



IOWA UNDERGROUND STORAGE TANK  
FUND

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# ***Annual Strategic Planning Session***

***July 14, 2011***

***Grimes Farm Conservation Center  
2359 233<sup>rd</sup> Street  
Marshalltown, IA 50158***

**AON**



# IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Scott M. Scheidel, *Administrator*

*Board Members:*

Michael L. Fitzgerald

Joseph D. Barry

Eric W. Johnson

Karen E. Andeweg

Roger L. Lande

Dawn A. Carlson

Jeff W. Robinson

## ΦΦΦ *MEMO* ΦΦΦ

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**TO:** Iowa UST Fund Board and Interested Public Parties

**FROM:** Iowa UST Fund Administrator's Office

**DATE:** July 1, 2011

**RE:** Annual Strategic Planning Session Board Meeting

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The Annual Strategic Planning Session of the Iowa UST Fund Board will be held on Thursday, July 14, 2011, at the Grimes Farm Conservation Center near Marshalltown, Iowa. The meeting will begin at 9:30 A.M. with the Strategic Planning Session being held in the morning. After a break for lunch the remainder of the meeting agenda will be concluded.

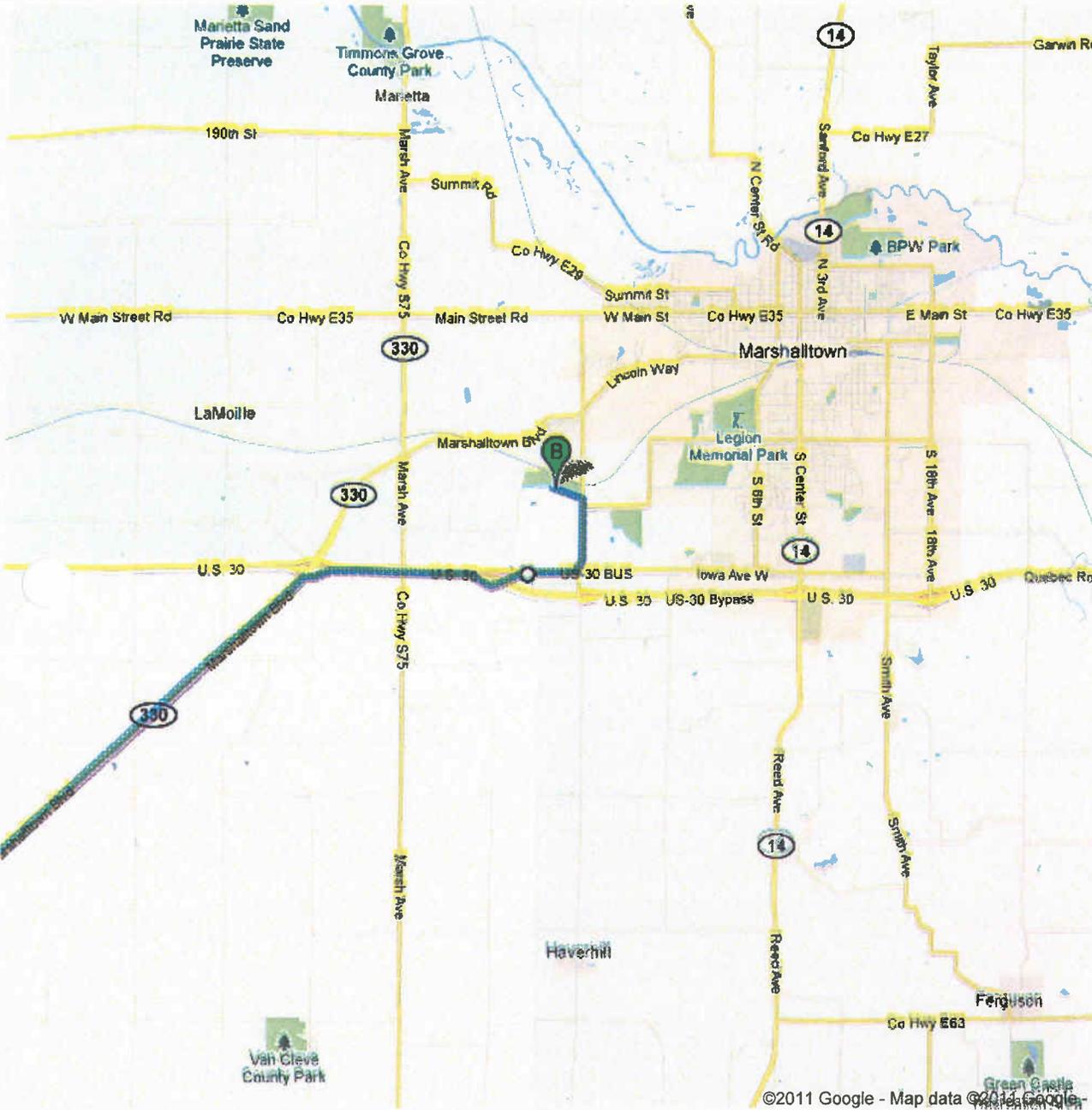
A selection of meats and cheeses for sandwiches along with fruit and drinks will be provided by Katie J's in the Conservation Center for Board members and for the public in attendance. Meeting attire is casual.

The Grimes Farm Conservation Center is located just west of Highland Acres Road between Highway 30 and West Lincolnway in Marshalltown, IA. Maps and directions are attached.



Directions to Grimes Farm and Conservation Center  
Marshalltown, IA 50158  
49.7 mi – about 1 hour 3 mins

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 Des Moines, IA

- |   |   |                             |
|---|---|-----------------------------|
|   | 1. Head <b>west</b> on <b>E University Ave</b> toward <b>E 7th St</b><br>About 1 min            | go 0.6 mi<br>total 0.6 mi   |
|    | 2. Turn left onto <b>2nd Ave</b><br>About 1 min   | go 0.2 mi<br>total 0.7 mi   |
|   | 3. Continue onto <b>3rd St</b>  | go 0.2 mi<br>total 1.0 mi   |
|    | 4. Turn left onto <b>School St</b>  | go 466 ft<br>total 1.0 mi   |
|    | 5. Take the ramp onto <b>I-235 E</b><br>About 7 mins  | go 5.3 mi<br>total 6.3 mi   |
|    | 6. Take exit <b>137A</b> to merge onto <b>I-80 E</b> toward <b>Davenport</b><br>About 4 mins    | go 4.2 mi<br>total 10.5 mi  |
|    | 7. Take exit <b>142</b> for <b>US-6 W/U.S.65 N</b> toward <b>Altoona/Bondurant/Marshalltown</b> | go 0.2 mi<br>total 10.7 mi  |
|    | 8. Turn left onto <b>NE Hubbell Ave</b><br>About 13 mins  | go 10.1 mi<br>total 20.8 mi |
|    | 9. Continue onto <b>US-65 N</b><br>About 4 mins   | go 4.5 mi<br>total 25.2 mi  |
|    | 10. Continue onto <b>IA-330 E</b><br>About 22 mins  | go 20.1 mi<br>total 45.3 mi |
|   | 11. Turn right to merge onto <b>U.S. 30 E</b><br>About 2 mins                                   | go 1.9 mi<br>total 47.2 mi  |
|  | 12. Take exit <b>181</b> to merge onto <b>Iowa Ave W/US-30 BUS E</b><br>About 2 mins            | go 1.3 mi<br>total 48.5 mi  |
|  | 13. Turn left onto <b>Highland Acres Rd</b><br>About 4 mins                                     | go 0.8 mi<br>total 49.3 mi  |
|  | 14. Take the 2nd left onto <b>233rd St</b><br>Destination will be on the right<br>About 1 min   | go 0.4 mi<br>total 49.7 mi  |

 **Grimes Farm and Conservation Center**  
Marshalltown, IA 50158

These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.

Map data ©2011 Google

Directions weren't right? Please find your route on [maps.google.com](http://maps.google.com) and click "Report a problem" at the bottom left.



# IOWA UNDERGROUND STORAGE TANK

## Financial Responsibility Program

Douglas M. Beech, *Chairperson*

Scott M. Scheidel, *Administrator*

*Board Members:*

Michael L. Fitzgerald

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Roger Lande

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### NOTICE OF PUBLIC MEETING

A public meeting of the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board has been scheduled for 9:30 A.M., Thursday, July 14, 2011. **The meeting will be held at the Grimes Farm Conservation Center, 2359 233<sup>rd</sup> Street, Marshalltown, IA 50158.**

The tentative agenda for the meeting is as follows:

9:30 a.m. Call to Order

1. Strategic Planning Session
  - Break for Lunch (about 12 Noon --12:30 p.m.)
2. Approval of Prior Board Minutes
3. Closed Session Discussion of Pending and Imminent Litigation (To adjourn by 1:00 pm)
4. Public Comment Period
5. Board Issues
  - A. Legislative Update
  - B. 12 Month Meeting Schedule
  - C. FY2012 Budget
  - D. FY2012 Attorney General Agreement
  - E. Contractor Selection--USTCA
  - F. Class C Operator Training--RFI Update
  - G. DNR Update
6. Approval of Program Billings
7. Monthly Activity Report and Financials Reviewed
8. Attorney General's Report
9. Claim Payment Approval
10. Contracts Entered Into Since May 25, 2011 Board Meeting
11. Other Issues as Presented
12. Correspondence and Attachments

## **Strategic Planning Session**

## **I. Evaluation of Past Goals and Program Status**

# THE IOWA COMPREHENSIVE PETROLEUM UST FUND PROGRAM PROGRAM OVERVIEW AND STATUS

## I. BACKGROUND

The Iowa Comprehensive Petroleum Underground Storage Tank Fund was created in 1989 to assist owners and operators of USTs to comply with state and federal environmental regulations. The program, which was created in HF 447, was codified under Iowa Code 455G. Iowa's legislature established a Board to oversee three (3) separate programs under the state fund - a remedial program, loan guarantee program, and an insurance program. The Board promulgated rules under IAC 591 to administer and implement the programs.

The legislative intent identified in the preamble of HF 447 was to assist owner/operators, especially small businesses, to comply with minimum federal technical and financial responsibility standards. The legislature noted that implementation and interpretation of HF 447 shall recognize the following topics:

- adequate and reliable financial assurance for the costs of cleanup on pre-existing releases
- create financial responsibility assurance mechanism (insurance) to pay for future releases
- fund designed to be interim measure
- minimize societal costs and environmental damage
- maintain Iowa's rural petroleum distribution network

### The Remedial Program

The remedial program was established to provide funding for the cleanup of past releases from USTs. To qualify for remedial benefits, releases had to be reported to DNR between January 1, 1985, and October 26, 1990, and to the Board by February 26, 1994. In addition, sites with active tanks must demonstrate financial responsibility to maintain eligibility. The remedial program reimburses up to \$20,000 for a Site Cleanup Report (SCR) or Risk Based Corrective Action (RBCA) report, 82% of corrective action costs up to \$80,000, and 100% of remaining corrective action costs up to \$1 million. As of June 30, 2011 there were 609 open eligible claims for reimbursement under the remedial program. To date, \$194,946,747.23 has been paid under the remedial program. In addition, \$16,122,143.02 has been paid on claims under the retroactive provisions; \$25,550,774.92 has been paid on claims under the innocent landowner program. These figures are for all open or closed claims over the entire life of the program to date.

### Loan Guarantee Program

The loan guarantee program provided up to a 90% guarantee to lenders to assist operators to pay for remedial expenditures and to assist them in upgrading their UST systems. This guarantee mechanism allowed operators to obtain necessary financing, even though their property (collateral) may have been contaminated. The loan guarantee program was not a direct loan program; rather it was a guarantee to the lender, which allowed lending institutions to provide the financing. The loan program ceased accepting new applications for loans effective 12/31/99 and the existing portfolio is in runoff. The last loan guarantee was paid in full in fiscal year 2011.

### Insurance Program

The insurance program was designed to provide a separate fund for all releases, which occurred after October 26, 1990, and to satisfy federally mandated financial responsibility requirements. It was an EPA approved financial responsibility mechanism. The program was established with a nominal tank premium fee established by the legislature. The fee increased each year until 1995 when actuarially sound premiums were established. The money initially transferred to start the insurance fund was repaid to the general UST fund with interest. The balance of the fund after 1995 was the result of premiums and interest on those premiums charged to tank owners.

On November 8, 2000 the balance of the Insurance Fund was transferred to Petroleum Marketers' Mutual Insurance Company (PMMIC), a not-for-profit mutual insurer domiciled in Iowa. The UST Fund Board entered into a Memorandum of Understanding (MOU) to transfer the funds upon satisfaction of the MOU by PMMIC. This transfer took the UST Board out of the insurance program. The MOU also placed certain restrictions on the new company to place assurances that PMMIC would continue to operate and provide an acceptable mechanism for providing financial responsibility for tank owners. Should these restrictions be violated, the money transferred will revert back to the UST Fund Board. This provision of the MOU sunset on July 1, 2004. At the time of transfer, 2,280 sites were insured and all were fully upgraded.

In the original Insurance Program administered by the State, for LUST sites to be eligible for the insurance, the site must have been eligible for remedial benefits, or the responsible party was required to sign an affidavit that they had the ability to and would cleanup the pre-existing contamination. The insurance program only covered releases, which occurred after the retroactive date of the policy and during the insured period. In addition to UST insurance, the program also offered UST installer/inspector insurance and UST property transfer insurance. The program ceased offering installer/inspector insurance due to widespread availability in the private marketplace.

## **II. PROGRAM FUNDING**

The program receives 77% of the annual tank registration fees collected by the Department of Natural Resources (DNR). These fees generated approximately \$526,500.00 during FY2009. In addition, the legislature initially authorized approximately \$12 million per year to be allocated to the Program from the Environmental Protection Charge (EPC). In 1990, the EPC was replaced with 25% of the Motor Vehicle Use Tax up to a maximum of \$12 million annually. The legislature authorized the Board to issue tax-exempt bonds, which allowed funds to be immediately available for remediation. The bonds were secured by the program's allocation of funds from the Motor Vehicle Use Tax and tank management fees. Based upon bonding requirements, original revenues were estimated to provide bonding capacity of \$145 million over the life of the program.

In 1991, the cap on the Motor Vehicle Use Tax was increased to \$15.3 million annually. The projected bond capacity increased to approximately \$188 million. In 1996, funding from the EPC increased to \$17 million annually, and an additional \$105 million would be transferred from the Motor Vehicle Use Tax over the next seven (7) years. With this additional funding, total program funding available for corrective action expenses would exceed \$325 million. In 2003 the Legislature placed a sunset date on the collection of the EPC of June 30, 2014. This date coincided with the Board's final debt payment of July 1, 2014. During the 2004 Legislative session, the sunset date was extended two years until June 30, 2016.

To date, almost \$180 million in tax-exempt bonds have been issued. This total includes \$42.6 million in refunding bonds issued in July of 1997 and \$19.7 million in refunding bonds issued in November 2004. The refundings saved the program \$1.5 million and \$1.2 million respectively in net present value interest expense. Changes in statute resulting from the 2008 Legislative Session had left the security of the Iowa UST Fund bonds in jeopardy; therefore the Iowa UST Fund paid off the 1997A Series bonds totaling \$18,687,894.06 and the 2004A Series bonds were defeased in June 2008. An escrow account to make regular 2004A Series bond payments has been set up with \$15,034,580 from Iowa UST Funds, and \$24,515.25 in fees were paid from the Unassigned Revenue Fund to facilitate the defeasance.

Beginning Fiscal Year 2012 the quarterly allocation to the UST Fund of the EPC was reduced from \$4.25 million to \$3.5 million or \$14 million annually. The difference was diverted to the Renewable Fuel Infrastructure Board to fund a grant program.

#### UST Revenue Fund

The Program's share of the Motor Vehicle Use Tax, tank management fees and associated interest income are deposited into the UST Revenue Fund. The Fund's required debt service payments have been transferred semi-annually to the UST Bond Fund for payment to the bondholders. Excess funds have been transferred semi-annually to the Unassigned Revenue Fund. This fund was pledged to secure the

UST bonds, which now have been called or defeased as of June 30, 2008. On June 17, 2008, \$8,500,000.00 was paid from the Revenue Fund to pay off 1997A Series bonds. The balance of the Revenue Fund on June 30, 2011 was \$9,290.721.00.

#### Comprehensive UST Fund

The Environmental Protection Charges (EPC) collected in 1989 and 1990 were deposited to this fund. Proceeds in this fund could be used for any Board approved expenditure. In addition to the initial EPC collections, various licensing and copying fees were deposited in this fund. The balance of the Comprehensive Fund (\$20,486,995.00) was transferred to the Unassigned Revenue Fund in August of 1996.

#### UST Unassigned Revenue Fund

The UST Unassigned Revenue Fund was the recipient of funds in excess of the Program's annual debt service requirement on the outstanding bonds. The Program's administrative expenses, as well as underground storage tank closure contract payments, are paid from this account. Proceeds from this account can be used for any Board-approved expenditure. On June 17, 2008, \$5,825,187.84 was paid from the Unassigned Revenue Fund to pay off 1997A Series bonds. The balance of the Unassigned Revenue Fund as of June 30, 2011, was \$4,701,809.63.

#### UST Remedial Fund

The Remedial account was primarily funded from proceeds from UST revenue bonds. The Remedial Fund provides funding for outstanding remedial and retroactive claims. It had a balance of \$2,476,236.34 as of June 30, 2011. When necessary, the Board can access the Revenue Fund for additional revenue to reimburse remedial claims.

#### UST Marketability Fund

In 1995, the legislature established the Marketability Fund with allocations from the Motor Vehicle Use Tax. The Marketability Fund provided additional funding for remedial claim payments. Over the course of several months in fiscal year 2005, the entire balance of the Marketability Fund was transferred to the Aboveground Storage Tank (AST) Fund to provide funding to AST claims. The Marketability Fund still accrues interest, and its entire balance of \$3,327,726.83 was used to payoff the 1997A Series bonds on June 17, 2008. The Marketability Fund had a balance of \$717,263.77 as of June 30, 2011.

#### UST Innocent Landowner Fund

The Innocent Landowner (ILO) Fund was initially to be funded by net cost recovery

proceeds and an additional \$5 million per year of the Motor Vehicle Use Tax funds, as appropriated by the 1995 legislature. Since the receipt of the large global settlements from several major oil companies between 1996 and 2003, the entire \$17 million per year of Motor Vehicle Use Tax funds had been deposited into the Revenue Fund, the balance of which was transferred to the Unassigned Revenue Fund after bond payments were made. On June 17, 2008, \$8,797,080.00 was paid from the ILO Fund to defease 2004A Series bonds. Proceeds from cost recovery sources are still deposited into the ILO Fund. Cleanup costs for claimants not eligible for remedial program benefits can be paid from this account. The ILO Fund had a balance of \$3,789,762.08 as of June 30, 2011.

#### No Further Action Fund

In 1998, the legislature established the No Further Action (NFA) Fund with a one-time allocation of \$10 million from the comprehensive petroleum UST fund. The NFA Fund was used to reimburse the Department of Natural Resources for corrective action completed on a site for which they had issued a No Further Action Certificate (on or after January 31, 1997) and the high risk condition had not been caused by a release subsequent to the certificate issuance. The legislature eliminated this fund in the 2000 session with the balance being transferred to the pooled technology account for the State of Iowa. The liability for this fund transferred to the UST remedial account. The NFA Fund had a balance of \$11,088,099.52 at the time of transfer. There had been no claims to date reserved against this fund at the time of transfer.

#### UST Loan Guarantee Fund

The Loan Guarantee account was funded from the Comprehensive UST Fund. On June 17, 2008, \$1,034,979.39 was paid from the Loan Guarantee Fund to pay off 1997A Series bonds. The account provides a guarantee on one remaining loan totaling \$19,276.85. It had a balance of \$276,905.54 as of June 30, 2011.

#### UST Insurance Fund

The Insurance account was funded through yearly UST premiums, installer/inspector premiums and property transfer coverage premiums. The balance of the insurance fund as of November 8, 2000, was \$35,969,570.07. This amount plus unpaid interest was transferred to Petroleum Marketers Mutual Insurance Company.

#### Aboveground Storage Tank Fund

The Aboveground Storage Tank account was funded by a transfer of monies from the Marketability Fund and the Unassigned Revenue Fund. The AST Program ended with a total of \$11,217,932.11 paid, and all AST claims were closed during FY07.

#### UST Bond Fund (90A, 91A, 94A, 97A, 2004A)

The Bond Fund had received monies from the Revenue Fund for making the Program's debt service payments on the outstanding UST bonds.

#### UST Capital Reserve Fund (90A, 91A, 94A, 97A, 2004A)

The Capital Reserve Fund was established by the revenue bond indenture agreement and was pledged as security for the outstanding bonds. The entire balance of \$6,237,500.00 of the Capital Reserve Fund was paid to defease the 2004A Series bonds in June 2008. The Capital Reserve Fund balance was \$0.00 on May 31, 2010.

### **III. OPERATIONAL ISSUES**

The Board has implemented policies and procedures, authorized by the legislature, to increase the cost effectiveness of the program. Its actions have included entering into 28E agreements with other state agencies, utilizing its cost containment authority to affect contracts, implementation of certification for contractors, implementation of the Community Remediation Program, assisting the Attorney General's Office with cost recovery, promotion of innovative technology, providing additional funding and oversight to communities with drinking water impacts, and supporting risk-based cleanup standards.

#### **A. Prior Contract Approval**

455G.12A has allowed the Board to invalidate contracts for services which otherwise would be reimbursable, if the contract did not receive pre-approval from the Administrator. To receive pre-approval, costs must be reasonable based upon the services required, and the services must be necessary for the owner/operator to comply with program or regulatory standards. This authority has resulted in large savings and forces contractors to get pre-approval and submit justification for all anticipated services.

#### **B. 28E Agreements**

To assist in streamlining the regulatory process, the Board has assisted the DNR with the development of a geographical information system to facilitate the coordination of assessment and corrective action activities at commingled or potentially commingled sites. Assistance has been provided for the automation of DNR's ability-to-pay review and for integration of DNR databases, as well as, its groundwater professional registration program. It has also funded additional personnel to assist in reviewing reports, developing and implementing RBCA procedures, and cooperated with DNR to obtain additional federal funds for assessment and corrective action costs. The Board is currently funding activities at non-eligible UST/LUST sites at DNR's request. In addition,

the Board has provided funding assistance to operate DNR's UST Section for fiscal years 2005-2010. 28E agreements have also been utilized to cooperate with the Attorney General's office on cost recovery activities and to work with the Department of Revenue for the collection of EPC.

#### C. Community Remediation Program

Community remediation projects (CRP's) were used in the mid-1990's to address contamination from a regional standpoint by combining a number of sites into one project. In these projects, costs were greatly reduced by eliminating the duplication of efforts through combined mobilization and reporting. In these projects, a single contractor assessed every eligible site in a city and completed a site cleanup report (SCR), as required by the DNR. In addition, one report covering the entire city was submitted. The community-wide CRP's ended in 1996. Through the process, 1,675 sites were assessed with an average cost per site of \$9,628.00.

In the late 1990's, the Board CRP process changed from a community-wide assessment program to an oversight program involving assessment and corrective action on commingled sites or sites with viable responsible party issues when requested to do so by DNR. As of June 30, 2011 the Board was overseeing thirteen (13) CRP's, one fewer than the prior year.

#### D. Cost Recovery

The original legislation creating this program included cost recovery provisions which allow the Board to recover expenses from responsible parties who caused the contamination, if they are not the eligible claimants on that site. The Attorney General's office has reported that over \$40,824,419 has been cost recovered from settlements with responsible parties through their office. The last of the cost recovery payments from major oil companies was received in May 2003. To date, 1,292 eligible claimants have been reimbursed \$9,349,915.94 through these global settlements as of June 30, 2011.

