MARYLAND OIL DISASTER CONTAINMENT, CLEAN-UP, AND CONTINGENCY FUND REPORT

Maryland Department of the Environment
Oil Control Program
Annual Report 2023




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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 the 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 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 FY23, the following major activities were accomplished using the Fund:

1. OCP was responsible for the oversight of 5,606 facilities that stored, or otherwise handled petroleum products or petroleum-impacted materials.

2. OCP managed a combination of 2,250 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 3,298 on-site inspections, including third party inspections, at 1,340 facilities to ensure that owners/operators are preventing, reducing, or remediating oil pollution.

4. OCP provided direct oversight at 843 ongoing petroleum clean-ups.

5. OCP coordinated 3,881 Public Information Act searches for information on oil pollution activities.

6. ERD received 1,462 oil spill reports and responded to 456 surface spills and hazardous material emergencies.

7. AQCP conducted 2,060 air quality activities related to regulated oil facilities having air emissions. It also responded to 29 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 440,662 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 93,099,688 barrels of oil were reported as transferred into the state.

11. MDE received $6,953,307 in oil transfer fees that were deposited to the Fund.

12. MDE collected $95,974 in cost recovery, and $115,500 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 in the state must have a valid Oil Transfer License and pay the fee. There were 259 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 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 FY23 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 summer 1999. A review of this data revealed that 727 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 two notifications 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 8,910 active USTs (7,072 motor fuel and 1,838 heating oil) located at 4,055 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 FY23, the Maryland-certified UST inspectors and the division staff completed 2,217 inspections at 905 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 843 active sites that were being investigated or remediated at the end of FY23.

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 FY23, a total of 74 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 184 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 1,412 oil operations permits were in effect at the end of the fiscal year.

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

The Oil Control Program was also involved in the following activities:

a. Managed the oil transfer fees and Oil Transfer Licenses resulting in 259 active licenses at the end of FY23.

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 81 certifications were issued in FY23, resulting in a total of 440 active certifications at the end of the fiscal year.

e. Assisted in the response to 3,881 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 456 oil and chemical spill incidents across the state in FY23.

Annually, ERD participates in numerous drills/exercises with our Federal counterparts from the U.S. Coast Guard and the U.S. E.P.A., 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's Joint Operations Center (MLOC) receives the after-hours and weekend notifications and serves as our after-hours dispatch center. During FY23, ERD logged (see Table 2 for details): 1,462 oil spill reports; 155 hazardous materials spill reports; and 1,931 reports for "other" spills (non-oil/non-hazmat) for a total of 3,548 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. Such facilities include 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 FY23, AQCP conducted 2,060 Stage I & II Vapor Recovery and air quality-related activities, including 8 routine air quality inspections at regulated oil-related facilities, review of 414 third-party Stage I & II Vapor Recovery inspection reports, and evaluation of 1,195 Stage I & II Vapor Recovery test reports. In addition, 443 activities were conducted at asphalt plants, bulk fuel terminals, and soil remediation facilities, including inspections and technical report reviews. Air quality inspectors responded to 29 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.

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, WWPP 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, and each permit potentially requires an evaluation of the potential presence of oil and petroleum-related contaminants from the facilities. In addition, there are 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 development 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 FY23, a fee of $0.08 was assessed per barrel (about $0.0019/gallon) on oil products transferred into the state. MDE received $6,953,307 in oil transfer fees that were deposited to the Fund. Another $95,974 in cost recovery and $115,500 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, 2022 to June 30, 2023. Figure 1 shows an 8.6% increase in imported petroleum in the state for FY23 to 93,099,688 barrels from the adjusted amount of 85,701,041 barrels in FY22.

Table 4 provides the FY23 financial statement for the Fund.

Table 5 provides the FY23 Fund expenditures by the following MDE units:

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

TABLE 1

Summary of OCP Activities

FY23 (July 1, 2022 – June 30, 2023)

	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	905	2,217	4,055	440	N/A	53
Oil Pollution Remediation Sites	229	611	N/A	N/A	843	0
Aboveground Oil Storage Facilities	206	470	1551	1810	N/A	7
Totals	**1,340**	**3,298**	**5,606**	**2,250**	**843**	**60**

(1) Includes facilities that are required to register USTs, to have Oil Operations Permits, and Stormwater Discharge Permits for Oil Terminals. Does not include Oil Transfer Licenses because 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

FY3 (July 1, 2022 – June 30, 2023)

