





# 2019 Reimbursement Guidance

## Claims and UCRs

---

Marybeth Glaser, Zach Pauley, and Karen Haley-Wingate

July 2019

Thank you to those who provided comments and supporting documents.

As with previous schedules there are two Volumes...Vol. 6 covers the reimbursement process and Vol. 7 the UCRs. Both manuals have been re-formatted and organized. The Table of Contents are set up as hyperlinks that take you directly to subject within the document...making it easier for you to find what you may be looking for.

Together with prior schedules the new Volumes will be on our webpage. By the end of this training we hope you will know what's changed, what didn't and where to find the information you need...

So, our focus today is going to be on what's changed...a lot has stayed the same but we hope the changes will be viewed as a positive...

## HOUSEKEEPING ITEMS

Where bathrooms are...

Turn off you cell phones, if get call please take it outside....

If fire alarm goes off...

Breaking for lunch @ 11:30 back at 12:30

Questions, please hold to the slide = as we've build them into the presentation

## Fund Update

- No longer in delayed Payment Status
  - Real-time payment authorization
- Payment Assignment
  - VA Dept. of Accounts



DEQ

In case you didn't realize the Fund has been paying within 30 days or less from the Decision date since May. Beginning in August payments will generally be issued within 7 days of the claim Decision date.

If you have been using NatLUST and elect to stop, you'll need to submit with the claim application a COV-W9 with your Company's information. We have also provided the form and link to the VA Dept. of Accounts webpage that can be used to have payments from the Commonwealth directly deposited to your account.

## Volume 6 Highlights

### Section 2.7 Insurance Coverage

- Owners/operators who demonstrate financial assurance through the **DEQ Office of Financial Responsibility & Waste Programs**, with a pollution liability insurance policy need to be aware that, depending on the amount and type of insurance, reimbursement of reasonable and necessary cleanup costs may be limited to the insurance policy deductible.

DEQ

A copy of the insurance policy in effect at the time of the release must be reviewed by DEQ's central office to determine the extent of coverage and level of Fund Access.

An Insurance review request can be may anytime after the release is reported however, a claim cannot be processed without a review being completed.

## Section 2.9 Non Compliance

- Any cleanup costs incurred for a storage tank release where the owner or operator or his agents or contractors is in violation of substantive requirements of the UST technical regulation (9 VAC 25-580) are not eligible for the reimbursement.
- An example of a substantive violation is the failure of an owner or operator to investigate and report a suspected release.

DEQ

Eligibility reviews are made by DEQ central office staff based on the facts of each case.

## Chapter 3 Reimbursement Procedures

- It is the responsibility of the RP/Claimant and their representative(s) to familiarize themselves with the following reimbursement procedures. Failure to follow these procedures may result in denial of cost(s) during claims processing. The RP/Claimant and their representative(s) should pay particular attention to bidding requirements, as these procedures cannot be performed after the fact.

DEQ

This opening paragraph gives notice that it is your responsibility to familiarize yourself and your staff with the procedures.

## Section 3.1.6 Property Damage Restoration

- Detailed section on what is consider reimbursable and non-reimbursable property damage.
- The Fund is intended as a mechanism to provide reimbursement for activities necessary to investigate and clean up a petroleum release. The Fund does not provide comprehensive damage restoration coverage that may be available through private insurance.

DEQ

For those doing home heating oil release clean-ups I would encourage you to refer to this section and the examples provided when discussing Fund access with your clients.

## Section 3.5 When Bidding Required

- Bidding requirements and procedures now includes:
  - Bidding Terms
  - Scope of Work, Specifications, Bid Forms – designed by the remediation consultant
  - Types of Bids
  - DEQ's Methods of Bidding
  - Bidding Process Steps

DEQ

As with the overall reorganization of Volume 6, the bidding section provides detail on the Unit Price, Lump Sum and Combination bidding methods missing from the 007 guidance.

The webpage will also have an example eAAF and eAAF Cost Worksheet that demonstrates how to list and claim a Supply Well replacement that is the most common bid now and should be done as a combination bid that is Lump Sum with unit price contingencies that allow changes orders for things like, additional well depth beyond the estimated depth identified on the Bid Form completed by the driller's bidding..

