

**CLEANUP FUND TASK FORCE
MINUTES OF AUGUST 17, 2009 MEETING**

Members present:

Barbara Dunn
Rich Premzic
Zack Moran
Deborah Lichtenberger
David Arrieta
Nick Bokides
Julie Thompson
Dan Johnson
Steve Goldberg
Jim Arnold
Eric Swenson

Members absent: Ron Chinn, Jerry Piritz, Markus Niebanck, Charles Ice

Alternates present: Dwayne Ziegler, Mark Magargee, Nicole Gleason (designated alternate for Ron Chin), Misty Kaltreider (by telecom)

Alternates absent: David Zedrick, Hans Herb

State Water Board staff present: Allan Patton, Lori Casias, Selica Potter, Ron Duff

AGENDA ITEMS

Orders of business

1. Minutes from 8/3/09 meeting were approved by the task force members, with one formatting change.
2. Two facilitators were provided by EPA and were present to assist the task force in its processes.

Presentation by staff

1. The task force was presented with an explanation of the reserve account by the Division of Administrative Services:
 - Approximately 10% of the Fund's encumbrance is kept in reserve.
 - The reserve acts as CalEPA's clearing account. This was established in FY 03/04 as the State's General Fund was reduced.
 - Because of the quarterly revenues cycle of the Fund, the Fund's account approaches the reserve account balance four times per year.

- The establishment of the Cleanup Fund as CalEPA's clearing account is set in budgetary statute.
 - The reserve is managed by staff and could theoretically be adjusted as a management decision, but this is unlikely.
2. The task force was presented with a revised FY 09/10 Revenues/Expenses Plan based on the discussions from previous meetings. Adjustments were made as follows:
- The total dollar amount available to pay reimbursement requests increased from \$146.5 million to \$155.9 million. The increase is budgeted to pay reimbursements in Q1 and Q2.
 - Approximately \$11 million for reimbursement payments in Q4 were budgeted to pay reimbursements in Q1 and Q2.
 - No adjustments were made to reflect savings from mandated employee furloughs although savings are expected to be realized. Staff did not reduce expenses due to lawsuits which have been filed challenging the furloughs.
3. The task force was presented with an update on the status of Priority C Claims being moved into Priority B Claims:
- Of approximately 200 requests, 80 have been processed.
 - Of the 80 processed, approximately 60 were approved as Priority Class B.
4. The task force was presented with an update on the LUFT Task Force:
- The UST Program Task Force formed five subcommittees:
 1. Closure resolution/risk based closure
 2. "Beyond risk" to direct resources to high risk sites
 3. Accountability and administration improvements
 4. Dispute resolution
 5. Article 11 (changes to the cleanup program)
5. The task force established Julie Thompson as liaison between the CUF Task Force and the UST Program Task Force's accountability/administration subcommittee.
6. The task force established the main audit recommendations. These will be drafted before the next meeting and ratified at the next Task Force meeting
7. Discussion of Health and Safety Code section 25296.25 subpart C:
- While there is a statutory provision allowing suspension of investigation and corrective action. Regulations have not been adopted.

- The Task Force requested information confirming the status of the regulations, Staff will look into this further and report back at the next meeting.
- Discussion regarding the impact on the Fund of the development of these regulations was deferred until the report back from Staff.

Agenda for September 2, 2009 Task Force Meeting

1. Review and adoption of audit recommendations.
2. Staff will report on the reimbursements processing/payments status.
3. Staff will report on Health and Safety Code section 25296.25 subpart C.
4. Presentation on capital infusion options available for the Fund.
5. Discussion of short term issues