SPILLS, LEAKS, INVESTIGATIONS, AND CLEANUPS (SLIC) PROGRAM BILLING PROCESS

March 1, 2000

INTRODUCTION

The Porter-Cologne Water Quality Control Act authorizes the State Water Resources Control Board (SWRCB) to set up Cost Recovery Programs. A Section 28 was prepared for FY 1991-92 and a Budget Change Proposal was prepared for FY 1993-94 to establish authority for the "Cost Recovery for Regulatory Oversight of Cleanups" (SLIC Program) which was funded under the General Fund. In June 1993, the SWRCB approved $2,000,000 in Cleanup and Abatement funding to allow facilities to be added to this cost recovery program without a deposit. In July 1994, the decision was made to fully fund the program from the Cleanup and Abatement Account (CAA) and no longer collect deposits. The current allocation for SLIC is $3,500,000.

The SLIC Program is set up so that reasonable expenses incurred by the SWRCB and Regional Water Quality Control Boards (RWQCB) in overseeing water quality matters can be recovered from the responsible party. Facilities are assigned a site specific program cost account code to track expenditures. Reasonable expenses will be billed to identified responsible parties and collected by the Fee Coordinator at the SWRCB in the Division of Clean Water Programs. The intent of the process established by this Guide is not to second guess RWQCB decisions to place sites into the cost recovery program. Rather it is to ensure that oversight costs are properly documented and collected. This program is designed to cover those facilities in which responsible parties agree to pay oversight costs. Vigorous enforcement action should be taken against other facilities where cleanup is appropriate and responsible parties do not cooperate.

COST RECOVERY ELIGIBILITY REQUIREMENTS

Our statutory authority to recover reasonable costs for regulatory oversight of cleanups is based upon provisions of California Water Code, including Sections 13267, 13304 and 13365. Water Code Section 13267 authorizes RWQCBs to require dischargers to conduct water quality investigations, Water Code Section 13304 is the general authority to require dischargers to conduct cleanup and abatement activities and Water Code Section 13365 addresses the billing process. Additionally, the State's Administrative Procedure Act authorizes state agencies to make settlement decisions regarding matters within their jurisdiction. These authorities allow the RWQCBs to recover oversight costs.

In order to properly document and justify oversight costs, the RWQCBs should provide the following documentation (or its equivalent) to the responsible party.

1. A settlement agreement, cleanup and abatement order or other documentation which establishes the justification for cost recovery. Such documentation should include the following information:

   (a) that a spill or leak has occurred or is suspected of having occurred;

(b) that the spill or leak has caused or is suspected of causing a discharge that could affect water quality; and

(c) the type of work that will be done, e.g., site inspections, review of cleanup plans, etc.

2. The RWQCB must provide initially, *and at least annually thereafter*, to the responsible party, in writing, the following in accordance with Porter-Cologne, Division 7, Section 13365 of the Water Code . This initial notification may be done in the documentation listed in 1.

   (a) A detailed estimate of the work to be performed or services to be provided by the RWQCB.

   (b) A statement of the expected outcome of that RWQCB work.

   (c) An estimate of the number of hours and total cost to be charged annually to the facility.

   (d) Billing rates for all individuals and classes of employees expected to engage in that work or service. (Use salary scale in Attachment 1.)

   Should the scope of work or cost estimate vary significantly during the year, the responsible party must be notified in writing of the changes prior to additional work performed.

3. A "responsible person" must have indicated in writing, to the RWQCB, that the responsible party is willing to pay the oversight costs. Written agreement may be accomplished by signing a concurrence box to the RWQCB's documentation or through a separate written agreement. (If, after proper notice, a responsible party does not agree to pay reasonable oversight costs, the RWQCB should take appropriate Water Code enforcement action.)

4. The responsible party must be provided an explanation of the cost recovery program billing process. Attachment 2 "Reimbursement Process for Regulatory Oversight" should be included as an attachment to the initial documentation.

A change in the Responsible Party being billed for oversight work requires new documentation or order and agreement to pay. A Form 113a must be submitted to notify the SWRCB of the responsible party change along with a copy of the documentation and agreement to pay.