## Transition from one UCR schedule to another

- Database Update – When the ROCM creates a Phase there will be a “Begin Date” established for the phase. This begin date is use to validate that the correct eAAF template is being used.
- For open sites on August 1, 2019:
  - Complete the open phase under the 007 Guidance and templates.
- New release reported on or after August 1, 2019:
  - Use the 2019 Guidance and templates

DEQ

Your site is currently in the SCR ADD #1 phase with a phase begin date prior to August 1<sup>st</sup>. Complete all work for the Addendum and submit the 007 eAAF and claim. The ROCM requests a PSCRM Sub 1 – this is when you start using the 2019 eAAF.

Please remember that a single claim cannot have multiple UCR schedules. This is very important for PSCRM and CAPIMP and the limit of 4 claims per year...

# Forms

## Those that changed or updated

- eAAF
- eAAF Cost Worksheet
- Fuel Surcharge Worksheet
- Lab-Soil Cost Aid

## Not changed

- Form 1-Claim Application
- Form 2-Payment Assignment
- Form 3-Multiple Owners
- COV W9

You will not be able to use the 007 eAAF or cost worksheet template for a 2019 phase

All templates will be available for downloading from the DEQ Reimbursement webpage including the 007 eAAF Cost Worksheet for those who are not currently using

## What's new for Claims?

- eAAF Cost Worksheet
- Soil Hauling Calculation Tool
  - Interactive tools are available on the DEQ Petroleum website

DEQ

In our listening sessions you asked us to change the units for soil hauling, we heard you but we ran into issues trying to develop a fair statewide rate.

For those who have been using the 007 version of the eAAF Cost Worksheet there was some confusion on how to list the soil hauling T-codes. The 2019 version we added the Soil Hauling Section to correspond to the eAAF. In addition, the soil hauling calculation tool was developed to make it easier to translate your haulers invoice and an app like Google Maps to determine the appropriate T-Codes use. Let me demonstration

## Claim Submittals

- Effective August 1, 2019 DEQ will accept electronic filing of reimbursement applications via email.
  - Subject Line must reference the PC Number and Phase including any applicable Subphase.
  - Must state in the submittal email that you are presenting the attached PDF and eAAF Cost Worksheet as the application and validate the authenticity of the signature(s) on the form(s).

DEQ

Either 007 or 2019 schedule provided you use the eAAFs including worksheets

## Claim Submittal statements examples

- When the RP/Claimant submits the claim directly:
  - “Attached please find the original reimbursement application for PC [insert number], [insert phase] that contains my signature.”
- When the claim is submitted by the RP/Claimant’s Consultant:
  - “Attached please find the original reimbursement application for PC [insert number], [insert phase] that contains my client’s signature.”
- When the claim is submitted by the RP/Claimant’s Consultant acting as an agent:
  - “Attached please find the original reimbursement application for PC [insert number], [insert phase] that contains my signature as agent for my client.”

DEQ

When acting as an agent you have a LPOA

These examples will be available as an FAQ document on the webpage

## Send the complete claim application package to:

- [Claim.decision@deq.virginia.gov](mailto:Claim.decision@deq.virginia.gov)
  - Claim Forms and support Documents should be PDFs or similar
  - the eAAF Cost worksheet as an Excel document
  - All supporting invoices must be attached
  - We will communicate using the email the application is received from, including copy holders such as the RP/Claimant.

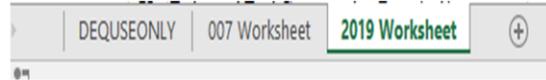
DEQ

Just like the eAAF submitted to the region the eAAF cost worksheet must remain the Excel format

## What's changed for claims?

- Fuel Surcharge Worksheet

- New tab for 2019



- Lab Soil Cost Aid

- Copy of Lab invoices or a copy of Lab Soil Cost Aid with calculation must be included with each claim

## What's New for UCRs

- D-Codes
- Adjusted UCRs
  - Bundled items
  - Not-to-Exceed Amounts
  - Site Maps
- Crosswalk
- Redesign and clarification of the guidance manual

DEQ

covering what has changed in this training.

## D-Codes

- Emerging technologies that are not suitable for bidding.
  - Suitability, scope, budget from regional office
  - Final budget approval from central office
  - Limited to total cost plus markup

DEQ

D-codes were created to encourage the use of new approaches that are not suited for the established bidding process.

