A bill to be entitled 1 2 An act relating to the Petroleum Restoration Program; 3 amending s. 376.305, F.S.; expanding the definition of 4 "abandoned petroleum storage system" to include 5 petroleum systems that stored petroleum products 6 during a certain timeframe; amending s. 376.30701, 7 F.S.; requiring the Department of Environmental Protection to establish standards and criteria for 8 9 specific situations in which the national standard for 10 benzene applies; amending s. 376.3071, F.S.; removing 11 the requirement for the department to incorporate 12 risk-based corrective action principles in certain 13 rule criteria; prohibiting site rehabilitation from 14 being implemented on certain sites without the 15 approval of the site owner or the person responsible for the site rehabilitation; requiring the department 16 to establish by rule a procedure for the processing of 17 certain invoices; requiring the department to 18 19 establish rules requiring work tasks for remediation 20 systems to be based on performance-based contracts; 21 authorizing site owners and operators to select a 2.2 contractor under certain circumstances; clarifying 23 that a change in ownership does not preclude a site 24 from entering into the program; revising the 25 eligibility requirements for receiving rehabilitation 26 funding assistance; deleting obsolete provisions;

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amending s. 376.30713, F.S.; revising the number of sites necessary to meet the eligibility requirement for an advanced cleanup application; increasing the total amount for which the department may contract for advanced cleanup work in a fiscal year; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (6) of section 376.305, Florida Statutes, is amended to read:

376.305 Removal of prohibited discharges.-

- Program in response to the need to provide financial assistance for cleanup of sites that have abandoned petroleum storage systems. For purposes of this subsection, the term "abandoned petroleum storage system" means a petroleum storage system that has not stored petroleum products for consumption, use, or sale since <u>January 1, 1999 March 1, 1990</u>. The department shall establish the Abandoned Tank Restoration Program to facilitate the restoration of sites contaminated by abandoned petroleum storage systems.
 - (a) To be included in the program:
- 1. An application must be submitted to the department by June 30, 1996, certifying that the system has not stored petroleum products for consumption, use, or sale at the facility

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since January 1, 1999 March 1, 1990.

- 2. The owner or operator of the petroleum storage system when it was in service must have ceased conducting business involving consumption, use, or sale of petroleum products at that facility on or before January 1, 1999 March 1, 1990.
- 3. The site is not otherwise eligible for the cleanup programs pursuant to s. 376.3071 or s. 376.3072.
- (b) In order to be eligible for the program, petroleum storage systems from which a discharge occurred must be closed pursuant to department rules before an eligibility determination. However, if the department determines that the owner of the facility cannot financially comply with the department's petroleum storage system closure requirements and all other eligibility requirements are met, the petroleum storage system closure requirements shall be waived. The department shall take into consideration the owner's net worth and the economic impact on the owner in making the determination of the owner's financial ability. The June 30, 1996, application deadline shall be waived for owners who cannot financially comply.
- (c) Sites accepted in the program are eligible for site rehabilitation funding as provided in s. 376.3071.
 - (d) The following sites are excluded from eligibility:
 - 1. Sites on property of the Federal Government;
- 2. Sites contaminated by pollutants that are not petroleum products;

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3. Sites where the department has been denied site access; or

- 4. Sites which are owned by a person who had knowledge of the polluting condition when title was acquired unless the person acquired title to the site after issuance of a notice of site eligibility by the department.
- (e) Participating sites are subject to a deductible as determined by rule, not to exceed \$10,000.

This subsection does not relieve a person who has acquired title after July 1, 1992, from the duty to establish by a preponderance of the evidence that he or she undertook, at the time of acquisition, all appropriate inquiry into the previous ownership and use of the property consistent with good commercial or customary practice in an effort to minimize liability, as required by s. 376.308(1)(c).

Section 2. Paragraph (g) of subsection (2) of section 376.30701, Florida Statutes, is amended to read:

376.30701 Application of risk-based corrective action principles to contaminated sites; applicability; legislative intent; rulemaking authority; contamination cleanup criteria; limitations; reopeners.—

(2) INTENT; RULEMAKING AUTHORITY; CLEANUP CRITERIA.—It is the intent of the Legislature to protect the health of all people under actual circumstances of exposure. By July 1, 2004, the secretary of the department shall establish criteria by rule

