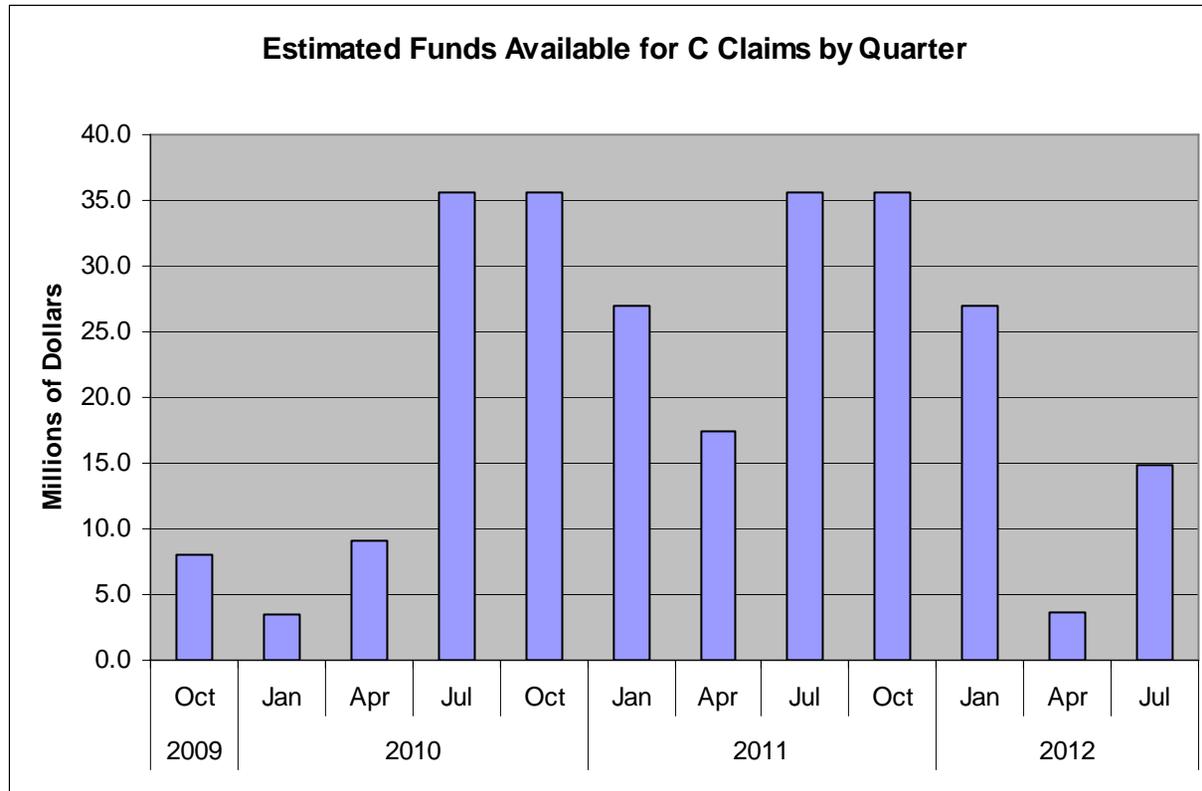


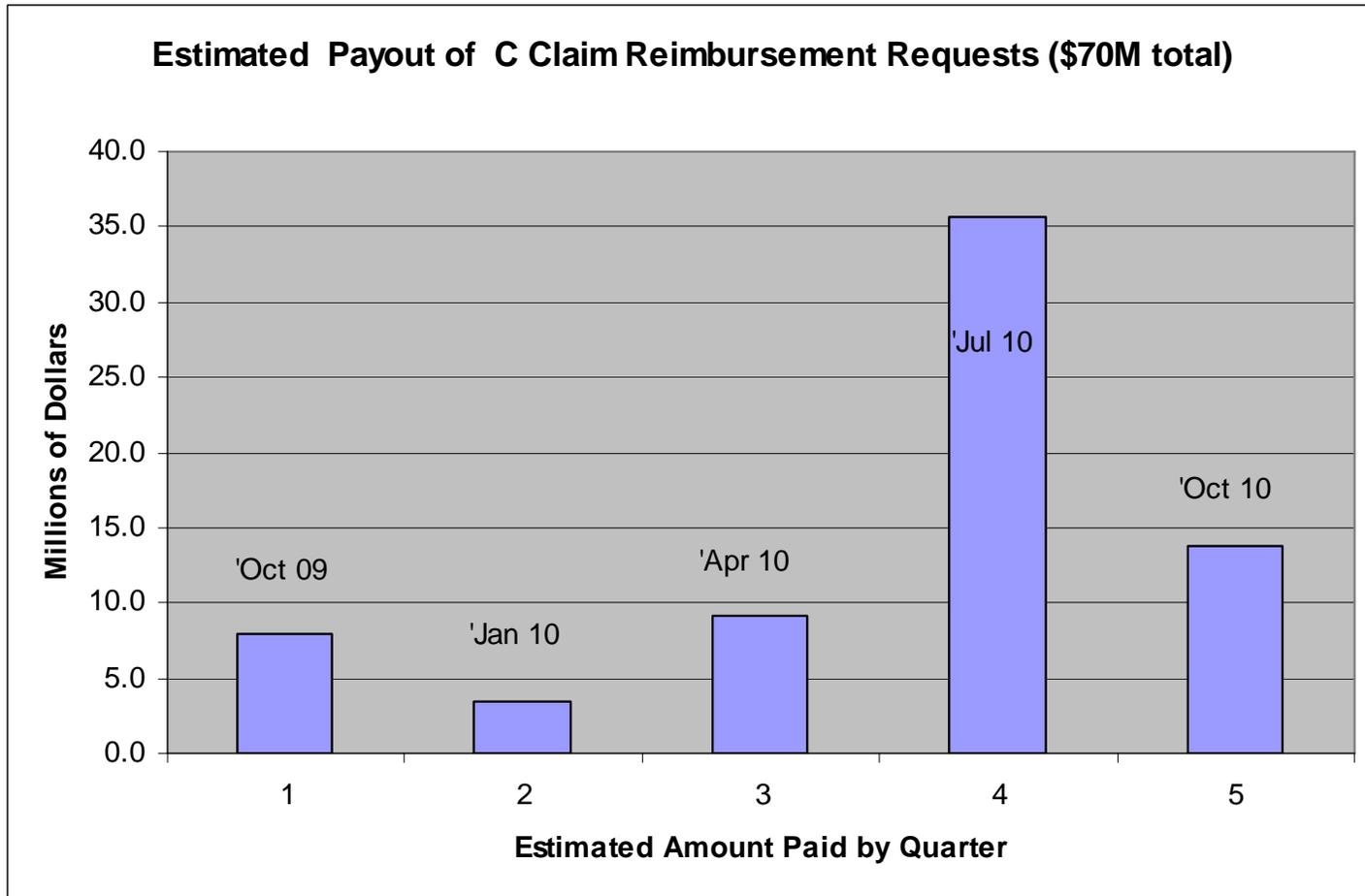
Cash Flow Analysis for Un- Suspending C Claims

