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February 15, 2005

Senator Scott W. Cowger, Chair
Joint Standing Committee on Natural Resources
3 State House Station
Augusta, ME 04333-0003

Representative Theodore S. Koffman, Chair
Joint Standing Committee on Natural Resources
2 State House Station
Augusta, ME 04333-0002

Dear Senator Cowger, Representative Koffman and Honorable Members of the Joint Standing Committee on Natural Resources:

I am pleased to present the Joint Standing Committee on Natural Resources with the Fund Insurance Review Board's Annual Report for the calendar year ending December 31, 2004.

If you have any questions you may contact either Veronica Costa of the Finance Authority of Maine at 623-3263 x.242 or me at the Coastal Community Action Program at 596-0361.

Sincerely,

Michael Bonzagni, Chair/*vc*
Fund Insurance Review Board

Enclosure

**Annual Report of the
Fund Insurance Review Board
Submitted to the Joint Standing Committee
on Natural Resources**

February 15, 2005

This report satisfies the requirements of 38 M.S.R.A. Section 570-H, which requires the Fund Insurance Review Board, with cooperation of the Commissioner of the Department of Environmental Protection, to report by February 15 of each year to the Joint Standing Committee on Natural Resources. The law requires that:

The Fund Insurance Review Board, with cooperation of the Commissioner, shall report to the joint standing committee of the Legislature with jurisdiction over energy and natural resources on the Board and the Department's experience administering the fund, clean up activities, and third party damage claims. The report must also include an assessment of the adequacy of the fund to cover anticipated expenses and any recommendations for statutory change. The report must also include an assessment of the adequacy of the Underground Oil Storage Replacement Fund and the Waste Oil Clean-up Fund to cover anticipated expenses and any recommendations for statutory change.

This Report represents the Board and the Department's experience in administering the Fund, and is divided into two sections. The first section covers the Board's activities for the period beginning January 1, 2004 and ending December 31, 2004, with the exception of activities related to the Plymouth Waste Oil Clean-up Loan Program. The Plymouth Waste Oil Clean-up Fund Report, included as **Exhibit C**, highlights the Board and FAME's experience in administering this Program through December 31, 2004. The second part of this report addresses the specific issues referred to above relating to the adequacy of the Fund.

Mission of the Fund Insurance Review Board

The Fund Insurance Review Board is established for the purpose of hearing and deciding appeals for claims-related decisions of the Commissioner of the Department of Environmental Protection and the State Fire Marshal's Office pertaining to assistance from the Ground Water Oil Clean-up Fund. The Board monitors the income and disbursements from the Ground Water Clean-up Fund.

PART I

The Fund Insurance Review Board fulfilled its duties through participation of the following members:

Michael Bonzagni, Chair *

Richard Knowlton *

Jamie Py

Robert Bender, Sr. *

Sarah Walton, Esq. *

Brenda Beaulieu

Dirk Brunner *

Steven Dodge, SFMO

Steve Davis, DEP

**Appeals panel member*

APPEALS ACTIVITIES

During the calendar year ending December 31, 2004, the Fund Insurance Review Board processed a total of eight appeals, four of which were heard by the Appeals Panel of the Fund Insurance Review Board. In three cases the Commissioner's/State Fire Marshal's decision was upheld and in one case the Commissioner's/State Fire Marshal's decision was overturned. Two appeals were withdrawn by the appellants and two were carried forward to 2005. In carrying out its responsibilities, the full Board held four business meetings and four meetings of the Appeals Panel during which hearings were conducted. Attached, as **Exhibit A** is a copy of an analysis of 2004 appeals by case.

REGULATORY CHANGE

The Board filed its Regulatory Agenda on May 6, 2004. A copy is included as **Exhibit B**.

