

LGAR

**LOCAL GOVERNMENTS
REIMBURSEMENT**





Program Overview

LGR: What Is It?

A Federal program to reimburse local governments for certain expenses incurred while responding to a release or threat of release of a hazardous substance.





LGR: Key Points

- Temporary emergency measures in response to hazardous substance threats
- Must not supplant funds normally provided for such activities
- LGR is a self-certifying program
- \$25,000 limit per single response



Who is Eligible?

- Any unit of local government including counties, parishes, municipalities, towns, townships, and Federally recognized Indian Tribes
- **STATES** are excluded





Restrictions

- Only **ONE** request per incident
- Petroleum products are excluded





Activities Covered

Examples of activities typically covered:

- Controlling the release source
- Containing released substances
- Controlling runoff that could contaminate drinking water sources
- Erecting security fencing or other site security measures





Activities Not Covered

Examples of activities *not* covered:

- Remediation of ground water contamination
- Ongoing sampling and analysis
- Construction of water treatment facilities
- Medical expenses
- Routine fire fighting





Materials and Expenses Covered

Examples of materials and expenses typically covered:

- Purchase of disposable materials and supplies
- Rental or leasing of equipment
- Special technical services and laboratory costs
- Services and supplies purchased for an evacuation
- Compensation of overtime wages
- Decontamination of equipment



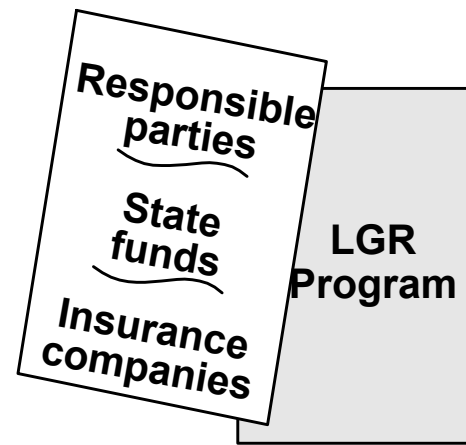


Materials and Expenses not Covered

Examples of materials and expenses *not* covered:

- Disposable materials and supplies already owned by a local government
- Purchase of durable goods
- Employee fringe benefits
- Employee out of pocket expenses
- Legal expenses
- Medical expenses
- Administrative costs





Cost Recovery

- LGR Program was designed as a program of “last resort”
- Local governments **MUST** pursue cost recovery from all sources
 - Responsible Parties
 - State Funding
 - Local Government Insurance



Certification

Applicants **MUST** certify:

- All costs are accurate and were incurred specifically for the response
- Reimbursement does not supplant normally budgeted funds
- Cost recovery was pursued
- Reimbursement funds that are later recovered will be returned



Additional Information

**For additional information,
contact:**

LGR HelpLine at (800) 431-9209

OIL SPILL LIABILITY TRUST FUND





Program Background

- Program authority from OPA 90
- Created Trust Fund (OSLTF)
 - Funds for removal actions
 - Payment of cost to assess/restore damaged natural resources
 - Payment of uncompensated removal costs consistent with NCP
- Federal Administrative and Operational Cost



Eligibility



Any person or government who incurs an allowable cost, damage, or loss as a result of an oil pollution incident.



Eligibility: Restrictions

- Claimants must submit claims first to responsible party or insurer
- Claim must be an incident involving any oil as defined by OPA
- Damage claims must be made within (3) years
- Removal costs claims must be made within (6) years



Eligible Removal Activities Include:

- ✎ Containing and removing oil from water
- ✎ Preventing or minimizing oil pollution where there is substantial threat of discharge
- ✎ Other related actions to minimize damage to public health and welfare





Eligible Expenses Include:

- Contractor services
- Salaries for government personnel not normally available for oil responses
- Equipment
- Testing to identify type (source of oil)
- Disposal





Critical Claim Requirements

- Demonstrate substance involved was “oil” per OPA
- Demonstrate whether oil discharged or posed a substantial threat to discharge to navigable waters
- Demonstrate that you coordinated removal actions with OSC





Reimbursement Requirements

OIL

- Notification Required
- No reimbursement cap
- State and local
- Petroleum only
- Removal costs within 6 years, natural resources costs and damage claims within 3 years

HAZARDOUS SUBSTANCES

- Notification Recommended
- \$25,000 reimbursement cap per incident
- Local only
- Hazardous substance or mixture of oil and hazardous substances
- Claims within 1 year

POLLUTION REMOVAL FUNDING AUTHORIZATIONS





Pollution Removal Funding Authorizations

The Pollution Removal Funding Authorization (PRFA) is a tool available to OSCs to quickly obtain needed services and assistance from other government agencies only during **oil spill** response actions.

The OSC cannot use PRFA to obtain services directly from private individuals or companies.



PRFAs

PRFA authorizes reimbursements to:

- Federal Agencies
 - DHS, NOAA, Corp of Engineers, etc.
- Non-Federal
 - State
 - MEMA, ADEM, FDEP, etc.
 - Local
 - Fire Departments, Hazmat teams, Law Enforcement, etc.
- Recognized Indian Tribes



PRFAs

Agency Reimbursement

Under the terms of a PRFA, an OSC may agree to reimburse another government agency for costs consistent with the NCP. Some examples include:

- Personnel salary costs, including overtime;
- Travel and per diem expenses;
- Appropriate charges for the utilization of other government agency owned equipment or facilities; and
- Actual expenses for contracted or vendor supplied goods and services obtained by other government agency.



PRFAs

Clear Agreement as to Support Provided

The OSC and the other government agency must agree upon and document:

- The specific goods and services to be provided; and
- A good faith estimate of the total anticipated costs, with a line item breakdown of the principal expense categories.



PRFAs

Other Agency Cost Tracking and Documentation

- The other government agency receiving a PRFA must track its costs and provide documentation
- Reimbursement against PRFA are invoiced to the National Pollution Fund Center (NPFC), through the OSC
- OSC certifies that goods and services are consistent with those authorized under PRFA