JURISDICTION	REPORTS				RESPONSES
	TOTAL	OIL	HAZ	OTHER	
Allegany	111	9	3	99	3
Anne Arundel	327	229	16	82	57
Baltimore	460	257	25	178	143
Baltimore City	336	172	20	144	77
Calvert	66	29	1	36	3
Caroline	57	19	3	35	5
Carroll	177	46	4	127	21
Cecil	194	46	9	139	18
Charles	128	32	2	94	0
Dorchester	62	17	0	45	5
Frederick	120	66	14	40	21
Garrett	53	18	2	33	1
Harford	248	69	5	174	14
Howard	121	57	13	51	23
Kent	22	5	1	16	2
Montgomery	195	93	20	82	21
Prince George's	212	120	4	88	20
Queen Anne's	54	19	2	33	11
Somerset	34	11	0	23	0
St. Mary's	105	39	0	66	1
Talbot	51	19	3	29	5
Washington	185	33	5	147	2
Wicomico	170	42	1	127	1
Worcester	55	15	2	38	2
Out of State	5	0	0	5	0
TOTAL	3,548	1,462	155	1,931	456

TABLE 3

Oil Transfers Subject to License Fee

FY23 (July 1, 2022 – June 30, 2023)

	NET TO FEE (gallons)		
TYPE OF PRODUCT	**FY21**	**FY22**	**FY23**
Gasoline	1,575,727,871	1,797,874,986	2,057,662,714
Gasohol	454,744,631	464,960,246	459,495,046
Kerosene	21,412,165	24,869,451	9,303,580
Diesel	662,899,744	736,874,990	701,456,565
Biodiesel	6,377,941	13,432,543	15,463,310
Aviation	89,941,722	64,756,538	73,045,180
No. 2	32,844,271	73,919,151	52,649,690
No. 4	589,901	834,710	1,730,051
No. 5	679,527	75,015	6,335,234
No. 6	8,209,413	17,638,154	48,634,761
Asphalts	179,898,412	193,602,617	264,492,631
Hydraulic Oil	1,921,875	2,135,349	350,219
Lubricating Oil	19,039,662	13,164,771	8,621,359
Crude/Other	169,411,877	195,305,232	210,946,538
Total Gallons	**3,223,699,012**	**3,599,443,757**	**3,910,186,878**
Total Barrels 42 gal = 1 bbl	**76,754,738**	**85,701,042**	**93,099,688**
Adjusted Total Gallons	**3,380,622,911**	**3,726,428,516**	**ADJUSTED AMOUNTS (1)**
Adjusted Barrels 42 gal = 1 bbl	**80,491,022**	**85,701,042**	

(1) Updates to previous reports: Product reported after Annual Reports for FY21 and FY22 show adjustments to the number of gallons transferred during those years.

TABLE 4

Fund Financial Statement

FY23 (July 1, 2022 – June 30, 2023)

A.	Beginning Fund Balance	$	2,942,106.77
	Open Encumbrances FY22	$	382,831.84
	Reconciled Adjusted Balance	**$**	**3,324,938.61**
B	FY23 Receipts		
	Transfer Fees	$	6,953,307.21
	Oil Spill Cost Recovery	$	95,974.96
	UST Installer Fees	$	0.00
	Tank Fees	$	0.00
	Fines & Penalties	$	115,500.00
	Revenue accrued in prior years	$	153,027.90
	Miscellaneous / DBM Revenue Reduction	$	0.00
	Transfer to 3170	$	0.00
	Interest Income	$	0.00
	Total	**$**	**7,317,810.07**
C	**Total Funds available FY23 (A+B)**	**$**	**10,642,748.68**
D	FY23 Expenditures (includes open encumbrances)		
	Salaries and Wages	$	5,637,697.34
	Technical and Special Fees	$	236,305.58
	Communications	$	59,457.36
	Travel	$	8,205.88
	Utilities	$	7,389.82
	Motor Vehicle Operations and Maintenance	$	337,711.11
	Contractual Services	$	761,507.81
	Supplies and Materials	$	212,862.25
	Equipment	$	46,463.36
	Grants	$	0.00
	Fixed Charges	$	16,800.28
	Total Direct Expenditures	**$**	**7,324,400.79**
E	**Indirect Costs**	**$**	**1,228,017.12**
F	**Balance in Fund 7/1/2023 (C-D-E)**	**$**	**2,090,330.77**

