



MICHIGAN DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY

MUSTA Overview

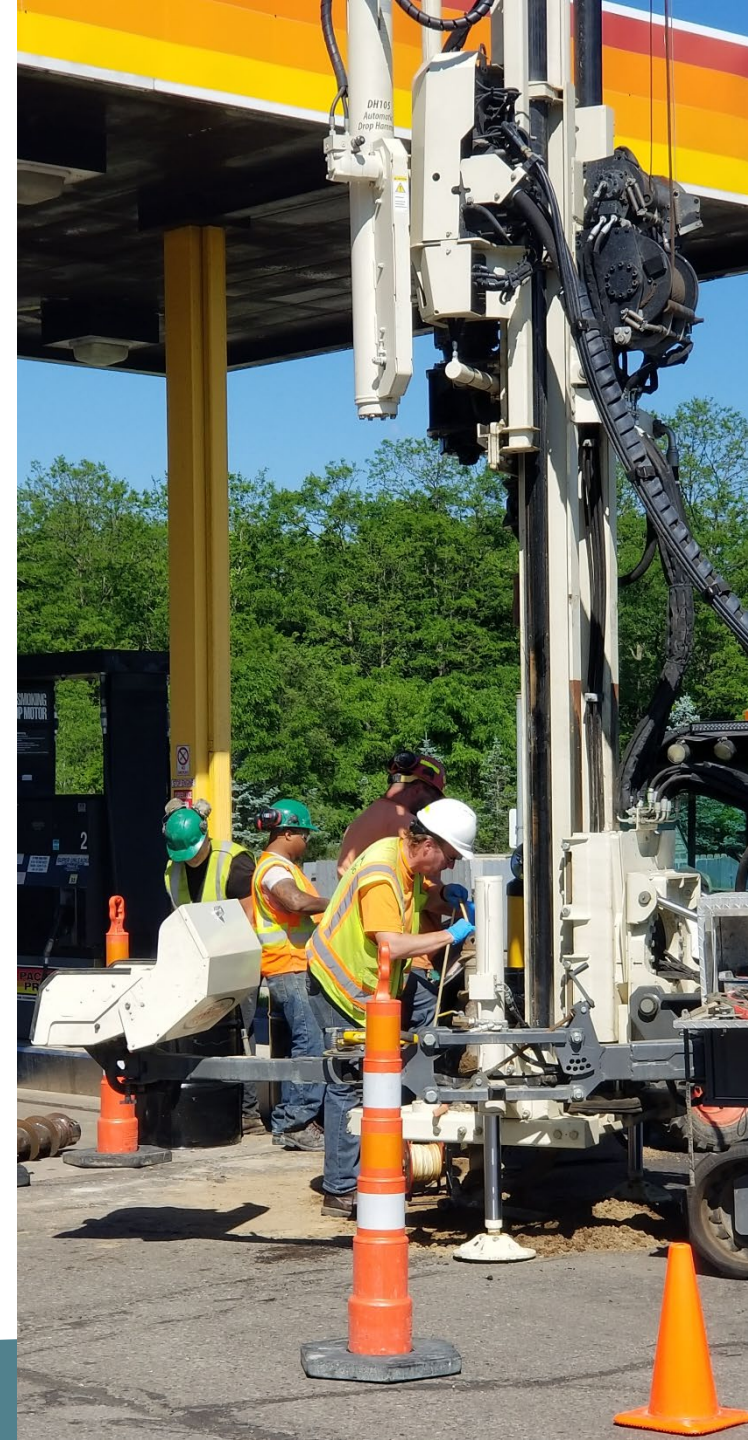
Nikolas Hertrich

Environmental Quality Specialist

Michigan Underground Storage Tank Authority

Presentation Outline

- A Brief History/Overview of the Fund
- Financial Responsibility
- MUSTA Reimbursement Programs
 - Underground Storage Tank Cleanup Fund
 - Legacy Release Program
 - Public Highway Cleanup Program
- Cost Controls
- RRD and MUSTA
- FAQs
- Questions



HISTORY/OVERVIEW OF THE USTC FUND

The Michigan Underground Storage Tank Authority (MUSTA) and the Underground Storage Tank Cleanup Fund (USTCF) were created in Public Act 416 on December 30, 2014.

