



California Regional Water Quality Control Board Los Angeles Region



320 West Fourth Street, Suite 200, Los Angeles, California 90013
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<http://www.waterboards.ca.gov/losangeles>

Linda S. Adams
Acting Secretary for
Environmental Protection

Edmund G. Brown Jr.
Governor

June 30, 2011

Mr. Matthew S. Layton, Manager
Engineering Office
Siting, Transmission, & Environmental Protection Division
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

DOCKET
09-AFC-1
DATE JUN 30 2011
RECD. JUL 22 2011

SUBJECT: RESPONSE TO PARTICIPATION REQUEST

SITE: WATSON COGENERATION FACILITY AT BP CARSON REFINERY, 2350 E. 223rd STREET, CARSON, CALIFORNIA

Dear Mr. Layton:

I have received your letter dated May 31, 2011, requesting Los Angeles Regional Water Quality Control Board (LARWQCB) staff's participation in the Watson Cogeneration Steam and Electric Reliability Project. The project will add a fifth train to the existing four-train Watson Cogeneration Facility at the BP Carson Refinery. Regarding LARWQCB staff's participation on the project, staff (Kwang Lee and Mohammad Zaidi) had a teleconference with the representatives of California Energy Commission (Jeffery Ogata, Alan Solomon and Ellie Townsend-Hough) on June 28, 2011. This letter is to respond to the questions raised in the May 31, 2011 letter and during the June 28, 2011 teleconference.

1. Does LARWQCB anticipate any problems with the project?

Yes. The project location is within the BP Carson Refinery located 2350 E. 223rd Street in the city of Carson. The BP Carson Refinery has historical soil and groundwater contamination at the site, and BP is currently conducting site investigations and cleanups under the Regional Board's Orders including Cleanup and Abatement Order (CAO) No. 90-121. Therefore, staff believes that construction activities at the site could have an adverse impact on the onsite cleanup activities; it will increase the threat to groundwater quality and human health risks.

2. Does LARWQCB believe that project site surface or subsurface contaminants could be distributed and released into the environment or present a health risk exposure?

Yes, we believe so in terms of soil excavation or disturbance. In order to better evaluate the specific site contamination and possible health risk issues, staff needs to evaluate all soil and groundwater data at the specific project area.

3. What type of information would LARWQCB expect the applicant to provide prior to the completion of the staff assessment?

Regional Board staff recommends reviewing the following: (1) the construction plan (e.g., layout, grading plan); (2) the soil management plan; (3) the health and safety plan; (4) the contingency plan for well replacement; and (5) any existing soil vapor, soil and groundwater contamination data at the proposed project area.

4. Would LARWQCB propose additional project site mitigation (i.e., cleanup/remediation) by the applicant?

Possibly, depending on whether the construction will interact with the contamination.

5. Does the CAO cover the proposed project site such that the applicant would not have to complete additional remediation for this project?

The CAO is for on and offsite contamination that originated from the BP Carson Refinery.

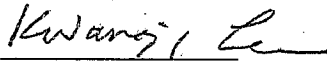
6. Does LARWQCB have any information on contaminants in monitoring wells or groundwater pumping wells?

Yes, we have data.

As we mentioned during the June 28, 11, 2011 teleconference, BP has not authorized the Regional Board to work on the proposed Watson Cogeneration project. In order for us to adequately review these technical issues for the project, we need to have an Oversight Cost Reimbursement Account (attached) for this project.

Should you have any questions regarding this matter, please contact Mr. Mohammad Zaidi, Project Manager, at (213) 576-6732.

Sincerely,



Dr. Kwang-il Lee, P.E.
Site Cleanup Program, Unit IV Chief

Attachments:

1. Monthly Salary Scales by Job Classification
2. Reimbursement Process for Regulatory Oversight
3. Certification Declaration Form
4. Acknowledgment of Receipt of Cost Reimbursement Account Letter

cc: Mr. Jefferey Ogata, California Energy Commission (Jogata@energy.state.ca.us)
Ms. Ellie Townsend-Hough, California Energy Commission (Etownsen@energy.state.ca.us)
Mr. Ross Metersky, BP (Ross.Metersky@bp.com)

Attachment 1

**SITE CLEANUP PROGRAM (SCP)
BILLING COST EXPLANATION**

Employee Salary and Benefits by Classification	¹ ABR	SALARY SCALE
Associate Governmental Program Analyst	AGPA	5,852 – 7,113
Engineering Geologist	EG	9,213 – 11,201
Environmental Scientist	ES	4,092 - 7,596
Office Assistant (G)	OA	2,758 - 3,684
Office Assistant (T)	OA	2,850 – 3,759
Office Technician (G)	OT	3,509 - 4,268
Office Technician (T)	OT	3,572 - 4,341
Principal Water Resources Control Engineer	PWRCE	13,090 - 14,434
Sanitary Engineering Associate	SEA	6,597 - 8,016
Sanitary Engineering Technician	SET	4,543 - 6,339
Senior Engineering, Water Resources	SWRCE	9,811 – 13,090
Senior Engineering Geologist	SEG	10,802 – 13,127
Senior Environmental Scientist	SRES	7,248 - 8,749
Senior Water Resources Control Engineer	SRWRCE	10,802 - 13,127
Staff Counsel	STCOUN	6,216 – 10,411
Staff Counsel III	STCOUNIII	10,217 – 12,606
Staff Counsel IV	STCOUNIV	11,286 – 13,934
Staff Environmental Scientist	SES	7,242 - 8,745
Student Assistant	SA	2,663 - 2,938
Student Assistant Engineer	SAE	2,663 - 3,985
Supervising Engineering Geologist	SUEG	10,769 - 13,090
Supervising Water Resources Control Engineer	SUWRCE	10,769 – 13,090
Water Resources Control Engineer	WRCE	7,883 - 11,144

Operating Expenses and Equipment ² (both Headquarters and Regional Board offices)

Indirect Costs (Overhead – cost of doing business) 135%

Billing Example

Water Resources Control Engineer		
Salary:	\$	11,144
Overhead (indirect costs):	\$	<u>15,044</u>
Total Cost per month	\$	26,188.

