

**DELAWARE HAZARDOUS SUBSTANCE CLEANUP ACT  
EXPENDITURE PLAN**

*FISCAL YEAR 2004*



**STATE OF DELAWARE  
DEPARTMENT OF NATURAL RESOURCES  
AND ENVIRONMENTAL CONTROL  
Division of Air and Waste Management  
Site Investigation & Restoration Branch**

*John A. Hughes  
Secretary*

**JUNE 2003**

## A Message from the Secretary

The Department of Natural Resources and Environmental Control (the Department) is committed to implementing Delaware's Hazardous Substance Cleanup Act (HSCA). Historically, the Department's energies have been focused on highly contaminated sites that had a more immediate impact on public health and the environment. As those sites have been addressed, attention has turned to sites with a lower level of contamination which may pose a more chronic threat due to long-term exposure. More recently, the Department's program has been expanded to address many idle or abandoned properties, known as Brownfields, which have been cleaned up and now serve as a benefit to their communities. These efforts are complemented by the creation of new jobs as new industries establish themselves and help revitalize the surrounding communities. In addition, the use of Brownfields instead of pristine areas or "greenfields," results in the continued preservation of Delaware's precious open space.

Over the past year, the Department and the Delaware Economic and Development Office (DEDO) have offered Brownfields grants to many new businesses interested in redeveloping property which was suspected to contain chemical contamination. The continued support and strength of Delaware's Brownfields grant program has been a major component of the Department's success in cleaning up contaminated properties. The Department has also revised its mixed funding policy, which was used to provide much needed funding assistance to non-profit agencies and municipal governments such as the City of Wilmington for the investigation and remediation of contaminated property. The Department's revision to the policy will allow HSCA funding to be used as a source of additional grant funds for certified Brownfields projects. These efforts, combined with existing financial incentives, will make it easier for interested parties to obtain the funding that they need to clean up contaminated property, resulting in land revitalization.

There have been several large Brownfields projects in the Wilmington area such as the cleanup of the former Delaware Oldsmobile site and the remediation of the northern end of Fox Point Park. Other efforts this year include the tannery initiative in the City of Wilmington, Cannery Village in Milton, Lewes Boatyard in Lewes, and Capital Scrap/Dover West Gateway in Dover. In addition, the Riverfront Development Corporation (RDC) and the Department continue to partner in enhancing Wilmington's Riverfront area. Current projects include the development of the Russell Peterson Urban Wildlife Refuge and the redevelopment of properties along A Street, which will be the first residential development project in the Riverfront area, as well as the first redevelopment project undertaken on the southern side of the Christina River.

Many properties in Delaware have been investigated and cleaned up using the HSCA program. HSCA funding has also been used for the continued support of the U.S. Environmental Protection Agency's (EPA's) removal action at the Metachem facility in Delaware City. The Metachem site is also a Federal Superfund site in which the EPA has taken the lead. This means that the State of Delaware will be required to provide a ten percent match to the dollars EPA spends remediating the site, involving some fairly major expenditures out of HSCA. The Department has been involved in other plant shutdowns as well this year including the General Chemical Plant in Claymont and the Kaneka Plant in Delaware City. Delaware is fortunate to have responsible corporate owners at these two sites that are committed to the costs of decontamination and remediation at these two facilities.

With all the positive work the Department has and will continue to undertake through HSCA, there is a note of caution. Our \$22,000,000 carryover from FY 02 to FY 03 will be reduced to just over \$4,000,000 in FY 08. Major projects, such as Metachem, and the implementation of the Mixed Funding Policy and the Brownfields Grants, have put a strain on the HSCA fund. Reduced carryover also means a reduction in interest on deposits, especially with the recent drop in interest rates. The Department fully intends to take steps to prevent any unnecessary expenditures from HSCA, such as implementing the recommendations of the Governor's Task Force on Responsible Management of Facilities Handling Hazardous Products.

We would like take this opportunity to thank Governor Minner and the General Assembly for their continued leadership and support. We are aware of the challenges before us and will continue to strive for successful programs that improve the environment, protect public health, benefit Delaware's communities, and achieve Delaware's economic goals.

John A. Hughes, Secretary  
Department of Natural Resources and Environmental Control

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## ATTACHMENTS

**Attachment A:** Audit Report

**Attachment B:** Organizational Chart of the Site Investigation & Restoration Branch.

**Attachment C:** Glossary

## 1.0 INTRODUCTION

The Delaware Hazardous Substance Cleanup Program, also known as the State Superfund Program, is managed by the Department of Natural Resources and Environmental Control (DNREC), Division of Air and Waste Management, Site Investigation & Restoration Branch.

7 Del. C. Section 9104 (c) (2) of the Delaware Hazardous Substance Cleanup Act requires the Secretary of DNREC to prepare an annual budget for the proposed use of the Hazardous Substance Cleanup Fund. The following report, prepared for the Governor and the Delaware General Assembly, represents DNREC's Hazardous Substance Cleanup Program expenditure plan for fiscal year 2004.

The goal of the Department in developing and updating this expenditure plan is to provide the legislature, other interested parties and agencies, as well as the general public, with a complete and accurate description of the Department's plans for investigating and remediating hazardous substance release sites in Delaware. The plan identifies hazardous substance release sites targeted for cleanup under State Cleanup Fund Lead, enforcement programs, and in the Voluntary Cleanup Program over the next five years.

It is important to note that during the course of a fiscal year, it becomes necessary to engage in activities which were unknown and difficult to predict at the time the annual expenditure plan was drafted (e.g., interim response actions, imminent danger abatements, etc.). Although these activities are difficult to forecast in the expenditure plan for a fiscal year, the Department accounts for such activities at the end of the fiscal year as represented in Section 3 (Accomplishments During Fiscal Year 2003) of this plan. The Department lists all activities conducted for the past year in accordance with 7 Del. C. Chapter 91, Section 9113(e), whereby the Secretary of the Department must seek approval from the Speaker of the House and the President Pro Tempore of the Senate for any expenditures from the Delaware Hazardous Substance Cleanup Fund not budgeted for in the annual expenditure plan. The Department assures that all expenditures are made in accordance with the expenditure plan budget and as necessary, to carry out the purposes of 7 Del. C. Chapter 91. The Department has never exceeded the expenditure budget in any of the years since the inception of HSCA. However, the number of sites addressed during a year may have varied from what was budgeted for that year.

This document has been broken down into several sections. A detailed discussion of the Delaware Hazardous Substance Cleanup Program has been included in Section 2. Section 3 outlines the site-specific and program-related accomplishments of the program during FY 2003. Other program sites addressed during FY 2003 are discussed under Section 4. The projected goals and objectives for the next five years are discussed under Section 5.

The plan also includes a write-up on the Early Compliance Detection Incentive (ECDI) and First Fund Programs within our Tanks Management Branch under Section 6. The ECDI Program provides reimbursements to responsible parties that have registered their petroleum tanks for inclusion in the program and have completed one or all of the remediation requirements at a given facility. In the FY 2000 appropriation act, the General Assembly authorized up to \$500,000 each fiscal year from the HSCA fund be used to address the removal and remediation

of orphaned and abandoned UST systems in the state. The Department named the program "FIRST Fund" and on March 15, 2000 the FIRST Fund policy and procedures were adopted.

Section 7 of this document lists the provisional expenditures for FY 2003 and a budget for FY 2004 through FY 2008.

Section 9104 (c) (2) of HSCA also requires an audit of the fiscal affairs to be conducted annually, and the submission of the audit report to the Governor and the Delaware General Assembly on an annual basis. Please refer to Attachment A (Audit Report) for audits conducted for the fiscal affairs of FY 2002.

## **2.0 THE SITE INVESTIGATION AND RESTORATION PROGRAM**

### **2.1 The Delaware Hazardous Substance Cleanup Act (HSCA)**

The Delaware Hazardous Substance Cleanup Act (HSCA), 7 Del. C. Chapter 91, was passed by the Delaware General Assembly in July of 1990 and was amended thereafter in June of 1993, July of 1995, and finally in June of 2000. These amendments promote the voluntary cleanup of contaminated sites, especially the underutilized Brownfields, thereby preserving greenfields. The HSCA statute gives DNREC the ability to ensure cleanup of facilities with a release or a threat of release of hazardous substances. The main objective of HSCA is to enable DNREC to address those sites not remediated under the federal Superfund program. DNREC has identified approximately 324 sites in Delaware as potential hazardous substance release sites.

The program is funded by levying a 0.9% tax on all taxable gross receipts from the sale of petroleum or petroleum products, with the exception of crude oil. The State Program requires potentially responsible parties to pay for the costs associated with investigating, and if necessary, cleaning up a site. If a potentially responsible party cannot be identified or is unable to pay for the cleanup, monies from the HSCA Fund are utilized to perform the cleanup at the site.

### **2.2 The Delaware Regulations Governing Hazardous Substance Cleanup**

The HSCA requires the Secretary of DNREC to promulgate regulations in order to establish procedures governing site cleanups. The Delaware Regulations Governing Hazardous Substance Cleanup (Regulations) were promulgated by DNREC on January 12, 1993 and amended on April 7, 1994, April 7, 1995, September 1996, and January 2002, respectively. These regulations describe the entire cleanup process, from the identification of a site to its final cleanup, as well as provide a definition and criteria for Brownfields.