The Fund was created to assist owners and operators (O/O's) of petroleum underground storage tank systems (USTs) in meeting their financial responsibility (FR) requirements, to fund corrective actions to address releases from USTs, and to help O/O's in achieving compliance with Part 213, Leaking Underground Storage Tanks of Act 451.



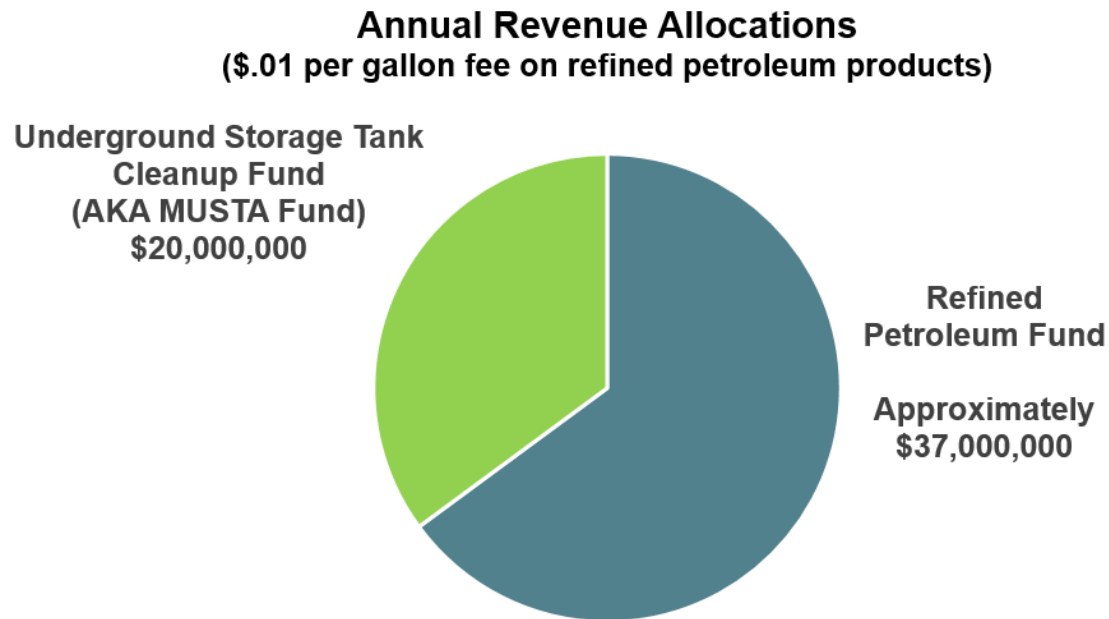
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The MUSTA Team



