

SIERRA LAKES COUNTY WATER DISTRICT

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Heating Oil Tank Financial Assistance Program

The District has implemented the Heating Oil Tank Financial Assistance Program (HOTFAP) to encourage property owners within the District's boundaries to remove, replace or upgrade heating oil storage tanks in order to prevent the contamination of Lake Serena, the Community's drinking water supply. The Program includes grants and interest-free loans to property owners to assist in reducing the risk of a heating oil spill. All heating oil storage tanks located within the District's boundary are subject to the following requirements:

- Existing underground storage tanks (USTs) and related supply and vent piping must be removed in accordance with Placer County requirements or upgraded to meet Title 23, Division 3, Chapter 16, Article 4, Section 2662 of the California Code of Regulations to remain in service. The installation of new USTs is prohibited.
 - All upgraded USTs and related supply and vent piping must be tested annually for leakage in accordance with Title 23, Division 3, Chapter 16, Section 2643 of the California Code of Regulations. Owners are required to submit the results of the annual integrity testing to the District.
- Existing and new above-ground storage tanks (ASTs) and related supply and vent piping must be upgraded to incorporate secondary containment features as required by California Fire Code Section 5704.2.9.7.

Funding is available in the form of a grant and/or interest-free loan for the following actions:

- remove, replace, upgrade or make other specified improvements to heating oil storage tanks:
 - removal of an existing UST or AST and installation of a non-fuel oil storage tank (propane), supply piping and home heating system (i.e. new furnace);
 - removal of a previously abandoned UST or AST;
 - removal and replacement of a UST with an AST that incorporates secondary containment features including piping as required by California Fire Code Section 5704.2.9.7;

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- upgrade of an existing UST to meet Title 23, Division 3, Chapter 16, Article 4, Section 2662 of the California Code of Regulations; and
- upgrade of an existing AST and piping to meet the secondary containment requirements required by California Fire Code Section 5704.2.9.7;
- initial integrity testing of an existing UST in accordance with Title 23, Division 3, Chapter 16, Section 2643 of the California Code of Regulations. Subsequent annual testing is not eligible for funding;
- Placer County permit fees (Environmental Health and Building Department) for the following tasks:
 - tank removal (UST closure);
 - tank modification (UST modification); and
 - tank and heating system installation (propane) in conjunction with the removal of a UST or AST.
- professional services related to removal/modification/installation of a UST or AST and design of a replacement heating system; and
- soil sampling and analysis during tank removal to confirm no past spills or leakage. Funding may not be used for spill remediation. If contamination is found after the tank is removed, the property owner will be required to enroll in the State's UST Cleanup Fund or otherwise pay for that portion of the project.

The grant amount is based on a sliding scale with the maximum percentage/amount for projects that remove an existing (in-use or abandoned) heating oil storage tank:

- 75% of the cost to remove an existing UST or AST and install a non-fuel oil heating system, up to a maximum of \$7,500;
- 75% of the cost to remove a previously abandoned UST or AST, up to a maximum of \$5,000;
- 50% of the cost to remove a UST and install an AST and piping, up to a maximum of \$5,000;
- 25% of the cost to upgrade an existing AST or UST and piping, up to a maximum of \$2,500; and
- 75% of the cost of the initial integrity (tank and piping) testing to determine the condition of an in-use or abandoned UST, up to a maximum of \$750.

In addition to the grant, property owners that choose to remove an existing UST or AST and install a non-fuel oil heating system are eligible for a five-year, interest-free loan up to a maximum amount of \$5,000. The loan must be paid in full if the house is sold during the payback period.

The following information and steps must be completed to be considered for a receipt of a grant or loan funds:

- submittal of a letter of intent to the Board of Directors that includes:
 - the name of the property owner and contact information, address of the property and known information concerning the tank;

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- a cost estimate prepared by licensed contractor(s) and/or an individual with relevant experience. The estimate should be based on two bids for each major component of the project; and
- the proposed scope of work including the time frame for each step of the project. The property owner and/or representative must initiate and oversee the removal/construction process.
- execution of an *Agreement to Provide Grant Funds* and/or *Unsecured Promissory Note* between the District and property owner;
- issuance of Placer County permits for removal (closeout) or modification of a UST and related appurtenances; and
- issuance of a Truckee Fire Protection District permit for modification or installation of an AST and related appurtenances.

Upon completion of the project and submittal of copies of all paid invoices, construction lien release(s), final Permits and Certificates of Tank Closure or Modification approved by Placer County or Truckee Fire as applicable, the District will release the funds. Amendment of the grant and/or loan amounts (down or up to the maximum) may be required based on the final project accounting.

Any grant or loan funds paid to the applicant as a result of material misrepresentation in the application or any submitted document or to which the applicant is not entitled must be repaid to the District within 30 days of written notice from the District.

Please contact Bill Quesnel, the District's General Manager, at 530-426-7800 if you have any questions or need additional information concerning the Program requirements or heating oil tanks in general.

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