

Preparation for Compliance Inspections

By Brian Pottebaum, Loss Control Inspector Supervisor, PMMIC

By now you are well aware of the regulatory UST compliance inspections that are conducted every two years at your petroleum facility. The previous two compliance inspection years (2007 and 2009) were successfully completed and compliance year 2011 should be no exception.

For those sites with PMMIC insurance coverage, the PMMIC inspection satisfies the compliance inspection requirement. PMMIC will be conducting the compliance inspections again in 2011. All non-PMMIC sites will have to hire an Iowa certified compliance inspector to meet this regulatory requirement. All PMMIC insured sites will continue to be inspected annually, however the compliance inspection report will only be submitted to DNR once every two years, as required by state and federal regulation.

NEW: There are a couple items that will be added to the compliance inspection process this year. Those items are related to UST operator training and National Emissions Standards for Hazardous Air Pollutants (NESHAP).

- **UST Operator Training:** The deadline to meet EPA/State mandated underground storage tank (UST) operator training expires **12/31/2011**. Hopefully you were able to attend one of our training sessions last fall or earlier this year. If not, we will be conducting several more sessions around the state throughout the year. For more information on this training please visit our website at <http://www.pmmicinsurance.com>.

Also, as part of the regulatory compliance inspection, you will be required to document compliance with the **April 11, 2010** deadline. This is a separate deadline from the operator training date. This requirement specifies that all Class C operators know how to respond to petroleum spills, overfills, alarms, and other emergency situations when they occur. Written basic operating instructions, emergency contact names and telephone numbers, and basic procedures specific to the facility should have been provided to all future Class C operators and readily available on site. If you have not yet complied with this rule the DNR has a blank form and instructions available at <http://www.iowadnr.gov/land/ust/ustprof/doc/memo030310.pdf>.

- **NESHAP:** Part of the compliance inspection process this year will also include collecting data for the Iowa DNR as it relates to NESHAP for all gasoline distribution facilities. For more information on the specific requirements, please review the DNR document “NESHAP Notification for Gasoline Dispensing Facilities (GDF).” You can obtain this document at <http://www.iowadnr.gov/land/ust/tech/docs/542-0105.pdf>. During the inspection, it will be documented whether or not the appropriate vapor control equipment is installed, in addition to the condition of that equipment. If you were required to install Stage 1 vapor recovery equipment, there are also testing requirements that apply. At the time of installation and every three (3) years thereafter, a certified tester must conduct a performance test on this equipment. PMMIC will be tracking these testing dates as part of the underwriting process. Please provide all supporting installation and testing documentation if you have recently made equipment changes to your system. If you do not understand, or are not

sure if you have the appropriate equipment, you should contact your petroleum equipment company.

How to Prepare For a UST Compliance Inspection

The PMMIC inspection process will be identical to the process used in previous years. This process starts with a mailed notice to the owner that the site inspection will be conducted within 60 days. Once the inspection process is complete, including any applicable follow-up response to deficiencies, a copy of the report and site photos are supplied to the DNR. Approximately 10% of the 3rd party inspections are audited by the DNR, so there is a chance that the DNR will inspect your site before, during, or after the 3rd party inspection.

The inspection includes items specific to DNR compliance concerns:

Tank Tags. Compliance inspections must note if the DNR registration tags are properly attached to the tank fill pipes (or the riser pipe used for emptying the used oil tanks).

PLEASE NOTE: All regulated tanks with capacity greater than 110 gallons must be registered and have a permanent metal tag attached in this manner.

- USTs between 111 and 1100 gallons must have a silver (permanent) metal tag.
- USTs greater than 1100 gallons must be identified by two tags:
 - a purple (permanent) metal tag;
 - a second colored metal tag issued annually that must also be attached in the same manner as the permanent tag. This tag changes annually.

If you are unable to locate any of these tank tags, contact DNR immediately to have new tags issued.

Leak Detection Records. Prior to 2007, PMMIC only required that you submit the most recent month of tank and line leak detection records when you renewed your policy. However, state and federal regulations require that the most recent 12 months of leak detection records be available. As part of your compliance inspection, PMMIC is now requiring 12 months of leak detection records. You have been required to maintain adequate leak detection records for years, so the only change is that you must now provide copies to PMMIC on an annual basis. To minimize the amount of paperwork that you mail, make sure that you only send applicable documents. For more guidance on how to address these requirements, refer to the document “New Leak Detection Requirement for Renewals” at the PMMIC web page (www.pmmicinsurance.com).

Here are some key items to help ensure that you have a good experience when the compliance inspection is conducted. These items may not all apply to your site, but it is a good idea to conduct those that do apply on a regular basis.

Inspect monitor status – Make sure all leak detection and cathodic protection monitors are operating properly. This includes:

- Tank monitor (recent passing leak tests on all tanks & all alarms must be cleared/addressed)
- Line monitor (recent passing leak tests on all lines & all alarms must be cleared/addressed)

- Interstice/sump sensor monitor (all alarms must be cleared/addressed)
- Impressed current rectifier (all amp, volt & hour gauges must be operational and numbers should be consistent with previous months)

Inspect dispenser area – Make sure all dispensing units, including loading racks and hose reels, are installed properly, in good condition, leak free and that any fuel, water, or debris is cleaned from the dispenser sumps. This includes:

- Dispenser hoses are not cracked or leaking
- Dispenser filters are changed routinely and not leaking
- Dispenser mechanicals are not leaking (this requires the bottom covers to be removed and all meters, pumps, piping, valves, solenoids, etc. to be inspected)
- Dispenser sump should be intact (all entries into sump and containment itself should be sealed)
- Liquid sensors should be set vertical and to the lowest point in the dispenser sump
- Piping should be inspected for general condition (any defects should be documented and monitored)
- Any metal portion of the piping, including fittings and flex connectors, must be isolated from the backfill or cathodically protected

Inspect tank area – Make sure all tank manways, including fill pipes, submersible pumps, tank probes and interstice sensors, are installed properly, in good condition, leak free and that any fuel, water or debris is cleaned from the piping sumps. This includes:

- DNR tank registration tag is properly displayed out at the tank (*make sure that it does not get covered and is easily located by the inspector)
- Manway drive lids must be accessible, should seat properly when closed and not rest on any part of the tank (lid must not rest on tank probe cap, fill pipe, sub pumps, sumps, etc.)
- Tank must be sealed properly at surface (i.e. tank probes, interstice caps, fill caps, vapor recovery adaptors, etc.)
- Overfill prevention device must not be impaired (i.e. no tank stick in the fill pipe, overfill alarm disabled, etc.)
- Sumps and spill basins must be free of all fuel, water, debris, so the entire contents of containment can be inspected
- Submersible pump and piping are not leaking (this also includes leak detectors, valves, solenoids)
- Piping sump and spill basin should be intact (all entries into sump and containment itself should be sealed)
- Liquid sensors should be set vertical and to the lowest point in the piping sump
- Piping should be inspected for general condition (any defects should be documented and monitored)
- Any metal portion of the piping, including submersible pumps, fittings and flex connectors, must be isolated from the backfill or cathodically protected

Inadequate leak detection records and missing tank tags are the most frequent deficiencies that we are finding. It is very important to maintain adequate records and be able to document the last 12 months of leak detection at all times.

If you have any questions about the inspection process, even if you are not insured with PMMIC, please contact our office.