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for the purpose of determining, on a site-specific basis, the rehabilitation program tasks that comprise a site rehabilitation program, including a voluntary site rehabilitation program, and the level at which a rehabilitation program task and a site rehabilitation program may be deemed completed. In establishing these rules, the department shall apply, to the maximum extent feasible, a risk-based corrective action process to achieve protection of human health and safety and the environment in a cost-effective manner based on the principles set forth in this subsection. These rules shall prescribe a phased risk-based corrective action process that is iterative and that tailors site rehabilitation tasks to site-specific conditions and risks. The department and the person responsible for site rehabilitation are encouraged to establish decision points at which risk management decisions will be made. The department shall provide an early decision, when requested, regarding applicable exposure factors and a risk management approach based on the current and future land use at the site. These rules shall also include protocols for the use of natural attenuation, the use of institutional and engineering controls, and the issuance of "No Further Action" orders. The criteria for determining what constitutes a rehabilitation program task or completion of a site rehabilitation program task or site rehabilitation program, including a voluntary site rehabilitation program, must:

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Apply state water quality standards as follows:

1. Cleanup target levels for each contaminant found in
groundwater shall be the applicable state water quality
standards. Where such standards do not exist, the cleanup target
levels for groundwater shall be based on the minimum criteria
specified in department rule. The department shall apply the
following, as appropriate, in establishing the applicable
cleanup target levels: calculations using a lifetime cancer risk
level of 1.0E-6; a hazard index of 1 or less; the best
achievable detection limit; and nuisance, organoleptic, and
aesthetic considerations. The department shall establish
standards and criteria for specific situations in which the
national standard of 5 parts per billion (ppb) for benzene is
applicable. However, the department shall not require site
rehabilitation to achieve a cleanup target level for any
individual contaminant that is more stringent than the site-
specific, naturally occurring background concentration for that
contaminant.

- 2. Where surface waters are exposed to contaminated groundwater, the cleanup target levels for the contaminants shall be based on the more protective of the groundwater or surface water standards as established by department rule. The point of measuring compliance with the surface water standards shall be in the groundwater immediately adjacent to the surface water body.
- 3. Using risk-based corrective action principles, the department shall approve alternative cleanup target levels in

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conjunction with institutional and engineering controls, if needed, based upon an applicant's demonstration, using sitespecific data, modeling results, risk assessment studies, risk reduction techniques, or a combination thereof, that human health, public safety, and the environment are protected to the same degree as provided in subparagraphs 1. and 2. Where a state water quality standard is applicable, a deviation may not result in the application of cleanup target levels more stringent than the standard. In determining whether it is appropriate to establish alternative cleanup target levels at a site, the department must consider the effectiveness of source removal, if any, that has been completed at the site and the practical likelihood of the use of low yield or poor quality groundwater, the use of groundwater near marine surface water bodies, the current and projected use of the affected groundwater in the vicinity of the site, or the use of groundwater in the immediate vicinity of the contaminated area, where it has been demonstrated that the groundwater contamination is not migrating away from such localized source, provided human health, public safety, and the environment are protected. Groundwater resource protection remains the ultimate goal of cleanup, particularly in light of the state's continued growth and consequent demands for drinking water resources. The Legislature recognizes the need for a protective yet flexible cleanup approach that risk-based corrective action provides. Only where it is appropriate on a site-specific basis, using the criteria in this paragraph and

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careful evaluation by the department, shall proposed alternative cleanup target levels be approved.

The department shall require source removal as a risk reduction measure if warranted and cost-effective. Once source removal at a site is complete, the department shall reevaluate the site to determine the degree of active cleanup needed to continue. Further, the department shall determine if the reevaluated site qualifies for monitoring only or if no further action is required to rehabilitate the site. If additional site rehabilitation is necessary to reach "No Further Action" status, the department is encouraged to utilize natural attenuation and monitoring where site conditions warrant.

Section 3. Paragraph (b) of subsection (5), paragraph (d) of subsection (6), and subsection (13) of section 376.3071, Florida Statutes, are amended, and paragraph (n) is added to subsection (6) of that section, to read:

376.3071 Inland Protection Trust Fund; creation; purposes; funding.—

- (5) SITE SELECTION AND CLEANUP CRITERIA.-
- (b) It is the intent of the Legislature to protect the health of all people under actual circumstances of exposure. The secretary shall establish criteria by rule for the purpose of determining, on a site-specific basis, the rehabilitation program tasks that comprise a site rehabilitation program and the level at which a rehabilitation program task and a site

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rehabilitation program are completed. In establishing the rule, the department shall incorporate, to the maximum extent feasible, risk-based corrective action principles to achieve protection of the public health, safety, and welfare, water resources, and the environment in a cost-effective manner as provided in this subsection. Criteria for determining what constitutes a rehabilitation program task or completion of site rehabilitation program tasks and site rehabilitation programs shall be based upon the factors set forth in paragraph (a) and the following additional factors:

