

Welcome

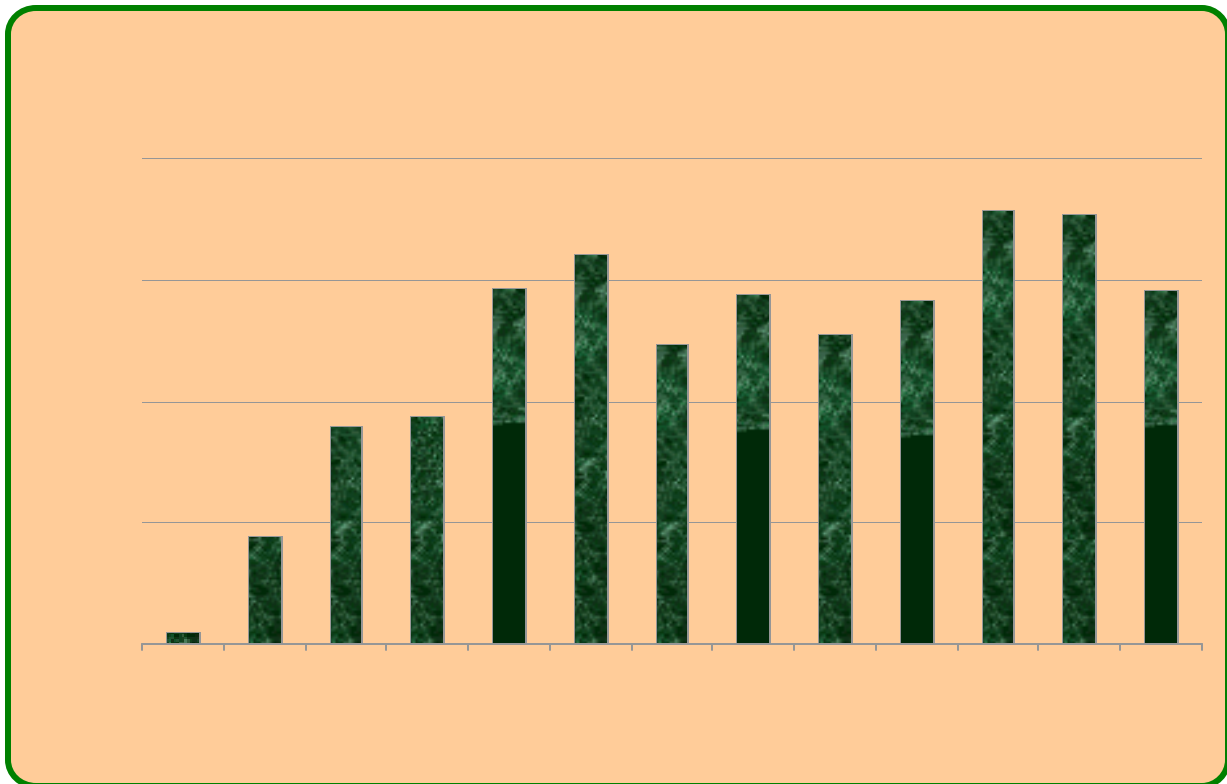
The Year 2001 presented Illinois EPA with one of its greatest achievements in the Leaking Underground Storage Tank (LUST) Program: more LUST incidents were closed than reported. With reimbursement for corrective action activities continuing to increase, we expect the trend to continue, allowing the Illinois EPA to reduce the 10,000-plus backlog of LUST sites. Indeed, during the year 2001, \$56.8 million were reimbursed to tank owners.

Two significant bills affecting the LUST Program were also signed into law by Governor George H. Ryan last year. The extension of the Environmental Impact Fee will secure funding for LUST cleanups until 2013, and the MTBE Elimination Act will prohibit the use of MTBE as a gasoline additive.

Illinois EPA, through its LUST Section, continues to actively promote and encourage the redevelopment of petroleum-impacted brownfields sites. Illinois was 1 of only 10 states nationwide to receive an USTfields pilot grant from the U.S. EPA, which will be used to redevelop a formerly abandoned gas station into affordable housing. Due to the success of that project, we have applied for additional grants for USTfields revitalization in other communities.

Illinois EPA continues to provide information on our web site about every reported LUST release in Illinois along with LUST Program publications, forms, regulations and other related information. I invite you to visit our web site and to use the valuable resources the Illinois EPA provides.

