



Maryland
Department of
the Environment

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

FY22 Data

Prepared for:
Senate Education, Health, and Environmental Affairs Committee
House Environment and Transportation Committee

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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 of the Maryland General Assembly a status report on the Maryland Oil Disaster Containment, Clean-Up, and Contingency Fund (Fund).

MDE's Land and Materials Administration (LMA) and Air and Radiation Administration (ARA) are the units responsible for regulating state oil pollution control programs. The Oil Control Program (OCP) within LMA and the Air Quality Compliance Program (AQCP) within ARA coordinate these activities. The Emergency Response Division (ERD) provides the emergency response services for oil and hazardous material emergencies. The Water and Science Administration (WSA) may use the Fund for water pollution control activities related to oil.

During Fiscal Year (FY) 2022, the following major activities were accomplished using the Fund:

1. OCP was responsible for the oversight of 5,220 facilities that stored, or otherwise handled petroleum products or petroleum-impacted materials.
2. OCP managed a combination of 1,748 Oil Transfer Licenses, Oil Operations Permits, Stormwater Discharge Permits, and Underground Storage Tank (UST) Certifications to assist in the implementation of the state oil pollution control programs.
3. OCP conducted 2,773 on-site inspections, including third party inspections, at 1,136 facilities to ensure that owners/operators are preventing, reducing, or remediating oil pollution.
4. OCP provided direct oversight at 909 ongoing petroleum clean-ups.
5. OCP coordinated 5,250 Public Information Act searches for information on oil pollution activities.
6. ERD received 1,509 oil spill reports, and responded to 418 surface spills and hazardous material emergencies.
7. AQCP conducted 1,788 air quality activities related to regulated oil facilities having air emissions. It also responded to 17 citizen complaints concerning air pollution from oil-related facilities.
8. WSA assisted with preventing discharges of oil and coordinating responses to oil-related pollution. This was accomplished through permitting, inspections, data sharing, and technical reviews.
9. A total of 435,845 gallons of used oil were collected through the Maryland Used Oil Recycling Program for recycling from citizens who changed the oil in their vehicles. The

program is administered by MDE through a contract with the Maryland Environmental Service and is supported by the Fund.

10. A total of 85,701,041 barrels of oil were reported as transferred into the state.
11. MDE received \$6,820,386 in oil transfer fees that were deposited to the Fund.
12. MDE collected \$128,794 in cost recovery, and \$121,480 in fines and penalties, which were deposited to the Fund.

II. INTRODUCTION

Section 4-411(h) of the Environment Article, *Annotated Code of Maryland*, requires MDE to provide the Maryland General Assembly a status report on the Fund.

The Fund revenues were generated by licensees paying \$0.08 per barrel of oil transferred into the state. Anyone transferring oil within the state must have a valid Oil Transfer License and pay the fee. There were 267 companies licensed with MDE at the end of this FY. Also credited to the Fund are fines collected for oil pollution violations and recovered costs for certain clean-up expenses paid 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 spill response since 1972.

III. OIL POLLUTION CONTROL ACTIVITIES

A. Oil Control Program

As part of LMA, the 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, permitting, and complaint response with respect to transportation, storage, and disposal of oil (as defined in Section 4-401(h) of the Environment Article). OCP is made up of the Compliance Division, the Remediation Division, and the Aboveground Storage Tank (AST) and Permits Section. Table 1 summarizes FY22 activities.

Through OCP, MDE continues to assess the extent of contamination from methyl tert-butyl ether (MTBE), and other gasoline oxygenates in waters of the state. MDE has been tracking the number of domestic wells with MTBE detections greater than 5 parts per billion (ppb) since 1999. A review of this data revealed that 725 domestic wells have been impacted with MTBE at or above 5 ppb. Any wells with MTBE concentrations at or above the State Action Level of 20 ppb are provided potable water, typically through a drinking water filtration system.

Maryland must provide notification to property owners in the High-Risk Groundwater Use Areas of the state who are within one-half mile of a new petroleum groundwater contamination discovery. MDE made one notification during the reporting period.