Current cost recovery efforts are directed toward individual sites where the Board has spent money without an eligible claimant. Generally efforts have been limited to perfecting the Board's lien on the affected property with monies collected upon property transfers. No liens were filed during fiscal year 2011.

#### E. Innovative Technology

The Board, through a 28E agreement with the DNR and a funding grant from the U.S. EPA, worked on an innovative technology project involving the U.S. EPA's Technology Innovation Office, Office of Underground Storage Tanks, Region VII Administrator's Office, and a public / private partnership with private companies representing large oil suppliers, distributors, and marketers. The private partners supplied the necessary expertise to design and implement innovative technology actions to demonstrate the

cost effectiveness of the selected technologies at sites in Shenandoah and Council Bluffs. Four projects were initiated in 1997 involving 15 leaking underground storage tanks sites. To date three of the four projects have been successfully closed. One project involving a single site remains open in Council Bluffs, Iowa. The U.S. EPA finalized closure of the grant project in May 2001 following a review of the financial records. However the EPA did not issue a final report evaluating the technologies that had been selected.

The Board continues to fund innovative technologies at single sites throughout the state. Recent technologies include the use of BIOX, a technology that combines chemical oxidation with enhanced biodegradation and In-well Air Stripping, a technology that allows air sparging and vapor extraction to be completed within the subsurface.

#### F. Risk Based Corrective Action (RBCA)

In 1995, the legislature required that leaking underground storage tank sites be addressed through a process known as risk based corrective action (RBCA). This process requires that each LUST site be evaluated to determine the risk presented to human health as a result of the release at that site. Corrective action responses must be designed to address and reduce that risk to human health. Through 28E agreements, the Board is assisting DNR with the development and implementation of the RBCA procedures. Iowa State University was selected to assist DNR with the development of guidance documents and the development of software that would assist in the implementation of the RBCA process. Iowa State University was requested to assist with the evaluation of the new procedures and to provide input into the implementation process.

In 2006, the DNR began evaluating several operational efficiencies. One of these was the RBCA framework and potential for applying the actual experience in the state over the past 10 years to the existing RBCA modeling software. Such a recalibration would enable the current model and framework to more accurately screen for and assess relative risk at the sites that remain open as well as creating a more accurate tool for the DNR on new releases. A review of the Tier 2 model was undertaken and was completed in May 2007.

Recommendations from the advisory group, composed of technical and non technical stakeholders, were to make adjustments to the model to reflect a significantly greater statistical relevance between the model and actual conditions encountered at sites. Following numerous discussions, DNR agreed to the proposed changes to the model calibration. The model was modified and was put into use in March 2010.

Other areas in the RBCA framework have also been subject to review and calibration. These include cessation of monitoring at low risk sites after extended time, review of the plastic water line pathway, the entire vapor assessment including sampling and receptors and the surface water pathway based on current data gathered since the original implementation of the risk methodology. In 2009 discussions ended on revising

the regulations pertaining to plastic water lines and in FY 2010, rules were developed, noticed, and now stand ready for implementation, subject to final approval by the Administrative Rules Committee. If approved, the rules could be in use August 2010.

In FY 2010, DNR in conjunction with stakeholders also determined no modifications to the DNR rules were necessary to implement changes in the surface water pathway evaluations. DNR protocol on reviews would however be modified so as to correlate with the recent modifications made in DNR Water Resources' regulations. Legislation changes were also enacted in 2010 which will affect those sites classified low risk. The modifications will require DNR to develop rules to allow site closure under certain circumstances, regardless if steady and declining conditions are met. Legislation also requires DNR to accept the recommendation of the groundwater professional for submitted RBCA reports, unless material deficiencies are noted.

In FY 2010 discussions were initialized on the issue of addressing risk associated with vapor concerns. Discussions resulted in a draft memo with the recommendation that a larger committee be convened for considerations; however no action was carried forward at the time. Further evaluation of this concern and continuous assessment and calibration of the RBCA framework should continue as an ongoing process.

#### G. Rural Distribution Network

The rural petroleum distribution network continues to be essential for the economic health of Iowa. Therefore, the financial impacts to sites located in rural communities were evaluated. There are 953 cities and communities in the State of Iowa. Of these, 352 communities, many with a population of less than 100, do not have an insured and upgraded petroleum provider.

There were only three (3) communities with a population of greater than 1,000 that do not have a petroleum provider utilizing the Program's insurance at the time of transfer of the insurance fund.

However, all communities had at least one (1) insured and upgraded petroleum provider within a 15-mile radius. By providing upgrade assistance and remediation benefits, the Program was able to assist many communities with only a single petroleum provider. As a result, there is a viable rural distribution network system existing in the State of Iowa today.

#### H. Small Business, Financial Hardship

The remedial program has provided additional benefits to those individuals who have small businesses faced with financial hardships which would not allow them to otherwise remain in business or to be able to address releases from their site. Those owners with a net worth of less than \$15,000 are eligible for 100% funding for their cleanup costs. All were eligible for up to \$10,000 in upgrade benefits.

## I. Brownfield Redevelopment

Many sites with known petroleum contamination have been abandoned because of the fear associated with the costs to clean up the petroleum release. After releases are addressed, fear of residual contamination causes property values to decrease and reduces opportunities for redevelopment. Such properties are known as "brownfields." To address abandoned brownfields, the Program provides 100% funding to counties that acquire abandoned LUST sites through tax delinquent procedures or to cities or counties who acquire properties through eminent domain. Also, to assist with the transfer of those properties, a property transfer insurance program was established which provides benefits to any future owner if additional cleanup is ever required at the site. These processes, which are unique to the State of Iowa, are assisting many communities to redevelop abandoned LUST sites.

Beginning in 1997, the Board approved a process to allow prospective purchasers of property to obtain remedial funding for corrective action on sites not otherwise eligible for benefits. This concept allows contaminated property to be redeveloped without the county having to obtain it through tax delinquent procedures. It also reduces the state's expense by 18% to 35% while expediting the redevelopment of the property.

## J. Innocent Landowners

The remedial program provided benefits to those sites that met all of the criteria for eligibility. However, numerous sites were not eligible for funding because their tanks were not regulated, or because applications were not timely filed within the cutoff dates established by the original legislation. In 1995, the legislature created an innocent landowner fund to provide benefits to owners who were not otherwise eligible for benefits, and gave the Board the authority to adopt rules to provide benefits to those sites which present a higher degree of risk to public health and to deny benefits to individuals who did not make a good faith attempt to comply with other provisions of 455G. The Board has made benefits available to those individuals who complied with all technical regulations, but missed the original application deadlines. In addition, sites with tanks that were closed prior to July 1, 1985, or taken out of use prior to January 1, 1974, are also now eligible. Currently there are 187 open claims with reserve balances totaling \$7,511,312.80.

## K. Privatization of Insurance Program

The legislature directed the formation of a separate Insurance Board to provide direction and recommendations for the privatization of the Insurance Program. A sunset date of July 1, 2004 was established in the legislation. Following a study of the private marketplace and available transition mechanisms available, the Insurance Board recommended the formation of a mutual captive insurance company be completed by March 1, 2000. The final transfer of funds occurred on November 8, 2000. Since that date the new insurer has been operating as a private entity with no involvement in the day-to-day activities from the State.

#### L. Technical Training

Installers and inspectors are required to pass a test and receive a minimum of eight (8) hours contact in an educational format to comply with the continuing education requirements to maintain their Iowa UST Program licenses. DNR requires groundwater professionals to take a continuing education course which will cover all aspects of risk based corrective action, and if not previously registered, they also need to pass a test to become a certified groundwater professional. In addition, the Board is cooperating with DNR to assist owners of UST sites to understand how RBCA works and how it will impact them. There are currently 137 certified groundwater professionals doing work in the State; in June 2004 there were 224 and in June 2009 there were 168 groundwater professionals certified. Effective July 1, 2007, the Board no longer has statutory responsibility to license tank installers and inspectors. The transfer of all materials including files was completed and DNR will provide for the licensing of installers, inspectors, liners and testers going forward. Additionally, with assistance from the Board and other stakeholders, DNR developed an additional licensed category—UST Compliance Inspector—to provide for the inspection of operating facilities to gather information regarding compliance with rules and regulations. The intent was to greatly enhance the level of information the DNR collects to both reduce and identify new releases across the State.

#### M. Owner/Operator Outreach

With Board approval, the Administrator held five (5) public meetings throughout the State in the late 1990's to explain the status and changes to the program and answer questions and address concerns from affected parties. Public meetings were held in Storm Lake, Decorah, Des Moines, Muscatine and Shenandoah. In addition, the Administrator addressed the Petroleum Marketers Convention concerning redevelopment of petroleum-impacted properties and continues to work with cities and counties to explain the program.

Additional meetings were held in West Des Moines, Cedar Falls, Ottumwa and Denison during 2002 to discuss prioritization concepts in the event that claim payments exceed fund balances.

#### N. Rule Review

In accordance with Executive Order #8, the UST Fund Board undertook a review of the entirety of their Administrative Rules in 2002. The process resulted in the streamlining of the rules. Over the 15 years the program has been in existence many facets of the program have been sunset. The Insurance Program, Loan Guarantee Program and Upgrade Claims have all been sunset during the life of the program. The rules associated with these programs were amended to reflect these changes. In addition

there have been changes to the relevant statutes, both the UST Fund's and the Iowa Department of Natural Resources', which prompted rule revisions or deletions. Public meetings were held in Clive, Denison and Iowa City to solicit input from the public. Those comments were utilized in the review of the Administrative Code. The changes did not change the substantive operation of the program.

O. Aboveground Storage Tanks (ASTs)

The Board was given authority to reimburse for the removal of AST's or the upgrade to meet EPA requirements in 40 CFR 112 for work completed between January 1, 2004 and February 18, 2005. Rules were adopted allowing reimbursement to AST owners registered with the State Fire Marshal by January 1, 2004. The maximum benefit payable is \$25,000 per site and \$100,000 per owner. In 2005, rules were adopted to change the work completion deadline for AST removals and upgrades to December 31, 2005 to comply with a statutory change of the work completion deadline. All claims were paid and closed during FY 07. The total paid on AST claims was \$11,217,932.11 on a total of 414 claims filed.

P. Loss Portfolio Transfer

The Board agreed to and entered into an agreement to transfer open claims to a third party in March 2007. The Board and PMMIC agreed to a transfer of liability on a group of sites where both had open claims. The Board paid \$511,224.29 to PMMIC; in exchange for the payment of PMMIC assumed all liability associated with any past or future claim against the UST Board on 10 sites. Claimants for each site also released the Board against any future liability. The Board negotiated this agreement directly with PMMIC with no requirement for additional bids because of the unique circumstance of existing shared liability at this group of sites. Board rules allow for future transactions with third parties to reach the Board's goals, but generally require competitive bidding for such transactions. To date PMMIC has closed two sites and has one additional with a pending request for No Further Action waiting for DNR review and one classified NAR awaiting well closure.

Q. UST Operator Training

2010 Legislation required the Board administer a program to provide training to UST operators at an equal and reasonable cost in the State of Iowa, with no more than \$250,000 to be spent each fiscal year. To facilitate this, the Board entered into agreements with all vendors approved by the DNR to provide such training, allowing for reimbursement of the training at a set rate of \$100 for those who are trained as a combined Level A & B operator, or \$80 for those trained as a Level A or B operator. As of June 30, 2011, the names of 1,768 individuals have been submitted as Level A & B operators, and \$167,900 has been paid for the training.

## **A. Current Program Status**

Iowa UST Fund  
Monthly Activities Report

Jun-11

Claims	Open Claims May Ending	Open Claims June Ending	Open & Closed Monthly Net Changes	Open Claims June Ending	Open & Closed Totals since Inception
<b>RETROACTIVE</b>					
number	45	44	(1)	44	444
reserve	\$1,853,502.72	\$1,787,253.13	(\$66,249.59)	\$1,801,542.62	\$1,801,542.62
paid	\$6,919,247.23	\$6,872,496.87	(\$46,750.36)	\$6,872,496.87	\$16,122,143.02
	\$8,772,749.95	\$8,659,750.00	(\$112,999.95)	\$8,659,750.00	\$17,923,685.64
<b>REMEDIAL</b>					
number	632	609	(23)	609	4,443
reserve	\$31,227,864.60	\$30,911,166.37	(\$316,698.23)	\$30,911,166.37	\$30,909,648.37
paid	\$84,460,996.01	\$82,366,302.11	(\$2,094,693.90)	\$82,366,302.11	\$194,946,747.23
total	\$115,688,860.61	\$113,277,468.48	(\$2,411,392.13)	\$113,277,468.48	\$225,856,395.60
<b>INNOCENT LANDOWNER</b>					
number	190	187	(3)	187	1,091
reserve	\$7,069,374.10	\$7,511,312.80	\$441,938.70	\$7,511,312.80	\$7,511,312.80
paid	\$11,567,125.98	\$11,721,685.28	\$154,559.30	\$11,721,685.28	\$25,550,774.92
total	\$18,636,500.08	\$19,232,998.08	\$596,498.00	\$19,232,998.08	\$33,062,087.72
<b>GLOBAL OPT-IN</b>					
number	168	160	(8)	160	1,292
reserve	\$973,187.25	\$937,229.91	(\$35,957.34)	\$937,229.91	\$937,229.91
paid	\$1,316,502.52	\$1,243,307.90	(\$73,194.62)	\$1,243,307.90	\$9,349,915.94
total	\$2,289,689.77	\$2,180,537.81	(\$109,151.96)	\$2,180,537.81	\$10,287,145.85
<b>UNASSIGNED REVENUE FUND PROJECTS</b>					
number	0	0	0	0	188
reserve	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
paid	\$0.00	\$0.00	\$0.00	\$0.00	\$2,455,839.75
total	\$0.00	\$0.00	\$0.00	\$0.00	\$2,455,839.75
<b>NFA RE-EVALUATIONS</b>					
number	17	18	1	18	26
reserve	\$653,145.31	\$664,219.71	\$11,074.40	\$664,219.71	\$664,219.71
paid	\$114,354.69	\$133,280.29	\$18,925.60	\$133,280.29	\$328,997.35
total	\$767,500.00	\$797,500.00	\$30,000.00	\$797,500.00	\$993,217.06
<b>TANK PULLS</b>					
number	29	33	4	33	59
reserve	\$183,809.75	\$151,120.00	(\$32,689.75)	\$151,120.00	\$151,120.00
paid	\$0.00	\$0.00	\$0.00	\$0.00	\$247,698.17
total	\$183,809.75	\$151,120.00	(\$32,689.75)	\$151,120.00	\$398,818.17

<b>Corrective Action Meetings</b>	
Scheduled:	7
Completed:	1,033
MOA's	471

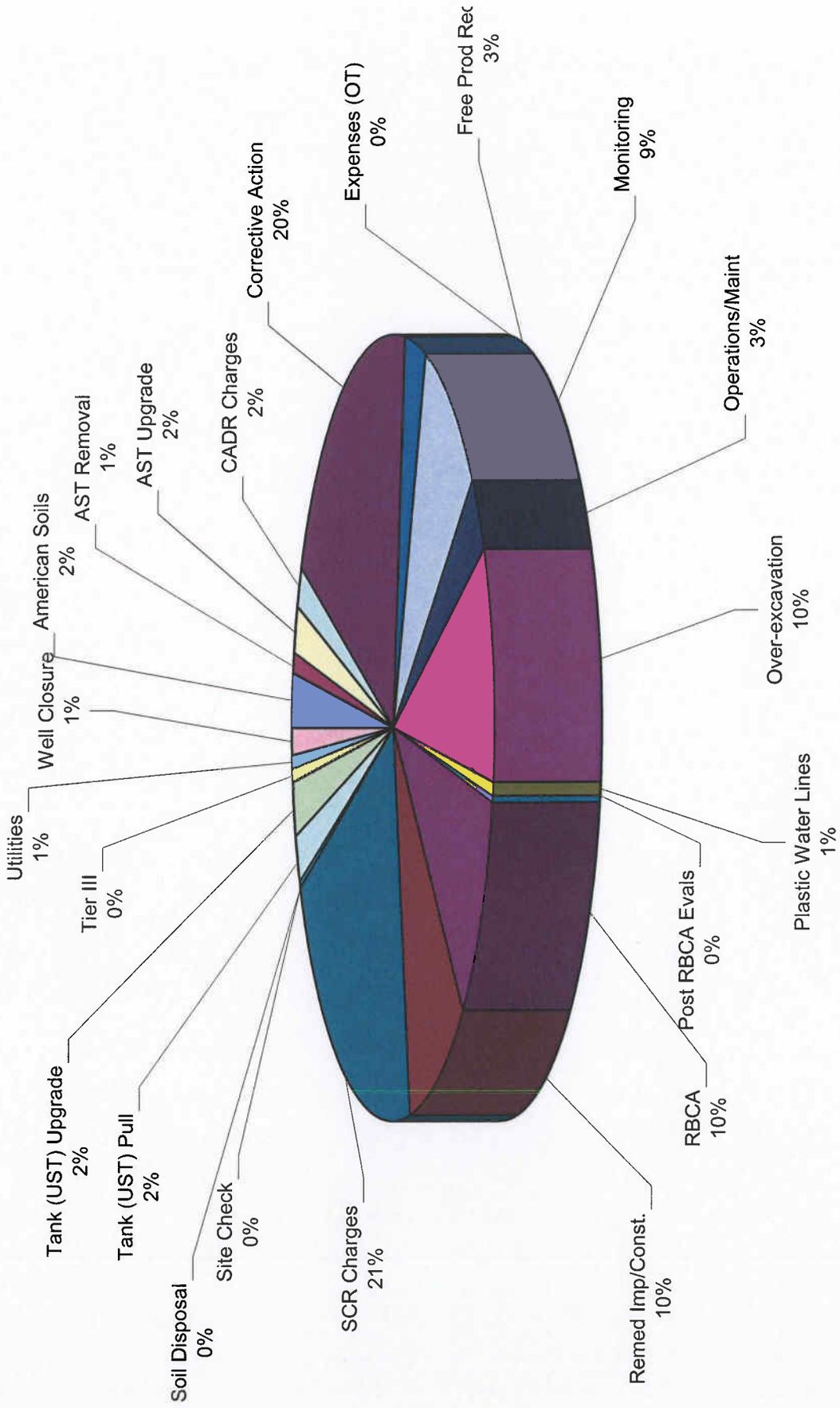
<b>Operator Training (FY2010)</b>	
# trained (A/B)	1768
Paid	\$167,600.00
Balance	\$82,400.00

Invoice Type Totals	June	FYTD	Program to Date
2004 Tank Pull	0.00	25,047.09	\$ 1,761,013
2010 Tank Pull	45,949.79	252,728.17	\$ 171,122
American Soils	0.00	0.00	\$ 5,678,423
AST Removal	147.34	147.34	\$ 2,121,490
AST Upgrade	0.00	0.00	\$ 5,460,479
CADR Charges	5,964.18	53,358.82	\$ 4,179,642
Corrective Action Expenses (OT)	(57,087.40)	24,635.68	\$ 51,065,895
Free Prod Recover	8,900.00	167,900.00	\$ 151,200
Monitoring	56,017.16	506,417.52	\$ 8,688,586
Operations/Maint	131,675.62	1,562,615.38	\$ 23,876,306
Over-excavation	42,478.60	510,927.05	\$ 8,461,463
Plastic Water Lines	65,961.43	796,017.49	\$ 25,144,281
Post RBCA Evals	0.00	6,988.46	\$ 1,690,829
RBCA	2,526.00	14,271.85	\$ 164,998
Remed Imp/Const.	53,964.40	304,192.58	\$ 25,254,904
SCR Charges	58,358.18	1,085,289.66	\$ 24,671,148
Site Check	0.00	0.00	\$ 54,185,400
Soil Disposal	0.00	6,711.75	\$ 133,952
Tank (UST) Pull	16,420.50	16,240.50	\$ 670,827
Tank (UST) Upgrade Tier III	0.00	0.00	\$ 5,124,422
Utilities	13,290.02	25,375.84	\$ 5,891,655
Well Closure	15,487.84	219,522.51	\$ 1,174,852
Total Invoice Types	21,711.67	216,602.18	\$ 1,401,040
	481,765.33	5,794,989.87	\$ 260,037,287

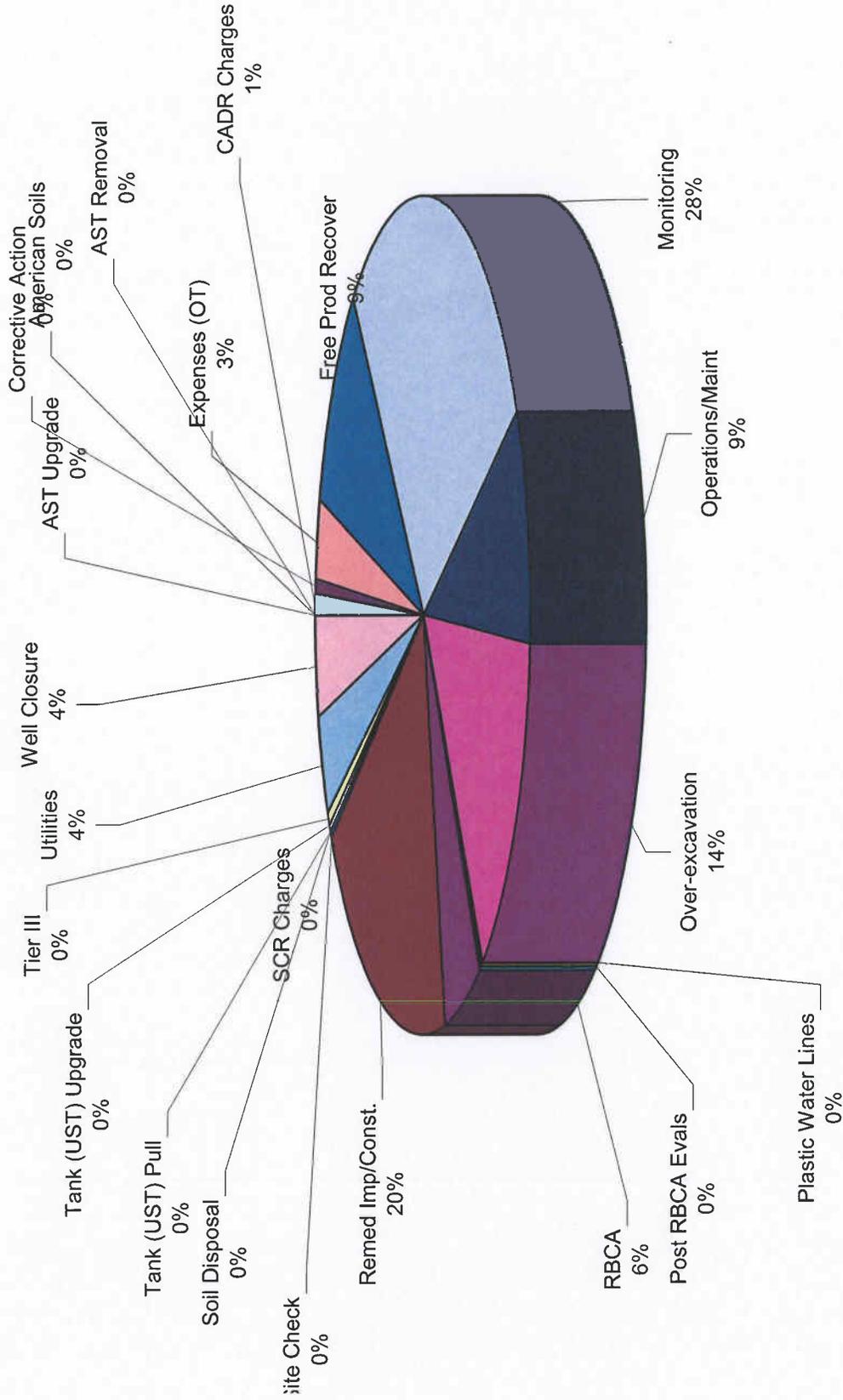
Budgets Approved to Date		
last month	3	\$171,850
Trailing 12 mos	40	\$1,768,027
Prev Trail 12 mos	29	\$1,615,669
Total Since Jan 2003	1,003	\$39,256,730

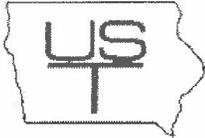
Project Contracts	Open	Closed	Pending
CRP's	13	33	0
Tank Closure	0	5	2
Plastic Water Line	0	2	0

### Program to Date Invoice Types



### Fiscal 2011 Invoice Types





# IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Scott M. Scheidel, *Administrator*

**Board Members:**

Michael L. Fitzgerald

Jeff W. Robinson

Joseph D. Barry

Patricia Boddy

Dawn M. Carlson

Eric W. Johnson

## MEMORANDUM

**TO: UST BOARD MEMBERS**

**FROM: SCOTT M. SCHEIDEL**

**DATE: JULY 1, 2011**

**SUBJECT: STATUS OF UST GUARANTEED LOANS AT JUNE 30, 2011**

As of June 30, 1999, the UST Program had received a total of 51 loan applications totaling \$3,856,341. The Loan Guaranty Program was amended as of June 30, 1999, and no new loan applications were accepted. The following is a summary of the remaining loans as of June 30, 2011:

<u>LOAN STATUS</u>	<u># OF LOANS</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>06/30/11 BALANCE</u>
Approved & Active	0	\$ 0	\$ 0
Loans Paid in Full	27	\$2,029,771	
Loans Denied	5	\$ 236,415	
Loans Closed at Applicant's Request	14	\$ 895,999	
Guarantees Rescinded	3	\$ 283,990	
Loans in Default	2	\$ 85,000	
Loan Request Amounts Approved but Not Funded at Applicant's Request	5	\$ 426,556	

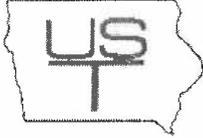
The approved and active loans are scheduled to mature as follows:

<u>MATURITY BY:</u>	<u>NUMBER OF LOANS</u>
	0
<b>TOTAL</b>	<b>0</b>

Since the Program's inception, there has been one default loan loss paid. The program's loss was \$24,183. The loan guaranty for a second loan, in default in 2001, was covered by the sale of the property in the fall of 2002. In 2006, one loan was rescinded. The site owner declared bankruptcy, and the bank settled with the bankruptcy court and released the Iowa UST Fund guaranty.