PROCESS FOR ADDING ACCOUNTS TO THE COST RECOVERY BILLING SYSTEM

To add a new account to the billing process, the RWQCB Program Manager must collect the above documentation and review it for completeness. When satisfied that the completed documentation conforms with the requirements of the Water Code and this billing guide, the Program Manager must complete and sign the Form 113 (Attachment 3) and submit it to the SWRCB Fee Coordinator. It is the responsibility of the RWQCB Program Manager to identify *one* responsible party on the Form 113 to receive the invoices. Invoices will not be sent to multiple responsible parties at the same cleanup site.

The SWRCB program staff will review the completed Form 113 to verify that the appropriate checkboxes have been filled in to certify that the foregoing prerequisites have been satisfied. If all of the requirements have been met, the SWRCB Program Manager will approve the Form 113. If any requirements are not met, the package will be returned to the RWQCB Program Manager (Attachment 4). Once the insufficiencies are corrected, the completed package must be approved by the RWQCB Program Manager and resubmitted to the Fee Coordinator.

The Fee Coordinator will assign a Program Cost Account (PCA) number on the Form 113. The Fee Coordinator will then complete a Program Task Request Form and forward the entire package to the Accounting Office to establish the PCA in the CALSTARS system. After the Accounting Office returns the approved PCA request to the Fee Coordinator, a copy of the Form 113 will be sent to the RWQCB Program Manager.

Completed site requests received by the SWRCB program analyst prior to the 20th of the month inclusive will be effective the 1st of that month received. Completed site request packages received after the 20th of the month will be effective the 1st of the following month. Staff charges may begin as of the 1st of the effective month.

THE BILLING PROCESS

Cost Recovery invoices are issued quarterly, one quarter in arrears.

Each cost recovery site has a unique PCA number assigned to it by the SWRCB program analyst. Whenever any work is performed for the site, the hours are charged to the assigned account number on the employee's time sheet. The time sheet hours are key entered into the State Accounting System (CALSTARS) each month and the cost of the hours worked is calculated by CALSTARS using the employee's salary and benefit rates. These charges, the hours and the associated expenditures, are summarized on the quarterly invoice (Attachment 5).

The current billing period charges will include associated labor costs, risk assessment contract charges, overhead charges, SWRCB 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. Therefore, if there is no labor charged during the billing period, there still may be overhead charges associated with previous months services. The Accounting Office keeps track of these charges and distributes them back monthly to all of the accounts based on the number of hours charged to each account. Therefore, the quarterly statements could show no labor hours charged for that billing period, but some overhead costs could be charged to the account.

The RWQCBs and SWRCB contract with the Office of Environmental Health Hazard Assessment to review risk assessments prepared by responsible parties. The cost of the risk assessment at a SLIC site is charged directly to the site-specific cost recovery account and will show up as a contract expenditure on the invoice.

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 PCA codes. Each RWQCB may not charge more than 10% of their monthly cost recovery time to their administrative PCA code.

The SWRCB and the nine RWQCBs each have a unique administrative PCA code. The Accounting Office takes the total SWRCB Administrative expenditures for the billing period and distributes them back to all of the cost recovery accounts based on the number of hours charged to each account during that billing period. Each RWQCB's Administrative expenditures are distributed back to that Board's SLIC accounts based on the number of hours charged to each of their accounts during that billing period.

The hours charged are entered monthly into the CALSTARS system. The expenditure information for the quarterly invoices is taken from the monthly CALSTARS reports. If a balance is owed, the responsible party is to remit a check to the Division of Clean Water Programs with a copy of the statement within 30 days after receipt of the invoice.

It is imperative that RWQCB SLIC Program Managers keep up-to-date on the status of their respective cost-recovery accounts and be prepared to answer customer inquiries regarding their invoices. To promote good customer service, copies of the billings will be sent to the appropriate RWQCB Program Manager.