Budget must include equipment, materials, labor associated with project.

As the use of these techniques becomes more common and multiple vendors are available, the goal is that they will transition to bidding.

## Types of D Codes

- D2001 – Site Characterization & Assessment
- D2002 – Remediation and Cleanup
- D2003 – Proprietary Materials
  - “Wildcard”

DEQ

Three types of D codes established, most work will fall under the first two.

## D2002 Example

- D2002 Example for Demonstration
  - “Microwave Depolymerization”
- Project requirements
  - Approval of plan and budget from regional office
  - Final budget from central office

DEQ

This is a fictional example for demonstration.

The regional case manager and the consultant work together to develop the scope of work, suitability, budget.

I have provided a schedule for O&M and a plan for alternative corrective action.

## **D2002 Planning Example**

- Consultant learns of technology at conference
- Shares documents and case studies with case manager
  - Case manager confirms technology can not be bid
- Begins collaborative process with case manager
  - Suitability for remediation goals
  - Scope of work
  - Timeline and budget

## **D2002 Planning Example**

- Scope of work with schedule and budget
  - Continuous run with monthly O&M
  - Proof of use in other states or literature.
- Fulfills CAP and Remediation Optimization Plan for alternative approach
  - Injection gallery as backup plan
- Prepares detailed budget for central office approval

## D-Codes Example Budget

- D2002 – this is at cost without mark-up
  - \$400,000 Budget over 4 years
  - \$150,000 for initial assessment, installation, pilot testing, startup costs
  - \$25,000/yr. in labor; \$25,000/yr. in materials
  - \$50,000 for closeout and demobilization

DEQ

Again, fictional numbers for illustration. We will expect more detail than this in your plan.

## Claiming D-Codes

- The eAAF and corresponding cost worksheet
  - 1<sup>st</sup> CAPIMP Subphase = initial assessment, installation, pilot testing, and startup
  - Activity is broken out based on SOW and schedule
  - D-Code estimated cost on eAAF = approved budget amount for each activity

DEQ

[Marybeth] CO will work with consultant and region based on the project regarding specifics for eAAF submittal and claiming...

## Bundled UCRs

- The sampling kit is a lump-sum price for a bailer and string used for manual bailing
- Claim a kit for each well successfully bailed or sampled
- The decon kit is a lump-sum price for detergent and water used on sampling tools. One kit per day (in the case of multi-day events)

DEQ

It's called a sampling kit, you can use it for free product bailing also. The goal is to simplify the paperwork on both sides.

Successfully bailed or sampled – meaning your interface probe will tell you if the well is dry or obstructed

Decon kit is intended for sampling tools like interface probes and hand augers. Large equipment decon is built into the price of the item.

Sampling kit shouldn't be used when sampling with a pump. It will throw flags during the claim process

## Not-to-Exceed Amount

- The listed amount is the maximum reimbursed amount for that release
  - 2" Trash Pump NTE = \$500.00
- The amount spent is tracked and reported in claim decision
- Items with no NTE may be claimed after lease/purchase analysis
- See Volume 6 Section 3.1.4 for complete details on NTE

DEQ

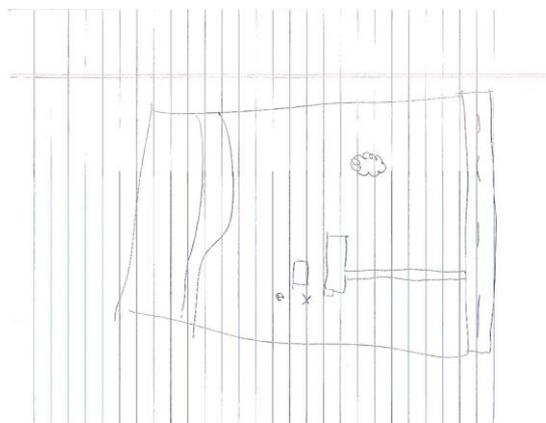
Items with a listed NTE are those commonly placed on a single site long-term, and have the potential for overpayment by the fund.

The "NTE Timer" resets when the item is claimed on a new release.