PART II

ADMINISTRATION OF THE FUND:

DEPARTMENT OF ENVIRONMENTAL PROTECTION

PART II

Administration of the Fund Department of Environmental Protection

A. Introduction

This report is submitted pursuant to the requirements of Title 38 M.R.S.A., §570-H.2, which requires a report to be submitted to the joint standing committee of the Legislature with jurisdiction over natural resources matters on the department's and the board's experience administering the Fund, including clean-up activities and 3rd party damage claims.

B. Summary of revenues and expenditures.

Table I illustrates financial activity in the Ground Water Oil Clean-up Fund for the fiscal year (FY) 2004 (July 1, 2003 – June 30, 2004). A balance of \$ 5,988,416 was carried forward from FY 2003. Total net income for FY 2004 was \$17,810,207 including the carry forward balance. Net expenditures totaled \$14,574,115.

During the fiscal year 2004, there was an increase in annual revenue of \$622,840 and a slight decrease in expenditures of \$164,575 when compared to the 2003 fiscal year. The surcharge imposed when the balance in the Fund remains below \$5 million dollars for three consecutive months was in effect for the entire 12-month period. In FY 2004 fee refunds to petroleum distributors for oil not stored in Maine totaled \$2,736,319. This represents an increase in fee refunds of approximately \$373,611 when compared to FY 2003. The net income during FY 2004 includes transfers from FAME (totaling \$392,489) and the increase in the surcharge amount, which has been in effect since January, 2002.

During FY 2004 one-time sources of revenue included the return of \$392,489 from the low interest revolving loan monies administered by the Finance Authority of Maine.

TABLE 1

**STATEMENT OF CASH POSITION
GROUNDWATER OIL CLEAN-UP FUND
AT JUNE 30, 2004**

BALANCE FORWARD (July 1, 2003)	\$ 5,988,416.00
INCOME	\$ 20,154,037.17
Minus Fee Refunds	\$ 17,417,717.71
FAME Cash Payments (FY 2004)	\$ 392,489.16
NET INCOME	\$ 17,810,206.87
NET BALANCE	\$ 23,798,622.87
EXPENDITURES	
Personal Services	\$ 3,211,846.29
All Other	\$ 8,918,707.16
Capital	\$ 238,567.21
Indirect Cost Transfers	\$ 1,475,267.50
Other Transfers (Excluding FAME)	\$ 729,727.39
NET EXPENDITURES	\$ 14,574,115.55
CASH BALANCE (6/30/2004)	\$ 9,224,507.32
ENCUMBRANCES (6/30/2004)	\$ -1,779,770.27
INDIRECT COST OBLIGATION (6/30/2004) (untaken)	\$ - 125,958.12
NET FUND AVAILABILITY (6/30/2004)	\$ 7,318,778.93*

NOTES:

INCOME REPRESENTS FEES, INTEREST, FINES, MISC. INCOME.
OTHER TRANSFERS ARE FOR OTHER STATE AGENCIES, INTERNAL TO OTHER ACCT., I.E. BOARD, LOANS
EXPENDITURES INCLUDE ADJUSTMENTS TO BALANCE FORWARD INCOME (CREDIT TO EXPENSES).
CEILING ON GROUNDWATER OIL CLEAN UP FUND IS \$12,500,000.

*Does not consider outstanding liabilities required to complete ongoing remedial work, begin
characterization of sites that have not been investigated and pay user fee obligations.

C. Status of Applications for Coverage of Clean-Up Costs.

Tables 2, 3, and 4 reflect the status of applications for Fund coverage of clean up costs. Applications related to underground oil storage facilities are filed with the Department of Environmental Protection. Applications for eligibility determinations for aboveground oil storage facilities are filed with the Office of the Fire Marshal. Tables 2, 3 and 4 provide statistics for eligibility and ineligibility determinations.

TABLE 2

Applications to the DEP for coverage of clean-up costs for underground oil storage facilities.

