



IOWA UNDERGROUND STORAGE TANK

Financial Responsibility Program

Douglas M. Beech, *Chairperson*

Scott M. Scheidel, *Administrator*

Board Members:

Michael L. Fitzgerald

Joseph D. Barry

Eric W. Johnson

Karen Andeweg

Roger Lande

Dawn Carlson

Jeff W. Robinson

NOTICE OF PUBLIC MEETING

A public meeting of the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board has been scheduled for 10:00 A.M., Thursday, September 22, 2011. **The meeting will be held at the Iowa Insurance Division located at 330 E Maple St, Des Moines, Iowa.**

The tentative agenda for the meeting is as follows:

10:00 a.m. Call to Order

1. Approval of Prior Board Minutes
2. Closed Session Discussion of Pending and Imminent Litigation (To adjourn by 10:30 a.m.)
3. Public Comment Period
4. Board Issues
 - A. RFP – Iowa UST Operator Data Management System
 - B. PMMIC LPT Bidding Practicability
 - C. DNR Update
5. Approval of Program Billings
6. Monthly Activity Report and Financials Reviewed
7. Attorney General's Report
8. Claim Payment Approval
9. Contracts Entered Into Since July 14, 2011 Board Meeting
10. Other Issues as Presented
11. Correspondence and Attachments

Approval of Prior Board Minutes



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

MINUTES IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM

July 14, 2011

ANNUAL STRATEGIC PLANNING SESSION HAMPTON INN MARSHALLTOWN, IOWA

Doug Beech, Chairperson, called the Iowa UST Board meeting to order at 9:41 A.M. A quorum was present. Roll call was taken with the following Board members present:

Doug Beech
Dawn Carlson
Karen Andeweg
Jake Friedrichsen
Tim Benton for the Attorney General's Office
Eric Johnson
Joseph Barry

Also present were:

Scott Scheidel, Administrator
James Gastineau, Program Administrator's Office
Charla Garnes, Program Administrator's Office

STRATEGIC PLANNING SESSION

Mr. Beech welcomed the public and members to the annual meeting, and thanked staff for finding an alternate location for the meeting due to the circumstances of recent days which had damaged the scheduled location in Marshalltown.

Mr. Beach reviewed the agenda for the day, which included a morning session of Strategic Planning for the current fiscal year (2012) and a regular Board meeting following a break for lunch.

I. Evaluation of Past Program Goals and Program Status

A. Current Program Status

Mr. Scheidel reviewed the Program status document in the Board packets with Board members, going into detail regarding the Program history for the benefit of newer Board members. He reviewed the history of the remedial program, the loan guarantee program, the insurance program, and program funding, including all UST funds (revenue, comprehensive UST, unassigned revenue, remedial, marketability, innocent landowner, no further action, loan guarantee, insurance, aboveground storage tank, bond, and capital reserve funds). Operational issues were reviewed including processes of prior contract approval, the use of 28E agreements, community remediation projects, cost recovery, innovative technology, risk based corrective action (RBCA), rural distribution network, small business/financial hardship, brownfield's redevelopment, innocent landowners, privatization of insurance program, technical training, owner/operator outreach, rule review, aboveground storage tanks, and loss portfolio transfer.

Mr. Scheidel announced that the Loan Guarantee Program has been completed as of June 30, 2011, stating that the last loan was paid off early. The remaining funds of \$276,905.54 will be transferred to a working account during the 2012 fiscal year.

Regarding Program funding, Mr. Scheidel noted that funding was initially set by the legislature at \$12 million per year, then was raised to \$17 million to correspond with the issuing of bonds, and in this legislative session was decreased to \$14 million with \$3 million now going to the Iowa Renewable Fuels Infrastructure Fund. Previously, the program also received 77% of the annual tank registration fees collected by the Department of Natural Resources. During fiscal year 2009, tank fees generated approximately \$526,500.00, and the Board had received \$402,405.00. The Board had previously entered into 28E agreements with the Department to essentially transfer the funds back to the Department, and in FY 2010 legislation changed the allocation so that all of the tank management fees are now provided directly to the Department.

Mr. Scheidel provided an overview of each of the funds within the UST Fund noting that several have been zeroed out due to completion of activities, payment of bonds, and ending of specific programs, such as the loan guarantee and above ground storage tank programs. Mr. Scheidel noted that the balance of the UST Innocent Landowner Fund had been partially depleted due to the necessity in meeting the FY 2011 funding provisions for other agencies. Mr. Scheidel noted that replacing funds would be necessary in the upcoming year to ensure proper balances are maintained for claim payments and future claims.

*Ms. Elaine Douskey (Department of Natural Resources) arrived at approximately 9:50 a.m.
Mr. Jeff Robinson (Board member) arrived at 9:58 a.m.*

Mr. Scheidel reviewed the program operational issues as noted in the memo presented to the Board. These include maintaining prior budget approval for services to be completed and in cases, where such approval is not obtained, and limiting reimbursements to reasonable costs. Mr. Scheidel noted that the Board maintains several 28E agreements with the Department,

including several for special projects such as the closure contract project which would be an item later in the day. Mr. Scheidel noted that the Community Remediation Program was originally set up to address contamination from a regional standpoint by hiring a contractor to complete a large number of assessments in a community but had changed to an oversight program involving commingled contaminant plumes or overseeing work at individual sites needing special handling. Mr. Scheidel noted that cost recovery continues to be pursued where necessary, noted that innovative technologies continue to be examined, and noted that the RBCA program continues to evolve and that the program has been very successful for the state.

Mr. Scheidel noted that the Board continues to monitor the sites transferred in the loss portfolio transfer agreement that had been entered into in March of 2007 with Petroleum Marketers Management Insurance Company. Mr. Scheidel reported that of the ten claims transferred to PMMIC, two had closed and one other was pending report review for closure. Mr. Scheidel noted that since 2007, there were again a number of sites with cost-share agreements in place on active claims and a possible LPT on those sites was also possible. Mr. Scheidel noted that in the future, an LPT may be an avenue to get the sites to closure.

Lastly, under Operational Issues, Mr. Scheidel provided information on the UST Operator Training program. In FY 2010, the Board had paid \$167,900 for the training of Class A & B Operators and been notified of that 1,768 individuals had been trained in Iowa. Mr. Scheidel noted that for the future of the program, funding may be provided for training and tracking of Class C Operators which will likely be a continued need in the State of Iowa.

Mr. Scheidel discussed the reduction in claim count referenced on the June 2011 monthly activity report, as well as, the invoice types paid in terms of dollars and percentages, as shown in pie charts in the Board packets. He explained the first pie chart showed claim payments by invoice type over the program-to-date. He noted that the most significant number of dollars spent over the life of the program was for site assessment, including site cleanup reports (21%) and RBCA (10%).

Mr. Gastineau presented a memo regarding the remedial innovative technology (REMIT) and community remediation projects (CRP) that remained open going into FY 2011. He noted that most of the older projects are in a monitoring phase, while a few of the more recent projects are having remediation completed. Mr. Gastineau noted several sites have private water wells as a concern or are in an area designated as a protected groundwater source, and that both conditions present a difficult situation to remedy. Mr. Gastineau noted that the last REMIT (Innovative Technology) project in Council Bluffs continued due to the continuing presence of free product near the site. Mr. Gastineau also noted that a snapshot of the budgets associated with each project was included in the Board packet for reference; a particular note was made for the Council Bluffs CRP in that the budget indicated more than \$1 million had been allocated for the project. Mr. Gastineau noted that the project involved 4 sites, thus, budgetary authority was less than the statutory cap for each site. Mr. Scheidel also noted that the budget for the Sioux City project included a possible payment for the closure of the Cook Park well field however with the Missouri River flooding it seems unlikely that the wells will be closed in the next year. Mr. Johnson inquired if the program reserves reflect this pending payment,

and Mr. Scheidel noted it did. Mr. Scheidel also noted that the payment had been a line item in the FY 2009 budget, as the well closure had been anticipated, however has not been an item in the recent budgets. Mr. Scheidel noted that if desired, the Board could reinstate the line item for the current budget. Mr. Johnson asked if there was a method to protect the funds needed, and Mr. Scheidel noted, with Mr. Benton's agreement, that it may be possible to set aside the funds in a trust account established for this purpose.

