
Central Coast Regional Water Quality Control Board

March 20, 2020

Travis Cary
Kimberly Finley
Department of Public Works
County of Santa Cruz
701 Ocean Street, Room 410
Santa Cruz, CA 95060
Email: travis.cary@santacruzcounty.us
Email: kimberly.finley@santacruzcounty.us

via EMail

Dear Mr. Cary and Ms. Finley:

**SITE CLEANUP PROGRAM: NEW DEVELOPMENT AT CAPITOLA ROAD, 1412-1514
CAPITOLA ROAD, SANTA CRUZ, SANTA CRUZ COUNTY (GT #T10000014098) – COST
RECOVERY PROGRAM FOR REGIONAL WATER QUALITY CONTROL BOARD
REGULATORY OVERSIGHT**

The California Regional Water Quality Control Board (Central Coast Water Board) is a state regulatory agency with the responsibility for protecting the quality of the waters of the state within its area of jurisdiction. The Central Coast Water Board has authority to require submission of information, direct action, establish regulations, levy penalties and bring legal action when necessary to protect water quality. California Water Code (Water Code) section 13304 provides that the Central Coast Water Board may require any person who causes or permits the discharge of waste into waters of the State to clean up all waste discharged and restore the affected water to background conditions (i.e. the water quality that existed before the discharge). One of the most effective ways for a responsible party and Central Coast Water Board staff to be involved in clean up oversight is through the Cost Reimbursement Program. This Program assures a responsible party that Central Coast Water Board participation will be efficient and timely.

Cost Reimbursement for Regulatory Oversight

Our statutory authority to recover reasonable costs for regulatory oversight of cleanups is based on Water Code provisions, including sections 13304 and 13365. These sections allow the Central Coast Water Board to recover reasonable expenses from a responsible party for oversight of cleanup of illegal discharges, contaminated properties, and other unregulated releases potentially or actually adversely affecting waters of the State. It is our intention to recover regulatory oversight costs for time expended providing regulatory review and oversight of the remediation project, if needed, at the subject site. Our oversight work includes: field and office work; site inspections; sampling; coordination with other agencies; meetings; case discussions; technical report and document review; regulatory review; correspondence preparation; closure reviews; and enforcement, as necessary. You will be invoiced periodically (generally every three to six months) and your account will be due and payable at the time of invoicing. Please acknowledge your intent to reimburse costs for cleanup oversight work as

DR. JEAN-PIERRE WOLFF, CHAIR | JOHN M. ROBERTSON, EXECUTIVE OFFICER

stated herein by completing and signing Attachment 3, "Acknowledgement of Receipt of Oversight Cost Reimbursement Account Letter," and returning it to this office no later than **April 30, 2020**. A detailed description of the billing procedure is enclosed (Attachment 2). Also, pursuant to state law, this letter provides you with the following information regarding costs for regulatory oversight:

1. An estimate of the work to be performed or services to be provided.
2. A statement of the expected outcome of that work.
3. The billing rates for all individuals and classes of employees expected to engage in the work.
4. An estimate of all expected charges to be billed to you by this agency.

1. Estimate of Work to be Performed

Central Coast Water Board staff estimates that the following work will be performed during state fiscal year **2019/2020** (July 1 to June 30):

- Develop specific requirements addressing water quality issues.
- Conduct site inspection(s) to help determine status of various potential water quality issues.
- Attend meetings with discharger(s), their representatives, consultants and other interested parties.
- Conduct telephone communications with discharger(s) their representatives, consultants and other interested parties.
- Review and comment on technical reports such as monitoring reports, ground and surface water monitoring program proposals, site health and safety plan, site characterization and remedial action plan, remedial action reports, etc.
- Conduct agency internal communications such as memos, meetings, etc.
- Conduct site inspections and verification sampling.

2. Statement of Expected Outcome

The following are expected outcomes of work performed during state fiscal year **2019/2020**:

- Accurate physical and chemical characterization of water pollution sources and impacts, if appropriate.
- Adequate water quality monitoring, if needed.
- Commence remediation of water pollution sources and water pollution, as needed.
- Evaluate vapor intrusion risks for future development.
- Agency verification of the discharger's data and conclusions.
- Compliance with agency requirements.

3. Billing Rates

Enclosed are the billing rates for Central Coast Water Board employees expected to perform work. The name and classification of employees who charge time to this site will be listed on the invoices. **We will make every attempt to minimize staff oversight costs.** A detailed description of the billing procedures and the cost recovery process are included in Attachments 1 and 2.

