

UNDERGROUND STORAGE TANK (UST) REVOLVING FUND PREAPPROVAL PROCESS ANNUAL REPORT

As required under Arizona Revised Statutes (A.R.S.) § 49-1024(B)

*Waste Programs Division
Sept. 1, 2026*

OUR MISSION AND VISION

To protect and enhance public health and the environment in Arizona.

Through consistent, science-based environmental regulation; and clear, equitable engagement and communication;

With integrity, respect, and the highest standards of effectiveness and efficiency;

Because Arizonans treasure the unique environment of our state and its essential role in sustaining well-being and economic vitality, today and for future generations.

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FOREWORD



The Arizona Department of Environmental Quality's (ADEQ) work is essential for ensuring healthy air to breathe, safe water to drink and safe places to live, work, and enjoy for Arizonans and visitors to our incredible state. These efforts make a difference in our communities every day and assure we are working toward a sustainable future.

Currently, there are approximately 2,100 regulated UST facilities located throughout Arizona. These facilities include retail gas stations, school bus yards and fleet vehicle fueling facilities, airports and emergency generators supporting hospitals, telecommunication systems, schools, and other vital services. UST facilities are a common part of our lives – as such, they are not often considered a potential threat to the

environment; however, some are known to fail and release their contents into the environment.

UST owners and operators are required to maintain a financial assurance mechanism to ensure funding is available for cleanup of UST releases. At the end of fiscal year (FY) 2026, ADEQ worked with 202 facilities with UST releases requiring corrective action.

The UST Preapproval Program was established to provide financial assistance to eligible UST owners and operators who request funding for corrective action work and costs not covered by their financial assurance mechanism, and approximately half of the facilities with open UST releases participate in this program.

ADEQ is committed to protecting and enhancing Arizona's unique environment and supporting environmentally responsible economic growth through clear communication and community engagement. This effort focuses on the timely cleanup of UST-related contamination and improves Arizona's UST infrastructure to allow for statewide use of new fuel blends.

Karen Peters
Director

The UST Revolving Fund Preapproval Program

The UST Preapproval Program was established to provide financial assistance to eligible UST owners and operators for characterization and cleanup of UST releases where the corrective action costs are not covered by their financial assurance mechanism. The Preapproval Program is not a financial assurance mechanism and cannot be used to meet financial responsibility requirements. **Under the current statute, ADEQ may provide up to \$1 million per UST facility site in reimbursement for eligible corrective action costs.** Additionally, the commitment to provide approved Preapproval Program funding essentially extends potential financial obligations through 2040. The deadline for funding is provided in A.R.S. § 49-1055(D) which states: “Any application made or expense incurred after December 31, 2040, is not eligible for reimbursement from the underground storage tank revolving fund and all such claims are extinguished.”

To be considered for funding, UST owners or operators who are interested in applying are screened for eligibility. If determined to be eligible, they submit an application that details the proposed corrective action work and costs. All corrective action work and costs are required to be preapproved by ADEQ prior to work being conducted. After completing the preapproved work and submitting required documentation of the work, applicants may submit a reimbursement request for ADEQ’s review.

In 2025, SB1730 amended A.R.S. § 49-1024 to add annual reporting requirements for the UST Preapproval Program. The chaptered language is provided below (from: [azleg.gov/viewdocument/?docName=https://www.azleg.gov/ars/49/01024.htm](https://www.azleg.gov/ars/49/01024.htm)):

49-1024. Reports; underground storage tank revolving fund program; preapproval process
B. On or before September 1, 2025 and on or before September 1 every year thereafter, the department shall compile a report on the underground storage tank revolving fund preapproval process. The department shall submit the report to the governor, the joint legislative budget committee, the president of the senate and the speaker of the house representatives and provide a copy of the report to the secretary of state. The report shall include the following information:

- 1. The monies associated with applications that the department has preapproved pursuant to section 49-1051.*
- 2. The dollar amount associated with each preapproved application.*
- 3. The dollar amount associated with each preapproved application that the department has yet to distribute.*

ADEQ has prepared this report to provide the information required under A.R.S. § 49-1024(B) . The following sections provide information based on the applications and reimbursement requests received and processed by June 30, 2026, and represent the program status as known at the start of FY2027.

For more information about the Preapproval Program, please refer to the Appendices of this report and the Preapproval Program webpage at azdeq.gov/ust/preapproval-program.