Total Received (July 1, 1990 - June 30, 2004)	577
Total Eligible	515
Total Eligible before September 28, 1995	285
Total Eligible September 28, 1995 - June 30, 2004	230
Total Ineligible	62

Note: Prior to September 28, 1995, an applicant was found eligible for Fund coverage if the Department determined they were in "substantial compliance" with the applicable facility installation, operation and removal requirements. As a result of statutory changes, effective September 28, 1995, all those meeting the definition of applicant are eligible. Conditional deductibles are assessed in accordance with statute based on a review of applicable compliance information. (See 38 M.R.S.A., § 568-A(2)).

From July 1, 2003 through June 30, 2004, the Department received 8 applications for the coverage of clean up costs. There are no pending applications from that period. Discharges that are discovered from bare-steel tanks or piping after October 1, 1998 are not covered by the Fund.

TABLE 3

Applications to Fire Marshal for coverage of clean-up costs for aboveground oil storage facilities.

Total Received (June 16, 1993 - June 30, 2004)	1627
Total Eligible	1579
Total Ineligible	48

During FY 04, 151 eligible applications were forwarded to the DEP from the office of State Fire Marshal. This represents a decrease of 69 eligible applicants when compared to the number of applications (220) referred to the Department from the Office of State Fire Marshall in FY 2003. The decrease in the number of applicants for the coverage of eligible clean up costs from aboveground storage tanks may be attributed to several factors: 1) for the second consecutive year, the weather during the winter of 2003-2004 was cold, but snowfall was moderate, resulting in fewer releases from snow and ice falling from roofs and breaking oil lines and filters and; 2) the Department of Environmental Protection initiated fewer reimbursement actions for clean ups that were not the subject of an application, resulting in the receipt of fewer belated filings for coverage; 3) the public service announcements, aboveground storage tank replacement programs and efforts of certified installers and oil distributors are reducing releases. Three applications were processed by the Office of the State Fire Marshal during FY 04 and determined to be ineligible for coverage of cleanup costs.