4. Estimate of Expected Charges

In accordance with state law, this letter and attachments provide you with an estimate of the projected number of hours that we will charge for oversight of your cleanup project during the **2019/2020 fiscal year, July 1, 2019, to June 30, 2020**. Central Coast Water Board staff expects to charge approximately **60 hours** of work related to this site and estimate the total cost to be **\$11,100**. The rate will vary depending on the salary of the Central Coast Water Board staff individual(s) responsible for the oversight. This is a rough estimate and the actual time expended will depend on the nature and extent of the site investigation and cleanup (if needed), as well as your willingness to accomplish the cleanup in a timely manner.

If you have any questions, please feel free to contact Greg Bishop at (805) 549-3132 or by email at greg.bishop@waterboards.ca.gov.

Sincerely,

for John M. Robertson
Executive Officer

Attachments:

1. Billing Cost Explanation
2. Process for Regulatory Oversight
3. Acknowledgement of Receipt of Oversight Cost Reimbursement Account Letter

cc:

Tracy Lotz, State Water Board, tracy.lotz@waterboards.ca.gov
Greg Bishop, Central Coast Water Board, greg.bishop@waterboards.ca.gov
Sarah Treadwell, Central Coast Water Board, sarah.treadwell@waterboards.ca.gov
Colin Barger, Central Coast Water Board, colin.barger@waterboards.ca.gov

ATTACHMENT 1:

**STATE WATER RESOURCES CONTROL BOARD
SITE CLEANUP PROGRAM (SCP)
BILLING COST EXPLANATION
Fiscal Year 2019-2020**

Employee Salary and Benefit by Classification [1]	Salary/Benefits Range	
AEO - Assistant Executive Officer CEA	\$ 10,297	\$ 23,886
ADMOFFII - Admin Officer II	\$ 7,709	\$ 9,578
AGPA - Associate Governmental Program Analyst	\$ 7,125	\$ 9,187
AFCNSL - Staff Counsel (Attorney)	\$ 8,023	\$ 13,977
SFCNSLIII - Staff Counsel III (Attorney)	\$ 13,190	\$ 16,920
SFCNSLIV - Staff Counsel IV (Attorney)	\$ 14,569	\$ 18,706
BSA - Business Serv Asst	\$ 4,041	\$ 6,369
EG - Engineering Geologist	\$ 7,629	\$ 14,363
EPMI - Environmental Program Manager I	\$ 14,758	\$ 18,347
EPMII - Environmental Program Manager II	\$ 17,128	\$ 19,458
ES - Environmental Scientist	\$ 5,253	\$ 10,043
EOI - Exec Officer I	\$ 19,986	\$ 22,703
EOII - Exec Officer II	\$ 20,475	\$ 23,256
OA - Office Assistant	\$ 3,471	\$ 4,853
OT - Office Technician	\$ 4,351	\$ 5,608
PWRCE - Principal Water Resources Control Engineer	\$ 17,947	\$ 20,385
PPS - Public Participation Specialist	\$ 7,125	\$ 8,919
SEA - Sanitary Engineering Associate	\$ 8,031	\$ 10,053
SET - Sanitary Engineering Technician	\$ 5,532	\$ 7,948
SEG - Senior Engineering Geologist	\$ 13,447	\$ 16,831
SRES - Senior Environmental Scientist	\$ 12,763	\$ 15,866
SRES - Senior Environmental Scientist (Spec)	\$ 9,296	\$ 11,564
SWRCE - Senior Water Resources Control Engineer	\$ 13,447	\$ 16,831
SSA - Staff Services Analyst	\$ 4,563	\$ 7,639
SUEG - Supervising Engineering Geologist	\$ 14,771	\$ 18,491
SUWRCE - Supervising Water Resources Control Engineer	\$ 14,771	\$ 18,491
WRCE - Water Resources Control Engineer	\$ 7,629	\$ 14,289
<u>Intermittent Employees:</u>		
SA - Scientific Aid	\$13.09/hour	\$15.53/hour

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

Operating Expenses and Equipment [2] (both State and Regional Board offices)
Indirect Costs (Overhead = cost of doing business) 125%

Billing Example for One Month Salary

WRCE - Water Resources Control Engineer	
Total Direct Labor Charges [3] (per month):	\$ 14,289
Contract Charges (if applicable):	\$ -
Direct Labor Overhead:	\$ 10,079
State Board Program Admin and Overhead:	\$ 2,433
Regional Board Program Admin and Overhead:	\$ 5,347
Total Cost (per month):	<u>\$ 32,149</u>

Divided by 173 hours per month equals per hour:
(Due to the various classifications that expend SCP resources an average of **\$185.00** per hour can be used for projection purposes.) \$ 185.83

- [1] The name and classification of employees performing oversight work will be listed on invoices you receive.
[2] The examples are estimates based on recent billings. Actual charges may be slightly higher or lower.
[3] Total Direct Labor Charges = Salary and Benefits

Central Coast Regional Water Quality Control Board

ATTACHMENT 2 SITE CLEANUP PROGRAM (SCP)

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 (a. k. a. California Water Code), the Central Coast Regional Water Quality Control Board (Central Coast Water Board) can recover reasonable costs for such oversight from the responsible party or parties. 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 (State Water Board) to set up Cost Recovery Programs. The Budget Act of 1993 authorized the State Water Board to establish a Site Cleanup (SCP) Cost Recovery Program. The program is set up so that reasonable expenses incurred by the State Water Board and Central Coast Water Board 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 State Water Board.

