



**REPORT ON STATUS OF THE
MARYLAND OIL DISASTER CONTAINMENT,
CLEAN-UP AND CONTINGENCY FUND**

**32nd ANNUAL REPORT
STATE FISCAL YEAR 2004**

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Prepared for:

**The Senate Education, Health and Environmental
Affairs Committee and the
House Environmental Matters Committee
of the Maryland General Assembly**

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I. EXECUTIVE SUMMARY

Section 4-411(h) of the Environment Article, Annotated Code of Maryland, requires the Maryland Department of the Environment (MDE) to provide to the standing committees (Senate Education, Health and Environmental Affairs and the House Environmental Matters Committees) of the Maryland General Assembly a status report on the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund.

MDE's Waste Management Administration and the Air and Radiation Management Administration are the administrations responsible for regulating State oil pollution programs. The Oil Control Program, within the Waste Management Administration, and the Air Quality Compliance Program, within the Air and Radiation Management Administration, coordinate those activities on a daily basis. The Technical and Regulatory Services Administration provides the emergency response services for oil and hazardous material emergencies. During State Fiscal Year 2004, the following major activities were accomplished:

1. MDE's Oil Control Program issued 280 oil operations permits for a total of 1,041 facilities that store oil in regulated aboveground storage tanks, transfer oil at their sites, transport oil in Maryland, or treat and store oil contaminated soil.
2. MDE's Oil Control Program conducted 9,735 inspections at facilities to ensure that owners/operators are preventing, reducing or remediating oil pollution.
3. MDE received 3,784 oil spill reports and responded to 698 surface oil spill incidents through the Emergency Response Division.
4. MDE received \$2,419,970 in oil transfer fees that were deposited to the Maryland Oil Disaster Containment, Clean Up and Contingency Fund.
5. The Waste Management Administration's Oil Control Program coordinated 3,701 Public Information Act searches for consultants, realtors, attorneys, and individuals for information on oil pollution activities.
6. Through the Emergency Response Division MDE supplied approximately 9,400 bags and bales of sorbent material to local fire departments to conduct initial spill responses.
7. MDE's Emergency Response Division conducted 8 oil spill drills in association with federal and local agencies and the oil industry.
8. A total of 826,150 gallons of used oil were collected by the, MDE supported, Maryland Environmental Service's Used Oil Recycling Program for recycling and proper disposal from individuals who changed the oil in their vehicles. Approximately 38,500,000 additional gallons of used oil were collected and processed by facilities having oil operations permits.
9. MDE collected \$235,460 in cost recovery and \$376,511 in fines and penalties.

10. MDE's Air Quality Compliance Program conducted approximately 330 air quality inspections at regulated oil-related facilities having air emissions. MDE responded to 38 citizen complaints concerning air pollution from oil-related facilities.
11. The Ad Hoc Committee on Oil, which meets in Annapolis, Maryland continued to provide a forum whereby government and industry can meet, coordinate, and discuss issues pertaining to the oil industry.

II. **INTRODUCTION**

Section 4-411(h) of the Environment Article, Annotated Code of Maryland, requires the Maryland Department of the Environment (MDE) to provide the Senate Education, Health and Environmental Affairs and the House of Environmental Matters Committees of the Maryland General Assembly a status report on the Maryland Oil Disaster Containment, Clean-Up and Contingency Fund (Fund). The Fund revenues are generated by licensees paying 2.0 cents (\$0.02) per barrel (42 gallons in a barrel) of oil transferred into the State. Anyone transferring oil in the State must have a valid MDE Oil Transfer License and must pay the fee. There were 236 companies licensed with MDE at the end of this fiscal year. Also credited to the Fund are fines collected for oil pollution violations and recovered costs for certain clean-up expenses provided by MDE.

The Fund was established for MDE "to use to develop equipment, personnel, and plans; for contingency actions to respond to, contain, clean-up, and remove from the land and waters of the State discharges of oil, petroleum products, and their by-products into, upon, or adjacent to the waters of the State; and restore natural resources damaged by discharges" (Section 4-411(f)). MDE is the responsible agency for all oil pollution activities. The State has administered a comprehensive program for oil pollution control and oil spill response since 1972.

