

UST CLEANUP FUND CARRYING COSTS FREQUENTLY ASKED QUESTIONS

1. What is a carrying cost?

Carrying costs are interest expenses incurred by a claimant to acquire money to pay costs approved for reimbursement by the Fund (i.e., corrective action costs, third-party compensation costs, or regulatory technical assistance costs), but the actual payment from the Fund has been delayed due to a lack of funds.

2. What are approved costs?

Approved costs are corrective action costs, third party compensation costs, and regulatory assistance costs submitted by a claimant in a reimbursement request, that have been reviewed and determined by the Fund to be eligible for reimbursement. These costs are listed on the Payment Summary as “eligible” costs.

3. Is reimbursement of carrying costs available to claimants in all Priority Classes?

No. Only claimants with claims in Priority Classes A, B, or C are eligible to submit requests for reimbursement of carrying costs.

4. What is the maximum annual percentage rate (APR) that can be requested?

The maximum APR that the Fund can reimburse is 7 percent.

5. What is the minimum amount that can be requested for carrying cost reimbursement?

Claimants can seek carrying cost reimbursement if the carrying costs associated with a particular reimbursement request amount to a minimum of \$100.

6. What is the maximum amount that can be reimbursed for carrying costs?

The Fund can reimburse a maximum of 9 percent of the approved costs for the reimbursement request to which the carrying costs apply.

7. Are there any Fund reimbursement limitations regarding the specific period of time in which carrying costs were incurred?

Only carrying costs incurred after November 7, 2008, and before June 30, 2010, are eligible for reimbursement from the Fund.

8. Are there other dates that affect whether certain of the claimant's incurred carrying costs are eligible for Fund reimbursement?

Yes. Claimants can be reimbursed for carrying costs incurred from the date that the Fund issues the Hold for Payment Letter for a particular reimbursement

request until the date that the State Controller's Office issues a check for payment of that reimbursement request. If a Hold for Payment Letter was issued on or prior to November 7, 2008, then only the relevant carrying costs incurred by the claimant after November 7, 2008, will be eligible for reimbursement. If the State Controller's Office issues a check for payment of a particular reimbursement request on or after June 30, 2010, then only the relevant carrying costs incurred by the claimant before June 30, 2010, will be eligible for reimbursement.

9. Can a claimant seek reimbursement of carrying costs on a reimbursement request with other costs?

No, a claimant must submit a separate reimbursement request for carrying costs. These costs cannot be requested with any other types of eligible costs.

10. Does a reimbursement payment need to be placed on a Hold for Payment by the Fund in order for the associated carrying costs to be eligible for carrying cost reimbursement?

Yes, a payment will need to be placed on Hold for Payment by the Fund in order for the associated carrying costs to be eligible for carrying cost reimbursement.

11. When can a claimant request reimbursement from the State Water Board for carrying costs?

Carrying costs reimbursement can be requested once the claimant has received a check issued by the State Controllers Office for payment of a reimbursement request that was previously placed on Hold for Payment.

12. What form should be completed to request reimbursement of carrying costs?

The Fund has designed a "Request for Carrying Cost Reimbursement Form" to be used for submitting carrying costs. This form can be found on the web site at: http://www.waterboards.ca.gov/water_issues/programs/ustcf/forms.shtml.

13. What other documents need to be submitted?

In addition to the Request for Carrying Cost Reimbursement Form, a claimant must also submit:

- A copy of the lending agreement and any other applicable documentation to support the amount of carrying costs incurred
- A complete Reimbursement Request Form and spreadsheet