Approved loans have been made to owners/operators residing in the following Iowa communities:

Corning	Davenport	Des Moines
Howarden	Colesburg	Greenfield
Perry	Keosauqua	Sioux City
Clear Lake	Lake Mills	Kellogg
Merrill	DeWitt	Independence
Oskaloosa	Bedford	Melcher
Shellsburg	Eldora	Onawa
Durant	Adel	Oelwein
Le Claire	Lost Nation	Ankeny
Wadena	Pleasant Valley	Waterloo



# IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Scott M. Scheidel, *Administrator*

*Board Members:*

Michael L. Fitzgerald    Jeff W. Robinson  
Dawn M. Carlson

Joseph D. Barry    Patricia Boddy  
Eric W. Johnson

FROM: JAMES GASTINEAU  
SUBJECT: UPDATE ON INNOVATIVE TECHNOLOGY & REMEDIATION PROJECTS  
DATE: June 30, 2011

The following is a summary outlining the current status of the innovative technology & community remediation projects.

## INNOVATIVE TECHNOLOGY PROJECTS

REMIT9703-04: Council Bluffs. Contract date: 6/21/1997

This project involves one LUST site. Originally selected for the USEPA project to evaluate innovative technologies, activities included operation of a remedial system to remove free product and reduce contaminant levels. The system operated through 2005. Since that time monitoring and free product recovery have been ongoing although the amount of product being recovered is very small. Site-specific target levels have been attained; however steady and declining conditions are not met. Periodic product recovery efforts are necessary.

## REMEDATION PROJECTS

CRPCA 9709-04: Delaware. Contract date: April 1998      Project timeline indefinite.  
Originally, this project involved 2 sites in a small community with both a public water system and multiple private water supply wells in use. The primary municipal water well is within 200 feet. Soil excavation was completed in 2001 at one site which successfully reduced groundwater contaminant levels in that area and allowed that site to attain closure. Due to proximity of the wells, semi-annual monitoring continues and is expected to continue indefinitely.

CRPCA 9709-05: Marengo. Contract date: February 1998      Project completion by 2014.  
This project involves one site considered at risk due to proximity to several private water wells. An excavation successfully removed a majority of the soil contamination and has resulted in a significant decline in groundwater contaminant levels. Fluctuations in contaminant levels have been observed thus the DNR required steady and declining conditions have not been met. Future monitoring is necessary.

CRPCA 9711-08: Lake Mills. Contract date: April 1998      Project completion by 2014.  
This project involves 2 sites with a commingled plume. Both sites are considered high risk due to vapor receptors and a distant municipal well. Corrective action included operation of a vapor extraction system to address the sources areas for several years. Currently, a Tier 3 approach is planned to address the remaining receptors while semi-annual monitoring continues.

CRPCA9803-10: Indianola. Contract date: July 1998      Project completion in 2011  
This project involves two sites with a commingled contaminant plume. DNR accepted recommendation to reclassify the sites to a no action required status in early 2011. The monitoring wells are to be closed in near future. Cost-recovery efforts are to be considered.

CRPCA 9804-13: Greeley. Contract date: August 1998 Project completion by 2015.

This project originally involved one site in a small community without a public water system thus site was deemed high risk due to the proximity of multiple water wells. In 2009, a public water system was installed; all residents are now connected to the system however there are no regulations requiring landowners to close their wells. DNR previously approved a monitoring approach until the public water system is available or until NAR conditions are attained. Due to lapse in FR mechanism, site no longer eligible for IUST benefits.

CRPCA 9805-18: Sioux City. Contract date: August 1998 Project timeline indefinite.

This project involved 2 sites considered high risk for contamination in proximity to the Cook Park municipal well fields. DNR ruled corrective action is not possible thus the selected approach for achieving a NAR classification is to eliminate the receptors. The City of Sioux City entered into an agreement with the Board for the City to install a replacement well and to close the existing Cook Park well field. The new well has been installed but is not yet operational. In the interim, monitoring of the select wells near the well field is ongoing.

CRPCA 9808-19: Bevington. Contract date: November 1998 Project timeline indefinite.

This project involves one site considered high risk for a surface water, private water wells, plastic water lines, and vapor receptors. A remedial system was in operation from 2002 to 2009. Contaminant levels have been reduced and free product levels have diminished. A re-evaluation of the site is expected in 2011 and a Tier 3 workplan is to be submitted by 12/30/11.

CRPCA 0005-22: Dubuque. Contract date: November 2000 Project timeline indefinite.

This project involves 4 sites, all low risk for the potential groundwater ingestion and potential vapor pathways. The sites have been razed and are now included within the US Highway 20 right-of-way. Monitoring began in 2002 and long term monitoring is anticipated. Due to the low target levels, it is unlikely a NAR classification will be attained through the monitoring process thus, legal restrictions through a public ordinance or deed restrictions must be considered.

CRPCA 0008-24: Kingston. Contract date: November 2000 Project timeline indefinite.

This project involves 2 sites with commingled contamination. The sites are classified high-risk for the groundwater ingestion pathway. Rural water is available, but multiple landowners still use private wells. The risk to the private wells is being monitored as efforts are ongoing to demonstrate that the plumes are steady and no expanding. Both sites are USTF eligible.

CRPCA 0111-26: Council Bluffs. Contract date: March 2002 Project completion indefinite.

This project originally involved 4 sites; two are classified high risk and two are classified as NAR. Remediation is ongoing at one site while post-excavation monitoring is being considered at the 2<sup>nd</sup> site.

CRPCA 0309-33 (Amended): Bentley. Contract date: January 2010 Project timeline indefinite.

This project involves one site in an unincorporated community without a public water system. The site is high risk due to proximity to multiple private water wells. An innovative technology involving a patented technology for in-well air stripping is being used to remediate the contaminants at the site. It is anticipated the system will require operation for several years.

CRPCA 0612-39: Galva. Contract date: May 2007. Project completion by 2017.

This project involves two LUST sites, both considered high risk for presence of contamination in a protected groundwater source and proximity to multiple non-drinking water wells. An air-sparge and vapor extraction system commenced operation in early 2011; it is anticipated the system will need to be operate for 3 to 5 years. Corrective action may be required.

CRPCA 1007-40: Akron Contract date: November 2010.

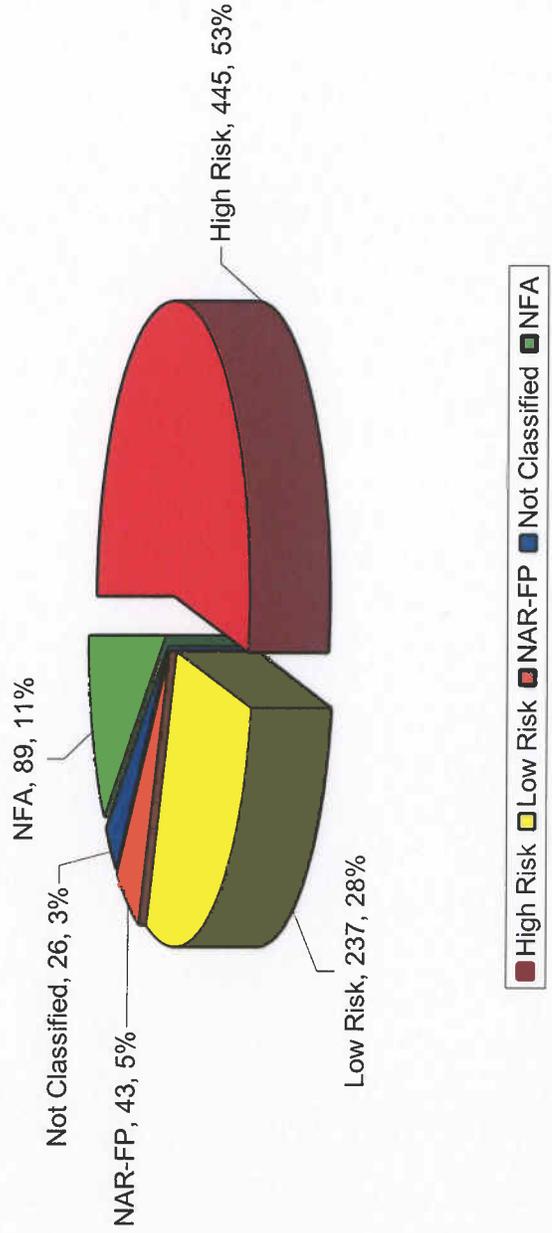
This project has 2 sites involving a commingled contaminant plume. The sites are classified high risk due to proximity to the Akron municipal water wells. Remediation successfully removed the lighter contamination, however the heavier contaminants remains thus a new remediation system was installed and commenced operation in 2010. Operation is expected to continue for 1 – 3 years, to be followed by periodic monitoring.

UST Fund State Lead Projects  
June 30, 2011

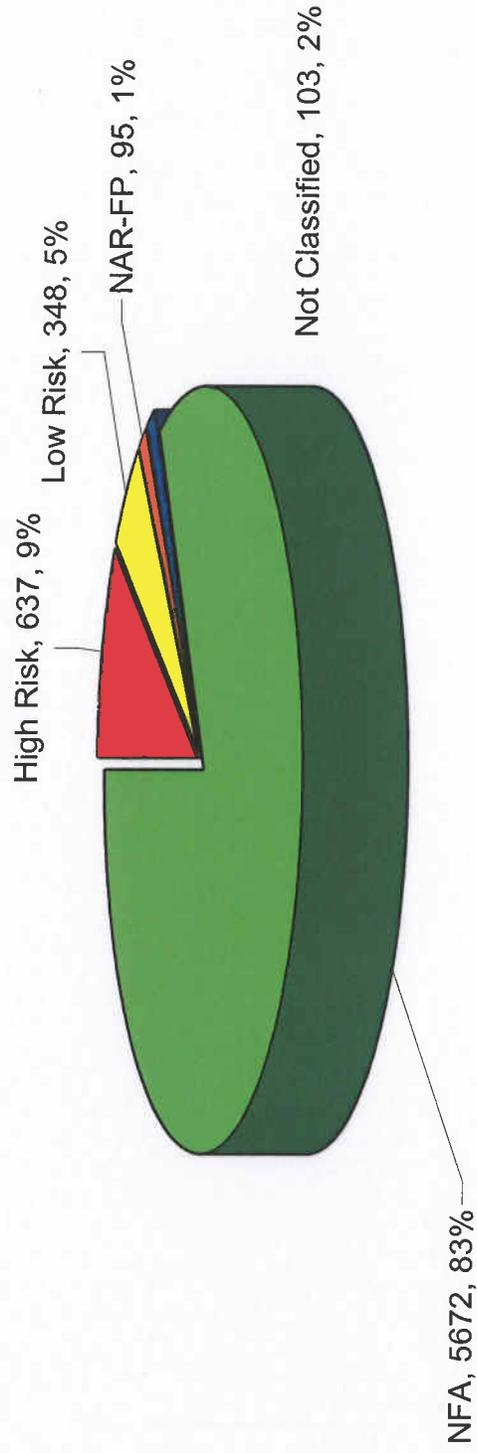
Project ID #	Location	Consultant	Contract Start	Contract End	Interim Contract Renewal	Original Contract Amount	Board Authorized Amount	Paid on Contract	Last Board Authorization
CRPCA9709-04	Delaware	MPS	4/24/1998		na	\$21,625.00	\$ 255,729.00	\$ 222,154.33	04/22/10
CRPCA9709-05	Marengo	MPS	2/4/1998		na	\$15,700.00	\$ 142,886.00	\$ 136,706.83	04/22/10
CRPCA9711-08	Lake Mills	Barker	4/7/1998		na	\$46,825.00	\$ 761,077.50	\$ 579,184.38	08/26/10
CRPCA9803-10	Indianola	Apex	7/2/1998		na	\$39,613.55	\$ 575,000.00	\$ 519,409.32	10/27/05
CRPCA9804-13	Greeley	Trileaf	8/6/1998		na	\$25,900.00	\$ 209,465.00	\$ 185,998.19	10/26/06
CRPCA9805-18	Sioux City	Northwest	7/6/1998		na	\$62,910.00	\$ 244,247.00	\$ 165,044.60	10/27/05
SPEC. 18A	Sioux City	City of Sioux City	1/5/2006		na	\$1,750,000.00	\$ 1,750,000.00	\$ -	10/27/05
CRPCA9808-19	Bevington	Apex	11/2/1998		na	\$52,277.75	\$ 725,000.00	\$ 646,306.45	01/23/09
CRPCA0005-22	Dubuque	Barker	11/27/2000		na	\$48,790.00	\$ 93,830.00	\$ 89,104.00	07/26/02
CRPCA0008-24	Kingston	Barker	11/30/2000		na	\$22,800.00	\$ 120,000.00	\$ 84,711.46	08/25/05
CRPCA0111-26	Council Bluffs	Barker	3/18/2002		na	\$46,998.00	\$ 1,180,000.00	\$ 1,013,433.66	12/10/09
CRPCA0206-28	Walnut	Geotek	11/7/2002	11/24/2010		\$41,014.00	\$ 500,000.00	\$ 519,121.06	03/31/06
CRPCA 0309-33 (A)	Bentley	Barker	12/21/2009		12/20/12	\$140,137.64	\$ 140,137.64	\$ 34,937.04	12/21/09
CRPCA0406-38	Rose Hill	Apex	9/1/2004	8/18/2010		\$16,978.42	\$ 30,898.14	\$ 12,945.00	12/19/06
CRPCA 0612-39	Galva	Geode	5/15/2007		05/30/12	\$7,195.00	\$ 393,500.00	\$ 245,162.29	08/26/10
CRPCA 1007-40	Akron	Geotek	11/15/2010		11/15/13	\$46,697.00	\$ 46,697.00	\$ 13,589.37	11/15/10
Innovative Technology Projects									
REMIT9703-04	Council Bluffs	Seneca	6/12/1997	NA	NA	\$181,652.29	\$ 800,000.00	\$ 647,480.00	02/25/05

	High Risk	Low Risk	NAR-FP	Not Classified	NFA	All LUST
<b>Open Claims</b>						
Retro	26	11	2	0	7	46
Remedial	340	173	33	8	64	618
Innocent Landowner	79	53	8	18	18	176
<b>Total</b>	<b>445</b>	<b>237</b>	<b>43</b>	<b>26</b>	<b>89</b>	<b>840</b>
<b>Closed Claims</b>						
Retro	35	11	0	4	326	376
Remedial	90	54	27	20	3388	3579
Innocent Landowner	30	17	4	11	756	818
<b>Total</b>	<b>155</b>	<b>82</b>	<b>31</b>	<b>35</b>	<b>4470</b>	<b>4773</b>
<b>No Claim</b>	<b>37</b>	<b>29</b>	<b>21</b>	<b>42</b>	<b>1113</b>	<b>1242</b>
<b>Total LUST Sites</b>	<b>637</b>	<b>348</b>	<b>95</b>	<b>103</b>	<b>5672</b>	<b>6855</b>