Divided by 176 hours per month equals per hour: \$ 148.80
(Due to the various classifications that expend SCP resources. An average of \$ 150.00 per hour can be used for projection purposes.)

¹ The name and classification of employees performing oversight work will be listed on the invoice you receive.

² The examples are estimates based on recent billings. Actual charges may be slightly higher or lower.

REIMBURSEMENT 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, reasonable costs for such oversight can be recovered by the Regional Water Quality Control Board (RWQCB) from the responsible party. 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 (SWRCB) to set up Cost Recovery Programs. The Budget Act of 1993 authorized the SWRCB to establish a Cost Recovery Program for Site Cleanup Program (SCP). The program is set up so that reasonable expenses incurred by the SWRCB and RWQCBs 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 SWRCB in the Division of Financial Assistance (DFA).

THE BILLING SYSTEM

Each cost recovery account has a unique Site ID number assigned to it. Whenever any oversight work is done, the hours are entered into the SCP Cost Recovery/daily logs database. The cost of the staff hours is calculated by the State Accounting System based on the employee's salary and benefit rate and the SWRCB overhead rate.

SWRCB and RWQCB 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 one per Region. 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 Board Program Administrative Charges and Regional Board Program Administrative Charges on the Invoice.

The current billing period charges will include associated labor costs, risk assessment contract charges, overhead charges, SWRCB/DFA Administrative charges, and RWQCB Administrative charges. 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 accounting services. Most of these charges are paid in arrears. The Accounting Office keeps track of these charges and distributes them back monthly to only those accounts having Labor hours charged to them for the period being billed. No site will be billed for overhead during a billing period unless Labor hours have been posted to the RWQCB employee's daily logs residing in the SCP Cost Recovery database.

Invoices are issued quarterly, one quarter in arrears. If a balance is owed, a check is to be remitted to the SWRCB with the invoice remittance stub within 30 days after receipt of the invoice. The Fee Coordinator inputs a record of all checks received directly or by the Accounting Office on a daily basis.

Copies of the invoices are sent to the appropriate RWQCBs so that they are aware of the oversight work invoiced. Questions regarding the work performed should be directed toward your RWQCB case worker.

DISPUTE RESOLUTION

If a dispute regarding oversight charges cannot be resolved with the RWQCB, Section 13320 of the California Water Code provides a process whereby persons may petition the SWRCB for review of RWQCB decisions. Regulations implementing Water Code Section 13320 are found in the Title 23 of the California Code of Regulations, Section 2050.

DAILY LOGS

A detailed description (daily log) of the actual work being done at each specific site is kept by each employee in the Regional Water Board who works on the cleanup oversight at the property. 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 RWQCB staff.*

REMOVAL FROM THE BILLING SYSTEM

After the cleanup is complete, the RWQCB will submit a closure form to the SWRCB 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 SWRCB 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 and submitted to the RP. 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 Site Cleanup program Cost Recovery billing list and oversight work will begin.



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ATTACHMENT 3

CERTIFICATION DECLARATION FOR COMPLIANCE WITH FEE TITLE HOLDER NOTIFICATION REQUIREMENTS (California Water Code Section 13307.1)

Please Print or Type

Fee Title Holder(s): _____

Mailing Address: _____

Contact Person: _____

Telephone Number / Fax Number: _____

Site Name: _____

Address: _____

County Assessor Parcel Number (APN): _____

Contact Person: _____

Telephone Number / Fax Number: _____

File Number: _____ SCP or WIP No. XXXX

“I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.” (See attached page for who shall sign the Certification Declaration).

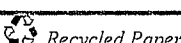
Printed Name of Person Signing

Official Title

Signature

Date Signed

California Environmental Protection Agency



Our mission is to preserve and enhance the quality of California's water resources for the benefit of present and future generations.

The certification declaration form must be signed as follows:

1. For a corporation - by a responsible corporate officer, which means; (i) by a president, secretary, treasurer, or vice president of the corporation in charge of a principal business function, or any other person who performs similar policy of decision making functions for the corporation, or (ii) the manager of one or more manufacturing, production, or operating facilities employing more than 250 persons or having gross annual sales or expenditures exceeding \$25 million, if authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.
2. For a partnership or sole proprietorship - by a general partner or the proprietor respectively.
3. For a municipality, state, federal, or public agency - by either a principal executive officer or ranking elected official. A principal executive officer of a federal agency includes (i) the chief executive officer of the agency or (ii) a senior executive officer having responsibility for the overall operations or a principal geographic unit.





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ATTACHMENT 4

ACKNOWLEDGEMENT 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 **XXXX, 2011**, concerning cost reimbursement for Regional Board staff costs involved with oversight of cleanup and abatement efforts at **XXX (Site Name) in Los Angeles County**. The address for the site is **xxxx Street, XXXX (City), California**.

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, *and to the extent required by law*. I also understand that signing this form does not constitute any admission of liability, but rather only an 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 COMPANY _____

BILLING CONTACT _____

BILLING ADDRESS _____

TELEPHONE NO. _____ **E-Mail** _____

RESPONSIBLE PARTY'S SIGNATURE _____ (Signature)

_____ (Title)

DATE: _____

SCP or WIP NO. XXXXX

SITE ID NO.

California Environmental Protection Agency



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