Mr. Scheidel next directed the Board's attention to charts and graphs regarding the Department of Natural Resources' (DNR's) leaking underground storage tank (LUST) sites, noting that 53% of open UST Fund claims were high risk LUST sites, 28% were low risk sites, and 5% were NFA sites with free product, and 11% (or 89 sites) are already classified NAR by the Department. Mr. Scheidel also referenced a pie chart which showed that 83% of all DNR LUST sites were classified NAR and Ms. Douskey noted that the national average was 72%. Mr. Scheidel next highlighted several bar graphs which showed the status of the DNR Open LUST sites with claim status; it was noted that in each category that there were several LUST sites that had no claim with the UST Fund. Next, he presented a spreadsheet and series of graphs containing fiscal year end data from 1990 to 2011. Data included in the spreadsheet and in the graphs involved total numbers of open claims by year and total amount of outstanding reserves by year, as well as, totals for individual claim types (remedial and ILO). Additionally, the graphs provided a comparison between the outstanding reserves of each claim type and its corresponding fund balance. He discussed the historically significant trends shown in the graphs, including the influx of claims in 1992, as site owners didn't want to miss the deadline in case their sites had confirmed releases and the drop in reserves between 1994 and 1995 period due to the adoption of the RBCA process.

Following the review, Mr. Scheidel reviewed a spreadsheet of projected cash flows available for corrective action costs. Mr. Scheidel noted that the sunset date of June 30, 2016 is the sunset for the EPC collection, not the sunset of the \$14 million appropriation, although it is expected that the appropriation will end at the same time. Mr. Scheidel explained the difficulty of predicting how claimants might move forward to remediate their sites and quantifying such. He noted the projections are high, only so unexpected claim amounts could be accounted for as work moves forward, such as work on low risk sites. Mr. Scheidel noted that the projections include an annual reduction of approximately 150 claims and a corresponding reduction in projected reserve balances. In discussion, Mr. Scheidel noted that the projected balance at 2017 is approximately \$26 million, which could be used to establish ending accounts to assist the Department in funding NFA sites or sites where no funding is currently available.

Mr. Johnson expressed concern that the projected budget is unrealistic, especially as it relates to the future government transfers and inquired if alternatives such as private insurance could be considered to fund. It was agreed that if the Fund retains balances those developing the state budgets may continue to see the Fund as a cash rich entity, instead of a program with significant liabilities. Mr. Scheidel noted if the funds were allocated to different accounts, such as trust funds for the Department and for claims where large payments were anticipated, that those actions might protect the funds and allow them to be used for the designated tasks. Mr. Scheidel also noted that as work progress, especially on low risk sites, reserves and

liabilities are likely to change as we learn more about the sites and as the Board considers payment for corrective actions that were not previously contemplated.

Ms. Carlson expressed concern as to whether too much time was spent on protecting the funds that are currently available, noting that in the memo presented for the Claims Review, it was noted that cost recovery remains a founding principle of the program. From this statement, the concern was whether Fund staff was being too demanding on owners and operators, and their consultants, in trying to save funds by seeking the lowest cost alternatives. Mr. Scheidel noted the cost containment principle was a matter of law and while that exists, the three budget requirement has essentially been set aside except for larger cost items. Mr. Beech noted that the issue is one that is constantly reiterated in that funding is in place however funding must be provided with care so as not to allow the fund to be used without responsibility. Mr. Beech noted that for those who work in some other states, such as Illinois, funding was provided without control and unfortunately, the funding stream was overwhelmed such that funding is no longer available, or at least not without a considerable delay.

Discussion continued to question how to move the sites forward and/or who should direct work at sites. Ms. Carlson noted in the Corwith case discussed earlier in the year the owner/operator had a concern about environmental risk however his consultant did not share the same concern, thus, it was questioned as to whether the fund have taken control to direct the work. It was noted that the fund does not have that role. It was also noted that for most sites, the owner is in control or has delegated that duty to his/her consultant. Mr. Scheidel did noted that removing an owner from the span of control was possible and is essentially the basis of the State Lead oversight project, where the Board retains a contractor for that specific purpose. Mr. Scheidel noted future projects were also possible, but doing would require an owner to sign a document acknowledging the fact that would still be responsible for certain costs, such as copayments, and that certain actions would be required of them, for example, working with the funding program to reduce or eliminate perceived risks. In addition to the State Lead program, the Board also discussed the option of having cities and counties take properties by back taxes and by eminent domain so as to receive funding for eligible sites. Mr. Scheidel noted that Board authority does provide additional funding mechanisms for these entities where sites are taken under certain set of conditions. The problem has been however that the public entities don't want the sites despite the availability of funding.

B. Status of 28E Agreements

Mr. Scheidel reviewed with the Board the 28E Agreements the Board had entered into since the inception of the program, noting that seven of the 27 agreements had expenditures in FY2011. It was noted that the agreement listed in number 27 related to a payment designated for FY 2010, but was not paid until August of 2011.

C. Attorney General's Report

Mr. Benton noted that he did not have anything to report for the Board.

D. Prior Year's Goals

Mr. Scheidel reviewed with the Board the goals set in August 2010 to continue to close UST sites. A goal of 165 net claims closed was set to measure the Board's progress for closing sites, and 100 corrective action meeting, and then to jointly evaluate all open claims with the DNR for understanding project status, obstacles, and determining methods to move the sites forward. Mr. Scheidel noted the memo presented the quarterly review of the goals, and noted overall that 189 claims were closed, while 51 claims were new or reopened; staff participated in 63 corrective action meetings, and that all claims were reviewed.

II. DNR Report on UST Issues

The DNR discussion was postponed to the regular Board meeting session.

III. Program Goals—Fiscal Year 2011

Mr. Scheidel provided the Board with an outline of topics to discuss regarding goals for fiscal year 2012. These may include:

- A. Issues from Last Year**
- B. Getting Sites to Closure**
- C. Maintain Short and Long Term Solvency**
- D. Legislative Initiatives**

He noted that numerical goals, activity goals, and process improvement goals had been set in previous years and noted this could continue. It was suggested that since the claim numbers have decreased, one goal may be to review a set group of sites each month and report on the findings, follow up on DNR coordination on special sites and reviewing eligibility, i.e., closing claims that have not been verified. Mr. Scheidel noted in the solvency goal, it may mean looking at cash flow alternatives or establishing a longer term trust fund for DNR or special projects such as the Sioux City agreement.

Mr. Scheidel reported that one of the major holdups at sites was hesitant responsible parties, in his opinion. Although recent legislation removed the co-payment burden from qualifying innocent landowners, he said many times the administrative burden prevented several site owners from cooperating with the remediation effort. One remedy for this obstacle would be the use of the CRP process. Mr. Scheidel noted this concept could include the 'lost sites' which are not fund eligible or where an owner cannot be found.

In discussing the Claims Review, Mr. Scheidel noted that when the claims reviews started the goal was to determine if there were any groups of sites that could be moved. He noted that there were not significant groups, however with the recent legislation corrective action could be completed at low risk sites now in monitoring. Mr. Scheidel noted that for these sites the issue would be how much to spend on corrective action, for example for a targeted excavation may be 5 times the estimated cost for monitoring or maybe more. Mr. Beech noted that he would be in favor of additional expenditures however would want the work to be sufficient to

bring the site to a closure. Mr. Gastineau noted that if where an excavation is completed, the Department would likely require monitoring continue for 1 or more years to evaluate the change so it is unlikely monitoring would cease. It was also noted that once excavation is completed some sites could go to high risk or may require more remediation than had been anticipated.