This statement of oversight costs is being sent to each of the parties named in the Cleanup and Abatement Order (Order) or to the party who signed the agreement to pay oversight costs. Each party is jointly and severally responsible that the full amount is paid. The parties may agree to apportion the amount as they see appropriate. If payment in full is not received by the due date, the State Water Board will enforce its cost recovery against any or all the parties named in the Order or, who signed the agreement to pay oversight costs.

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 State Water Board overhead rate.

State Water Board and Central Coast Water Board 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 State Water Board Program Administrative Charges and Central Coast Water Board 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 personnel services. If there is no labor charged to the account during the billing period, there will be no overhead charges for that billing period with the exception of the last month of each fiscal year. This is due to the labor charges reconciling at the

end of June for the current fiscal year. However, several kinds of overhead charges such as supply orders and travel expenses are paid after the fiscal year ends. The State Water Board Accounting Office keeps track of these charges and distributes them back to all of the accounts based on the number of hours charged to each account for the fiscal year that has just ended. Therefore, the quarterly statements for the last month of the fiscal year could show no labor hours charged for the billing period, but some overhead charges 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 State Water Board 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 Central Coast Water Board so that they are aware of the oversight work invoiced. Questions regarding the work performed should be directed toward the Central Coast Water Board. 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 cannot be resolved with the staff responsible over the oversight, the party subject to oversight costs should invoke the dispute resolution provision contained in Water Code Section 13365(c)(4). The Central Coast Water Board will designate a person who is responsible for resolving disputes regarding the charges subject to this section and who is not responsible for, or performing, the work or service for which the charges are assessed.

DAILY LOGS

Each employee at the Central Coast Water Board who works on the cleanup oversight at a property keeps a detailed description (daily log) of the actual work being done at specific sites. 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 Central Coast Water Board staff.

REMOVAL FROM THE BILLING SYSTEM

After the cleanup is complete the Central Coast Water Board will submit a closure form to the State Water Board 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 State Water Board 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 SCP Cost Recovery billing list and oversight work will begin.



GAVIN NEWSOM
GOVERNOR

JARED BLUMENFELD
SECRETARY FOR
ENVIRONMENTAL PROTECTION

Central Coast Regional Water Quality Control Board

ATTACHMENT 3
SITE CLEANUP PROGRAM (SCP)
ACKNOWLEDGMENT OF RECEIPT OF OVERSIGHT
COST REIMBURSEMENT ACCOUNT LETTER

I, _____, acting within the authority vested in me as an authorized representative of _____, a corporation, acknowledge that I have received and read a copy of the attached *REIMBURSEMENT PROCESS FOR REGULATORY OVERSIGHT* and the cover letter dated **March 20, 2020**, concerning cost reimbursement for Water Board staff costs involved with oversight of cleanup and abatement efforts at the **NEW DEVELOPMENT AT CAPITOLA ROAD**. The address for this site is **1412-1514 CAPITOLA ROAD, SANTA CRUZ, CA 95062**, and the GeoTracker Global ID is **T10000014098**.

I understand the reimbursement process and billing procedures as explained in the letter. Our company is willing to participate in the cost recovery program and pay all subsequent billings in accordance with the terms in your letter and its attachments. I also understand that signing this form does not constitute any admission of liability, but rather only intent to pay for costs associated with oversight, *as set forth above, and to the extent required by law*. Billings for payment of oversight costs should be mailed to the following individual and address:

BILLING CONTACT PERSON: _____

BILLING ADDRESS: _____

EMAIL: _____

TELEPHONE NUMBER: _____

RESPONSIBLE PARTY'S NAME: _____
(Name)

RESPONSIBLE PARTY'S TITLE: _____
(Title)

RESPONSIBLE PARTY'S EMAIL: _____
(Email)

RESPONSIBLE PARTY'S SIGNATURE: _____
(Signature)

(Date)

DR. JEAN-PIERRE WOLFF, CHAIR | JOHN M. ROBERTSON, EXECUTIVE OFFICER