## Site Maps

- T014 split into two units based on complexity
  - Site complexity
  - Map complexity

## Example Map – Not Eligible



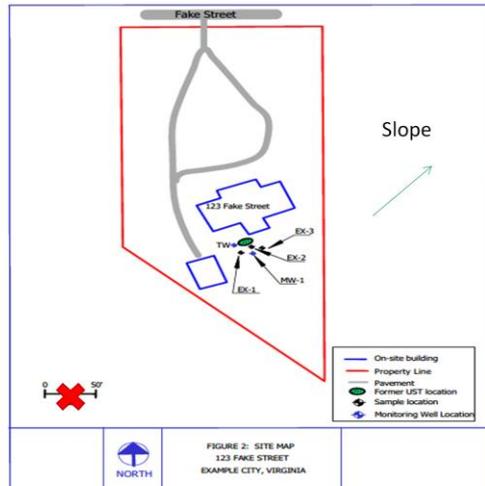
DEQ

Not a Site Map

## Standard Map

- Vacant Lots
- Residential Properties
  - Heating Oil Releases
  - Residential Motor Fuel Tanks & Farm Tanks
- Requirements
  - Tanks & Dispensers
  - Receptors (DW, SW)
  - Sample
  - North arrow and slope

## Example Standard Map



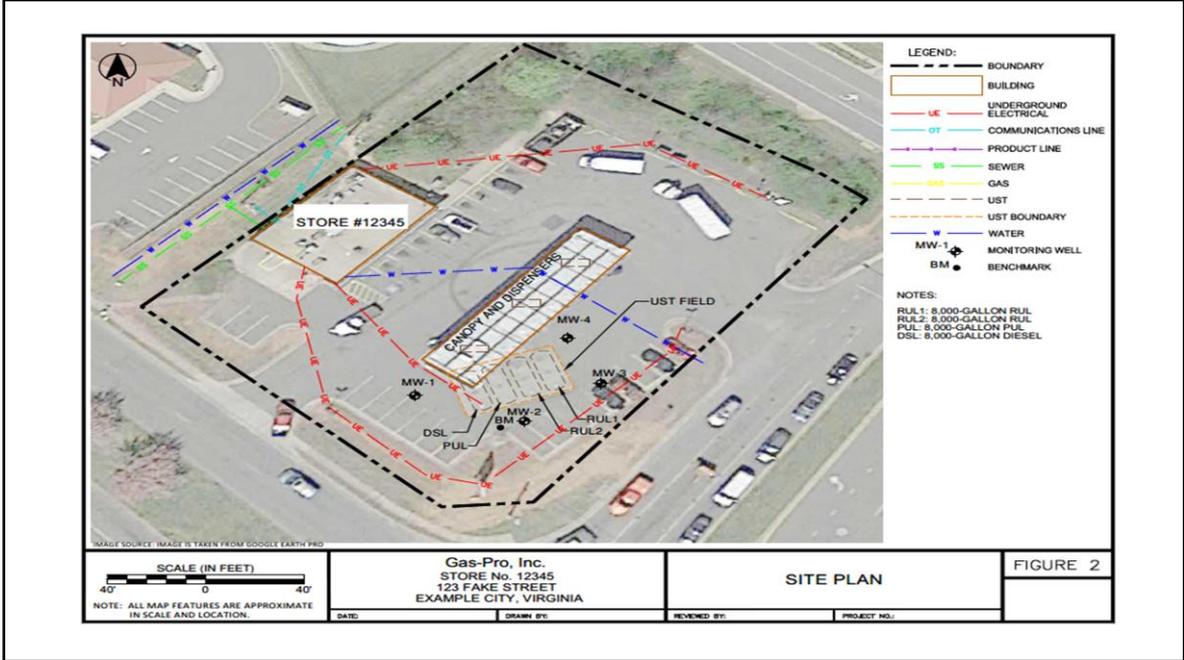
DEQ

This is an example of a standard map. It suits the purposes of a home heating oil release.

Onsite structures are described, sample locations. The site itself is not complicated.

## Complex Map

- Detailed drawings of complex sites
  - Active retail petroleum stations
  - Commercial and industrial properties
  - Multiple utilities and migration pathways
- Requirements of standard map, PLUS:
  - Scale drawing
  - Adjacent parcels and nearby properties
  - Receptors
    - Utilities, sewers, drains, etc.



Differences include scale, overhead and underground utilities, USTs labeled. Complex site.



This map shows the surrounding area properties with scale

Both maps together meet the requirements of complex map. Not two units of complex map.