Mr. Scheidel also noted the claims review identified a group of low risk sites where an institutional control or environmental covenant might move a site to closure. It was noted that many communities in Iowa have ordinances which prohibit wells, yet some of the major cities still do not these controls in place. For sites where plumes are limited in size, an environmental covenant to restrict future well placement on the specific site could close a site. Mr. Scheidel asked the Board if they wanted to require a claimant under certain conditions, i.e., where water is available, the claimant is the responsible party, and where an environmental covenant (EC) would be applicable, to place an EC on their property or be subject to a loss in funding? Mr. Scheidel also noted that this same concept could be applied to neighbors, however in that context the question would be how much is it worth to eliminate the receptor, or how much would the Board be willing to pay a property owner to restrict wells on his/her property. Mr. Beech inquired as to what value water rights would be if the water is contaminated or if public water is available. Mr. Scheidel noted that merely possessing the water rights has some value whether an owner intends to use the right or not; asking someone to give up that right or perceived right should not be without compensation. Mr. Johnson noted that if all the conditions noted applied, then he would concur that the Board should restrict benefits, however noted that some discretion must be allowed. Regarding local ordinances, Mr. Scheidel noted a map was provided showing the State of Iowa and the counties with the most open LUST sites. It was noted if ordinances were enacted in these locales, a number of LUST sites could be closed in a rapid manner.

The Board took a break for lunch at 12:05 P.M.

The Board reconvened at 12:30 P.M.

The Board members resumed discussion of the ordinances following the lunchtime break. It was noted that several attempts have been made to secure ordinances in the major counties however as Mr. Scheidel noted it was considered by many to be a taking of one's rights. Mr. Scheidel noted staff would continue to seek avenues to obtain these ordinances or to seek an EC where possible.

Mr. Scheidel continued the review of the claims review memo noting the review identified several issues relating to funding of claims. Of particular interest were sites which have been sold, but a new owner has not opted to take control of the benefit claim. In these cases, the past owner is left in control of the claim but generally has little incentive to move forward especially in those cases where he too would not be considered a responsible party. Other financial concerns were noted for claimants who declared bankruptcy and then lose eligibility for UST Fund benefits. Mr. Scheidel did note that the 2010 legislation which removed the copayment requirement for certain ILO claimants has helped some projects move forward.

In the final section of the Claims Review memo, the topic of how to get sites to closure was discussed. Mr. Scheidel noted that Board does not have the authority to direct work, but does have the ability to provide an incentive or disincentive to claimants who do or do not perform as required. In 1999, the Board had adopted rules requiring assessments be completed by a certain date; the use of such a requirement at this time, could be enacted to require a plan of action of a DNR Memorandum of Agreement to be adopted by a certain date. Mr. Scheidel also noted that the Board could choose to use its contracting authority to develop groups of State Lead projects to assist owners in moving their sites toward closure. Such projects could include sites that are both fund eligible and non-funded, much like the current contracts already in place. Other options to be considered could include claimant or group settlements, development of a Loss Portfolio Transfer (LPT) for groups of sites, payment of a claimant's copayment, or providing direct payment to a consultant.

IV. Summary

Mr. Scheidel summarized some recommended goals to include 1) using CRPs in more instances so as to move sites to closure; 2) review low risk sites for possible excavations or targeted actions 3) increase coordination with DNR; and 4) develop the idea of putting funds aside each year for a trust fund for use to close out the program. Mr. Scheidel offered to write a synopsis of the Board's goals discussion.

Mr. Norris noted one of the options mentioned was a Loss Portfolio transfer and noted that PMMIC was still interested in pursuing this option with the Board. Mr. Norris indicated that he would be bring a memo to the Board, possibly as early as the next meeting to have discussion started on this concept. Mr. Beech noted that an LPT was certainly a possibility however his firm would not be interested in such an approach at this time.

Ms. Douskey inquired as to the bankruptcy issue which Mr. Scheidel had noted in the review and asked if this was something that the Board would consider for a legislative change. Mr. Scheidel noted that the bankruptcy exclusion was in the original legislation that pertained to the retro-active claim sites. These claims were given eligibility after the fact, it was his understanding that the exclusion existed to prevent someone from declaring bankruptcy, but then seeking reimbursement for those same costs at a later date. Mr. Scheidel noted that the same provision was used in the ILO claims, as some of those same conditions applied. Mr. Johnson asked why the exclusion applied, as it seemed that the provision would a type of discrimination. Mr. Benton also note he thought this legislation could be challenged as this may constitute a discriminatory action against a claimant. In a similar matter, Mr. Binning (Seneca Companies) asked if the Board had an ability to stop the setoff of monies taken by the Department of Revenue. Mr. Scheidel explained that the setoff arises after claims are processed by the Fund, that the state examines their records to determine if the claimant owes money to the state, and if so, they use the right of setoff to collect what is due. Mr. Scheidel noted that when this condition is identified, the Department of Revenue has on occasion released the funds as it is a reimbursement for work completed and not funds for the claimants use. Mr. Beech asked Mr. Scheidel look into the option of removing the bankruptcy provision and if possible to examine the setoff provision to make Fund reimbursements exempt. In lieu of the latter action, Mr. Scheidel noted he would work with the Department of Revenue to

determine if the Fund could be notified before a setoff, so as to determine if payment could be made rather than trying to create legislation to get around an exception to another rule.

The Strategic Planning Session ended at 1:05 P.M., and moved into general Board business at that time.

APPROVAL OF PRIOR BOARD MINUTES

The minutes from the May 25, 2011 meeting were reviewed. Ms Carlson noted she was present at the meeting, however had been omitted and Ms. Andeweg noted that she was absent however had been noted as present at the meeting. With the two changes noted, Mr. Barry made a motion to approve the minutes and Mr. Johnson seconded, and by a vote of 6-0 the minutes were approved.

CLOSED SESSION

Mr. Beech noted there were no matters dealing with litigation for discussion in closed session pursuant to Iowa Code Chapter 21.

PUBLIC COMMENT

Mr. Beech asked if anyone wished to make a public comment, and hearing none closed the public comment session.

BOARD ISSUES

A. Legislative Session

Mr. Scheidel noted that the 2011 legislative session ended on June 30th, just in time for the start of the new fiscal year. Mr. Scheidel, noted as expected that the legislature had adopted SF 531 and the Governor has signed the bill which directly affected the Board by reducing the quarterly transfer of monies received from \$4,250,000 to \$3,500,000 per quarter. The difference of \$750,000 per quarter was to be deposited in the Renewable Fuels Infrastructure Fund. Mr. Scheidel noted that he had continued to ask for inclusion of optional language to place the Board in control of the funding, although not to deny the funding, however one the bill had been negotiated, there was little will to change the language. The bill was signed into law on May 26, 2011.

B. 12-Month Board Meeting Schedule

Mr. Scheidel provided the Board members with a tentative meeting schedule for the next 12 months noting 10 meetings are planned for the year. Mr. Johnson inquired as to the need for monthly meetings and asked if an alternative schedule may be possible. Mr. Scheidel noted monthly meetings are not required and given that meeting times are generally less than an hour, extending time frames between meetings may be possible. Mr. Scheidel noted that he would review the question about scheduling with GAB and DNR to determine if an alternate

schedule could be derived yet still meet the needs of all parties to ensure work progresses without delay.

C. Fiscal Year 2012 Budget

Mr. Scheidel presented the Board with a budget to reflect expected receipts and expenditures from July 1, 2011 through June 30, 2012. It was noted that the Revenue Fund has a starting balance of \$9.29M and will receive an additional \$14M in the next year. Mr. Scheidel made the recommendation that the majority of these funds be transferred to the various accounts to replace monies that were removed in the past fiscal year due to legislative transfers to other departments. Mr. Scheidel noted \$9M would be transferred to the Unassigned Revenue Fund, which is essentially the checking account for the program where day-to-day expenses and fees are allocated from, and then \$7M to each of the Remedial Fund and to the Innocent Landowner Fund for future claim payments. Mr. Scheidel noted with projected expenses the fiscal year ending balance would be approximately \$23.58M.

Mr. Johnson asked if the budget could be amended to account for unknown conditions. Mr. Scheidel noted modifications could be made if a significant issue arose, such as a diversion was made known however noted modifications were generally not made for items contained in the projections, such as not achieving projected claim payment amounts. After some discussion, Mr. Johnson submitted a motion to approve the Fiscal Year 2012 budget, and Mr. Barry seconded. The FY 2012 budget was approved by a vote of 6-0.

