

Cost Recovery

prepared for the

Independent Review Panel

November 16, 2016

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Environmental Restoration Program



Department of Toxic Substances Control



Cal/EPA

Cost Recovery

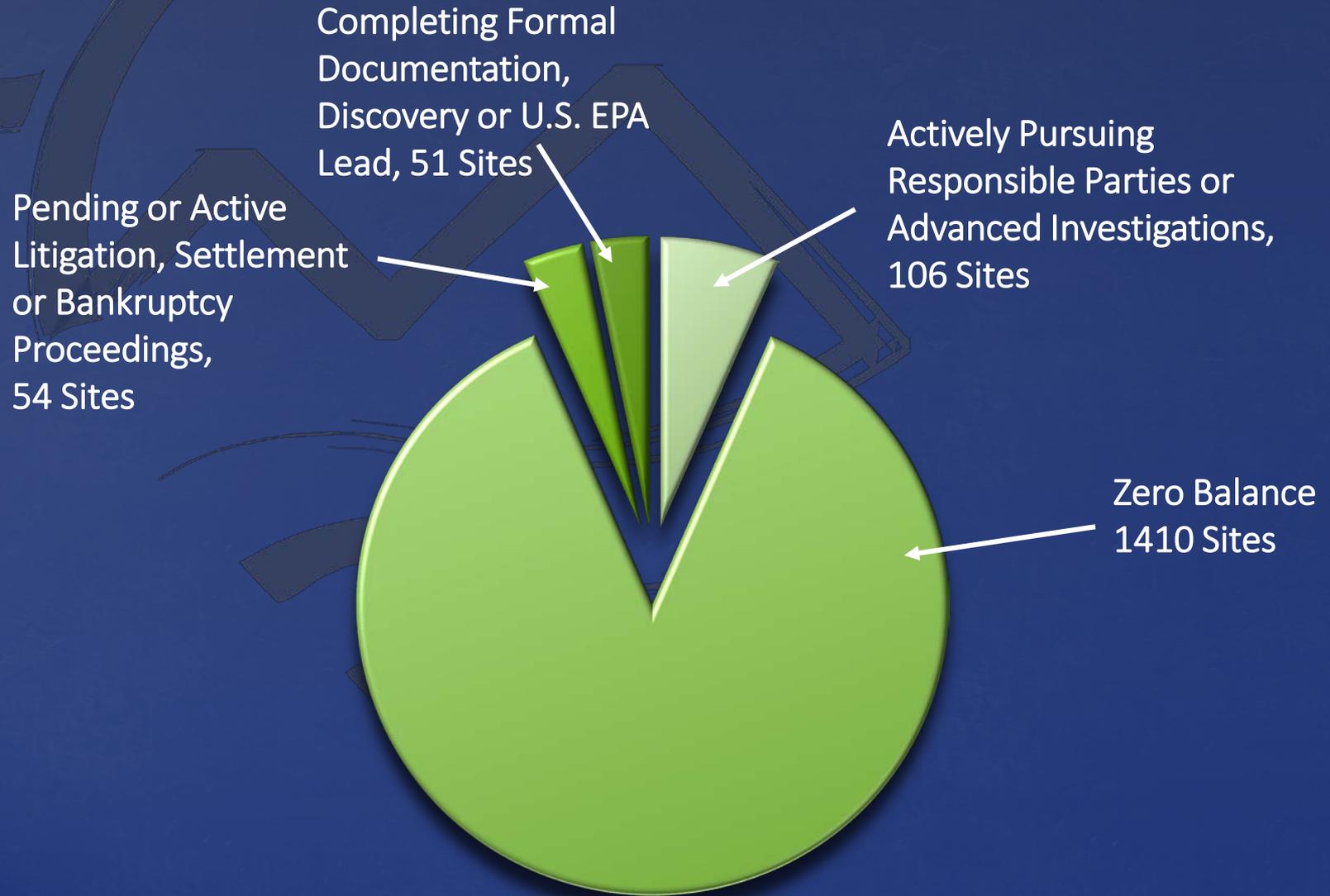
1. Recent History and Upcoming Key Activities
2. Historical Costs Update
3. Procedures
 - Cleanup Program Cost Estimates
 - Informal Invoice Dispute Process