NONPAYMENT PROCESS

A cost recovery account is considered delinquent if it is not paid before the next invoice is issued. The RWQCB Program Manager is notified monthly of delinquent accounts via the "Report of Aged Receivables" which is provided by the SWRCB program analyst. This report lists all unpaid invoices. Any account which is 90 days or more overdue will be put on inactive status. Inactive accounts may not be charged until paid in full. These accounts will not be displayed in the Cost Recovery Daily Log database. It is the RWQCB's responsibility to contact the responsible party regarding overdue accounts.

When an invoice is more than three billing periods overdue, the account will be dropped from the SLIC cost recovery program. The SWRCB fee coordinator will complete a Form 113A (Attachment 6) to remove the account from the program. The account will be dropped effective the first of the following month. A copy of the Form 113A will be sent to the RWQCB program manager. If oversight work is to continue at the property, it must be charged to another fund source.

If charges are made to a PCA number after its inactive or dropped effective date, it is the responsibility of the RWQCB Program Manager to ensure that staff submit appropriate amended time sheets to move the invalid charges to another Fund source.

An account on inactive status will be reactivated only after it is paid in full. The Fee Coordinator will then move it back to the site list in the Daily Log Database.

The Fee Coordinator will not reopen a cost recovery account for a dropped party unless the payments are brought up-to-date and a new written agreement to pay is obtained by the RWQCB. To reopen an account, the RWQCB Program Manager must submit a completed Form 113A and the

new written agreement to pay to the Fee Coordinator. When a dropped account is reopened, the RWQCB may amend time sheets to collect expenditures incurred during the period the site was not in the cost recovery program only if the new agreement to pay specifically includes agreement to pay these previous expenses.

REMOVAL FROM THE BILLING SYSTEM

When a site no longer requires oversight work, it may be removed from the active billing system. Closure letters to dischargers should be contingent upon payment of full oversight charges due. To close an account, the RWQCB must complete a Form 113A and send it to the fee coordinator for processing. When the final payment is received, a copy of the Form 113A with complete signatures will be sent to the RWQCB. The facility is then removed from the active facility list and no longer billed.

DAILY LOGS

A detailed description (daily log) of the actual work being done at the property must be kept by each employee in the RWQCB who is working on the oversight at the property. Staff time charged to cost recovery accounts must be recorded in the Daily Log Database. The RWQCBs have been provided a user manual for the Daily Log program. The Daily Log Database is an Access software program which has been installed in all RWQCB offices to track all staff time charged to cost recovery sites. Staff hours reported in the Daily Log Database are printed on the Quarterly Billing Statements to responsible parties. The hours are reported along with the activity code describing the work done. Any notes recorded in the database describing the work done will not be printed on the invoice. When a responsible party requests more detail about the work performed than the activity codes provide, the daily log report displaying the notes about the work performed must be printed from the database and provided to the responsible party by RWQCBs. Note: The RWQCB will be responsible for costs that cannot be justified in the daily logs.

The dates for the month on the daily log should match the dates charged on the time sheet. (Some pay periods start with a day from the previous month or extend into the next month so the daily log and time sheet period should match.) It is very important that these logs be accurate and match total hours reported on an employee's time sheet.

It is the responsibility of the RWQCB to review the time logs for reasonableness of charges and to ensure the hours match those reported on the employee's time sheets.