Any facility with a release or imminent threat of release may go through one or more of the following steps:

- Facility Identification: Facilities will be identified through a variety of mechanisms, such as complaints from the public, and reports from DNREC, other state agencies or parties.

- Initial Investigation: The purpose of an initial investigation is to determine if a release or imminent threat of release of hazardous substances may have occurred that warrants further action, such as a field visit and examination of existing records.
- Facility Evaluation: The Department or any person may conduct a facility evaluation to confirm the release or imminent threat of release of hazardous substances at a facility, and develop information to evaluate threat to public health or welfare or the environment.
- Identification and Notification of Potentially Responsible Parties (PRPs): The Department shall initiate actions to identify and notify the potentially responsible parties associated with a facility where a release or imminent threat of release of hazardous substances has been confirmed.
- Priority List: The Department will prepare a priority list of facilities, from the inventory of hazardous substance release sites, where further action is necessary.
- Negotiations with Potentially Responsible Parties: The Department may require the potentially responsible parties to perform response actions by issuing a letter inviting negotiations towards preparation of a settlement agreement. If the potentially responsible parties and DNREC fail to reach a settlement agreement within 90 days, the Secretary may issue an administrative order after a hearing, or may initiate cleanup using the Hazardous Substance Cleanup Fund and pursue recovery of costs from the responsible parties. However, the Department may at any time carry out a response action at a facility, if the potentially responsible parties have not carried out the response action in a timely manner or if no potentially responsible parties can be identified.
- Remedial Investigation: A remedial investigation may be conducted at a facility to clearly describe the risks to public health, welfare or the environment, and to identify the specific problems requiring remediation. This is usually the first phase of a response action at a facility pursuant to a settlement agreement. This step involves extensive field sampling of the different media and analyses of the samples.
- Feasibility Study: A feasibility study follows a remedial investigation at a facility, and identifies the remedial alternatives appropriate to the site.
- Plan of Remedial Action: The Department shall prepare a proposed plan of remedial action outlining the alternative chosen by the Department, and provide for public notice and opportunity to comment. After review and consideration of the comments received, the Department shall issue a final plan of remedial action.
- Remediation: Based on the final plan of remedial action, the selected remedy is implemented at a facility. This process consists of distinct phases:

*Remedial Design*: This phase consists of preparation of engineering design reports and construction plans and specifications.

*Remedial Action:* This refers to the actual implementation of the remedy in accordance with the construction plans and specifications.

*Operation and Maintenance (O&M) and Compliance Monitoring:* O&M involves actions to maintain the effectiveness of the remedial action, whereas compliance monitoring verifies the attainment of cleanup levels and the long-term effectiveness of the remedial action.

- Interim Response Activity: The Department may require or conduct an interim action at any time before the selection of a remedy to prevent, minimize or mitigate harm to public health, welfare or the environment.

### **2.3 Voluntary Cleanup/Brownfields Program**

The Delaware Voluntary Cleanup/Brownfields Program was developed in order to achieve the broad goal of wise land use throughout the State. It supports sound land use management with an emphasis toward sustainable economic redevelopment. Since 1993, the State of Delaware has been redirecting resources to support the rehabilitation and reuse of industrial and commercial properties, which have historically been abandoned or underutilized as a consequence of environmental contamination. In the past, the private sector's interest in purchasing and revitalizing these properties was often diminished due to the liability and cleanup costs associated with re-use of contaminated sites.

Delaware's Voluntary Cleanup Program began in August of 1993. While the developers' fear of liability could be allayed through their participation in this program, obtaining funds to cover the costs of property acquisition, cleanup and redevelopment, was still a challenge. This gave rise to the Brownfields Program in 1995 to promote the reuse of old and abandoned industrial sites. Under this program, the State provides incentives to the business community in the form of tax credits and financial assistance.

Both programs have been successful in attracting businesses to Brownfields areas. Since the inception of the programs, 167 sites have entered the program; 112 sites are currently undergoing cleanup; and 69 sites have been cleaned up for reuse. This has resulted in the reuse of 1,400 acres of abandoned and/or underutilized properties.

### **2.4 Ranking of Sites**

Under the HSCA program, hazardous waste sites are ranked in the following order:

- (1) Sites, which pose an imminent threat to public health, welfare and the environment.
- (2) Sites under the Voluntary Cleanup Program where the private parties volunteer to investigate and cleanup a site, and are willing to expend monies up front for the project.
- (3) Other HSCA sites which need attention but are not known to pose an imminent threat to public health, welfare and the environment.

In FY 1994, the Department developed the Delaware Hazard Ranking Model to rank sites based on the relative degree of risk posed by the sites to public health, welfare and the environment. Using this ranking model, all of the sites have been prioritized. The majority of the sites scheduled for investigation and remediation in the future are sites that have undergone some limited investigations under the Federal Superfund Program.

## **2.5 Cleanup Assumptions, Complexities and Delays**

The Department believes that this report is based on reasonable and sound assumptions, and that the cleanup projections indicated are the most accurate that can be made at this time, on the basis of the current information. However, a number of variables, which could cause significant differences in actual versus projected site cleanup activities exist. Sometimes site investigations and cleanup activities can take years to complete. Technical complexities arise during the investigation, design and final cleanup phases. This is particularly true of sites involving contaminated groundwater in geologically complex situations or when new treatment technologies are being applied. For example, hazardous substance release sites currently believed to be of moderate size and complexity could be discovered to be large and highly complex as a result of a more extensive study (remedial investigation/ feasibility study). Similarly, sites that are currently projected for responsible party-financed cleanup could become state-financed sites and vice versa.

Finally, with the growth of the Voluntary Cleanup Program, it is difficult to predict the number of sites that will enter and be addressed under the program because a number of factors such as the economy, local land use decisions and intentions of the developer impact when the work will be performed.

## **2.6 Public Involvement**

Another critical part of the HSCA Program is the public information process. HSCA mandates public notice at various times during the site investigation and cleanup process. The Department maintains an active community relations program for all sites under its jurisdiction. In addition to the provisions for public input in both the HSCA and the Delaware Regulations Governing Hazardous Substance Cleanup; local meetings, fact sheets, newsletters, as well as "door-to-door" canvassing are some of the other methods used by the Site Investigation & Restoration Branch to keep the public informed of site activities. The Branch strongly believes in maintaining close ties with all stakeholders in this process.

## **2.7 Organization of the Site Investigation and Restoration Program**

As stated earlier, primary responsibility for implementation of the HSCA lies within DNREC's Division of Air and Waste Management, Site Investigation & Restoration Branch (SIRB). There are currently 32 positions in SIRB. Of these, 12.0 are funded by the EPA and 1.5 by the Department of Defense through Cooperative Agreements; 2 through General Funds; and 16.50 through the Hazardous Substance Cleanup Act (HSCA) Fund and from reimbursements by private parties for oversight of cleanup of their sites. Attachment B depicts the organization of the Branch. In addition, these funds also support positions within other branches. This includes 1 position in the Emergency Response Branch funded by EPA; 1.5 positions in Accounting

funded by EPA; 1.5 positions in Accounting funded by the HSCA Fund; and 1 position in Enforcement funded by the HSCA Fund. Additionally, SIRB funds 1.0 FTE in the Department of Justice for a Deputy Attorney General (DAG). Funding for the DAG position is divided between the EPA through the Core Cooperative Agreement and the HSCA fund. Finally, there are 3 positions within the Underground Storage Tank Branch funded by the HSCA Fund to cleanup leaking underground storage tank sites.

### **3.0 ACCOMPLISHMENTS DURING FISCAL YEAR 2003**

Fiscal year 2003 was a year of many accomplishments while trying to re-focus the Site Investigation and Restoration Branch. In addition, adjusting to the slow-down of not only the national economy, but also the State of Delaware's economy, impacted the type and number of accomplishments. The following pages describe the accomplishments of the program, both site-specific and program-related.

#### **3.1 Site-Specific Accomplishments**

Each year in the annual expenditure plan, the HSCA Program, in accordance with 7 Del. C. Section 9104(c), attempts to project the goals related to site investigation and remedial activities for the upcoming fiscal year. In evaluating these projections, three critical assumptions must be recognized: (1) the potentially responsible parties are willing to enter into settlement agreements with the Department, (2) that the sites are not highly complex and do not require extensive investigative activities, and (3) the specific phase or activity will occur within a period of time typical for that activity.

While the Department was able to exceed projected commitments of completion for 3 categories, the completion goals for the other two categories were not satisfied due to site-specific circumstances. The primary difficulty encountered was working with responsible parties that were experiencing, or claiming to experience, difficulties in being able to pay for the required investigation or remedial costs associated with cleanup activities. Further, some sites were found to be more complex than others and, therefore, involved more investigative and remedial activities. Consequently, it took the Department longer to complete activities at many sites.

This year, the program experienced an increase in the demand for Department oversight of investigative and remedial activities under the Voluntary Cleanup Program (VCP). The Department, under a policy signed by the Secretary, has assigned a high priority for sites addressed under the VCP. Cleanup of sites under the VCP not only protects public health and the environment, but also promotes the reuse of Brownfields sites for commercial and industrial activities, thereby preserving pristine areas or greenfields.