November 17, 2009

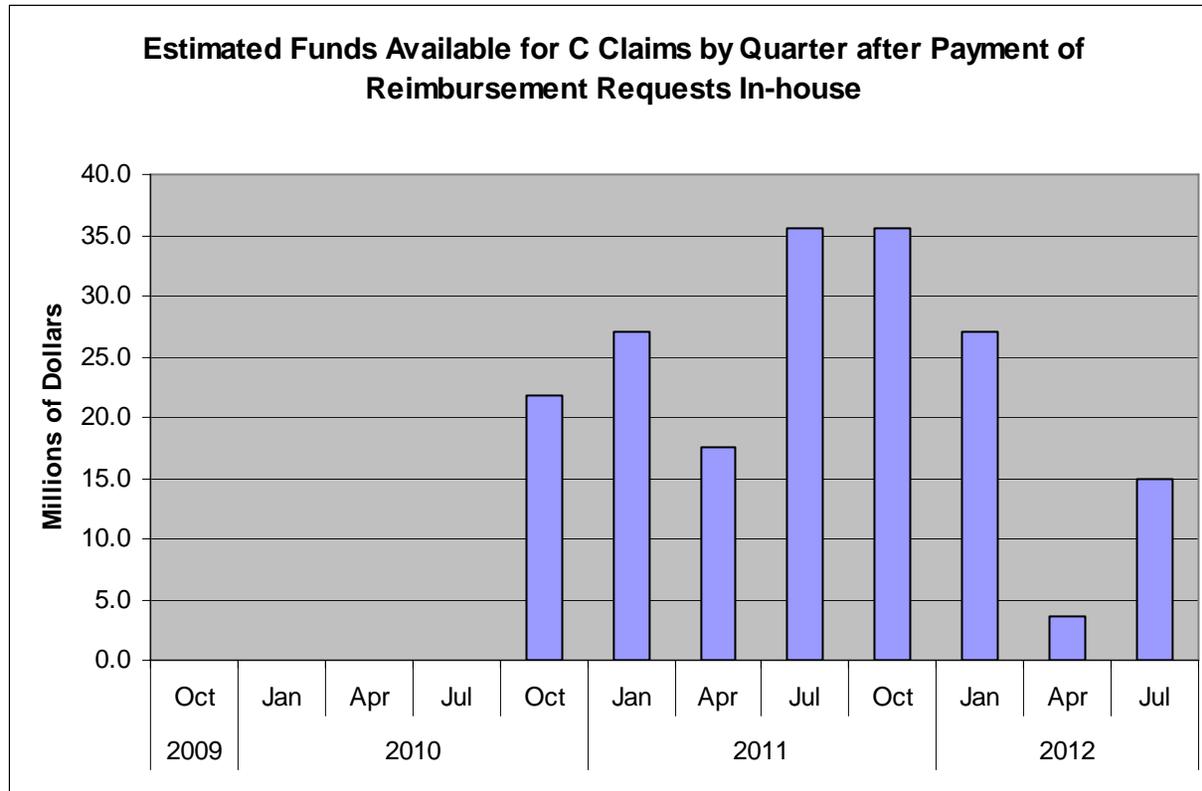
With passage of AB 1188, an estimated \$253 million will be available to pay C claims over the next three years. This covers the current quarter through the eight quarters of fee increase included in AB 1188 and two quarters following. The pattern reflects Fiscal Year 2009 base revenue with AB 1188 revenue added.



