



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

Fiscal Year 2011

**Prepared for the
Dry Cleaner Advisory Committee**

**James Cripe, Temple, Texas
Norberto Garcia, Beeville, Texas
Shirley French Reichstadt, Dallas, Texas
Charles Riggs, Denton, Texas
Rick Sims, Houston, Texas**

November 4, 2011

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 previous 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 previous 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 once they have been accepted into the Program. 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.

The following table is a breakdown of FY 2011 registrations.

Registration Type	Total FY 2011 Registrations
Facilities	1,419
Drop Stations	1,384
Property Owners and Preceding Property Owners	183
Solvent Distributors	23

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. The following table illustrates the differences in the Program's 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>)	1,094	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>)	64	No (<i>should not be receiving perchloroethylene</i>)	\$2,500	\$250
Non-Participating Non-Perchloroethylene Facility (<i>type will transfer to new owner</i>)	261	No (<i>should not be receiving perchloroethylene</i>)	\$250	\$250
Drop Station(<i>aka: Participating Drop Station</i>)	1,263	Not Applicable (<i>should not be receiving solvent</i>)	\$750	\$250

Type	Number of Locations	Solvent Fees Collected	Registration Fee Gross Receipts >\$150,000	Registration Fee Gross Receipts ≤\$150,000
Non-Participating Non-Perchloroethylene Drop Station (<i>type will transfer to new owner</i>)	121	Not Applicable (<i>should not be receiving solvent</i>)	\$125	\$125
Total	2,803	Not Applicable	Not Applicable	Not Applicable

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. The following table is a breakdown of FY 2011 revenues.

FY 2011 Fee Collection Report	
Registration Fees	\$ 3,000,000
Solvent Fees	\$ 1,500,000
Deductibles, Penalties, and Interest	\$ 507,000
TOTAL COLLECTIONS	\$ 5,007,000

As of August 31, 2011, the total revenue collected in the Fund is approximately \$49 million. The Fund balance as of October 25, 2011 was approximately \$17.5 million.

Compliance and Enforcement Actions

In FY 2011, the TCEQ issued 8 administrative orders against dry cleaning facility owners for violations. The total penalties assessed equaled \$47,660; \$6,580 was deferred; and \$38,470 was payable.

The TCEQ conducted twenty-one (21) investigations for dry cleaning facilities in FY 2011. Fourteen of those investigations were conducted on-site; one occurred in the Dallas-Fort Worth region and the others occurred in the Harlingen region. The remaining seven investigations were record reviews.

Corrective Actions

In FY 2011 the TCEQ received 14 applications for ranking. Since the inception of the program, there have been 209 dry cleaner sites accepted into the program.

Corrective Action status of DCRP sites:

Corrective Action Phase	No. of Sites
Pre-Assessment	17
Assessment	107
Remediation	43
Monitoring	0
Closure	42

The DCRP Site Prioritization List dated September 8, 2011 includes the corrective action status of each site (Attachment 1).

Active/Postponed and Closed DCRP Sites

The number of active DCRP sites increased each fiscal year from FY 2005 to FY 2009. In FY 2010, the DCRP postponed corrective action on lower priority sites based on legislative appropriated funding. In FY 2010, there were 118 active sites and 44 postponed sites. In FY 2011, there were 109 active sites and 60 postponed sites. Currently in FY 2012, there are 68 active sites and 99 postponed sites.

The DCRP completed corrective action at eight (8) sites in FY 2008; in FY 2009, nine (9) sites; in FY 2010, 10 (ten) sites; and fifteen (15) sites in FY 2011. To date, the TCEQ has completed corrective action at 42 sites. The list of closed sites is included in Attachment 2.