



## State of New Jersey

# PETROLEUM UNDERGROUND STORAGE TANK REMEDIATION, UPGRADE AND CLOSURE FUND

## FREQUENTLY ASKED QUESTIONS

### **Who do I contact in order to receive an application?**

For all leaking UST Fund applications, contact the New Jersey Department of Environmental Protection (NJDEP) at 609-777-0101 or visit our website at

<http://www.nj.gov/dep/srp/finance/ustfund/>.

For all Non-Leaking UST Fund applications contact the New Jersey Economic Development Authority (NJEDA) at 609-777-4898 or visit their website at [www.NJEDA.com](http://www.NJEDA.com)

### **What are the criteria for grant eligibility?**

- 1) Net worth of no more than \$500,000, not including the value of the primary residence and any employer-contributed pension or any traditional retirement accounts such as 401Ks and IRAs.
- 2) Annual net taxable income of no more than \$250,000; and
- 3) NJEDA conditional hardship test which compares income to expenditures. Based on these three criteria, NJEDA determines whether a loan, grant, or loan/grant combination will be offered.

### **How long will it take to process my application?**

The current processing time is 30 to 60 days for NJDEP review and 60 days for NJEDA financial review and grant or loan closing.

### **Can I apply for a grant if I am abandoning my tank in place?**

An applicant of a residential unregulated tank may abandon their tank in place if allowed by local ordinances and building codes; however a confirmatory soil sample must be taken from directly beneath the tank. If your tank has been confirmed to be leaking, the tank will most likely need to be removed in order to facilitate the remediation process.

### **How do I know if a contractor is certified to perform work on my property?**

Please visit <http://www.nj.gov/dep/srp/> . Click on the link for underground storage tanks under the DEP Data Miner Reports in the center of the page. Once the page loads, click on the link for DEP Certified UST Firms. The contractor you choose must be certified in “Closure” in order to remove your tank and the contractor must be certified in “Subsurface Evaluation” in order to perform the remediation.

### **I need more information regarding cleanup questions?**

You can direct them to the Duty Officer at the Responsible Party Remediation Element, (609) 584-4150: Southern or (973) 631-6401: Northern.

### **What should I do as soon as a discharge is detected?**

You should call 1-877- WARN DEP (1-877-927-6337) where an incident number is assigned to the homeowner or the contactor calling in.

### **My tank is not leaking, are there still grants available?**

Yes, however the DEP only handles “Leaking” underground storage tanks. The NJEDA handles all “Non-Leaking” residential heating oil underground storage tanks grants. The NJEDA can be contacted at (609) 777-4898 or [tanks@NJEDA.com](mailto:tanks@NJEDA.com) or [www.njeda.com](http://www.njeda.com).

### **My tank does not contain petroleum; can I still apply for a grant?**

NO, the NJDEP and NJEDA UST Fund program is only for “Leaking” and “Non-Leaking” petroleum product underground tanks. Furthermore, the NJEDA only accepts “Non-Leaking” applications for residential heating oil tanks.

### **When must a homeowner doing work on their primary residence apply?**

By statute, a homeowner doing work at their primary residence can apply at any point during the remediation.

### **When must I apply for funding if the property is not my primary residence?**

With secondary/investment properties, as well as commercial properties, the applicant must submit their application immediately after the tank has been confirmed to be leaking. Otherwise all work-completed prior to the NJDEP’s receipt of the application is not eligible for funding.

### **I received a “DEP Oversight Bill” can I submit this with my grant application?**

DEP Oversight costs are for the time spent by NJDEP case managers for review of project information regarding tank upgrade, closure and remediation costs. These costs are **not** eligible

for reimbursement under the Grant program. For further questions regarding oversight bills please contact the Direct Billing Unit at (609) 633-0701.

### **What are the eligible project costs for reimbursement consideration?**

#### ELIGIBLE PROJECT COSTS

1. All reasonable costs for equipment, work and services associated with the minimal effective system to close and/or remediate a leaking petroleum underground storage tank.
2. Replacement of a leaking homeowner heating oil underground storage tank with an equivalent aboveground storage tank system.
3. Reasonable and necessary consulting, contracting and engineering costs.
4. Remediation of discharges from leaking homeowner heating oil underground storage tanks.
5. Limited legal fees incurred specifically for the actual remediation of an environmental discharge (i.e., obtaining necessary offsite access) as determined by the NJDEP.
6. Site restoration costs are limited to damage caused by the remediation of the leaking underground storage tank. No restoration costs due to contractor negligence will be considered. Eligible costs for certain site restoration categories are capped at \$5,000.00 each. These categories are described further as follows:
  - Landscaping – This category includes lawn restoration, bushes, shrubs, trees, flower beds, edging, mulch, etc. Note that replacement of plantings will not necessarily be with mature plants.
  - Hardscaping – This category includes pavers, bricks or cement walkways, patios, and decorative walls of any construction. Loose stone used for decorative purposes is also included in this category.
  - Decking costs – This category includes the need to dismantle, remove and replace a portion or the entirety of a wooden or composite deck in order to effectuate a remediation.
  - Pool costs – This category includes the need to dismantle, remove and replace a portion or the entirety of a swimming pool in order to effectuate a remediation.
  - The UST Fund also has the right to cap other categories of restoration costs that are not directly related to the structural integrity of the home in question. In addition, the UST Fund will only reimburse for replacement of what existed prior to the remediation.
  - Applicant is responsible for obtaining a minimum of three (3) price quotes for any restoration work. In addition, photographs of the conditions prior to, during, and after the remediation must be submitted with any request for restoration costs.