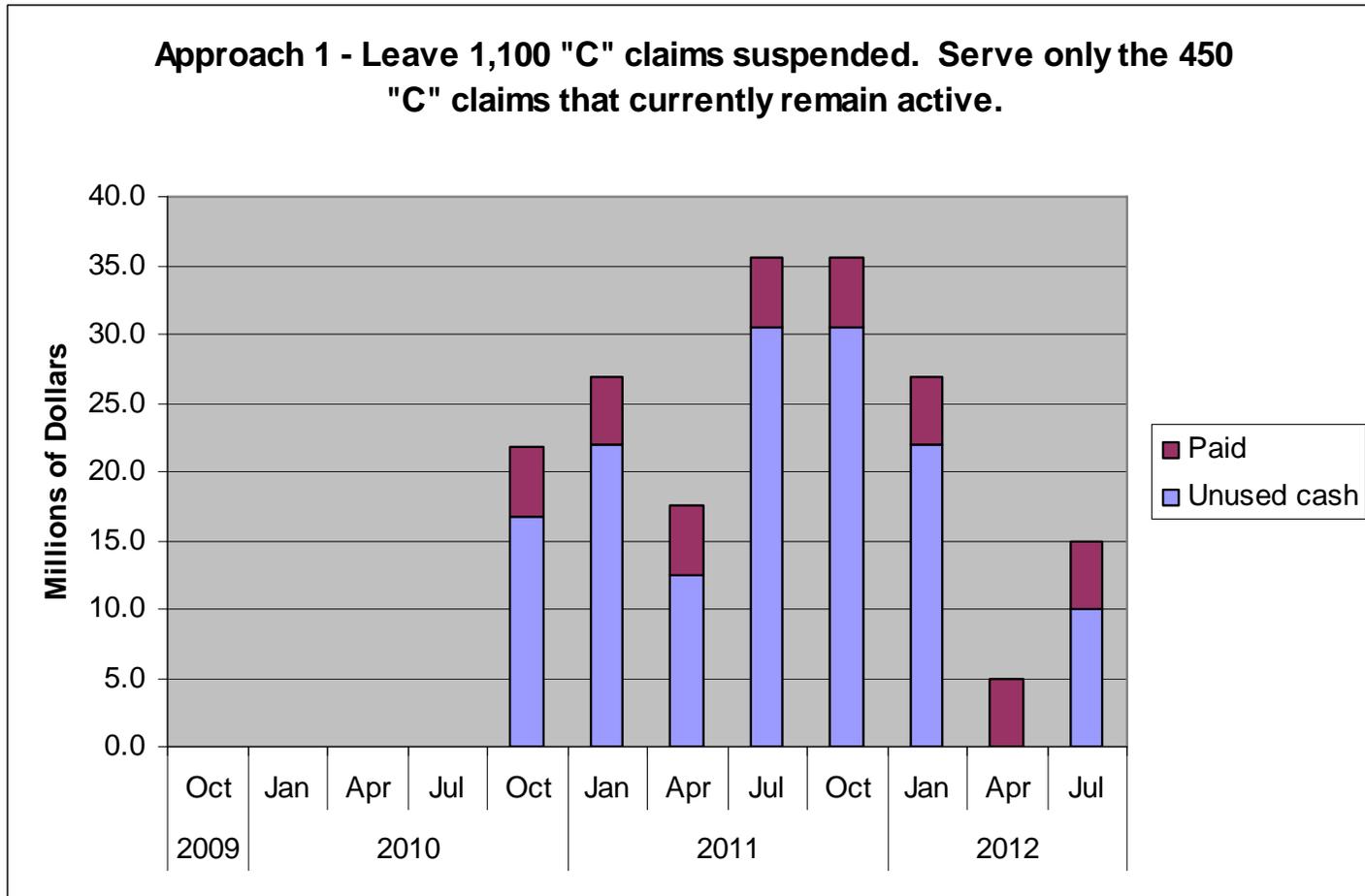
There are currently an estimated \$70 million of unpaid “C” Claim reimbursement requests in house. Based on the previous fund availability projection, these can be paid over the next five quarters as shown.



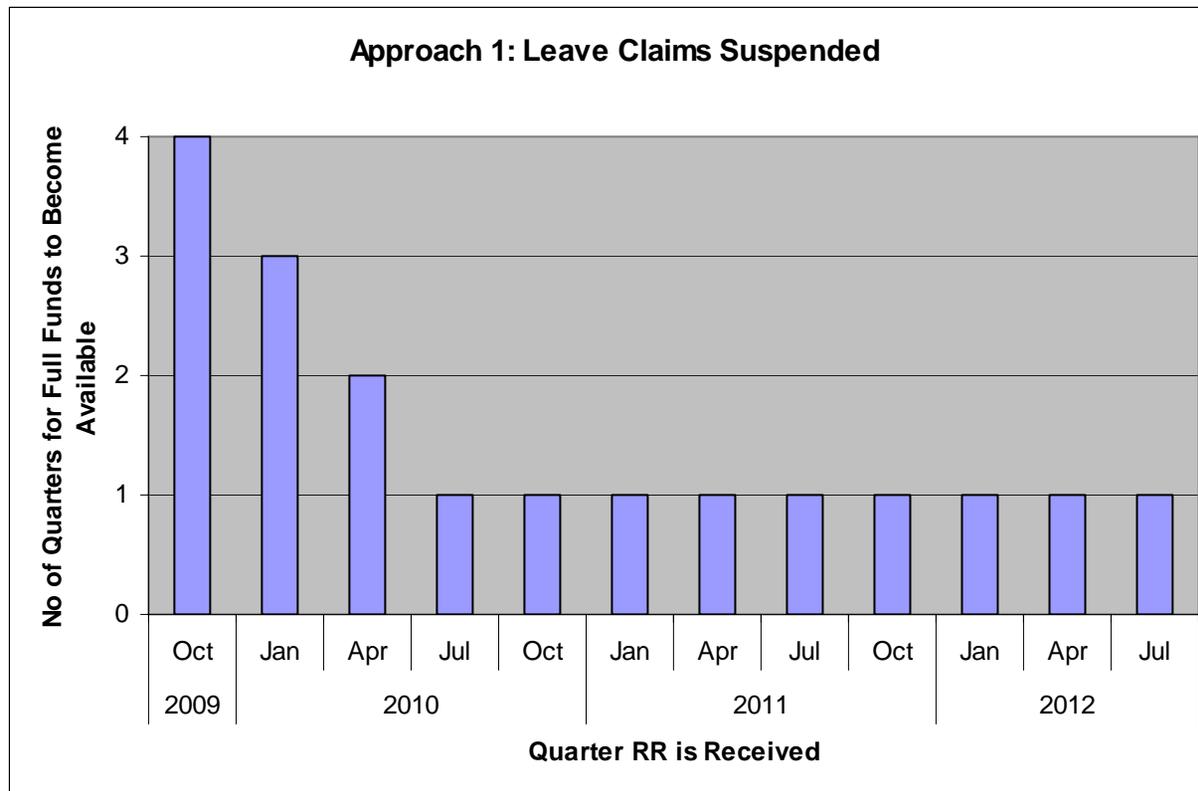
This leaves about \$183 million available for new “C” claim reimbursement requests during the 8 remaining quarters in the timeframe being considered, for an average of about \$23 million/qtr.