Summary of Active Preapproval Program Applications

The following information addresses the requirements of A.R.S. § 49-1024(B)(1):

A.R.S. § 49-1024(B)(1): THE MONIES ASSOCIATED WITH APPLICATIONS THAT THE DEPARTMENT HAS PREAPPROVED PURSUANT TO SECTION 49-1051.

ADEQ interprets this as information on “active”¹ Preapproval Program applications instead of a historical summary of all Preapproval Program applications submitted. Historical information is available in Appendix A. **The data shown below includes applications that are considered active in FY2026 and includes data collected on determinations made through June 30, 2026:**

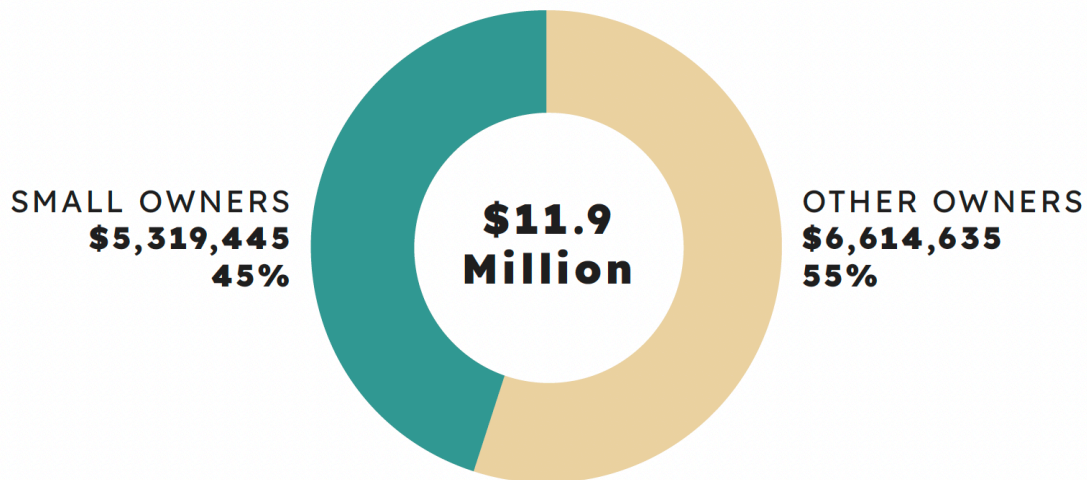
Total Number of Facilities Currently Participating in Program	91
Total Number of Applicants Currently Participating in Program	37
Total Amount of Funding Preapproved	\$18,235,308
Total Amount of Funding Reimbursed	\$6,301,228
Total Amount of Preapproved Funding Obligated	\$11,934,080

Note: The table above excludes preapproval funding for sites the State Lead Program manages. Since June 30, 2025, the program has paid \$373,056 for 10 sites.

¹ Under A.R.S. § 49-1053(I), applicants have up to one year to submit a reimbursement after receiving a release closure letter for that release. Therefore, the amounts above do not include Leaking Underground Storage Tanks (LUST) facilities in which all releases have been closed for more than one year or that have exhausted available funding.

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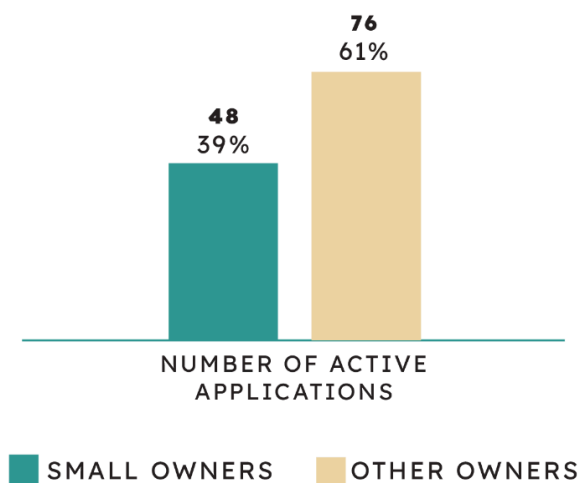
Amount of Preapproved Funding Obligated
End of FY2026/Start of FY2027



Note: "Small owner" means an owner that owns fewer than twenty UST facilities in Arizona

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Active Applications End of FY2026/Start of FY2027
(124 Active Applications Total)



Detailed Listing of Facilities Currently Participating in the Preapproval Program

As identified in the previous section, at the end of FY2026, there were 91 facilities with funding approved in the Preapproval Program. The following information addresses the requirements of A.R.S. §§ 49-1024(B)(2) and (B)(3):

A.R.S. § 49-1024(B)(2): THE DOLLAR AMOUNT ASSOCIATED WITH EACH PREAPPROVED APPLICATION.