- 1. The current exposure and potential risk of exposure to humans and the environment including multiple pathways of exposure.
- 2. The appropriate point of compliance with cleanup target levels for petroleum products' chemicals of concern. The point of compliance shall be at the source of the petroleum contamination. However, the department may temporarily move the point of compliance to the boundary of the property, or to the edge of the plume when the plume is within the property boundary, while cleanup, including cleanup through natural attenuation processes in conjunction with appropriate monitoring, is proceeding. The department may also, pursuant to criteria provided for in this paragraph, temporarily extend the point of compliance beyond the property boundary with appropriate monitoring, if such extension is needed to facilitate natural attenuation or to address the current

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conditions of the plume, if the public health, safety, and welfare, water resources, and the environment are adequately protected. Temporary extension of the point of compliance beyond the property boundary, as provided in this subparagraph, must include notice to local governments and owners of any property into which the point of compliance is allowed to extend.

- 3. The appropriate site-specific cleanup goal. The site-specific cleanup goal shall be that all petroleum contamination sites ultimately achieve the applicable cleanup target levels provided in this paragraph. However, the department may allow concentrations of the petroleum products' chemicals of concern to temporarily exceed the applicable cleanup target levels while cleanup, including cleanup through natural attenuation processes in conjunction with appropriate monitoring, is proceeding, if the public health, safety, and welfare, water resources, and the environment are adequately protected.
- 4. The appropriateness of using institutional or engineering controls. Site rehabilitation programs may include the use of institutional or engineering controls to eliminate the potential exposure to petroleum products' chemicals of concern to humans or the environment. Use of such controls must have prior department approval and may not be acquired with moneys from the fund. When institutional or engineering controls are implemented to control exposure, the removal of such controls must have prior department approval and must be accompanied immediately by the resumption of active cleanup or

other approved controls unless cleanup target levels pursuant to this paragraph have been achieved. Site rehabilitation for a site that qualifies for a conditional closure or closure with institutional or engineering controls that require deed restrictions may be implemented only with the approval of the site owner or the person responsible for the site rehabilitation.

- 5. The additive effects of the petroleum products' chemicals of concern. The synergistic effects of petroleum products' chemicals of concern must also be considered when the scientific data becomes available.
- 6. Individual site characteristics which must include, but not be limited to, the current and projected use of the affected groundwater in the vicinity of the site, current and projected land uses of the area affected by the contamination, the exposed population, the degree and extent of contamination, the rate of contaminant migration, the apparent or potential rate of contaminant degradation through natural attenuation processes, the location of the plume, and the potential for further migration in relation to site property boundaries.
 - 7. Applicable state water quality standards.
- a. Cleanup target levels for petroleum products' chemicals of concern found in groundwater shall be the applicable state water quality standards. Where such standards do not exist, the cleanup target levels for groundwater shall be based on the minimum criteria specified in department rule. The department

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shall consider the following, as appropriate, in establishing the applicable minimum criteria: calculations using a lifetime cancer risk level of 1.0E-6; a hazard index of 1 or less; the best achievable detection limit; the naturally occurring background concentration; or nuisance, organoleptic, and aesthetic considerations.

- b. Where surface waters are exposed to petroleum contaminated groundwater, the cleanup target levels for the petroleum products' chemicals of concern shall be based on the surface water standards as established by department rule. The point of measuring compliance with the surface water standards shall be in the groundwater immediately adjacent to the surface water body.
- 8. Whether deviation from state water quality standards or from established criteria is appropriate. The department may issue a "No Further Action Order" based upon the degree to which the desired cleanup target level is achievable and can be reasonably and cost-effectively implemented within available technologies or engineering and institutional control strategies. Where a state water quality standard is applicable, a deviation may not result in the application of cleanup target levels more stringent than the standard. In determining whether it is appropriate to establish alternate cleanup target levels at a site, the department may consider the effectiveness of source removal that has been completed at the site and the practical likelihood of the use of low yield or poor quality

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groundwater; the use of groundwater near marine surface water bodies; the current and projected use of the affected groundwater in the vicinity of the site; or the use of groundwater in the immediate vicinity of the storage tank area, where it has been demonstrated that the groundwater contamination is not migrating away from such localized source, if the public health, safety, and welfare, water resources, and the environment are adequately protected.