## **What are the ineligible project costs for reimbursement consideration?**

### INELIGIBLE PROJECT COSTS

1. Costs related to contaminants other than petroleum products.
2. Costs covered by insurance or tank service agreements.
3. NJEDA application and NJDEP oversight fees.
4. All costs associated with a discharge from aboveground storage tanks (AST), except replacement of a leaking homeowner heating oil tank with an AST.
5. Costs to convert to natural gas or propane.
6. Remedial activities that do not comply with the NJDEP [Technical Rules for Site Remediation, N.J.A.C.7:26E](#).
7. Applicant's time spent in planning, administering or supervising the remediation.
8. Preparation of the UST Fund application and administration of the funds.
9. Legal fees/costs not directly associated with remediation as determined by the NJDEP.
10. The installation of a new underground storage tank unless local building code or homeowner association rules prohibit the installation of an aboveground storage tank.
11. Costs incurred at a secondary residence or investment property, a business, tax-exempt, non-profit organizations with less than 100 paid employees, and duly incorporated volunteer fire, ambulance, first aid, emergency or rescue companies before the application is received by the UST Fund are ineligible by law.

## **Who can apply for the grant/loan program?**

Owners, operators, businesses, homeowners, renters, tax-exempt, non-profit organizations with less than 100 paid employees, independent institutions of higher education, public entities, and duly incorporated volunteer fire, ambulance, first aid, emergency or rescue companies.

## **What is the "Cost Guide"?**

The Cost Guide is utilized by the NJDEP UST Fund Coordinators when reviewing costs proposals submitted with applications to the UST Fund. "Please refer to Cost Guide December 1, 2006 for more information." Please note a new version of the UST Fund Cost Guide is currently being developed and is scheduled to be implemented within the next 30 days. Please check our web page for the most current cost guide.

### **What happens after the UST Fund Program sends me a recommendation award letter?**

After the applicant has received this letter, the NJDEP will forward eligible applications to the NJEDA. The applicant will be contacted by the NJEDA for the application fee and necessary financial information needed to complete the financial review. This information is required to determine the applicant's eligibility for financial assistance in the form of a loan, grant or loan/grant combination.

### **What type of insurance documentation is required?**

All applicants must file written notices of claim against any and all insurance policies ever held on the property. Each written notice of claim must name the UST Fund, State of New Jersey, as a beneficiary of the claim(s) to the extent of an award of Financial Assistance is made from the UST Fund. Proof that the notice(s) of claim(s) were received by the insurance company must be submitted to the UST Fund. Any correspondence from the insurance company regarding denial or partial coverage must be provided. Responses of non-coverage from brokers/agents are not acceptable.

### **What if I plan to sell my property during the remediation?**

If during the course of remediation there is a transfer of property ownership, the applicant and the prospective purchaser must enter into a written agreement at the time of, or prior to, property closing. This agreement must be signed by both parties and state that the seller will remain as the financially responsible party for the remediation as well as maintaining responsibility for performing the remediation until a No Further Action letter is issued by the NJDEP. If such an agreement is executed, the applicant (seller) can maintain UST Fund eligibility after transfer of the property in question.

### **Am I required to submit the application fee and financials with the UST Fund application?**

No, this information will be requested by the NJEDA at a later date.

### **How will I know the NJDEP received my application?**

A letter of acknowledgement will be sent to the applicant and any listed contacts.

### **How do I know if my tank is leaking?**

1. The removed UST had holes, corrosion, cracks or scaling in the tank.
2. The removed UST piping has breaks, loose fittings or holes used in connection with the tank.

Evidence indicating that the tank leaked, such as photographs, contractor report or local inspector report, must be submitted with the application.

**\*\*Tank tightness tests and pre-removal soil sampling are not acceptable ways of proving a UST has leaked and are not eligible for reimbursement\*\*.**

**What is the difference between an unregulated and a regulated UST?**

**Applicability and Summary of Regulated Underground Storage Tanks in New Jersey**

<b>Substance Stored/ Used</b>	<b>Tank Capacity *</b>	<b>Applicable Law(s)</b>	<b>Comments/Explanations</b>
Heating oil for sale, distribution or commercial use	any amount	<u>Federal</u> and state UST laws	Fuel oil dealers, and others who sell, distribute, or use heating oil in a commercial process, must comply.
Heating oil for non-residential heating	more than 2,000 gallons	State UST law	Facilities with aggregate UST capacities of 2,000 gallons or less are exempt from the state UST law.  <b>Heating oil tanks of any size used for residential heating are also exempt.</b>
Motor fuels for non-residential use or sale	any amount	<u>Federal</u> and state UST law	Includes petroleum products used in the operation of a motor: gasoline, diesel, aviation, gasohol, etc.
Motor fuels for farm or residential use	more than 1,100 gallons	<u>Federal</u> and state UST law	USTs located at a residence but used for business purposes are required to comply.  Owners of farm USTs should contact the DEP for special applicability information.
Waste oil	any amount	<u>Federal</u> and state UST laws	Waste oil includes used automotive crankcase oil and other used lubricating oils.

**Is there a deadline for submitting regulated UST Fund applications?**

Yes, June 30, 2010.

**Who should I contact for questions regarding financial eligibility or financial documents received from NJEDA?**

The NJEDA at 609-777-4898 or tanks@NJEDA.com

**Will the NJDEP pay my contractor directly?**

The NJDEP authorizes the NJEDA to disburse funding as appropriate.

If the applicant provides proof of payment, in the form of cancelled checks to the contractor, the NJDEP will authorize the NJEDA to issue a disbursement check directly to the applicant. Otherwise, reimbursement checks are issued as a two-party check, made payable to the applicant and the contractor.