D. FY2011 Reimbursement Agreement with Attorney General's Office

Mr. Scheidel presented the Board with a proposed Agreement received from the Department of Justice for services in the next fiscal year. Mr. Scheidel noted the terms of the agreement are the same as in the past year with compensation at \$65,000 for fiscal year 2012. Mr. Johnson submitted a motion to approve the Agreement for Fiscal Year 2012, and Mr. Friedrichsen seconded. The Department of Justice agreement with the Board for services in FY 2012 budget was approved by a vote of 6-0.

E. USTCA – Contractor Selection

Mr. Gastineau presented the Board with a memo outlining the history of the State of Iowa Closure Contract project. Mr. Gastineau noted that the concept for the project originated in the late 1990's and was designed to assist the Department in meeting regulatory goals on sites which are not eligible for funding or where the responsible party or operator is either unable to pay for the necessary work or is recalcitrant in performing the necessary tasks. Mr. Gastineau noted that in the prior contract periods, more than 130 sites have been worked on, and many of these same sites attained regulatory closure through the process. It was noted that the project work generally is limited to sites selected by the Department however in the current contract, the Board would have the option to select sites as well, for the purpose of completing corrective action activities such as UST closures, site checks, RBCA investigations, monitoring well closures, and where necessary, corrective action to address emergency conditions.

Mr. Gastineau noted that an RFP had been issued in April 2011, and seven bids were submitted in response. Mr. Gastineau noted that as this is a joint effort, the proposals were evaluated by both the Department and the Administrator's staff. Mr. Gastineau noted that the memo presented outlined the scores of the bids presented and also noted that costs shown on the memo represent an example project of what might be encountered at a selected site. Based on the composite scores, Mr. Gastineau made the recommendation that contracts be awarded to Barker, Lemar Engineering Consultants and to Seneca Environmental Services, inc., the two firms evaluated to have the highest overall scores. Following some discussion, Ms. Andeweg made a motion to approve the recommendation, and Mr. Johnson seconded. The motion was approved on a vote of 6-0.

F. Class C Operator Training – RFI Update

Mr. Scheidel presented the Board with a memo outlining the responses received following the May 2011 Request for Information regarding Iowa UST Operator training and data management as it relates to Class C Operators. Mr. Scheidel noted that the RFI was issued to seek information on availability of vendors who could provide a mechanism for the purpose of providing a one-stop location for the administration and tracking of Iowa UST Operators and where possible, for training of Class C Operators. Responses were received from 5 entities: Antea Group, Barker Lemar Engineering Consultants, Seneca Companies, Iowa State University – Dept of Environmental Health and Safety, and Intesolv. Each of the five firms indicated the ability to provide a tracking system and four of the firms indicated that they had an Iowa DNR approved Class C UST Operator training program. Since the number of possible users for the tracking system was unknown, the costs for creation, maintenance, and operation of such a system were as requested, only an estimate. Mr. Scheidel noted that the estimates included a significant range, including a setup fee of \$10,000 to \$216,000, and then annual maintenance costs of \$10,000 to \$215,000. Mr. Scheidel also noted that for those firms with Class C training capability, the costs for training an individual ranged from zero, that is the cost was included in their respondent's operation and maintenance costs, to as much as \$10 per user. Mr. Scheidel noted that the number of individuals needing training as Class C Operators is generally unknown, however with an estimated 2800 operating UST facilities and estimated 5 clerks per facility, there could potentially be 14,000 individuals needing training. Mr. Scheidel noted that with the industry turnover rate at near 100%, as confirmed by Ms. Carlson, that at \$10 per person for training, annual costs for the training option alone may approximate \$140,000. Mr. Scheidel made the recommendation that an RFP be issued to retain the services of a one contractor to provide a Class C Operator training program, and a data management system for UST owners to use in tracking training of their employees as Iowa UST operators. Mr. Scheidel noted that the preference would be to retain a contractor on a flat fee with up to a certain number of trainees per year. Mr. Johnson noted his approval of the concept. Mr. Beech asked if any further discussion was need, and hearing none, discussion ended.

G. DNR Update

Ms. Douskey presented a memo outlining the function of the new Iowa DNR webpage and how to locate the UST Section information and information on the UST Fund Board. Ms. Douskey noted that the Board packets, with agenda and minutes could be found on their

website, as could the spreadsheets from the claims reviews that had been completed in the past year.

Ms. Douskey noted some of the highlights of the section for the past year, including the fact that the section was now fully staffed. Ms. Douskey noted that the \$2.6 million in funding provided by the USEPA through an American Recovery & Reinvestment Act (ARRA) grant was nearing an end; 38 sites had benefited from the funding and 10 sites achieved regulatory closure. Ms. Douskey noted that work was still ongoing but had to be completed by September 30, 2011 to comply with the agreement. Ms. Douskey also noted that as work would not be completed on all sites by the deadline, the Department would like to discuss options for further work on these same site with the Administrator for possible state lead projects.

Ms. Douskey also noted that with the funding provided by the Board, two firms had been hired as technical review staff to assist in file reviews and that the computer database upgrade needed for UST system compliance audits was near completion. Ms Douskey noted that for LUST files, there were currently 1,092 open claims and that 195 sites had been closed in FY 2011.

PROGRAM BILLINGS

Mr. Scheidel presented the monthly billings to the Board for approval.

1. Aon Risk Services.....\$ 94,333.33
Consulting Services July 2011 -- \$55,333.33
Claims Processing Services July 2011 -- \$39,000.00
2. Aon Risk Services.....\$94,333.33
Consulting Services August 2011 -- \$55,333.33
Claims Processing Services August 2011 -- \$39,000.00
3. Attorney General's Office\$8,622.32
Services provided for Underground Storage Tank Program
Billing for May 2011

On a motion by Mr. Johnson and a second by Mr. Friedrichsen, the billings were approved by a vote of 6-0.

MONTHLY ACTIVITY REPORT

Mr. Scheidel noted that the May and June monthly activity reports and financials were included in the packet for the Board to review.

ATTORNEY GENERAL'S REPORT

Mr. Benton noted there was nothing to report.

CLAIM PAYMENTS

Mr. Gastineau summarized the claim payment reports and project change orders in the Board packet.

1. Site Registration 8607082 – Fauser Oil Co, Oelwein

This was the first Board report for a site classified low risk for a protected groundwater source. The site also has free product present. A local ordinance to prohibit private water wells does not exist, thus an approach is being taken to adopt an environmental covenant in conjunction with site monitoring in hopes of reclassifying the site. Free product recovery is pending, following a 3rd party review to determine if costs should be shared due to indication of a new release. A Xitech system for free product recovery has been proposed for the product recovery. Total costs to date have been \$79,960.81. Additional authority to \$115,000 was requested for continuation of annual monitoring and implementation of a free product recovery system. Mr. Johnson noted the claimant was a client and therefore he would abstain from the vote. A motion to approve claim authority to \$115,000 was made by Ms. Andeweg and seconded by Ms. Carlson. Approved 5-0. Mr. Johnson abstained.

2. Site registration 8604513 – Auto Sales, LLC, Des Moines

This was the second Board report for a site currently classified low risk for the soil and groundwater vapor pathways for potential receptors. It was noted that soil resampling had been attempted to clear the site, however elevated contaminant levels were confirmed. An excavation of 800 to 1,000 cubic yards of soil is being proposed to remove the source area and in the hope of reducing groundwater contaminant levels.

Costs incurred to date are \$113,871.71; current budget authority is \$238,127.96. Costs to monitor the site are approximately \$1,000 per year, while the cost of the excavation and subsequent monitoring are estimated to be in the range of \$75,000 to \$125,000. No additional funding authority was requested; authorization to use the existing funding to complete an excavation on a low risk site was the purpose of the request. Motion by Ms. Carlson to approve the authority was made and seconded by Mr. Friedrichsen. Approved 6-0.

3. Site registration 9217512 – Callender School Bus Barn, Callender

This was the first Board report for a site classified high risk due to proximity of contamination to water service lines and water mains constructed with non-resistant gaskets. It was noted that remediation was to be taken to either remove the contamination or remove the receptors. Excavation was indicated to be unfeasible due to nearby structures (roads and buildings), thus replacing the water line was deemed to be the most effective alternative.