1. Compliance Division

The Compliance Division has the responsibility for the protection of the environment through enforcement of 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 uses the UST Information Management System to manage compliance of 9,088 active USTs (7,158 motor fuel and 1,930 heating oil) located at 4,128 facilities. The division also manages and administers a certification program for UST system installers, removers, and inspectors (i.e., Third-Party Inspection Program). UST facility summary reports, identification of facilities that have been issued a delivery ban, and current lists of Maryland-certified UST technicians, removers, and inspectors are made available to the public.

The Compliance Division has highly trained staff to maintain a field presence capable of conducting petroleum discharge investigations, identifying responsible parties (RPs), and overseeing clean-up activities performed by the RP and clean-up contractors at surface spill locations. The division also follows up on all UST deficiencies and conducts audits and inspections of UST system removals, installations, and operations. The division performs inspections on regulated AST systems to ensure compliance with regulations. In FY22, the Maryland-certified UST inspectors and the division staff completed 2,773 inspections at 1,136 UST facilities.

2. Remediation Division

The Remediation Division has the responsibility for the protection of the environment through the investigation and clean-up of sites impacted by petroleum products. Timely responses are made to groundwater pollution complaints concerning oil products. Appropriate enforcement actions are initiated when necessary.

The division oversees the RP for the discharge of oil and the clean-up contractor at subsurface remediation sites to ensure that the proper clean-up methods are implemented, and that public health and safety are protected. The division also has primary responsibility for oversight of UST system removals. It had 909 active sites that were being investigated or remediated at the end of FY22.

The division coordinates and oversees state-lead investigation and remediation activities on sites where an RP cannot be identified or where the RP is unable or unwilling to remediate contamination, causing a public health threat. At the end of FY22, a total of 55 sites were being addressed in this manner with state and federal funds. Funded activities include private well sampling, water filtration system installation and maintenance, site assessment, source removal, and remediation of soil and groundwater.

3. AST and Permits Section

The AST and Permits Section is responsible for the development and oversight of permits and performs inspections at regulated AST facilities. The section was involved in the following activities:

- a. Issued 135 permits to facilities operating in the state that were involved in the aboveground storage, transfer, transport and delivery of petroleum products, and the treatment of oil-contaminated soils. A total of 1,092 oil operations permits were in effect at the end of the FY.
- b. Oversaw the compliance of 139 state discharge permits for oil terminals and groundwater remediation systems under delegated authority from the U.S. Environmental Protection Agency (EPA) to implement the National Pollutant Discharge Elimination System (NPDES) permit system.

4. Additional Activities

OCP was also involved in the following activities:

- a. Managed the oil transfer fees and Oil Transfer Licenses resulting in 267 active licenses at the end of FY22.
- b. Coordinated invoice/receipt/refund activities for OCP, including discharge permit fees, transfer fees, penalties, and cost recovery.
- c. Provided data processing support for monitoring and tracking of closed cases, requisitions, record retention schedules, personnel, vehicles, and daily activities.
- d. Implemented, coordinated, and provided testing and renewal certification of UST technicians, removers, and inspectors. A total of 294 certifications were issued in FY22, resulting in a total of 398 active certifications at the end of the fiscal year.
- e. Assisted in the response to 5,250 Public Information Act searches for consultants, realtors, lawyers, and individuals for information on oil pollution activities.

B. Emergency Response Division

ERD is the primary state asset that receives and tracks spill reports involving hazardous materials and oil. ERD provides 24-hour emergency response to spill incidents, technical support to other programs within MDE, site safety and technical support to the Environmental Crimes Unit during criminal search warrants, and specialized training to local fire, police, environmental health departments, and other interested parties upon request. ERD responded to 418 oil and chemical spill incidents across the state in FY22.

Annually, ERD participates in numerous drills/exercises with our federal counterparts from the U.S. Coast Guard and EPA, as well as with neighboring states through the Regional Response Team III. These drills, in cooperation with both federal, state, and local agencies, help to test and refine response capabilities in preparation for a major incident.

