investigation work. If contamination is identified during a PPA, you are required to notify the Department of Ecology (Ecology) through the [Statewide Environmental Incident Report Form \(ERTS\)](#) administered by Ecology.

PPA activities may include:

#### 1. Review of:

- Known contamination.
- Age of the potential release(s).
- Applicability of historical data.
- Status of the UST system.

## 2. Investigations will include:

- Sampling soil.
- Installing groundwater monitoring wells and sampling groundwater, if encountered.
- Developing an understanding of contamination at the Project.
- Identifying and evaluating cleanup alternatives.
- Developing a cleanup plan.
- Developing a plan to decommission and remove the heating oil tank.
- Developing a plan to upgrade existing heating infrastructure.
- Creating a cost estimate for cleanup and upgrades.

## 3. Technical Assistance Program Enrollment

The [Technical Assistance Program](#) (TAP) assists heating oil tank owners and operators with advice and guidance on petroleum cleanup. Enrollment in TAP, when there is contamination, allows you to receive opinion letters and technical advice on how to reach a No Further Action (NFA) determination for the site.

For Projects with existing contamination, TAP enrollment may be needed as a condition of any financial award. If the PPA identifies contamination, then participants choosing to continue with the Program must meet the statutory and regulatory requirements under MTCA. The enrollment fee for TAP is paid from the financial award issued in the Heating Oil Loan and Grant Program.

You must address contamination of the property before proceeding with infrastructure Projects. If UST removal and replacement of heating infrastructure is part of the Project, you must coordinate with PLIA regarding the timeframe for this work and secure preapproval from PLIA before beginning the work.

## III. Funding Award

### 1. Site Ranking for Financial Awards

PLIA prioritizes accepted applications in each cycle based on their environmental health disparity score, as determined by the [Washington Health Disparities](#) map published by DOH. PLIA will prioritize applicants from areas with vulnerable and overburdened populations in order to mitigate continuing environmental exposures and applicants with Projects that include contamination cleanup.

PLIA places applications into three tiers based upon the type of work requested:

- i. Contamination cleanup with no infrastructure upgrades.
- ii. Contamination cleanup with infrastructure upgrades.
- iii. Infrastructure upgrades only.

## **2. Financial Review and Loan Terms**

The DOH assesses Applicants' ability to repay a loan. Financial award decisions are based on DOH's review and the applicant's ability to repay. PLIA will discuss loan terms with an Applicant during the Financial Strategy Meeting.

Loan awards are for a 30-year term with interest rates at the prime interest rate, determined on March 1 of the year you apply to the Program. You may receive a 0.5% interest rate reduction for installing energy efficient infrastructure.

## **3. Financial Offer Meetings**

PLIA will schedule a meeting to discuss the scope of the Project and the available financial resources. You will receive a draft loan agreement and Project information before the meeting to help you prepare. PLIA will explain the administration of the loan, the roles and responsibilities of all parties, and other financing options. Please inform PLIA whether you will continue to use the PLIA-contracted consultant or are selecting your own consultant to complete the work during this meeting.

If enough time has passed between the PPA and the financial offer review, the estimated costs may be out of date. Updated cost estimates may be necessary to complete the Project.

You have 30 business days after the financial offer meeting to formally accept or decline the financial offer. If you accept the offer, PLIA will prepare a loan agreement for signature. PLIA manages the loan funds and pays approved invoices directly to the consultant. The awardee funds are generally not disbursed to an Applicant or Participant.

## **4. Loan Funding**

PLIA includes a scope of work and timeline as part of the loan agreement. You must review the loan terms and conditions, the scope of work, and the timeline to ensure accuracy of the estimated costs and, if necessary, provide updates. Contact PLIA staff if you have any questions or concerns.

If a change is required in the agreed upon scope of work or timeline, a loan amendment may be necessary. If you need to request a loan amendment, you must submit the request in writing in to PLIA. PLIA will respond to the request within 30 days. If PLIA needs to request a loan amendment, you will receive the request in writing and have 30 days to respond. Both you and PLIA must agree and sign any amendment to the loan agreement for it to be effective.