III. **OIL POLLUTION CONTROL ACTIVITIES**

A. **Oil Control Program**

As part of MDE's Waste Management Administration, the Oil Control Program (OCP) is responsible for coordinating oil pollution activities as required by State statute. These activities include, but are not limited to, the development of regulations, enforcement, permits, and complaint response with respect to transportation, storage and disposal of oil (as defined in Section

4-401(g) of the Environment Article). The Program has two divisions -- the Compliance and Remediation Division and the Permits and Support Division -- and the Office of Resource Management to conduct its operations. Table 1 summarizes Fiscal Year 2004 activities.

1. **Compliance/Remediation Division**

The Compliance/Remediation Division has the responsibility for the protection of the environment through enforcement of the oil pollution and tank management laws and regulations. Timely responses are also made to complaints concerning oil handling practices and operations. Appropriate enforcement actions are initiated when necessary.

The Division oversees the person responsible for the discharge of oil and the cleanup contractor at remediation sites to ensure that the proper cleanup methods are implemented.

The Division also conducts inspections as appropriate and as resources allow of underground storage tank (UST) systems prior to, and during the removal, installation, and operation of the UST systems, and the removal and remediation of leaking underground storage tank (LUST) systems. This same degree of oversight by MDE is growing for aboveground storage tank (AST) systems with the increased use of ASTs across the State.

2. **Permits and Support Division**

The Permits and Support Division is responsible for the writing and oversight of permits, cleanup of State Lead sites and the administration of the reimbursement funds.

The Division was involved in the following activities:

- a. Issued 280 permits to inspected facilities operating in the State that are involved in the aboveground storage, transfer, transport and delivery of petroleum products and the treatment of oil-contaminated soils.
- b. Issued and oversaw the compliance of State discharge (NPDES) permits for oil terminals and groundwater remediation systems;
- c. Provided engineering and technical support to the Compliance/Remediation Division.
- d. Coordinated and oversaw State-lead activities on sites taken over by MDE for remediation purposes where the responsible person is unable or unwilling to remediate a contamination causing a public health threat. A total of 41 ongoing cleanups are being addressed in this manner. Table 2 provides a listing of these State-lead sites.
- e. Continued to coordinate the management and reimbursement of funds to approved applicants to the Oil-Contaminated Site Environmental Cleanup Fund.

- f. The MTBE Project Group – Closed Case Assessment Project, whose purpose was to review previously closed sites with historic petroleum releases that had not been assessed for MTBE contamination has been completed. Approximately 50 sites were identified and investigated. A report is being prepared.

3. **Office of Resource Management**

The Office of Resource Management provides a coordinated and streamlined effort in the many support activities required by the Oil Control Program. This Office conducted the following activities:

- a. Managed the oil transfer fees.
- b. Coordinated all invoicing activities for the Program including discharge permits, transfer fees, penalties, cost recovery and UST Technician and Remover Fees.
- c. Provided data processing support for monitoring and tracking of all Program personnel, vehicles, and daily activities.
- d. Conducted 128 audits of oil transfer license holders to ensure those license holders are paying appropriate oil transfer fees to the State. Of the total audits performed: 33 were found to be in compliance at the time of the audit, 66 were found to have discrepancies which resulted in a letter being sent requesting fees due, and 29 were found to be delinquent in reporting which required a letter to be sent requesting the report and fees due. There were 8 new Oil Transfer Licenses issued in the State for a total of 236 active licenses.
- e. Managed the “UST Access” tracking system for USTs in Maryland.
- f. Implemented, coordinated and provided testing and renewal certification of UST technicians and removers. A total of 186 certificates were issued for a total of 435 active certificates.
- g. Coordinated 3701 Public Information Act searches for consultants, realtors, lawyers, and individuals for information on oil pollution activities.

B. **Emergency Response Division**

The Emergency Response Division (ERD) within the Technical and Regulatory Services Administration is the primary group in the State that receives and tracks all spill reports involving hazardous materials and oil. ERD also provides: primary response to spill incidents; technical support to the other programs within MDE; site safety and technical support to the Environmental Crimes Unit during criminal search warrants; and hazardous material awareness training to local environmental health departments and other interested parties upon request. ERD responded to 698 oil spill incidents across the State.

