

Always Have A Clear No Further Action (NFA) Strategy

It was projected that the Board will reimburse approximately \$37 million in claims expenses over the next four program years. To date, over \$104 million have already been reimbursed. Currently, the claims in-house waiting for review have a net value of over \$26 million.

Our statistics indicate there are currently 1,421 sites where eligibility to claim against the Financial Assurance Fund has been approved and where work at the site has not been completed. Clearly, tank owners will be working with their consultants for some time to complete the clean ups at their sites.

Where does the money come from to meet this demand in claim expenses? Annual fees paid on petroleum tanks are the primary revenue source. In order to meet the demands created by so many sites undergoing corrective actions at one time, the Board has issued revenue bonds twice, in 1993 and 1998. This has created \$65 million to reimburse claims expenses, but it also has created debt that must be paid off by tank fees. Since the Fund's inception, fees have been incrementally increased for debt retirement costs, to supplement claim payments and to administer the Fund.

The average corrective action costs for a Fund site that has been NFA'd by [BUSTR](#) is \$109,000. The most effective means to control claims expenses and, therefore, reduce the frequency and amount of future fee increases, is by controlling the costs of site clean ups. The responsible management of the corrective action process is primary in maintaining a solvent Fund. Owners, consultants, and Board and [BUSTR](#) staff all have the responsibility to protect the Fund from unnecessary and excessive claims. The following are tips on NFA strategies:

- Retain a competent, experienced and cost-effective consultant; ask for their average cost and time to clean up a site, and their experience with BUSTR and the Board.
- Ask your consultant to explain how the levels of chemicals of concern at your site compare to acceptable site action levels.
- Know what your consultant is proposing to do, the estimated costs and estimated time to complete the clean up.
- Question your consultant if the site exceeds the estimated costs and clean-up schedule.
- Communicate with BUSTR and the Board regarding technical and cost approvals. Utilize the Board's voluntary cost pre-approval.
- Comply with BUSTR's regulatory deadlines, it will help keep your project on track and protect cost reimbursement.
- Make sure your site has been appropriately evaluated for Risk Based Corrective Actions (RBCA) and that your consultant is capable of performing RBCA.

The ultimate responsibility for clean up is with the owner. Effective project management by an owner leads to lower corrective action costs. Environmental consultants also have a responsibility to their clients to reach clean up goals as cost effectively and expeditiously as possible.

Always having a clear "NFA" strategy in place is essential for owners and consultants as they work to implement cost-effective corrective actions.

PUBLICATIONS AVAILABLE TO GUIDE YOU THROUGH THE REIMBURSEMENT PROCESS

FundFacts – No Charge

- v Controlling Costs and Preparing for Your Clean Up
- v Claim Filing Deadlines
- v The Pre-Approval Process
- v Mandatory Cost Pre-Approval
- v Voluntary Cost Pre-Approval
- v Costs Not Eligible for Reimbursement
- v Direct Pay
- v Documenting Soil Removal for Cost Reimbursement

General Information Notebook - \$20.00 Charge