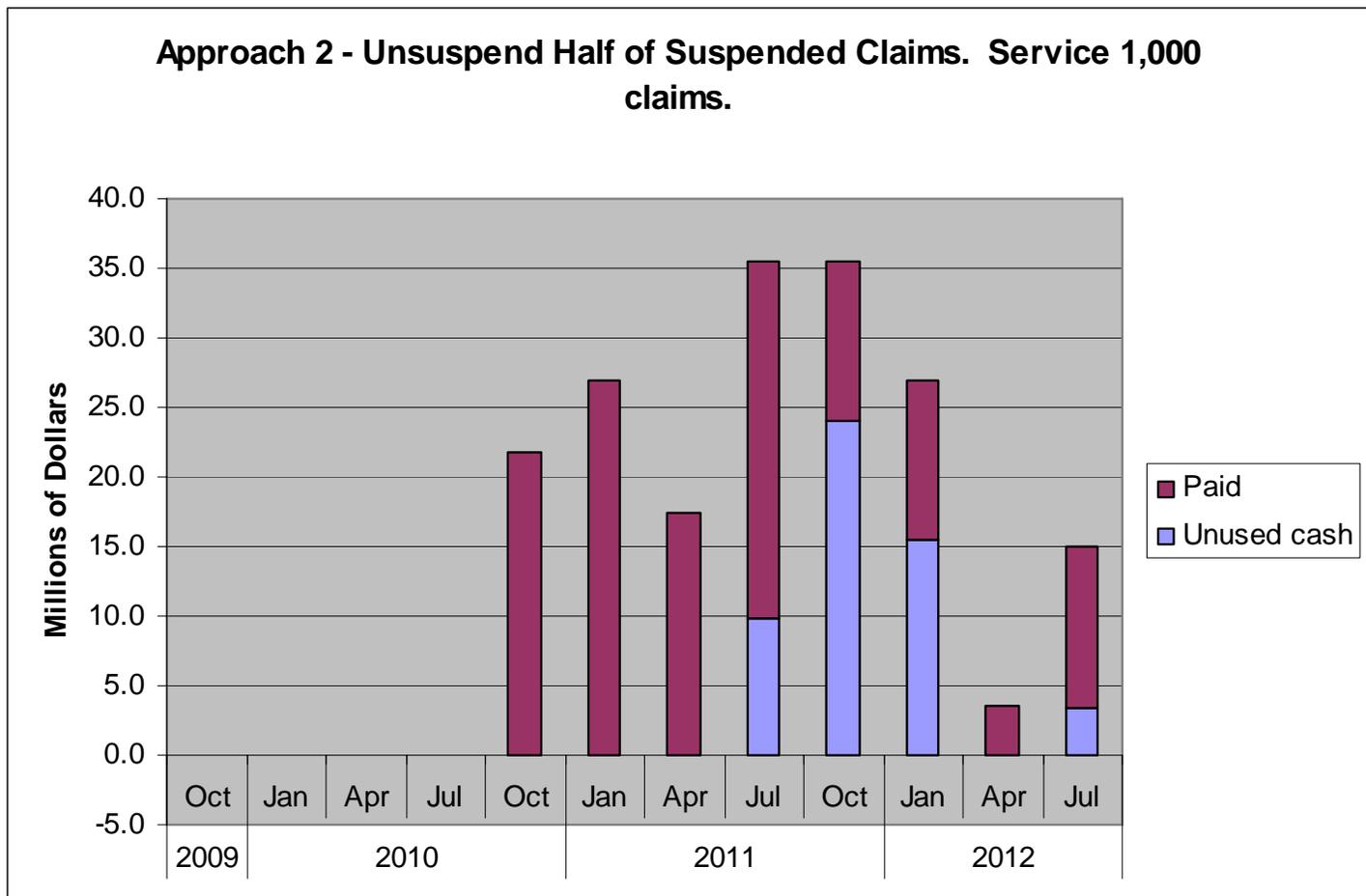
Let's examine three approaches for un-suspending "C" claims. First, what if we didn't un-suspend any claims and only continue to serve the current 450+ "C" claims that are not suspended. This is what fund usage might look like after the \$70 million in-house is paid-out. Assuming demand of \$5+ million/qtr. Leaves over \$140 million on the table.



