

**SOUTH DAKOTA
PETROLEUM RELEASE COMPENSATION FUND**

**445 E. Capitol Avenue, Suite 200
Pierre, South Dakota 57501
(605) 773-3769 / Fax (605) 773-6048**

CHECKLIST FOR FUND APPLICANTS

The following checklist is to provide you with some basic information regarding the requirements for obtaining reimbursement from the Petroleum Release Compensation Fund (PRCF). It contains some very important information about the forms, procedures, and your duties after a petroleum spill has been reported. This checklist cannot cover all requirements and procedures. It will, however, give you a basic understanding of what may be needed from you. Failure to provide the necessary information or cooperate with the PRCF may jeopardize your eligibility for funding.

AFTER REVIEWING EACH ITEM, PLEASE CHECK IN THE SPACE PROVIDED.

_____ **APPLICATION:** The application must be filled out **completely**, signed, and dated by the Tank Owner/Responsible Party dated. The original must be returned to the Fund's investigator.

_____ **W-9:** This form must be completed, signed and dated by the Tank Owner/Responsible Party. The original is to be returned to the Fund's investigator. Please ensure that your Employers Tax Identification Number is correct.

_____ **SUBROGATION ASSIGNMENT:** This form must be **entirely** completed, signed with the Tank Owner/Responsible Party signature, notarized, and dated. The original must be returned to the Fund's investigator. Signing this form allows the PRCF the right to recover any payment(s) made to you from your Insurance Company if they provide Pollution/Contamination cleanup coverage.

_____ **INSURANCE LETTER:** You must submit a letter from your Insurance Company or Insurance Agent telling us what coverage they provide for Pollution/Contamination cleanup and the applicable deductible amounts. A letter from your past Insurance Company or Agent may also be required. Please submit the original to your respective PRCF Field Representative.

_____ **WAIVER:** All of the conditions of the 80% Waiver of the \$10,000 deductible are specified in ARSD 74:32:03:05. The final decision regarding applicability of the waiver will be made by the PRCF in Pierre. **[If your release was reported before April 1, 1990 or after January 1, 1992, please ignore this section because it is not applicable.]**

_____ **ENVIRONMENTAL CONSULTANT EXPENSE GUIDELINES:** A copy of this form, on PRCF letterhead, is included in your packet. It outlines how the PRCF reviews the work completed by your environmental consultant and determines if the expenses charged by your consultant are reasonable and reimbursable by the PRCF.

_____ **CONTRACTOR/EXCAVATION EXPENSE GUIDELINES:** A priced copy of a Guidelines for Determining Reasonable Contractor/Excavation Expenses, is included in your packet. This will help you understand how the Fund's investigator reviews the contractors' charges, such as those for excavation, hauling contaminated soil, backfilling, resurfacing, etc. Our review is done on a unit basis (square yards, cubic yards, square feet), rather than an hourly basis. This estimate is used to determine if your contractors' bills are within the Fund's cost guidelines and are reimbursable by the PRCF.

PAY REQUEST FORM FOR CONTRACTOR/EXCAVATION EXPENSES: Pay Request Forms have been included in your packet for you to complete and submit with each request for reimbursement. *Please note that no expenses should be submitted for reimbursement until you have received a corrective action plan from your environmental consultant or are requested by representatives of the Fund to do so.* Part "I" pertains to contractor/excavation expenses. Section "A" of Part "I" is intended to capture specific information from applicable invoices and canceled checks. You are to make a determination from the invoices regarding what is eligible to be submitted for reimbursement from the various invoices and record that amount in the "Eligible Invoice Amount" column. Section "B" of Part "I" is intended to capture unit price information from the amounts you claimed in the "Eligible Invoice Amount" column of Section "A". The units (square yards, cubic yards, square feet, etc.) are to be filled in when the contractor's work has been completed. Please mail this form to the Fund's investigator to process for payment. The amount of PRCF reimbursement for contractor's expenses will be based on unit-costs, as outlined on the "Guidelines for Determining Reasonable Contractor/Excavation Expenses" sheet. **Until this form is completed in the format requested, the Fund's investigator will not attempt to review these expenses nor make recommendation to the PRCF.**

ITEMIZED CONTRACTOR INVOICES: A detailed itemization (provided by the contractor) must accompany all requests for reimbursement of contractor expenses. This itemization should include the costs and associated units for all activities the contractor performed and invoiced. (For example: replaced 6" concrete slab - 1,200 square feet at \$2.60 per square foot = \$3,120.) Items that should be included on the itemized invoice include the costs and units for tank removal, surface sawing, surface removal, soils excavation, soils hauling (including distances), fill material purchase, fill material hauling (including distances), surface replacement, landfill fees (all disposal fees must be documented with landfill/landfarm receipts), and other miscellaneous expenses. Please note that miscellaneous expenses must be detailed. Any entry such as "other expenses" is not acceptable. Section B of the Pay Request Form for contractor/excavation expenses is an excellent tool for itemizing the contractor invoices. However, the itemization should be performed by your contractor, documenting his actual charges. The itemization should not be performed by you, based upon the PRCF cost guidelines.

