



REIMBURSEMENT CONSIDERATIONS

Financial Assurance

- For tank owners and operators, the Fund satisfies the federal Environmental Protection Agency financial assurance requirements.

Economic Feasibility Summary

- Allowable costs must also be economically and technically feasible.
- An Economic Feasibility Summary (EFS) is a required part of the Correction Action Plan.
- OPS will reimburse costs up to the phase of work budget as determined in the EFS. Costs exceeding the Phase of Work budget will be not eligible and cannot be protested.

Reasonable Cost Guidelines

- To control costs, OPS has developed the Reasonable Cost Guidelines (RCGs). These guidelines should be used when developing EFS budgets and when preparing OPS invoices and eRAPs. RCGs were initially developed in 1997 and updated for work performed following 2001, 2002, 2009 and 2012. The year the work was performed will dictate which RCGs should be used. There were no RCGs for work performed prior to 1997. The RCGs for each of these years is provided as separate tabs on the OPS invoice and EFS forms.
- All costs for work completed on or before December 31, 2008 must be submitted separately from work completed on or after January 1, 2009. Applications for phase of work 3 for work performed in 2009 and after cannot be processed for payment until all costs prior to December 31, 2008 have been processed.

Allowable and Unallowable Costs

- Only allowable costs can be reimbursed. Certain allowable and unallowable costs are listed in Colorado Code of Regulations 7 CCR 1101-14, Articles 8-3 and 8-4.
- Only costs incurred to clean up petroleum contamination can be reimbursed. If there is no petroleum contamination, or if contamination levels are below established cleanup levels, no costs are allowable. If petroleum contamination levels only slightly exceed established clean-up levels, work with OPS Remediation Section staff to make sure remediation is necessary before incurring costs.
- Tank removal and disposal costs are not allowable, and if requested for reimbursement are subject to a 100% penalty.
- Only costs incurred after July 1, 1989 are allowable. If a tank owner/operator discovered a release between December 22, 1988, and July 1, 1989, the original application had to be filed before January 1, 1992, for any costs to be potentially allowable.
- For tank owners/operators, remediation costs pertaining to tanks permanently closed (whether removed or closed in place) before 12/22/88 are not allowable.

- After January 1, 2016 all costs incurred related to assessment and cleanup of petroleum contamination must be submitted for reimbursement within five years of when they were incurred.
- Applications submitted requesting less than \$1,000 worth of incurred costs will not be accepted and will be returned to the applicant.

Application Preparation Costs (4z Costs)

- Costs associated with the preparation of applications that are submitted after April 1, 2004 are reimbursable at 1% of the total amount of the approved application (after any unallowed or not eligible costs, deductibles and percent reductions) up to a maximum of \$2,000 per Event. These costs will not be included on the EFS, but should be coded as PWC 4, AC z., TLC 15 in applications. This should be requested for reimbursement either on the last line of the last invoice submitted with an application, or on the Listing of Costs.