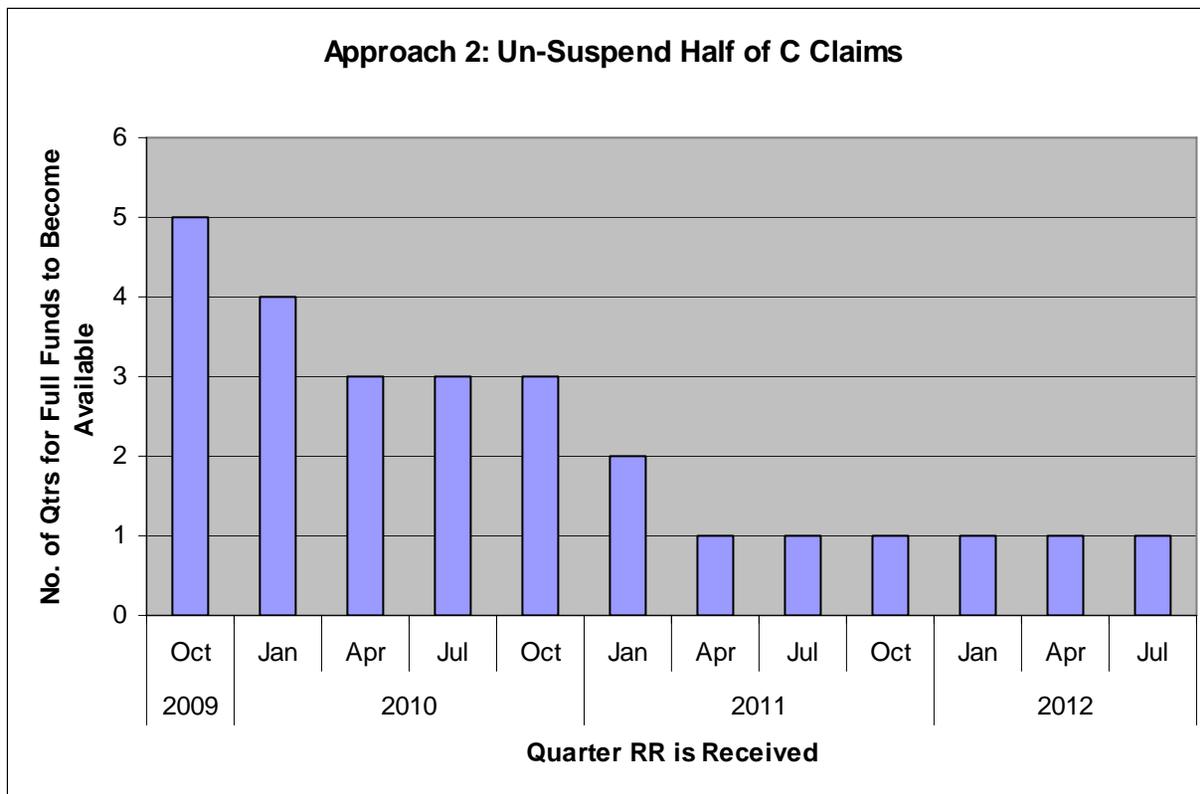
This shows the estimated time for funds to become available to pay “C” claims if we don’t un-suspend any claims. Initially funds would be available in four quarters. Beginning late 2010, the wait for funds would drop to less than 1 qtr.



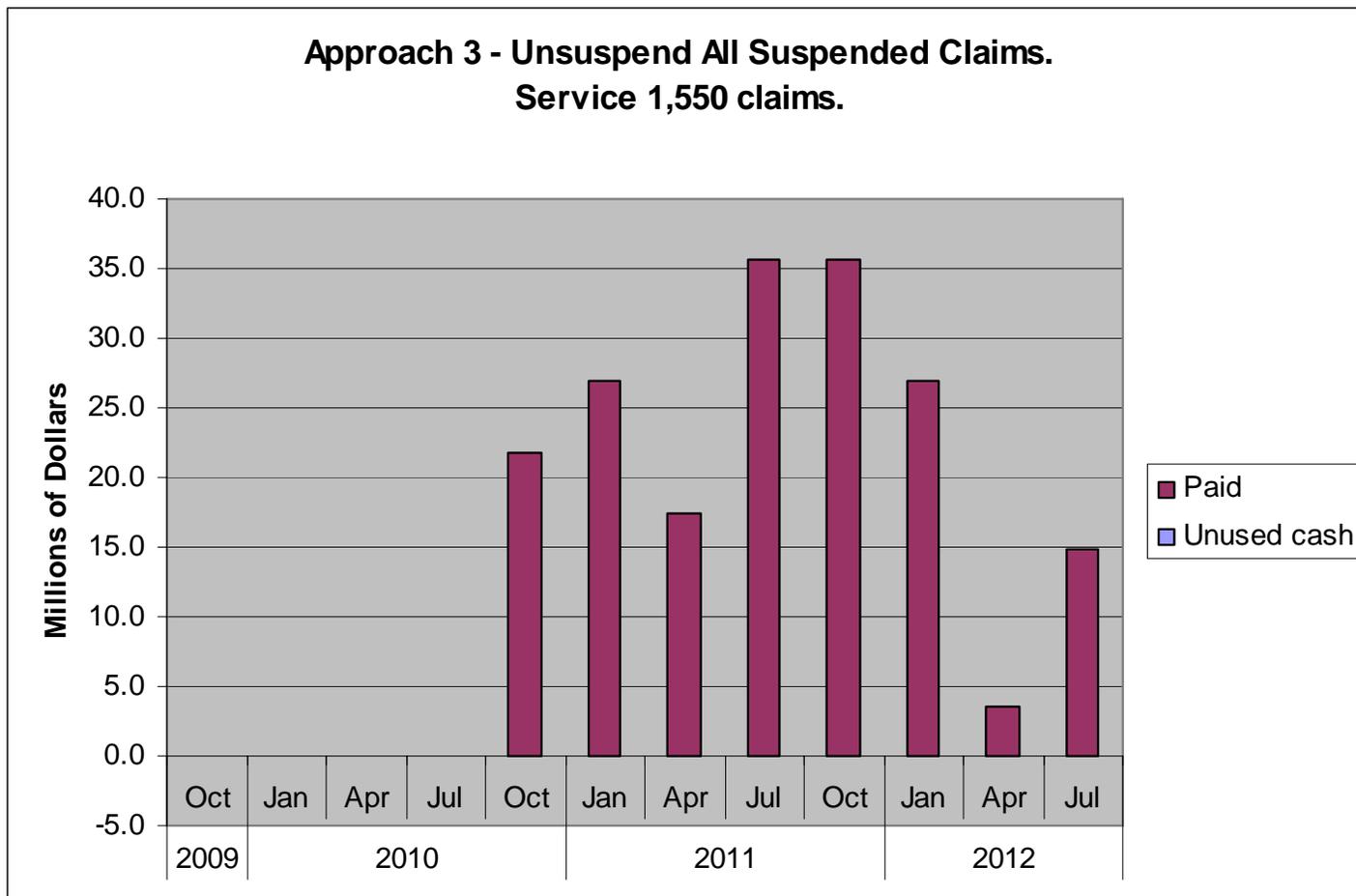
Under Alternative 2, we would un-suspend half the suspended claims for a total of 1000 active claims. This is what fund usage might look like after the \$70 million in-house is paid-out. Assuming demand of \$11.5 million/qtr. Leaves about \$44 million in revenue “on the table”.