The ERD fleet consists of seven primary spill response vehicles that are assigned as take-home vehicles to minimize after-hours response times. In addition, ERD operates a 2002 HME/Marion spill response truck that is equipped for responses to large-scale incidents and bulk petroleum product transfers. ERD also maintains two 1982 Boston Whaler 22-foot Outrages, a 1988 Boston Whaler 25-foot Guardian, and a 25-foot Maritime Voyager spill response boat with an enclosed pilothouse equipped with a full complement of marine electronics, including radar and GPS, for use in inclement weather. ERD maintains four spill trailers located at strategic locations across the state. Each trailer is equipped with a minimum of 300 feet of oil containment boom, and a variety of spill containment materials and equipment. The trailers are accessible to both state and local responders in the event of an emergency. ERD also maintains six dedicated boom trailers, each containing between 1,000 and 2,000 feet of harbor boom. Additionally, three dedicated boom trailers containing 1,000 feet of open water boom each are in service, enhancing the ERD capability to protect the Chesapeake Bay.

During normal business hours, ERD staffs MDE's 24-hour emergency telephone number, 866-633-4686 (866-MDE-GOTO), for reporting incidents involving hazardous materials and oil. Through a partnership agreement, the Maryland Department of Emergency Management Joint Operations Center receives the after-hours and weekend notifications, and serves as an after-hours dispatch center. During FY22, ERD logged (see Table 2 for details): 1,509 oil spill reports; 91 hazardous materials spill reports; and 2,012 reports for "other" spills (non-oil/non-hazmat) for a total of 3,612 spill reports.

C. Air Quality Compliance Program

As part of ARA, AQCP ensures compliance by regulated facilities with air pollution requirements. Program activities primarily include compliance inspections, inspections in response to citizen complaints, and follow up inspections. Inspections are performed on a regular basis at facilities associated with the handling of petroleum products, including asphalt plants, pipeline breakout stations, bulk fuel terminals, gasoline dispensing stations, and petroleum contaminated soil remediation activities. In addition, AQCP reviews all third-party Stage I & II Vapor Recovery inspections and follow ups on noncompliance issues.

During FY22, AQCP conducted 1,788 Stage I & II Vapor Recovery and air quality-related activities, including 16 routine air quality inspections at regulated oil-related facilities, review of 601 third-party Stage I & II Vapor Recovery inspection reports, and evaluation of 1,171 Stage I & II Vapor Recovery test reports. In addition, 329 activities were conducted at asphalt plants, bulk fuel terminals, and soil remediation facilities, including inspections and technical report reviews. Air quality inspectors responded to 17 citizen complaints regarding oil-related facilities, primarily for odors.

D. Water and Science Administration Programs

WSA assisted with preventing and coordinating responses to oil-related pollution. This was accomplished through permitting, inspections, data sharing, and technical reviews.

1. Compliance Program

The Compliance Program is responsible for inspection and enforcement activities related to industrial and municipal wastewater discharges, and construction activities involving sediment control, stormwater management, wetlands, and waterways. The program enters Discharge Monitoring Reports (DMRs) for OCP into the Integrated Compliance Information System (ICIS) and inspects industrial facilities that may have oil storage that are included as part of a Spill Prevention, Control, and Countermeasures or pollution prevention plan under an NPDES permit. They also permit facilities that store, or handle oil associated with construction activities (e.g., construction projects that store oil for heavy equipment) for the discharge of stormwater.

There were 375 DMRs for 88 facilities entered into the federal ICIS system related to oil control activities by the WSA Compliance Program for FY22. While the program does not specifically identify or track which construction projects store oil for heavy equipment on-site under an NPDES permit for the discharge of stormwater associated with construction activities, it does check this aspect as part of the construction site inspections for the NPDES permit for stormwater associated with construction activities. There are approximately 6,595 sites approved for the NPDES construction stormwater permit coverage in FY22, some of which store oil for heavy equipment on site.

2. Wastewater Permits Program

The Wastewater Pollution Prevention and Reclamation Program (WPPRP) is responsible for permitting activities associated with industrial and municipal discharges, groundwater discharges, and coordination with local health departments for the regulation of individual wells and septic systems. These permits implement the public health and water quality protections required by NPDES as mandated under the federal Clean Water Act, as well as public health and water quality protections required by the Underground Injection Control Program under the Safe Drinking Water Act.