TABLE 4

**Total Applications (sum of Tables 2 and 3)
(July 1, 1990 – June 30, 2004)**

Total Received	2204
Total Eligible	2094
Total Ineligible	110

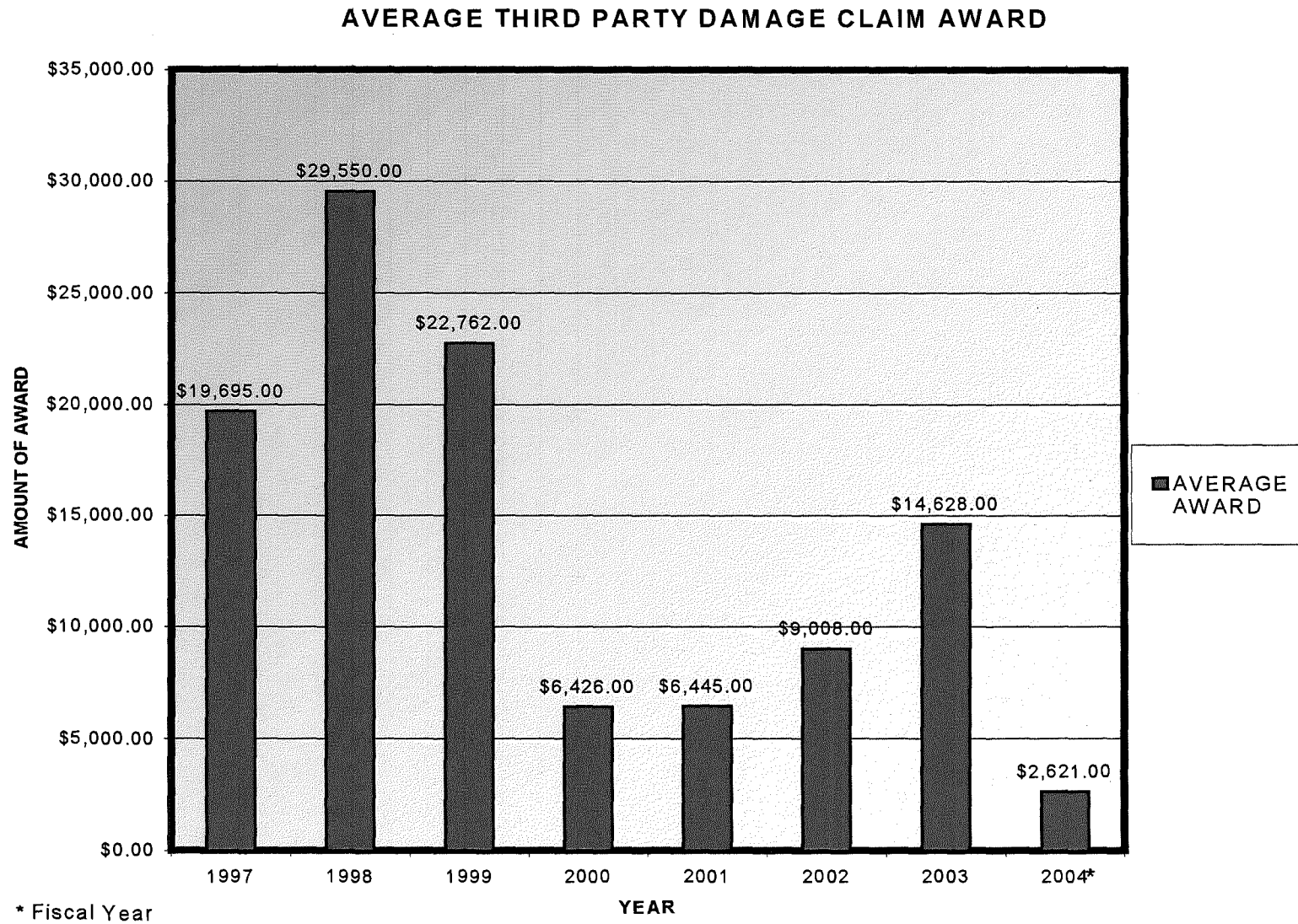
D. Administration of Third Party Claims.

The Department of Environmental Protection currently is processing 29 claims for third party damages against the Ground Water Oil Clean up Fund.

During fiscal year 2004, the Department completed processing of 6 claims filed against the Ground Water Oil Clean up Fund. These numbers reflect only those cases where a formal claim has been filed. Many potential third party claims are not filed because connections to existing water supplies and installation of treatment systems and individual well replacements are accomplished in conjunction with site clean-up and without filing a formal claim. Claims must be filed however, prior to the award of any cash settlement. Cash settlements reflect compensation for personal property, real property, operation and maintenance subsidies for those cases where a point of entry" treatment system is the final resolution, and loss of income and/or medical expenses related to discharges of oil. Remedial costs associated with third party claims are calculated separately as clean up costs.

During fiscal year 2004, five claims were dismissed, withdrawn or settled without a cash award. One claim included a cash award for property devaluation. This resulted in a \$2,620.80 average cash award based on one claim processed. The average cash award to third party claimants for calendar year 2003 was \$14,628. The average cash award is easily influenced by the number of claims processed that include a cash award. Settlement of a small number of claims that includes property devaluation for a property or properties located where property values are high, can result in a high average award. Processing multiple claims in an area that includes individual point of entry treatment units for drinking water supplies may involve awards for property devaluation and operational subsidies for maintaining and monitoring the effectiveness of the treatment system. This scenario would also likely result in a high average award for that year. Figure 1 illustrates the average cash award from 1997 through 2004.