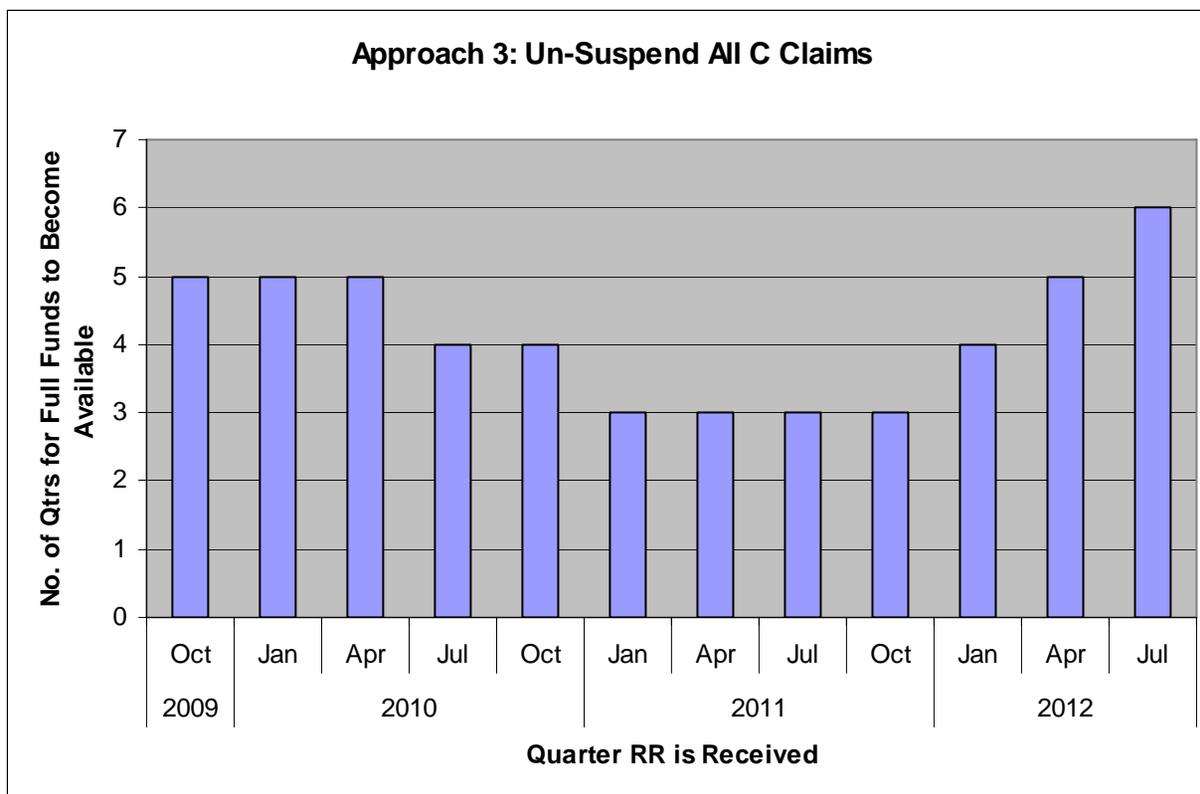
Under this approach, funds would initially be available in 5 quarters, dropping to three qtrs in 2010 and less than one quarter beginning in 2011. This doesn't take into account potential delays due to extended processing times, which could add one or two quarters.



Under the third approach, we would un-suspend all of the suspended claims for a total of 1550 active C claims. This is what fund usage might look like after the \$70 million in-house is paid-out. Assuming demand of \$17.8 million/qtr. Leaves no money “on the table”.



If all C claims are unsuspending, funds would be available in 5 qtrs at beginning and fall to 3 qtrs by mid 2011. Wait period would grow quickly after AB1188 funds end. These figures don't take into account potential delays due to extended processing times, which could add two to four quarters.



Summary of Three Approaches For Un-Suspending C Claims

Approach	Leave Claims Suspended	Un-suspend Half of Claims	Un- suspend All C Claims
Active/Suspended Claims	450/1100 claims	1000/550 claims	1550/0 claims
Un-submitted Demand	\$0	\$23 mill.	\$46 mill
Qtrly/Yrly Demand	\$5/\$20.7 mill.	\$11.5/\$46 mill.	\$17.8/\$71.3 mill.
Funds "Left on Table"	\$140 mill. during 2011-12	\$44 mill. during late 2011-12	None
Wait for funds after current backlog paid	4 qtrs drops to <1qtr by mid 2010	4-5 qtrs drops to <1qtr by mid-2011	4-5 qtrs drops to 3 qtrs for 2011
Trend after AB1188 fees end	Plenty of funds available	No change for at least 3 years due to cash reserve	Wait period climbs immediately
Est. Potential Workload impact	Minimal effect	Add 1-2 qtrs to wait	Add 3-4 qtrs to wait

Resolution 2009-0042
Status Update 11/17/09

Kevin Graves
Division of Water Quality

Monitoring Frequency Review

3. Regional Water Board and LOP agencies shall reduce quarterly monitoring requirements to semiannual or less frequent monitoring at all sites unless site-specific needs warrant otherwise and shall notify all responsible parties of the new requirements no later than August 1, 2009. If more than semiannual monitoring is required for a case, the responsible party and State Water Board shall be notified of the rationale and the notice shall be posted on GeoTracker.