WPPRP performs several hundred inspections annually in wellhead protection areas of the state. If potential sources of contamination are uncovered, further investigation follows, which may result in an enforcement action to eliminate the source or a permitting process to regulate and control the activity.

In addition, WPPRP advises delegated programs when a new or existing well is potentially impacted by pollutants, including petroleum contamination. Generally, if impacts to a drinking water well are suspected, WPPRP delegates sampling to the approving authority, and advises as to which constituent should be sampled, including petroleum products. State oversight and

technical expertise are critical to the local health departments in their efforts to protect public health.

Finally, WPPRP issues individual industrial wastewater discharge permits to more than 142 facilities, and each permit potentially requires an evaluation of the potential presence of oil and petroleum-related contaminants from the facilities. In addition, there are over 2,400 facilities with authorizations to discharge under general permits. These general permits include specifications related to chemical and fuel storage areas, which may include petroleum-related products, such as appropriate controls and/or monitoring requirements for the runoff from those facility areas.

3. Sediment, Stormwater, and Dam Safety Program

The Sediment, Stormwater, and Dam Safety Program is responsible for stormwater management and erosion and sediment control laws, regulations, and policies, NPDES municipal permits, and dam safety laws, regulations, and policies. Regulatory application relates to two primary areas: 1) the control of stormwater, and 2) pollution prevention considerations.

The program also oversees the implementation of environmental site design (ESD) to control new and redevelopment stormwater runoff. ESD is used to replicate pre-development runoff conditions and meet a maximum extent practicable goal of "woods in good condition" for new development projects. Practices such as rain gardens, bioretention, and promoting sheet flow directed through vegetative practices removes pollutants.

IV. FINANCIAL STATEMENT

An import fee is paid quarterly by persons transferring oil into the state. In FY22, a fee of \$0.08 was assessed per barrel (about \$0.0019/gallon) on oil products transferred into the state. MDE received \$6,820,386 in oil transfer fees that were deposited to the Fund. Another \$128,794 in cost recovery, and \$121,480 in fines and penalties were collected and deposited into the Fund.

Table 3 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, 2021 to June 30, 2022. Figure 1 shows a 6.5% increase in imported petroleum in the state for FY22 to 85,701,041 barrels from the adjusted amount of 80,491,022 barrels in FY21.

Table 4 provides the FY22 financial statement for the Fund.

Table 5 provides the FY22 Fund expenditures by the following MDE units:

- LMA/OCP
- ERD
- ARA/AQCP
- WSA

TABLE 1

Summary of OCP Activities

FY22 (July 1, 2021 – June 30, 2022)

	Number of Sites Inspected	Number of Inspections	Number of Registered and Permitted Facilities ⁽¹⁾	Number of Permits and Licenses ⁽²⁾	Number of Ongoing Cleanups	Number of Enforcement Actions
Underground Oil Storage Facilities	1,136	2,773	4,128	389	N/A	54
Oil Pollution Remediation Sites	270	943	N/A	N/A	909	2
Aboveground Oil Storage Facilities	214	420	1,092	1,359	N/A	0
Totals	1,620	4,136	5,220	1,748	909	56

- (1) Includes facilities that are required to register USTs, to have Oil Operations Permits, and Stormwater Discharge Permits for Oil Terminals. This does not include Oil Transfer Licenses as they are not issued to a specific facility.
- (2) Includes UST Technician, Remover, and Inspector Certifications; Oil Operations Permits; Stormwater Discharge Permits for Oil Terminals; and Oil Transfer Licenses.