During the past year, the ERD participated in eight oil spill drills. Some of these yearly spill drills are with the Salisbury Mutual Assistance Group (SMAG), the US Environmental Protection Agency (EPA), the South Baltimore Industrial Mutual Aid Plan (SBIMAP), and the U.S. Coast Guard. These drills, in association with both federal and local agencies, are to test and improve the response capabilities of all responders in the event of a major incident.

The ERD has, as in years past, continued to supply sorbent materials to local responders. Last year the ERD supplied approximately 9,250 bags of sorbent. ERD also provided 87 bales of pads, and 29 bales of boom. The material provided allows local fire companies to mitigate smaller spills thereby minimizing the harmful effects on nearby rivers and streams.

The ERD maintains five spill trailers located at strategic locations around the State. Each trailer is equipped with a variety of spill containment materials and is accessible to both State and local responders in the event of an emergency. MDE maintains a 24-hour emergency telephone number, 866-633-4686 (866-MDE-GOTO), for reporting incidents involving hazardous materials and oil. During FY 2004, the ERD logged (See Table 3):

Oil spill reports	3784
Chemical spill and miscellaneous reports	363
Total reports	<u>4147</u>

The September 11 terrorist attacks profoundly altered ERD's normal missions. In addition to oil and hazardous materials response, ERD responded to suspected anthrax incidents and engaged in many preparedness activities. ERD is receiving supplemental funding from the Department of Homeland Security for specialized equipment purchases and terrorism-related activities.

C. **Air Quality Compliance Program**

As part of MDE's Air and Radiation Management Administration, Air Quality Compliance Program ensures compliance of regulated facilities with air pollution requirements. Program activities primarily include compliance inspections, inspections in response to citizens' complaints, and follow-up. Inspections are performed on a regular basis at facilities associated with the handling of petroleum products. Such facilities include asphalt plants, pipeline breakout stations, bulk fuel terminals, gasoline dispensing stations, and petroleum contaminated soil remediation activities.

The Program conducted 330 routine air quality inspections at regulated oil-related facilities during Fiscal Year 2004. Also during FY 2004, air quality inspectors responded to 38 complaints concerning oil-related facilities. The complaints were primarily for odors.

D. **Other Oil Related Activities**

1. **Maryland Used Oil Recycling Program**

The Maryland Environmental Service (MES) manages the Maryland Used Oil Recycling Program. The purpose of the program is to carry out the intent of the Maryland Used Oil Recycling Law, Section 5-1001 of the Environment Article, Annotated Code of Maryland. The law is aimed at preventing improper disposal of used oil generated by persons who change motor oil in their own vehicles through public education and by providing a sufficient number of convenient, accessible collection locations. In FY 2004, this Program was funded through an Intergovernmental Agreement (IGA) for \$29,707 from the Maryland Oil Disaster Containment, Clean-up and Contingency Fund.

This fiscal year, 826,150 gallons of used oil were collected. Since 1988, the State's Program has collected more than 9.4 million gallons of used motor oil from do-it-yourselfers (DIYs). The Antifreeze Recycling Program has also been successful by collecting 35,347 gallons of used engine coolant in FY 2004.

To educate and encourage individuals to recycle used motor oil, Maryland Environmental Service (MES) operates a toll free information hotline at 1-800-473-2925, which receives approximately 1,900 calls per year.

Statewide, there are 162 MES sponsored used oil collection locations. MES continues to investigate collection site opportunities with the private sector and appropriate government facility locations.

MES and MDE received funding from Carroll Independent Fuel Company for the purpose of implementing a supplemental environmental project (SEP). The funding was used to assist in the construction of nine rain shelters to help minimize storm water accumulation in existing used motor oil recycling drop-off areas. The SEP required that a sign be posted indicating that Carroll Independent Fuel Company provided funding for the project. The following counties received grant funding: Frederick, Washington, Calvert, and Cecil. The following municipalities received grant funding: Mt. Airy, Sykesville, Walkersville, Boonsboro and Cambridge.