Percent of Monitoring Well Sampling Frequency Reviews Completed

During the Period 5/19/09 to 11/9/09

ORGANIZATION NAME	total sites with GW Monitoring	review not yet completed	percent of reviews completed
SAN JOAQUIN COUNTY LOP	224	0	100%
ORANGE COUNTY LOP	416	0	100%
HUMBOLDT COUNTY LOP	136	0	100%
SAN MATEO COUNTY LOP	256	1	100%
SAN DIEGO COUNTY LOP	668	3	100%
SANTA CLARA COUNTY LOP	320	2	99%
SAN FRANCISCO BAY RWQCB (REGION 2)	279	3	99%
RIVERSIDE COUNTY LOP	135	3	98%
MERCED COUNTY LOP	69	2	97%
CENTRAL VALLEY RWQCB (REGION 5)	1003	31	97%
NORTH COAST RWQCB (REGION 1)	442	14	97%
CENTRAL COAST RWQCB (REGION 3)	274	9	97%
EL DORADO COUNTY LOP	27	2	93%
STANISLAUS COUNTY LOP	77	8	90%
SONOMA COUNTY LOP	203	30	85%
SANTA ANA RWQCB (REGION 8)	259	49	81%
VENTURA COUNTY LOP	154	30	81%
ALAMEDA COUNTY LOP	588	118	80%
SAN DIEGO RWQCB (REGION 9)	94	21	78%
NAPA COUNTY LOP	52	16	69%
COLORADO RIVER BASIN RWQCB (REGION 7)	110	34	69%
SOLANO COUNTY LOP	113	38	66%
LAHONTAN RWQCB (REGION 6)	163	60	65%
LOS ANGELES RWQCB (REGION 4)	1554	701	55%
SACRAMENTO COUNTY LOP	333	159	52%
SANTA BARBARA COUNTY LOP	239	131	45%
SAN BERNARDINO COUNTY LOP	84	63	25%
KERN COUNTY LOP	64	63	2%
TULARE COUNTY LOP	122	122	0%
SAN FRANCISCO COUNTY LOP	128	128	0%
NEVADA COUNTY LOP	28	28	0%
TOTAL	8614	1869	78%

Number of Monitoring Wells				
Sampling Frequency Change				
During the Period 5/19/09 to 11/9/09				
	BEFORE	AFTER	DIFFERENCE	% Change
MONTHLY	209	128	-81	-39%
QUARTERLY	42552	10489	-32063	-75%
SEMI-ANNUALLY	6145	35460	29315	477%
ANNUALLY	3761	7518	3757	100%
OTHER	1243	2388	1145	92%

Case Closure Review

1. The Regional Water Board and LOP agencies shall immediately begin to review all cases in the petroleum UST Cleanup Program using the general framework provided below.
 - a. The order of case reviews shall be determined by the Regional Water Boards and LOP agencies. Consideration should be given to reviewing first those cases with an active or suspended LOC with the Fund.
 - b. These case reviews shall, at a minimum, include the following for each UST case:
 - (1) Determination of whether or not the case is ready for closure.
 - (2) If the case is not ready for closure, determination of the following:
 - (a) The impediments to closure.
 - (b) The specific environmental benefits of any additional work to be performed at the site.
 - (c) The existing sensitive receptors that are likely to be impacted by contamination at the site and the probable timeframe for those impacts to occur.

Percent of Case Reviews and Case Closures Completed

During the Period 5/19/09 to 11/9/09

ORGANIZATION NAME	Total Cases	Closure Review Not Completed	Percent of Cases With Closure Review Completed	Percent of Cases Closed After 5/19/09	Percent of Cases Closed 6-month average over 5 years
VENTURA COUNTY LOP	171	0	100%	10%	7%
STANISLAUS COUNTY LOP	79	0	100%	4%	5%
SAN JOAQUIN COUNTY LOP	232	0	100%	4%	3%
HUMBOLDT COUNTY LOP	139	0	100%	4%	5%
SAN DIEGO COUNTY LOP	680	3	100%	4%	5%
MERCED COUNTY LOP	71	1	99%	8%	4%
LAHONTAN RWQCB (REGION 6)	171	8	95%	6%	5%
LOS ANGELES RWQCB (REGION 4)	1602	116	93%	4%	3%
NORTH COAST RWQCB (REGION 1)	449	69	85%	3%	3%
SAN FRANCISCO BAY RWQCB (REGION 2)	284	76	73%	19%	6%
SANTA ANA RWQCB (REGION 8)	263	73	72%	3%	3%
CENTRAL COAST RWQCB (REGION 3)	280	80	71%	3%	3%
SONOMA COUNTY LOP	208	78	63%	3%	4%
SAN MATEO COUNTY LOP	265	107	60%	3%	4%
SOLANO COUNTY LOP	119	53	55%	5%	4%
SACRAMENTO COUNTY LOP	344	154	55%	2%	3%
COLORADO RIVER BASIN RWQCB (REGION 7)	111	69	38%	2%	4%
CENTRAL VALLEY RWQCB (REGION 5)	1040	658	37%	6%	4%
SAN DIEGO RWQCB (REGION 9)	99	66	33%	4%	6%
SANTA CLARA COUNTY LOP	338	233	31%	6%	6%
RIVERSIDE COUNTY LOP	139	103	26%	2%	6%
SAN BERNARDINO COUNTY LOP	89	75	16%	18%	8%
SANTA BARBARA COUNTY LOP	243	213	12%	4%	2%
ALAMEDA COUNTY LOP	598	526	12%	2%	2%
SAN FRANCISCO COUNTY LOP	137	132	4%	16%	15%
TULARE COUNTY LOP	124	120	3%	4%	2%
NAPA COUNTY LOP	52	51	2%	2%	6%
ORANGE COUNTY LOP	419	416	1%	1%	3%
NEVADA COUNTY LOP	28	28	0%	0%	0%
KERN COUNTY LOP	64	64	0%	3%	3%
EL DORADO COUNTY LOP	27	27	0%	4%	2%
Total	8865				