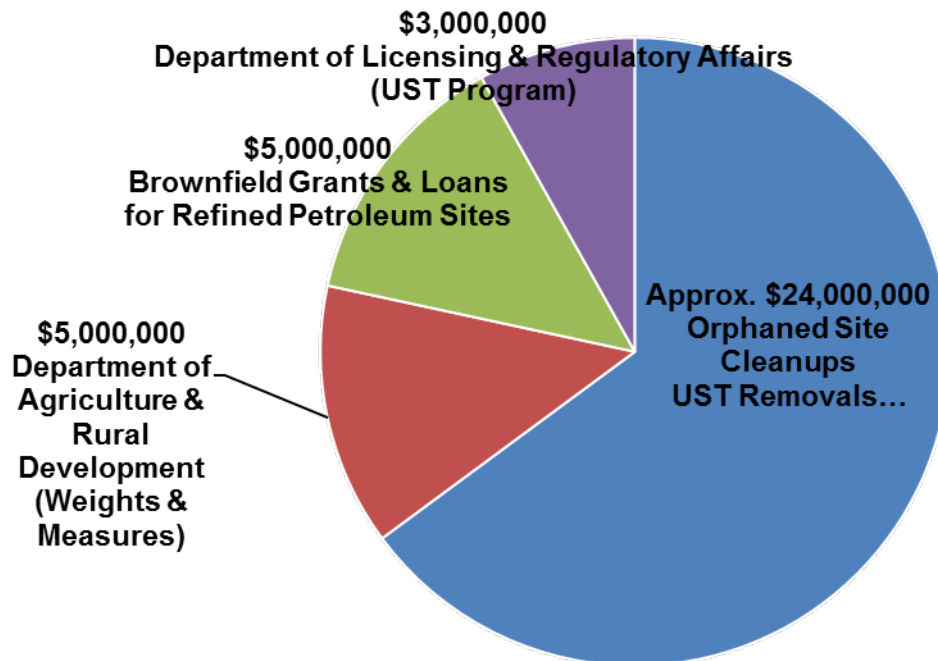
MUSTA Funding

- Environmental Protection Regulatory Fee
- Refined Petroleum Fund



Funding for LUST Cleanup Programs

Refined Petroleum Fund



Up to \$36 million of the RPF balance may be used to pay Legacy Release Program Claims

FINANCIAL RESPONSIBILITY

Owners and Operators of petroleum USTs must show proof of **Financial Responsibility (FR)** for taking corrective action and compensating third parties for bodily injury and property damage caused by accidental releases arising from the operation of petroleum USTs

MUSTA FR FORMS REQUIRED

- Determination of Eligibility and Financial Responsibility Submittal Form
- FR Mechanism

FR MECHANISM OPTIONS

- **State Financial Test**
- Federal Financial Test
- Certificate of Deposit
- Letter of Credit
- Surety Bond
- Commercial Insurance
- Guarantee
- Trust Fund
- Other Methods for Local Units of Government

MUSTA ELIGIBILITY REQUIREMENTS

1. Owner/Operator must maintain FR for their deductible amount
2. The UST's must be in compliance with the registration requirements of Part 211
3. The Owner/Operator cannot be the United States government
4. The Owner/Operator cannot be a public utility with more than 500,000 customers who's refined petroleum USTs are used to generate steam electricity
5. Contents in UST must be a refined petroleum product





Eligible Substances List

Refined Petroleum substances eligible for Financial Responsibility coverage and/or an Underground Storage Tank Cleanup Fund Claim *

| Substance | Eligible |
|---|----------|
| Aviation Gasoline and Jet Fuel | Yes |
| Diesel (dyed and undyed) | Yes |
| Gasoline, including gasohol | Yes |
| Heating Oil for resale | Yes |
| Heating Oil for consumptive use on the premises where the tank is located | No |
| Kerosene | Yes |
| Motor Oil | No |
| Residual Oils (No. 4, No. 5, and No. 6 Fuel Oils) | Yes |
| Used Oil | No |
| Waste Oil | No |
| Other | ** |

APPROVAL OF DETERMINATION OF ELIGIBILITY AND FINANCIAL RESPONSIBILITY

| | | |
|---|--|--|
|  GRETCHEN WHITMER GOVERNOR | <p>STATE OF MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY FINANCE DIVISION</p> |  PHILLIP D. ROOS DIRECTOR |
|---|--|--|

June 17, 2025

VIA E-MAIL

XYZ Corp
450 Fuel Receiver Lane
Lansing, Michigan 48912

ATTENTION: Tarek Chehab

SUBJECT: Approval of Determination of Eligibility and Financial Responsibility
Facility ID 00012345, XYZ, Little Gas Shop, Lansing

Your request for a Determination of Eligibility under Section 21510(8) of Part 215, Underground Storage Tank Corrective Action Funding, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Part 215) was received on June 17, 2025. The review of your request has been completed, and you are hereby determined to be eligible for funding in the event of an eligible confirmed release or confirmed releases discovered and reported on or after December 30, 2014, from petroleum underground storage tank number UTK-000000-25 located at the above-referenced facility (assuming that eligibility is maintained as described below).