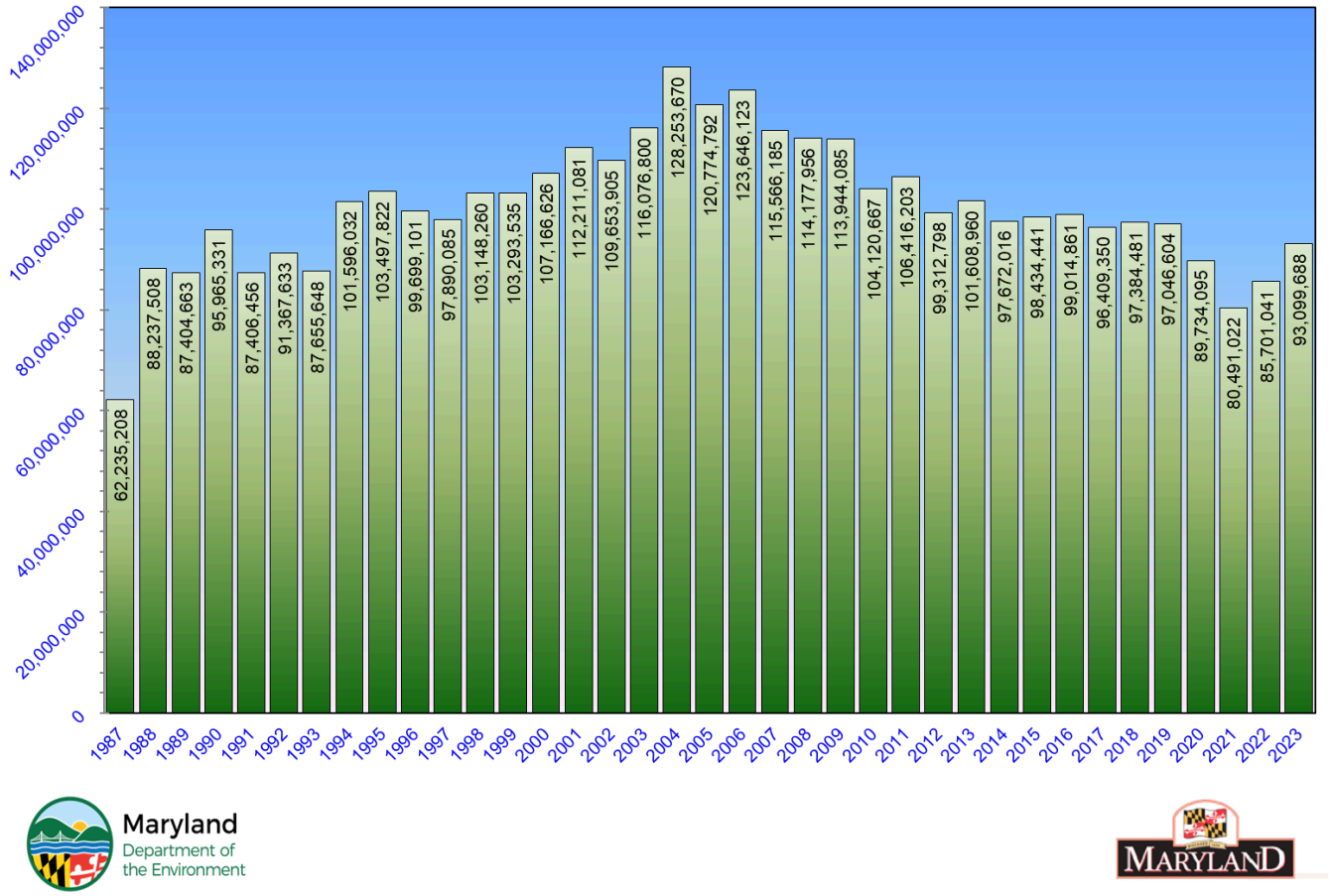
TABLE 5

Fund Expenditures by Administration

FY23 (July 1, 2022 – June 30, 2023)

	LMA/OCP	ERD	ARA/AQCP	WSA	Total Expenditures
Salaries and Wages	4,338,093.51	1,019,999.63	173,469.34	106,134.86	$5,637,697.34
Technical and Special Fees	236,305.58	0.00	0.00	0.00	$236,305.58
Communications	46,281.24	11,571.74	0.00	1,604.38	$59,457.36
Travel	8,171.88	34.00	0.00	0.00	$8,205.88
Utilities	0.00	7,389.82	0.00	0.00	$7,389.82
Motor Vehicle Operations and Maintenance	134,458.79	203,252.32	0.00	0.00	$337,711.11
Contractual Services	735,583.64	25,924.17	0.00	0.00	$761,507.81
Supplies and Materials	16,440.17	195,789.02	0.00	633.06	$212,862.25
Equipment	4,981.12	41,482.24	0.00	0.00	$46,463.36
Grants	0.00	0.00	0.00	0.00	$0.00
Fixed Charges	16,800.28	0.00	0.00	0.00	$16,800.28
Total Direct Costs	**$5,537,116.21**	**$1,505,442.94**	**$173,469.34**	**$108,372.30**	**$7,324,400.79**
Indirect Costs	**$918,816.88**	**$260,441.63**	**$30,010.20**	**$18,748.41**	**$1,228,017.12**
Total Expenditures	**$6,455,933.09**	**$1,765,884.57**	**$203,479.54**	**$127,120.71**	**$8,552,417.91**

FIGURE 1: Annual Barrels of Petroleum Imported



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