A.R.S. § 49-1024(B)(3): THE DOLLAR AMOUNT ASSOCIATED WITH EACH PREAPPROVED APPLICATION THAT THE DEPARTMENT HAS YET TO DISTRIBUTE.

Note: The information provided in the Active Preapproval Program Application Listing table does not include the state-managed sites. Additionally, listed facilities may have multiple active preapproval applications at once.

APPLICANT NAME	OWNER TYPE	PREAPPROVED AMOUNT	REIMBURSED AMOUNT	REMAINING AMOUNT
75th and Aujla Real Estate LLC	Small	\$242,505.90	\$0.00	\$242,505.90
AAFS, LLC	Small	\$246,116.60	\$0.00	\$246,116.60
Amphitheater Public School District #10	Small	\$18,164.30	\$0.00	\$18,164.30
Bambi Aujla Family Limited Partnership No. 4	Small	\$222,087.34	\$35,407.32	\$186,680.02
Bennett's Oil Co.	Small	\$126,071.32	\$51,213.01	\$74,858.31
Circle K Stores Inc.	Other	\$815,342.10	\$521,273.48	\$294,068.62
Circle K Stores Inc.	Other	\$549,548.50	\$390,183.87	\$159,364.63
Circle K Stores Inc.	Other	\$865,965.00	\$371,092.81	\$494,872.19
Circle K Stores Inc.	Other	\$418,204.27	\$275,030.78	\$143,173.49
Circle K Stores Inc.	Other	\$466,321.09	\$267,819.26	\$198,501.83
Circle K Stores Inc.	Other	\$280,449.30	\$237,904.76	\$42,544.54
Circle K Stores Inc.	Other	\$189,905.83	\$181,022.53	\$8,883.30
Circle K Stores Inc.	Other	\$336,377.85	\$171,848.45	\$164,529.40

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APPLICANT NAME	OWNER TYPE	PREAPPROVED AMOUNT	REIMBURSED AMOUNT	REMAINING AMOUNT
Circle K Stores Inc.	Other	\$400,128.30	\$153,395.35	\$246,732.95
Circle K Stores Inc.	Other	\$335,845.50	\$152,611.04	\$183,234.46
Circle K Stores Inc.	Other	\$390,576.80	\$136,127.43	\$254,449.37
Circle K Stores Inc.	Other	\$145,232.80	\$121,966.85	\$23,265.95
Circle K Stores Inc.	Other	\$157,747.70	\$113,512.74	\$44,234.96
Circle K Stores Inc.	Other	\$158,204.50	\$103,979.97	\$54,224.53
Circle K Stores Inc.	Other	\$257,703.60	\$101,928.23	\$155,775.37
Circle K Stores Inc.	Other	\$169,331.10	\$92,237.44	\$77,093.66
Circle K Stores Inc.	Other	\$100,554.40	\$78,563.87	\$21,990.53
Circle K Stores Inc.	Other	\$91,225.50	\$78,071.61	\$13,153.89
Circle K Stores Inc.	Other	\$200,163.60	\$74,705.69	\$125,457.91
Circle K Stores Inc.	Other	\$170,885.27	\$63,257.03	\$107,628.24
Circle K Stores Inc.	Other	\$76,796.40	\$55,571.89	\$21,224.51
Circle K Stores Inc.	Other	\$222,066.25	\$52,653.28	\$169,412.97
Circle K Stores Inc.	Other	\$71,220.20	\$46,284.49	\$24,935.71
Circle K Stores Inc.	Other	\$47,472.60	\$43,179.57	\$4,293.03
Circle K Stores Inc.	Other	\$62,103.80	\$41,334.20	\$20,769.60
Circle K Stores Inc.	Other	\$40,697.16	\$39,736.95	\$960.21
Circle K Stores Inc.	Other	\$56,887.40	\$35,076.39	\$21,811.01
Circle K Stores Inc.	Other	\$126,427.50	\$34,404.66	\$92,022.84
Circle K Stores Inc.	Other	\$42,857.97	\$34,135.76	\$8,722.21
Circle K Stores Inc.	Other	\$133,117.30	\$29,120.95	\$103,996.35
Circle K Stores Inc.	Other	\$158,344.30	\$28,748.09	\$129,596.21