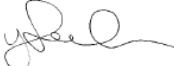
The Mechanism that you provided to document your financial responsibility for the deductible amount expires on June 17, 2027. To maintain compliance, you will be required to submit a separate Documentation of Financial Responsibility form and appropriate documentation showing that you have maintained financial responsibility for the time-period beginning on June 18, 2027.

It is critical that you remain in compliance with the requirements of Section 21510(1) of Part 215 to maintain your eligibility because if a claim is filed, the Administrator shall make the determinations required under that section to determine whether the claim is eligible for funding. In addition to the registration and fee requirements, a claim review will include whether you have maintained financial responsibility requirements for your deductible amount, and whether the release was properly reported within 24 hours after its discovery. The determination will be based on the compliance status at the time of the reporting of the confirmed release(s) for which you are requesting reimbursement and the compliance status at such time the claim is filed.

If you file a claim or claims, you will be subject to a limit of \$1 million minus the appropriate deductible in reimbursement costs for any single claim and \$1 million total aggregate for all claims submitted for your company or its affiliates based on releases discovered during a claim period. A claim period means a one-year period from October 1st of each year through September 30th of the following year.

The Department of Licensing and Regulatory Affairs, Bureau of Fire Services (LARA), Storage Tank Division is being copied on this approval letter and will keep it as your proof of financial responsibility. You should maintain a copy of this letter as well. If for any reason you become ineligible for funding, LARA will be notified as to the change in their status, and you will be required to secure another financial responsibility mechanism.

If you have any questions or require additional information, please contact me at sackriders@michigan.gov or 517-388-5043.

Sincerely,

Sarah Sackrider, Analyst
Michigan Underground Storage Tank Authority

cc: LARA

CONSTITUTION HALL • 525 WEST ALLEGAN STREET • P.O. BOX 30473 • LANSING, MICHIGAN 48909-7957
Michigan.gov/EGLE • 800-662-9278

FR RENEWAL REQUIREMENTS



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Email reminders for renewals will be sent out approximately **one month** prior to your expiration date.

Forms Needed for Renewal:

- FR Submittal Form
- Updated FR Mechanism (required for State Financial Test)

REASONS FOR REVOCATION OF FR

- The applicant has not provided documentation that they have FR in place for their deductible amount
- The applicant did not renew their Licensing and Regulatory Affairs (LARA) Storage Tank Annual Registration which means they did not remain in compliance with the requirements of Section 21510(1)(b) of Part 215 to maintain their eligibility
- The applicant no longer owns the facility
- All the refined petroleum underground storage tanks have been removed from the facility
- All tanks have been closed in place

REASONS TO AMEND YOUR FR COVERAGE

Any Changes that Affect the Scope of Coverage

- Removal/Addition of Tanks
- Change in Substance Stored in Tanks
- Facility/Owner Name Change
- Physical Address Change (Rare)
- Tank Number Change (Rare)

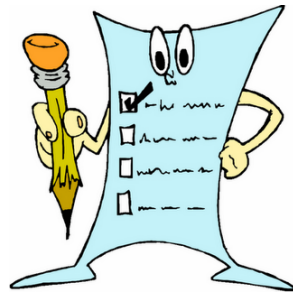
Underground Storage Tank Cleanup Fund (MUSTA) Claim Eligibility Requirements

- Releases discovered on or after December 30, 2014
- USTs are properly registered at the time of the release



MUSTA Claim Eligibility Requirements (Continued)

- FR mechanism in place at the time of the release
- Owner at the time of the discovery of the release must file the claim



MUSTA Claim Eligibility Requirements (Continued)

- Release reporting requirements must be met:
 - Confirmed release reported within **24 hours** of discovery
 - Suspected release upgraded within **24 hours** of confirmation
- The tanks and contents indicated on the submitted claim form must match the tanks and contents on the LARA release report(s)
- Subsequent releases require additional claim submittals
 - A separate form must be completed and submitted