# Vol 7 Redesign

## Descriptions

- Section 3 includes detailed descriptions
- Help case managers and consultants know definitions of each code
- The numbers are all new in 2019, even if the item and description compares to 007.

DEQ

This is just a brief run-through of the sections of Vol 7 and the new items and changes within UCR groups

## Category Highlights

### • LABOR & SERVICES

- I-code - Mileage
  - If your claimed work crosses the year, claim two I-codes separately
  - For example, 100 units I2019, 200 units I2020.

### • LABORATORY ANALYSES

- Focused on common petroleum analyses
  - M2213: Petroleum PAH suite
  - M2217: TCLP – claim in addition to the 'base' analysis
    - TCLP PAH – 1 unit M2213 & M2217
- Claim oddball analyses use X-codes
  - City discharge permits, etc.

DEQ

Petroleum PAH Suite – this is limited to the 15 or so PAHs associated with petroleum. Not the full list of SVOC compounds.

For odd analyses, if you will be claiming them for an extended period during the CAPIMP phase, bidding will be required

## Categories

- **ASSESSMENT & SAMPLING**
  - Sampling Kit
  - Sampling gloves – not reimbursable
- **CONSTRUCTION**
  - General Construction Equipment
    - Generators and Compressors classed
    - Bagged Topsoil and Bulk Topsoil
  - Earthwork & Concrete
    - Plate Compactor
    - Rotary Hammer
    - Concrete Mix
    - Core Drill

DEQ

Assessment items – not much new here

Construction – generators grouped by wattage, compressors grouped by flow

New items in Earthwork & Concrete

## Categories

- CONSTRUCTION

- Remediation
  - Air Scrubber
- Plumbing
  - Hoses
  - Pipes
  - "Generic" Trash Pump

- CONSTRUCTION

- Schedule 80 PVC well material

DEQ

Trash pump means the purpose of the pump dewatering, not the specific mechanism (diaphragm, etc.) So when dewatering you use the M-Code

Well materials: removed some rarely used items, added SCH 80 PVC

## Categories

- **DISPOSAL & WASTE**

- Containment & Decon
  - Decon Kit
  - Tote
  - Poly tanks grouped by volume



- **ROLLING STOCK**

- Frac Tank specifically mentioned
  - Covers range of sizes
- Excavators, Skid Steers sorted by range
- Skid Steer Breaker as a separate item

- **SYSTEMS & COMPONENTS**

- Treatment Assembly; Oil-Sealed; Rotary Claw

## Ancillary Items



- Newly added
  - Measuring wheels
  - Consumer-grade GPS units
  - Expendable/wear items unless otherwise listed.
    - Drill bits, saw blades, etc.
  - Work gloves
    - Leather; cut-proof; insulated
  - Sampling gloves

DEQ

### Newly added items:

- Measuring wheels – should be part of what you own. Like a tape measure for environment
- Consumer grade GPS – all smartphones have this, it's a standard item.
- Drill bits and saw blades – this applies for wood bits, metal bits. Specialty high wear items may be claimed
- Work gloves – part of PPE and OSHA required equipment
- Sampling gloves – part of PPE

## Fill Material

- C2013: Bulk Fill Material
  - Fill price is variable
  - Claim invoiced amount



DEQ

Variable based on economy, season, area of state.

## Other Items

- Bidding Threshold
  - Increased to \$2,000
- New templates for eAAF and eAAF cost worksheet designed for the 2019 Reimbursement & UCR Guidance
- Crosswalk available on the Reimbursement page.
- Constant Contact

DEQ

Plug for signing up on constant contact

## New UST Regulation effective 1/1/2018 and Tank Type Definitions

### How this affects us in Remediation

- Tank Types within Group 1 changed
  - Got rid of Deferred and Partially Deferred definitions
    - Partially Deferred (Emergency Generator tanks) are now REGULATED
  - Created Partially Excluded
    - Essentially replaced Deferred, definition very similar
    - Rarely encountered

DEQ

While there were numerous compliance updates, the only major impact to us in remediation in the CEDS world is tank type.