9. Appropriate cleanup target levels for soils.

- a. In establishing soil cleanup target levels for human exposure to petroleum products' chemicals of concern found in soils from the land surface to 2 feet below land surface, the department shall consider the following, as appropriate: calculations using a lifetime cancer risk level of 1.0E-6; a hazard index of 1 or less; the best achievable detection limit; or the naturally occurring background concentration.
- b. Leachability-based soil target levels shall be based on protection of the groundwater cleanup target levels or the alternate cleanup target levels for groundwater established pursuant to this paragraph, as appropriate. Source removal and other cost-effective alternatives that are technologically feasible shall be considered in achieving the leachability soil target levels established by the department. The leachability goals do not apply if the department determines, based upon individual site characteristics, that petroleum products' chemicals of concern will not leach into the groundwater at

levels which pose a threat to public health, safety, and welfare, water resources, or the environment.

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This paragraph does not restrict the department from temporarily postponing completion of any site rehabilitation program for which funds are being expended whenever such postponement is necessary in order to make funds available for rehabilitation of a contamination site with a higher priority status.

- (6) CONTRACTING AND CONTRACTOR SELECTION REQUIREMENTS. -
- (d) The department rules implementing this section must $\underline{:}$
- 1. Specify that only qualified vendors may submit responses on a competitive solicitation. The department rules must also
- $\underline{2.}$ Include procedures for the rejection of vendors not meeting the minimum qualifications on the opening of a competitive solicitation. \underline{and}
- $\underline{3.}$ Include requirements for a vendor to maintain its qualifications in order to enter contracts or perform rehabilitation work.
- 4. Establish a procedure for the processing of invoices that are less than \$500,000 per task, including the direct assignment of such tasks. This procedure may not involve the use of MyFloridaMarketPlace. Invoices that are at least \$500,000 per task may be processed pursuant to chapter 287.
- 5. Require current and future operations and management work tasks for remediation systems to be based on performance-

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based contracts to ensure efficient and effective cleanup of sites.

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- (n) A site owner or operator may select a contractor, provided the contractor complies with paragraph (c), if the combination of the owner or operator copay and the contractor's discount off the normal rate totals at least 5 percent of the value of the contract. The cost of work must be based on a competitive rate that the department negotiates with each contractor.
- (13) PETROLEUM CLEANUP PARTICIPATION PROGRAM.-To encourage detection, reporting, and cleanup of contamination caused by discharges of petroleum or petroleum products, the department shall, within the guidelines established in this subsection, implement a cost-sharing cleanup program to provide rehabilitation funding assistance for all property contaminated by discharges of petroleum or petroleum products occurring before January 1, 1999 1995, subject to a copayment provided for in a Petroleum Cleanup Participation Program site rehabilitation agreement. Eligibility is subject to an annual appropriation from the fund. Additionally, funding for eligible sites is contingent upon annual appropriation in subsequent years. Such continued state funding is not an entitlement or a vested right under this subsection. Eligibility shall be determined in the program, notwithstanding any other provision of law, consent order, order, judgment, or ordinance to the contrary.
 - (a) 1. The department shall accept any discharge

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reporting form received before January 1, 1995, as an application for this program, and the facility owner or operator need not reapply.

- 2. Owners or operators of property, regardless of whether ownership has changed, which is contaminated by petroleum or petroleum products from a petroleum storage system may apply for such program by filing a written report of the contamination incident, including evidence that such incident occurred before January 1, 1999 1995, with the department. Incidents of petroleum contamination discovered after December 31, 1994, at sites which have not stored petroleum or petroleum products for consumption, use, or sale after such date shall be presumed to have occurred before January 1, 1995. An operator's filed report shall be an application of the owner for all purposes. Sites reported to the department after December 31, 1998, are not eligible for the program.
- meeting the criteria of this subsection are eligible for up to \$1 million \$400,000 of site rehabilitation funding assistance in priority order pursuant to subsections (5) and (6). Sites meeting the criteria of this subsection for which a site rehabilitation completion order was issued before June 1, 2008, do not qualify for the 2008 increase in site rehabilitation funding assistance and are bound by the pre-June 1, 2008, limits. Sites meeting the criteria of this subsection for which a site rehabilitation completion order was not issued before

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June 1, 2008, regardless of whether they have previously transitioned to nonstate-funded cleanup status, may continue state-funded cleanup pursuant to this section until a site rehabilitation completion order is issued or the increased site rehabilitation funding assistance limit is reached, whichever occurs first. The department may not pay expenses incurred beyond the scope of an approved contract.