MUSTA Claim Reimbursement Limits

- Per claim limit of \$1 million minus the appropriate deductible amount
 - \$2,000 deductible for owners and operators of 7 or less USTs
 - \$10,000 deductible for owners and operators of 8 or more USTs
- Aggregate limits for all claims for a single owner per reporting period (October 1st – September 30th)
 - \$1 million for owners and operators of 100 or fewer USTs
 - \$2 million for owners and operators of 101 or more USTs
- Aggregate limits are based on the reporting period when the release was discovered regardless of when the claim is filed, or work is performed and invoiced

Legacy Release Program Claims

- A one-time allocation of \$36 million for corrective actions for releases reported prior to December 30, 2014
- The LRP is no longer accepting new claims
- The LRP will not be extended

Public Highway Cleanup Program

- Available to local units of government and county road commissions (not MDOT) for the cost of corrective actions to manage, relocate, or dispose of any media contaminated by regulated substances left in place within a public highway



Public Highway Cleanup Eligibility

- Claim must be associated with a release of refined petroleum from an underground storage tank system being managed under Part 213
- Claim is for corrective actions completed after January 24, 2018, the effective date of the program

Public Highway Cleanup Eligibility

(Continued)

- A Public Highway Institutional Control (PHIC) or Road Dedication Letter (RDL) must be in place prior to initiation of the work and submittal of the PHC Claim
 - An Ordinance may be an acceptable institutional control in some cases
 - A copy of the PHIC, RDL, or Ordinance must be submitted to MUSTA with the PHC Claim Submittal Form for PHC Claim approval

Public Highway Cleanup Funding & Reimbursement Limits

- “Program” Funding Limit: No statutory limit
- Per Claim Funding Limit: \$200,000 with no co-pay or deductible
- Claims to date: 1

The Invoice Submittal Form



MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
UNDERGROUND STORAGE TANK AUTHORITY

UNDERGROUND STORAGE TANK CLEANUP FUND INVOICE SUBMITTAL FORM

Authority: Section 21515(12) of Part 215, Underground Storage Tank Corrective Action Funding, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended.

PLEASE REFER TO THE NOTES AT THE BOTTOM OF THE INSTRUCTIONS PAGE BEFORE SUBMITTING AN INVOICE

| | | | |
|---|-------------------------|-----------------------------------|-----------|
| MUSTA CLAIM NO: | FACILITY ID: | FACILITY NAME: | |
| CLAIMANT NAME: | | FEDERAL TAX ID NO. OF CLAIMANT: | |
| CLAIMANT ADDRESS: | CITY: | STATE: | ZIP CODE: |
| CLAIMANT CONTACT PERSON: | | PHONE NO: | E-MAIL: |
| CONSULTANT NAME: | | FEDERAL TAX ID NO. OF CONSULTANT: | |
| CONSULTANT CONTACT PERSON: | | PHONE NO: | E-MAIL: |
| WORK INVOICE NO: | FINAL INVOICE (Yes/No): | DATES OF SERVICE: | |
| DESCRIPTION OF ACTIVITIES COMPLETED DURING THE DATES OF SERVICE: | | | |
| DESCRIPTION OF HOW ACTIVITIES COMPLETED ARE CONSISTENT WITH ACHIEVING SITE CLOSURE: | | | |
| <p>For each cost contained on a consultant or contractor's invoice, the appropriate code from the MUSTA Schedule of Costs must be provided adjacent to the charge on the invoice. For items not on the MUSTA Schedule of Costs, place "NL" adjacent to the charge on the invoice.</p> | | | |

