



**Texas Commission on Environmental Quality
Dry Cleaner Environmental Response
Program
Status Report**

Fiscal Year 2013

**Prepared for the
Dry Cleaner Advisory Committee**

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Dry Cleaner Environmental Response Program

The Dry Cleaner Environmental Response Program (Program) protects the state's environmental resources by using a risk-based approach for the assessment and cleanup of releases of solvents from dry cleaning facilities. The Program collects registration fees from dry cleaning facilities, dry cleaning drop stations, property owners, and preceding property owners, and solvent fees from solvent distributors. These fees are deposited into the Dry Cleaning Facility Release Fund (the Fund). The Fund is used to process registrations and to conduct corrective action at dry cleaning sites.

The Program affects owners of dry cleaning facilities and drop stations, current owners and certain preceding owners of property on which a dry cleaning facility or drop station is or was located and solvent distributors.

The Program is administered through the Texas Commission on Environmental Quality (TCEQ) Office of Waste by the Dry Cleaner Remediation Program (DCRP) of the PST/DCRP Section in the Remediation Division, and by the Dry Cleaner Registration Team in the Permitting and Registration Support Division. The DCRP accepts applications for ranking, ranks and prioritizes sites, and conducts corrective action at sites. The Dry Cleaner Registration Team processes registrations for solvent distributors, dry cleaning facilities and drop stations, as well as for property owners and preceding property owners.

To be eligible for the DCRP the applicant must be one of the following: 1) a current or former owner of a dry cleaning facility or drop station; 2) an owner of property on which a dry cleaning facility or drop station is or was located; or 3) a preceding owner of property on which a dry cleaning facility or drop station is or was located, who entered into an agreement with the current property owner establishing that the previous property owner is responsible for costs associated with the cleanup of contamination.

DCRP applicants must submit an application for ranking the site, which documents a release of dry cleaning solvent into the environment from a currently registered or former retail dry cleaning facility. The applicant must pay a nonrefundable deductible of \$5,000 for corrective action costs incurred as a result of a release from the dry cleaning facility or drop station, and must sign an affidavit stating that perchloroethylene (Perc) will not be used at the site once the DCRP has begun corrective action at the site.

The DCRP cannot commence corrective action at a site until the site/application has been ranked and prioritized except for sites that require emergency action. Site ranking is based on potential impacts to human health or the environment from the site. Site prioritization includes site ranking, but also takes into account non-risk factors such as cost of implementing corrective action. The DCRP utilizes contractors to conduct corrective action at sites.

Registration

State law requires all dry cleaning drop stations and facilities in Texas to register with the TCEQ annually. Annual Renewal Registration Forms for dry cleaning drop stations and facilities are due by August 1st of each year. Registration fees are billed on a quarterly basis.

Table 1. Breakdown of FY 2013 Registrations

Registration Type	Total FY 2013 Registrations
Facilities	1,468
Drop Stations	1,703
Property Owners and Preceding Property	195
Solvent Distributors	26

A facility/drop station's participating/non-participating status defines their fees and registrations costs. The terms "participating" and "non-participating" refer to a facility/drop station's eligibility to receive benefits from the Fund.

Table 2. Differences in the DCRP Fee Structure

Type	Number of Locations	Solvent Fees Collected	Registration Fee - Gross Receipts >\$150,000	Registration Fee - Gross Receipts ≤\$150,000
Facility (<i>aka: Participating Facility</i>)	1,158	Yes (<i>perchloroethylene: \$20 per gal / other solvent: \$3 per gal</i>)	\$2,500	\$250
Participating Non-Perchloroethylene Facility (<i>type will not transfer to new owner</i>)	53	No (<i>should not be receiving perchloroethylene</i>)	\$2,500	\$250

Type	Number of Locations	Solvent Fees Collected	Registration Fee - Gross Receipts >\$150,000	Registration Fee - Gross Receipts ≤\$150,000
Non-Participating Non-Perchloroethylene Facility (<i>type will transfer to new owner</i>)	257	No (<i>should not be receiving perchloroethylene</i>)	\$250	\$250
Drop Station(<i>aka: Participating Drop Station</i>)	1,572	Not Applicable (<i>should not be receiving solvent</i>)	\$750	\$250
Non-Participating Non-Perchloroethylene Drop Station (<i>type will transfer to new owner</i>)	131	Not Applicable (<i>should not be receiving solvent</i>)	\$125	\$125
Total	3,171	Not Applicable	Not Applicable	Not Applicable