NOTE: PLIA's agreement to provide funding is contingent on availability of Program funding. In the event of withdrawn, reduced, or limited state funding, PLIA may

unilaterally terminate or renegotiate any agreements related to this offer.

## **5. Invoice Payments**

PLIA makes payments for services and equipment directly to consultants contracted to perform the work. PLIA may reimburse you for pre-approved expenses if the reimbursement is necessary for the Project. Direct reimbursement is based on Project-specific circumstances.

PLIA must review and approve costs before work begins. Cost reviews ensure that the projected costs align with eligible costs and the approved scope of work for the Project. The review is not an endorsement of the quality of work performed by the consultant. Eligible and ineligible costs are available in Appendix B.

Consultants must submit invoices through the Online Community. Please review the Eligible Costs and Participant Roles and Responsibilities outlined in the *Section V. Additional Information* section of this document. You and your consultant may contact PLIA to resolve any questions.

## **6. Grants**

### *PPA and TAP Grants*

PLIA-contracted consultants will assess the current conditions of the Project, as discussed in *Section II*. The cost of that work cannot exceed \$7,000. An additional grant is available to pay the TAP enrollment fee, as discussed in *Section II.3*. Grant and loan awards combined cannot exceed the maximum Program funding award of \$75,000.

## **IV. Loan Repayment and Cost Recovery**

### **1. Loan Repayment**

Loan payments are due 30 days after PLIA approves the first submitted invoice. DOH will send billing statements monthly to you. You will make payments directly to PLIA. Payments can be made online.

### **2. Suspension and Termination of Loan or Grant**

A suspension temporarily withholds or stops a Project, including payment of invoices from the loan or grant funds. Suspension does not relieve the obligations to repay amounts owed on a loan. You will continue to receive monthly loan bills from DOH.

Termination is the cancellation of a loan prior to its expiration. Any funds loaned must be repaid according to the loan terms.



Suspension or termination may occur in whole or in part for any of the following reasons:

- Failure to comply with loan terms and conditions.
- Agreement between the Participant and PLIA to suspend a Project or assessment.
- Agreement between the Participant and PLIA to terminate a Project or loan.
- Withdrawal of funding from state, federal, or other sources from the Program. PLIA may choose to suspend application cycles until restoration of funding.
- Other causes that impede Program purposes.

Either party may initiate a suspension or termination if there is:

- A catastrophic event.
- A disruption that complicates the Project's completion.
- Any other cause which makes the Project impracticable legally or financially.

**a. Notice to participants:**

In the event of suspension or termination, PLIA will normally provide the Participant with written notice prior to any action. However, if the agency deems immediate suspension or termination necessary to protect the state's interest, it may not be practicable to provide prior notice. For such notices, PLIA will provide the reasons for the action, the effective date, and any other details about suspension or termination. The Participant will have an opportunity to correct any issues noted in the suspension or termination.

**b. Notice to participant selected consultant:**

In the event that PLIA has suspended or terminated a Participant, PLIA will also attempt to notify the consultant(s) selected by the Participant. The Participant is responsible for notifying their consultant and ensure they submit any final billings for reimbursement from the loan or grant fund.

**c. Notice to PLIA:**

You must provide written notice to PLIA to request a suspension or termination. PLIA will accept or deny a request in writing within 30 calendar days of receipt.

**d. Notice to PLIA-contracted Consultant:**

In the event of suspension or termination, PLIA will notify the PLIA-contracted Consultant within 7 days of the effective date of the suspension or termination.

**e. During Suspension or post-Termination:**

If a Project is suspended or terminated, costs cannot be incurred. Any exceptions are very limited and must be permitted under the loan agreement. You will receive a progress summary that includes an accounting of all costs and expenses incurred.

**3. Repayment Option, Deferment, Forbearance, and Forgiveness**

During the repayment period, you may experience financial difficulties impacting your ability to meet repayment terms or cost recovery terms. Difficulties can include unforeseen widespread emergencies such as the economic impacts inflicted by a global health pandemic or economic recession. In such circumstances, PLIA will work closely with you to review current financial concerns and consider if modified repayment options are available.

The following list describes the actions available to PLIA to seek repayment and the options available to Participants facing financial difficulties. Not all options are available to every borrower.