Estimated costs for the replacement are approximately \$68,000, although it is likely the site will remain low risk due to presence of contaminants. Future monitoring would likely be required. Costs to date are \$64,355.37. Projected costs are \$80,000 to \$150,000; additional

authority to \$180,000 was requested. Motion to approve the request of \$180,000 in authority was made by Mr. Friedrichsen and seconded by Mr. Barry. Approved 6-0.

CONTRACTS ENTERED INTO SINCE MAY 25, 2011 BOARD MEETING

No contracts were entered into since the May 25, 2011 Board meeting.

OTHER ISSUES

The next meeting of the Board noted the next meeting was scheduled for August 25, 2011, however he would review options and would provide an email to the Board members if an alternative date was selected.

CORRESPONDENCE AND ATTACHMENTS

Mr. Beech noted that there was no further business, and there being none, Mr. Barry moved to adjourn, and Mr. Beech seconded the motion. By a vote of 6-0, the Board adjourned at 1:52 P.M.

Respectfully Submitted,



Scott M. Scheidel
Administrator

Board Issues

A. RFP - Operator Training Data Management System

B. PMMIC LPT Bidding Practicability

NYEMASTER GOODE

NYEMASTER, GOODE, WEST, HANSELL & O'BRIEN, P.C.
ATTORNEYS & COUNSELORS AT LAW

James B. West
Edgar F. Hansell
R. Craig Shives
Keith E. Luchtel
Robert A. VanOrsdel
Richard J. Sapp
G. R. Neumann
Gregory P. Page
Randall G. Horstmann
Jay Eaton
Bradford L. Austin
Sara J. Sersland
Hayward L. Draper
Michael W. Thrall
Mark C. Dickinson
Gregory B. Wilcox

John F. Lorentzen
Rod Kubat
Steven J. Roy
Frank B. Hartly
James C. Wine
Bruce W. Baker
Steven H. Lytle
Terry C. Hancock
Anthony A. Longnecker
Kevin H. Collins
Joseph A. Quinn
Wade H. Schut
Mark D. Aljets
G. Thomas Sullivan
Thomas H. Walton
Willard L. Boyd III

Jeffrey W. Courter
Hallie E. Still-Caris
David W. Benson
Brian J. Humke
Paula S. Dierenfeld
Coreen K. Sweeney
Antonio Colacino
Jill M. Stevenson
Angel A. West
Angela L. Watson Cook
Mary E. Funk
Randall D. Armentrout
Thomas M. Cunningham
Denise M. Mendt
Robert D. Andeweg
Debra L. Hulett

Mark A. Schultheis
John T. Clendenin
Neal K. Westin
Stephanie L. Marett
Cory R. Harris
Stephanie G. Techau
Patrick B. White
Brad C. Epperly
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Angela C. Brick
Benjamin P. Roach
Victoria A. Feilmeyer
Jason L. Giles
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Kathleen K. Law
Mitchell R. Kunert

Kristina M. Stanger
Michael J. Dayton
Anna W. Mundy
Matthew R. Eslick
Christian P. Walk
David T. Bower
Jay P. Syverson
Ryan G. Koopmans
Frances M. Haas

REGISTERED PATENT
ATTORNEYS
Glenn Johnson
Robert W. Hoke
Wendy K. Marsh
Ryan N. Carter
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OF COUNSEL
L. R. Voigts
Gerald J. Newbrough
Drew R. Tiltonson
Frank B. Comfort
Russell E. Schrage
Roger L. Ferris
Luther L. Hill, Jr.
Keri K. Farrell-Kolb

September 6, 2011

VIA EMAIL (scott.scheidel@aon.com) and REGULAR MAIL

Scott Scheidel, Administrator
Iowa Comprehensive Petroleum Underground Storage Tank Fund
2700 Westown Parkway, Suite 320
West Des Moines, IA 50266

RE: Proposal for Loss Portfolio Transfer

Dear Mr. Scheidel:

We are the attorneys for Petroleum Marketers Management Insurance Company ("PMMIC"). On behalf of PMMIC, we propose that the Iowa Comprehensive Petroleum Underground Storage Tank Fund (the "Fund") enter into a transaction with PMMIC to transfer a portion of the Fund's liabilities. PMMIC proposes to have the Fund transfer liability for approximately 150 facilities at which PMMIC insures the sites for future petroleum leaks, and for which the Fund has an open claim for a petroleum release that dates back to 1990 or earlier.

Transfer of these liabilities will help satisfy one of the Fund's stated goals for 2012 of bringing closure to open sites. The development of Loss Portfolio Transfers was specifically identified as a possible option to satisfy this goal.

To assist the Fund in evaluating whether to transfer these liabilities to PMMIC, please note that PMMIC is particularly well-situated to assume such liabilities. It is financially viable, has extensive experience with environmental claims and has a thorough knowledge of corrective

Hallie E. Still-Caris

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With offices in Des Moines, Ames and Cedar Rapids

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action guidelines. PMMIC believes that its proposal will reduce the overall cost to reach closure on the sites and will result in the sites being closed more quickly than would otherwise occur. Finally, PMMIC believes there will be no impact on the statutory rights of the claimants or on claims not included in the proposed transfer.

Should the Fund determine it is interested in transferring liability for this unique group of sites, as you know, the Iowa Administrative Code provides that an “agreement to transfer liabilities shall be awarded on a competitive basis to the maximum extent practical.” Iowa Admin. Code r. 591-9.5. The rule continues, however, to provide that competitive bidding is not required “[i]n those situations where it is determined that public bidding is not practical” Id. The proposed transfer is one of those situations when it is not practical to use the public bidding process.

It is not practical to use a competitive bidding process for the proposed Loss Portfolio Transfer (“LPT”) here because of PMMIC’s existing involvement with the identified group. Every site included in the LPT proposal has an open leaking underground storage tank claim with the Fund, and PMMIC provides financial responsibility coverage for all future petroleum leaks from the sites. Approximately 35 of the 150 sites included in the proposed transfer have both open claims with the Fund and claims with PMMIC; there is a potential for all sites within the identified group to have claims with both the Fund and with PMMIC. It is very difficult from a technical standpoint to allocate liability accurately between new and old leaking underground storage tank releases, and thus if the same entity is covering both types of releases, this allocation becomes less significant.

In addition, the characteristics of potential corrective action claims covered by PMMIC and the existing claims covered by the Fund are nearly identical, with the only difference being that PMMIC’s coverage includes coverage for third-party liability. Thus, the existence of an open Fund claim at a PMMIC-insured facility exposes PMMIC to potential third-party liability claims. If a competitive bidding process were used for these sites, and another entity were to become responsible for the Fund’s liabilities, such entity would have an immediate adversarial relationship with PMMIC and could potentially expose the Fund claimant or the PMMIC policyholder to additional contractual or uncovered liabilities. This potential adversarial relationship between PMMIC and the Fund has already been addressed by a third-party review agreement, which ensures that claimants are not caught in the middle of a dispute between the Fund and PMMIC as to which entity should cover the release. No such agreement would be in place if a new entity were to take over these facilities, and thus any such transfer would increase the potential for corrective action to be delayed pending civil litigation or other dispute resolution options.

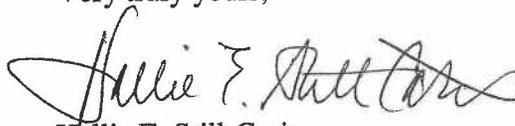
Other reasons that it is impractical to use a competitive bidding process include:

- Most of the claimants in question are shareholders/owners of PMMIC.
- Every facility in question is owned or operated by an existing PMMIC customer.
- The Iowa legislature authorized PMMIC's predecessor to terminate state liability for underground storage tank leaks; this transfer would provide the ultimate termination of liability for each of the claims being transferred.
- PMMIC is the only admitted carrier domiciled in Iowa with experience in managing underground storage tank cleanups.
- PMMIC is the only entity motivated to complete cleanup as soon and as cost-effectively as possible, given PMMIC's potential third-party liability coverage associated with every site in question as referenced above.
- PMMIC successfully negotiated a similar LPT with the Fund in 2007.

