



State Water Resources Control Board

April 12, 2012

To: Underground Storage Tank Cleanup Fund (Fund) Claimants and Interested parties

Annual Budget Categories for Fiscal Year 2012/2013 (FY 12/13): Response Requested

The Fund is preparing to allocate Annual Site Budgets for FY12/13 (which begins on July 1, 2012). The first step in the Fund's budgeting process is to confirm the phase of corrective action for each claim at the beginning as of July 1, 2012 which determines the budget category. Accompanying this letter is a listing of all active claims in Priority Classes A, B and C. This listing is based on the most current information in the Fund's technical database. The budget categories are defined below.

Review this listing for your claims. If the budget category or remediation phase needs to be updated, please notify the Fund by sending an e-mail to USTCleanupFund@waterboards.ca.gov. The list includes claims that were on the FY 11/12 annual budget and were subsequently closed. No response is required for these claims. The deadline for submitting changes to the budget category list is April 30, 2012.

As described in earlier Fund Updates and FAQs, the Fund will allocate FY 12/13 annual budgets based on a number of factors, primarily projected availability of funds. However if the budget category information is incorrect, then claims may be unnecessarily underfunded.

After the Fund receives budget category corrections, we will allocate an Annual Site Budget amount for each claim FY 12/13. We anticipate posting the Annual Site Budget list by early May 2012. At that time, we will request claim representatives for claims in budget categories CAP/REM and RS/IRA to develop a breakdown (budget request) of how the budget will be expended through the year.

The Fund expects to continue to review and approve Budget Change Orders after the annual budgets are released based on funding availability. Budget category changes can be accepted at any time along with Budget Change Orders. However, all Budget Change Orders depend on fund availability.

BUDGET CATEGORY EXPLANATION

Soil and Water Investigation (SWI)

This budget category includes sites where an unauthorized release has been discovered and the initial site investigation has not yet been completed. Costs are generally for soil borings, monitoring well installation, groundwater monitoring and other investigative activity.

Remedy Selection or Interim Remedial Action (RS/IRA)

This category is for sites where the site investigation is nearing completion and/or the responsible Party is performing interim remediation, such as free product removal. Corrective action costs will be for completing a Corrective Action Plan, bench scale or pilot testing or interim remediation.

Corrective Action Plan/Remediation (CAP/REM)

This category is divided into two phases, Startup and O&M.

CAP/REM Startup

This sub-category is for sites where a CAP has been accepted by the lead regulatory agency and remediation will begin after July 1, 2012. Generally the costs to permit, purchase, install and startup a treatment system are the highest incurred during corrective action and therefore will require the greatest scrutiny by the Fund. Startup budgets for the highest priority class and highest risk sites will be approved during FY 12/13. Sites where a CAP has been approved for remedial excavation

CAP/REM Operations & Maintenance (O&M)

This sub-category is for sites where a CAP has been approved, a treatment system has been installed and is currently operating. Sites that do not have a permanent, fixed treatment system installed but are using a mobile system would also fall into this category.

Verification Monitoring (VM)

This category is for sites where active remediation has already been conducted or will not be necessary. Activities conducted during this period could include groundwater monitoring, confirmation borings and assessment of the remaining risk to human health and the environment.

Site Closeout (SC)

This category is for sites where the major activities are monitoring well abandonment, treatment system decommissioning, site restoration or investigation derived waste disposal. These sites have either received a "No further Action" letter from a local regulatory agency or have been notified that the site will receive closure once the monitoring wells have been properly destroyed. If the Fund's Five Year Review section

has recommended case closure to the local agency, they will also be placed into the SC category.