Renee Cipriano,
Director, Illinois EPA



The Leaking Underground Storage Tank Program 2001 Annual Report is produced by the Illinois Environmental Protection Agency, Renee Cipriano, Director.

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The LUST Program continues to strive towards improving and streamlining the regulatory process to ensure that LUST sites are remediated and reimbursed in a more cost

USTfields Pilot Proposals for Illinois

The U.S. EPA Office of Underground Storage Tanks has undertaken the “USTfields Initiative” to address petroleum contamination from abandoned USTs generally excluded from U.S. EPA’s redevelopment efforts. The USTfields pilot projects, funded under the USTfields Initiative, are expected to demonstrate how to better use limited resources to assess and clean up petroleum-impacted brownfields sites. In December 2001, Congress approved a Superfund reform bill, the Small Business Liability Relief and Brownfields Revitalization Act, which will provide liability protection for land owners and increase funding for state and local programs that assess and clean up brownfields. Increased funding means more resources will be available for the assessment and cleanup of USTfields.

Phase I of the USTfields pilots involved awarding 10 grants up to \$100,000 each. The Illinois EPA received one of these grants to be used in the City of Chicago. The project site, 2759 West Washington Street, is the city’s highest priority for cleanup and redevelopment. From the 1960s through the mid-1990s, a gas station and auto repair shop were operated on the property. As part of the city’s Abandoned Service Station Management Program, the city took possession of the property, removed eight USTs and demolished a 12,000-square-foot building. The city did not have the funding to complete remediation. With the USTfields pilot grant, an Illinois EPA-approved contractor, under Illinois EPA oversight, performed soil remediation and additional UST removal at the site between July 30 and August 6, 2001. The Illinois EPA will issue an NFR Letter in 2002. The city plans to redevelop the property for affordable housing upon completion of remediation. This project was showcased at the National Brownfields Conference on September 24-26, 2001, in Chicago.

The next round of 40 USTfields pilots, each of which is eligible to receive a maximum of \$100,000, is expected to be announced in 2002. In November 2001, each state was allowed to submit three proposals for the pilot projects. The state provides the services to the municipality for the pilot. In administering the grant, the state oversees the project and hires a contractor to perform the remediation work.

Illinois submitted three proposals: City of Freeport, City of Waukegan and Village of Arthur. Waukegan and Arthur both involved single abandoned UST sites, while the Freeport proposal included two adjacent UST sites in the middle of the proposed Jane Addams Trail. The LUST Section worked with the Illinois EPA’s Office of Brownfields Assistance in selecting the pilot sites and in preparing the applications.



Many USTfields sites are abandoned gas stations.

Tiered Approach to Corrective Action Objectives (TACO)

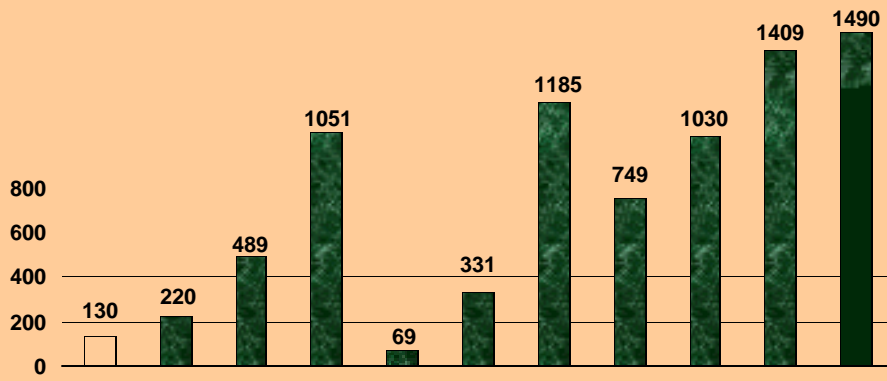
The primary goal of remediation is to manage contamination to prevent harm to human health and the environment. The TACO regulations in 35 Illinois Administrative Code Part 742 provide more flexibility to tank owners and operators in the development of remediation objectives by allowing the use of a risk-based, site-

