DERT

Drycleaning Environmental Response Trust

FUND

Annual Program Report 2008

Missouri Department of Natural Resources
Hazardous Waste Program

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History

In 2000, Senate Bill 577 established the Drycleaning Environmental Response Trust Fund and Section 260.960, Revised Statutes of Missouri, or RSMo, authorized the DERT Fund. The DERT Fund provides funding for the investigation, assessment and cleanup of releases of chlorinated solvents from dry cleaning facilities. The DERT Fund is a state fund and is administered by the Missouri Department of Natural Resources' Hazardous Waste Program according to rules published by the Hazardous Waste Management Commission. The laws and regulations governing the DERT Fund are found in Sections 260.900 to 260.965 RSMo and 10 Code of State Regulations 25-170.010 to 10 CSR 25-17.170 respectively.

Operators of active dry cleaning facilities are required to register with the Missouri Department of Natural Resources, as outlined in Section 260.915 RSMo. Each active and operating dry cleaning facility is required to pay an annual registration surcharge based upon the number of gallons of chlorinated solvents used during the calendar year, as outlined in Section 260.935 RSMo. This includes coin-operated dry cleaning facilities. Laundry facilities located in prisons, government entities, hotels, motels and industrial laundries are specifically exempt from the requirements of this statute. All solvent suppliers that sell or provide chlorinated solvent to a dry cleaning facility are required to pay the solvent surcharge fees to the Department.

Section 260.955 RSMo, requires the Department to provide an annual report to the General Assembly and the Governor regarding:

- Receipts of the fund during the preceding calendar year and the sources of the receipts.
- Disbursements from the fund during the preceding calendar year and the purposes of those disbursements.
- The extent of corrective action taken during the preceding calendar year.
- The prioritization of the sites for expenditures from the fund.

Disbursements from the DERT Fund

Expenditures from the fund are used to:

1. Reimburse participants for the costs of addressing releases of chlorinated solvents from dry cleaning facilities. Participants are liable for the first $25,000 of eligible cleanup related costs as a deductible.
2. Administer the program by collecting the surcharges and guiding and assisting the cleanup activities.

Table 1 describes the expenditures from the fund, which were prohibited until, on or after July 1, 2002, by Section 260.925 RSMo. Reimbursements for eligible environmental cleanup costs were not made until the regulations went into effect on May 30, 2006.

TABLE 1 - Expenditures of the DERT Fund

Calendar Year	Salaries & Wages	Expense & Equipment	Fringe, etc.[4]	Reimbursements[5]	Total Costs
2000[2]	$0	$0	$0	$0	$0
2001[2]	$0	$0	$0	$0	$0
2002[2]	$1,163	$0	$2,350[3]	$0	$3,513
2003	$77,271	$14,995	$35,655	$0	$127,921
2004	$106,083	$59,642	$73,437	$0	$239,162
2005	$99,583	$63,909	$92,528	$0	$256,020
2006	$187,488	$145,789	$140,850	$176,032	$650,160
2007	$186,019	$64,858	$155,026	$258,785	$664,688
2008	$192,387	$25,814	$171,884	$140,000	$530,085
Total	$849,994	$375,007	$671,730	$574,817	$2,471,548[6]

[1] Source: SAM II Data Warehouse Information.

[2] RSMo, Section 260.925 prohibited expenditures from the DERT Fund until, on or after July 1, 2002.

[3] House Bill 1115, Section 15.220, RSMo, authorized a transfer of $1,289 out of the State Treasury on May 6, 2002, chargeable to various funds, such amounts as are necessary for allocation of costs to other funds in support of the state's central services, to the General Revenue Fund.

[4] Fringe amount includes OASDI, Retirement Sys, Deferred Comp, MCHCP, Cost Allocation Plan (Office of Administration), Cost Allocation (Department of Natural Resources), State Office Bldg M & R, etc.

[5] Reimbursements were not made until the regulations went into effect on May 30, 2006.

