

REIMBURSEMENT PROCESS FOR REGULATORY OVERSIGHT

We have identified your facility or property as requiring regulatory cleanup oversight. Pursuant to the Porter-Cologne Water Quality Control Act, reasonable costs for such oversight can be recovered by the Regional Water Quality Control Board (RWQCB) from the responsible party. The purpose of the enclosure is to explain the oversight billing process structure.

INTRODUCTION

The Porter-Cologne Water Quality Control Act authorizes the State Water Resources Control Board (SWRCB) to set up Cost Recovery Programs. The Budget Act of 1993 authorized the SWRCB to establish a Cost Recovery Program for Site Cleanup Program (SCP). The program is set up so that reasonable expenses incurred by the SWRCB and RWQCBs in overseeing cleanup of illegal discharges, contaminated properties, and other unregulated releases adversely impacting the State's waters can be reimbursed by the responsible party. Reasonable expenses will be billed to responsible parties and collected by the Fee Coordinator at the SWRCB in the Division of Financial Assistance (DFA).

THE BILLING SYSTEM

Each cost recovery account has a unique Site ID number assigned to it. Whenever any oversight work is done, the hours are entered into the SCP Cost Recovery/daily logs database. The cost of the staff hours is calculated by the State Accounting System based on the employee's salary and benefit rate and the SWRCB overhead rate.

SWRCB and RWQCB Administrative charges for work such as accounting, billing preparation, general program meetings, and program specific training cannot be charged directly to an account. This work will be charged to Administrative accounting codes one per Region. The Accounting Office totals these administrative charges for the billing period and distributes them back to all of the accounts based on the number of hours charged to each account during that billing period. These charges show as State Board Program Administrative Charges and Regional Board Program Administrative Charges on the Invoice.

The current billing period charges will include associated labor costs, risk assessment contract charges, overhead charges, SWRCB/DFA Administrative charges, and RWQCB Administrative charges. The overhead charges are based on the number of labor hours charged to the account. The overhead charges consist of rent, utilities, travel, supplies, training, and accounting services. Most of these charges are paid in arrears. The Accounting Office keeps track of these charges and distributes them back monthly to only those accounts having Labor hours charged to them for the period being billed. No site will be billed for overhead during a billing period unless Labor hours have been posted to the RWQCB employee's daily logs residing in the SCP Cost Recovery database.

Invoices are issued quarterly, one quarter in arrears. If a balance is owed, a check is to be remitted to the SWRCB with the invoice remittance stub within 30 days after receipt of the

invoice. The Fee Coordinator inputs a record of all checks received directly or by the Accounting Office on a daily basis.

Copies of the invoices are sent to the appropriate RWQCBs so that they are aware of the oversight work invoiced. Questions regarding the work performed should be directed toward your RWQCB case worker.

DISPUTE RESOLUTION

If a dispute regarding oversight charges cannot be resolved with the RWQCB, Section 13320 of the California Water Code provides a process whereby persons may petition the SWRCB for review of RWQCB decisions. Regulations implementing Water Code Section 13320 are found in Title 23 of the California Code of Regulations, Section 2050.

DAILY LOGS

A detailed description (daily log) of the actual work being done at each specific site is kept in the SCP Cost Recovery/daily logs database for each employee in the RWQCB who works on the cleanup oversight at the property. This information is provided on the quarterly invoice using standardized work activity codes to describe the work performed. Upon request, a more detailed description of the work performed is available from the RWQCB staff.

REMOVAL FROM THE BILLING SYSTEM

After the cleanup is complete the RWQCB will submit a closure form to the SWRCB to close the account. If a balance is due, the Fee Coordinator will send a final billing for the balance owed. The responsible party should then submit a check to the SWRCB to close the account.

AGREEMENT

No cleanup oversight will be performed unless the responsible party of the property has agreed in writing to reimburse the State for appropriate cleanup oversight costs and submitted to the RP. You may wish to consult an attorney in this matter. As soon as the letter is received, the account will be added to the active SLIC Cost Recovery billing list and oversight work will begin.