

Nevada Petroleum Fund Claims, Bids, and Proof of Payment

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Presented by
Megan Slayden, Environmental Scientist IV



NEVADA DIVISION OF
**ENVIRONMENTAL
PROTECTION**





Claims Process

Once a case has been granted Petroleum Fund coverage, the operator and their CEM may submit claims for cleanup activities.

The primary guidance document for the claims process is the Petroleum Fund Cost Guidelines adopted under Board Policy Resolution 2022-02.

The Cost Guidelines require the following process be followed:

- The CEM must submit a cost proposal to the regulatory case officer
- Once a cost proposal is approved, a CEM can bill their time towards the approved amount by preparing a claim to the Fund and submitting it to the operator for review and approval. Additional non-CEM costs are included in the claim.
- Staff review each invoice in the claim to ensure they are eligible costs per the approved cost proposals and Cost Guidelines. Any costs that are ineligible are denied and not paid.
- The operator is sent an approval letter identifying the approved claim amount that will go before the Board for approval and payment.

Claims Process

The Petroleum Fund Cost Guidelines were established to provide mechanisms whereby cost controls are established for assessment and remediation following a discharge from a Petroleum Fund eligible storage tank system.

The original guidelines were established in 1996. A major revision was completed in 2001 and was utilized for more than 20 years. The current version was adopted in 2022, in response to a change in the way the program was administered.

Cost Guidelines

The Cost Guidelines contain information regarding the preparation and submittal of many Fund documents, including claims. The most important sections regarding claims are:

- Section 1.6 Eligible v Ineligible Costs
- Section 1.7.3 Miscellaneous Tasks
- Section 2.4 - 2.4.5 Reimbursement Claim Filing Procedures
- Section 2.5 - NEA Document Submittal and Signatures
- Task J.1 - Initial Abatement for Home Heating Oil Tanks
- Task J.2 - Initial Abatement for Commercial Storage Tank Cleanup Activities
- Appendix A - CEM-Purchased/Rented Equipment Rates
- Appendix B - CEM Travel and Per Diem Rates
- Appendix D - Remediation Equipment Purchase Versus Rental Evaluation
- Appendix E - Reimbursable Versus Non-Reimbursable Costs
- Appendix G - Reimbursable CEM Markup

Cost Guidelines

Eligible Costs vs Ineligible Costs

Section 1.6 Eligible vs Ineligible Costs

- Eligible costs are costs that can be covered by the Fund and are directly associated with assessment and remediation activities approved by the case officer.
- Ineligible costs are costs that are not covered by the Fund and are associated with activities not required or previously approved by the case officer.

Claim Filing Procedures

The following documents are necessary to prepare a claim submittal:

- Each invoice or receipt for which reimbursement will be requested (PDF format)
- Previously approved cost proposals (available in the NEA system)
- Bid packages for contractor services/equipment that exceed the threshold provided under NAC 445C.270(4)(e) and Board Policy Resolution No. 2015-01.
- When required, case officer concurrence correspondence (e.g., cost proposal change orders, bid approval greater than \$25,000, etc.)
- Field and/or vehicle mileage logs
- Lodging receipts
- A list and description of remediation equipment used onsite (Onsite Equipment Form)

Claim Invoice Formatting

Each invoice must be in PDF format and include the following:

- Invoice number/identifier and date. (An account number may be used for utility bills.)
- Identify the site project by name, address, or CEM project number.
- A description of services performed or equipment costs.
- Costs on invoices that are ineligible for Fund reimbursement or are otherwise not being requested for reimbursement on a claim, must be identified on the submitted invoice.
- Invoices that include services for multiple facilities must include a breakout showing amounts billed to each facility and the site-specific amount requested on the claim.
- All costs requested for reimbursement must be billed to the operator of record for the case.

Claim Invoice Formatting

Additional information required on CEM invoices:

- The billing period during which services were performed.
- The cost proposal tracking number the invoiced services were applied.
- Markup on non-CEM invoices must be clearly identified
- Each CEM invoice should include the following, when applicable
 - CEM field/usage logs showing in-house equipment and materials used onsite.
 - CEM vehicle mileage logs identifying the date(s) of vehicle use, start/end mileage, start/end locations, and purpose for site visit.
- CEM invoices that include laboratory invoices for soil and groundwater analyses must include a description of the sample event.