Figure 1



E. Compliance with Tank Abandonment Schedule.

Title 38 M.R.S.A. Section 563-A requires all underground oil storage facilities not constructed of fiberglass, cathodically protected steel or other non-corrosive materials approved by the Department to be properly abandoned in accordance with a pre-determined compliance schedule. Non-conforming facilities were subject to proper abandonment by October 1, 1989; 1991; 1994 and 1997 respectively, based upon tank age and proximity to drinking water supplies and sand and gravel aquifers. Municipalities and school administrative districts were required to comply with a separate schedule, which included a final deadline of October 1, 1998.

Approximately 34,869 registered tanks were scheduled for removal through October 1, 1998. As of November, 2004 about 37,564 tanks have been properly removed or abandoned in place. From December 31, 2003, to December 30, 2004, there were 121 additional nonconforming tanks registered, an increase of 83 from the previous year. Each year numerous unregistered bare steel tanks are identified and subsequently registered. As of December 10, 2004, there were approximately 207 registered tanks remaining to be properly removed or abandoned in place. Residential locations account for approximately 180 of these non-compliant tanks. This is a reduction of 37 tanks compared to last year's report.

The Department of Environmental Protection continues to monitor the efforts of owners of facilities that have not properly abandoned non-conforming facilities. Staff have targeted facilities used for the storage of motor fuels and located in sensitive geologic areas for enforcement action during fiscal year 2004. Nine formal enforcement actions were initiated in FY 2004, resulting in the removal of six improperly abandoned underground oil storage tanks. Enforcement efforts combined with low interest loans and/or grants from the Finance Authority of Maine and Community Action Programs are used to encourage the removal of the remaining non-complaint facilities.

Currently there are approximately 5,402 underground oil storage tanks registered in the State of Maine. This includes the 324 tanks that still need to complete the abandonment/removal process, of which there are approximately 117 tanks that have been removed but the tank owners have failed to submit the required site assessment. The site assessment is needed to determine if cleanup actions are necessary. Hence the Department is aware of 207 nonconforming tanks that are still underground and must be properly abandoned.

Fund Adequacy

During fiscal year 2004 there was a slight decrease in expenditures of \$164,575. While there was an increase in annual revenues of \$622,840 reported, that total includes a one-time transfer of \$392,489 back to the Fund from the revolving loan fund administered by the Finance Authority of Maine. The increased surcharge was in place for the entire reporting period. The surcharge was discontinued effective July 1, 2004, the first day of the state fiscal year 2005. At the end of the fiscal year, there was a net fund availability of \$7,318,778.

The flexibility provided by the surcharge to increase revenue, periodic transfers from FAME and close monitoring of revenue and spending should be sufficient to maintain Fund solvency and support the Department's ongoing efforts to address the backlog of sites awaiting cleanup. Although the backlog of sites needing remedial work has declined from 454 (2002) to 343, prioritizing remedial sites and performing clean up to concentrations commensurate with the degree of risk will remain an important function of the Department of Environmental Protection. Revenue and expenditures must also be carefully monitored to ensure they remain in alignment. These measures should allow continued use of the Fund to complete ongoing remedial work needed to protect the public health and begin the evaluation of conditions at sites needing characterization work.

Currently the Department is implementing a multi-tasked approach to help prevent releases and reduce expenditures. These initiatives are summarized below:

1. Third party inspection: Beginning July 1, 2003, annual inspection forms must be filed with the Department for all underground oil storage tanks. Fifteen third party inspectors have been certified to date. In FY 2004, Notices of Violation were issued to all non-compliant tank owners for violations of this requirement.

The annual inspection must be completed by an installer or inspector certified by the Maine Board of Underground Storage Tank Installers. The latter is a new category of certification developed following passage in 2001 of "An Act to Improve the Inspection and Maintenance of Underground Oil Storage Tanks". In January 2004, DEP sponsored a day long training program for certified tank installers and certified tank inspectors. Approximately 100 participants attended, and feedback was positive. In April 2004, the Department received a National Environmental Merit award from EPA New England in recognition of the development of the 3rd party inspection program.