We respectfully request that the Fund negotiate an agreement directly with PMMIC to transfer liability for those sites identified herein, without the use of a competitive bidding process. If the Fund agrees to proceed, a written proposal providing additional details will be submitted by PMMIC. Please present this proposal to the Board of the Fund for its consideration.

Please contact the undersigned should you have any questions regarding this proposal.

Very truly yours,



Hallie E. Still-Caris

cc: Pat Rounds
Tom Norris

C. DNR Update

Approval of Program Billings



IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Scott M. Scheidel, *Administrator*

Board Members:

Michael L. Fitzgerald

Joseph D. Barry
Dawn Carlson

Jeff W. Robinson
Eric W. Johnson

Roger Lande
Karen Andeweg

MEMORANDUM

TO: UST Board Members
FROM: Scott Scheidel
DATE: September 15, 2011
SUBJECT: Summary of Bills for Payment

NOTICE

The following is a summary of UST bills requiring Board approval for payment:

1. Aon Risk Services\$94,333.33
Consulting Services for September 2011 -- \$55,333.33
Claims Processing Services for September 2011-- \$39,000.00
2. Aon Risk Services\$94,333.33
Consulting Services for October 2011 -- \$55,333.33
Claims Processing Services for October 2011-- \$39,000.00
3. Aon Risk Services\$664.78
Reimbursement for Katie J's Catering charges for the Annual Strategic
Planning Session, July 14, 2011
4. Aon Risk Services\$200.00
Reimbursement for The Hampton Inn Meeting Room charges for the Annual
Strategic Planning Session, July 14, 2011
5. Iowa Attorney General's Office\$443.60
Services provided for Underground Storage Tank Program
June 2011 Billing
6. Iowa Attorney General's Office\$9,438.63
Services provided for Underground Storage Tank Program
July and August 2011 Billing
7. Eric W. Johnson.....\$51.09
Reimbursement for mileage from Waterloo to Marshalltown for the
Annual Strategic Planning Session of the Board on 7/14/11



IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Scott M. Scheldel, *Administrator*

Board Members:

Michael L. Fitzgerald

Joseph D. Barry

Jeff W. Robinson

Roger Lande

Dawn Carlson

Eric W. Johnson

Karen Andeweg

8. Karen Andeweg\$41.34
Reimbursement for mileage from Urbandale to Marshalltown for the Annual Strategic Planning Session of the Board on 7/14/11
9. Jake Friedrichsen\$39.00
Reimbursement for mileage from Des Moines to Marshalltown for the Annual Strategic Planning Session of the Board on 7/14/11
10. Iowa Department of Revenue\$2,302.08
Environmental Protection Charge collection April – June 2011
11. Office of the Auditor of State\$5,017.03
Audit Services performed during FY11 for Iowa UST Fund accounting FY10

Monthly Activity Report and Financials Reviewed

A. July 2011 Activity Report

Iowa UST Fund
Monthly Activities Report

Jul-11

Claims	Open Claims June Ending	Open & Closed Monthly Net Changes	Open Claims July Ending	Open & Closed Totals since Inception
RETROACTIVE				
number	44	(1)	43	444
reserve	\$1,787,253.13	\$6,065.61	\$1,793,318.74	\$1,807,608.23
paid	\$6,872,496.87	(\$48,315.61)	\$6,824,181.26	\$16,127,198.30
total	\$8,659,750.00	(\$42,250.00)	\$8,617,500.00	\$17,934,806.53
REMEDIAL				
number	609	(13)	596	4,443
reserve	\$30,911,166.37	(\$627,376.65)	\$30,283,789.72	\$30,279,725.72
paid	\$82,366,302.11	(\$561,121.33)	\$81,805,180.78	\$195,174,667.15
total	\$113,277,468.48	(\$1,188,497.98)	\$112,088,970.50	\$225,454,392.87
INNOCENT LANDOWNER				
number	187	(4)	183	1,414
reserve	\$7,511,312.80	(\$48,641.22)	\$7,462,671.58	\$7,462,671.58
paid	\$11,721,685.28	\$34,998.14	\$11,756,683.42	\$26,357,156.74
total	\$19,232,998.08	(\$13,643.08)	\$19,219,355.00	\$33,819,828.32
GLOBAL OPT-IN				
number	190	(32)	158	1,291
reserve	\$937,229.91	(\$3,840.29)	\$933,389.62	\$933,389.62
paid	\$1,243,307.90	(\$18,159.71)	\$1,225,148.19	\$9,344,932.85
total	\$2,180,537.81	(\$22,000.00)	\$2,158,537.81	\$10,278,322.47
UNASSIGNED REVENUE FUND PROJECTS				
number	0	0	0	188
reserve	\$0.00	\$0.00	\$0.00	\$0.00
paid	\$0.00	\$0.00	\$0.00	\$2,455,839.75
total	\$0.00	\$0.00	\$0.00	\$2,455,839.75
NFA RE-EVALUATIONS				
number	18	-1	17	26
reserve	\$664,219.71	(\$110,081.61)	\$554,138.10	\$554,138.10
paid	\$133,280.29	\$80,081.61	\$213,361.90	\$409,078.96
total	\$797,500.00	(\$30,000.00)	\$767,500.00	\$963,217.06
TANK PULLS				
number	33	4	37	66
reserve	\$151,120.00	\$75,705.42	\$226,825.42	\$226,825.42
paid	\$0.00	\$0.00	\$0.00	\$264,863.66
total	\$151,120.00	\$75,705.42	\$226,825.42	\$491,689.08

Corrective Action Meetings	
Scheduled:	13
Completed:	1,043
MOA's	471

Operator Training (FY2010)	
# trained (A/B)	1932
Paid (FY 2010)	\$183,600.00
Paid (FY2011)	\$1,900.00

RT Claims	#
New	0
Reopened	2
Closed	1
RM Claims	
New	0
Reopened	1
Closed	9
ILO Claims	
New	0
Reopened	0
Closed	3
GS Claims	
New	0
Reopened	2
Closed	4
Tank Pulls	
New	0
Reopened	4
Closed	0

Invoice Type Totals	July	FYTD	Program to Date
2004 Tank Pull	0.00	0.00	\$ 1,761,013
2010 Tank Pull	18,665.49	18,665.49	\$ 271,394
American Soils	0.00	0.00	\$ 5,678,423
AST Removal	0.00	0.00	\$ 2,121,637
AST Upgrade	0.00	0.00	\$ 5,460,479
CADR Charges	0.00	0.00	\$ 4,191,759
Corrective Action	2,380.56	2,380.56	\$ 50,994,501
Expenses (OT)	15,700.00	15,700.00	\$ 183,600
Free Prod Recover	50,047.92	50,047.92	\$ 8,840,704
Monitoring	61,942.79	61,942.79	\$ 24,178,484
Operations/Maint	23,966.08	23,966.08	\$ 8,579,245
Over-excavation	105,492.43	105,492.43	\$ 25,337,062
Plastic Water Lines	136.35	136.35	\$ 1,690,966
Post RBCA Evals	0.00	0.00	\$ 169,685
RBCA	38,048.05	38,048.05	\$ 25,385,686
Remed Imp/Const.	71,587.87	71,587.87	\$ 24,899,427
SCR Charges	0.00	0.00	\$ 54,185,400
Site Check	0.00	0.00	\$ 133,952
Soil Disposal	0.00	0.00	\$ 670,827
Tank (UST) Pull	0.00	0.00	\$ 5,140,843
Tank (UST) Upgrade	0.00	0.00	\$ 5,891,655
Tier III	0.00	0.00	\$ 1,188,142
Utilities	8,859.28	8,859.28	\$ 1,476,494
Well Closure	20,366.23	20,366.23	\$ 2,971,510
Total Invoice Types	417,193.05	417,193.05	\$ 261,402,888

Budgets Approved to Date		
last month	3	\$83,768
Trailing 12 mos	41	\$1,593,281
Prev Trail 12 mos	29	\$1,607,202
Total Since Jan 2003	1,006	\$39,340,497