Michigan Underground Storage Tank Authority
517-284-6537

Page 1 of 5

Michigan.gov
EQP1121 (04/22/2019)

| Consultant or Contractor | Description of Activity/Charges | Amount |
|---|---------------------------------|---------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Add rows or attach additional sheet if necessary | | |
| | | INVOICE TOTAL |
| <p align="center">CERTIFICATION</p> <p>I certify that the information provided above is true and accurate and that I have and will not submit a claim or claims to an insurer or any other entity to cover expenses for which I will seek reimbursement from the Underground Storage Tank Cleanup Fund.</p> | | |
| CONSULTANT SIGNATURE: | | DATE: |
| CLAIMANT SIGNATURE | | DATE: |
| <p>Please submit completed form, invoices, and the supporting backup documentation to:</p> <p>Email: EGLE-MUSTA@Michigan.gov Fax: 517-241-7428</p> <p>Regular Mail: EGLE-Underground Storage Tank Authority, P.O. Box 30473, Lansing, MI 48909</p> <p>Overnight Mail: EGLE-Underground Storage Tank Authority, Constitution Hall, 6S, 525 West Allegan Street, Lansing, Michigan 48909</p> | | |
| <p align="center">ADMINISTRATION USE ONLY</p> | | |
| POLICY NUMBER: | ASSIGNED TO: | EQA: |

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517-284-6537

Page 2 of 5

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MUSTA is a reimbursement program

Include These Items

Invoice must include all supporting documentation, examples include:

- Waste Manifests/Landfill Tickets
- Subcontractor Invoices
- Relevant Reports
- Receipts (Hotel, Equipment, Supplies, etc.)
- Laboratory Chains of Custody
- Map of site indicating release location (or release discovery location), sample locations (MWs, SBs, VPs, etc.)
- Map of excavation details (if relevant)



Cost Guidance Documents

- Schedule of Costs
- Professional and Technician Position Classifications
- Bidding Requirements
- List of Ineligibles

Eligibility of Costs and Activities

- Costs must be reasonable and necessary
- Costs must meet MUSTA Schedule of Costs



Cost Controls

- Schedule of Costs
- List of Ineligibles
- Professional and Technician Position Classifications
- Bidding Requirements
- Volume limits on soil/liquids removal
- Cost Allocations
- Internal Audits

Updating of Schedule of Costs

- Each year the Schedule of Costs document is reviewed and updated as necessary
- Review process includes the direct involvement of consultants
- If you are a consultant and you have not been randomly selected to participate, please email your suggestions to us

Ineligible Costs

Include, but are not limited to:

- Work performed by the owner or operator or their employees
- Costs related to the testing, repair, removal, or installation of UST systems
- Site restoration costs
- Costs arising from corrective actions performed in excess of those required to obtain a restricted closure based on the land use at the time of the release
- Costs that have been or will be submitted or that have been paid pursuant to an insurance policy or other 3rd party

Eligibility of Costs and Activities

- Certain activities require competitive bidding, including but not limited to:
 - Removal of contaminated soil and liquid (detail on following slides)
 - Installation of treatment systems
 - Drilling that requires a larger rig
 - Laser-Induced Fluorescence and similar technologies
 - Mobile laboratories
 - Surveying services greater than \$2,000



Soil Removal, Transport, and Disposal

- Soil must be considered a **Source** of contamination the removal of which is necessary to achieve restricted closure
- Bidding is not required provided conditions comply with Note 4 of the Schedule of Costs, including:
 - Initial response action initiated within 21 days of reporting of the confirmed release
 - The amount of soil removed does not exceed 200 tons per tank(s) for which the release was reported with a maximum of 500 tons.
 - Complies with the Schedule of Costs

Soil Removal, Transport, and Disposal (Continued)

- Competitive bidding is required for quantities greater than 200/500 tons and any quantity excavated after 21 days of the reporting of the confirmed release.
- Quantities greater than 1,500 tons requires pre-approval from MUSTA

(List of Ineligibles, Item 27)



Liquid Recovery, Transport, and Disposal

- Bidding is not required provided conditions comply with Note 4 of the Schedule of Costs, including:
 - Initial response action initiated within 21 days of reporting of the confirmed release
 - The amount of liquid removed does not exceed 5,000 gallons
 - Complies with the Schedule of Costs
- Competitive bidding is required for quantities greater than 5,000 gallons and any quantity recovered after 21 days of reporting of the confirmed release

Main Reasons for Denied Costs

- Ineligible expenses such as UST removals, expenses incurred prior to reporting of release, site restoration
- Not having solicited competitive bids when required
- Markup on non-subcontractor charges
- Corrective actions not related to release(s) covered by an approved MUSTA Claim



The RRD and MUSTA Connection

- Liaison Group
- Claim Reviews
- Corrective Actions
- Brownfield Projects
- Public Outreach
- Anytime!