[6] As of Dec. 31, 2008, there was $180,919.07 in claims approved but unpaid. Reimbursement of costs during the fiscal year is based on the site's prioritization score and the amount of appropriated funds.

Receipts to the DERT Fund

The Hazardous Waste Program is responsible for the collection of all applicable surcharges from dry cleaning facilities and solvent suppliers. There are two main sources of revenue for the fund. The first is a dry cleaning facility annual registration surcharge paid by owners and operators of dry cleaning facilities ($500, $1,000 or $1,500 based on chlorinated solvent used during the calendar year). The second is a solvent surcharge paid by the solvent suppliers on a quarterly basis of $8 per gallon of perchloroethylene, trichloroethylene and other chlorinated solvents sold.

Table 3 describes the surcharge collections. The collection of the registration surcharges began on April 1, 2001. The collection of the solvent surcharge began with the April 1, 2001 to June 30, 2001 quarter.

TABLE 2 - 2007 Dry Cleaner Facility Annual Registration Surcharge

Size of Facility	No. of Facilities Registering by 5/1/09	Gallons of Solvent Used	Annual Registration Fee
Small	162	0 to 140	$500
Medium	25	140 to 360	$1,000
Large	2	>360	$1,500

TABLE 3 - Reciepts to the DERT Fund[1]

Calendar Year	Registration Surcharge	Solvent Surcharge	Interest & Penalties	Totals
2000	$0	$0	$0	$0
2001	$221,500	$170,208	$5,995	$397,703
2002	$222,150	$435,859	$17,886	$675,895
2003	$303,126	$427,880	$26,892	$757,898
2004	$319,488	$409,293	$43,178	$771,959
2005	$234,150	$367,598	$73,595	$675,433[2]
2006	$204,993	$308,678	$121,077	$635,248[3]
2007	$185,371	$259,175	$138,931	$583,477
2008	$191,888	$237,874	$132,377	$562,139
Total	$1,882,666	$2,616,565	$559,931	$5,059,752 [4]

[1] Source: SAM II Data Warehouse Information.
[2] 2005 total includes a $90 refund to the DERT Fund.
[3] 2006 total includes a $500 transfer in.
[4] As of Dec. 31, 2008, $1,453.74 in over payments have been made by dry cleaners or solvent suppliers.

Prioritization of Sites for Expenditures from the Fund

10 CSR 25-17.140 allocates DERT Fund monies to prioritized sites in the following proportions: high priority sites: 60 percent; medium priority sites: 30 percent; low priority sites: 10 percent. In any fiscal year, if the funding allocation in any priority category is not used, those funds may be reallocated to other priority categories, starting with any high priority sites and followed by medium and then low priority sites.

Sites applying to the program must submit the results of one soil, groundwater or surface water sample that exhibits contamination of dry cleaner solvent that is in excess of the Department cleanup levels. The initial assessment will allow the Department to determine the eligibility of the site in the fund. Some sites will provide enough information during the application process to receive a ranking score. Other sites will require additional information before a ranking score can be determined.

If the site has not provided enough information to have a ranking score determined, the Department will direct the owner or operator to conduct the necessary assessments to determine a ranking score. The ranking score is based on such factors as environmental contamination, potential economics, potential receptors, risk-based cleanup parameters, site history, threat to drinking water sources, threat to off-site properties, etc. A copy of the prioritization form is available on the Department's DERT Fund Web site at www.dnr.mo.gov/env/hwp/dert/hwpvcp-dryclean.htm.

On May 30, 2006, the DERT Fund began accepting applications for enrollment into the fund for oversight and reimbursement of investigation and cleanup activities. By the end of 2008, the fund had received applications for 29 sites. Five of these sites received a certification of completion letter from the Brownfields/Voluntary Cleanup Program, or BVCP, and enrolled into the fund for reimbursement of eligible costs. Fourteen of the 29 sites began their investigation and assessment process under the BVCP's oversight before the DERT Fund went into full operation. Subsequently these eligible sites transferred from the BVCP to the DERT Fund after May 30, 2006.

