Fuel Storage Tanks

Introduction

Fuel storage tanks pose one of the biggest Pollution Risks at a golf course due to their average age and propensity to leak.

Virtually every single golf course in Canada has fuel storage tanks and as such they have become a primary concern for insurers. The goal of this article is to help golf course owners and general managers determine how to properly deal with existing fuel storage tanks on their property.

Background

Fuel storage tanks, both above and below ground, have been used by golf courses for decades as they provide a convenient way for the course to keep their machinery running. Historically, the tanks were typically provided for a nominal rental rate or even free to golf courses in exchange for regular fuel purchases from the local fuel distributor.

Many tanks installed before 1980 were single walled construction built from carbon steel, without corrosion protection, and included bare steel pipes which will corrode over time and may eventually leak. Risks of leakage also arise from faulty installation or improper handling.

Near the end of the 1980’s it became apparent to Fuel Distributors that the regulations were about to change and the distributors decided that they needed to rid themselves of the ownership of these old tanks. Many Distributors offered installed tanks to their customers for free or a small fee which transferred the ownership (and any subsequent liability) from the Distributor to the golf course.

Today the average age of a golf course fuel storage tank is under 10 years of age however many courses have tanks that are 15 or even 20 years old. As the tanks age the likelihood of a leak grows dramatically and unfortunately many golf courses feel like they are stuck in a Catch 22 because the minute they apply for a permit to replace an exiting tank the environmental study process begins.

Underwriting Concerns

Fuel storage is a major environmental issue for most golf courses because they tend to be located near streams, rivers or lakes. The major problem areas are fire safety and the potential for soil and/or ground water contamination.

Although safety issues are fairly straightforward, soil and water contamination is potentially a much more difficult and expensive issue. Leaking storage containers can cause tremendous environmental damage, and the cleanup of contaminated soil can be extremely costly.
Above Ground & Underground Fuel Storage Issues

Fuel stored in an underground tank that is more than 20 years old can pose a serious risk. Although there may be no visible evidence that a tank is leaking it may already be in a poor condition.

Golf course owners and operators should be concerned about both types of storage tanks. Should a leak occur in an underground tank, the cost of repairing the environmental damage will be extremely high and aboveground tanks are exposed to the elements and could be struck by machinery.

Removal of all underground storage tanks before problems occur is by far the best option. Industry experts advise that the cost of removing an existing 1,000-gallon tank, assuming there is no leakage, and refilling the cavity should cost less than $3,000.

Aboveground tanks tanks are exposed to a different set of issues and the frame supporting the tank may become damaged by equipment bumping into it over time. As well, the tank itself may become damaged from corrosion because these tanks are fully exposed to the weather. Again, assuming no soil contamination, removal of an above ground tank should cost less than $1,000.

Options

There are at least two good options for improving the fuel storage situation at a golf course. Both options include removing and replacing the existing storage tanks, before they cause problems.

Fuel tanks are being replaced on many golf courses with newly designed and constructed storage tanks that greatly reduce the possibility of leakage. These structures are built to current guidelines and are extremely durable and safe.

New designs available such as single units that include two internal 500 gallon storage chambers (one for gas and the other for diesel) or individual double walled tanks for each fuel type.

The advantage to purchasing two separate tanks is that Federal guidelines are much less stringent for units smaller than 1,000 gallons. The disadvantage is that the two units will take up more space in the club's maintenance facility area. Regardless of the exact design, new units are typically installed on a concrete slab and include collision barriers.

New fuel storage tanks provide very good prevention against leakage, greatly simplify leakage monitoring and cleanup and are far less objectionable from a visual standpoint than many existing tanks.

The second option is less expensive and, for the most part, could be accomplished in-house. For this the golf course needs to build a containment structure consisting of concrete flooring and walls large enough to completely surround existing tanks. The containment structure will prevent leakage and contamination of the underlying soil since the concrete pad acts as a barrier between the tanks and the ground.

A roof is also recommended to help prevent, or at least delay, the corrosion of the tanks due to exposure.

Conclusion

There is never a bad time to update or replace fuel storage tanks. If the golf course is contemplating a renovation or a new construction project then the replacement of fuel tanks should be included in the scope of the project.
At Signature we now require full disclosure of all fuel storage tanks including the age and construction type and we will not release insurance terms to any risk without complete information.

Federal Guidelines

The Canadian Council of Ministers of the Environment has produced the following document:

**Environmental Code of Practice for Aboveground and Underground Fuel Storage Tanks**

“This publication updates, combines, and replaces CCME’s 1993 “Environmental Code of Practice for Underground Storage Tank Systems Containing Petroleum Products and Allied Petroleum Products” and the 1994 “Environmental Code of Practice for Aboveground Storage Tank Systems Containing Petroleum Products.” It reflects the advances in technology and the experience gained by industry and government regulators in proactively managing storage tanks systems in the intervening years.”

For More Information

For more information about this bulletin or for questions regarding any of the commercial insurance programs available through Signature Risk Partners Inc., please contact:

**Signature Risk Partners Inc.**

1 St. Clair Avenue West, Suite 1203
Toronto, ON M4V 1K6
toll free: (800) 260-9921
e-mail: info@signaturerisk.com
@signaturerisk

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