Cost Recovery

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

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>Nov 2013</td>
<td>DTSC issued sweeping cost recovery procedural changes.</td>
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<tr>
<td>Mar 2014</td>
<td>DTSC trained hundreds of employees on new cost recovery guidance.</td>
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<tr>
<td>Jul 2014</td>
<td>DTSC hired focused resources and redirected positions to implement DTSC’s Work Plan actions and reduce its historical backlog of unreimbursed response costs.</td>
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<tr>
<td>Aug 2014</td>
<td>State Auditor issued findings and recommendations for DTSC’s cost recovery program. All nine for DTSC’s action evaluated as “Fully Implemented.”</td>
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<tr>
<td>Jun 2016</td>
<td>DTSC completed its evaluation of all historical costs on schedule.</td>
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<td>Jul 2016</td>
<td>New interest rate of 7% (AB 273) and added information request authority (AB 276)</td>
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<tr>
<td>Jun 2021</td>
<td>New interest rate of 10% goes into effect for businesses with unpaid response costs. Government entities remain at 7% (AB 273).</td>
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<tr>
<td>Jan 2021</td>
<td>New improved billing system goes on line.</td>
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</table>
Zero Balance 1410 Sites

Actively Pursuing Responsible Parties or Advanced Investigations, 106 Sites

Completing Formal Documentation, Discovery or U.S. EPA Lead, 51 Sites

Pending or Active Litigation, Settlement or Bankruptcy Proceedings, 54 Sites

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

### Resource Estimate Worksheet

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Site Code</th>
<th>Site Type</th>
<th>Status</th>
<th>Total</th>
<th>PM</th>
<th>APM</th>
<th>SUP</th>
<th>ENG</th>
<th>GEO</th>
<th>TOX</th>
<th>IH</th>
<th>PPS</th>
<th>OLC</th>
<th>CEQ</th>
<th>OT</th>
<th>OTHER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrective Action Active Actual Planned</td>
<td>58.51</td>
<td>228</td>
<td>26%</td>
<td>26.26</td>
<td>-</td>
<td>-</td>
<td>12</td>
<td>9</td>
<td>4.76</td>
<td>23</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

- **TOTAL PLANNED HOURS**: 111
- **TOTAL PLANNED (DOLLAR AMOUNT)**: $45,352

### Cost Tracking Report

*Fiscal Year FY 16/17 - Run Report*

The data for this report is being limited by the Advanced Report Parameters.

The most recent fiscal data received from DTSC is through the September 2016 pay period. ** Indicates a historical site code. 1 records found.
Informal Cost Disputes

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