By the end of 2008, the DERT Fund has issued four Certification of Completion letters and reimbursed $574,817 in eligible costs to participants (See Table 1).

TABLE 4 - DERT FUND SITES

Site Name	City	High Priority	Medium Priority	Low Priority	Amount Reimbursed
American Cleaners - Dorsett Road	Maryland Heights			X	
American Cleaners - Fenton Plaza	Fenton		X		$12,265
American Cleaners - Mid Rivers Mall*	St. Peters		X		$144,486**
American Cleaners - Natural Bridge	Bridgeton		X		
American Cleaners - Southroads	St. Louis		X		
A to Z Auto Center	Crestwood			X	
Busy Bee Laundry	Rolla		X		
Clayton Cleaners	St. Louis	X			
Colonial Cleaners - Arsenal Street	St. Louis	X			
Colonial Cleaners - Brentwood Blvd.	St. Louis	X			Completion Letter Issued 7/2/08
Cypress Village Shopping Center*	St. Ann		X		$185,280
First Capitol Cleaners	St. Charles		X		
Foster's Cleaners	Blue Springs			X	
Frontenac Cleaners - West End	St. Louis		X		Completion Letter Issued 5/14/08
Kingshighway Retail Center	Sikeston		X		
McDonald's State Line	Kansas City		X		
Mission River/Antioch Cleaners	Kansas City		X		
Paramount Cleaners*	Florissant		X		$42,035**
Park Lane Cleaners	Chillicothe			X	
Plaza Ford Ideal Laundry & Dry Cleaners Inc.	Kansas City	X			$14,720
Premier Dry Cleaners of Kansas City	Kansas City			X	
Stanford Saper Cleaners*	Kansas City			X	
Staten Island Cleaners	Florissant	X			Completion Letter Issued 12/30/08
Tri-States Service Company - Boonville Ave.	Springfield	X			$176,031
Tri-States Service Company - E. Trafficway	Springfield		X		
VIP Cleaners	St. Peters			X	
West Gate Cleaners	St. Louis		X		Completion Letter Issued 10/19/07
Yorkshire Cleaners	Marlborough		X		
Zehrt Printing*	St. Louis*		X		

*Reimbursement only, site received certification of completion letter from BVCP
** Reimbursements Completed

Table 5: Corrective Action conducted in 2008

Site Name	City	Corrective Action Conducted
American Cleaners - Dorsett Rd	Maryland Heights	Update risk assessment
American Cleaners - Fenton Plaza	Fenton	Groundwater monitoring to determine plume stability
American Cleaners - Natural Bridge	Bridgeton	Groundwater monitoring to determine plume stability
American Cleaners - Southroads	St. Louis	Groundwater monitoring to determine plume stability; Soil excavation; Conduct Tier 2 evaluation
Busy Bee Laundry	Rolla	Initial assessment to identify extent of soil/groundwater contamination
Clayton Cleaners	St. Louis	Groundwater monitoring to determine plume stability
Colonial Cleaners - Brentwood Blvd.	St. Louis	Conduct risk assessment; Certification of Completion Letter issued
Foster's Cleaners	Blue Springs	Groundwater monitoring to determine plume stability
Frontenac Cleaners - West End	St. Louis	Conduct risk assessment; Certification of Completion Letter issued
Kingshighway Retail Center	Sikeston	Groundwater monitoring to determine plume stability
Park Lane Cleaners	Chillicothe	Groundwater monitoring to determine plume stability
Plaza Ford Ideal Laundry & Dry Cleaners	Kansas City	Groundwater monitoring to determine plume stability; Pumping of contaminated water from elevator shaft; Indoor air monitoring
Staten Island Cleaners	Florissant	Conduct risk assessment, Certification of Completion Letter issued
Tri-States Service Co. - Boonville Ave.	Springfield	Pumping and treating of contaminated groundwater; Groundwater monitoring; Conduct geophysical survey
Tri-States Service Co. - E. Trafficway	Springfield	Groundwater monitoring
VIP Cleaners	St. Peters	Initial assessment to identify extent of soil/groundwater contamination

Compliance with Surcharges

The two main sources of revenue for the fund are the dry cleaning facility annual registration surcharge and the solvent surcharge. State law requires that owners and operators of dry cleaning facilities pay the annual registration and the solvent suppliers to pay the solvent surcharge on a quarterly basis.