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

B. July 2011 Financial Report

C. Year-to-Date Financials as of July 31, 2011

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING JULY 31, 2011**

- UST REVENUE FUND (Bonding)

Balance of Fund, July 1, 2011		\$9,290,721.00
Receipts:		
Tank Management Fees (FY2010)	\$0.00	
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$0.00	
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$0.00	
Interest Income - Capital Reserve Fund	\$0.00	
		\$0.00
Disbursements:		
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	\$0.00	
Transfer to Innocent Landowner Fund	\$0.00	
Transfer to Remedial Non-Bonding Fund	\$0.00	
		\$0.00
Balance of Fund, July 31, 2011		\$9,290,721.00

0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)

Balance of Fund, July 1, 2011		\$4,701,809.63
Receipts:		
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$0.00	
Refund/Overpayment	\$0.00	
Transfer From UST Revenue Fund	\$0.00	
Intra State Fund Transfers Received (from ILO)	\$0.00	
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	\$0.00	
Buys/ Sells	\$0.00	
Interest Income	\$1,169.84	
		\$1,169.84
Disbursements:		
UST Administrator's Fees	\$0.00	
Attorney General's Fees	\$0.00	
Attorney's Fees: Cost-Recovery Administration	\$0.00	
Cost Recovery Expense (i.e. Lien Filing, Overpayment Refund)	\$0.00	
Actuarial Fees	\$0.00	
Auditor of the State Fees	\$0.00	
Bond Trustee Fees - Bankers Trust	\$0.00	
Claim Settlement	\$0.00	
Custodial Fees - BONY	\$0.00	
Department of Revenue EPC Collection Fees	\$0.00	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING JULY 31, 2011**

Environmental Protection Charge Refunds	\$0.00	
Innovative Technology	\$0.00	
Inspection & Appeals Service Fees	\$0.00	
Iowa Finance Authority Expenses	\$0.00	
Legal and Professional Fees	\$0.00	
Postage / Printing / Miscellaneous	\$67.60	
Professional Administrative Services (Investments, etc.)	\$0.00	
Rebate	\$0.00	
Special Project Claims and Operator Training Expenses	\$2,900.00	
Travel Expenses-UST Board Members	\$39.00	
Warrant Float Expense	\$0.00	
28E Agreement - DNR Plume Study	\$0.00	
28E Agreement - NFA Claims	\$0.00	
28E Agreement - RBCA (DNR Staff Training & Development)	\$0.00	
28E Agreement - DNR UST Section Funding - FY09	\$0.00	
28E Agreement - DNR UST Section Funding - FY10	\$0.00	
Statutory Transfer to DNR - FY11	\$0.00	
Statutory Transfers - Miscellaneous - FY11	\$1,896,268.49	
Transfer to Innocent Landowner Fund	\$0.00	
		\$1,899,275.09
Balance of Fund, July 31, 2011		\$2,803,704.38

0478 - UST REMEDIAL NON-BONDING FUND

Balance of Fund, July 1, 2011		\$2,476,236.34
Receipts:		
Remedial Refunds	\$0.00	
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer Received from ILO	\$0.00	
		\$0.00
Disbursements:		
Retroactive Claims	\$13,169.36	
Remedial Claims	\$275,658.91	
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants & Cancelled Warrants	\$0.00	
		\$288,828.27
Balance of Fund, July 31, 2011		\$2,187,408.07

0478 - UST MARKETABILITY FUND

Balance of Fund, July 1, 2011		\$717,263.77
Receipts:		
Interest	\$915.89	
Use Tax	\$915.89	
		\$915.89
Disbursements:		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
Balance of Fund, July 31, 2011		\$718,179.66

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING JULY 31, 2011**

0485 - UST INNOCENT LANDOWNERS FUND

Balance of Fund, July 1, 2011		\$3,789,762.08
Receipts:		
Cost Recovery (i.e. lien settlements)	\$0.00	
ILO Refunds	\$0.00	
Transfer Received from Revenue Fund	\$0.00	
Transfer from Marketability Fund	\$0.00	
Miscellaneous Income	\$0.00	
Disbursements:		
Cost Recovery Reimbursement	\$0.00	\$0.00
Cost Recovery Global Settlement	\$0.00	
Intra Fund Transfers out - to Unassigned Revenue	\$0.00	
Other Contractual Services	\$0.00	
Global Settlement Claims	\$15,624.79	
Innocent Landowner Claims	\$44,299.58	
Transfer to Remedial Fund 208	\$0.00	
Balance of Outdated Warrants	\$0.00	
		\$59,924.37
Balance of Fund, July 31, 2011		\$3,729,837.71

0485 - UST LOAN GUARANTEE FUND (Non-Bonding)

Balance of Fund, July 1, 2011		\$276,905.54
Receipts:		
Loan Application Fees	\$0.00	
Interest Income	\$63.34	
		\$63.34
Disbursements:		
Processing of Loan Applications	\$0.00	
Intra State Fund Transfer	\$0.00	
Payments on Loan Losses	\$0.00	
		\$0.00
Balance of Fund, July 31, 2011		\$276,968.88

0614 - UST CAPITAL RESERVE FUNDS (Bonding)

Balance of Fund, July 31, 2011		\$0.00
		\$0.00
Combined UST Capital Reserve Fund Balances, July 31, 2011		\$0.00

TOTAL FUND BALANCES, July 31, 2011

\$19,006,819.70

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.
Funds labeled "Non-Bonding" are funds not restricted as to use by the Revenue Bond indenture.

D. August 2011 Activity Report

Iowa UST Fund
Monthly Activities Report

Aug-11

Claims	Open Claims July Ending	Open & Closed Monthly Net Changes	Open Claims Aug Ending	Open & Closed Totals since Inception
RETROACTIVE				
number	43	0	43	444
reserve	\$1,793,318.74	(\$76,695.26)	\$1,716,623.48	\$1,730,912.97
paid	\$6,824,181.26	\$58,695.26	\$6,882,876.52	\$16,185,893.56
total	\$8,617,500.00	(\$18,000.00)	\$8,599,500.00	\$17,916,806.53
REMEDIAL				
number	596	(14)	582	4,443
reserve	\$30,283,789.72	(\$1,171,707.33)	\$29,112,082.39	\$29,308,477.59
paid	\$81,805,180.78	(\$649,514.69)	\$81,155,666.09	\$195,703,755.07
total	\$112,088,970.50	(\$1,821,222.02)	\$110,267,748.48	\$225,012,232.66
INNOCENT LANDOWNER				
number	183	(5)	178	1,415
reserve	\$7,462,671.58	\$293,292.09	\$7,755,963.67	\$7,755,963.67
paid	\$11,756,683.42	(\$205,046.09)	\$11,551,637.33	\$26,390,171.99
total	\$19,219,355.00	\$88,246.00	\$19,307,601.00	\$34,146,135.66
GLOBAL OPT-IN				
number	158	(1)	157	1,292
reserve	\$933,389.62	(\$1,333.39)	\$932,056.23	\$932,056.23
paid	\$1,225,148.19	(\$12,666.61)	\$1,212,481.58	\$9,353,766.24
total	\$2,158,537.81	(\$14,000.00)	\$2,144,537.81	\$10,285,822.47
UNASSIGNED REVENUE FUND PROJECTS				
number	0	0	0	188
reserve	\$0.00	\$0.00	\$0.00	\$0.00
paid	\$0.00	\$0.00	\$0.00	\$2,455,839.75
total	\$0.00	\$0.00	\$0.00	\$2,455,839.75
NFA RE-EVALUATIONS				
number	17	(3)	14	27
reserve	\$554,138.10	(\$104,155.00)	\$449,983.10	\$488,853.10
paid	\$213,361.90	\$4,155.00	\$217,516.90	\$427,113.96
total	\$767,500.00	(\$100,000.00)	\$667,500.00	\$915,967.06
TANK PULLS				
number	37	(6)	31	75
reserve	\$226,825.42	\$110,876.58	\$337,702.00	\$337,702.00
paid	\$0.00	\$0.00	\$0.00	\$441,890.40
total	\$226,825.42	\$110,876.58	\$337,702.00	\$779,592.40