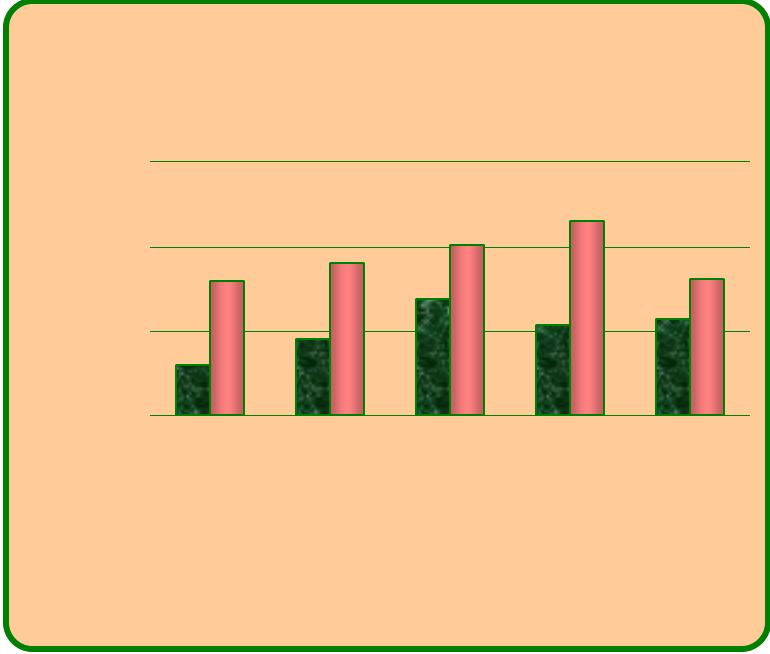
Federal regulations require petroleum UST owners and operators to demonstrate the financial ability to remediate tank releases and to pay for damages to third parties. Federal UST regulations allow, but do not require, states to establish publicly financed UST funds. Illinois chose to set up such a fund to help tank owners and operators pay for cleaning up leaks from petroleum USTs and to meet their financial assurance requirements.

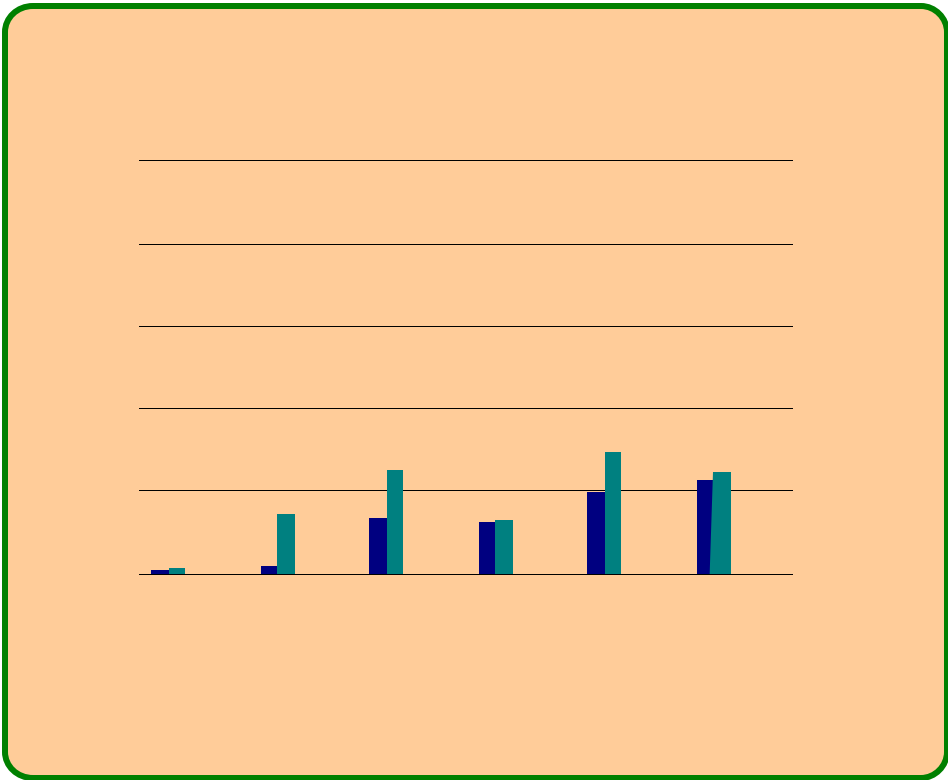
Since its inception in 1989 through 2001, the UST Fund has reimbursed 13,537 claims for a total of \$442.8 million. Illinois generates money for the UST Fund through a \$.003 per gallon motor fuel tax and an \$.008 per gallon environmental impact fee, both of which are due to expire in 2013.