Enclosure 2

STATE WATER RESOURCES CONTROL BOARD
SITE CLEANUP PROGRAM (SCP)
BILLING COST EXPLANATION
Fiscal Year 2013-2014

Employee Salary and Benefits by Classification [1]	**ABR**	**SALARY/ BENEFITS RANGE**
7500 - AEO CEA	CEA	8,840 - 19,738
4558 - Admin Officer II	ADMNOffII	6,619 - 8,225
5871 - Assistant Chief Counsel	ACC	12, 789 - 14,814
5393 - Associate Governmental Program Analyst (Statewide)	AGPA	6,301 - 7,889
4707 - Business Serv Asst (Spec)	BSA	3,573 - 5,470
3756 - Engineering Geologist (SWRCB)	EG	6,599 - 12,423
0760 - Environmental Program Manager I (Managerial) (SWRCB)	EPMIM	9,937 - 11,284
0756 - Environmental Program Manager I (Supervisory) (SWRCB)	EPMIS	8,986 - 11,174
0769 - Environmental Program Manager II (SWRCB)	EPMII	11,465 - 13,025
0762 - Environmental Scientist (SWRCB)	ES	4,407 - 8,424
3843 - Exec Officer I	EO	14,043 - 15,640
3842 - Exec Officer II	EO II	14,345 - 15,996
5601 - Information Officer I (Spec)	IO	6,301 - 7,889
1419 - Key Data Operator	KDO	3,083 - 4,388
1282 - Legal Secretary	LS	4, 351 - 5,720
1441 - Office Assistant (General) (Statewide)	OA	2,970 - 4,086
1379 - Office Assistant (Typing) (Statewide)	OA	3,069 - 4,169
1138 - Office Technician (General) (Statewide)	OT	3,778 - 4,733
1139 - Office Technician (Typing) (Statewide)	OT	3,847 - 4,815
3851 - Principal Water Resources Control Engineer (SWRCB)	PWRCE	14,095 - 16,009
5373 - Public Participation Specialist	PPS	6,301 - 7,889
3826 - Sanitary Engineering Associate (Statewide)	SEA	7,103 - 8,890
3782 - Sanitary Engineering Technician (Statewide)	SET	4,892 - 7,030
3751 - Senior Engineering Geologist (Statewide)	SEG	10,565 - 14,559
0764 - Senior Environmental Scientist (SWRCB)	SRES	7,805 - 9,703
3224 - Senior Legal Typist	SLT	3,708 - 5,186
3844 - Senior Water Resources Control Engineer (SWRCB)	SWRCE	10,565 - 14,559
5778 - Staff Counsel (Statewide)	STCOUN	6,694 - 11,659
5795 - Staff Counsel III (Statewide)	STCOUNIII	11,001 - 14,116
5815 - Staff Counsel III (Sup)	STCOUNIII	11,007 - 14,125
5780 - Staff Counsel IV (Statewide)	STCOUNIV	12,153 - 15,604
0765 - Staff Environmental Scientist (SWRCB)	SES	7,798 - 9,699
5157 - Staff Services Analyst (General)	SSA	4,034 - 6,558
4800 - Staff Services Manager I	SSM I	7,274 - 9,038
3748 - Supervising Engineering Geologist (Statewide)	SUEG	11,596 - 14,518
3849 - Supervising Water Resources Control Engineer (SWRCB)	SUWRCE	11,596 - 14,518
3850 - Supervising Water Resources Control Engineer (MGR)	SUEG	12,824 - 14,571
3846 - Water Resources Control Engineer (SWRCB)	WRCE	6,599 - 12,360

Note: The State is currently negotiating with the unions so the upper limits of the above ranges may be subject to change.

Intermittent Employees:

1120 – Seasonal Clerk	SC	8.18/hr. – 9.35/hr.
1931 – Scientific Aid	SAID	11.58/hr. – 13.34/hr.
4871 - Student Assistant - Engineering (Statewide)	SAE	11.55/hr. – 17.28/hr.

Operating Expenses and Equipment [2] (both Headquarters and Regional Board offices)

[1] The name and classification of employees performing oversight work will be listed on the invoice you receive.
[2] The examples are estimates based on recent billings. Actual charges may be slightly higher or lower.

Indirect Costs (Overhead = cost of doing business) 120%

Billing Example

Water Resources Control Engineer		
Salary:	$	11,647
Overhead (indirect costs):	$	13,976
Total Cost per month	$	25,623

Divided by 176 hours per month equals per hour: $ 145.59
(Due to the various classifications that expend SCP resources. An average of $ 150.00 per hour can be used for projection purposes.)

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 Spills, Leaks, Investigations, and Cleanups (SLIC). 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 Clean Water Programs (DCWP).