The following table compares the projected goals with the actual accomplishments for fiscal year 2003:

HSCA SITE SUMMARY FE/RI/FS ACTIVITIES		
PHASE OF CLEANUP	PROJECTED	ACCOMPLISHED
FE/RI/FS (Fund Lead)		
On-Going	9	20*
Complete	5	8
FE/RI/FS (PRP Lead)		
On-Going	12	24
Complete	6	3

\* It should be noted that several of these projects involved multiple properties. One project consists of the investigation of 53 former tannery complexes involving over 400 current properties. Another project included the continued testing of sources of public drinking water, which is both treated and untreated water.

HSCA SITE SUMMARY RD/RA INTERIM ACTION ACTIVITIES		
PHASE OF CLEANUP	PROJECTED	ACCOMPLISHED
RD/RA/Interim Action (Fund Lead)		
On-Going	2	9
Complete	1	3
RD/RA/Interim Action (PRP Lead)		
On-Going	5	11
Complete	1	2

VCP SITE SUMMARY OF ACTIVITIES		
Status Of Activities	Projected	Accomplished
On-Going Investigation and Cleanup Activities	66	65
Completed Investigation and Cleanup Activities	16	14

The following is a list of sites where cleanup activities were initiated, are on-going, and/or were completed during FY 2003:

PHASE OF CLEANUP	STATUS	FY 2003 ACCOMPLISHMENTS
FE/RI/FS (Fund Lead)	Complete through NFA	Bell Property (former solid waste disposal site)
		Christina Mall (former solid waste disposal site)
		Delaware Correction Center (former solid waste disposal site)
		Mansion Farms Community Open Space
		Nanticoke River Marina
		Route 9 TCE in private well
		Thomas Cove Community Open Space
		Townsend Ingram Pond (former solid waste disposal site)
		FE/RI/FS (Fund Lead)
Dry Cleaner Vapor Intrusion Survey		
Fawcett Property, Old Churchmans Marsh		
Former Tannery Sites in Wilmington (53 sites; 13 high priority former tanneries had surface soils investigated)		
Former W.B. Clerk Morocco Manufacturing Co. Site		
General Chemical (assist RCRA as needed)		
Gumboro Former Solid Waste Disposal Site		
Hamilton Park Residential Community		
Healthways OU2 Wetlands Area		
Krewatch Farms		
Lewes Coal Gas		
Metachem		
Millsboro Dump Site		
Nanticoke River Marina		
Lilly Fasteners		
Lucas Trailer Park		
St. Georges Bridge		

PHASE OF CLEANUP	STATUS	FY 2003 ACCOMPLISHMENTS
		Syntech
		Riverfront West Sites (6 potential sites)
		Town of Elsmere Property
FE/RI/FS (PRP Lead)	Complete through final plan or NFA	Denton Landfill
		Former Amoco Polymer Plant OU 1
		Reichhold Chemical Inc.
FE/RI/FS (PRP Lead)	On-Going	100 Walnut Street
		American Scrap and Waste Company
		Army Creek Marsh
		CitiSteel
		Christina Park
		Cress Collision Services, Inc.
		Former Amoco Polymer Plant OU 2
		George Gray School
		Harry Wood Landfill
		ICI Americas Inc. Atlas Point Site
		Jackson Pit
		Joe White Ballfield
		Kruse Playground
		Necastro Auto Salvage
		Old Incinerator Ash Landfill
		St. Georges Bridge
		Stadium Site
		Summit Landfill
		Sussex County Landfill #1, Bridgeville
		Amp Circuit
		Christina Labs
		Sussex County Landfill #2, Stockley

PHASE OF CLEANUP	STATUS	FY 2003 ACCOMPLISHMENTS
		Sussex County Landfill #3, Angola
		Sussex County Landfill #6, Omar
INTERIM ACTION RD/RA (Fund Lead)	Complete	Helen Chambers Park final cleanup actions
		Hamilton Park (2 interim actions at day care facilities)
		Route 9 TCE in private well (home treatment installed)
INTERIM ACTION RD/RA (Fund Lead)	On-Going	Capitol Cleaners
		Fox Point Park Phase II
		Georgetown Cleaners
		Healthways OU2, Wetland areas
		Meco Drive
		Milford Mosquito Control Shop
		Seaboard Lumber
		Syntech
		Toni Dry Cleaners
INTERIM ACTION RD/RA (PRP Lead)	Complete	St. Georges Bridge (soil cleanup at 13 residential properties)
		Reichhold Chemical
INTERIM ACTION RD/RA (PRP Lead)	On-Going	Army Creek Marsh
		Clayville Dump
		Denton landfill
		DP&L Indian River
		Former Amoco Film Plant
		Former Amoco Polymer Plant
		Former DP&L Substation – Elsmere
		Fox Point Phase II
		ICI Americas Atlas Point
		NVF Yorklyn (EPA removal)
		Potts Property

PHASE OF CLEANUP	STATUS	FY 2003 ACCOMPLISHMENTS
VCP Sites	Complete through Final Plan	200 South Market Street
		201/205 A Street (final plan issued and then amended)
		210 Greenhill Avenue
		524 South Walnut Street
		560 Terminal Avenue
		207 A Street
		Bancroft Mills
		Bayshore Car and Truck
		Chadwick Apartments
		Clayville Dump
		Delaware Job Corps
		DelDOT West Street Connector
		King Cole Cannery (Cannery Village)
		Peninsula Park OU-2 LLC
VCP Sites	On-Going	121 N. Poplar Street
		12 <sup>th</sup> Street Drum
		12th Street Associates
		207 A Street
		415-427 Tatnall Street
		503 South Market Street
		A.M. Domino Jr. Salvage Co.
		A-1 Auto Parts
		Amer Industrial Technologies
		American Tank Cleaning
		Amtrak Refueling Facility
		Babbs Property
		Berger Brothers
		Brandywine Fibers

PHASE OF CLEANUP	STATUS	FY 2003 ACCOMPLISHMENTS
		Budd Metal
		Capital Scrap
		Caspers Auto Salvage
		City of Dover Public Works
		Cobra Machine and Fabrication
		Del Chapel OU4
		Delaware Car Company
		Diamond Oil
		Don Wilson Auto Parts
		Dover Public Works
		Dravo Amer/Dravo Harbor Associates
		Dravo Shipyard – Harbor Associates
		Eagle Run
		East 7 <sup>th</sup> Street Drum Site
		Electric Hose and Rubber
		Estate of Lester Nolan
		Former Amoco Polymer Plant
		Former DP&L Substation Holly Oak
		Former Dover Ice Plant
		Former Sunoco Tank Farm
		Fourth Street Bridge
		George Gray School
		Georgetown Coal Gas
		Harper Thiel
		Hessler Property
		Juniors Auto Parts
		Kenton Landfill, Houston
		Krieger Finger
		Merkin Auto Spring Company

PHASE OF CLEANUP	STATUS	FY 2003 ACCOMPLISHMENTS
		New Castle Fire School
		Newport Boat Ramp
		Newark Bikeway
		Newark Landfill
		NVF Company, Newark
		Old Limestone Road Garage
		Peninsula Park, LLC
		Penn Del
		Petrillo Property
		Port of Wilmington
		Riverfront Office Building
		Route 4 Orchard
		Sardo and Sons OU2
		Schusters Auto Salvage
		Scull Property
		Two Guys Auto Parts
		Vets Welding
		Wilmington Coal Gas Northern Section
		Wilmington Coal Gas Southern Section
		Wilmington Public Works Yard
		Wilmington Rolling Mill
		Wilmington Transit Center

### 3.2 Program-Related Accomplishments

- Brownfields

DNREC drafted Brownfields enabling legislation that will assist us in our efforts to redevelop contaminated properties. This legislation provides liability protection similar to that of the federal Small Business Liability Relief and Brownfields Revitalization Act amendment to CERCLA. The amendment also lends clarity to the definition of innocent land owner, prospective purchaser and contiguous properties.

In FY03, SIRB secured a \$200,000 grant from EPA entitled the "Brownfields Job Training and Development Demonstration Pilot." The goal of this pilot is to provide training to residents in communities impacted by Brownfields. Specifically, the pilot partners (DNREC SIRB, the Department of Labor, the City of Wilmington, New Millennium- Community Development Corp., and Delaware Technical & Community College) created a Brownfields technician certificate program whereby eligible residents of the City of Wilmington are offered environmental training in several key fields that have significance in the communities in which they live. Seven participants completed all of the requirements of the course and received their Brownfields Technician certificate in December 2002. The grant will continue in FY04.

- EQuIS Computer System:

DNREC has continued to invest in new technology to aid in speeding up the review time of environmental clean-up work plans and reports, which reduces the cost of oversight of clean-up activities associated with the VCP and HSCA enforcement programs. DNREC is now capable of receiving analytical and geological information in an electronic format using customized software for data storage and management. The data management tool used by DNREC is known as the Environmental Quality Information System, or EQuIS. Over the last year, DNREC has developed and published guidance documents and trained consultants and staff on how to put together an electronic data package for submittal. During the next year, DNREC will require all of the environmental reports that we receive to be submitted electronically. By using this system, DNREC will aid the public by making this information available through our web site.