2. **Ad Hoc Committee on Oil**

The Ad Hoc Committee on Oil is organized to provide a forum for State, federal and local governments, oil industry, oil distributors and contractors to meet, coordinate and discuss issues pertaining to aboveground and underground storage systems, the prevention and control of oil spills and other matters of interest pertaining to the handling of oil. The Committee also provides information to advise the Department on national issues, regulations, and other matters of common interest. Meetings are open

to the public. The Committee met seven times during FY 2004 and provided the following:

- a. Advised MDE of problems occurring in flexible underground piping systems of UST (Underground Storage Tank) systems.
- b. Assisted and advised MDE on proposed changes to Code of Maryland Regulations 26.10, *Oil Pollution and Tank Management*.
- c. Advised MDE of design standards to prevent the floating of aboveground home heating oil storage tanks in flood plain areas.
- d. Assisted and advised MDE in changes to Stage II Vapor Recovery regulations.
- e. The Tawes Award for a Clean Environment is presented jointly by the Committee, MDE, and the Maryland Petroleum Council. This year's 28th Annual Award was presented to Mr. Stephen Beard, Environmental Educator at the Arlington Echo Environmental Center located in Anne Arundel County. The Tawes Award in the youth category was presented to the Boy Scouts of America Venturing Crew 202 located in Carroll County.

IV. FINANCIAL STATEMENT

An import fee is paid quarterly by persons transferring oil into the State. The FY 2004 fee structure assesses a fee of 2.0 cents (\$0.02) per barrel (about \$0.0005/gallon) on oil products transferred into the State.

Table 4 summarizes the petroleum product movement on which the license fees are based. It shows the quantities of different oil products transferred in the State from July 1, 2003 to June 30, 2004.

Table 5 provides the FY 2004 financial statement for the Oil Disaster Containment, Cleanup and Contingency Fund.

Table 6 provides the FY 2004 Fund expenditures by the following Department of the Environment administrations:

- Waste Management Administration (WAS)
- Technical and Regulatory Services Administration (TARSA)
- Air and Radiation Management Administration (ARMA)
- Administrative and Employee Services Administration (AESA)

V. **CONTACT**

This report was compiled by the Oil Control Program of the Maryland Department of the Environment. Questions regarding this report can be directed to the Program by calling 410-537-3442 or by directing email to Mr. Gregory Sonberg at gsonberg@mde.state.md.us.

TABLE 1**SUMMARY OF FY 2004 OIL CONTROL PROGRAM ACTIVITIES**

	Sites Inspected	Number of Inspections	Number of Registered and Permitted Facilities	Number of Permits, Licenses Issued	Number of Ongoing Cleanups (2)	Number of Enforcement Actions	Penalty Dollars Collected
Underground Oil Storage Facilities	547	2,051	5,790	N/A	N/A	73	\$ 37,151
Oil Pollution Remediation Activities	843	5,220	N/A	N/A	2675	41	(3) \$ 646,121
Aboveground Oil Storage Facilities (1)	1,252	2,454	1,542	588	338	84	\$ 16,300
Totals	2,642	9,735	7,332	588	3013	198	\$ 699,572 (4)

(1) Includes facilities requiring Oil Transfer Licenses, Oil Operations Permits, or Stormwater Discharge Permits for Oil Terminals.

(2) Includes responsible party (PRP) and State-lead cleanups.

(3) Includes significant one time penalty amount received as part of the Chalk Point Oil Spill Settlement. As part of the Settlement, \$323,060 of the total was transferred to the Maryland Clean Water Fund.

(4) Total amount reflects actual cash received.

