



Department of
**Environment &
Conservation**

Division of Remediation Financial Update

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Sources of DoR funding

- \$1,000,000 annual appropriation, required by statute (TCA 68-212-203(e))
- Five different EPA grants
- US Department of Defense cooperative agreement for DOD cleanup sites across the state, allows division provide oversight at the DOD projects
- Other revenue sources
 - Fees on hazardous waste (HWRAF)
 - The Division of Remediation collects fees on the generation of waste
 - The Division of Solid/Hazardous Waste Management collects fees on the disposal of waste
 - Cost recovery; voluntary and enforcement (VOAP)
 - Dry Cleaners Environmental Response Program (DCERP)

Hazardous Waste Remedial Action Fund

	Beginning Balance HWRAF
FY18-19	\$2,552,731.46
FY19-20	\$3,172,364.93
FY20-21	\$5,349,833.96
FY21-22	\$2,704,888.84

TCA 68-212-204 establishes the Hazardous Waste Remedial Action Fund (HWRAF) to provide funding to operate the program implementing the Act and includes all Division revenues, including obligated and unobligated funds.

May 22 (FY21-22) HWRAF balance was \$2,474,693 (including obligated funds for NPL matches and non-DCERP West TN groundwater investigations).

Hazardous Waste Generator Fees

- The revenue from the generation and off-site shipping of hazardous waste currently represents 1/3 of the total funding for the Hazardous Waste Remedial Action Fund.
- The remainder of the funding includes \$1,000,000 in State appropriations (unadjusted since 1994), federal funds for performing work of interest to both the federal government and the State, and recovery of costs from Voluntary Parties.
- Nonrecurring funds obligated for NPL matches included the FY19 supplemental budget (\$1M) and FY20 budget (\$2M) appropriations.

Hazardous Waste Fee Collections Year Over Year

	Amount Collected	# Companies Invoiced
FY19	\$ 1,964,939	333
FY20	\$ 2,216,322	319
FY21	\$ 1,957,015	330
FY22	\$ 382,713 - through May (\$1,448,192 - billed but not yet received as of 7/14/22)	338

- All revenues, except for cost recovery are down; Federal grants continue to shrink, HW fees reduced due to COVID-related closures, interdivisional revenue also down.
- Cost Recovery up due to increase VOAP cost recovery schedule, billing automation and diligence on assessments and demand letters or orders when needed.

Costs

- FY21-22 Revenues (Thru May 22) - \$6,295,102
- FY21-22 Expenses (Thru May 22) - \$5,877,804
 - Revenue is generally outside of the Division's control.
 - Salaries increasing in accordance with State law (Pay for Performance) (FY22-23 - \$142,632).
 - Salaries were down due to retirements and departures; however, some positions must be backfilled.
 - Operational costs were higher, due to additional NPL costs.
- DoR Personnel Costs
 - 2018 - \$2,603,231.12
 - 2019 - \$2,682,621.06
 - 2020 - \$2,893,382.89
 - 2021 - \$2,720,900.44
 - 2022 - \$2,867,071.85

Federal Funding Update through the BIL

- EPA has already committed over \$102M to NPL sites in TN:
 - \$3.7M for the Former Custom Cleaners site (Memphis)
 - \$4.0M for the Smokey Mountain Smelters site (Knoxville)
 - \$6.6M for the Walker Machine Shop site (Collierville)
 - \$87.7M for the Chattanooga Southside site (Chattanooga)
- DoR is currently reviewing the SSC for an additional \$70M at the Velsicol Chemical Corp site in Hardeman County.
- Funds from the BIL do not increase the State's current NPL match obligation.
- TDEC staff will still provide oversight at sites funded by the BIL.

Brownfield Program Update

- Since increasing the VOAP Cost Recovery schedule in July 2020, the Division has seen:
 - 125 Projects enrolled Between July 1, 2020 and July 1, 2022
 - \$783,250.00 in revenues to the Voluntary Fund in that same period.

FY22-23 Budget

- The FY22-23 budget included a total of \$22M to support the Department's efforts in addressing legacy contamination sites.
- TDEC is pursuing new ways to accelerate environmental cleanups and has developed a framework designed to address contaminated sites on the State's GASB 49 list.
- TDEC is developing a framework with four major phases:
 - Identification
 - Prioritization and selection
 - Execution
 - Completion
- The FY22-23 budget also included \$10M for NPL SSC matches.

West TN Groundwater Initiative

- Communities in West TN use groundwater for drinking water supply
- \$700,000 in FY20 Budget for investigations
- Numerous potential pollution sources
 - Known Drycleaners
 - Boone Dry Cleaners – Jackson, TN
 - GASB 49 Site
 - High level of drycleaner solvent still in groundwater
 - Former Custom Cleaners – Memphis, TN
 - NPL Site
 - Additional former dry cleaners that need evaluation
- Work began on 07/18 on groundwater well installation at several former dry cleaner source areas identified through soil gas investigations.