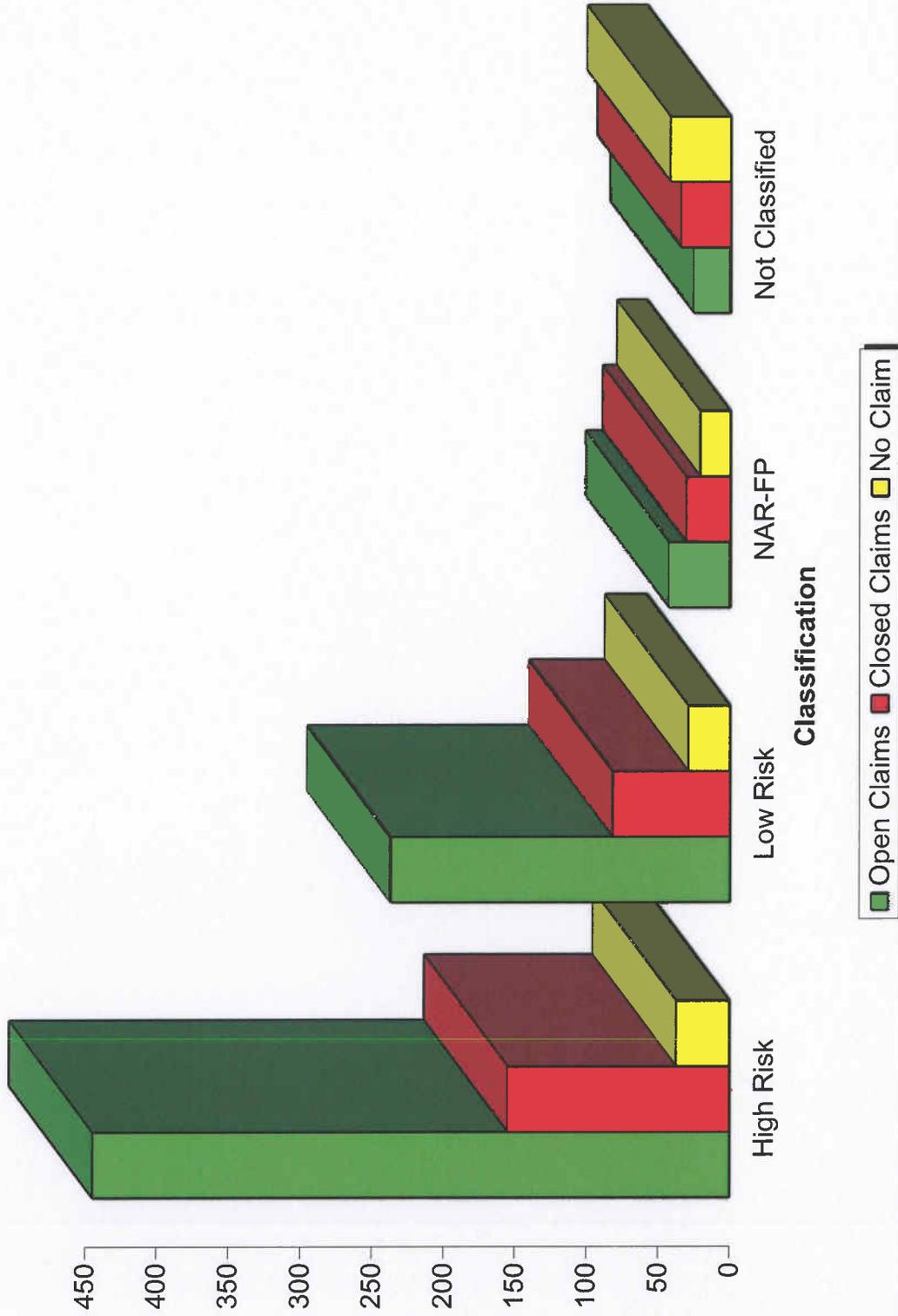
### Open Claims with LUST Status



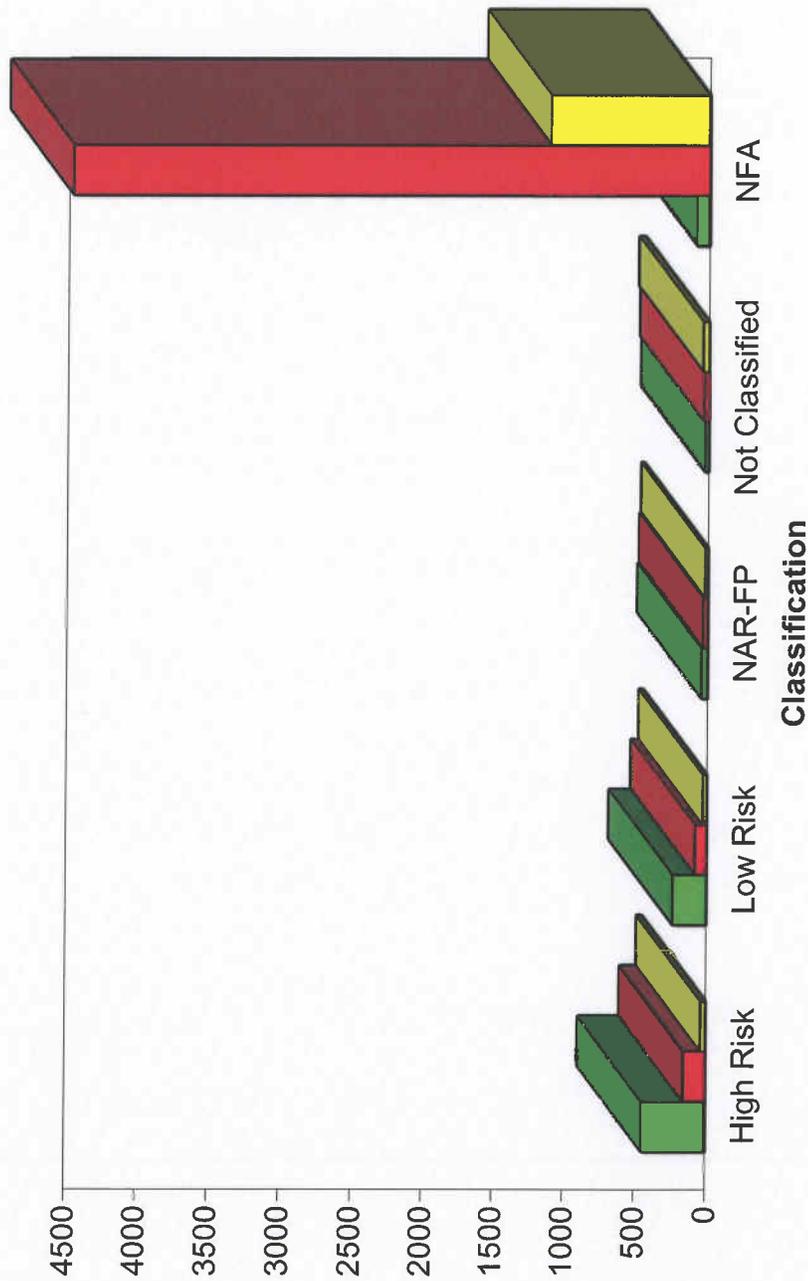
# All LUST Status



# Open LUST with Claim Status



# All LUST Classifications with Claims



Open Claims Closed Claims No Claim

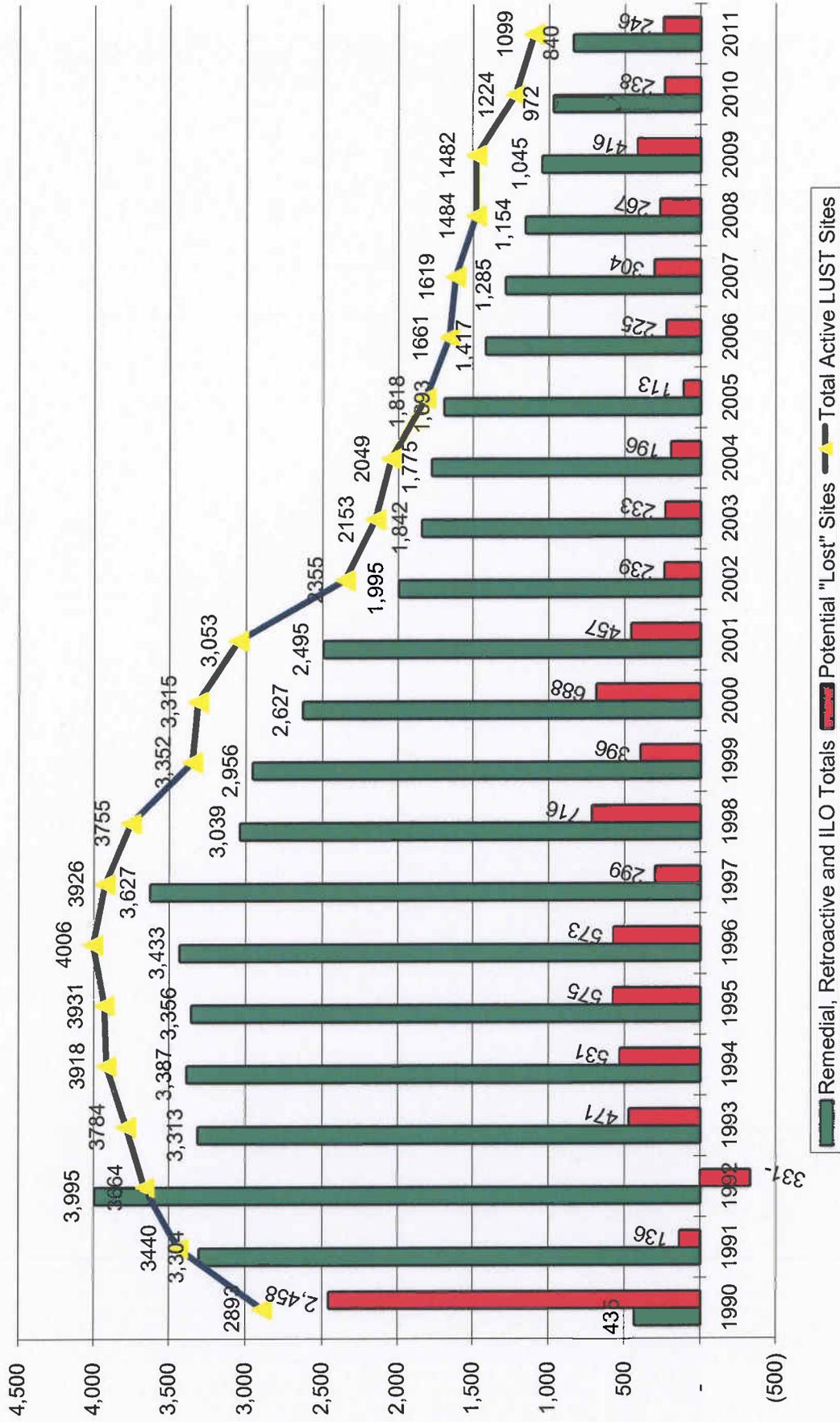
FISC YEAR END  
OPEN CLAIM DATA  
IOWA LUST FUND  
1990 Through 2011

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
<b>Retrospective</b>												
Reserve	\$0	\$0	\$0	\$7,997,366	\$8,030,819	\$6,527,645	\$5,122,321	\$5,105,929	\$5,558,789	\$12,816,729	\$12,115,368	\$10,328,237
Paid	\$0	\$0	\$0	\$2,537,222	\$2,924,789	\$3,230,438	\$3,388,206	\$3,416,209	\$3,631,893	\$5,634,839	\$5,772,923	\$6,181,975
Total	\$0	\$0	\$0	\$10,534,588	\$10,945,608	\$9,758,083	\$8,510,527	\$8,522,138	\$9,190,682	\$18,451,568	\$17,888,289	\$16,510,211
Number Open	0	0	0	159	147	147	147	145	130	133	137	132
<b>Remedial</b>												
Reserve	\$14,176,804	\$237,122,878	\$277,093,959	\$279,389,771	\$263,111,215	\$170,290,956	\$121,115,479	\$121,745,953	\$112,741,979	\$138,502,942	\$127,324,680	\$112,721,689
Paid	\$0	\$7,206,855	\$28,332,995	\$42,333,538	\$60,492,002	\$72,414,070	\$77,238,020	\$80,157,138	\$73,242,358	\$75,338,637	\$75,284,102	\$77,607,268
Total	\$14,176,804	\$244,329,733	\$305,426,955	\$321,723,309	\$323,603,217	\$242,705,026	\$198,353,499	\$201,903,091	\$185,984,337	\$213,841,579	\$202,608,781	\$190,328,957
Number Open	435	3304	3995	3154	3240	3209	3176	3099	2447	2324	2,072	1,972
<b>ILO</b>												
Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$3,771,347	\$11,438,556	\$15,187,101	\$20,211,445	\$20,013,579	\$16,946,462
Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$437,170	\$2,248,843	\$3,502,553	\$4,036,891	\$4,916,299	\$5,672,337
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$4,208,517	\$13,687,399	\$18,689,654	\$24,248,336	\$24,929,879	\$190,328,957
ILO Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$4,857,486	\$1,689,944	\$17,532,211	\$22,102,965	\$32,005,822	\$31,786,724
Number Open	0	0	0	0	0	0	110	383	462	479	418	391
<b>Opt In</b>												
Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$365,742	\$1,135,715	\$1,403,179	\$1,855,095	\$2,776,340
Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$279,978	\$712,240	\$945,399	\$1,269,297	\$1,812,883
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$645,720	\$1,847,955	\$2,348,578	\$3,124,392	\$4,589,223
Number Open	0	0	0	0	0	0	0	60	140	178	249	349
<b>Insurance</b>												
Reserve	\$0	\$0	\$0	\$1,740,900	\$1,804,212	\$1,594,922	\$1,953,350	\$1,978,684	\$2,521,700	\$3,010,699	\$2,900,611	\$0
Paid	\$0	\$0	\$0	\$541,108	\$75,049	\$43,358	\$93,150	\$130,834	\$323,300	\$374,801	\$417,147	\$0
Total	\$0	\$0	\$0	\$1,795,008	\$1,879,261	\$1,638,280	\$2,046,500	\$2,109,518	\$2,845,000	\$3,358,500	\$3,317,758	\$0
Number Open	0	0	0	44	106	86	64	60	56	54	56	0
<b>AST</b>												
Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Number Open	0	0	0	0	0	0	0	0	0	0	0	0
<b>Remedial, Retrospective and ILO Totals</b>												
Reserve	\$14,176,804	\$237,122,878	\$277,093,959	\$287,387,137	\$271,132,034	\$176,818,601	\$130,009,147	\$138,290,438	\$133,487,869	\$171,531,116	\$159,453,628	\$139,996,388
Paid	435	3,304	3,995	3,313	3,387	3,356	3,433	3,627	3,039	2,956	2,627	2,495
<b>Total Active LUST Sites</b>	2893	3440	3664	3784	3918	3931	4006	3926	3755	3,352	3,315	3,053
"Lost Sites" Subtotal	2,458	136	-331	471	531	575	573	299	716	396	688	558
Closure Contract												101
"Lost Sites"												457
<b>Total Fund Balance</b>	\$78,940	\$58,756,562	\$47,390,393	\$37,922,648	\$65,598,734	\$61,681,595	\$67,793,092	\$101,006,153	\$115,401,420	\$110,680,346	\$126,605,234	\$131,522,995
(Rmdlt-Unassign Rev+ILO)												
<b>Compare Reserves</b>												
Percent Change Res	1573%	(\$178,366,316)	(\$229,703,566)	(\$249,464,489)	(\$205,533,300)	(\$115,137,006)	(\$62,216,055)	(\$37,284,285)	(\$18,086,449)	(\$60,850,770)	(\$32,848,394)	(\$8,473,393)
Percent Change Count	660%	17%	17%	1%	-6%	-35%	-29%	1%	-7%	23%	-8%	-11%
Percent Change LUST #	19%	21%	7%	3%	4%	0%	2%	-2%	-4%	-11%	-1%	-8%

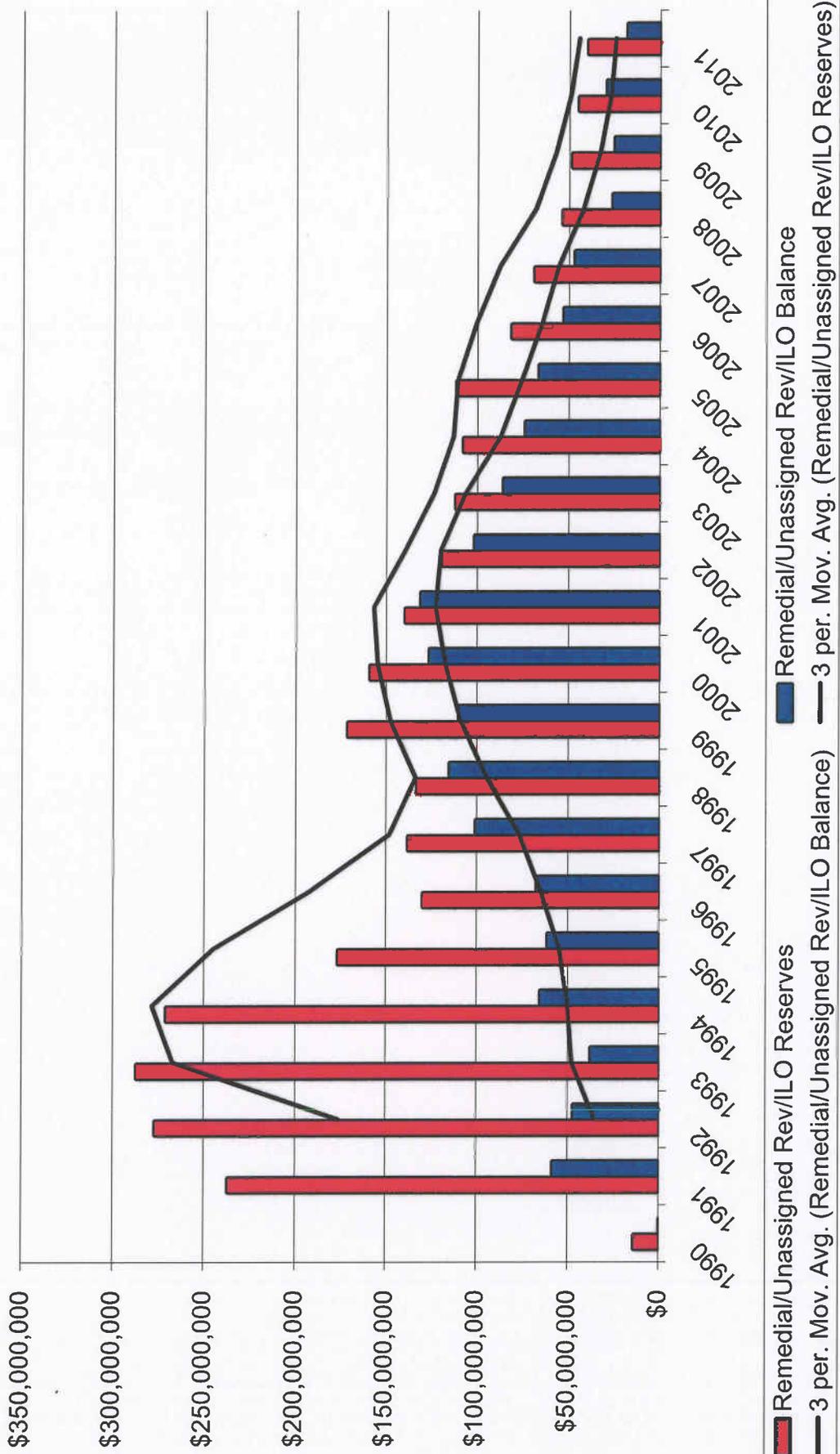
FISC AR END  
OPEN CLAIM DATA  
IOWA UST FUND  
1990 Through 2011

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Retroactive</b>										
Reserve	\$8,305,772	\$7,696,557	\$7,744,329	\$7,536,124	\$5,223,457	\$4,057,632	\$3,077,780	\$2,914,426	\$ 2,428,995	\$ 1,787,253
Paid	\$6,203,843	\$6,610,396	\$7,555,192	\$8,649,148	\$8,201,250	\$8,054,104	\$8,083,920	\$7,735,074	\$ 7,031,913	\$ 6,872,497
Total	\$14,509,615	\$14,306,953	\$15,299,522	\$16,185,272	\$13,424,707	\$12,111,737	\$11,161,699	\$10,649,500	\$ 9,460,908	\$ 8,659,750
Number Open	114	108	105	86	75	69	61	54	44	44
<b>Remedial</b>										
Reserve	\$94,934,564	\$88,951,954	\$84,590,582	\$88,558,248	\$64,252,542	\$55,589,062	\$42,288,489	\$38,093,300	\$ 34,854,549	\$ 30,911,166
Paid	\$72,414,757	\$73,149,470	\$82,746,786	\$91,166,813	\$93,132,528	\$91,835,146	\$87,786,173	\$87,786,173	\$ 87,310,521	\$ 82,366,302
Total	\$167,349,320	\$162,101,424	\$167,337,368	\$181,726,599	\$155,419,355	\$148,721,589	\$134,123,635	\$125,879,473	\$ 122,165,071	\$ 113,277,468
Number Open	1,569	1,424	1,353	1,283	1,057	955	848	767	712	609
<b>ILO</b>										
Reserve	\$16,378,688	\$15,633,960	\$15,857,471	\$15,919,745	\$12,334,846	\$9,669,816	\$8,827,411	\$7,894,360	\$8,090,905	\$7,511,313
Paid	\$6,017,589	\$7,311,242	\$9,464,390	\$10,913,447	\$10,833,091	\$11,991,845	\$12,070,091	\$11,664,383	\$11,791,304	\$11,721,685
Total	\$22,396,277	\$22,945,202	\$25,321,861	\$26,833,193	\$23,167,937	\$21,661,671	\$20,897,502	\$19,558,743	\$19,882,209	\$19,232,998
ILO Balance	\$33,893,037	\$33,146,825	\$28,659,850	\$26,562,368	\$24,863,368	\$21,600,370	\$10,000,000	\$9,278,837	\$15,376,150	\$3,952,450
Number Open	312	310	317	309	274	255	237	217	206	187
<b>Opt In</b>										
Reserve	\$2,853,852	\$3,213,202	\$3,034,128	\$3,454,178	\$2,046,676	\$1,617,162	\$1,486,759	\$1,332,311	\$1,169,013	\$937,230
Paid	\$2,155,418	\$2,589,994	\$2,876,480	\$3,497,680	\$2,416,480	\$2,068,431	\$1,994,439	\$2,088,122	\$1,518,680	\$1,243,308
Total	\$5,009,270	\$5,803,196	\$5,910,608	\$6,951,857	\$4,463,156	\$3,685,593	\$3,481,198	\$3,420,433	\$2,687,693	\$2,180,538
Number Open	369	427	421	364	323	267	251	219	195	160
<b>Insurance</b>										
Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Number Open	0	0	0	0	0	0	0	0	0	0
<b>AST</b>										
Reserve	\$23,706,817	\$251,921	\$251,921	\$251,921	\$251,921	\$251,921	\$251,921	\$251,921	\$251,921	\$251,921
Paid	\$2,396,085	\$90,079	\$90,079	\$90,079	\$90,079	\$90,079	\$90,079	\$90,079	\$90,079	\$90,079
Total	\$26,102,903	\$342,000	\$342,000	\$342,000	\$342,000	\$342,000	\$342,000	\$342,000	\$342,000	\$342,000
Number Open	139	7	7	7	7	7	7	7	7	7
<b>Total</b>	\$119,619,023	\$112,282,470	\$108,192,382	\$112,014,116	\$81,810,845	\$69,316,510	\$54,193,679	\$48,902,086	\$45,374,449	\$40,209,732
	1,995	1,842	1,775	1,693	1,417	1,285	1,154	1,045	972	840
			23.27%	-22.80%	198.60%	103.32%	179.87%	80.16%	53.25%	89.12%
			\$ 17,576,721	\$ 16,759,572	\$ 15,208,331	\$ 12,092,926	\$ 8,407,658	\$ 6,600,985	\$ 6,624,778	\$ 5,794,990
<b>Total Active LUST Sites</b>	2355	2153	2049	1661	1619	1484	1482	1224	1224	1099
"Lost Sites" Subtotal	360	311	274	244	334	330	437	252	252	259
Closure Contract	121	78	78	19	30	63	21	14	14	13
"Lost Sites"	239	233	196	225	304	267	416	238	238	246
<b>Total Fund Balance</b>	\$102,028,639	\$86,234,558	\$74,354,067	\$66,982,327	\$53,532,383	\$47,296,272	\$26,693,215	\$25,478,322	\$29,947,243	\$21,252,698
(Reserve+Unassign Res+ILO)										
<b>Compare Reserves</b>	\$17,590,384	\$26,047,913	(\$33,838,315)	(\$28,278,461)	(\$22,020,239)	(\$27,500,464)	(\$23,423,764)	(\$15,427,207)	(\$18,957,034)	
Percent Change Res	-16%	-6%	-5%	-27%	-13%	-24%	-10%	-9%	-11%	
Percent Change Count	-20%	-9%	-5%	-18%	-10%	-11%	-10%	-7%	-14%	
Percent Change LUST #	-23%	-9%	-5%	-11%	-3%	-8%	0%	-17%	-10%	

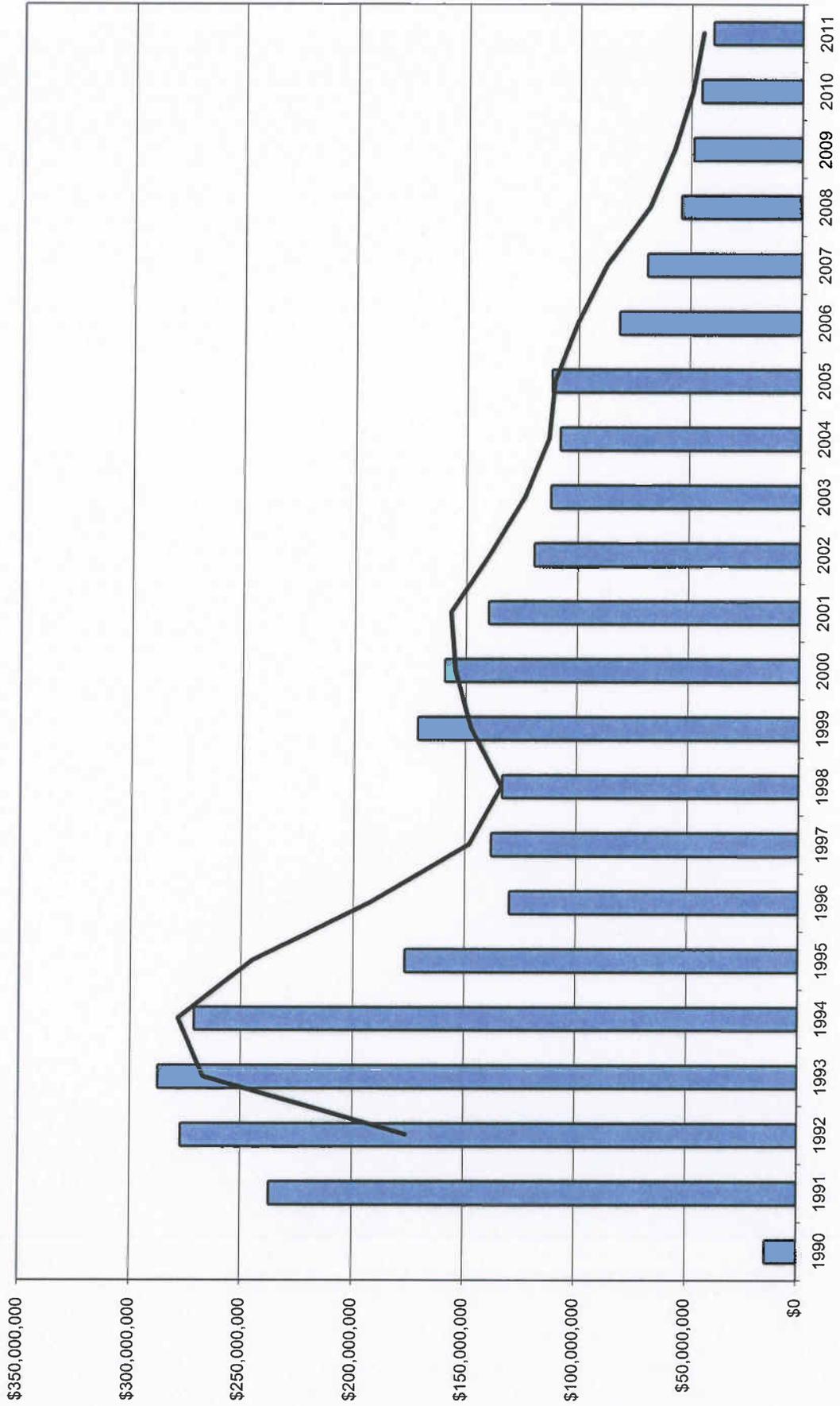
### Open Claims and Total Active LUST Sites