**Loan Repayment**

For late and missed monthly payments, the loan agreement terms apply. 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 subject property value increased after cleanup completion due to PLIA funding.

**Repayment Difficulties**

Contact PLIA’s Financial Manager to discuss concerns about financial difficulties. PLIA and DOH will review your current financial information to consider your ability to repay the loan and other possible options. Options include the following.

- i. Option 1 – Deferment: PLIA will suspend interest charges and monthly payments for a fixed period of time. A Participant must repay the total loan obligation. The total months of suspended payments will be added at the end of the original loan term. PLIA will not disperse available loan funds during deferment.
- ii. Option 2 – Forbearance: PLIA will suspend monthly payments for a fixed period of time. However, interest charges will continue to accrue. A

Participant must still repay the total loan obligation. The total number of months for repayment may not change. PLIA will not disperse available loan funds during forbearance.

- iii. Option 3 – Loan Modification: PLIA will modify payment structure and terms to accommodate Participant’s current financial situation. The Participant is still responsible for the full loan amount. Loan funding cannot exceed the original loan award.

PLIA’s Executive Director has the authority to consider and grant forgiveness of the balance of a loan repayment if it is in the best interest of the state.

### **Loan or Repayment Forgiveness**

PLIA will review the outstanding debt owed and assess whether the expected costs of further collection efforts exceed the expected benefits to determine a cost-effective approach to handling past-due invoices.

PLIA may forgive a portion, or all of the debt owed. PLIA will consider the Program Participant’s current situation and may seek third party accounting of their financial documents to support consideration of forgiveness. PLIA may only write off an agency invoice as uncollectible when it meets any of the following criteria:

- a. The Program Participant cannot be located, nor can any of their assets.
- b. The Program Participant 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 Program Participant has died and there is no estate or guarantor.
- f. The expected costs exceed the expected benefits as determined by PLIA and consultation with the Attorney General's Office.
- g. Accounts under a minimal amount where the Program Participant has not responded to the original billing, a telephone call, or a dunning letter.

## **V. Additional Information**

### **1. Applicant/Participant Roles and Responsibilities**

- Application Phase
  - Submit a complete application.
  - Provide PLIA with any requested application materials.
  - Complete and submit SEPA Checklist.

- Review Access Agreement and Certification of Ownership.
- PPA Phase
  - Complete Credit Check.
  - Comply with IDP.
  - Review PPA for accuracy.
- Funding Award Process and Participant Agreement
  - Review Financial offer and assess whether to proceed with program participation.
  - Select Consultant to perform necessary remediation or infrastructure upgrades.
- Construction Phase
  - Submit Progress Reports.
  - Ensure any environmental consultants or other contractors contracting with the Participant comply with PLIA’s approved Scope of Work.
  - Approve, direct, and oversee all work conducted by the consultant under a loan award or recipient-led grant award. All activities must be within the approved Scope of Work.
  - Review invoices and billings for accuracy
  - Approve or deny invoices and billings through the Online Community.
  - Ensure all necessary permits are secured and inspections are carried out.
- General
  - Comply with terms and conditions of any PLIA financial agreement.
  - Comply with all local, state, and federal requirements.
  - Pay loan repayment invoices on time.
  - Maintain communication with PLIA to mitigate Project disruptions and to inform PLIA of any concerns.

## **2. Eligible Costs**

Invoices submitted for payment must be for performance of a pre-approved workplan. Loan or grant funds pay for eligible costs. Ineligible costs are the responsibility of Participants. Program funds cannot pay for ineligible costs, directly or indirectly. Participants must confirm with PLIA what costs are eligible prior to beginning work paid by loans or grants. (Appendix B contains a list of eligible and ineligible costs.)

### 3. Decommissioning or removal of a UST

If a Participant is closing a UST, the requirement should be reviewed with the local fire marshal. Participants should also review the applicable UST laws, [WAC 173-360A-0810 Permanent Closure of UST systems](#), [Chapter 70A.305 RCW](#), and regulations, [Chapter 173-360A WAC, Part 8 Closure](#). Additional information is available on the Ecology website at [www.ecology.wa.gov](http://www.ecology.wa.gov).