Table 2 - State-lead Sites FY2004

Site Name	Case Number	City	Type of Release	Remediation Activity
Blanchard	96-2047FR	Adamstown	Motor Fuel	GAC treatment system
Klaas Residence	00-0865AA2	Annapolis	Heating Oil	MW bailing and monitoring
Royal Oil	9-0826BC	Baltimore City	Heating Oil	MW bailing and monitoring
Boyds Market	94-0081MO	Boyds	Motor Fuel	GAC treatment system
Charlestown	7-1673CE	Charlestown	Motor Fuel	MW monitoring
McGlothlin	98-1815CE	Colora	Motor Fuel	GAC treatment system
Fast Stop	94-2238TA	Easton	Motor Fuel	DW sampling
Buchanan Residence	05-0318HA	Fallston	Motor Fuel	GAC treatment system
Glen Elyn Investigation/Haynes Residence	05-0174HA	Fallston	Motor Fuel	GAC treatment system
Fallston Presbyterian Church/Pre-K	05-0156HA	Fallston	Motor Fuel	DW sampling
Ryan Residence	05-0108HA	Fallston	Motor Fuel	GAC treatment system
Plesantville Citgo/7-11	05-0108HA	Fallston	Motor Fuel	DW sampling
Chickenman	9-0303FR	Frederick City	Motor Fuel	MW monitoring
Hess Property	04-0519CL	Hampstead	Motor Fuel	GAC treatment system
Eller	98-1469HA	Havre de Grace	Motor Fuel	Recovery system operation & maintenance
Bullet Street	8-1718CE	Hopewell Manor	Motor Fuel	GAC treatment system
Fruhling	8-1130HA	Jarrettsville	Motor Fuel	GAC treatment system
Stottlemyer	04-1328FR	Keymar	Motor Fuel	GAC treatment system
Keymar	93-1334CL	Keymar	Motor Fuel	DW sampling
Russo	8-0919BA	Kingsville	Motor Fuel	GAC treatment system
Minarik	95-0401BA	Kingsville	Motor Fuel	GAC treatment system
Tollgate Shell	3-002BA3	Kingsville	Motor Fuel	MW monitoring
Libertytown Elementary School	00-1332FR	Libertytown	Motor Fuel	DW sampling
Libertytown Rt 75	00-1183FR	Libertytown	Motor Fuel	GAC treatment system
Libertytown Rt 550	00-0575FR	Libertytown	Motor Fuel	GAC treatment system
Lisbon	8-1496HO	Lisbon	Motor Fuel	GAC treatment system
Bauchman	7-0668AA	Lothian	Motor Fuel	DW sampling
Mardela Springs	8-1718CE	Mardela Springs	Motor Fuel	MW monitoring
Monrovia	00-1301FR	Monrovia	Motor Fuel	GAC treatment system
Jacks Court	94-0076CL	Mount Airy	Heating Oil	GAC treatment system
Dickenson	01-0283HO	Mount Airy	Motor Fuel	GAC treatment system
Connor/Guns	98-0004CE	Norima Heights	Motor Fuel	GAC treatment system
Zion	94-1473CE	Northeast	Motor Fuel	GAC treatment system
T&C Market	95-0335CE	Northeast	Motor Fuel	GAC treatment system
Battleswamp	92-1618CE	Port Deposit	Motor Fuel	GAC treatment system
Waljacks	90-0818QA	Queen Anne	Motor Fuel	MW bailing and monitoring
Rockville Service Center	91-0888MO	Rockville	Motor Fuel	Recovery system operation & maintenance
Hermans Arco	94-1523WI	Salisbury	Motor Fuel	MW monitoring
Kreiger	02-0011CL	Sykesville	Motor Fuel	GAC treatment system
Taylorville	7-0791CL	Taylorville	Motor Fuel	GAC treatment system
Myrick	92-1474BA3	Whitehall	Motor Fuel	DW sampling

GAC-Granular Activated Carbon

MW-Monitoring Wells

DW-Domestic Well(s)

TABLE 3
Maryland Department of the Environment
Emergency Response Division
Fiscal Year 2004 Activities*