THE BILLING SYSTEM

Each cost recovery account has a unique charge number assigned to it. Whenever any oversight work is done, the hours are billed to the account number on the employee's time sheet. 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. 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 SWRCB Program Administrative Charges and RWQCB Program Administrative Charges on the Invoice.

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. Therefore, if there is no labor charged during the billing period, there still may be overhead charges associated with previous months services. The Accounting Office keeps track of these charges and distributes them back monthly to all of the accounts based on the number of hours charged to each account. Therefore, the quarterly statements could show no labor hours charged for that billing period, but some overhead costs could be charged to the account.

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 Accounting Office sends a report of payments to the Fee Coordinator on a quarterly 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. If the responsible party becomes delinquent in their quarterly payments, oversight work will cease immediately. Work will not begin again unless the payments are brought up-to-date.

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 by 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. 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.

ATTACHMENT 3

FORM 113
(REV. 3/1/00)

ADDITION TO THE SLIC REIMBURSEMENT LIST

_____ RWQCB (R __)
[*fill in name of RWQCB and number of region*]

PCA Number: _____ Effective Date: _____

Site Name: _____

Street Address: _____

City: _____ County: _____

Billing Name: _____

Attention Name: _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Comments: _____

_____

☐ Yes. The responsible party (RP) has been provided appropriate documentation per Billing Guide.
☐ No. The RP has not been provided appropriate documentation per Billing Guide.

☐ Yes. The RWQCB has a written agreement to pay.
☐ No. The RWQCB does not have a written agreement to pay.

☐ Yes. The RP has been provided with proper notification per Section 13365. **Est. Hours through 6/30:_____**
☐ No. The RP has not been provided with proper notification per Section 13365.

Approved By: _____ Date: _____
(RWQCB Program Manager)

Reviewed By: _____ Date: _____
(SWRCB SLIC Program Manager)

SUBMIT COMPLETED FORM TO SLIC PROGRAM ANALYST, DIVISION OF CLEAN WATER PROGRAMS

State Water Resources Control Board

Division of Clean Water Programs
2014 T Street • Sacramento, California 95814 • (916) 227-4400
Mailing Address: P.O. Box 944212 • Sacramento, California 94244-2120
FAX (916) 227-4349 • Web Site Address: http://www.swrcb.ca.gov

TO:

FROM: Mike Harper
Program Manager
DIVISION OF CLEAN WATER PROGRAMS

DATE:

SUBJECT: ADDITION TO THE SLIC OVERSIGHT PROGRAM, FORM 113

The attached Form 113 is being returned to you for the following reason(s):

☐ The RWQCB did not provide appropriate documentation to the Responsible Party per the Billing Guide outlining the determination to seek cost recovery.

☐ The RWQCB did not provide Water Code Section 13365 notification to the Responsible Party per the Billing Guide.

☐ A willingness to pay by the responsible party was not established.

☐ Other:

If you have any questions, please contact Leslie Fong at (CALNET) 498-4501, (916) 227-4501.

Attachment

FORM 113A
(REV. 3/1/00)

CHANGE TO
SLIC REIMBURSEMENT LIST

_____ RWQCB (R __)
[*fill in name of RWQCB and number of region*]

PCA Number: _____ Effective Date: _____

Site Name: _____

Address: _____

_____

Billing Name: _____

Billing Address: _____

_____

___ Check if change of address.

It has been determined that this account meets the following:

___ Dropped, due to nonpayment of oversight charges. Bad Debt Amount $_____

___ Reactivate, payments have been brought up-to-date and a new agreement to pay is attached.

___ No longer requires oversight work, requires final billing, and can be removed from active SLIC list.

___ Remove account from SLIC list, will be addressed through another program.

Reason for Program change/comments: _____

Refund due or Amount owed = $_____

Submitted By: _____ Date: _____
(Originator or RWQCB SLIC Contact)

Reviewed By: _____ Date: _____
(SWRCB SLIC Program Manager)

Inputted By: _____ Date: _____
(Accounting Office)

SUBMIT COMPLETED FORM TO SLIC FEE COORDINATOR, DIVISION OF CLEAN WATER PROGRAMS