- Public Outreach Efforts:

The Site Investigation & Restoration Branch has continued its effort to educate the public on the Superfund process. Much of this effort over the past year has been in providing information to schools, students, local residents, and public officials. The Branch provided technical support at a University of Delaware Brownfields and Environmental Justice certificate program in February 2003. This program is aimed at urban community leaders in an effort to educate them about Brownfields and local economic development issues. Also, in October 2002, SIRB, through the Core grant, provided funding to co-sponsor with the University of Delaware a one-day Brownfields and Environmental Justice symposium. The symposium was designed to educate urban community leaders about the new federal Brownfields law and how the new law would affect State programs. In addition, DNREC's Brownfield Coordinator gave a presentation at the symposium.

In FY03, the Branch participated in Career Day and Science Alliance activities at various schools throughout the State. The Branch also participated in DNREC's annual Water Festival held at Pea Patch Island, Coast Day, and Delaware State Fair celebrations.

DNREC continued to have a good working relationship with the City of Wilmington, as expressed in the Memorandum of Understanding (MOU) between DNREC and the City.

#### 4.0. OTHER PROGRAM SITES ADDRESSED DURING FISCAL YEAR 2003

The table below lists sites to which a HSCA funded position may have charged time. The programs include the EPA National Priority List (NPL), Department of Defense (DOD) Air Force and Formerly Used Defense Sites (FUDS), Federal Fish and Wildlife (F&W), EPA Pre-Remedial Brownfields Preliminary Assessments (BPA), Site Investigation (SI), and FUDS sites. DNREC has oversight responsibilities for all of these sites.

SITE STATUS / PHASE	FY 2003 ACCOMPLISHMENTS
NPL SITES (ON-GOING)	
	Sussex County Landfill #5
	Harvey & Knott Drum
	Harbeson Dead Swan
	Army Creek Landfill
	Cokers Landfill #1 & #2
	Delaware City PVC Plant
	Wildcat Landfill
	Delaware Sand & Gravel Landfill
	Tybouts Corner Landfill
	Metal Masters
	Dover Gas Light Company
	Halby Chemical
	E.I. duPont, Newport Landfill
	Standard Chlorine Co. /Metachem
	Koppers Co. Facilities
	Dover Air Force Base
	NCR Corp.
	Chem-Solv Inc.
DOD GRANT AIR FORCE SITES (ON-GOING)	
	Delaware Air National Guard, Greater Wilmington Airport
	Dover Air Force Base
DOD GRANT FUDS SITES (ON-GOING)	
	Dover Survival Training Annex
	Fort Miles Military Reservation
	New Castle Army Airfield
	Delaware Target Areas (Bethany Beach)
	Big Stone Beach Fire Control Station
	Fort Saulsbury
	Army National Guard Facility #14
	Wilmington National Guard Site
FEDERAL F & W AGENCY	
	Prime Hook Refuge Area

SITE STATUS / PHASE	FY 2003 ACCOMPLISHMENTS
PRE-REMEDIAL SITE	Borden Chemical
INSPECTIONS	Glasgow Drive Dump
COMPLETE	Newark Housing Authority
	Herbicide Spill Site
	New Castle Deemer Steel Plant
	Travalini Site
	Industrial Products
ON-GOING	Sun Oil Facility
	Newark Concrete
	Capital Recovery
	Chapman's Borrow Pit
	Reevis & Reevis Clay Pit
	Delecote/Eastwind
	Homalite Site
PRE-REMEDIAL	Purina Tower A
BROWNFIELD	Purina Tower B
PRELIMINARY	
ASSESSMENTS –	
COMPLETE	
	Kuhn Property (old incinerator)
	Cochran & Trivits Firestone
	1201 Northeast Blvd.
	Estate of William Ward
ON-GOING	Wilmington Skate Park
	JB Dry Cleaners
PRE-REMEDIAL	
FORMERLY USED	Broadkill Beach Fire Control Station
DEFENSE SITES –	
COMPLETE	
	Bethany Beach Gap Filler Annex
	Fowler's Beach Fire Control Station #10
	Cape Henlopen Fire Control Station
	Governor Bacon/Fort DuPont
ON-GOING	Fort Miles Station Hospital (Cape Henlopen State Park)

**5.0 FIVE-YEAR PROJECTED CLEANUP GOALS AND OBJECTIVES  
(FY 2004 - FY 2008)**

**5.1 Five-Year Projected Cleanup Plans (FY 2004 – FY 2008)**

The following represents projected phases of investigative and remedial activities for currently identified sites during FY 2004 through FY 2008. These projections are based on several assumptions (e.g., the site will require additional phases of investigation, the site will require some degree of remediation, etc.), and are therefore difficult to confirm until the results from a particular phase are assessed. (Section 2.0 discusses the steps and factors involved in the cleanup process). The Department will use the following schedule as a guide and will make the necessary adjustments to this schedule by incorporating actual site-specific information as it becomes available.

PHASE OF CLEANUP	FY2004	FY 2005	FY 2006	FY 2007	FY 2008
FE/RI/FS (State/Fund Lead)	5 complete 8 on-going 1 commence	5 complete 4 on-going 7 commence	5 complete 6 on-going 5 commence	5 complete 6 on-going 5 commence	5 complete 6 on-going 5 commence
FE/RI/FS (HSCA PRP Lead)	4 complete 15 on-going 2 commence	5 complete 12 on-going 5 commence	5 complete 12 on-going 5 commence	5 complete 12 on-going 5 commence	5 complete 12 on-going 5 commence
PHASE OF CLEANUP	FY2004	FY 2005	FY 2006	FY 2007	FY 2008
RD/Remedial Action /Interim Action (State/Fund Lead)	2 complete 5 on-going 1 commence	2 complete 4 on-going 1 commence	2 complete 3 on-going 1 commence	2 complete 2 on-going 1 commence	1 complete 2 on-going 1 commence
RD/Remedial Action /Interim Action (HSCA PRP Lead)	1 complete 6 on-going 1 commence	2 complete 5 on-going 2 commence	2 complete 5 on-going 2 commence	2 complete 5 on-going 2 commence	2 complete 5 on-going 2 commence
FE/RI/FS (VCP)	9 complete 50 on-going 6 commence	9 complete 47 on-going 10 commence	9 complete 48 on-going 10 commence	9 complete 49 on-going 10 commence	9 complete 50 on-going 10 commence
RD/Remedial Action /Interim Action (VCP)	3 complete 3 on-going 1 commence	1 complete 3 on-going 2 commence	1 complete 4 on-going 2 commence	2 complete 4 on-going 2 commence	2 complete 4 on-going 2 commence

## 5.2 Site Specific Goals for Fiscal Year FY 2004

The following table lists the site-specific goals for FY 2004.

TYPE OF SITE	SITE NAME
HSCA Fund Lead	Dravo Marsh
	Dry Cleaners Vapor Intrusion Survey
	Fawcett Property, Old Churchmans Marsh
	Former Tannery Sites in Wilmington (53 sites; 13 high priority former tanneries had surface soils investigated)
	Former W.B. Clerk Morocco Manufacturing Co. site
	General Chemical (assist RCRA as needed)
	Gumboro Former Solid Waste Disposal Site
	Hamilton Park Residential Community
	Healthways OU2 Wetlands Area
	Krewatch Farms
	Lewes Coal Gas
	Metachem
	Millsboro Dump Site
	Nanticoke River Marina
	Lilly Fasteners
	Lucas Trailer Park
	St. Georges Bridge
	Syntech
	Riverfront West Sites (6 potential sites)
	Capitol Cleaners
	Fox Point Park Phase II
	Georgetown Cleaners
	Healthways OU2, Wetland areas
	Meco Drive
	Milford Mosquito Control Shop
	Seaboard Lumber

TYPE OF SITE	SITE NAME
	Syntech
	Toni Dry Cleaners
	Town of Elsmere Property
HSCA PRP Lead	100 Walnut Street
	American Scrap and Waste Company
	Army Creek Marsh
	CitiSteel
	Christina Park
	Cress Collision Services, Inc.
	Former Amoco Polymer Plant OU 2
	George Gray School
	Harry Wood Landfill
	ICI Americas Inc. Atlas Point Site
	Jackson Pit
	Joe White Ballfield
	Kruse Playground
	Necastro Auto Salvage
	Old Incinerator Ash Landfill
	St. Georges Bridge
	Stadium Site
	Summit Landfill
	Sussex County Landfill #1, Bridgeville
	Amp Circuit
	Christina Labs
	Sussex County Landfill #2, Stockley
	Sussex County Landfill #3, Angola
	Sussex County Landfill #6, Omar
	Army Creek Marsh
	Clayville Dump

TYPE OF SITE	SITE NAME
	Denton Landfill
	DP&L Indian River
	Former Amoco Film Plant
	Former Amoco Polymer Plant
	Former DP&L Substation – Elsmere
	Fox Point Phase II
	ICI Americas Atlas Point
	NVF Yorklyn (EPA Removal Action)
	Potts Property
VCP Sites	121 N. Poplar Street
	12 <sup>th</sup> Street Drum
	12th Street Associates
	207 A Street
	415-427 Tatnall Street
	503 South Market Street
	A.M. Domino Jr. Salvage Co.
	A-1 Auto Parts
	Amer Industrial Technologies
	American Tank Cleaning
	Amtrak Refueling Facility
	Babbs Property
	Berger Brothers
	Brandywine Fibers
	Budd Metal
	Capital Scrap
	Caspers Auto Salvage
	City of Dover Public Works
	Cobra Machine and Fabrication