### **Partial Excluded Tanks include:**

- Wastewater treatment tanks
- ASTs associated with
  - Airport hydrant fueling systems
  - UST Field constructed tanks
- USTs with radioactive material

## DEQ Staff: Database tracking

Deferred UST (RR pre-  
1/1/2018)



Partially Deferred UST  
(RR pre-1/1/2018)



Partially Excluded UST  
(RR post 1/1/2018)

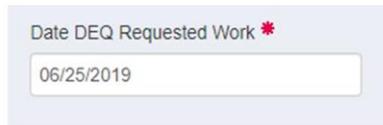


DEQ

- For releases reported prior to 1/1/2018 that meet the definition of Deferred or Partially Deferred, those tank types may remain marked as such.
- Releases reported after 1/1/2018 that fall under the narrow definition on the previous slide would use “Partially Excluded” as the tank type.
- If you’re not sure, contact OSRR.

## New CEDS Feature! Phase Begin Date

- What is a Phase Begin date?



Date DEQ Requested Work \*

DEQ

1. Phase begin date is the date that DEQ requested work to begin. DEQ STAFF MUST MAKE THE REQUEST IN WRITING VIA EMAIL OR LETTER. This mandatory field will always automatically populate with today's date. Date may be adjusted to match the written request if the date is different than today's date.

## Why do we need a Phase Begin Date?

- EPA Report
- UCR Transition
  - New Codes, prices
- eAAF Authorization/Verification uploads –
  - Correct eAAF used?
  - I-Codes
- Case Manager Verifications – Report review
- Claim processing

DEQ

### 1. We need this date so that

- a) We can report accurately to EPA
- b) CEDS can apply the correct rates to date-sensitive UCRs such as I-codes
- c) Case managers and reimbursement staff know when a consultant was supposed to start work
- d) The right validations are made regarding eAAF uploading (should the eAAF being uploaded be the 2007 version or 2019?) If you attempt to upload a 2019 eAAF in a phase with a begin date prior to 8/1/2019 you will get an error message that prevents the upload.
- e) Claims can be properly processed

## New Phases (after July 11, 2019)

- New Phase Begin Date (DEQ Requested Date) may not match the date you requested the report; fill report date in separately

### ▼ Post Site Characterization Report Monitoring (Subphase 1)

Phase Actions▼

Program:  
RP Lead

**Date DEQ Requested**  
Work:  
06/25/2019

Fiscal Events

Obligated Amount:  
\$0.00

Verified Amount:  
\$0.00

Deliverable	Status	Requested	Due
 <u>Report</u>	Not Started	<input checked="" type="checkbox"/> Requested	
 AAF	Not Started		
<input type="checkbox"/> Work Performed	Not Started		

This label will be "Phase Begin Date" after August 1, 2019....correction did not make the first release that will be live Friday July 12<sup>th</sup>.



## How to Transition From 007 to 2019 UCR Schedule in CEDES

Example:

- Case manager sent a letter or email to RP/Consultant requesting work in July 2019 (this month). The Phase Begin Date = Letter/Email date

Unless

- RP/Consultant sends in an eAAF for preapproval after 8/1/2019. The received date for the eAAF is now the Phase Begin Date.

## Transitioning from 007 to 2019 Pre-Approved eAAFs

**Example:** An AAF for PSCRM or CAPIMP was pre-approved in January; reports are due quarterly. Consultant wants the new 2019 rates that goes into effect 8/1/2019.

Was work on the Phase intended to begin before 8/1/2019?

- Yes = 007 eAAF remains in effect
- No = a 2019 eAAF may be resubmitted for approval AND “Date Requested by DEQ” must be at least 8/1/2019

## **PM hours with elimination of Claim Prep**

- What is reasonable – nothing because we don't pay for it under the 2019 UCR schedule

DEQ

Please keep your eye on this and that the consultant is not attempting to recover the eliminated T-Code with M-Code labor rates.

## Discussion Topics

- What to do when...
  - Work Performed is different from Pre-Approved
  - No pre-approved AAF
  - AAF includes X-codes for ancillary costs
- What are your concerns or problem areas?

DEQ

Pull out and review new list of ancillary costs

**Bonus slide:**  
**Phase Begin Dates for Historical (pre-7/11/2019) Phases**

• Programming will look for the youngest date in the Received column first – ANY Received Date.

• If those are NULL, then CEDS will look for the youngest date in the Completed column.

Completed

Received

✓  
Received

✓  
Received

✓  
Received