Table 3. Registration of Dry Cleaning Facilities, Drop Stations, Property Owners and Preceding Property Owner (2004-2013)

Registrations by Fiscal Year	Property Owner	Facilities	Drop Stations	Total
Fiscal Year 04	n/a	2,110	1,763	3,873
Fiscal Year 05	n/a	1,999	1,706	3,705
Fiscal Year 06	n/a	1,946	1,933	3,879
Fiscal Year 07	n/a	1,814	1,777	3,591
Fiscal Year 08	192	1,668	1,635	3,303

Registrations by Fiscal Year	Property Owner	Facilities	Drop Stations	Total
Fiscal Year 09	192	1,542	1,529	3,071
Fiscal Year 10	192	1,470	1,418	2,888
Fiscal Year 11	183	1,419	1,384	2,803
Fiscal Year 12	193	1,509	1,766	3,275
Fiscal Year 13	195	1,468	1,703	3,171

Dry Cleaning Registration Initiative

The Permitting and Registration Support Division's Dry Cleaner Registration Initiative was developed in 2012 in an effort to address unregistered dry cleaners evading fees owed to the TCEQ.

Continuing the initiative for a 2nd year, letters were mailed on February 23, 2013 to all of the potentially unregistered dry cleaners.

Site visits were prioritized for sites that failed to register, did not respond to correspondence, or mail was returned. A total of 325 site visits were conducted in Fiscal Year 2013 consisting of four trips to Dallas/Ft Worth and four trips to Houston and one trip to Waco/Killeen with the following results:

Table 4. Registration Status Results Based on Site Visits in Fiscal Year 2013

Type	Amount
Registered	85
Closed/exempt	85
Open but failed to register	155

Table 5. FY 13 Dry Cleaner Initiative Final Results

Type	Amount
Identified Locations	1,591
Registered	473

Type	Amount
Closed/exempt	336
Undeliverable	49
No response	733

These efforts resulted in an increase of 473 registrations and \$187,281.25 assessed in fees.

Small Business Environmental Assistance

In September 2012, SBEA authored an article for the Southwest Drycleaners Association's Newsletter.

In November 2013, SBEA sent 649 reminder postcards to drycleaners that needed to register with the TCEQ.

Dry Cleaning Facility Release Fund (Fund 5093)

The Dry Cleaning Facility Release Fund (Fund) includes revenues from registration fees, solvent fees, deductibles, penalties, and interest.

Table 6. FY 2013 Fee Collection Report

Revenue Type	Amount
Registration Fees	\$3,323,765
Solvent Fees	\$970,552
Deductibles, Penalties, and Interest	\$96,020
TOTAL COLLECTIONS	\$4,399,337

In accordance with Texas Health and Safety Code, Section 374.055, money in the Fund must be used to address contamination resulting from releases from dry cleaning facilities. The amount expended in a fiscal year is dependent upon the amount appropriated by the Texas Legislature. In FY 2013, the TCEQ DCRP budget was \$3,702,307 to address contaminated dry cleaning facilities.

The TCEQ may spend money from the Fund on administrative expenses not to exceed 15 percent of the amount of money credited to the Fund in the same fiscal year as the

expenditures. The total collections in the Fund in FY 2013 were \$4,399,337. In FY 2013, the DCRP expended less than the allowable 15 percent to administer the program.

The Fund balance as of August 31, 2013 was approximately \$19,319,211. As of August 31, 2013, the total revenue collected was approximately \$57,595,660.

Compliance and Enforcement Actions

The TCEQ conducted ten investigations for dry cleaning facilities in FY 2013, nine of which were on-site investigations, and one was a records review. Two of the investigations resulted in Notice of Violations (NOVs) and three resulted in Notice of Enforcements (NOEs).

In FY 2013, the TCEQ issued ten administrative orders against dry cleaning facility owners. The total penalties assessed was \$133,147 (\$102,297 was deferred; and \$30,850 was payable).

New Dry Cleaner Legislation

No legislation in 2013.

Corrective Actions

In FY 2013 the TCEQ received 10 applications for ranking. As of August 31, 2013, there were 166 sites in the DCRP.

The TCEQ may postpone or indefinitely suspend corrective action at a site in order to make money available for corrective action at a site with a higher priority. As of August 31, 2013, there were 92 active sites and 74 postponed sites (Attachment 1).

The DCRP completed corrective action at five sites in FY 2013; to date, the TCEQ has completed corrective action at 52 sites. The list of closed sites is included in Attachment 2.