TYPE OF SITE	SITE NAME
	Del Chapel OU4
	Delaware Car Company
	Diamond Oil
	Don Wilson Auto Parts
	Dover Public Works
	Dravo Amer/Dravo Harbor Associates
	Dravo Shipyard – Harbor Associates
	Eagle Run
	East 7 <sup>th</sup> Street Drum Site
	Electric Hose and Rubber
	Estate of Lester Nolan
	Former Amoco Polymer Plant
	Former DP&L Substation Holly Oak
	Former Dover Ice Plant
	Former Sunoco Tank Farm
	Fourth Street Bridge
	George Gray School
	Georgetown Coal Gas
	Harper Thiel
	Hessler Property
	Juniors Auto Parts
	Kenton Landfill, Houston
	Krieger Finger
	Merkin Auto Spring Company
	New Castle Fire School
	Newport Boat Ramp
	Newark Bikeway
	Newark Landfill
	NVF Company, Newark

TYPE OF SITE	SITE NAME
	Old Limestone Road Garage
	Peninsula Park, LLC
	Penn Del
	Petrillo Property
	Port of Wilmington
	Riverfront Office Building
	Route 4 Orchard
	Sardo and Sons OU2
	Schusters Auto Salvage
	Scull Property
	Two Guys Auto Parts
	Vets Welding
	Wilmington Coal Gas Northern Section
	Wilmington Coal Gas Southern Section
	Wilmington Public Works Yard
	Wilmington Rolling Mill
	Wilmington Transit Center

\* It should be noted that several of these projects involve multiple properties. One project consists of the investigation of 53 former tannery complexes involving over 400 properties. Another project includes the testing of over 61 sources of public drinking water, which is both treated, and untreated water. A third project involves the testing of over 200 properties in the town of St. Georges.

### 5.3 Program-Related Goals and Objectives for Fiscal Year 2004

The following represents the program-related goals and objectives for FY 2004:

- Complete Phase II of the removal action at St. Georges.
- Complete surface soil assessments for the Tannery Initiative.
- Continue to work on the National Priorities List (NPL) sites.
- Complete regulations for improving ability to address petroleum releases and petroleum additives.
- Continue implementation of an electronic data management system using EQUIS.
- Publish a Superfund Annual Report for fiscal years 2002 and 2003 describing the progress and activities at the sites.

- Publish HSCA expenditure plan for FY 2005.
- Publish a newsletter for HSCA.
- Revitalize and put back into reuse 20 acres of Brownfields sites.
- Certify 20 sites as Brownfields.
- Improve and redesign Brownfields/VCP Program.
- Establish formal Operation and Maintenance (O&M) and Institutional/Land Use Control Programs for completed sites using Miss Utility and O&M/Land Use Controls Inspection Programs.
- Continue to develop a Continuous Quality Improvement Program for the VCP Program and the Branch overall.
- Develop a pay for performance contract for FIRST Fund.

## 6.0 THE EARLY COMPLIANCE DETECTION INCENTIVE PROGRAM (ECDI)

The Early Compliance Detection Incentive Program is managed by DNREC's Division of Air and Waste Management, Tanks Management Branch (TMB). It provides reimbursement to responsible parties who have conducted cleanup activities of leaking underground storage tanks on their own. Reimbursement is provided as the applications are received and reviewed under the provisions of the Program. In the event that the requests for reimbursement exceed the funding level, the approved requests will be reimbursed the following year.

To date in ECDI, 556 reimbursements have been made from the Fund, for a total expenditure of \$14,057,752.16. The reimbursements cover 126 sites, 66 of which have received a "No Further Action" (NFA) letter from the Department. The 66 sites that received NFA letters were reimbursed a total of \$5,816,879.23 at an average cost per site of \$88,134.53.

The following is the amount reimbursed through ECDI:

<u>YEAR</u>	<u>AMOUNT (\$)/CALENDAR YEAR</u>	<u>AMOUNT (\$)/FISCAL YEAR</u>
1991	222,997.22	140,801.83
1992	810,668.66	310,819.39
1993	679,816.48	845,071.64
1994	740,576.58	850,000.00
1995	1,622,330.81	1,300,751.69
1996	1,075,020.68	1,267,703.86
1997	1,578,966.93	1,360,025.62
1998	1,158,735.31	1,350,000.00
1999	1,579,723.01	1,350,000.00
2000	996,604.04	1,277,250.76
2001	1,185,883.65	1,175,521.03
2002	1,465,134.63	1,230,998.34
2003	941,294.16	1,598,808.00
<b>TOTAL TO DATE (6/30/2003)</b>	<b>\$14,057,752.16</b>	<b>\$14,057,752.16</b>

## 6.1 FIRST FUND

In addition to the ECDI program, HSCA money is used to fund the orphaned and abandoned UST program activities. In the FY 2000 appropriation act, the General Assembly authorized up to \$500,000 each fiscal year from the HSCA fund be used to address the removal and remediation of orphaned and abandoned UST systems in the state. The Department named the program "FIRST Fund" and on March 15, 2000 the FIRST Fund policy and procedures were adopted. Since March 2000, the TMB conducted remedial work including tank removals at a total of 14 sites. Of the 14 sites, five (5) of these sites have received a "no further action" determination. FIRST funds spent through June 30, 2003 total \$129,222.29. The TMB is currently investigating the eligibility of 29 additional sites for entrance into the FIRST Fund.

SITE NAME	SITE ID. NO.	STATUS	DETERMINATION
Charles Wagner Property	5-000849	Complete	No Further Action
Cochran Residence	3-002091	Complete	No Further Action
Reynolds Property	1-000527	Complete	No Further Action
Lobozzo Residence	3-002096	Complete	No Further Action
Former Houston Mini Mart	1-000628	Complete	No Further Action
Mohawk Electric, Milford	5-000952	On-going	Corrective Action
3630 Old Capitol Trail	3-002168	On-going	Corrective Action
Trexler Towing and Repair	1-000112	On-going	Corrective Action
Rosies Place, Frankfurt	5-000335	On-going	Corrective Action
Uncle Ted's Trading Post, Millsboro	5-000341	On-going	Corrective Action
City of Delaware City Orphaned Tank Site	3-001572	On-going	Corrective Action
Punjab/Hi-Tech, Inc.	3-001159	On-going	Corrective Action
Paradise Nursery	1-000538	On-going	Corrective Action
Jones Atlantic	3-000288	On-going	Corrective Action

During 2001, the TMB received a federal UST Fields pilot project grant in the amount of \$100,000. This funding was used to leverage the initial HSCA funds. The grant ended on April 30, 2003 with the full \$100,000 spent. .

## 7.0 EXPENDITURES

The HSCA Fund generates an estimated \$6.0 million in revenue annually. The table on the following page represents provisional expenditures during FY 2003 and a detailed budget projection for FY 2004 through FY 2008.

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HAZARDOUS SUBSTANCE CLEANUP ACT  
EXPENDITURE PLAN  
FY2003 - FY2008  
(in thousands)