The LUST Claims Unit reviews billing packages submitted by eligible tank owners and operators seeking reimbursement from the UST Fund to determine ifom th0dTss ire : Tj 379 \$fLngCc 0 Tw () Tj -372.75 -13.5 d th U

**LUST Reimbursement Data
Sites Reimbursed per Year**

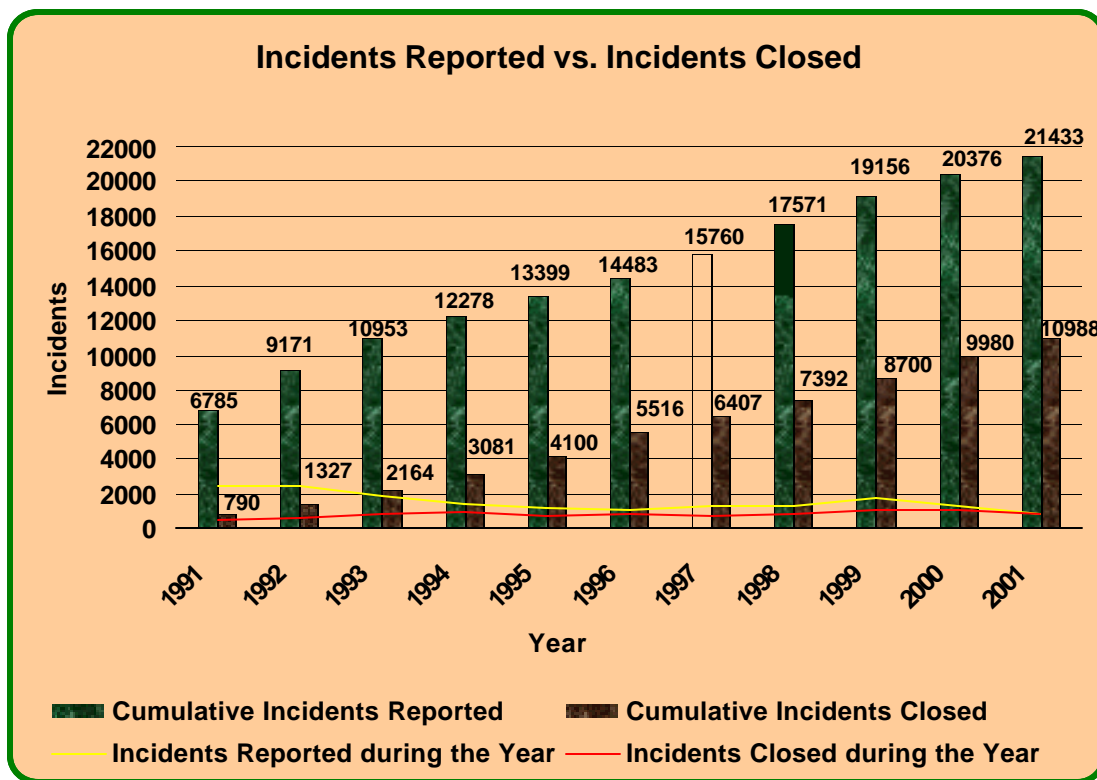






Incident Statistics

There were 833 new incidents reported in 2001, down from 1,218 in 2000. One explanation for this 32 percent decrease is that the influx of incidents, caused by UST owners and operators removing their tanks in accordance with the 1998 deadline for tank upgrades, appears to be diminishing. For the first time since the inception of the LUST Program, the number of NFR letters issued for the year is greater than the number of incidents reported. This is significant in that it allows the Illinois EPA the opportunity to decrease the backlog of previously reported incidents. The cumulative total of incidents closed includes those issued NFR letters, incidents transferred to other Illinois EPA programs for remediation and incidents determined not to be regulated by the LUST Program.



LUST-regulated Substances

The LUST Section oversees and reviews remediation activities at a site for which a release of LUST-regulated substances from an UST was reported to the Illinois Emergency Management Agency (IEMA). LUST-regulated substances include petroleum and hazardous substances. Petroleum substances include gasoline (leaded and unleaded), diesel fuel, fuel oil, jet fuel and used (waste) oil, which comprise 96 percent of the total incidents reported. Hazardous substances include virgin (raw) chemicals such as benzene, methyl ethyl ketone, xylene and many others, which comprise 3 percent of the incidents reported. The remaining 1 percent is a combination of petroleum and hazardous substances.