TABLE 2**Summary of ERD Activities****FY22 (July 1, 2021 – June 30, 2022)**

JURISDICTION	REPORTS				RESPONSES
	TOTAL	OIL	HAZ	OTHER	
Allegany	101	11	0	90	0
Anne Arundel	348	227	16	105	69
Baltimore	382	230	12	140	124
Baltimore City	354	169	9	176	59
Calvert	81	38	0	43	3
Caroline	50	17	1	32	3
Carroll	183	30	6	147	9
Cecil	193	49	6	138	13
Charles	160	50	2	108	0
Dorchester	88	18	1	69	3
Frederick	136	78	9	49	18
Garrett	47	11	0	36	0
Harford	251	76	6	169	23
Howard	102	53	3	46	23
Kent	52	15	2	35	4
Montgomery	180	95	1	84	18
Prince George's	218	127	5	86	21
Queen Anne's	70	25	3	42	9
Somerset	44	10	0	34	1
St. Mary's	121	56	1	64	2
Talbot	60	25	2	33	5
Washington	182	41	3	138	3
Wicomico	152	24	1	127	4
Worcester	44	30	1	13	3
Out of State	13	4	1	8	1
TOTAL	3,612	1,509	91	2,012	418

TABLE 3

Oil Transfers Subject to License Fee

FY22 (July 1, 2021 – June 30, 2022)

TYPE OF PRODUCT	NET TO FEE (gallons)		
	FY20	FY21	FY22
Gasoline	1,785,771,269	1,575,727,871	1,797,874,986
Gasohol	557,689,133	454,744,631	464,960,246
Kerosene	93,641,050	21,412,165	24,869,451
Diesel	853,820,677	662,899,744	736,874,990
Biodiesel	9,703,659	6,377,941	13,432,543
Aviation	174,117,734	89,941,722	64,756,538
No. 2	81,256,704	32,844,271	73,919,151
No. 4	669,967	589,901	834,710
No. 5	441,042	679,527	75,015
No. 6	11,980,768	8,209,413	17,638,154
Asphalts	75,705,405	179,898,412	193,602,617
Hydraulic Oil	252,423	1,921,875	2,135,349
Lubricating Oil	23,555,102	19,039,662	13,164,771
Crude/Other	15,278,806	169,411,877	195,305,232
Total Gallons	3,683,883,739	3,223,699,012	3,599,443,757
Total Barrels 42 gal = 1 bbl	87,711,518	76,754,738	85,701,041
Adjusted Total Gallons	3,768,831,995	3,380,622,911	ADJUSTED AMOUNTS ⁽¹⁾
Adjusted Barrels 42 gal = 1 bbl	89,734,095	80,491,022	

(1) Updates to previous reports: Product reported after Annual Reports for FY20 and FY21 show adjustments to the number of gallons transferred during those years.

TABLE 4

Fund Financial Statement

FY22 (July 1, 2021 – June 30, 2022)

A. Beginning Fund Balance	\$3,128,363.58
Open Encumbrances FY21	<u>384,942.85</u>
Reconciled Adjusted Balance	\$3,513,306.43
B. <u>FY22 Receipts</u>	
Transfer Fees	\$6,820,386.57
Oil Spill Cost Recovery	128,794.79
UST Installer Fees	0.00
Tank Fees	0.00
Fines & Penalties	121,480.00
Revenue accrued in prior years	-412,914.63
Miscellaneous / DBM Revenue Reduction	0.00
Transfer to 3170	0.00
Interest Income	<u>0.00</u>
Total	\$7,483,575.99
C. Total Funds available FY22 (A+B)	\$10,996,882.42