Claim Invoice Formatting

Additional information required on non-CEM invoices:

- For non-CEM subcontractor invoices and/or receipts, the date(s) on which the work or service was performed.
- For invoices submitted for impacted soil/groundwater transfer, disposal, or treatment must include documentation of disposal/treatment unless the transport company is a waste treatment/disposal facility.
- For invoices that exceed the bid threshold, bid documentation prepared in accordance with Cost Guidelines Section 2.4.3, Policy Resolution 2015-01, and NAC 445C.270(4)(e).

Document Submittal and Signatures

- Signatures for documents submitted via the NEA system must be applied electronically as a user logged into the system, or the corresponding downloadable signature page must be used.
- The signatory can sign the signature page, scan it to PDF format, and the CEM will upload it to the applicable document.
- Fund staff will not accept signatures applied to the downloadable signature page through electronic signature software such as Adobe or DocuSign, nor should signatures be copied/pasted onto the signature page.

CEM Equipment Usage Rates

- Appendix A establishes reimbursable rates for commonly used small equipment, consumable materials, and field supplies.
- Appendix A-1 establishes rates for CEM-owned mobile remediation systems.

CEM Travel and Per Diem Rates

- Meals, lodging, CEM vehicle mileage, and travel expenses will be recommended for reimbursement pursuant to allowable state rates only.
 - Per diem rates are updated in October each year
 - Mileage rates are updated in January of each year
- Receipts are not necessary for meals.
- Receipts are necessary for lodging.
- Lodging room tax and misc. fees are reimbursable.
- In-State CEMs may request per diem for sites greater than 50 miles from the office
- Out-of-State CEMs may request per diem for sites greater than 50 miles from the Harry Reid Airport (Las Vegas) or the Reno-Tahoe Airport (Reno)

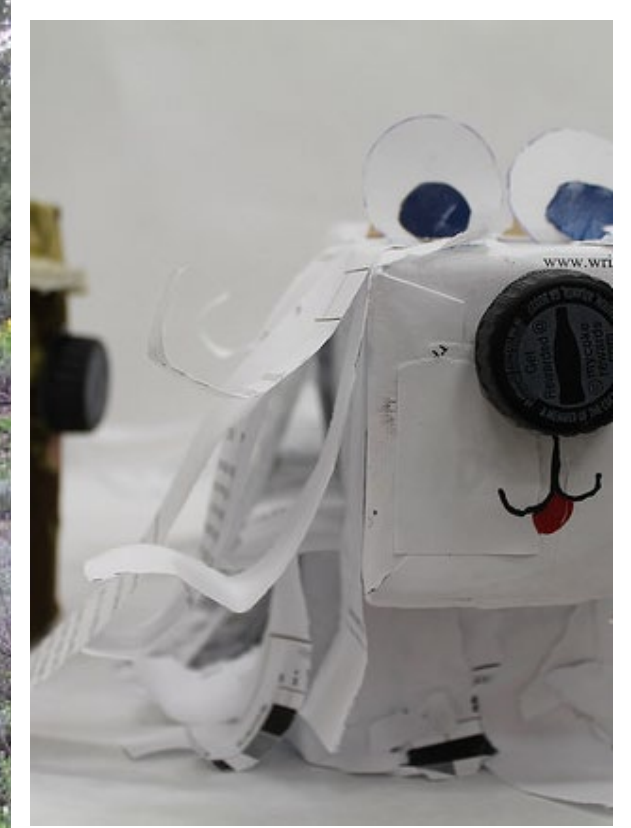
Reimbursable vs Non-Reimbursable Costs

- Appendix E contains the majority of Reimbursable and Non-Reimbursable cost descriptions. The following sections can be found in this appendix:
 - Eligible Costs
 - Ineligible Costs
 - Non-Reimbursable Expenditures
 - Reimbursement Claim Filing Deficiencies
 - Non-Fund Eligible Travel
 - Non-Fund Eligible Petroleum Tank Release Sources