	FY2003*	FY2004	FY2005	FY2006	FY2007	FY2008
<b>Revenue Total</b>	<b>6305.42</b>	<b>6300.00</b>	<b>6150.00</b>	<b>6050.00</b>	<b>6050.00</b>	<b>6000.00</b>
<b>Revenue Sources</b>						
Tax Receipts	5567.55	5500.00	5500.00	5500.00	5500.00	5500.00
Private Party Cleanup Reimbursement	248.03	300.00	400.00	400.00	400.00	400.00
Interest on Deposits	489.84	500.00	250.00	150.00	150.00	100.00
Prior Year Carry Over	22556.03	22603.73	10896.99	7766.95	5822.34	4082.15
<b>Expenditure Total</b>	<b>6257.72</b>	<b>18006.74</b>	<b>9280.04</b>	<b>7994.61</b>	<b>7790.19</b>	<b>7794.80</b>
<b>Program</b>						
Superfund	4066.98	16035.21	7135.02	5830.24	5605.89	5589.97
Underground Storage Tank	2190.74	1971.53	2145.02	2164.37	2184.30	2204.83
<b>Administrative Cost</b>	<b>789.70</b>	<b>914.08</b>	<b>1099.35</b>	<b>1130.83</b>	<b>1163.25</b>	<b>1196.65</b>
Superfund	442.12	510.21	524.02	538.24	552.89	567.97
Underground	347.58	403.87	575.33	592.59	610.36	628.68
<b>Remediation Cost</b>	<b>5468.02</b>	<b>17092.66</b>	<b>8180.69</b>	<b>6863.78</b>	<b>6626.93</b>	<b>6598.15</b>
Superfund	3624.86	15525.00	6611.00	5292.00	5053.00	5022.00
Underground Storage Tank	1843.16	1567.66	1569.69	1571.78	1573.93	1576.15
<b>Expenditure Detail</b>						
<b>Total Superfund</b>	<b>4066.98</b>	<b>16035.21</b>	<b>7135.02</b>	<b>5830.24</b>	<b>5605.89</b>	<b>5589.97</b>
<b>Administrative Cost</b>	<b>442.12</b>	<b>510.21</b>	<b>524.02</b>	<b>538.24</b>	<b>552.89</b>	<b>567.97</b>
Salaries	199.00	209.80	216.09	222.58	229.25	236.13
Operating Costs	243.12	250.41	257.93	265.66	273.63	281.84
Division of Revenue Expenses	47.78	50.00	50.00	50.00	50.00	50.00
<b>Remediation Cost</b>	<b>1578.12</b>	<b>15525.00</b>	<b>6611.00</b>	<b>5292.00</b>	<b>5053.00</b>	<b>5022.00</b>
<b>Site Discovery/Site Assessment</b>		<b>380.00</b>	<b>380.00</b>	<b>380.00</b>	<b>380.00</b>	<b>380.00</b>
Facility Evaluation Oversight		125.00	125.00	125.00	125.00	125.00
Facility Evaluations		200.00	200.00	200.00	200.00	200.00
Analytical		150.00	100.00	100.00	100.00	100.00
Drilling		50.00	50.00	50.00	50.00	50.00
Well Abandonment		36.00	36.00	36.00	36.00	36.00
Salvage Yard Initiative (5 sites)		5.00	5.00	5.00	5.00	5.00
Responsible Party Searches		50.00	50.00	50.00	50.00	50.00
Basin Team PCB Assessments		5.00	5.00	5.00	5.00	5.00
<b>Capital Outlay</b>		<b>53.00</b>	<b>53.00</b>	<b>53.00</b>	<b>53.00</b>	<b>53.00</b>
Instruments						
Deionized Water System		5.00	5.00	5.00	5.00	5.00
GC/MS		15.00	15.00	15.00	15.00	15.00
FID/PID		5.00	5.00	5.00	5.00	5.00
X-ray Fluorescence Spectrometer		15.00	15.00	15.00	15.00	15.00
Global Positioning Equipment		3.00	3.00	3.00	3.00	3.00
Mobile Lab		10.00	10.00	10.00	10.00	10.00
Data Integration		50.00	50.00	10.00	10.00	10.00
<b>Private Party Cleanup</b>		<b>550.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>
Remedial Oversight		50.00	50.00	50.00	50.00	50.00
<b>Fund-Financed Cleanup</b>		<b>14542.00</b>	<b>6128.00</b>	<b>4809.00</b>	<b>4570.00</b>	<b>4539.00</b>
Site Remediation						
12th Street Drum Site (EPA Removal)		7.00	20.00	20.00	20.00	20.00
7th Street Drum Site		5.00	5.00	5.00	5.00	5.00
American Scrap & Waste Company		100.00	40.00	40.00	40.00	40.00
Army Creek Marsh		30.00	5.00	5.00	5.00	5.00
Berger Brothers		5.00	5.00	5.00	5.00	5.00
Butler Well		1.00	1.00	1.00	1.00	1.00
Capitol Cleaners		50.00	40.00	40.00	40.00	40.00
Christina Park - Mixed Funding		333.00	10.00	10.00	10.00	10.00
Diamond State Salvage (EPA Removal)		1.00	1.00	1.00	1.00	5.00
Dravo Marsh		200.00	30.00	20.00	10.00	5.00
Dry Cleaners Vapor Intrusion Survey		30.00	5.00	5.00	1.00	1.00
Fawcett Property		5.00	0.00	0.00	0.00	0.00
Former Solid Waste Sites (17 sites)		100.00	50.00	25.00	25.00	25.00
Former Tannery Sites in Wilmington		200.00	150.00	100.00	100.00	100.00
Fox Point Park Phase I Repairs		75.00	1.00	1.00	1.00	1.00

HAZARDOUS SUBSTANCE CLEANUP ACT  
EXPENDITURE PLAN  
FY2003 - FY2008  
(in thousands)

	FY2003*	FY2004	FY2005	FY2006	FY2007	FY2008
Fox Point Park Phase II		500.00	250.00	5.00	5.00	5.00
Governor Bacon		100.00	50.00	10.00	10.00	10.00
Georgetown Cleaners		60.00	25.00	25.00	10.00	10.00
General Chemical		5.00	5.00	5.00	5.00	5.00
Hamilton Park		300.00	250.00	50.00	50.00	50.00
Harper Thiel		20.00	20.00	5.00	5.00	5.00
Harry Wood Landfill		30.00	10.00	10.00	10.00	10.00
Heathways OU1		25.00	5.00	5.00	5.00	5.00
Heathways OU2		150.00	50.00	40.00	40.00	40.00
Helen Chambers Park		100.00	50.00	20.00	10.00	10.00
Hillside Road		250.00	100.00	25.00	25.00	25.00
Joe White Ballfield - Mixed Funding		333.00	10.00	10.00	10.00	10.00
Krewatch Farms		100.00	75.00	75.00	75.00	75.00
Kruse Playground - Mixed Funding		334.00	10.00	10.00	10.00	10.00
Leisure Haven Mobile Home Park		1.00	1.00	1.00	1.00	1.00
Lewes Coal Gas		50.00	20.00	10.00	5.00	5.00
Lilly Fasteners		10.00	2.00	2.00	2.00	2.00
Lucas Trailer Park		50.00	25.00	5.00	5.00	5.00
Meco Drive Site		250.00	75.00	10.00	10.00	10.00
Metachem		3000.00	500.00	500.00	500.00	500.00
Milford Mosquito Control Shop		400.00	100.00	75.00	50.00	25.00
Millsboro Dump Site		100.00	10.00	1.00	1.00	1.00
Nanticoke Homes		100.00	50.00	20.00	20.00	20.00
Public Drinking Water Wells		50.00	50.00	25.00	25.00	25.00
Purina Tower A & B		25.00	5.00	5.00	5.00	5.00
Quillen Pit		2.00	2.00	2.00	2.00	2.00
Riverfront West Sites		75.00	50.00	50.00	25.00	25.00
Seaboard Lumber		500.00	100.00	50.00	25.00	25.00
St. George's Bridge		300.00	20.00	20.00	20.00	20.00
Stadium Site		25.00	100.00	50.00	25.00	25.00
Syntech		500.00	200.00	100.00	50.00	50.00
Toni Dry Cleaners		150.00	50.00	50.00	25.00	25.00
Town of Elsmere Property		50.00	25.00	10.00	5.00	5.00
Sites referred from other Waste Programs		100.00	75.00	50.00	50.00	50.00
W.B. Clerk Former Tannery Site		300.00	200.00	25.00	10.00	5.00
Orphan Sites		50.00	75.00	75.00	75.00	75.00
O&M General Costs		500.00	250.00	250.00	250.00	250.00
Emergency Response		200.00	200.00	200.00	200.00	200.00
Miss Utility		30.00	30.00	30.00	30.00	30.00
Vapor Intursion at HSCA Sites		50.00	25.00	10.00	10.00	10.00
Mixed Funding/Brownfields Grants (City of Newark, City of Wilmington, RDC and others **)		2000.00	1000.00	1000.00	1000.00	1000.00
Delaware Estuary Watershed (NRDA) Project		15.00	5.00	0.00	0.00	0.00
HSCA Loan Program		200.00	100.00	100.00	100.00	100.00
NPL Cost Share						
Metachem		2000.00	1500.00	1500.00	1500.00	1500.00
Tybouts Corner Landfill		10.00	10.00	10.00	10.00	10.00
<b>Total Underground Tanks</b>	<b>2190.74</b>	<b>1971.53</b>	<b>2145.02</b>	<b>2164.37</b>	<b>2184.30</b>	<b>2204.83</b>
<b>Administration Cost</b>	<b>347.58</b>	<b>403.87</b>	<b>575.33</b>	<b>592.59</b>	<b>610.36</b>	<b>628.68</b>
Salaries - Underground Tanks	127.54	177.23	182.55	188.02	193.66	199.47
Operating Costs	220.04	226.64	392.78	404.56	416.70	429.20
<b>Remediation Cost</b>	<b>1843.16</b>	<b>1567.66</b>	<b>1569.69</b>	<b>1571.78</b>	<b>1573.93</b>	<b>1576.15</b>
Salaries - Underground Tanks	63.07	67.66	69.69	71.78	73.93	76.15
Orphan Site/HSCA FIRST/ECDI	1780.09	1500.00	1500.00	1500.00	1500.00	1500.00

\* The actual receipts and expenditures provided for FY 2003 are through May 30, 2003 and are provisional. Expenditures include encumbrances also.

\*\* Mixed Funding/Brownfields grant funding in FY2005 - FY2008 will be awarded only if sustainable by the HSCA fund.

**ATTACHMENT A:**  
**AUDIT REPORT**

STATE OF DELAWARE  
DEPARTMENT OF NATURAL RESOURCES AND  
ENVIRONMENTAL CONTROL  
HAZARDOUS SUBSTANCE CLEANUP FUND

FINANCIAL STATEMENTS

JUNE 30, 2002

STATE OF DELAWARE  
DEPARTMENT OF NATURAL RESOURCES AND  
ENVIRONMENTAL CONTROL  
HAZARDOUS SUBSTANCE CLEANUP FUND  
JUNE 30, 2002

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INDEPENDENT AUDITOR'S REPORT

Hon. John A. Hughes  
Secretary, Department of Natural Resources  
and Environmental Control  
89 King's Highway  
Dover, Delaware 19901

We have audited the accompanying statements of assets and fund balance - cash basis - of the Hazardous Substance Cleanup Fund as of June 30, 2002 and 2001, and the related statements of revenue collected and expenses paid - cash basis - for the years then ended. These financial statements are the responsibility of the Department of Natural Resources and Environmental Control's (Department) management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the Department prepares the Hazardous Substance Cleanup Fund's financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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INDEPENDENT AUDITOR'S REPORT (Cont'd.)