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APPLICANT NAME	OWNER TYPE	PREAPPROVED AMOUNT	REIMBURSED AMOUNT	REMAINING AMOUNT
Circle K Stores Inc.	Other	\$125,471.60	\$28,682.40	\$96,789.20
Circle K Stores Inc.	Other	\$146,544.75	\$26,404.67	\$120,140.08
Circle K Stores Inc.	Other	\$27,774.00	\$19,928.98	\$7,845.02
Circle K Stores Inc.	Other	\$86,307.10	\$18,358.84	\$67,948.26
Circle K Stores Inc.	Other	\$23,707.00	\$11,002.00	\$12,705.00
Circle K Stores Inc.	Other	\$12,638.40	\$10,686.50	\$1,951.90
Circle K Stores Inc.	Other	\$12,905.00	\$8,275.00	\$4,630.00
Circle K Stores Inc.	Other	\$63,986.60	\$4,813.75	\$59,172.85
Circle K Stores Inc.	Other	\$204,393.90	\$0.00	\$204,393.90
Circle K Stores Inc.	Other	\$185,565.00	\$0.00	\$185,565.00
Circle K Stores Inc.	Other	\$178,748.10	\$0.00	\$178,748.10
Circle K Stores Inc.	Other	\$115,006.70	\$0.00	\$115,006.70
Circle K Stores Inc.	Other	\$96,314.50	\$0.00	\$96,314.50
Circle K Stores Inc.	Other	\$90,685.59	\$0.00	\$90,685.59
Circle K Stores Inc.	Other	\$89,051.80	\$0.00	\$89,051.80
Circle K Stores Inc.	Other	\$87,943.00	\$0.00	\$87,943.00
Circle K Stores Inc.	Other	\$87,066.00	\$0.00	\$87,066.00
Circle K Stores Inc.	Other	\$83,972.00	\$0.00	\$83,972.00
Circle K Stores Inc.	Other	\$82,587.50	\$0.00	\$82,587.50
Circle K Stores Inc.	Other	\$74,583.00	\$0.00	\$74,583.00
Circle K Stores Inc.	Other	\$63,333.30	\$0.00	\$63,333.30
Circle K Stores Inc.	Other	\$61,303.80	\$0.00	\$61,303.80
Circle K Stores Inc.	Other	\$54,717.50	\$0.00	\$54,717.50

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APPLICANT NAME	OWNER TYPE	PREAPPROVED AMOUNT	REIMBURSED AMOUNT	REMAINING AMOUNT
Circle K Stores Inc.	Other	\$52,147.00	\$0.00	\$52,147.00
Circle K Stores Inc.	Other	\$48,617.50	\$0.00	\$48,617.50
Circle K Stores Inc.	Other	\$43,715.00	\$0.00	\$43,715.00
Circle K Stores Inc.	Other	\$41,174.00	\$0.00	\$41,174.00
Circle K Stores Inc.	Other	\$40,056.80	\$0.00	\$40,056.80
Circle K Stores Inc.	Other	\$35,229.80	\$0.00	\$35,229.80
Circle K Stores Inc.	Other	\$22,513.50	\$0.00	\$22,513.50
Circle K Stores Inc.	Other	\$20,940.50	\$0.00	\$20,940.50
Circle K Stores Inc.	Other	\$20,190.90	\$0.00	\$20,190.90
Circle K Stores Inc.	Other	\$17,040.00	\$0.00	\$17,040.00
Circle K Stores Inc.	Other	\$17,040.00	\$0.00	\$17,040.00
Circle K Stores Inc.	Other	\$7,540.00	\$0.00	\$7,540.00
City of Prescott	Small	\$104,659.91	\$0.00	\$104,659.91
COPA Inc	Small	\$82,424.90	\$29,907.07	\$52,517.83
CTS Enterprises, Inc.	Small	\$39,388.80	\$20,686.94	\$18,701.86
CTS Enterprises, Inc.	Small	\$107,226.40	\$0.00	\$107,226.40
Dulay Enterprises, LLC	Small	\$186,405.40	\$62,164.08	\$124,241.32
ExxonMobil Oil Corporation	Small	\$79,944.60	\$61,855.39	\$18,089.21
ExxonMobil Oil Corporation	Small	\$156,676.00	\$0.00	\$156,676.00
Greenway Oil LLC	Small	\$41,503.70	\$0.00	\$41,503.70
Hacienda Market Inc	Small	\$137,009.00	\$0.00	\$137,009.00
Hallum, Inc.	Small	\$423,747.54	\$328,367.01	\$95,380.53
K M C A Gas Station LLC	Small	\$241,775.94	\$0.00	\$241,775.94