Reimbursable CEM Markup

- NDEP will recommend Fund reimbursement for up to 10% CEM administrative markup on non-CEM services and items, which must be reflected on the CEM's invoice and billed to the claimant. Markup may be claimed for each subcontractor invoice up to \$15,000.
- Services and Items Not Qualified for Reimbursement of CEM Markup:
 - Services and items greater than \$15,000; however, the value up to \$15,000 is eligible for markup
 - Subcontractor invoices that have been split into multiple invoices (i.e., progress billing) that have a cumulative total greater than \$15,000 for the same service or item.
 - Shipping costs.
 - Rental costs associated with vehicles, equipment, etc.
 - Any non-CEM invoices not recommended for reimbursement.
 - Utilities that are not billed to the CEM
 - Fuel costs.
 - Subcontracted work typically conducted as CEM activities (e.g., groundwater sampling).
 - Permit fees.
 - Lodging, per diem, and mileage expenses.
 - Equipment usage or consumable materials established under Appendices A or C.

Initial Abatement Claims



Task J.1 Heating Oil Tank Initial Abatement

- CEM Costs Not to Exceed \$6,300
- Non-CEM Costs Not to Exceed \$27,200
- Tank Removal Defrayment \$2,000
- Total Task Cost for Single Tank \$35,500 (excludes lab analyses costs)
- For a site with two or more heating oil tank systems:
 - Additional CEM costs \$3,000
 - Additional non-CEM costs \$27,200
- All costs beyond these limits must be proposed in Cost Proposals and go through standard bid procedures.

Task J.2 Commercial Storage Tank Initial Abatement

- CEM Costs Not to Exceed \$25,000
- Non-CEM Costs Not to Exceed \$75,000
- Total Task Cost \$100,000
- Must have apparent impacts.
- Rush lab turnaround fees are eligible for reimbursement
- All activities beyond these limits must be proposed in cost proposals and go through standard bid procedures.



Bid Requirements and Procedures

Bids

NAC 445C.270.4(e), “The operator shall... Obtain approval from the Division or secure not less than three competitive bids for a task included in a corrective action that costs more than \$6,000, an amount which may be adjusted annually by the Division and published on the website of the Division on or before March 1 of each year to reflect the change in the Consumer Price Index for All Urban Consumers published by the United States Department of Labor between December 2018 and December of the immediately preceding year and rounded to the nearest \$1,000, if:

- (1) The corrective action necessitated by a discharge from a storage tank is not an emergency action pursuant to paragraph (c) of subsection 1 of NAC 445C.210 or an initial abatement measure prescribed by 40 C.F.R. § 280.62; and
- (2) The operator is seeking reimbursement by the Fund for the costs of cleaning up the discharge from a storage tank or of liability for damages.

- Required for goods and services equal to or greater than \$8,000
- Must be submitted to regulatory case officer prior to purchase if greater than \$25,000

Bids

- Policy Resolution 2015-01 clarifies the process by which bids must be obtained and provides a form for the appropriate collection and submittal of bid documentation.
- Must be structured so that all bids are compared to the same criteria
- Bid packet must include:
 - Request for Bid sent to subcontractors
 - Submitted Bids, each paired with a signed Contractor/Vendor Certification Form
 - Bid Summary Table and Certification Statement Form, signed by the CEM and Operator

Proof of Payment

- Required to be submitted pursuant to NAC 445C.310.5
- Operators must submit proof of payment documentation within 60 days from the date of payment for claims approved during the quarterly Board meeting.
- Operators must submit proof of payment documentation within 30 days of payment for claims paid via the direct payment method



Proof of Payment

- User Guides establishing acceptable documentation are available in the Nevada Environmental Activities system.
- Payment Scenarios #1 – Payment made to the operator
 - Operator must demonstrate that they have paid their contractors. If non-CEM invoices were billed through CEM invoices, non-CEM invoice payment details are not required
- Payment Scenarios #2 – Payment made to the CEM on behalf of the operator
 - Operator must show payment of the required cost share (copayment value and reduction value)
 - CEM must demonstrate that all non-CEM invoices have received payment



Thank You

Megan Slayden, Supervisor
Nevada Petroleum Fund

Phone: 775-687-9386

Email: m.slayden@ndep.nv.gov