Timeline

Nov 2013	DTSC issued sweeping cost recovery procedural changes.
Mar 2014	DTSC trained hundreds of employees on new cost recovery guidance.
Jul 2014	DTSC hired focused resources and redirected positions to implement DTSC's Work Plan actions and reduce its historical backlog of unreimbursed response costs.
Aug 2014	State Auditor issued findings and recommendations for DTSC's cost recovery program. All nine for DTSC's action evaluated as "Fully Implemented."
Jun 2016	DTSC completed its evaluation of all historical costs on schedule.
Jul 2016	New interest rate of 7% (AB 273) and added information request authority (AB 276)
Jun 2021	New interest rate of 10% goes into effect for businesses with unpaid response costs. Government entities remain at 7% (AB 273).
Jan 2021	New improved billing system goes on line.

Historical Sites - Evaluation and Disposition



Cost Recovery Monitoring

- Cost Recovery concerns resulted in creation of Administrative Project Managers (APMs)
- APMs are assigned specific projects and work side-by-side with Technical Project Managers
- APMs establish and ensure Envirostor profile is set up accurately for billing information

Preparation of Cost Estimates

- Project Managers use a tool in EnviroStor called the Resource Estimated Worksheet
- Project schedule is developed with the Project Proponent
- Resource estimation spreadsheet is created
- Project proponent reviews, agreement is reached
- Cost estimate available on Envirostor

Support Services Monitoring

- A typical complex project will have support provided by specialists including:
 - Geologist
 - Engineer
 - Toxicologist
 - Legal Support
 - Public Participation Support
- PMs and Support work closely together
- APMs monitor Support costs

Cost Tracking Report

Cost Tracking Report											VIEW ESTIMATED HOURS FOR FY						
BRANCH CHIEF	SUPERVISOR	PROJECT MANAGER	OFFICE	COUNTY	STATUS	SITE TYPE	DOCUMENT TYPE	ASSEMBLY	SENATE	NATIONAL PRIORITY LIST							
ALL	ALL	ALL	ALL	ALL	ALL	ALL	ALL	ALL	ALL	ALL							
THE DATA FOR THIS REPORT IS BEING LIMITED BY THE ADVANCED REPORT PARAMETERS																	
FISCAL YEAR		THE MOST RECENT FISCAL DATA RECEIVED FROM DTSC IS THROUGH THE <u>SEPTEMBER 2016</u> PAY PERIOD										** INDICATES A HISTORICAL SITE CODE					1 RECORDS FOUND
FY 16/17		<input type="button" value="Run Report"/>															
PROJECT NAME	SITE CODE	SITE TYPE	STATUS	TOTAL	PM	APM	SUP	ENG	GEO	TOX	IH	PPS	OLC	CEQ	OT	OTHER	
			Actual Planned	58.51 228 26%	28.26 103 27%	- -	- 12	- 9	4.75 49 10%	23 44 52%	- -	- -	- -	- -	1.5 11 14%	1 -	

Resource Estimate Worksheet

List Re-Evaluation	Technical Report	11/1/2017	7/1/2017	12		ENG	8	TOX	IH	PPS	OLC	CEQ	FA	APM	1	TRV	CONT	
2nd Semi Annual 2016 Ground Water Monitoring Report	Monitoring Report	2/1/2017	7/1/2017	8	2	ENG	4	TOX	IH	PPS	OLC	CEQ	FA	APM	1	TRV	CONT	
Remedy Selection	Remedy Selection and Statement of Basis	2/28/2017	7/1/2017	11	1	1	5	4	IH	PPS	OLC	CEQ	FA	APM	1	TRV	CONT	
Project Management																		
TOTAL PLANNED HOURS				103	12	9	49	44	0	0	0	0	0	0	0	11	\$0	\$0
View Contract Estimation Rates - HOURLY RATE				\$204	\$227	\$204	\$205	\$201								\$81		
TOTAL PLANNED (DOLLAR AMOUNT)				\$21,012	\$2,724	\$1,836	\$10,045	\$8,844								\$891	\$0	\$0
YEAR 1 TOTAL:				\$45,352														
TOTAL ACTUAL HOURS				28.26	-	-	4.75	23	-	-	-	-	-	-	-	1.5	-	1
SITE CODE				28.26	0	0	4.75	23	0	0	0	0	0	0	0	1.5	-	1

Informal Cost Disputes

- Project Proponent calls Project Manager or Supervisor
- Project Manager reviews daily logs and provides copies if requested
- Formal Dispute Process