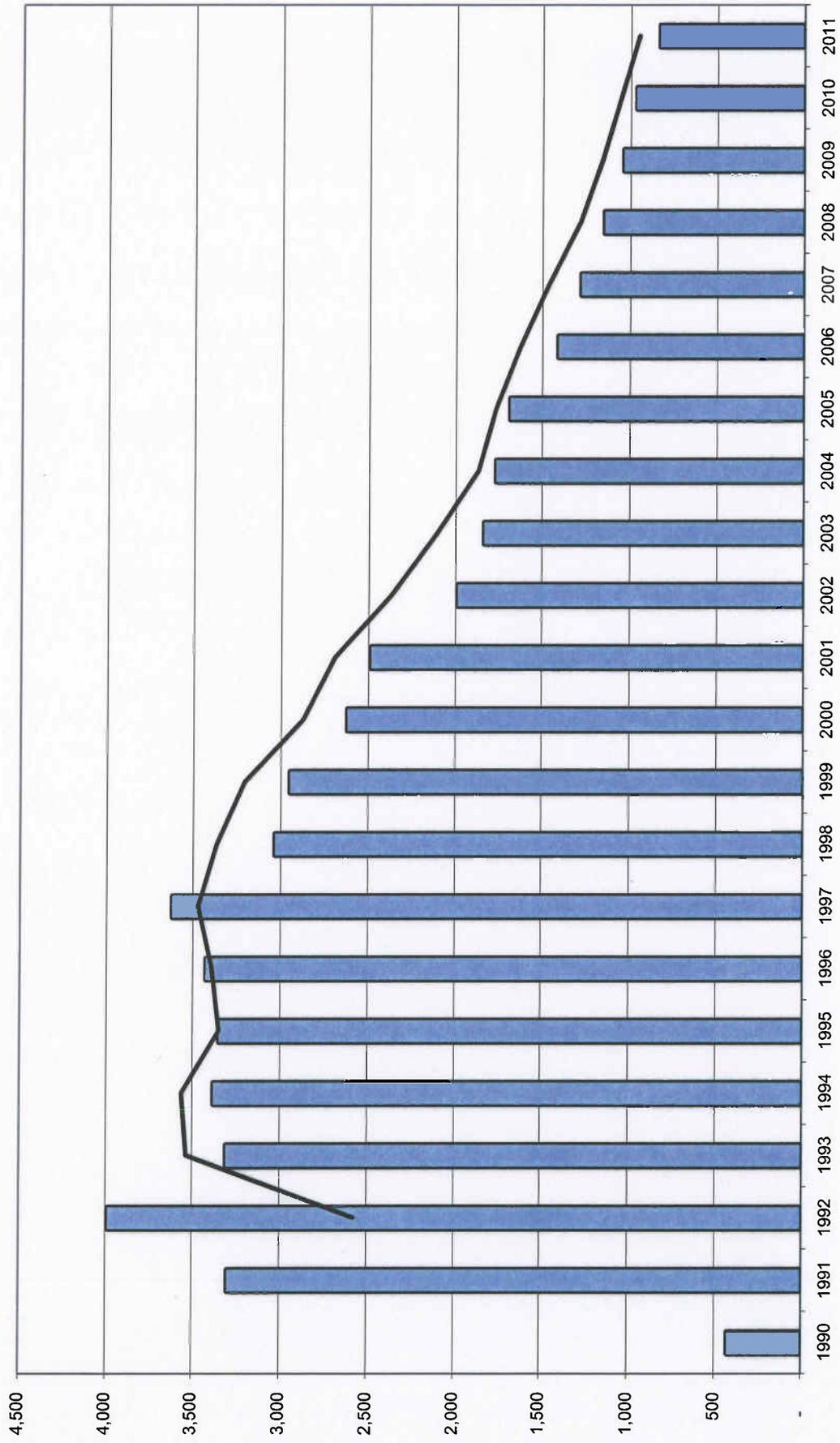
# Remedial/Retro/ILO Reserves vs. Balances