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Hazardous Substance Cleanup Fund, as of June 30, 2002 and 2001, and the revenues it collected and expenditures it paid for the years then ended on the basis of accounting described in Note 2.

In accordance with Government Auditing Standards, we have issued our report dated December 17, 2002, on our consideration of the Department's internal control over financial reporting for the Hazardous Substance Cleanup Fund and on its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

*McBride, Shoga & Co*

Wilmington, Delaware  
December 17, 2002

STATE OF DELAWARE  
DEPARTMENT OF NATURAL RESOURCES AND  
ENVIRONMENTAL CONTROL  
HAZARDOUS SUBSTANCE CLEANUP FUND  
STATEMENTS OF ASSETS AND FUND BALANCE  
(CASH BASIS)  
JUNE 30, 2002 and 2001

ASSETS		2002	2001
Cash		<u>\$19,964,479</u>	<u>\$ 18,269,237</u>
FUND BALANCE			
Reserve for Encumbrances		\$ 732,128	\$ 1,407,999
Unreserved		<u>19,232,351</u>	<u>16,861,238</u>
TOTAL FUND BALANCE		<u>\$19,964,479</u>	<u>\$ 18,269,237</u>

The accompanying notes are an integral part of these statements.

STATE OF DELAWARE  
DEPARTMENT OF NATURAL RESOURCES AND  
ENVIRONMENTAL CONTROL  
HAZARDOUS SUBSTANCE CLEANUP FUND  
STATEMENTS OF REVENUE COLLECTED AND EXPENSES PAID  
(CASH BASIS)  
YEAR ENDED JUNE 30, 2002

	<u>Administrative Account</u>	<u>Cleanup Fund</u>	<u>Holding Account</u>	<u>Total</u>
REVENUE				
Tax Assessments	\$ -	\$ -	\$ 5,636,814	\$ 5,636,814
Interest	-	28,602	761,244	789,846
Other	-	-	1,423	1,423
TOTAL REVENUES	<u>-</u>	<u>28,602</u>	<u>6,399,481</u>	<u>6,428,083</u>
EXPENDITURES				
Cleanup Program	948,461	3,784,380	-	4,732,841
TOTAL EXPENDITURES	<u>948,461</u>	<u>3,784,380</u>	<u>-</u>	<u>4,732,841</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(948,461)</u>	<u>(3,755,778)</u>	<u>6,399,481</u>	<u>1,695,242</u>
TRANSFERS				
Transfers in	816,800	3,497,750	-	4,314,550
Transfers out	( 4,799)	(409,865)	(3,899,886)	(4,314,550)
TOTAL TRANSFERS	<u>812,001</u>	<u>3,087,885</u>	<u>(3,899,886)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES	<u>\$ (136,460)</u>	<u>\$ (667,893)</u>	<u>\$ 2,499,595</u>	<u>\$ 1,695,242</u>

The accompanying notes are an integral part of these statements.

STATE OF DELAWARE  
DEPARTMENT OF NATURAL RESOURCES AND  
ENVIRONMENTAL CONTROL  
HAZARDOUS SUBSTANCE CLEANUP FUND  
STATEMENTS OF REVENUE COLLECTED AND EXPENSES PAID  
(CASH BASIS)  
YEAR ENDED JUNE 30, 2001

	<u>Administrative Account</u>	<u>Cleanup Fund</u>	<u>Holding Account</u>	<u>Total</u>
<b>REVENUE</b>				
Tax Assessments	\$ -	\$ -	\$ 6,782,223	\$ 6,782,223
Interest	1,272	-	880,629	881,901
Other	-	-	133	133
TOTAL REVENUES	<u>1,272</u>	<u>-</u>	<u>7,662,985</u>	<u>7,664,257</u>
<b>EXPENDITURES</b>				
Cleanup Program	848,289	2,984,458	-	3,832,747
TOTAL EXPENDITURES	<u>848,289</u>	<u>2,984,458</u>	<u>-</u>	<u>3,832,747</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>(847,017)</u>	<u>(2,984,458)</u>	<u>7,662,985</u>	<u>3,831,510</u>
<b>TRANSFERS</b>				
Transfers in	982,150	3,386,700	-	4,368,850
Transfers out	(6,738)	(356,851)	(4,003,261)	(4,366,850)
TOTAL TRANSFERS	<u>975,412</u>	<u>3,029,849</u>	<u>(4,003,261)</u>	<u>2,000</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES</b>				
	<u>\$ 128,395</u>	<u>\$ 45,391</u>	<u>\$ 3,659,724</u>	<u>\$ 3,833,510</u>

The accompanying notes are an integral part of these statements.

STATE OF DELAWARE  
DEPARTMENT OF NATURAL RESOURCES AND  
ENVIRONMENTAL CONTROL  
HAZARDOUS SUBSTANCE CLEANUP FUND  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 1    SUMMARY OF OPERATIONS**

In July of 1990, the State of Delaware (the State) legislature passed, and the Governor signed, legislation establishing the State's "Hazardous Substance Cleanup Act." This Act establishes standards to be followed to protect the public health and welfare of citizens and the environment of the State from releases of hazardous substances. The Act also provides a funding mechanism for the program.

The responsibility for administering the Act was vested in the Division of Air and Waste Management (the Division) within the Department of Natural Resources and Environmental Control (DNREC). Two branches were created within the Division: the Superfund Branch and the Underground Storage Tank Branch. Both branches are funded primarily by a surtax on certain petroleum products sold in the State.

The State's Superfund Branch supplements the federal government's efforts in cleaning up hazardous sites. The most serious sites in the State become the responsibility of the federal government while those that meet lesser criteria become the responsibility of the State.

The Fund's activities are accounted for as a distinct operating unit within the Division. Accordingly, the financial statements of the Fund are intended to present the assets, fund balance, revenues collected and expenses paid - cash basis - of only that portion of the funds of the State of Delaware that are attributable to the transactions of the Hazardous Substance Cleanup Fund.

The Fund is divided into three subfunds: the "Holding Account" for the collection of tax assessments and other revenues, the "Clean-up Fund" for the remediation activities of the Fund, and the "Administrative Account" for the administrative activities of the Fund.

STATE OF DELAWARE  
DEPARTMENT OF NATURAL RESOURCES AND  
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HAZARDOUS SUBSTANCE CLEANUP FUND  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The Hazardous Substance Cleanup Fund financial statements are prepared on the cash basis of accounting; consequently, revenues from all sources are recognized when received, rather than when earned; and expenditures are recognized when cash is disbursed, rather than when the obligation is incurred. The statement of assets and fund balance contains only cash and fund balances; the statement of revenue collected and expenses paid shows all cash receipts as revenues and all cash disbursements as expenses.

**Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, is utilized in governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

**Cash and Investments**

*The Cash Management Policy Board:* The State of Delaware's policy for the investment of State Funds is the responsibility of the Cash Management Policy Board (the "Board"). The Board, created by State law, establishes policies for and the terms, conditions, and other matters relating to, the investment of all money belonging to the State except money in any State pension fund and money held under the State deferred compensation program.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

**Cash and Investments (Cont'd.)**

*Investment Guidelines and Management:* The investment guidelines adopted by the Board provide, among other things, that no more than 10% of the portfolio may be invested in obligations of any one issuer other than the U.S. Government. Investments may be made only in fixed income instruments with maturities of up to five years, in certain circumstances.

*Collateralization Requirements:* All State funds are required, by law, to be collateralized by direct obligations of, or obligations which are guaranteed by the United States of America, or other suitable obligations as determined by the Board, unless the Board shall find such collateralization not in the best interest of the State. The Board has determined that certificates of deposit and time deposits must be collateralized unless the bank issuing the certificate has assets of not less than \$5 billion and is rated not lower than "B" by Keefe, Bruyette & Wood's Bank Watch Service. The Board has also determined that State demand deposits need not be collateralized provided that any bank that holds these funds has for the last two years, a return on average assets of 5% or greater and an average equity - capital ratio of at least 1:20.

If the bank does not meet the above criteria, collateral must consist of one or more of the following:

- (a) U.S. Government securities;
- (b) U.S. Government agency securities;
- (c) State of Delaware securities; or
- (d) Securities of a political subdivision of the State with a Moody's Investors Service rating of "A" or better.

STATE OF DELAWARE  
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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

**Cash and Investments (Cont'd.)**

Additionally, the bank must ensure that those securities pledged as collateral have a market value equal to or greater than 102% of the ledger balance(s) in the account(s) each day and ensure that securities pledged are identified as held in the State's name and are segregated on the bank's records.

"Cash" as reported on the Statement of Assets and Fund Balance represents the Fund's allocated share of cash, cash equivalents and investments under the control of the Treasurer of the State of Delaware. All cash deposited with the Treasurer by state agencies is maintained by the Treasurer in various pooled investment funds. The State Treasurer invests the deposited cash, including cash float, in short-term securities and other investments. Interest income is credited to the Fund based on the weighted average rate of return on the State's investments applied to the Fund's average daily cash balance. The classification of pooled cash and investments of the Fund is not determinable at the entity level. Pooled investments represent those investments in units of a pool, rather than specific securities. As a result, such investments are not categorized as to risk because they are not evidenced by securities that exist in a physical or book-entry form.

**Revenues**

The Fund's primary source of revenue comes from the levy of a 0.9% tax on all taxable gross receipts from the sale of petroleum and petroleum products, with the exception of crude oil.