IMPEDIMENTS TO CLOSURE DESCRIPTION	1	2	3	4	5	6	7	8	9	total
Site Assessment Incomplete - Incomplete Conceptual Site Model (CSM)	138	136	11	94	132	42	5	14	416	988
Site Assessment Incomplete - Pollutant Sources Have Not Been Adequately Identified or Evaluated	125	96	5	48	47	21	4	33	57	436
Site Assessment Incomplete - Extent of Contamination Has Not Been Determined	172	196	24	342	232	60	16	77	365	1484
Site Assessment Incomplete - Potential Risks, Threats, And Other Environmental Concerns Have Not Been Adequately Identified And Assessed	70	149	7	42	360	46	19	19	176	888
Site Assessment Incomplete - Sensitive Receptor Survey Has Not Been Completed	48	44	9	1	64	22	3	26	76	293
Site Assessment Incomplete - Other	5	16	4	172	21	3	2	15	32	270
Inadequate Source Control - Feasible Source Control Not Performed	76	145	5	143	114	4	4	54	13	558
Inadequate Source Control - Remaining Source Poses Threat to Groundwater	115	195	22	282	120	28	8	72	62	904
Inadequate Source Control - Other	3	23	0	99	18	2	1	15	8	169
Plume Instability - Groundwater Contamination Plume Not Stable or Decreasing	118	152	12	85	130	37	10	57	118	719
Plume Instability - Significant Rebound In Concentrations After Remediation	6	38	4	4	21	12	0	15	10	110
Plume Instability - Verification Monitoring Not Complete	51	115	49	37	111	30	4	59	52	508
Plume Instability - Other	5	18	5	47	21	1	0	13	11	121
Groundwater Impacts - Groundwater Impacted Above Background	159	106	53	144	254	50	12	47	185	1010
Groundwater Impacts - Groundwater Impacted Above Other Cleanup Goal	261	200	164	818	218	57	40	121	224	2103
Groundwater Impacts - Groundwater Will Not Meet Relevant WQOs Before the Beneficial Use of the Groundwater is Needed	26	34	1	9	132	5	3	4	1	215
Groundwater Impacts - Other	13	32	3	53	28	2	1	18	13	163
Well Impacts - Municipal Wells Impacted	1	0	4	19	2	2	1	1	14	44
Well Impacts - Municipal Wells Potentially Impacted	2	2	3	353	10	8	22	5	4	409
Well Impacts - Domestic Wells Impacted	35	7	1	0	21	2	1	2	7	76
Well Impacts - Domestic Wells Potentially Impacted	28	18	3	21	12	9	1	5	6	103
Well Impacts - Irrigation / Industrial Wells Impacted	4	5	1	0	7	1	0	0	1	19
Well Impacts - Irrigation / Industrial Wells Potentially Impacted	4	7	0	1	2	0	1	1	2	18
Well Impacts - De-Watering Well / Sump Impacted	0	1	0	0	0	0	0	0	0	1
Well Impacts - De-Watering Well / Sump Potentially Impacted	0	5	0	0	1	0	1	1	0	8
Well Impacts - Other	6	19	2	1	14	1	2	22	3	70
Unacceptable Risk - Unacceptable Risks to Human Health from Soil	1	49	0	3	56	1	17	13	1	141
Unacceptable Risk - Unacceptable Risks to Human Health from Vapor Intrusion	2	125	2	4	169	9	22	18	16	367
Unacceptable Risk - Unacceptable Risk from Soil Contaminants Entering Surface Runoff	1	5	0	1	3	0	1	2	0	13
Unacceptable Risk - Unacceptable Risk from Contaminated Groundwater Day Lighting to Surface Water	14	31	3	0	8	7	1	5	6	75
Unacceptable Risk - Other	0	57	1	2	77	0	2	16	13	168
Land Use Impediments - Proposed Change In Land Use (Need Additional RI and/or Cleanup)	2	22	5	3	3	0	0	9	6	50
Land Use Impediments - Risk Management Measures Need Agency Oversight (eg. Cap	0	3	0	0	0	0	0	0	0	3
Land Use Impediments - Other	1	5	0	0	4	0	1	9	1	21
Procedural Impediments - Non-Responsive and / or Recalcitrant Responsible Party	70	60	4	29	70	14	1	34	45	327
Procedural Impediments - RP Says They Do Not Have Adequate Funds to Initiate or Continue Work at the Site	51	27	1	18	62	11	2	27	23	222
Procedural Impediments - Site Data And Reports Not Uploaded to Geotracker	14	72	2	26	10	9	2	13	24	172
Procedural Impediments - Monitoring Wells Not Yet Abandoned	23	92	9	32	297	11	3	17	12	496
Procedural Impediments - Landowner Objects to Case Closure	0	9	2	0	1	1	0	2	0	15
Procedural Impediments - Regional Water Board Objects to Closure	7	4	16	6	18	6	1	37	26	121
Procedural Impediments - Local Agency Objects to Case Closure	1	2	34	1	4	0	0	0	1	43
Procedural Impediments - Community Objects to Case Closure	0	3	1	0	0	0	0	2	1	7
Procedural Impediments - LOC Suspended	8	22	0	1	37	0	0	19	1	88
Procedural Impediments - Reimbursements Delayed	20	27	0	5	87	7	1	24	5	176
Procedural Impediments - Other	40	53	0	29	63	2	2	25	31	245

IMPEDIMENTS TO CLOSURE	
DESCRIPTION	total
Groundwater Impacts - Groundwater Impacted Above Background	1010
Groundwater Impacts - Groundwater Impacted Above Other Cleanup Goal	2103
Groundwater Impacts - Groundwater Will Not Meet Relevant WQOs Before the Beneficial Use of the Groundwater is Needed	215