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APPLICANT NAME	OWNER TYPE	PREAPPROVED AMOUNT	REIMBURSED AMOUNT	REMAINING AMOUNT
Kaibab Industries, Inc.	Small	\$796,662.80	\$145,850.50	\$650,812.30
Love's Travel Stops & Country Stores, Inc.	Small	\$103,356.75	\$69,353.52	\$34,003.23
Maverik, Inc.	Other	\$160,022.32	\$72,660.60	\$87,361.72
McNeese Bros	Small	\$371,435.14	\$211,425.37	\$160,009.77
Mobil one, LLC	Small	\$115,879.20	\$97,777.26	\$18,101.94
Mobil one, LLC	Small	\$21,480.00	\$0.00	\$21,480.00
Munds Park Gas & Mini-Mart, L.L.C.	Small	\$134,276.70	\$0.00	\$134,276.70
Phillips 66 Company	Small	\$173,422.23	\$0.00	\$173,422.23
Phillips 66 Company	Small	\$157,047.20	\$0.00	\$157,047.20
Phillips 66 Company	Small	\$108,031.75	\$0.00	\$108,031.75
Phillips 66 Company	Small	\$103,899.97	\$0.00	\$103,899.97
Phillips 66 Company	Small	\$94,054.20	\$0.00	\$94,054.20
Phillips 66 Company	Small	\$79,627.60	\$0.00	\$79,627.60
Phillips 66 Company	Small	\$57,965.82	\$0.00	\$57,965.82
Phillips 66 Company	Small	\$45,508.58	\$0.00	\$45,508.58
Pic-N-Run, Inc.	Small	\$219,758.93	\$11,031.48	\$208,727.45
Pic-N-Run, Inc.	Small	\$196,809.06	\$0.00	\$196,809.06
Pilot Travel Centers, LLC	Other	\$181,352.50	\$0.00	\$181,352.50
Pilot Travel Centers, LLC	Other	\$103,579.32	\$0.00	\$103,579.32
Pilot Travel Centers, LLC	Other	\$85,167.95	\$0.00	\$85,167.95
Pilot Travel Centers, LLC	Other	\$82,037.20	\$0.00	\$82,037.20
Sal Restaurant I, LLC	Small	\$302,624.00	\$0.00	\$302,624.00
Sandy Desert on Iron Springs, LLC	Small	\$157,267.10	\$85,554.74	\$71,712.36

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APPLICANT NAME	OWNER TYPE	PREAPPROVED AMOUNT	REIMBURSED AMOUNT	REMAINING AMOUNT
Shay Oil Company, Inc.	Other	\$106,966.44	\$0.00	\$106,966.44
Shay Oil Company, Inc.	Other	\$64,691.75	\$0.00	\$64,691.75
SK Inc.	Small	\$60,772.00	\$20,661.82	\$40,110.18
The Carioca Company	Small	\$84,810.70	\$0.00	\$84,810.70
The Gorra Children Trust	Small	\$51,050.05	\$0.00	\$51,050.05
Thriftway Marketing Corp.	Small	\$168,036.44	\$108,618.48	\$59,417.96
Thriftway Marketing Corp.	Small	\$139,874.43	\$27,533.92	\$112,340.51
Trejo Investments LLLP	Small	\$159,384.93	\$122,162.17	\$37,222.76
Trejo Investments LLLP	Small	\$152,095.66	\$106,123.70	\$45,971.96
Troy Investment LLC	Small	\$50,715.76	\$29,455.09	\$21,260.67
Troy Investment LLC	Small	\$97,888.80	\$0.00	\$97,888.80
Troy Investment LLC	Small	\$92,754.10	\$0.00	\$92,754.10
Twin Pines Gaser, Inc.	Small	\$107,977.10	\$32,146.62	\$75,830.48
Twin Pines Gaser, Inc.	Small	\$16,942.50	\$0.00	\$16,942.50
USA Truck Center LLC	Small	\$78,434.60	\$62,736.22	\$15,698.38
Western Refining Retail, LLC	Other	\$299,996.45	\$157,906.65	\$142,089.80
Western Refining Retail, LLC	Other	\$81,205.97	\$51,212.85	\$29,993.12
Western Refining Retail, LLC	Other	\$27,811.40	\$0.00	\$27,811.40
Western States Petroleum, Inc.	Small	\$128,409.92	\$44,484.73	\$83,925.19

List of Appendices:

[Appendix A - Historical Summary](#)

[Appendix B - Key Terms](#)

Appendix A - Historical Summary of Preapproval Program Funding

The following table provides information about current and past facilities that received funding under the Preapproval Program prior to June 30, 2026.