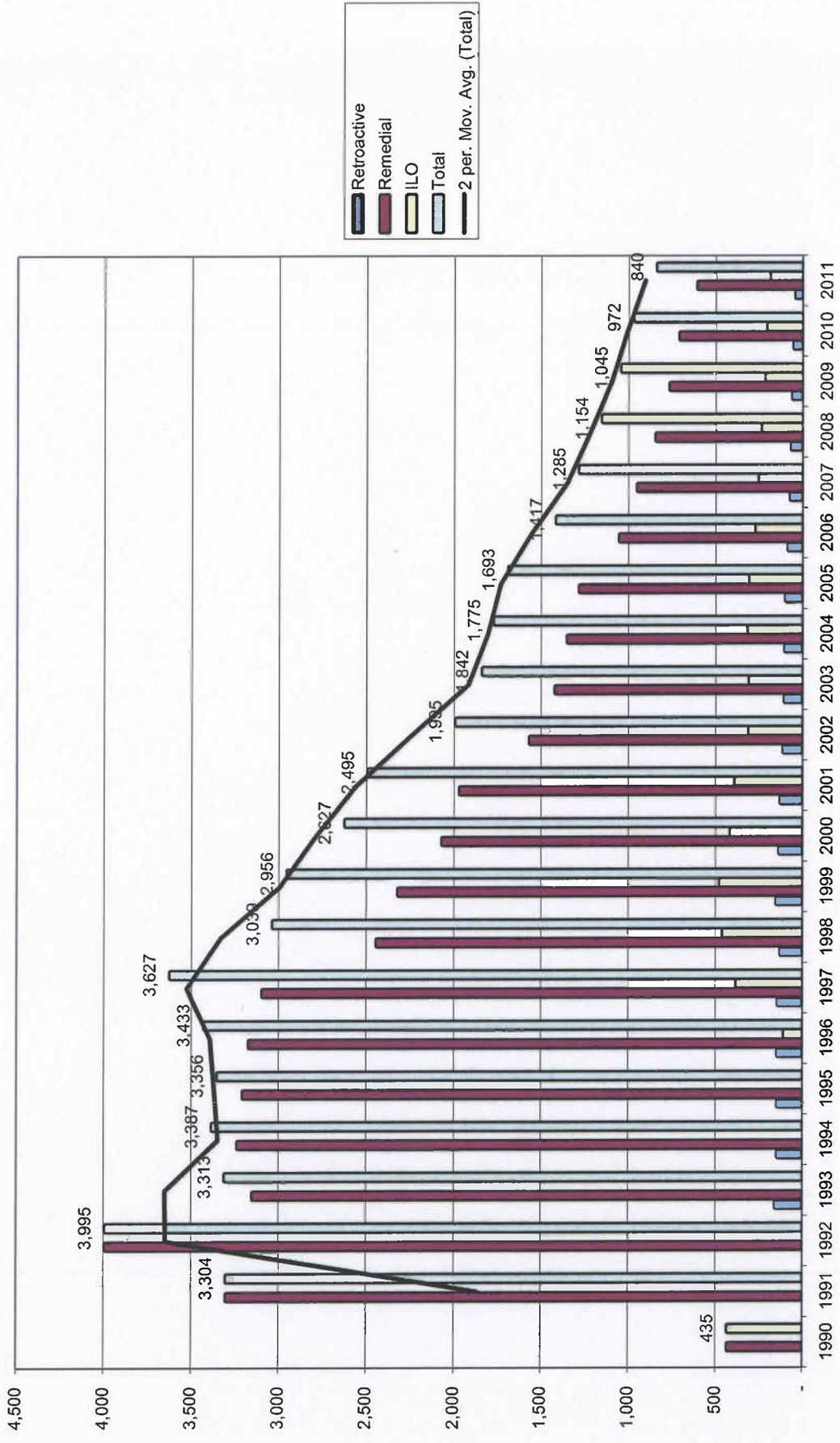
Retro/Remed/ILO Reserves



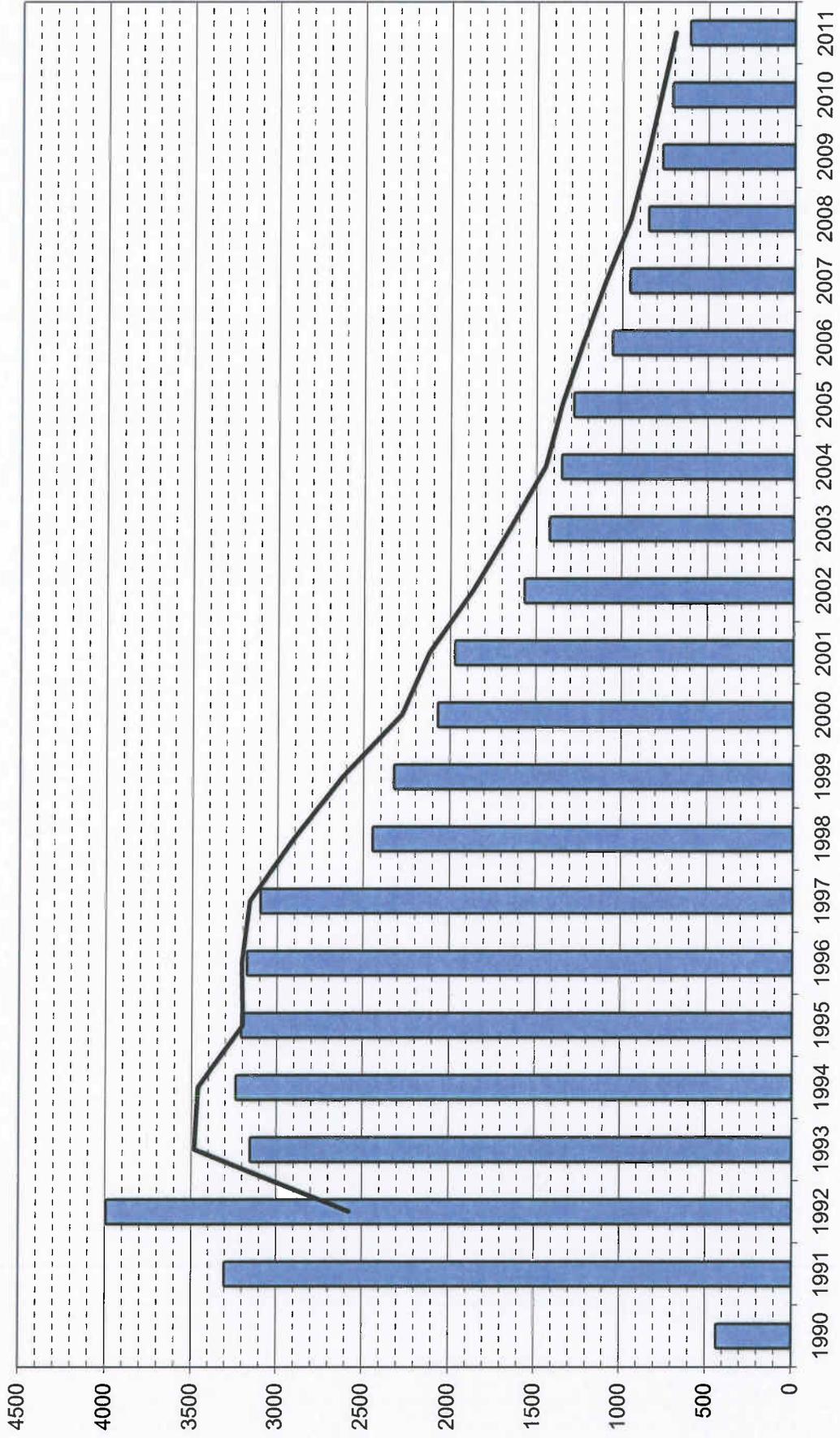
Open Retro/Remed//ILO Files



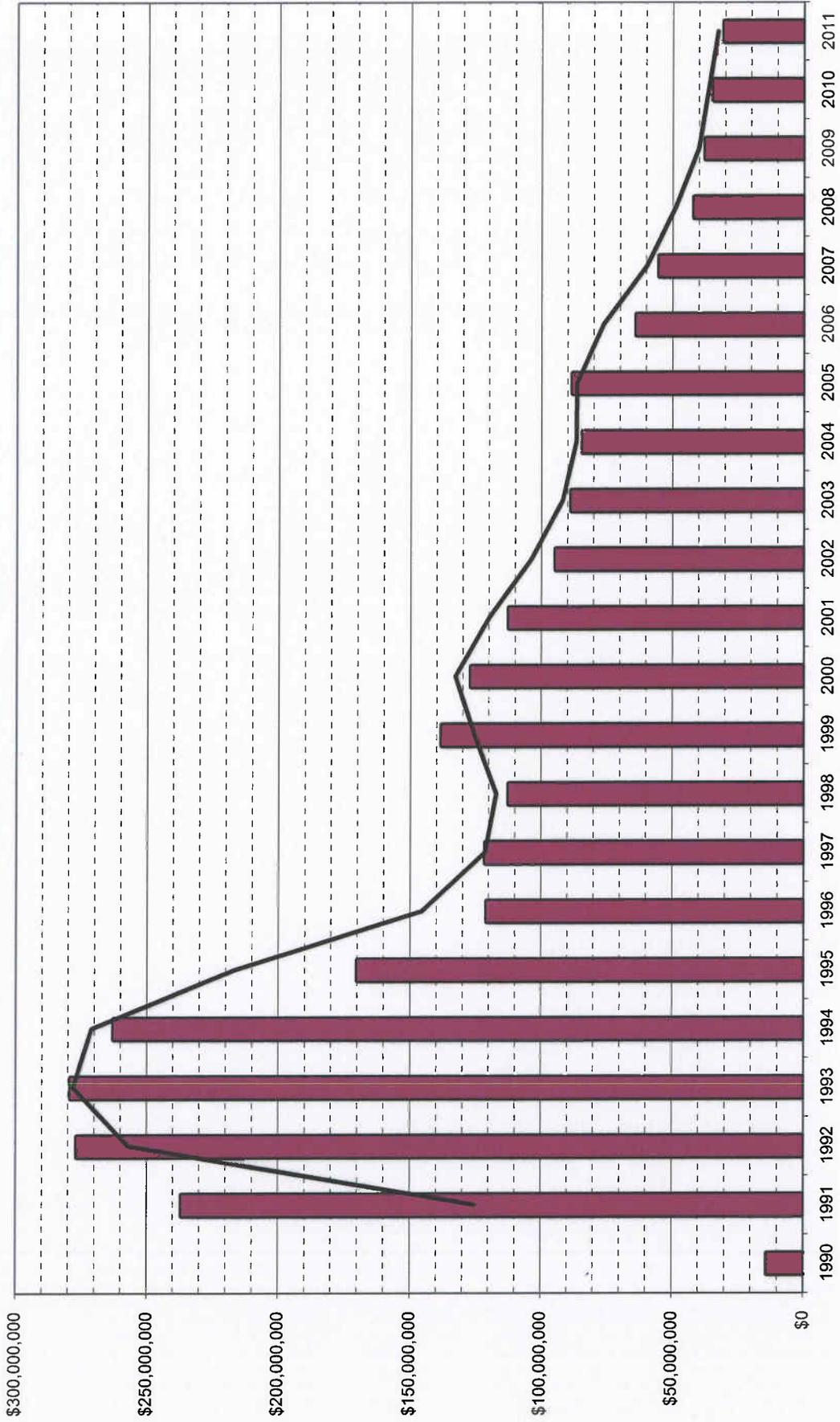
# Open Files



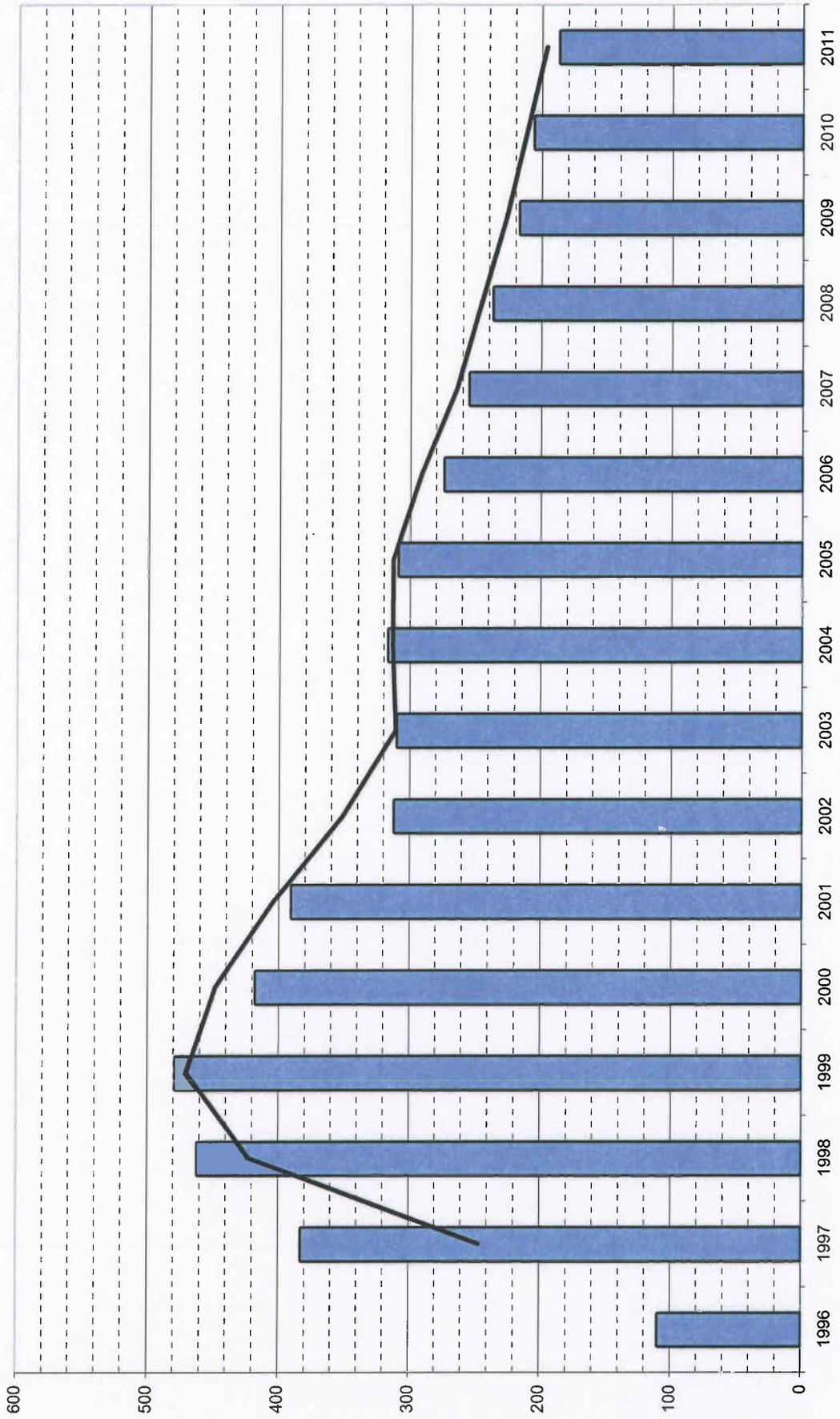
# Open Remedial Files



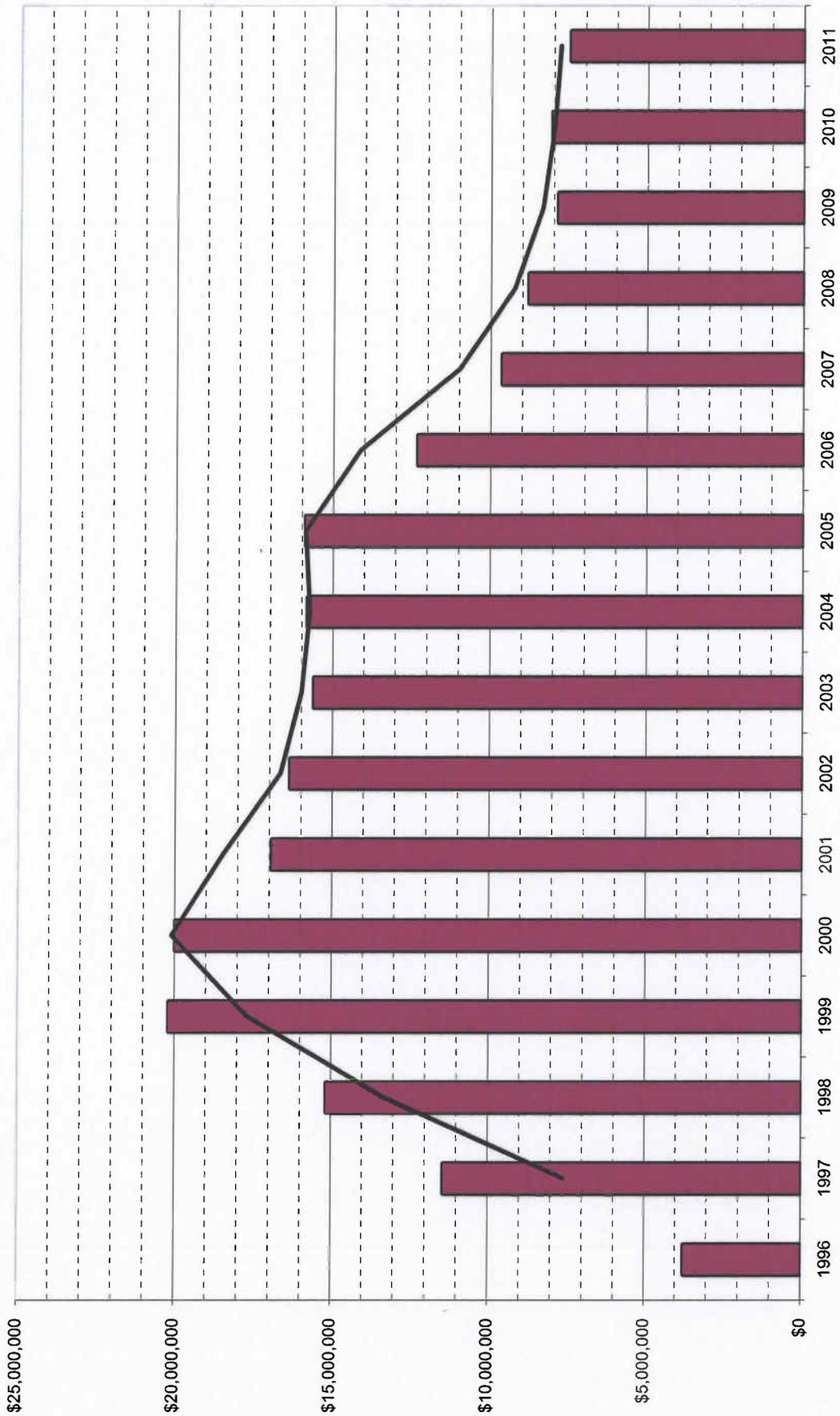
Outstanding Remedial Reserves



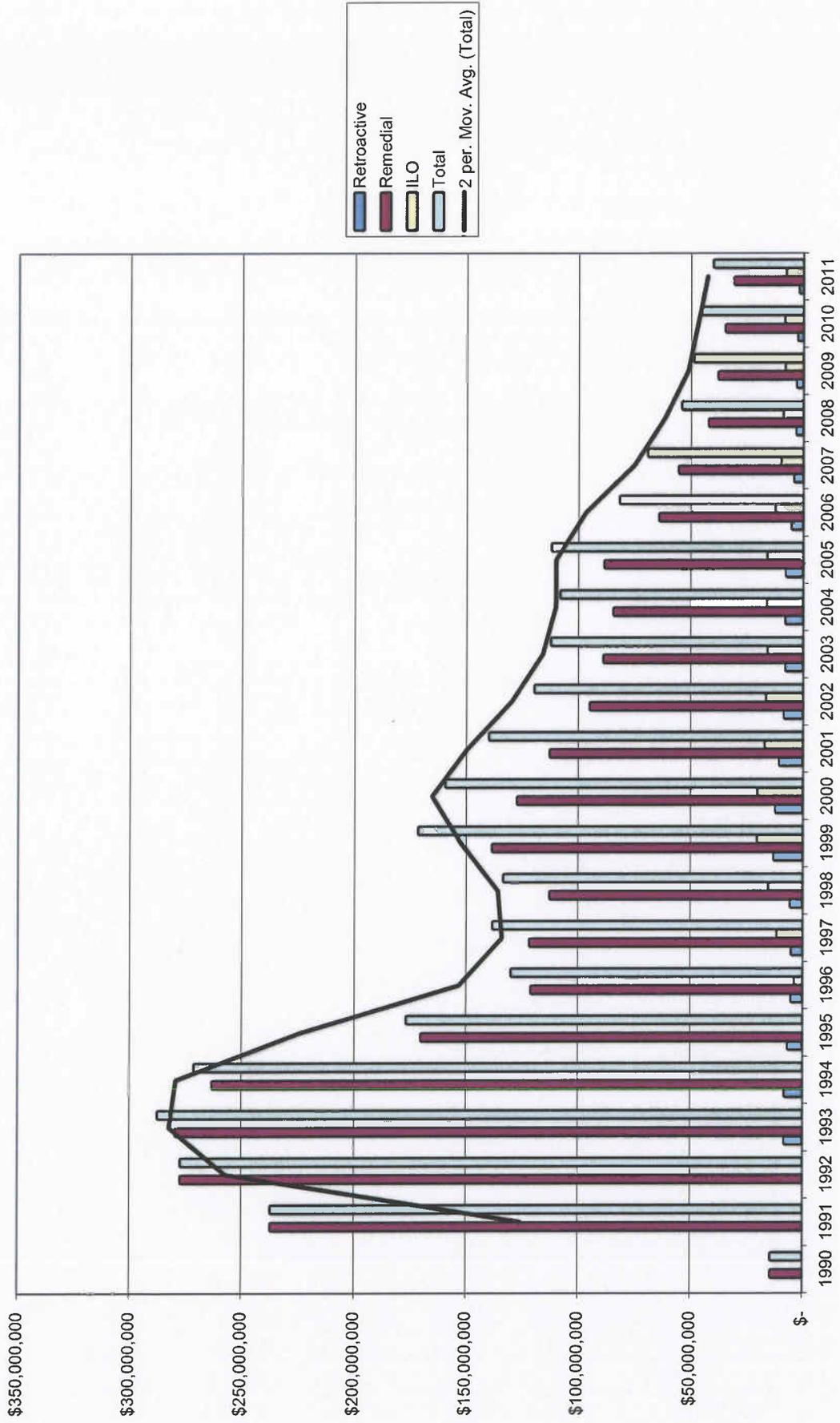
Open ILO Files



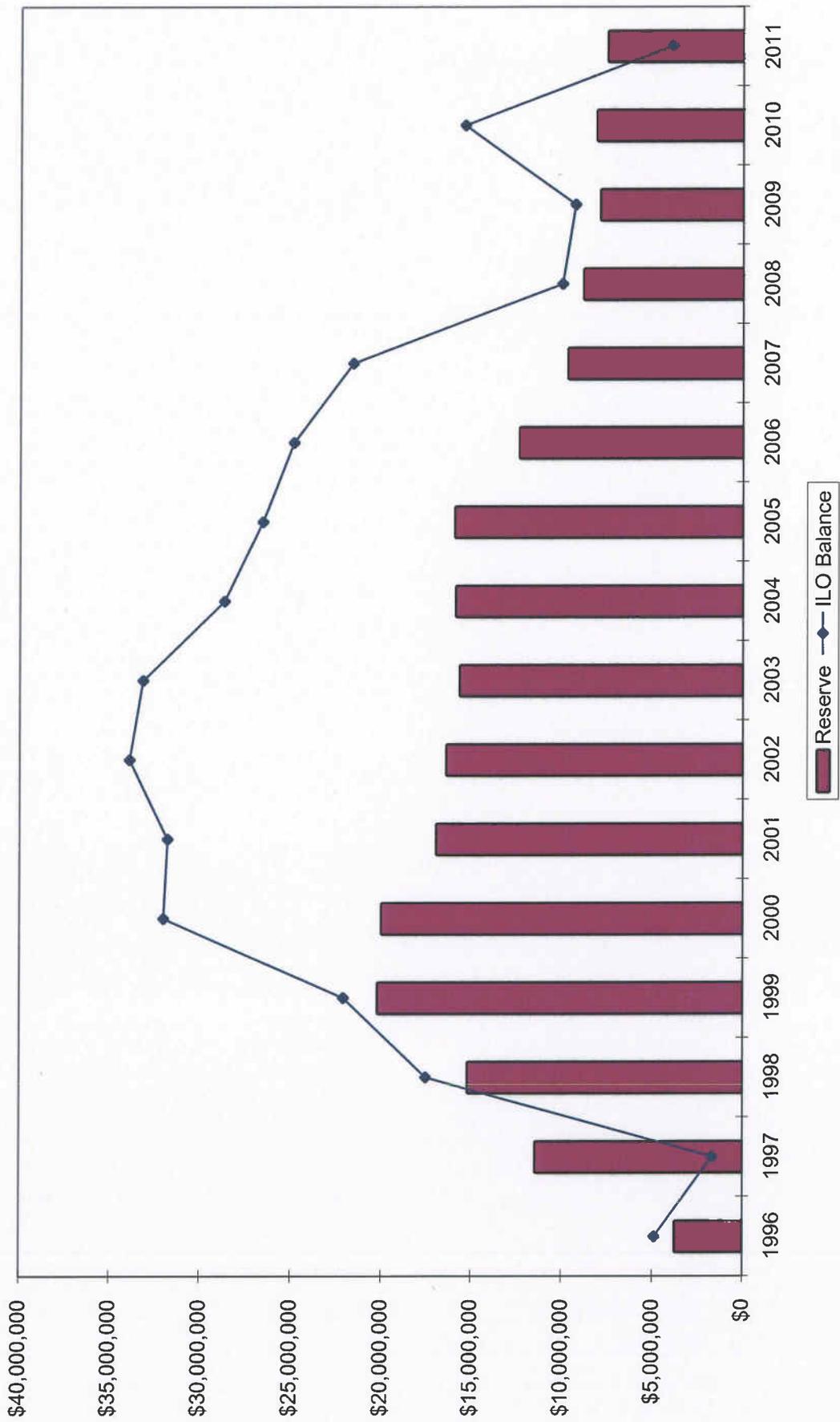
Outstanding ILO Reserves



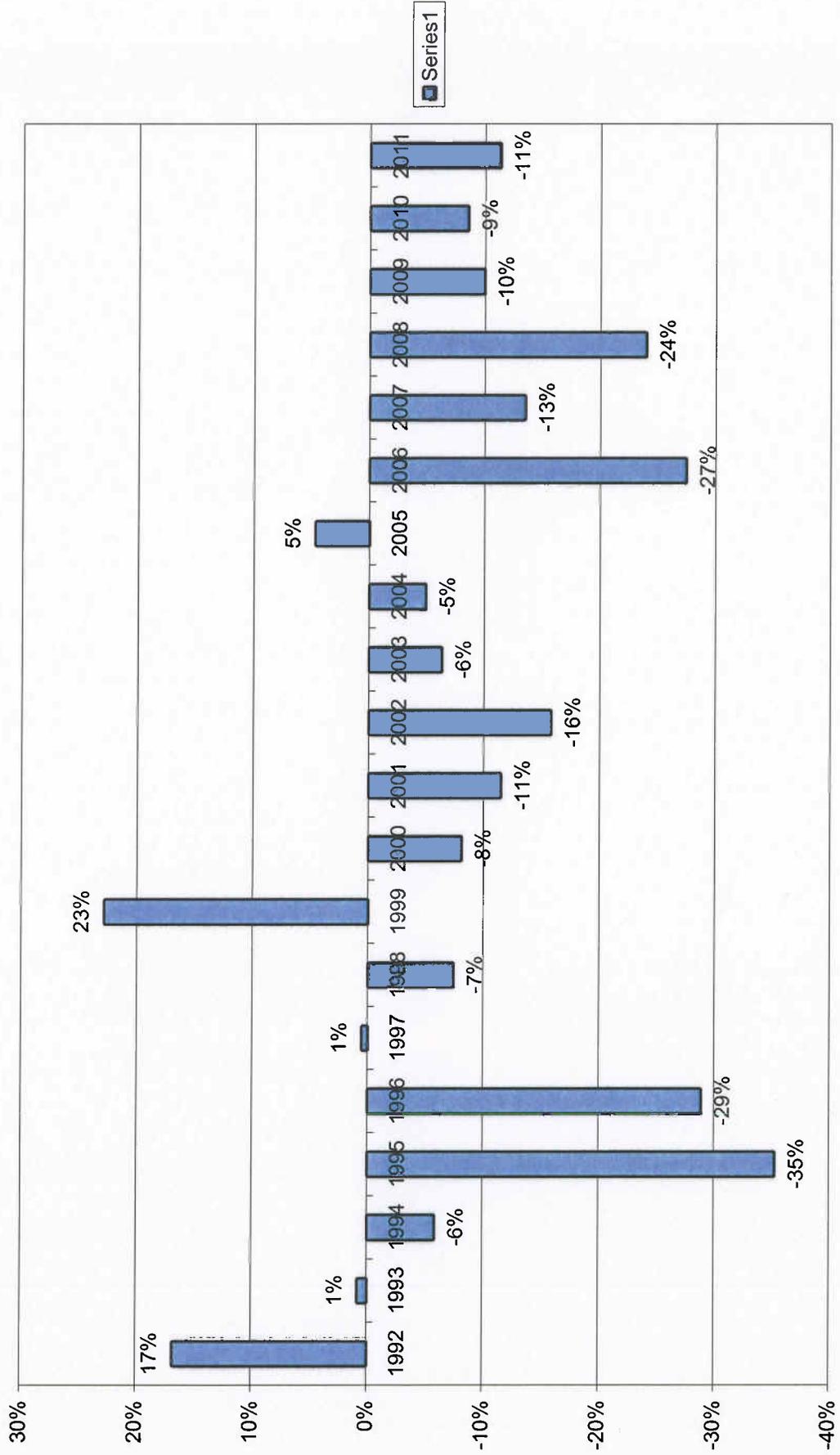
O/S Reserves By Year



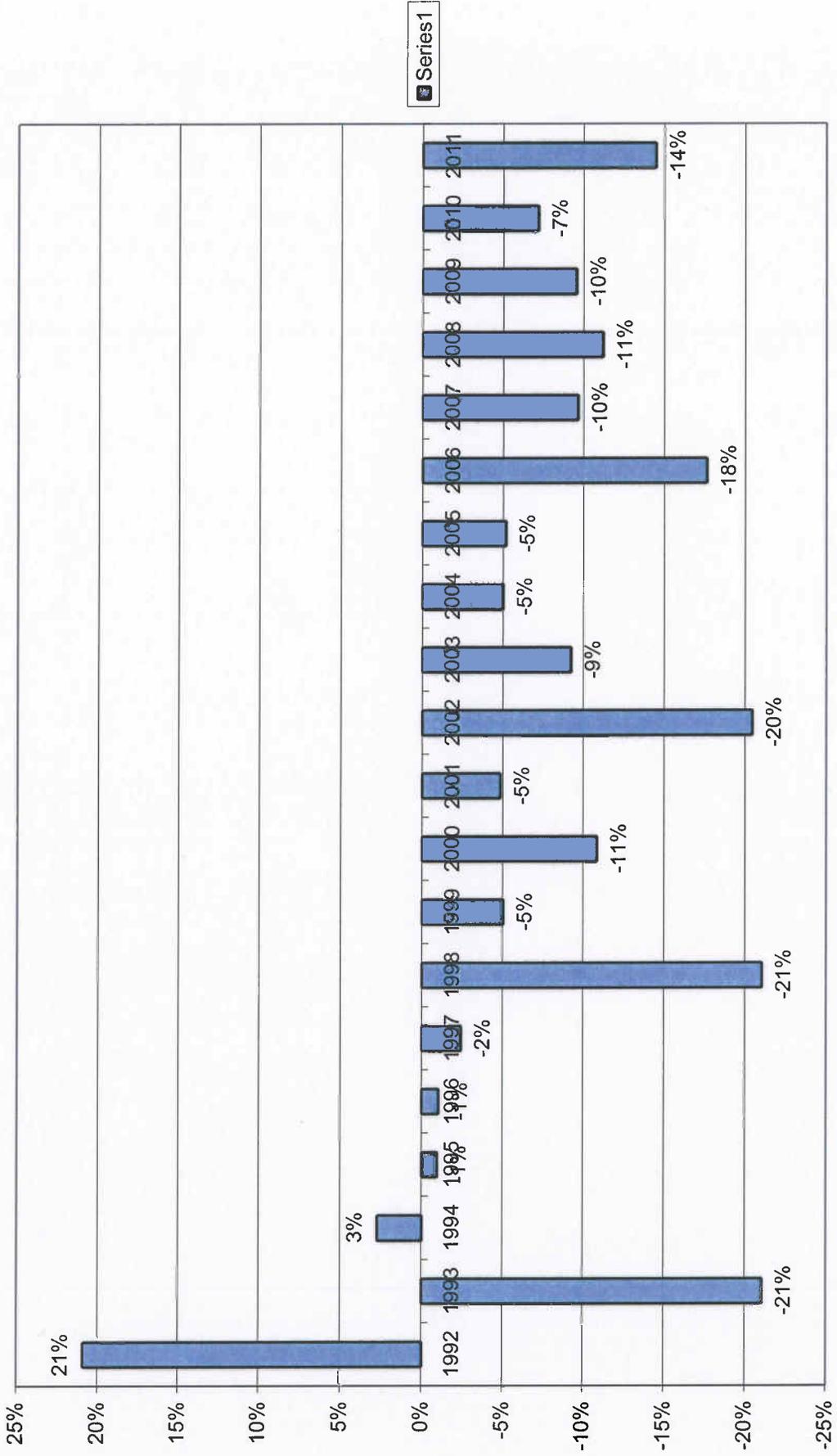
# ILO Reserves and ILO Fund Balance



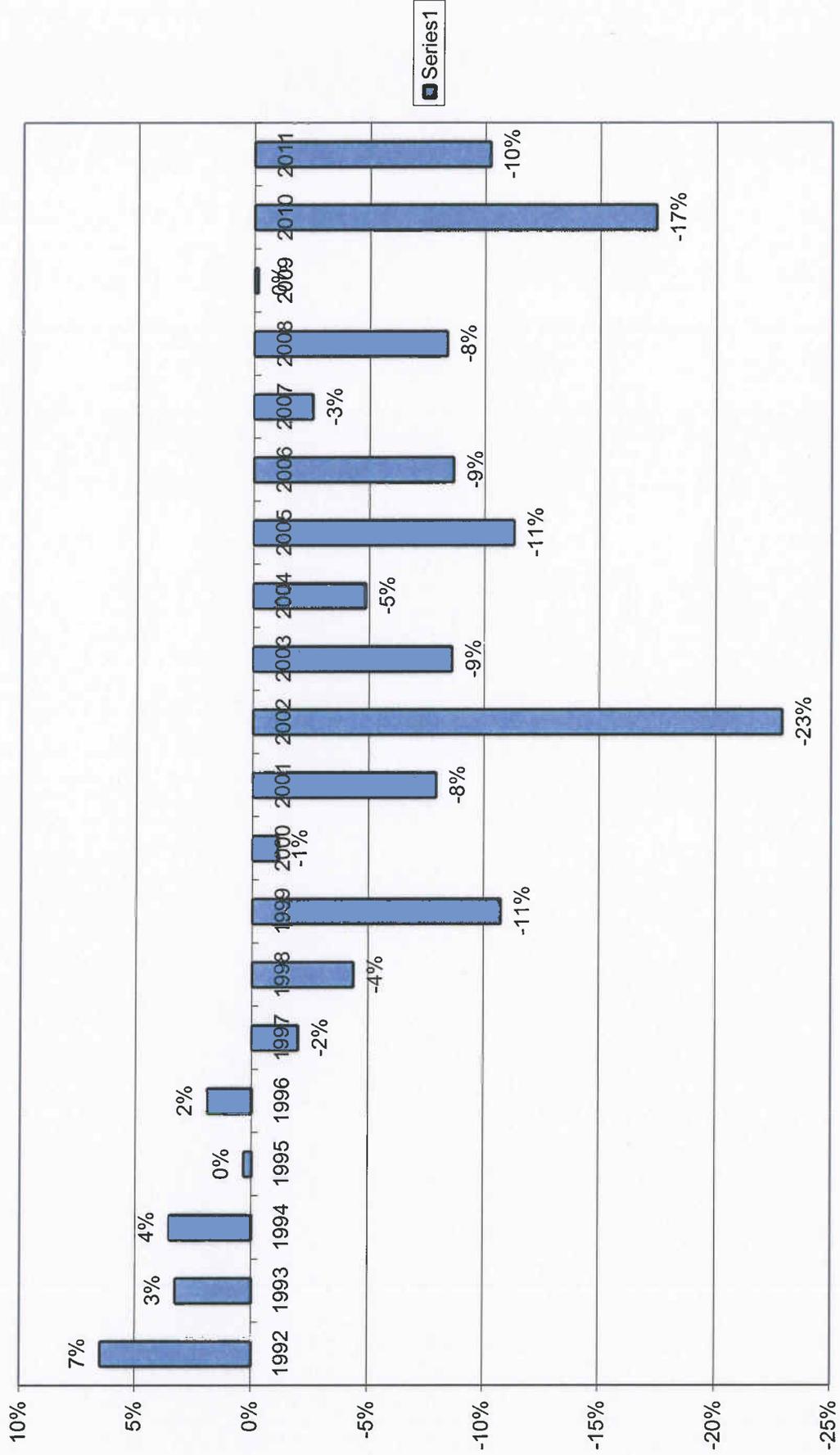
# Percent Change in Reserves



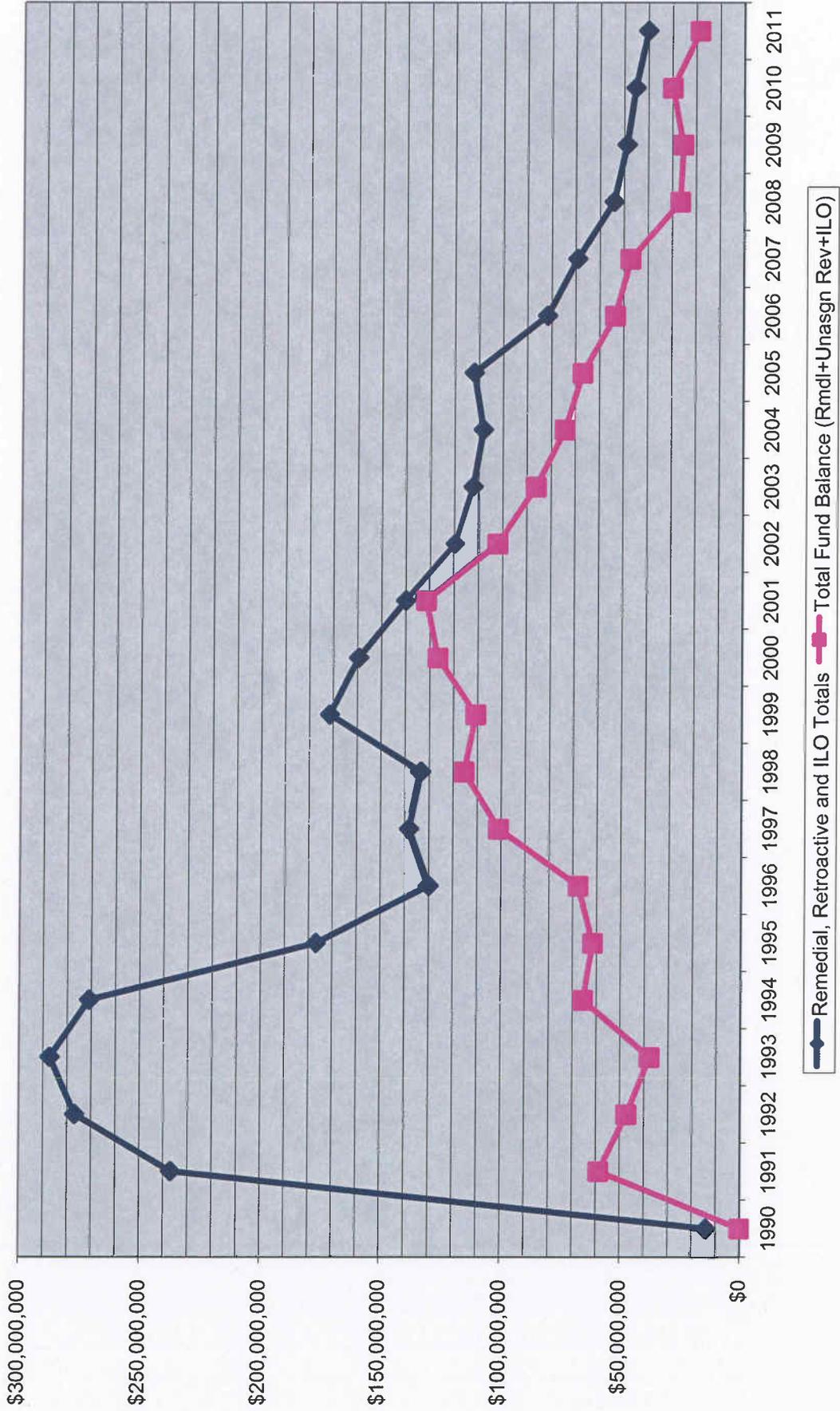
# Percent Change in Claim Count



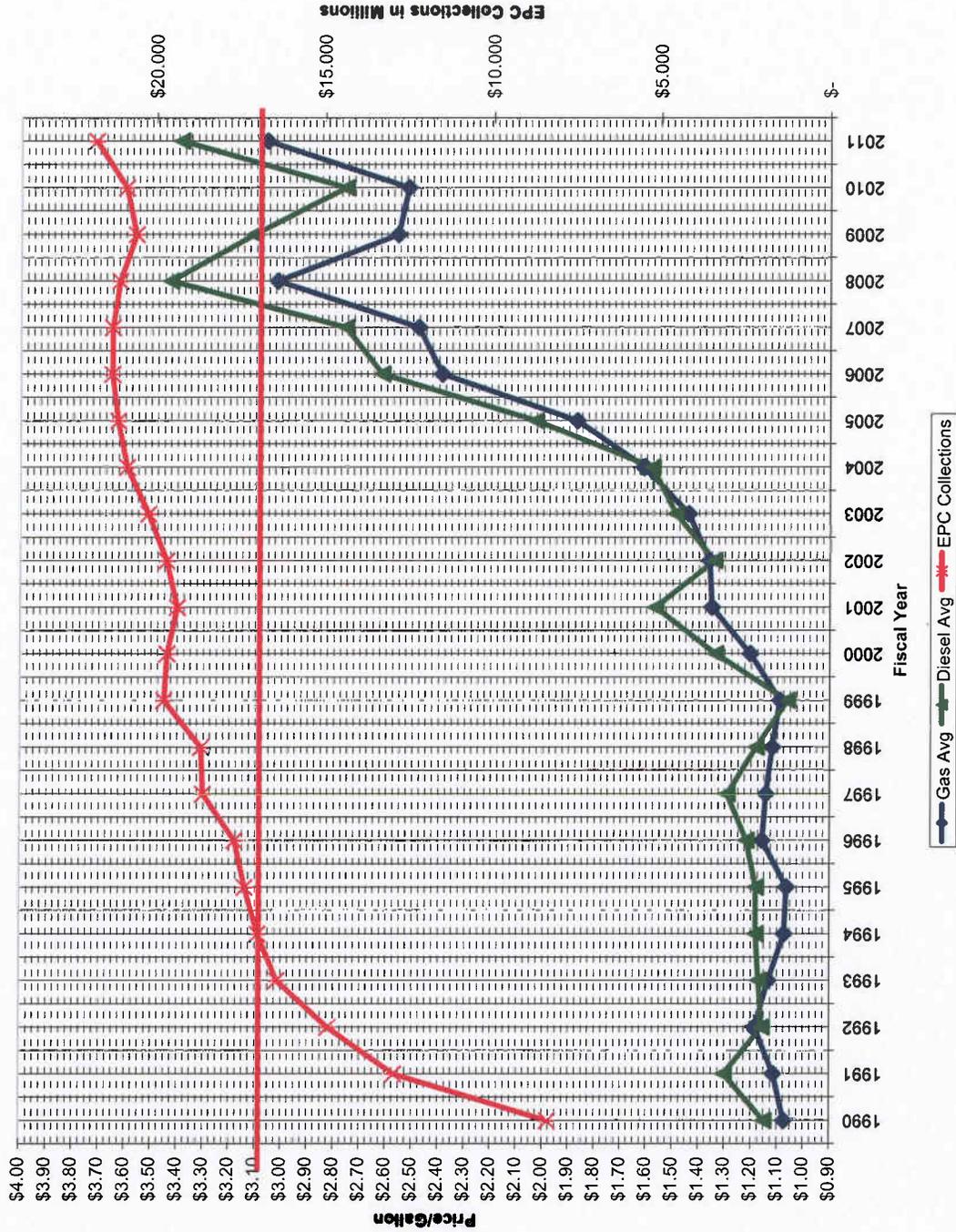
# Percent Change in LUST #



# Reserves vs. Balances



EPC Collections and Gas Prices



Fiscal Year	Gas Avg	Diesel Avg	EPC Collections	Xcess EPC
1990	\$ 1.07	\$ 1.15	\$ 8,351	\$- 3.65
1991	\$ 1.11	\$ 1.30	\$ 12,911	\$- 2.39
1992	\$ 1.18	\$ 1.16	\$ 14,873	\$- 0.43
1993	\$ 1.13	\$ 1.17	\$ 16,378	\$ 1.08
1994	\$ 1.07	\$ 1.18	\$ 16,949	\$ 1.65
1995	\$ 1.06	\$ 1.18	\$ 17,342	\$ 2.04
1996	\$ 1.16	\$ 1.22	\$ 17,652	\$ 0.65
1997	\$ 1.14	\$ 1.29	\$ 18,595	\$ 1.60
1998	\$ 1.12	\$ 1.18	\$ 18,652	\$ 1.65
1999	\$ 1.09	\$ 1.06	\$ 19,750	\$ 2.75
2000	\$ 1.20	\$ 1.34	\$ 19,664	\$ 2.66
2001	\$ 1.35	\$ 1.57	\$ 19,367	\$ 2.37
2002	\$ 1.36	\$ 1.34	\$ 19,684	\$ 2.68
2003	\$ 1.44	\$ 1.49	\$ 20,217	\$ 3.22
2004	\$ 1.61	\$ 1.58	\$ 20,857	\$ 3.86
2005	\$ 1.87	\$ 2.03	\$ 21,132	\$ 4.13
2006	\$ 2.39	\$ 2.62	\$ 21,307	\$ 4.31
2007	\$ 2.48	\$ 2.76	\$ 21,304	\$ 4.30
2008	\$ 3.02	\$ 3.43	\$ 21,090	\$ 4.09
2009	\$ 2.56	\$ 3.11	\$ 20,608	\$ 3.61
2010	\$ 2.52	\$ 2.76	\$ 20,901	\$ 3.90
2011	\$ 3.06	\$ 3.39	\$ 21,799	\$ 4.80
Total			\$ 409,383	\$ 48,883
Overall Avg	\$ 1.64	\$ 1.79	\$ 18,61	\$ 2.22
5 Year Avg	\$ 2.73	\$ 3.09	\$ 21,14	\$ 4.14