D. FY22 Expenditures

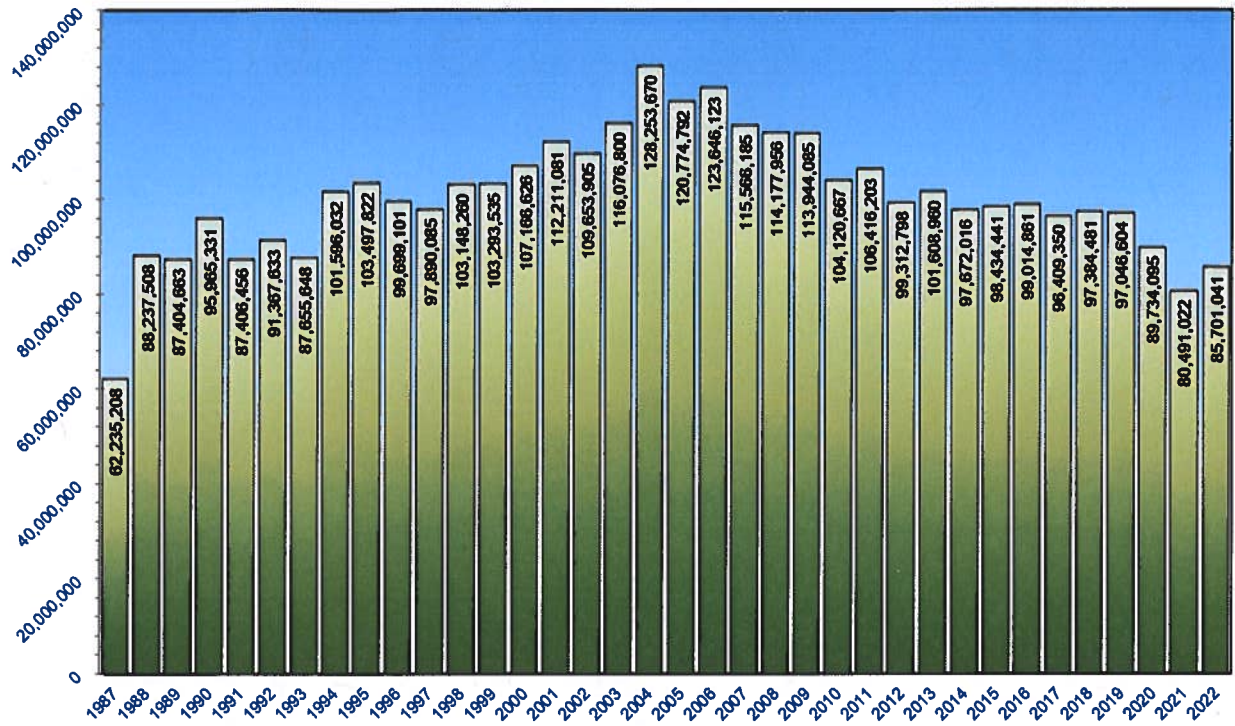
Salaries and Wages	\$5,216,901.60
Technical and Special Fees	\$206,574.15
Communications	\$55,689.65
Travel	\$5,586.15
Utilities	\$7,361.30
Motor Vehicle Operations and Maintenance	\$303,993.61
Contractual Services	\$963,138.11
Supplies and Materials	\$110,530.09
Equipment	\$74,217.11
Grants	\$0.00
Fixed Charges	\$23,069.22
Total Direct Expenditures	\$6,967,060.99

E. Indirect Costs	\$1,087,714.66
F. Balance in Fund 7/1/2022 (C-D-E)	\$2,942,106.77

TABLE 5**Fund Expenditures by Administration****FY22 (July 1, 2021 – June 30, 2022)**

	LMA/OCP	ERD	ARA/AQCP	WSA	Total Expenditures
Salaries and Wages	3,669,070.38	940,316.43	150,799.60	456,715.19	5,216,901.60
Technical and Special Fees	206,574.15	0.00	0.00	0.00	206,574.15
Communications	41,763.24	13,641.01	0.00	285.40	55,689.65
Travel	4,674.45	911.70	0.00	0.00	5,586.15
Utilities	0.00	7,361.30	0.00	0.00	7,361.30
Motor Vehicle Operations and Maintenance	99,466.19	204,527.42	0.00	0.00	303,993.61
Contractual Services	924,012.99	39,125.12	0.00	0.00	963,138.11
Supplies and Materials	13,400.73	95,851.05	0.00	1,278.31	110,530.09
Equipment	223.75	73,993.36	0.00	0.00	74,217.11
Grants	0.00	0.00	0.00	0.00	0.00
Fixed Charges	23,069.22	0.00	0.00	0.00	23,069.22
Direct Costs					6,967,060.99
Indirect Costs	759,824.72	227,270.16	24,912.09	75,707.67	1,087,714.66
Total Expenditures	\$5,742,079.82	\$1,602,997.55	\$175,711.69	\$533,986.57	\$8,054,775.65

FIGURE 1: Annual Barrels of Petroleum Imported



Note: Adjustments to previously reported barrels are reflected beginning in FY06.