Total Number of Facilities that have Received Funding in the Preapproval Program*	224
Total Amount of Funding Reimbursed Since the Preapproval Program Began in FY2017	\$52,321,213
Small Owners	\$29,459,246
Other Owners	\$22,861,967

**This number represents only those facilities that received funding in the Preapproval Program. There was an error in the data evaluated for the previous report that included all facilities with an approved application, even if they did not receive funding. The amount for the FY2025 report should have been 211 facilities.*

Note: In addition to the above, under A.R.S. § 49-1051(M), \$11,186,124 of funding was applied to facilities accepted into the State Lead program and eligible to use Preapproval Program funding. Some of the facilities that were accepted into the State Lead program, began using Preapproval Funding prior to becoming state managed.

Appendix B - Key Terms

Application

An application to request preapproval of funds must include a detailed scope of work that conforms to the requirements of sections A.R.S. § § 49-1005 and 49-1053, including a schedule for conducting corrective actions, and a cost sheet², and shall contain sufficient information to allow the director to make a determination of priority for that request.³

Change Notice

If the preapproved scope of work cannot be implemented as approved, a change notice may be submitted to the department to request approval for a change in the scope of work which may impact the associated costs. A change notice must be approved by the department before implementation of the change notice to be eligible for reimbursement. Change notices are considered part of the preapproval application process, and associated funding is captured within the preapproved amount.

² A.R.S. § 49-1051(A)

³ A.R.S. § 49-1051(G)

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Corrective Actions

Those actions required to investigate, characterize, and clean up releases from UST systems. Corrective actions are necessary to assure the protection of public health and the environment, and to provide for the control, management or cleanup of regulated substances allowing for maximum beneficial use of Arizona's water and soil.

Encumber

A reservation of funds in anticipation of an expenditure.

Financial Responsibility

Financial responsibility regulations require UST owners and operators to demonstrate that they have the ability to pay for cleanup of releases from the UST system and to cover any third-party liability. UST owners and operators have been required to comply with financial responsibility requirements since 1989. There are several financial assurance mechanisms available to demonstrate compliance with financial responsibility requirements. The mechanism used by the greatest number of UST owners and operators is UST insurance. The mechanism used by the largest UST owner and operator in Arizona is a corporate guarantee.

Note: As provided in A.R.S. § 49-1054(A), "Receipt of financial assistance from the underground storage tank revolving fund does not constitute a financial assurance mechanism and may not be used to demonstrate compliance with financial responsibility requirements or to provide compensation to third parties for bodily injury or property damage." (excerpt)

Other Owner

An owner that does not meet the definition of a "small owner" as defined by statute. An "other owner" owns 20 or more UST facilities in Arizona.

Release (Confirmed Release/Leaking UST Release)

A spill, leak, emission, discharge, escape, leach or disposal of regulated petroleum or hazardous substances into groundwater, surface water, or soils. There may be multiple leaking UST releases at a single UST site that occur throughout the operational life of the UST systems.

Reimbursement Request

Eligible applicants are required to pay the preapproved corrective action costs associated with a preapproved application first and then submit a request for reimbursement from ADEQ. Program funding is subject to prioritization which may delay reimbursement. The reimbursement request is required to contain sufficient information to allow the director to make a determination of priority for that request.⁴

Release Closure

A determination by the Department that the environmental contamination from a leaking UST release has been remediated to appropriate corrective action standards and no further actions are required.

Site or Facility

A property containing, or that previously contained, one or more USTs.

⁴ A.R.S. § 49-1053(O)

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Small Owner

An owner that owns fewer than 20 UST facilities in Arizona as defined by statute⁵.

UST

A tank or any combination of tanks, including any connected piping, that has at least 10 percent of the combined volume underground and stores either petroleum or certain hazardous substances. UST owners and operators include marketers (e.g., gas station owners) and non-marketers (e.g., fleet owners, hospitals with emergency generator tanks, etc.).⁶

UST Revolving Fund

In accordance with A.R.S. § 49-1015, the UST Revolving Fund consists of monies appropriated by the legislature, UST tax revenues (excise tax of \$0.01/gallon on regulated substances placed in regulated USTs), annual tank fees of \$100/tank, and monies reimbursed to the department.

⁵ A.R.S. §§ 49-1051(D) and 49-1053(P)

⁶ A.R.S. § 49-1001(21)