Compliance with the annual inspection law gradually improved to approximately 70% by mid year 2004. DEP staff continues to use a combination of inspections, outreach and enforcement to get facility owners into compliance with the annual inspection law

2. Increased field presence: A strategy to maintain a strong field presence through the performance of compliance inspections across the state continues to be implemented. In FY 2004, inspection efforts targeted facilities for which no annual compliance inspection was submitted by the July 1, 2003 deadline. Compliance inspections include education and technical assistance components. Notices of Violation are issued on-site and include deadlines for gaining compliance.
3. AST/UST Replacement: The Department has continued its contractual relationship with Maine's 11 community action agencies for the fourth consecutive year. The Washington Hancock Community Action Agency again served as the administrative coordinator for the Aboveground Storage Tank (AST) and Piping Replacement Program and the Underground Tank Removal Program.

In FY 2004, 733 non-conforming AST's were removed and replaced at a total cost of \$932,121.73. Also, non-conforming (buried) fuel supply piping was replaced for 58 households at a cost of \$7,772.71. Additional expenditures totaling \$26,768.56 were spent removing seven non-compliant underground oil storage tanks at residences. When compared to 2003, expenditures for replacements were reduced by nearly \$200,000 in 2004.

4. Spill Prevention Control and Countermeasure (SPPC) Program: As part of the implementation of the SPCC program, the Department continues to distribute education and outreach materials including model SPCC plans to aid facility owners and operators in complying with this requirement.

In 2003 the Department hired Stroudwater Associates to completely revamp the UST database. Phase I of this project has been completed and DEP staff are using the improved UST database. Phase II will include data from the Office of State Fire Marshal and the Maine Emergency Management Agency and link the data of all three agencies. Work on Phase II of the project began in 2004. The validation of the accuracy of existing AST data has been time consuming. Hence, the AST database is not yet operational.

A strong education and outreach program, including on-call regulatory/technical assistance, technical assistance inspections and maintenance of the AST database is being implemented. In FY 2004, the Department conducted 33 technical assistance visits to AST facilities to help them prepare a conforming SPCC plan.

5. Department Omnibus Bill: Although not a major legislative initiative, minor clarifications to Maine's groundwater protection statutes are included in a Department omnibus bill that corrects errors and omissions in various chapters of Maine's environmental laws. The proposed omnibus bill includes changes that will clarify existing law regarding the Ground Water Oil Clean-Up Fund by: eliminating outdated references to a "Board of Arbitration" when processing third party damage claims; and by clarifying that responsible parties who apply for the coverage of eligible clean-up costs for releases from AST facilities may be assessed a conditional deductible by the Office of State Fire Marshal for failure to report the oil spill.

EXHIBIT A

Case-by-Case Analysis of Appeals for 2004

FUND INSURANCE REVIEW BOARD - 2004 APPEALS ANALYSIS

	APPELLANT	DATE APPEAL FILED	DATE CHAPTER 3 SENT TO APPELLANT	DEP/SFMO POSITION STATEMENT DATE	DATE HEARING SCHEDULED	CONTINUANCE DATE	REASONS FOR CONTINUANCE	DATE APPEAL HEARD	OUTCOME
1	Gary Nash	02/25/04	2/26/2004	03/01/04	04/06/04	-	-	4/16/04	Commissioner Overturned
2	Beverly Russell	03/01/04	3/4/2004	03/17/04	04/06/04	-	-	04/06/04	Commissioner Upheld
3	Maria Troutman	03/01/04	03/04/04	03/08/04	04/06/04	-	-	-	Withdrawn by Appellant (3/30/04)
4	Kevin Gowell, Jr.	04/30/04	05/05/04	05/24/04	07/06/04	-	-	07/06/04	Commissioner Upheld
5	Arthur Drolet	07/27/04	07/28/04	09/16/04	10/05/04	-	-	10/05/04	Commissioner Upheld
6	Pauline Walker	10/18/04	10/18/04	10/19/04	01/04/05	-	-	-	Withdrawn by Appellant (11/16/04)
7	Michael Armstrong	10/20/04	10/20/04	10/20/04	01/04/05				
8	Gary Kenison	11/01/04	11/02/04	11/05/04	01/04/05				