Although funding is adequate to meet DNREC's annual expenditure plans and carryover funds exists, the cost of the future clean up of orphaned sites exceeds the money available in the Fund.

STATE OF DELAWARE  
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JUNE 30, 2002

**NOTE 3 COMMITMENTS**

DNREC has identified over 532 sites in Delaware as potential hazardous substance release sites of which 439 sites have a higher priority because they are either a site in the State's Voluntary Cleanup Program (VCP), a separate program, or they pose a risk to public health, welfare, and/or the environment. Of these 439 sites, 412 sites fall under the purview of the Hazardous Substance Cleanup Act (HSCA) or the VCP, 17 fall under Environmental Protection Agency's Superfund program National Priority List, and 10 are being addressed by the Federal Resource Conservation and Recovery Act Corrective Action Program. DNREC is currently addressing 103 sites under HSCA, and 89 sites are currently undergoing investigation and cleanup under VCP. Cleanups have been completed at 108 sites, resulting in over 1,500 acres of underutilized property being returned to possible productive use. The cost of cleaning up the remaining sites exceeds the money currently available to the Fund.

AUDITOR'S REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Hon. John A. Hughes  
Secretary, Department of Natural Resources  
and Environmental Control  
87 King's Highway  
Dover, Delaware 19901

We have audited the financial statements - cash basis - of the Hazardous Substance Cleanup Fund as of and for the year ended June 30, 2002 and have issued our report thereon dated December 17, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Hazardous Substance Cleanup Fund's financial statements - cash basis - are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

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AUDITOR'S REPORT ON COMPLIANCE (Cont'd.)

Internal Control Over Financial Reporting

In planning and performing our audit, we considered internal control over financial reporting for the Hazardous Substance Cleanup Fund in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements - cash basis - and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements - cash basis - being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

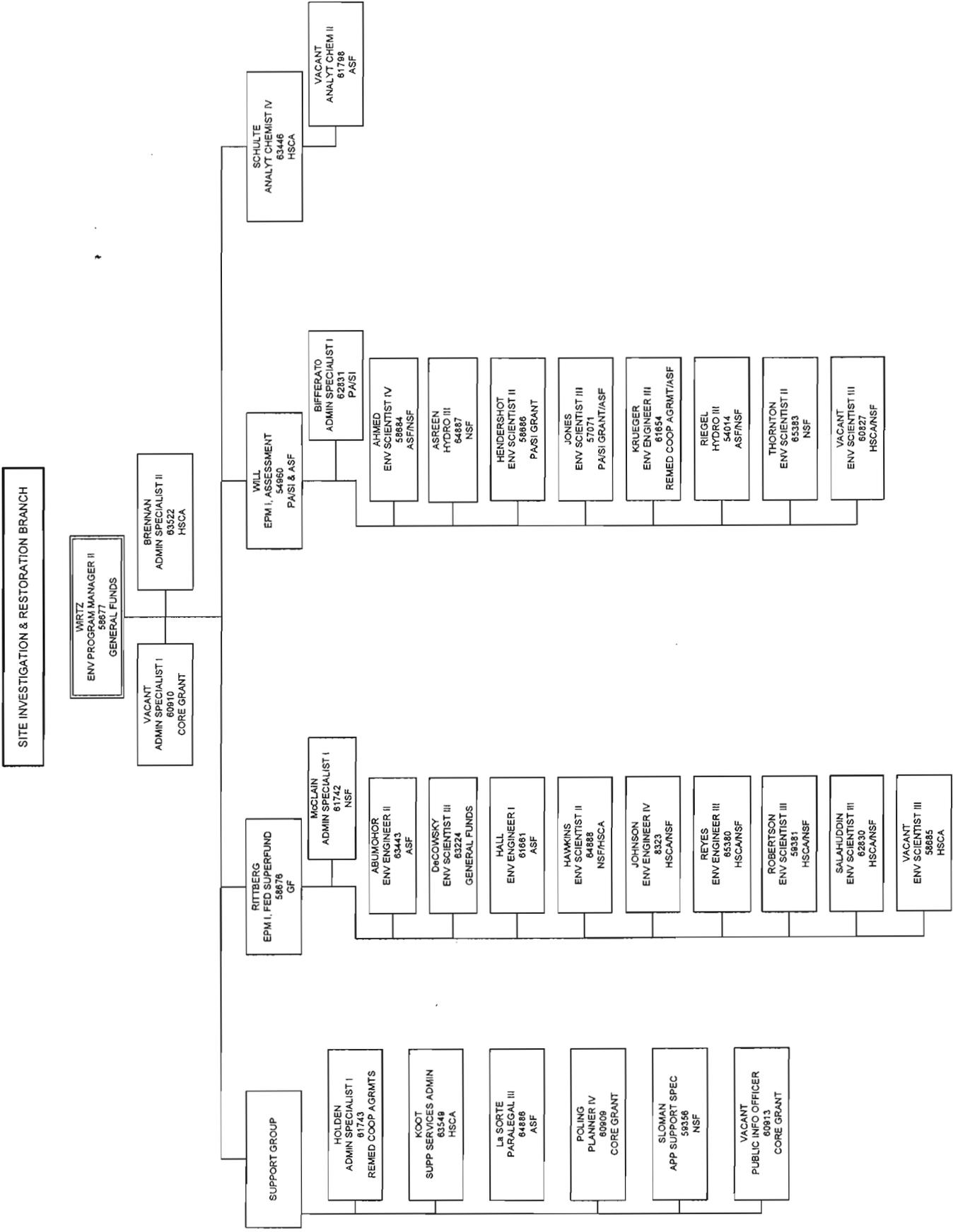
This report is intended for the information of Department management and the Office of Auditor of Accounts and is not intended to be and should not be used by anyone other than the specified parties. However, this report is a matter of public record and its distribution is not limited.

*McBride, Shopa & Co*

Wilmington, Delaware  
December 17, 2002

**ATTACHMENT B:**  
ORGANIZATIONAL CHART OF  
THE SITE INVESTIGATION & RESTORATION BRANCH

DIVISION OF AIR & WASTE MANAGEMENT  
 WASTE MANAGEMENT SECTION  
 JUNE 2003



## ATTACHMENT C: GLOSSARY

### ***DNREC***

The Department of Natural Resources and Environmental Control.

### ***ECDI Program***

The Early Compliance and Detection Incentive Program, which provides reimbursements to responsible parties who have conducted cleanup activities of leaking, underground storage tanks.

### ***Facility Evaluation (FE)***

This involves a limited scope of investigation to confirm the release or a threat of release of hazardous substances, to develop information to evaluate the risk to public health, welfare and the environment, to determine the relative priority of a facility and to determine what further action is needed at the site.

### ***Facility Identification***

The process of identifying facilities with a release of hazardous substances, based on complaints from the public, reports from other agencies or parties, etc.

### ***Feasibility Study (FS)***

This process follows the remedial investigation and identifies the remedial alternatives appropriate to the site.

### ***HSCA***

The Delaware Hazardous Substance Cleanup Act first enacted in July of 1990, and later amended in June of 1993 and July of 1995 respectively. It is also known as the State Superfund Program.

### ***HSCA Fund***

A fund created for the purpose of addressing hazardous substance release sites in Delaware. The Fund consists of revenues from a 0.9% tax on gross receipts from petroleum products, penalty monies, and monies obtained through recovery of costs from potentially responsible parties.

### ***Identification and Notification of Potentially Responsible Parties (PRPs)/PRP Search***

The process whereby the Department will initiate actions to identify and notify the PRPs associated with the facility where a release or a threat of release has been confirmed.

### ***Initial Investigation***

The process of determining if a release or imminent threat of release of hazardous substances may have occurred that warrants further action. This can include a field visit and an examination of existing records.

### ***Interim Action***

An action at a site to prevent, minimize or mitigate harm to public health, welfare and the environment while the investigation and the study are ON-Going.

***Operable Unit (OU)***

A portion of a Superfund site that is addressed separately from the rest of the site to allow for easier management or a more timely response.

***Operation and Maintenance (O & M)***

Actions to ascertain the effectiveness of the remedial action.

***Potentially Responsible Parties (PRPs)***

Parties, including owners, and operators, who may have contributed to the contamination at a site, and may be liable for costs related to response actions at that site.

***PRP Lead***

This refers to a site where the PRP(s) performs investigative and remedial actions, and bears the costs of those activities.

***Remediation***

The implementation of a selected remedy that may consist of phases such as design, construction, operation and maintenance, and compliance monitoring.

***Remedial Action (RA)***

This is a response action at a site that involves the containment, treatment, isolation, and removal of hazardous substances in order to prevent, minimize, or mitigate harm to public health, welfare and the environment.

***Remedial Investigation (RI)***

This is an extensive investigative study conducted at a facility to define the risks to public health, welfare and the environment.

***State/Fund Lead***

This refers to a site where a PRP: (1) cannot be identified; (2) is unwilling to perform investigative or remedial activities; and (3) is unable to pay for cleanup. In such instances, the Department may carry out the investigative and remedial activities at the site using monies from the HSCA Fund.

***Voluntary Cleanup Program (VCP)***

A program established by the Site Investigation & Restoration Branch in order to promote voluntary remediation of contaminated sites. It is hoped that this will also promote the economic development of brownfields, thereby conserving greenfield areas.

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