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Upon notification by the department that rehabilitation funding assistance is available for the site pursuant to subsections (5) and (6), the owner, operator, or person otherwise responsible for site rehabilitation shall provide the department with a limited contamination assessment report and shall enter into a Petroleum Cleanup Participation Program site rehabilitation agreement with the department. The agreement must provide for a 25-percent copayment by the owner, operator, or person otherwise responsible for conducting site rehabilitation. The owner, operator, or person otherwise responsible for conducting site rehabilitation shall adequately demonstrate the ability to meet the copayment obligation. The limited contamination assessment report and the copayment costs may be reduced or eliminated if the owner and all operators responsible for restoration under s. 376.308 demonstrate that they cannot financially comply with the copayment and limited contamination assessment report requirements. The department shall take into consideration the owner's and operator's net worth in making the determination of financial ability. In the

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event the department and the owner, operator, or person otherwise responsible for site rehabilitation cannot complete negotiation of the cost-sharing agreement within 120 days after beginning negotiations, the department shall terminate negotiations and the site shall be ineligible for state funding under this subsection and all liability protections provided for in this subsection shall be revoked.

- (d) A report of a discharge made to the department by a person pursuant to this subsection or any rules adopted pursuant to this subsection may not be used directly as evidence of liability for such discharge in any civil or criminal trial arising out of the discharge.
- (e) This subsection does not preclude the department from pursuing penalties under s. 403.141 for violations of any law or any rule, order, permit, registration, or certification adopted or issued by the department pursuant to its lawful authority.
- (f) Upon the filing of a discharge reporting form under paragraph (a), the department or local government may not pursue any judicial or enforcement action to compel rehabilitation of the discharge. This paragraph does not prevent any such action with respect to discharges determined ineligible under this subsection or to sites for which rehabilitation funding assistance is available pursuant to subsections (5) and (6).
- (g) The following are excluded from participation in the program:
 - 1. Sites at which the department has been denied

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reasonable site access to implement this section.

- 2. Sites that were active facilities when owned or operated by the Federal Government.
- 3. Sites that are identified by the United States Environmental Protection Agency to be on, or which qualify for listing on, the National Priorities List under Superfund. This exception does not apply to those sites for which eligibility has been requested or granted as of the effective date of this act under the Early Detection Incentive Program established pursuant to s. 15, chapter 86-159, Laws of Florida.
- 4. Sites for which contamination is covered under the Early Detection Incentive Program, the Abandoned Tank Restoration Program, or the Petroleum Liability and Restoration Insurance Program, in which case site rehabilitation funding assistance shall continue under the respective program.
- Section 4. Paragraph (a) of subsection (2) and subsection (4) of section 376.30713, Florida Statutes, are amended to read: 376.30713 Advanced cleanup.—
- (2) The department may approve an application for advanced cleanup at eligible sites, before funding based on the site's priority ranking established pursuant to s. 376.3071(5)(a), pursuant to this section. Only the facility owner or operator or the person otherwise responsible for site rehabilitation qualifies as an applicant under this section.
- (a) Advanced cleanup applications may be submitted between May 1 and June 30 and between November 1 and December 31 of each

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fiscal year. Applications submitted between May 1 and June 30 shall be for the fiscal year beginning July 1. An application must consist of:

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- A commitment to pay 25 percent or more of the total cleanup cost deemed recoverable under this section along with proof of the ability to pay the cost share. An application proposing that the department enter into a performance-based contract for the cleanup of 10 20 or more sites may use a commitment to pay, a demonstrated cost savings to the department, or both to meet the cost-share requirement. For an application relying on a demonstrated cost savings to the department, the applicant shall, in conjunction with the proposed agency term contractor, establish and provide in the application the percentage of cost savings in the aggregate that is being provided to the department for cleanup of the sites under the application compared to the cost of cleanup of those same sites using the current rates provided to the department by the proposed agency term contractor. The department shall determine whether the cost savings demonstration is acceptable. Such determination is not subject to chapter 120.
- 2. A nonrefundable review fee of \$250 to cover the administrative costs associated with the department's review of the application.
 - 3. A limited contamination assessment report.
 - 4. A proposed course of action.

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The limited contamination assessment report must be sufficient to support the proposed course of action and to estimate the cost of the proposed course of action. Costs incurred related to conducting the limited contamination assessment report are not refundable from the Inland Protection Trust Fund. Site eligibility under this subsection or any other provision of this section is not an entitlement to advanced cleanup or continued restoration funding. The applicant shall certify to the department that the applicant has the prerequisite authority to enter into an advanced cleanup contract with the department. The certification must be submitted with the application.

(4) The department may enter into contracts for a total of up to \$25 \$15 million of advanced cleanup work in each fiscal year. However, a facility or an applicant who bundles multiple sites as specified in subparagraph (2) (a)1. may not be approved for more than \$5 million of cleanup activity in each fiscal year. For the purposes of this section, the term "facility" includes, but is not limited to, multiple site facilities such as airports, port facilities, and terminal facilities even though such enterprises may be treated as separate facilities for other purposes under this chapter.

Section 5. This act shall take effect July 1, 2015.

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