EXHIBIT B:
Regulatory Agenda 2004

May 6, 2004

AGENCY UMBRELLA-UNIT NUMBER: 90-564

AGENCY NAME: Fund Insurance Review Board

CONTACT PERSON: Veronica Costa, Finance Authority of Maine, 83 Western Avenue, P.O. Box 949, Augusta, Maine 04332-0949. Tel: (207) 623-3263.

EMERGENCY RULES ADOPTED SINCE LAST REGULATORY AGENDA: None

EXPECTED 2004-2005 RULE-MAKING ACTIVITY:

CHAPTER 3: Appeals Procedures

STATUTORY AUTHORITY: 38 MRSA §568-A(3-A)

PURPOSE: This Rule establishes the procedures regarding appeals before the Board's Appeals Panel.

ANTICIPATED SCHEDULE: The Board constantly reviews its appeal procedures to ensure that they are clear and consistent with the Administrative Procedure Act and as a result, it may wish to amend the rule prior to October 1, 2004 or prior to the deadline required by law, whichever is earliest in time.

AFFECTED PARTIES: Applicants aggrieved by a decision of the Commissioner of the Department of Environmental Protection or the State Fire Marshal who appeal their decisions to the Fund Insurance Review Board.

CONSENSUS-BASED RULE DEVELOPMENT: Not contemplated

CHAPTER 4: Oil Import Fees

STATUTORY AUTHORITY: 38 MRSA §§568-B(2)(D) and 569-A(5)(E)

PURPOSE: Chapter 4 establishes the amount of additional oil import fees needed when the balance of the Ground Water Oil Clean-up Fund is \$5,000,000 or less, and the mechanism for assessing the additional fee, as well as for terminating such assessment once the Fund balance is restored to the specified level.

ANTICIPATED SCHEDULE: At this time the Board has no reason to anticipate that it will propose amendments to the rule, but it continues to monitor the balance of the Fund and the imposition of the additional fees and wishes to put the Joint Standing Committee on notice that it may wish to amend the rule prior to October 1, 2004 or prior to the deadline required by law, whichever is earliest in time.

AFFECTED PARTIES: Oil terminal facility licensees and persons required to register with the Commissioner of the Department of Environmental Protection who first transport oil into the State.

CONSENSUS-BASED RULE DEVELOPMENT: Not contemplated

CHAPTER 5: Documentation Requirements for Claims Submitted by Owners of Aboveground Oil Storage Facilities

2004-2005 REGULATORY AGENDA

May 6, 2004

AGENCY UMBRELLA-UNIT NUMBER: 90-564

AGENCY NAME: Fund Insurance Review Board

CONTACT PERSON: Veronica Costa, Finance Authority of Maine, 83 Western Avenue, P.O. Box 949, Augusta, Maine 04332-0949. Tel: (207) 623-3263.

EMERGENCY RULES ADOPTED SINCE LAST REGULATORY AGENDA: None

EXPECTED 2004-2005 RULE-MAKING ACTIVITY:

CHAPTER 3: Appeals Procedures

STATUTORY AUTHORITY: 38 MRSA §568-A(3-A)

PURPOSE: This Rule establishes the procedures regarding appeals before the Board's Appeals Panel.

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AFFECTED PARTIES: Applicants aggrieved by a decision of the Commissioner of the Department of Environmental Protection or the State Fire Marshal who appeal their decisions to the Fund Insurance Review Board.

CONSENSUS-BASED RULE DEVELOPMENT: Not contemplated

CHAPTER 4: Oil Import Fees

STATUTORY AUTHORITY: 38 MRSA §§568-B(2)(D) and 569-A(5)(E)

PURPOSE: Chapter 4 establishes the amount of additional oil import fees needed when the balance of the Ground Water Oil Clean-up Fund is \$5,000,000 or less, and the mechanism for assessing the additional fee, as well as for terminating such assessment once the Fund balance is restored to the specified level.

