



Linda S. Adams
Secretary for
Environmental Protection

State Water Resources Control Board



Arnold Schwarzenegger
Governor

Division of Financial Assistance

1001 I Street • Sacramento, California 95814
P.O. Box 944212 • Sacramento, California • 94244-2120
(800) 813-FUND (3863) ♦ FAX (916) 341-5806 ♦ www.waterboards.ca.gov/water_issues/programs/ustcf

February 26, 2010

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

IMPORTANT NOTICE – GUIDANCE FOR SUBMITTING CARRYING COSTS FOR REIMBURSEMENT

Effective immediately, claimants with Priority A, B and C claims are eligible to submit requests for reimbursement of carrying costs to the Fund. (Health & Saf. Code, section 25299.57, subd. (i).) This change was enacted by the passage and signing of Assembly Bill No. 1188 (Ruskin) (Stats. 2009, ch. 649).

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 has been delayed due to a lack of funds. Carrying costs are only eligible for reimbursement if they meet the following requirements:

- Incurred between November 7, 2008 through June 30, 2010
- Cannot exceed carrying costs actually incurred by the claimant from the date costs are approved for payment (placed on revenue hold) until the date the State Controller's Office issues the check
- Maximum annual percentage rate (APR) of 7 percent
- Must be a minimum of \$100 per reimbursement request upon which the carrying costs are based
- Cannot exceed a maximum of 9 percent of the approved costs for the reimbursement to which the carrying costs apply
- Fund reimbursements were already received for the approved costs
- Cannot receive carrying costs for the carrying cost reimbursement request

Claimants can submit carrying costs for reimbursement to the Fund only after the claimant has received payment from the Fund for the approved costs. The request for reimbursement of carrying costs must be submitted separately and not included with a reimbursement request containing corrective action costs, third-party compensation costs, or regulatory technical assistance costs. Once the Fund accepts a carrying costs reimbursement request, no additional carrying costs requests for that designated reimbursement request for approved costs will be accepted.

To assist the Fund with the review and processing of carrying cost reimbursement requests, claimants will need to provide the following information and documentation. Failure to provide

the necessary information will result in the carrying cost reimbursement request being returned to the claimant.

- **Request for Carrying Cost Reimbursement Form** – This form must be completed in its entirety with a wet signature by the claimant. It is available on the Fund's web site at: http://www.waterboards.ca.gov/water_issues/programs/ustcf/forms.shtml.
- **Copy of the lending agreement with any other applicable documentation to support the amount of carrying costs incurred** – This agreement must be between the claimant and lender that identifies the terms and conditions along with signatures of both parties. If a formal agreement does not exist, the claimant and lender will need to memorialize their verbal agreement in writing to satisfy this needed documentation.
- **Completed Reimbursement Request Form with claimant spreadsheet** – This is the basic information needed to process an actual payment for the eligible reimbursed costs.

The Fund will accept and process forms only if the person signing the form is authorized to sign for the claim. If the form(s) does not contain a valid wet signature, the form(s) will not be processed. Claimants are encouraged to retain a copy of all communications with the Fund for their records and auditing purposes.

To ensure you have current information, sign-up for the electronic mailing list at: http://www.waterboards.ca.gov/resources/email_subscriptions/ust_subscribe.shtml and check the Fund's web site at: http://www.waterboards.ca.gov/water_issues/programs/ustcf/.

If you have questions, please contact the Fund at (800) 813-FUND (3863) or by e-mail at USTCleanupFund@waterboards.ca.gov.

Sincerely,



Allan Patton, Acting Fund Manager
Underground Storage Tank Cleanup Fund