Iowa UST Fund Projections  
 Month Ended 06/30/2011

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Revenues</b>									
EPC	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000	\$ -	\$ -	\$ -	\$ -
Tank Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 239,240	\$ 370,039	\$ 865,279	\$ 1,050,290	\$ 1,242,702	\$ 1,803,512	\$ 1,416,688	\$ 1,488,522	\$ 1,563,949
Cost Recovery	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<b>Total Revenues</b>	<b>\$ 14,259,240</b>	<b>\$ 14,390,039</b>	<b>\$ 14,885,279</b>	<b>\$ 15,070,290</b>	<b>\$ 15,262,702</b>	<b>\$ 1,823,512</b>	<b>\$ 1,436,688</b>	<b>\$ 1,508,522</b>	<b>\$ 1,583,949</b>
<b>Expenditures</b>									
Administration	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -
Remedial Claims	\$ 7,560,000	\$ 7,560,000	\$ 6,560,000	\$ 6,560,000	\$ 6,560,000	\$ 6,560,000	\$ -	\$ -	\$ -
Low Risk	\$ 1,560,000	\$ 1,560,000	\$ 1,560,000	\$ 1,560,000	\$ 1,560,000	\$ 1,560,000	\$ -	\$ -	\$ -
High Risk	\$ 6,000,000	\$ 6,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -	\$ -
ILO Claims	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -	\$ -
NFA Claims	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -
DNR Transfers	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -
Govt. Transfers	\$ 4,000,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -
Operator Training	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -
28E Projects/IDNR	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 15,510,000</b>	<b>\$ 11,760,000</b>	<b>\$ 10,760,000</b>	<b>\$ 10,260,000</b>	<b>\$ 10,260,000</b>	<b>\$ 9,560,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balances</b>									
Revenue	\$ 9,290,721								
Unassigned Revenue	\$ 4,701,810								
Remedial	\$ 2,476,236								
Remedial + Unassigned	\$ 7,178,046	\$ 8,218,007	\$ 12,848,045	\$ 18,973,324	\$ 25,283,615	\$ 31,786,316	\$ 25,549,829	\$ 26,986,517	\$ 28,495,039
Innocent Landowner	\$ 3,789,762	\$ 9,289,762	\$ 7,789,762	\$ 6,289,762	\$ 4,789,762	\$ 3,289,762	\$ 1,789,762	\$ 1,789,762	\$ 1,789,762
Loan Guarantee	\$ 276,906	\$ 276,906	\$ 276,906	\$ 276,906	\$ 276,906	\$ 276,906	\$ 276,906	\$ 276,906	\$ 276,906
Marketability	\$ 717,264	\$ 717,264	\$ 717,264	\$ 717,264	\$ 717,264	\$ 717,264	\$ 717,264	\$ 717,264	\$ 717,264
<b>Total of Balances</b>	<b>\$ 21,252,698</b>	<b>\$ 18,501,938</b>	<b>\$ 21,631,977</b>	<b>\$ 26,257,256</b>	<b>\$ 31,067,546</b>	<b>\$ 36,070,248</b>	<b>\$ 28,333,760</b>	<b>\$ 29,770,448</b>	<b>\$ 31,278,971</b>
Projected Claim Count	840	690	540	390	240	90	(60)	(210)	
Projected Reserve Total	\$ 40,209,732	\$ 32,508,732	\$ 25,657,732	\$ 18,806,732	\$ 11,955,732	\$ 9,564,586	\$ 7,651,668	\$ 382,583	
Excess Bal vs Reserve	<b>(\$ 18,957,034)</b>	<b>(\$ 14,006,794)</b>	<b>(\$ 4,025,755)</b>	<b>\$ 7,450,524</b>	<b>\$ 19,111,814</b>	<b>\$ 26,505,662</b>	<b>\$ 20,682,092</b>	<b>\$ 29,387,865</b>	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING JUNE 30, 2011**

		<b>FISCAL 2011 BUDGET</b>
<b>0471 - UST REVENUE FUND (Bonding)</b>		
<b>Balance of Fund, July 1, 2010</b>	\$8,902,405.00	\$8,902,405.00
<b>Receipts:</b>		
Tank Management Fees - FY10	\$388,316.00	\$400,000.00
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$17,000,000.00	\$17,000,000.00
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$0.00	
Interest Income - Capital Reserve Fund	\$0.00	
	\$17,388,316.00	\$17,400,000.00
<b>Disbursements:</b>		
Bond Interest Payment	\$0.00	
Bond Principal Payment	\$0.00	
EPC Charges	\$0.00	
Transfer to General Fund	\$0.00	
Transfer to Unassigned Revenue Fund	\$8,500,000.00	\$17,000,000.00
Transfer to Innocent Landowner Fund	\$4,250,000.00	\$4,250,000.00
Transfer to Remedial Non-Bonding Fund	\$4,250,000.00	\$4,250,000.00
	\$17,000,000.00	\$25,500,000.00
<b>Balance of Fund, June 30, 2011</b>	\$9,290,721.00	\$802,405.00
<b>0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)</b>		
<b>Balance of Fund, July 1, 2010</b>	\$5,507,075.27	\$5,507,075.27
<b>Receipts:</b>		
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$1,062.50	\$10,000.00
Refund/Overpayment	\$1,903.37	
Transfer From UST Revenue Fund	\$8,626,634.60	\$17,000,000.00
Transfer From UST ILO Fund	\$0.00	
Transfer From UST Remedial Fund	\$0.00	
Intra State Fund Transfers Received	\$19,000,000.00	\$8,000,000.00
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	\$0.00	
Buys/ Sells	\$0.00	
Interest Income	\$23,221.55	\$25,000.00
	\$27,652,822.02	\$25,035,000.00
<b>Disbursements:</b>		
UST Administrator's Fees	\$1,319,686.44	\$1,500,000.00
Attorney General's Fees	\$68,387.58	\$65,000.00
Attorney's Fees: Cost-Recovery Administration	\$0.00	
Cost Recovery Expense (i.e. Lien Filing, Overpayment Refund)	\$14.00	\$150.00
Actuarial Fees	\$0.00	
Auditor of the State Fees	\$5,100.00	\$5,100.00
Bond Trustee's Fees - Bankers Trust	\$0.00	
Claim Settlement	\$0.00	
Custodial Fees - BONY	\$0.00	
Department of Revenue EPC Collection Fees	\$3,993.46	\$5,000.00
Environmental Protection Charge Refunds	\$2,110.93	
Innovative Technology	\$0.00	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING JUNE 30, 2011**

		<b>FISCAL 2011 BUDGET</b>
Inspection & Appeals Service Fees	\$0.00	
Iowa Finance Authority Expenses	\$0.00	
Legal and Professional Fees	\$0.00	
Licensing - Contractual Services	\$0.00	
Postage / Printing / Miscellaneous	\$0.00	\$100.00
Professional Admin Services (Investments)	\$0.00	
Professional Services - Owner/Operator Training	\$3,550.00	\$250,000.00
Rebate	\$0.00	
Special Project Claims and Operator Training Expenses	\$343,579.80	\$25,000.00
Travel Expenses-UST Board Members	\$705.51	\$700.00
Warrant Float Expense	\$0.00	
28E Agreement - DNR Plume Study	\$0.00	\$700,000.00
28E Agreement - NFA Claims	\$0.00	\$500,000.00
28E Agreement - DNR UST Section Funding - FY10	\$200,000.00	\$200,000.00
Statutory Transfer to DNR (recurring)	\$0.00	\$200,000.00
Statutory Transfer to DNR (database upgrades)	\$0.00	\$100,000.00
Statutory Transfers to Misc. Funds	\$13,186,822.55	\$26,130,000.00
Appropriation 2011	\$9,074,137.39	
Transfer of Funds to Innocent Land Owners	\$4,250,000.00	
	\$28,458,087.66	\$29,681,050.00
<b>Balance of Fund, June 30, 2011</b>	<b>\$4,701,809.63</b>	<b>\$861,025.27</b>
<b>020° UST REMEDIAL NON-BONDING FUND</b>		
<b>Balance of Fund, July 1, 2010</b>	\$3,030,285.52	\$3,030,285.52
<b>Receipts:</b>		
Remedial Refunds	\$31,317.44	\$0.00
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$462.50	
Transfer Received from Revenue Fund	\$4,250,000.00	\$4,250,000.00
Transfer Received from ILO	\$14,424.40	
	\$4,296,204.34	\$4,250,000.00
<b>Disbursements:</b>		
Retroactive Claims	\$566,484.79	\$700,000.00
Remedial Claims	\$4,245,610.00	\$5,000,000.00
Transfer to Unassigned Revenue Fund	\$59,264.15	
Balance of Outdated Warrants	(\$21,105.42)	
	\$4,850,253.52	\$5,700,000.00
<b>Balance of Fund, June 30, 2011</b>	<b>\$2,476,236.34</b>	<b>\$1,580,285.52</b>
<b>0478 - UST MARKETABILITY FUND</b>		
<b>Balance of Fund, July 1, 2010</b>	\$672,585.55	\$672,585.55
<b>Receipts:</b>		
Interest	\$44,678.22	\$125,000.00
Use Tax	\$0.00	
	\$44,678.22	\$125,000.00
<b>Disbursements:</b>		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
	\$0.00	\$0.00
<b>Balance of Fund, June 30, 2011</b>	<b>\$717,263.77</b>	<b>\$797,585.55</b>

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING JUNE 30, 2011**

		<b>FISCAL 2011 BUDGET</b>
<b>0485 - UST INNOCENT LANDOWNERS FUND</b>		
<b>Balance of Fund, July 1, 2010</b>	<b>\$15,267,311.83</b>	<b>\$15,267,311.83</b>
<b>Receipts:</b>		
Cost Recovery (i.e. lien settlements)	\$0.00	\$0.00
ILO Refunds	\$19,630.25	
Transfer Received from Revenue Fund	\$4,250,000.00	\$4,250,000.00
Transfer Received from Unassigned Rev Fund	\$4,250,000.00	
Transfer from Marketability Fund	\$0.00	
Miscellaneous Income	\$0.00	
	<b>\$8,519,630.25</b>	<b>\$4,250,000.00</b>
<b>Disbursements:</b>		
Cost Recovery Reimbursement	\$0.00	
Cost Recovery Global Settlement	\$0.00	
Transfer to Remedial Fund	\$14,424.40	
Intra State Fund Transfers Paid (to Unassigned Revenue)	\$19,067,370.45	\$8,000,000.00
Global Settlement Claims	\$61,588.77	\$75,000.00
Innocent Landowner Claims	\$865,759.94	\$1,500,000.00
Intra State Fund Transfers Paid	\$1,685.00	
Balance of Outdated Warrants	(\$13,648.56)	
	<b>\$19,997,180.00</b>	<b>\$9,575,000.00</b>
<b>Balance of Fund, June 30, 2011</b>	<b>\$3,789,762.08</b>	<b>\$9,942,311.83</b>
<b>0238 - UST LOAN GUARANTEE FUND (Non-Bonding)</b>		
<b>Balance of Fund, July 1, 2010</b>	<b>\$275,738.41</b>	<b>\$275,738.41</b>
<b>Receipts:</b>		
Loan Application Fees	\$0.00	
Interest Income	\$1,167.13	\$2,500.00
	<b>\$1,167.13</b>	<b>\$2,500.00</b>
<b>Disbursements:</b>		
Processing of Loan Applications	\$0.00	
Payments on Loan Losses	\$0.00	
Transfer to Unassigned Revenue Fund	\$0.00	\$0.00
	<b>\$0.00</b>	<b>\$0.00</b>
<b>Balance of Fund, June 30, 2011</b>	<b>\$276,905.54</b>	<b>\$278,238.41</b>
<b>0614 - UST CAPITAL RESERVE FUNDS (Bonding)</b>		
<b>Combined UST Capital Reserve Fund Balances, June 30, 2011</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>TOTAL FUND BALANCES, June 30, 2011</b>	<b>\$21,252,698.36</b>	<b>\$14,261,851.58</b>

**FOOTNOTES:**

Note 1: Funds labeled "Bonding" were created as a result of the issuance of UST Revenue Bonds. Disbursements from these funds are restricted by the Revenue Bond indenture. All bond funds are \$0.00 8/31/08  
Funds labeled "Non-Bonding" are funds not restricted as to use by the Revenue Bond indenture.

## **B. Status of 28E Agreements**

**MEMORANDUM**

**TO: UST BOARD MEMBERS**

**FROM: SCOTT SCHEIDEL**

**SUBJECT: 28E AGREEMENTS**

**DATE: July 7, 2011**

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There is a total of (27) 28E agreements that the Board has entered into since the inception of the Program. They are as follows:

**28E AGREEMENT**

**FISCAL 2011 EXPENDITURES**

*1. Dept of Revenue & Finance – fee for EPC collections	\$ 3,993.46
2. DNR – registration of groundwater professionals	\$ 0.00
3. DNR – site mapping project with Iowa State University	\$ 0.00
4. DNR – SCR technical review assistance	\$ 0.00
5. DNR – LUST trust funds – Shenandoah/Council Bluffs	\$ 0.00
6. DNR – automation of ability to pay system	\$ 0.00
7. DNR – EPA flood impact study	\$ 0.00
8. DNR – part time staffing for computer system development & input	\$ 0.00
9. Attorney General’s Office – Board & Cost Recovery Counsel	\$ 0.00
10. DNR – RBCA implementation assistance & staff training	\$ 3,550
*11. DNR – UST closures	\$ 4,043
12. DNR – Database integration	\$ 0.00
13. DNR – assistance in administering RBCA processes	\$ 0.00
*14. Attorney General’s Office – Board & Cost Recovery Counsel	\$ 68,387.58
15. DNR – assistance for UST Section (FY05)	\$ 0.00
16. DNR – assistance for UST Section (FY06)	\$ 0.00
*17. DNR – Double Circle FS CRP for 2 LUST sites	\$ 211,480.09
*18. DNR – City of Sioux City agreement (potential pymt to City of \$1.75M)	\$ 0.00
19. DNR – Temporary FTE for report reviews (Jan-Jun 2006)	\$ 0.00
20. DNR – assistance for UST Section (FY07)	\$ 0.00
*21. DNR – Limited NFA for 3 Sites	\$ 0.00
22. DNR – FY08 UST Section Funding	\$ 0.00
*23. DNR – NFA Agreement (455G.9(1)(k) 2007)	\$ 99,068.52
*24. DNR – FY09 UST Section Funding	\$ 0.00
*25. DNR – Plume Study Agreement	\$ 0.00
*26. DNR – Legal Staff Position Funding	\$ 0.00
*27. DNR – FY10 (multi-year) UST Section Funding	\$ 200,000.00

\* Denotes ongoing agreements; all other agreements have been completed.

## **C. Attorney General's Report**

## **D. Prior Year's Goals**

## Fiscal Year 2011 Goals Summary

### Claims Closures

- Close 165 claims by the end of the fiscal year
- Have 100 Corrective Action meetings by the end of the fiscal year
- Jointly evaluate and track groups of claims with DNR for status and obstacles seeking opportunities and trends to leverage earlier closures—start with Retro claims, continue with manageable groups with common characteristics (i.e. high risk ILO claims, remedial claims reserved over a certain amount, etc.) until trends appear and/or all have been jointly reviewed. Use trends and issues identified in reviews to overcome obstacles to closure.

### Short/Long Term Solvency

- Continue RBCA evaluation/calibration work with DNR

	September 2010	December 2010	March 2011	June 2011
Closed Claims	57 closed 12 new/reopened	92 closed 2Q--149 closed YTD 35 new/reopen 2Q--47 YTD	16 closed Q3—165 closed YTD 1 new/reopen—48 YTD	24 closed Q4—189 closed YTD 3 new/reopen—51 YTD
CA Meetings	24 Completed 1 New MOU	15 Completed 2Q--39 YTD 5 New MOU 2Q--6 YTD	16 Completed 2Q—55 YTD 1 New MOA—7 YTD	8 Completed 2Q—63 YTD 2 New MOA—9 YTD
Claim group evaluations	<ul style="list-style-type: none"> <li>• Jointly evaluated all Retro Claims</li> <li>• Jointly evaluated Not Classified ILOs</li> </ul>	<ul style="list-style-type: none"> <li>• Jointly evaluated all ILO claims</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluated half of remedial claims</li> </ul>	<ul style="list-style-type: none"> <li>• All open claims reviewed by staff</li> </ul>

## II. DNR Report of UST Issues

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### **III. Program Goals – Fiscal 2012**

# IOWA UST FUND PROGRAM FISCAL YEAR 2012 GOALS DISCUSSION

## A. ISSUES FROM LAST YEAR

## B. GETTING PROGRAM TO CLOSURE

- Setting number or percentage goals
  - Claims closures
    - Historical
    - Effecting Acceleration
  - Corrective Action meetings
    - CADR's
- Setting activity goals
  - Rule changes
  - Reserve reviews
- Process Improvements
  - DNR Coordination (NFA, new openers)
- Leverage Claim Review
- Consider Eligibility Issue Claims

## C. MAINTAIN SHORT AND LONG TERM SOLVENCY

- Cash flow—revenue and expenses
  - Diversion effect
- DNR Coordination
- Establish longer term trust fund for DNR (re: No RP, NFA, etc.)

## D. LEGISLATIVE INITIATIVES



# IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Scott M. Scheidel, *Administrator*

Board Members:

Michael L. Fitzgerald      Jeff W. Robinson  
Dawn M. Carlson

Joseph D. Barry

Patricia Boddy  
Eric W. Johnson

**TO:** Iowa UST Fund Board

**FROM:** Iowa UST Fund Administrator's Office

**DATE:** July 1, 2011

**RE:** FY 2011 Goal – Claims Review

In fiscal year 2011, staff from GAB Robins and the Administrator's Office completed a review of all open IUSTF benefit claims. From this, a number of stalled claims were identified and through active communication efforts with the various parties involved several claims have attained closure or have prompted actions which will propel the site toward closure. Going forward these efforts will continue so as to provide information to claimants, consultants, and DNR staff as we attempt to move more claims to closure in the next few years.

Despite our efforts some claims remain stalled. The reasons for inaction are varied but may not seem easily corrected under current cost and regulatory paradigms. Some of the more prevalent reasons for stalls include, but are not necessarily limited to, death of a claimant, sale of the site, inability to pay, bankruptcy, unwillingness of a claimant, and unfunded activities. In order to move these sites to closure, all ideas should be explored and new approaches may need to be considered.

### Open Claims vs. Open Sites

Historically, the number of IUSTF claims has not matched the number of open LUST sites. Based on the recent review, this trend continues. A comparison of the number of claims and open LUST sites (reported at the May 25<sup>th</sup> Board meeting) continues to show a number of sites which are either not funded or funded through a different mechanism:

<u>Classified</u>	<u>Open Claims</u>	<u>DNR Open Sites</u>	<u>Difference</u>
High Risk	464	603	139
Low Risk	236	318	82
NAR / FP	41	77	36
NAR	64	na	-64
Not Classified	<u>29</u>	<u>100</u>	<u>71</u>
TOTAL	834	1098	264

The claim sites listed as “not classified” include several where the claimant is not a responsible party, has sold the site, is considered recalcitrant, or has not confirmed eligibility.

### Problems Moving Claims to Closure

IUST regulations provide the Board with latitude in funding of activities but also provide a duty to have cost containment measures. Early in the program, 3 bids were required for most work. In the past decade, the strict 3 bid system has been largely reserved for large expense items or new approaches where there is not a history of costs to establish reasonableness or relative cost to alternatives. Cost containment however remains a founding principle in our reviews and in our push to move sites to closure.

From the claims review, we have attempted to identify common characteristics for categorizing groups of sites. This has proven difficult due to the vast differences in geologic conditions, contaminant levels, site use, and ownership making most sites unique in their issues. During the review, low risk sites were examined to determine if the site may be a candidate for an excavation or other action beyond monitoring to eliminate identified risks. These ideas have been communicated to the claimants or consultants in order to have them further the evaluation and seek bids for work where appropriate. The following sites seem likely candidates for this approach:

Type	Reg. #	LUST #	Site/RP Name	City	Risk	GAB Comments	GWP	Status	Time to NAR	Reserve	Tot Paid	Res Bal
RM	8603183	7LTV47	Emmet Co Shed	Estherville	LR (OE)	PGWS & fp	NW	Active	3+	\$150,000	\$107,919	\$42,081
RM	8601472	7LTR37	Richard's Shell	Morning Sun	LR (OE?)	PCS.	MPS	Active	3+	\$78,000	\$68,147	\$9,853
RM	8601783	8LTS00	B & B Oil Co Central Iowa	Ringsted Guthrie	LR (OE?)	failed sg.	Geotek	Inactive	3+	\$59,000	\$40,878	\$18,122
RM	8603881	8LTG09	FS Greene Co	Center	LR (OE?)	PCS, PSS, fp.	Seneca	Active	3+	\$125,000	\$98,555	\$26,345
RM	8604400	7LTQ80	Shop Auto Sales, Inc.	Jefferson Des Moines	LR (OE?)	failed sg.	ERS	Inactive	3+	\$70,000	\$34,469	\$35,531
RM	8604513	7LTT50	LR		(OE?)	PCS, PSS	Trileaf	Active	3+	\$110,000	\$94,706	\$15,294
RM	8604800	7LTO14	Nordstrom Oil City of	Homestead Atlantic	LR (OE?)	failed sg. PGWS, EC or OE.	Geosource Barker	Active	3+	\$105,000	\$85,267	\$19,733
RM	8606939	8LTM72	City of City of	Atlantic Ottumwa	LR (OE?)	PCS, PSS	Barker	Active	3+	\$70,000	\$47,743	\$22,257
RM	8609993	7LTP34	City of Ottumwa	Ottumwa	LR (OE?)	PCS, PSS	Barker	Active	3+	\$127,000	\$104,338	\$22,662
RM	8916457	8LTL61	RDJ FARMS	Van Home	LR (OE?)	failed sg.	Seneca	Active	3+	\$40,000	\$28,763	\$11,237

Another area of similarity are those sites which share a common receptor or risk, for example those sites in area of a protected groundwater source. DNR rules consider a protected groundwater source to be a potential receptor which presents a concern that someone may install a well and potentially be exposed to a contaminant of concern. To clear this pathway, contaminants must be removed or levels reduced until target levels are met or the pathway severed by the use of an environmental covenant (EC) to restrict placement of future wells on a site or where larger plumes exist, the use of a local ordinance to regulate the installation of private water wells in the general area of a site.