LUST Program Web Page

Our web page can be used to search the program's database to find specific information about every LUST site in Illinois and to access various documents to understand program requirements for the successful remediation of a site. Below is the layout of the program's web page, which is regularly updated and can be located at:

Leaking Underground Storage Tanks (LUST)

About the Program

Database Search Pages

Site Technical

Publications

An Introduction

UST/LUST Program

Illinois has entered into a cooperative agreement with U.S. EPA for approximately \$2 million in which Illinois EPA and the Illinois Office of the State Fire Marshal (OSFM) administer a comprehensive UST Program at the state level. Illinois EPA administers the remedial investigation and corrective action portion of the state program and reimbursements, while OSFM administers the preventative and permitting side of the program. Communication between the two agencies is crucial for effective implementation of the state program.

Illinois EPA LUST Section staff review the technical adequacy of plans, reports and associated budgets. This includes the development of the appropriate remediation objectives for each site. Once the site has met its remediation objectives and program requirements, Illinois EPA will issue an NFR letter for the LUST release. Illinois EPA staff review and process claims for reimbursement from the UST Fund (for investigation and remediation costs).

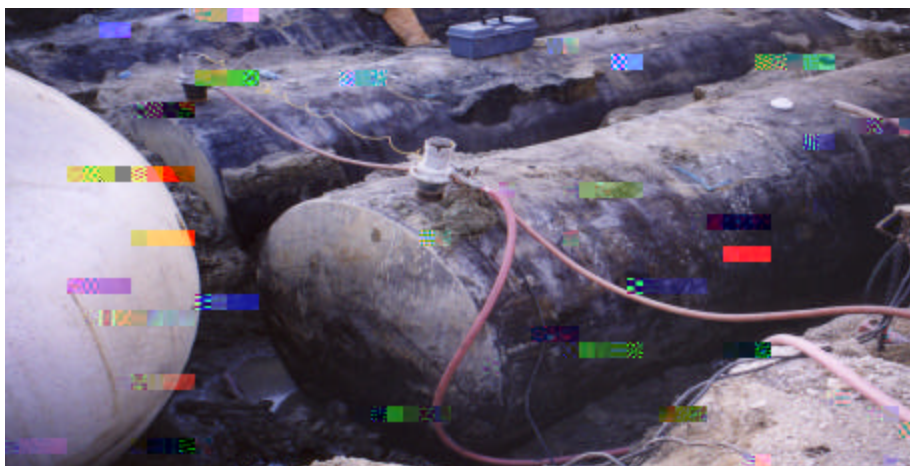
In most cases, OSFM is already involved with a site when a release is reported to the IEMA. OSFM regulates daily operation and maintenance of UST systems, including oversight for tank removal. In addition, OSFM determines an owner's or operator's eligibility to seek reimbursement from the UST Fund and the applicable deductible. OSFM may provide helpful information to the Illinois EPA when questions arise concerning suspected releases, potential threats to human health and the environment and site conditions during tank removal.

Owner and Operator Requirements

Owners and operators who report new petroleum UST releases to IEMA on or after September 13, 1993, must meet the requirements of 35 Illinois Administrative Code Part 732, Petroleum Underground Storage Tanks. Once notified of the release by IEMA, the LUST Section sends information to tank owners and operators, including program forms, to assist them in complying with the reporting requirements. By law, the Illinois EPA is required to review and approve, modify or deny all plans, reports and associated budgets (except 20 and 45 Day Reports, for which there are no deadlines for review) subject to 35 Illinois Administrative Code, Part 732 within 120 days of receipt.

The complete list of Technical and Budget/Billing forms can be found at:

www.epa.state.il.us/land/lust/forms/technical-forms/index.html



At times, tank removal includes multiple tanks.

The Future

Funding is secure until 2013 due to the extension of the Environmental Impact Fee which was signed into law in August 2001. The fee extension will generate an estimated \$500 million for the UST Fund over a 10-year period. This funding is necessary to meet the anticipated demands from tank owners and operators for the reimbursement of cleanup costs at their LUST sites.

The presence of MTBE in the soil and groundwater is expected to have an impact on the cleanup of some LUST sites. However, it is anticipated that MTBE will not be the primary indicator contaminant at most sites. MTBE is difficult to remove from groundwater, which could increase the cost of cleanups, complicate remediation efforts and, therefore, extend the time it takes to bring a LUST site to closure.

The LUST Section continues to provide information to the public such as publications, forms, regulations and access to the LUST database on its web page. In addition, we are working to provide site information on a geographical information system platform for all of the 21,000-plus releases in our database system.



Although most LUST sites are redeveloped, some sites are used as green space to improve the aesthetic value of the area.