Participants must coordinate with PLIA staff when the UST will be removed or is planned on being removed from the property. PLIA encourages Participants to remove USTs, rather than decommissioning in place, when practical, to ensure that all potential contamination is removed.

### 4. Upgrading or Replacing Heating Oil Infrastructure

PLIA encourages Participants to upgrade or replace existing infrastructure rather than maintaining old infrastructure. One example is to remove and replace tanks to prevent future releases. Infrastructure includes the heating oil tank, piping, and heating system. If Applicants or Participants are interested in installing a new heating system, the cost associated with the system installation would be eligible for coverage under this Program, including electrical panel upgrades, permits, labor, removal, and disposal of the old system.

### 5. Contractor Services

Resources on selecting a consultant are available at:

- Department of Ecology: [FAQ: Evaluate Options to clean up homes and small businesses](#)
- Department of Labor and Industries: [Hire Smart Step-by-Step](#)

### 6. Applicable State Laws and Regulations

- Underground Storage Tank Revolving Loan and Grant Program: [Chapter 70A.345 RCW](#)
- Advice and Technical Assistance Program (TAP): [Chapter 374-80 WAC](#)
- Petroleum Storage Tank Systems - Pollution Liability Protection Act: [Chapter 70A.330 RCW](#)
- Model Toxics Control Act (MTCA): [Chapter 70A.305 RCW](#)
- Prevailing Wages on Public Works: [Chapter 39.12 RCW](#)
- Underground Storage Tank Regulations: [Chapter 173-360A WAC](#)

### 7. Additional Links

- [Underground Storage Tank Revolving Loan and Grant Program](#)

- [Chapter 70A.345 RCW Underground Storage Tank Revolving Loan and Grant Program](#)
- [Chapter 70A.305 RCW Hazardous Waste Cleanup – Model Toxics Control Act](#)
- [Chapter 173-340 WAC Model Toxics Control Act – Cleanup](#)
- [Chapter 173-360A WAC Underground Storage Tank Regulations](#)
- [State Environmental Policy Act](#)

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## **Appendix A - Application Documents Definitions**

Businesses, LLCs, and other organizations required documentation:

- S-Corp or C-Corp: Business License, articles of Incorporation, 3 years of business tax returns
- LLC: Business License, LLC Agreement, and 3 years of tax returns.
- Sole Proprietors: Business License, 3 years personal tax returns.

Court Documentation: Any court documents that may indicate financial awards of cleanup funds. Includes family support orders and custody agreements, and any indication of child or spousal support.

Contamination cleanup documents: Documentation relating to the cleanup of contamination from a release of petroleum including, but not limited to:

- Site investigation reports.
- Cleanup or other environmental reports.
- Tank decommissioning reports.
- Sampling results.

Description of actual or potential sources of to help pay cleanup costs Includes:

- Agreements with other potentially liable persons or parties to help pay for remedial action costs.
- Insurance policies and claims made against those policies.
- Lawsuits filed to pursue a contribution claim or cost recovery claim regarding environmental damages.

Personal income tax returns (3 years): Federal income tax return for the primary applicant.

## Appendix B – Eligible and Ineligible Costs

PLIA may reject invoices for costs deemed excessive of market rate.

Eligible Costs
<ul style="list-style-type: none"><li>• Activities within the pre-approved scope of work.<ul style="list-style-type: none"><li>○ Surface Restoration: PLIA will cover the cost of surface restoration performed at the project to ensure safety and 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, labor for the removal/replacement of fences, replacement of 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.</li></ul></li><li>• Costs incurred within the Agreement Term dates.</li><li>• Approved expenses described in the Agreement.</li><li>• Documented expenses for services and equipment directly related to remedial actions or infrastructure upgrades.</li><li>• Personal protective equipment, up to \$20 per person per project.</li></ul>

Ineligible Costs
<ul style="list-style-type: none"><li>• Fees related to developing Loan and Grant application package.</li><li>• Activities outside the scope of work.</li><li>• Participant’s legal fees.</li><li>• Credit check fees.</li><li>• Expenses incurred prior to the Agreement.</li><li>• Other costs that have not been preapproved.</li><li>• Other costs determined by PLIA to fall outside of Loan and Grant activities.</li></ul>