

SOUTH DAKOTA
PETROLEUM RELEASE COMPENSATION FUND
523 E. Capitol Avenue
Pierre, South Dakota 57501
(605) 773-3769 / Fax (605) 773-6048
sd.gov/prcf

PARTIAL LIST OF INELIGIBLE EXPENSES

The following partial listing is provided to assist you in recognizing some expenses associated with projects involving upgrading of petroleum tank systems or cleanup of petroleum contamination or both that are not eligible for reimbursement under this program.

1) CAPITAL IMPROVEMENTS --

- New Tanks/Equipment;
- Installation of New Tanks/Equipment;
- Bedding Material for New Tanks/Equipment, *e.g., pea rock, sand, special fills used to seat or bed tanks;*
- Concrete, Asphalt, or Other Resurfacing (*in excess of 110% of the surface dimensions of the excavation done for remediation or where it did not previously exist*);
- Betterment of Property (*depreciation is applied when appropriate*);
- Higher Quality Surfacing Than What Previously Existed (*for example, replacement of 4 inch concrete with 6 inch concrete with a gravel base and wire mesh re-enforcement is an improvement*).

2) ADMINISTRATIVE COSTS --

- Interest Expense;
- Legal Expenses (*unless approved by the PRCF before incurring costs*);
- Other Administrative Costs Specifically Associated With:
 - Tracking Invoices,
 - Breaking-out Eligible and Ineligible Costs,
 - Compiling Material for a Claim,
 - Legal Expenses Incurred for Tracking Claims,
 - Appeals, etc.

3) ENVIRONMENTAL COSTS --

- **Lab Work for:**
 - Testing of Tank Contents, *e.g., water, sludge, sand, or petroleum product*;
 - "Rush" lab analyses (*unless authorized in advance by the PRCF*);
 - Analyses Using Unapproved Testing Methods;
 - Analyses of Inappropriate Constituents
- **Cleanup Work for:**
 - Removal of Tank Contents, *e.g., water, sludge, sand, or petroleum product*;
 - Assessment or Cleanup of waste oil, hydraulic oil, or any material *other than those defined as "Petroleum" in SDCL 34A-13-1, e.g., gasoline, diesel, fuel oil, jet fuel, kerosene, or gasohol*;
 - Excavation Costs Beyond Backfill Area of Tank(s), *unless a site assessment is conducted*;
 - Site Assessment and/or Cleanup Activity Outside Backfill Area of Tank(s), *unless written approval received from PRCF prior to incurring the costs*;
 - Costs associated with remediation that exceed the minimum requirements to bring your release site into compliance with state environmental standards.

- **Other Items:**
 - Mileage Greater Than 250 Miles One Way;
 - Airline Travel (*Note: Allowance permitted for surface travel up to 250 miles*).
 - Consultant "MARKUPS" on --
 - General Contractor Expenses,
 - Landfill Fees,
 - Travel,
 - Utility Bills,
 - Per Diem Expenses;

(Note: Some "markups" are acceptable such as those on dedicated or disposable equipment, lab fees, and some specialized contractor expenses. Specialized contractor expenses include well drillers, electricians, plumbers, etc. who have been sub-contracted to install a remediation system.)

4) MISCELLANEOUS COSTS --

- Business Down Time;
- Any increased cost of cleanup with the goal of limiting business downtime;
- "Right-of-Entry" or "Trespass" Fees;
- Damage caused by excavation Equipment;
- 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;
- Charges billed by your contractor or environmental consultant which exceed PRCF allowances;
- Any Expenses Specifically Excluded in SDCL 34A-13 and ARSD 74:32.

SDCL 34A-13-31 authorizes the Petroleum Release Compensation Board to "...reduce otherwise allowable claims submitted by the covered party...equal to the amount of the ineligible claim" when the covered party "...knew or should have known that the claimed reimbursement was not allowable".

I, the undersigned, have read and understand expenses shown above are specifically excluded from coverage of the South Dakota Petroleum Release Compensation Fund.

(Signature)

(Printed/Typed Name)

(Date)