ANTICIPATED SCHEDULE: At this time the Board has no reason to anticipate that it will propose amendments to the rule, but it continues to monitor the balance of the Fund and the imposition of the additional fees and wishes to put the Joint Standing Committee on notice that it may wish to amend the rule prior to October 1, 2004 or prior to the deadline required by law, whichever is earliest in time.

AFFECTED PARTIES: Oil terminal facility licensees and persons required to register with the Commissioner of the Department of Environmental Protection who first transport oil into the State.

CONSENSUS-BASED RULE DEVELOPMENT: Not contemplated

CHAPTER 5: Documentation Requirements for Claims Submitted by Owners of Aboveground Oil Storage Facilities

STATUTORY AUTHORITY: 38 MRSA §568-A(1)(H)

PURPOSE: The rule defines the documentation requirements for claims submitted to the State Fire Marshal for coverage by the Ground Water Oil Clean-up Fund by owners of aboveground oil storage facilities.

ANTICIPATED SCHEDULE: At this time the Board does not anticipate that an amendment to the rule will be necessary, but the Board wishes put the Joint Standing Committee on notice that it may wish to amend the rule prior to October 1, 2004 or prior to the deadline required by law, whichever is earliest in time.

AFFECTED PARTIES: Owners and operators of aboveground oil storage facilities who applied for coverage from the the Ground Water Oil Clean-up Fund.

CONSENSUS-BASED RULE DEVELOPMENT: Not contemplated

CHAPTER 6: Standards to Determine Ability to Pay Deductible

STATUTORY AUTHORITY: 38 MRSA §568-A(3)

PURPOSE: The rule establishes standards for determining whether an applicant is unable to pay the deductible for a personal residence.

ANTICIPATED SCHEDULE: At this time the Board does not anticipate that an amendment to the rule will be necessary, but the Board wishes put the Joint Standing Committee on notice that it may wish to amend the rule prior to October 1, 2004 or prior to the deadline required by law, whichever is earliest in time.

AFFECTED PARTIES: Owners of aboveground and/or underground oil storage facilities at their personal residences who apply for coverage from the Ground Water Oil Clean-up Fund.

CONSENSUS-BASED RULE DEVELOPMENT: Not contemplated

EXHIBIT C:

Plymouth Waste Oil Clean-up Loan Program Report

Plymouth Waste Oil Clean-Up Program

Opening Fund Balance (6/30/04): \$3,071,989.66

Number of Applications Received: 31
Amount of Applications Received: \$ 536,979.81

Number of Loans Disbursed: 22
Amount of Loans Disbursed: \$ 291,859.55

Number of Loans Pending: 9
Amount of Loans Pending: \$ 330,781.92

Closing Fund Balance (11/30/04): \$2,804,230.90¹

The Plymouth Waste Oil Fund was established in Maine law and in M.R.S.A. Title 10 Section 1023- M, it states that the "fund may be used for direct loans or deferred loans for all or part of the costs of the Plymouth waste oil site remedial study, past cost settlement, implementation of institutional controls selected by the United States Environmental Protection Agency to prevent use of contaminated groundwater by nearby residents and time-critical removal action costs when the authority determines that"...certain criteria have been met.

This program has been instrumental in protecting the health, welfare and safety of the citizens of the State and is ongoing. The Board notes that there has been another round of assessments against the potentially responsible party (PRP) group, and legislation extending the use of the fund (and the program) to cover those assessments is currently being drafted. It is expected that the assessments will be significant and this fund will be valuable in offsetting the impact of these additional assessments. The time frame to accomplish the complete remediation of the site and repayment of response costs is still unknown.

¹ Includes interest earnings.