FREQUENTLY ASKED QUESTIONS

- Question: Do FR documents need to be submitted every year?
- Answer: No. Every other year, you are required to submit a Documentation of FR form along with an eligible mechanism, to provide proof of FR for the deductible amount.

FREQUENTLY ASKED QUESTIONS

- Question: Can both the owner and operator (lessor/lessee) apply for financial responsibility?
- Answer: No. Only one may apply for FR. They should look to their contract to see who is responsible for coverage and that person/entity should register as the owner with the Department of Licensing and Regulatory Affairs, Bureau of Fire Services Storage Tank Division (LARA) and then apply for coverage with MUSTA.

FREQUENTLY ASKED QUESTIONS

- Question: How much is the premium?
- Answer: There is no premium paid to MUSTA.

FREQUENTLY ASKED QUESTIONS

- Question: How much is the deductible?
- Answer: The deductible is determined on the total number of tanks an owner/operator (O/O) is affiliated with and/or operates.
 - 7 or Less Tanks, Deductible is \$2,000
 - 8 or More Tanks, Deductible is \$10,000

Frequently Asked Questions

- *Question:* How much soil may be removed without bidding as part of an initial response action?
- *Answer:* Up to 200 tons per tank as indicated on the claim (maximum 500 tons per facility) provided that actions meet the definition of an initial response per the Schedule of Costs Notes.

Frequently Asked Questions

- *Question:* What do we do if an item is not on the Schedule of Costs?
- *Answer:* Identify the item on the invoice as “NL”. Charges will be reimbursed at rates determined to be reasonable by the MUSTA Administrator.

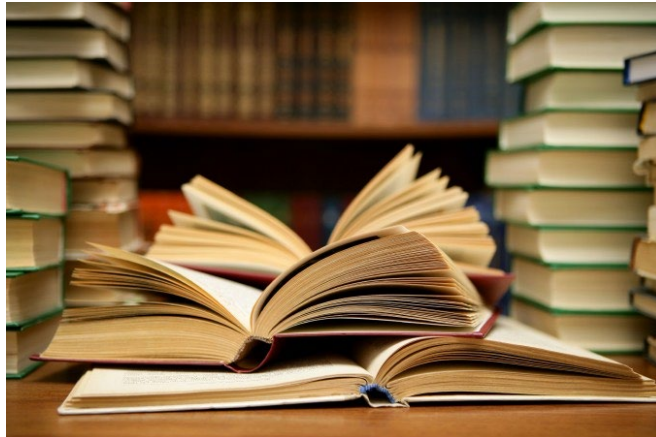
Frequently Asked Questions

- *Question:* Can an approved USTCF claim be transferred?
- *Answer:* Yes, an owner or operator with an approved MUSTA claim who sells or transfers the property that is subject of the approved claim may assign or transfer the approved claim to the new owner. The Transfer of Claim Submittal Form can be found on the MUSTA webpage.

Questions?

Sources of MUSTA Information

- MUSTA Webpage
- Sign up for our Email list at:
Michigan.gov/EGLEConnect



More Sources

- Call Us If You Have Questions!



MUSTA Environmental Quality Analysts (EQAs)

- Nikolas Hertrich, HertrichN@Michigan.gov; (517) 294-6395
- Lisa Noblet, NobletL1@Michigan.gov; (248) 880-6385
- Roy Hoin, HoinR@Michigan.gov; (616) 302-5336
- Troy Techlin, TechlinT@Michigan.gov; (517) 599-9873

Thank You!

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