REQUIREMENTS FOR REIMBURSEMENT: In addition to the forms listed above, there are several other requirements that must be met before reimbursement can be made. The most important ones are listed below.

- * **Payment of the Deductible** - No reimbursement can be made until you have paid **eligible expenses** equal to the required deductible. Evidence in the form of a canceled check(s) is required. Because you are the party signing the contract with both the Environmental Consultant and the Excavation Contractor, you are responsible for payment of these bills even if they exceed the amount of the deductible. While the PRCF can make co-payments to both you and your contractor, this does not alleviate you of your responsibility to pay your bills. **The PRCF does not reimburse for any interest or carrying charges.** Therefore, it is important that you pay your bills promptly.
- * **Documentation of Petroleum Contamination** - Petroleum contamination must be identified at concentrations that exceed the state environmental standards for soil or groundwater or both before a release site is eligible for PRCF reimbursement. Sufficient laboratory analyses of the soil or groundwater are required to verify the contamination, which must be documented in the Environmental Consultant's written reports.
- * **Submittal of Reports** - You are responsible for assuring that all Environmental Consultant reports with the information about the cleanup are submitted to the Fund's investigator, the PRCF Office in Pierre, and the Department of Environment and Natural Resources. Until the Environmental Consultant provides the needed information, no pay request will be considered by the PRCF. The essential reports include, but are not limited to:
 - * Contracts (written approval by the PRCF is required);
 - * Pre-Assessment Report (workplan);
 - * Assessment Reports; and
 - * Corrective Action Plan (CAP) Note: Approval of the CAP by the PRCF is required prior to any reimbursement!

INELIGIBLE EXPENSES: You should be aware that there are some expenses that are NOT REIMBURSED by the PRCF. Please refer to the Partial List of Ineligible Expenses that you must sign and date. Some of the most common ones are listed below.

- * **Waste Oil Contamination:** Expenses associated with the removal of waste oil tanks or tanks containing motor oil or hydraulic fluid, and any related testing or cleanup are not eligible for reimbursement.
- * **Capital Improvements:** Expenses for capital improvements and upgrading are not eligible for reimbursement. These include, but are not limited to:
 - * New tanks and equipment;
 - * Tank bedding material (pea rock and washed sand);
 - * The installation of new equipment or bedding material; and
 - * Any structure or improvement that was not in place before cleanup commenced.
- * **Property Betterment Includes:** 1) Resurfacing in excess of 110 percent of the area removed/replaced for the purpose of remediating contaminated soils. 2) Replacing a surface material in better condition than that removed. Depreciation will be applied to all new surfaces if appropriate. 3) Costs for improvements; such as, replacing asphalt with concrete or replacing 4 inch surface material with 6 inch material will not be reimbursed in their entirety.
- * **Unnecessary Costs:** Costs associated with actions that exceed the minimum requirements to bring your release site into compliance with state environmental standards are not eligible for reimbursement.
- * **Costs Exceeding PRCF Cost Guidelines:** Charges billed by your contractor or Environmental Consultant which exceed the PRCF cost guidelines are not reimbursable. When extenuating circumstances warrant higher costs, additional compensation may be allowed. However, adequate documentation must be provided to support a requested higher allowance. It is in your best interest to keep costs to minimum, because expenses not reimbursed by the PRCF remain your obligation.
- * **Please see the sheet entitled "Partial List of Ineligible Expenses" for further reference.**

COMPLIANCE WITH MANDATORY UPGRADE REQUIREMENTS: Reimbursement for cleanup expenses cannot be made unless you are in substantial compliance with federal and state regulations applicable to the tank(s) involved in the release. This means that if you own or operate a regulated underground or above ground petroleum storage tank, it must be in compliance with the current upgrading requirements. You may want to refer to the summary of petroleum storage tank upgrading time frames, which is being provide to you. If you have any questions regarding the upgrading requirements, it is recommended that you contact the Department of Environment and Natural Resources.

Tank Owner/Covered Party (Signature)

Name (print)

Date