When a facility or solvent supplier is not in compliance with the law, the DERT Fund uses the Department's conference, conciliation and persuasion process to return them to compliance. In 2006, the Department's Hazardous Waste Program began referring facilities and solvent suppliers that continued to fail compliance to the Attorney General's Office.

Active and abandoned dry cleaners that are eligible for the fund must be in compliance with all applicable environmental laws in order to receive funding for environmental cleanup from the fund. Consequently, it is in everyone's interest to assist businesses in returning to compliance with the law so they are covered by the fund.

On Sept. 1, 2008, the DERT Fund began notifying the registered solvent suppliers of the active dry cleaning facilities that have not paid their required registration surcharges. According to 10 CSR 25-17.030(2)(G) "a solvent supplier shall not provide dry cleaning solvents to an active dry cleaning facility that has not paid its annual dry cleaning facility registration surcharge."

Table 6 - Dry Cleaning Facility Registration Compliance

Calendar Year	No. of Active Dry Cleaning Facilities	Facilities Submitting Registration Form and Surcharges by 5/1/09	Percent Compliance with Annual Facility Registration
2008	257	189	73.5

Table 7 - Compliance/Enforcement Issues with Dry Cleaning Facilities

Calendar Year	Facilities Issued a NOV	Facilities Referred to Compliance/ Enforcement	Facilities Referred to the Attorney General's Office	Facilities Returned to Compliance
2008	26	20	19	110

Table 8 - Solvent Suppliers Quarterly Reporting Compliance

Calendar Year	No. of Active Solvent Suppliers	Suppliers Submitting Quarterly Reports and Surcharges on Time	Percent Compliance Quarterly Reporting
2008	11	10	91

Table 9 - Compliance/Enforcement Issues with Solvent Suppliers

Calendar Year	Suppliers Issued a NOV	Suppliers Referred to Compliance/ Enforcement	Suppliers Referred to the AGO	Suppliers Returned to Compliance
2008	0	0	1	4

A solvent supplier who knowingly supplies solvent to a dry cleaning facility that is not in compliance with payment of the surcharges will be in violation of the above regulation. The DERT Fund also posts a listing of these dry cleaning facilities on its Web page similar to that for solvent suppliers who do not pay the required solvent surcharges.

Table 6 indicates the compliance rate for annual dry cleaning facility registration surcharges. Failure to pay the registration surcharges represents approximately 90 percent of the violations that occur in the DERT Fund.

Outreach Activities

The Department has additional information, publications, forms and answers to questions about the fund available on the Web at www.dnr.mo.gov/env/hwp/dert/hwpvcp-dryclean.htm. The Department also distributes the DERT newsletter to dry cleaning facilities and solvent suppliers. The newsletter keeps the regulated community up-to-date on issues involving the industry, the DERT Fund and cleanup efforts at active and abandoned dry cleaner sites.

The Department is a member of the State Coalition for the Remediation of Drycleaners. The coalition is comprised of states that have formal dry cleaner cleanup programs. The U.S. Environmental Protection Agency's Technology Innovation Office through the National Ground Water Association funds this coalition. The coalition conducts conference calls every other month and holds an annual meeting to discuss issues related to dry cleaner program administration and technical site investigation or cleanup topics. The coalition serves as an invaluable asset for Missouri as the Department manages the fund and provides oversight of assessments and cleanup of dry cleaner sites.

References

State Program To Clean Up Drycleaners. Schmidt, Robin, R. DeZeeuw, L. Henning and D. Trippler. June 2001. State Coalition for Remediation of Drycleaners. www.drycleancoalition.org/survey/

Departmental Missouri Risk-Based Corrective Action (MRBCA) Technical Guidance, Missouri Department of Natural Resources, April 2006.

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