For sites owned by a claimant, we have asked claimants to consider placing an EC on their site. In several instances claimants have noted gratitude as they were unaware such an option existed to close their site. If a claimant chooses not to place an EC, they may continue

monitoring, consider remediation option, do a combination of the two or do nothing. In cases where the claimant opts not to place an EC, the cost of future monitoring and/or corrective action, could exceed the cost of the EC thus cost containment becomes the concern. The Board may consider whether an EC could or should be required to maintain benefits on sites where public water is readily available? A list of sites where an EC has been requested or where it seems a good candidate is shown here:

Type	Reg. #	LUST #	Site/RP Name	City	Risk	GAB Comment	GWP	Status	Time to NAR	Reserve	Paid	Res Balance
RM	8810916	7LTV25	Casey's #2423	Creston	LR	PGWS	Barker	Active	< 3 yrs	\$82,500	\$73,528	\$8,972
RM	8810919	8LTF70	Casey's #2817	Griswold	LR	PGWS	RDG	Inactive	< 3 yrs	\$112,000	\$95,196	\$16,804
ILO	8606131	8LTM52	RON'S 66 Merchants	Oelwein	LR	PGWS	Seneca	Active	< 3 yrs	\$40,000	\$25,536	\$14,465
ILO	7910137	8LTY75	Wholesale Pro	Burlington	LR	PGWS, PCS.	Seneca	Active	< 3 yrs	\$27,500	\$15,734	\$11,766
RM	8603943	7LTU73	Cooperative	Gilmore City	LR	PGWS	Seneca	Active	< 3 yrs	\$60,000	\$46,207	\$13,793
RM	8810785	7LTV02	Rainbo Oil	Dubuque	LR	PGWS	ATC	Inactive	< 3 yrs	\$45,000	\$28,391	\$16,609
RM	8601310	9LTA35	Oelwein Motors, Inc.	Oelwein	LR	PGWS	Seneca	Active	< 3 yrs	\$41,000	\$25,802	\$15,198
RM	8600974	8LTO51	O'Grady Chemical Corp.	Garrison	LR	PGWS	Seneca	Active	< 3 yrs	\$38,000	\$26,118	\$11,882
RT	8605724	8LTL33	Larry's DX Flexsteel Industnes, Inc.	Dubuque	LR	PGWS	Seneca	Active	< 3 yrs	\$47,000	\$33,339	\$13,661
RM	8605305	8LTF66	Cedar County Coop	Dubuque	LR	PGWS	ATC VJ	Inactive	> 3 yrs	\$50,000	\$37,344	\$12,656
RM	8600654	7LTX58		Tipton	LR	PGWS	Eng.	Inactive	< 3 yrs	\$92,000	\$82,254	\$9,746

The other option to an EC is to pursue a local ordinance. The DNR has reviewed a number of ordinances and have deemed many acceptable for the purpose of regulating the installation of private water wells. Several cities and major metropolitan areas have an approved ordinance such as the City of Sioux City, City of Council Bluffs, City of Mason City, Polk County and Dallas County however several other major population areas lack such an ordinance. In reviewing where the open LUST sites are located, it's noted eastern Iowa has more open LUST sites than the other regions of the State in large part due to the lack of approved ordinances. Dubuque and Davenport both lack ordinances, which if put in place would result in significant risk reduction and claims closure. The Board may consider providing financial assistance for the implementation of such ordinances to encourage their implementation. For reference, the following table and the attached map show where the open LUST sites are located; a listing of ordinances is also attached:

BY Field Office	TOTAL	NAR	LOW	HIGH	OTHER	OPEN
#1 (Northeast)	1156	879	84	131	62	277
#2 (North Central)	721	604	23	77	17	117
#3 (Northwest)	825	707	22	64	32	118
#4 (Southwest)	876	675	53	98	50	201
#5 (South Central)	1576	1384	50	94	48	192
#6 (Southeast)	1278	1009	84	140	45	269
TOTAL	6432	5258	316	604	254	1174

In attempting to group the data from the claims review, we have also identified several other groups. Some of these include sites where a claimant has died, a site has been sold, or the claimant has declared bankruptcy or inability to pay.

For sites that are sold, a new owner may opt but is not required to accept a transfer of benefits. If the new owner agrees to a transfer, he / she must sign a statement accepting the duties of the original claimant in order to be eligible to the same extent as the claimant and subject to the same limitations. Where the transfer fails, site work often ceases.

Financial issues also present a major stumbling block. Even where funding is readily available, financial woes can create a problem. Bankruptcy has a major effect. In those cases where a claimant with an eligible ILO or retro claim declares bankruptcy, eligibility is lost and the claim is closed. Where a claimant is unable or unwilling to pay, consultants may choose not to perform services without some type of guarantee of payment. Global settlement claims help alleviate copay requirements for high risk sites, but provide lesser relief on low risk sites and no relief on sites classified no action required immediately after assessment. For some ILO claimants, the 2010 legislation which eliminated copay after January 1, 2010 helps, however claimants who incurred expenses prior to that date were not provided the same benefit. For those owing money to the state, the issue may arise when reimbursements are held. In these cases, the consultant may be forced to seek action in court.

#### Options to closure

In order to get sites to closure, all options should be considered. Two years ago, Mr. Tim Hall with the Iowa Department of Natural Resources drafted the paper "*Underground Storage Tanks in Iowa after 2016*" following a series of meeting with stakeholders and from that noted change is needed. In the two years that have passed, there has been significant change both to the regulatory program and to the Board's funding, however, much has also remained the same on both our parts.

It has been acknowledged many times that the Board lacks authority to require action on the part of a claimant however the Board does have the ability to prompt action by placing an incentive or disincentive in sight. In 1999, the Board implemented rules that required "assessments" be initiated by all known claimants or lose funding. A similar approach could also be considered to require a plan of action, such as a DNR Memorandum of Agreement (MOA) by a set date for both high and low risk sites.

The Board may also consider the use of State Lead contracts. State regulations allow the Board to enter into contracts to provide a service for the fund or for tank owners and operators at a reasonable cost. This provision has been used many times in the past and continues to be used with the thirteen ongoing State Lead projects involving both fund eligible and non-eligible sites. Future projects could include monitoring of low risk sites for a community, county, or region (i.e., DNR Field office) or corrective action at a select group of high risk sites. It is anticipated that the pending USTCA State Closure Contract project could be used to close many of the 64 open NAR claims by pursuing closure of the site monitoring wells so as to obtain a NFA certificate. In cases where copayment is due or a claimant is not eligible, cost recovery efforts should be considered.

Other possible options may include, but are not limited to, (a) claimant or group settlements or development of Loss Portfolio Transfers for groups of sites, such as those involving a specific owner or associated in some manner with a specific group or association; (b) payment of a claimant's copay requirement, subject to cost recovery efforts (placement of a lien on the claimant's site); (c) direct payment to a consultant (to alleviate cost of time delays, accounting issues). Other options are certain to exist and can be entertained as we all strive to move more sites to closure in the upcoming year.

**Attachments:**

Listing of DNR reviewed ordinances

Map - - LUST Sites by DNR Region



POSTED: 05/27/2011

## LISTING OF APPROVED CITY AND COUNTY PRIVATE WELL ORDINANCES

The following is a list of cities and counties that have water well ordinances which have been approved for use as an institutional control. To clear the pathway the certified groundwater professional does not have to provide a copy of the ordinance, but must submit all the other supporting documentation such as the letter certifying the local permitting authority has been provided all necessary receptor ID maps and the model letters from the local and county permitting authorities certifying that no drinking or non-drinking water wells would likely be permitted in the area of concern.

The Tier 1 and Tier 2 guidance provides a model certification letter that was intended to be signed either by the local or county authority, which had private well restriction and permitting authority. There was also a requirement that the local authority establish an agreement with the County Department Health, which in most cases has private well permitting authority under a delegation agreement from the Department. The purpose of this agreement was to resolve any potential conflicts in private well regulation between these governmental bodies. The Department has adopted a simpler, less burdensome way of coordinating and resolving any potential jurisdictional conflicts between the County Department of Health and the local authority.

Instead of a formal agreement, the Department is requiring written acknowledgement from the County Department of Health (usually referred to as the County Sanitarian) that they have been provided a copy of the local ordinance, the local authority's certification letter and applicable receptor ID maps depicting the area of concern. The County then is asked to sign a certification letter that states (1) they would require any applicant for a county permit to obtain all local approvals; and (2) based on the supporting documents provided, they would not likely permit a well within the area of concern.

Therefore, when relying on a local ordinance, the Department now requires the model certification letter from the local permitting authority and a new certification letter from the County Department of Health if they have delegated permitting authority from the Department. We have developed a second model certification letter to be prepared by the County Department of Health (usually referred to as the County Sanitarian) which should be submitted with the local authority certification letter. This new county certification letter is to be used along with the model letter to be used by local authorities. Please take the time to read and revise it to fit your particular circumstances.

If you are relying on a local ordinance within a County which does not have delegated permitting authority from the Department, you only need to document in a letter that you have sent the local certification letter with all supporting documentation to the Department's water supply office in Des Moines, Iowa to the attention of Brent Parker.

Questions concerning this posting should be directed to Aaron Brees at (515)281-5965 or [aaron.brees@dnr.iowa.gov](mailto:aaron.brees@dnr.iowa.gov)

CITY OR COUNTY	ORDINANCE NO.	STATUS	AUTHORITY	COMMENTS
Algona	No. 859	Acceptable	Algona Municipal Utility	Prohibition, unless special exception permit
Anamosa	No. 727	Acceptable		Prohibits drinking and non-drinking water wells within city limits.
Armstrong	Title II, Ch. 6, Art 12, Ordinance NO. 2001-01	Acceptable	Superintendent of Public Works	Effective July 2, 2001
Arnolds Park	No. 90.20	Acceptable	City Administrator	Prohibition unless determined by CA to be "reasonably accessible"
Blairstown	Ord. No. 176	Acceptable	City Council	Permit denied if well within 200 ft of public water.
Burlington	Ordinance No. 3151	Conditional	Burlington Municipal Waterworks	Restriction only applies to drinking water wells and allows non-drinking water wells.
Black Hawk County	Health Dept Regulation 3-94	Acceptable	County Health Department	Require investigation and submission of local ordinances as well.
Britt	Chapter 90	Unacceptable		Mandatory connection to public water but no restriction on private well installation, no permitting process,
Carroll	Ord. No. 0308, Ch. 94.01-04	Acceptable	City Manager	Permit required, prohibits permit if public water is within 200 feet of property.
Cascade	Ch. 90	Unacceptable		Mandatory connection to public water but no restriction on private well installation, no permitting process.
Charles City	Ord. No. 1000 Amended 90.03	Acceptable	?	Not clear who makes the determination of availability.
Center Point	Ord No. 90.03 and Ord. No. 147.04	Acceptable	"City"	Need to determine who represents the "City" when submitting certification letter.

Cherokee	Ch. 147.06	Acceptable	City Engineer DNR is permitting authority	Ordinance prohibits "non-public water wells". No city permitting process. Cherokee County is not a delegated authority. Certification letter needs to clarify drinking and non-drinking water interpretation.
Cherokee County	County Resolution #96-3	Pending		Require investigation and submission of local ordinances as well.
Clarinda	No. 784	Acceptable		
Clarke County	Ch. 04	Acceptable	County Sanitarian	Permit required; permit may be denied if granting it could threaten public health or the environment
Clinton	No. 152 No. 2300 (8/23/05) No. 2324 (5/23/06)	No. 152 Acceptable for defined Liberty Square Area  No. 2300 Acceptable for a large area of Clinton  No. 2324 Applies to same area defined in No. 2300		No. 152: Restrictions only apply to Liberty Square area. Ordinance does not expressly restrict wells, just requires permit but City interprets it to deny private wells.  No. 2300. Applies to a larger defined area.  No. 2324. Applies to same area defined in 2300; some changes made to language of No. 2300 ordinance.
Coralville	Ordinance No. 90.07	Acceptable	??	Prohibits any type of well supplying potable water if public water is available at an abutting street, alley or right of way. (may not apply to non-drinking, but city has signed certification letter saying will interpret it for both drinking & non-drinking)
Council Bluffs	Ch. 4.33	Acceptable	Dept of Health	

Dallas County	Health Regulation Title IV, Ch. 32A  Health Ordinance Ch. 32	Acceptable	County Sanitarian	Prohibits "non-public water wells" if public water is available "unless approved by the County Sanitarian".
Dallas Center	Ch. 90	Unacceptable		Mandatory connection to public water, restriction on installation of private wells, no permitting process.
Decorah	Ord No. 13.36	Acceptable		No new private wells at all – existing wells ok; city wells if needed for public water purposes; geothermal loops ok
Denison	Ord. No. 1217	Acceptable	Building Commissioner	
Des Moines	Polk County Ord. Ch. IV and Des Moines 28E. Ordinance No. 49.3(11)	Acceptable		
DeWitt	Chp. 90	Acceptable	Director of Public Works	No new wells within 300 feet of public water
Dubuque	Ch. 42	Unacceptable pending revisions	City Administrator	City wide prohibition unless public water is not within 100 ft.
Eagle Grove	Ch. 94	Acceptable	Water Superintendent and Water Board	City wide prohibition if within 200 ft of water main subject to exception for "hardship" and "special circumstances".
Early	Title III, ch. 90 Ch. 128 Ordinance 269	May be acceptable a case by case basis	City of Early	Ordinance requires all residences and business establishments within City limits using water for human habitation or occupancy to connect to the public water system. Private well installation shall be prohibited where public water is available.

Eldora	Ord. No. 767	Acceptable	City of Eldora	All residences and businesses within city limits shall connect to public water system. New wells may be drilled only upon property which does not have access to city water within 350' of property, permit and registration of well required.
Elkador	No. 2003-10	Acceptable		
Estherville	Ord No. 702	Acceptable		Mandatory connection to PWS if within 200 feet; permit approval through Emmet Co. Environmental Health Specialist
Gilman	No. 137	Unacceptable		Mandatory connection to public water, no restriction on private well installation, no permitting process.
Glenwood	Ordinance No 733	Acceptable	Glenwood Water Board	
Grundy Center	Ordinance No. 459	Acceptable	Public Works Director	
Guthrie Center	Ordinance No. 2000-02	Acceptable	City Clerk	
Hamburg	Ch. 93	Acceptable		City Council is permitting authority.
Hampton	Ch. 93	Acceptable	Water Superintendent	
Hiawatha	??	Acceptable		City Ordinance generally prohibits private wells and requires applicant to obtain County permit.
Hinton	Ord. No. 247	Acceptable	No Local Permit system	Blanket prohibition on private wells, need County certification
Iowa Falls	Ord. No. 93	Acceptable	Permit Application to City Clerk	Prohibition on "private wells" if public water within 200 feet.
Independence	Ch. 90.03	Acceptable	? Water Superintendent	Private well not defined to include non-drinking water well.

Iowa City	Ordinance No. 14-3C-10	Acceptable	Public Works Director	Private well not defined to include non-drinking water well.
Kalona	2006-283	Acceptable	??	Prohibits new private wells within 300 feet of public line
Keokuk	Ordinance 1865	Acceptable	Public works department	Prohibits private wells within 300 feet of public line unless undue hardship.
Keosauqua	No. 96	Potential Acceptance	Water Super certifies public water availability.	Prohibits private wells, within "area of concern" no definitions, also regulates based on availability of public water.
Kingsley	Ordinance No. 143	Acceptable		
Lansing	Ordinance No. 163	Acceptable	Permit from City Clerk	Prohibits all private wells within city limits unless public water not available within 100 feet.
La Motte	Ordinance No. 104-02	Acceptable	City Permit	Prohibits private wells within 300' of public water and within an "area of concern" approved by DNR. Only approve as to the 300' restriction.
LeClaire	Ordinance No. 622	Acceptable	City	Prohibits all drinking water wells within 200' of public water supply; discretionary authority to issue permits for non-potable wells for irrigation, livestock, and closed-loop systems....
Lee County		Potential	County Bd. of Health	Require investigation and submission of local ordinances and dual certification of county and city.
LeMars	Ordinance No. 807	Acceptable		
Lester	Ordinance No. 3-2004	Acceptable	City Council	Prohibition if public water accessible, unless "clear and convincing" evidence that public water is not sufficient.

Little Rock	Ordinance No. 09-03-2002	Acceptable, Site by Site review necessary	City of Little Rock	Restricts drinking and non-drinking water wells within a defined area of the City
Linn County	Board of Health Housing Resolution 3-68	Under consideration		Regulation requires connection to public water applicable to habitable buildings. Uncertain as to non-drinking water and applicability in towns larger than 25,000 with local Dept. of Health.
Lowden	Ord. No. 761	Acceptable		No definition of private wells, certification letter must specify drinking and non-drinking wells.
Manchester	Ch. 94	Acceptable	Building Inspector	Prohibits private wells, not defined, subject to hardship standards, permit system and annual sampling.
Mapleton	Ordinance No. 407 (amending Ord. 13-04-020)	Acceptable	Permit through City Clerk	No new wells within 500 feet of public water
Marshalltown	Resolution No. 3 Resolution #?? adopted 10/28/08	Acceptable, conditioned upon the Water Authority confirming that drinking and non-drinking water wells would not likely be permitted.	Uncertain but probably CEO	Resolution #341 prohibits private wells within city limits and the resolution passed on 3/17/03, applies to non-drinking water wells and requires oversight and permitting. This ordinance along with certification letter from Marshall County Sanitarian recognizing local restrictions should be acceptable.  2 <sup>nd</sup> Resolution requires permit for non-drinking water wells, including geothermal and closed systems.
Marquette	No. 332	Acceptable	Permit from Sewer & Waste Superintendent	No wells in defined area if access to public water within 300 feet
Mason City	Ordinance 09-06	Acceptable	Permit From Engineering Dept.	Prohibition if public water is available within 200 feet

Minden	Ordinance No. Ch. 93	Acceptable	Permit through City Council	Prohibition if public water is available within 200 feet
Monticello	Ch. 93	Acceptable	Water Superintendent	
Montrose	Ordinance No. 181 and 187	Case by case		A number of issues re: restrictions within a defined area and based on a case by case determination of an "area of concern".
Moville	Ordinance No. 2002-9	Acceptable	Zoning Administrator	
New Hampton	53.3	Case by case	No Permitting	Prohibits installation of private wells if public water is available, but there is not a permitting process; also not clear if it applies to non-drinking water wells.
Osage	Chp. 93	Acceptable	Director of Public Works	No wells within city limits but exceptions can be granted in "director of public works" sole discretion. Will make GWP certify that connection to public water is available when granting exception.
Ottumwa	No. 2890-2000	Acceptable	Health Dept	
Oxford Junction	Title V, Ch. 12	Acceptable	Public Works Dept.	
Pacific Junction	Ch. 9, section 6.9.1-9	Acceptable	"the City"	Prohibits private well but does allow sandpoint wells for irrigation unless within an area of contamination. City must acknowledge they would not permit a sandpoint well.
Persia		Not Acceptable		Standard ordinance only requiring connection
Polk County	County Ordinance Ch. IV	Case by case	Dept of Health	Require investigation and submission of city ordinance and dual certification if possible.
Preston	Title VI, Ch. 14	Acceptable		City Council makes determination on well prohibition within 300 feet of public water main.

Princeton	Ordinance No. 206	Acceptable case by case		No definition of "private well"
Red Oak	No. 479	Acceptable	Superintendent	Permit required, no private wells within 200 ft
Reinbeck	No. 06-10-01	Acceptable		Permit required, no private within 200 ft of public water
Rock Rapids	Ordinance No. 613	Acceptable		
Roland	No. 90.03 as amended, No. 34	Acceptable with special certification letter.		Mandatory connection within city limits, City will acknowledge interpretation that prohibits private well installation as well.
Sac City	Title VI, Ch. 1, Art 2. Ord. No. 2005-171	Acceptable		Mandatory connection, prohibition if public water within 200 feet.
Sergeant Bluff	Ordinance No. 501	Acceptable	Superintendent	Superintendent determines if water is "adequate" and reasonably available.
Sheldon	Ch. 90, amended by Ordinance No. 002-3130	Acceptable Case by case		Uncertain as to "non-drinking" water wells.
Shenandoah	Ch. 90.20	Acceptable	City Council approves any permit	Ordinance actually requires city engineer to make determination of availability of public water. City Administrator has signed the certification letter in some cases.
Sibley	Ord. No. 575-02, Chapter 7A	Acceptable	Licensed Engineer determines availability	DNR has permitting authority.
Sioux City	No. 99-07725	Acceptable	Environmental Services	
Solon	Ch. 93	Acceptable	Permit required from Clerk.	Restricts "private wells", clarify that inclusion of non-drinking water wells.
St. Marys	Ord. No. 63	Acceptable		No private wells within city limits
Storm Lake	Ord. 12-O	Acceptable	Permit required from BV County Sanitarian for non-drinking	No drinking wells; non-drinking wells require permit

Story City	Ch. 90	Unacceptable		Mandatory connection to public water, no restriction on private wells.
Swea City	Ordinance No. 589 and Resolution 8-2002	Acceptable		Prohibits private wells within city limits unless public water is not within 500 feet of property or "undue hardship".
Tabor	Ordinance No. 168	Acceptable	Mayor to make certification determination	
Tama	Ord. No. 519 Title 1, ch. 1, Art 1, section 6-1.0103	Acceptable		
Traer	Resolution 11-07-01-1	Acceptable case by case	City Utility	Private well definition,
Traynor	Ord. No. 125 Title VI, Ch. 1, Art 6-1.0230 & 0231	Acceptable	"City"	Prohibition of non-public and private wells if public water is "reasonably accessible" unless approved by the City.
Vinton	Ch. 93	Acceptable case by case		
Waverly		Not Acceptable		No prohibition against drinking AND non-drinking wells.
Webster City	No. 1672	Acceptable		No private wells within 300 feet of public water
Wellsburg	Ch. 93, amended 11-2008	Acceptable	City Clerk, Council vote	No private wells within 300 feet of public water
Welton	Ordinance No. 6-3-2A.	Acceptable		Amendment dated June 5, 2009 prohibits all private wells within the corporate limits.
Wheatland	141-09, amended	Acceptable – pending certification letters		No private wells in contaminated area.
Whiting	Proposed			
Woodward	Ordinance No. 06-318	Acceptable	Water Superintendent	No private wells within 500 feet of public water.
Wyoming	Ordinance No. 90.03	Not Acceptable	Superintendent	Does not prohibit installation of private drinking or non-drinking wells.

# **CLAIMS REVIEW**

**JUNE 2011**

## **ILO CLAIMS**

**(Low Risk, NAR, NAR / FP, Not Classified)**

# **CLAIMS REVIEW**

FY 2011

All Open Claims Reporting

## **IV. Summary**