County	Oil	Chemical	Other	Reported Total	ERD Responses
Allegany	11	3	3	17	2
Anne Arundel	362	25	20	407	133
Baltimore City	1208	48	44	1400	157
Baltimore County	565	20	26	611	332
Calvert	54	6	7	67	9
Caroline	10	1	3	14	2
Carroll	78	5	3	86	13
Cecil	69	7	4	80	28
Charles	91	9	1	101	15
Dorchester	43	2	1	46	3
Frederick	55	7	1	63	14
Garrett	10	1	4	15	1
Harford	111	9	7	127	30
Howard	84	8	2	94	27
Kent	17	0	2	19	3
Montgomery	231	16	9	256	19
Prince George's	264	11	9	284	17
Queen Anne's	42	4	3	49	16
Somerset	13	1	3	17	1
St. Mary's	58	2	3	63	9
Talbot	24	0	0	24	1
Washington	48	4	3	55	4
Wicomico	62	1	2	65	0
Worcester	42	3	1	46	6
Federal Facilities	230	6	2	238	1
Out of State	2	1	0	3	0
Totals	3784	200	163	4147	843**

**About 6% of the reported incidents are not included here because the original reports either do not indicate jurisdictions or spilled material. **698 ERD responses were for oil releases.

TABLE 4

OIL TRANSFER SUBJECT TO LICENSE FEE
(in gallons)

July 1, 2003 - June 30, 2004

TYPE OF PRODUCT	NET TO FEE
Gasoline	2,857,791,948
Gasohol	2,836,376
Kerosene	116,372,114
Diesel	552,481,985
Aviation	279,146,631
No. 2	563,040,362
No. 4	915,344
No. 5	522,558
No. 6	578,975,528
Asphalts	386,253,592
Hydraulic Oil	3,745,385
Lubricating Oil	44,572,294
Total Gallons	5,386,654,117
Total Barrels (42 gal/bbl)	128,253,670

TABLE 5

**OIL DISASTER CONTAINMENT, CLEANUP
AND CONTINGENCY FUND**

FINANCIAL STATEMENT
July 1, 2003 to June 30, 2004

A. Beginning Fund Balance 7/01/03 \$ 317,371.60

B. FY 2004 Receipts

Transfer Fees	\$ 2,419,970.01	
Oil Spill Cost Recovery	235,460.31	
UST Installer Fees	19,510.00	
Fines & Penalties	376,511.14	
Revenue Adjustment	(29,986.61)	
Transfer authorized by Section 2, Chapter 604, Acts 2000 (Environment Article 4-411)	300,000.00	
Interest Income	<u>84,134.45</u>	
Total		\$ 3,405,599.30

C. Total Funds available FY 2004 (A+B) \$ 3,722,970.90

D. FY 2004 Expenditures

FY-2004 Expenditures	
Salaries and Wages	\$2,169,923.70
Technical and Special Fees	8,572.70
Communications	41,233.64
Travel	9,496.64
Utilities	299.47
Motor Vehicle Operations and Maintenance	309,206.33
Contractual Services	281,715.01
Supplies and Materials	157,968.71
Equipment	75,947.44
Grants	29,707.00
Fixed Charges	2,252.75
Other	445,356.47
Total Expenditures	\$3,531,679.86

E. Balance in Fund 07/01/2004 \$ 191,291.04

Table 6
Oil Disaster Containment, Cleanup & Contingency Fund
FY 2004 Fund Expenditures by Administration Activities

	TARSA Emergency Operations	WAS Oil Operations	ARMA Oil Activities	AESA	Total Expenditures
Salaries and Wages	498,799.07	1,547,624.63	123,500.00	0	2,169,923.70
Technical & Special Fees	8,486.80	85.90	0	0	8,572.70
Communications	8,425.22	32,808.42	0	0	41,233.64
Travel	744.08	8,752.56	0	0	9,496.64
Utilities	299.47	0	0	0	299.47
Motor Vehicle Operations & Maintenance	76,568.82	232,637.51	0	0	309,206.33
Contractual Services	167,703.04	114,011.97	0	0	281,715.01
Supplies and Materials	143,211.00	14,757.71	0	0	157,968.71
Equipment	85,849.69	(9,902.25)	0	0	75,947.44
Grants	0	29,707.00	0	0	29,707.00
Fixed Charges	0	2,252.75	0	0	2,252.75
Other Operating Expenses	142,869.58	284,665.83	17,821.05	0	445,356.47
Total Expenditures	1,132,956.77	2,257,402.03	141,321.05	0	3,531,679.86