Corrective Action Meetings	
Scheduled:	11
Completed:	1,045
MOA's	471

Operator Training (FY2011)	
Number trained (A/B)	1932
Paid (FY2010)	\$183,600.00
Paid (FY2011)	\$1,900.00

RT Claims	#
New	0
Reopened	0
Closed	0
RM Claims	
New	0
Reopened	1
Closed	14
ILO Claims	
New	2
Reopened	1
Closed	19
GS Claims	
New	0
Reopened	0
Closed	1
PROJ Clms	
New	9
Reopened	0
Closed	22

Invoice Type Totals	August	FYTD	Program to Date
2004 Tank Pull	0.00	0.00	\$ 1,761,013
2010 Tank Pull	177,026.74	195,692.23	\$ 366,814
American Soils	0.00	0.00	\$ 5,678,423
AST Removal	0.00	0.00	\$ 2,121,490
AST Upgrade	0.00	0.00	\$ 5,460,479
CADR Charges	0.00	0.00	\$ 4,179,642
Corrective Action	1,333.39	3,713.95	\$ 51,069,609
Expenses (OT)	1,200.00	16,900.00	\$ 166,900
Free Prod Recover	26,839.45	76,887.37	\$ 8,738,734
Monitoring	117,198.48	179,141.27	\$ 23,938,249
Operations/Maint	37,136.55	61,102.63	\$ 8,485,429
Over-excavation	98,917.10	204,409.53	\$ 25,249,773
Plastic Water Lines	105,933.50	106,069.85	\$ 1,690,829
Post RBCA Evals	300.00	300.00	\$ 164,998
RBCA	11,655.35	49,703.40	\$ 25,292,952
Remed Imp/Const.	186,990.92	258,578.79	\$ 24,742,736
SCR Charges	0.00	0.00	\$ 54,185,400
Site Check	1,424.76	1,424.76	\$ 133,952
Soil Disposal	0.00	0.00	\$ 670,827
Tank (UST) Pull	0.00	0.00	\$ 5,124,422
Tank (UST) Upgrade	0.00	0.00	\$ 5,891,655
Tier III	10,916.01	10,916.01	\$ 1,174,852
Utilities	16,668.71	25,527.99	\$ 1,409,899
Well Closure	16,850.75	37,216.98	\$ 2,933,725
Total Invoice Types	810,391.71	1,227,584.76	\$ 260,632,804

Budgets Approved to Date		
last month	5	\$398,085
Trailing 12 mos	43	\$1,942,768
Prev Trail 12 mos	21	\$1,062,689
Total Since Jan 2003	1,012	\$39,888,307

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

E. August 2011 Financial Report

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING JULY 31, 2011**

		FISCAL 2012 BUDGET
0471 - UST REVENUE FUND (Bonding)		
Balance of Fund, July 1, 2011	\$9,290,721.00	\$9,290,721.00
Receipts:		
Tank Management Fees - FY10	\$0.00	\$0.00
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$0.00	\$14,000,000.00
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$0.00	
Interest Income - Capital Reserve Fund	\$0.00	
	\$0.00	\$14,000,000.00
Disbursements:		
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	\$0.00	\$9,000,000.00
Transfer to Innocent Landowner Fund	\$0.00	\$7,000,000.00
Transfer to Remedial Non-Bonding Fund	\$0.00	\$7,000,000.00
	\$0.00	\$23,000,000.00
Balance of Fund, July 31, 2011	\$9,290,721.00	\$290,721.00
0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)		
Balance of Fund, July 1, 2011	\$4,701,809.63	\$4,701,809.63
Receipts:		
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$0.00	\$10,000.00
Refund/Overpayment	\$0.00	
Transfer From UST Revenue Fund	\$0.00	\$9,000,000.00
Transfer From UST ILO Fund	\$0.00	
Transfer From UST Remedial Fund	\$0.00	
Intra State Fund Transfers Received	\$0.00	\$276,905.54
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	\$0.00	
Buys/ Sells	\$0.00	
Interest Income	\$1,169.84	\$25,000.00
	\$1,169.84	\$9,311,905.54
Disbursements:		
UST Administrator's Fees	\$0.00	\$1,100,000.00
Attorney General's Fees	\$0.00	\$65,000.00
Attorney's Fees: Cost-Recovery Administration	\$0.00	
Cost Recovery Expense (i.e. Lien Filing, Overpayment Refund)	\$0.00	\$150.00
Actuarial Fees	\$0.00	
Auditor of the State Fees	\$0.00	\$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	\$0.00	\$5,000.00
Environmental Protection Charge Refunds	\$0.00	
Innovative Technology	\$0.00	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING JULY 31, 2011**

		FISCAL 2012 BUDGET
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	\$67.60	\$100.00
Professional Admin Services (Investments)	\$0.00	
Professional Services - Owner/Operator Training	\$0.00	\$250,000.00
Rebate	\$0.00	
Special Project Claims and Operator Training Expenses	\$2,900.00	\$500,000.00
Travel Expenses-UST Board Members	\$39.00	\$700.00
Warrant Float Expense	\$0.00	
28E Agreement - DNR Plume Study	\$0.00	\$500,000.00
28E Agreement - NFA Claims	\$0.00	\$500,000.00
28E Agreement - DNR UST Section Funding - FY10	\$0.00	\$0.00
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	\$0.00	\$250,000.00
Appropriation 2011	\$1,896,268.49	
Transfer of Funds to Innocent Land Owners	\$0.00	
	\$1,899,275.09	\$3,476,050.00
Balance of Fund, July 31, 2011	\$2,803,704.38	\$10,537,665.17
0208 - UST REMEDIAL NON-BONDING FUND		
Balance of Fund, July 1, 2011	\$2,476,236.34	\$2,476,236.34
Receipts:		
Remedial Refunds	\$0.00	\$0.00
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer Received from Revenue Fund	\$0.00	\$7,000,000.00
Transfer Received from ILO	\$0.00	
	\$0.00	\$7,000,000.00
Disbursements:		
Retroactive Claims	\$13,169.36	\$700,000.00
Remedial Claims	\$275,658.91	\$6,000,000.00
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants	\$0.00	
	\$288,828.27	\$6,700,000.00
Balance of Fund, July 31, 2011	\$2,187,408.07	\$2,776,236.34
0478 - UST MARKETABILITY FUND		
Balance of Fund, July 1, 2011	\$717,263.77	\$717,263.77
Receipts:		
Interest	\$915.89	\$50,000.00
Use Tax	\$0.00	
	\$915.89	\$50,000.00
Disbursements:		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
	\$0.00	\$0.00
Balance of Fund, July 31, 2011	\$718,179.66	\$767,263.77

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING JULY 31, 2011**

		FISCAL 2012 BUDGET
0485 - UST INNOCENT LANDOWNERS FUND		
Balance of Fund, July 1, 2011	\$3,789,762.08	\$3,789,762.08
Receipts:		
Cost Recovery (i.e. lien settlements)	\$0.00	\$0.00
ILO Refunds	\$0.00	
Transfer Received from Revenue Fund	\$0.00	\$7,000,000.00
Transfer Received from Unassigned Rev Fund	\$0.00	
Transfer from Marketability Fund	\$0.00	
Miscellaneous Income	\$0.00	
	\$0.00	\$7,000,000.00
Disbursements:		
Cost Recovery Reimbursement	\$0.00	
Cost Recovery Global Settlement	\$0.00	
Transfer to Remedial Fund	\$0.00	
Intra State Fund Transfers Paid (to Unassigned Revenue)	\$0.00	\$0.00
Global Settlement Claims	\$15,624.79	\$75,000.00
Innocent Landowner Claims	\$44,299.58	\$1,500,000.00
Intra State Fund Transfers Paid	\$0.00	
Balance of Outdated Warrants	\$0.00	
	\$59,924.37	\$1,575,000.00
Balance of Fund, July 31, 2011	\$3,729,837.71	\$9,214,762.08
0238 - UST LOAN GUARANTEE FUND (Non-Bonding)		
Balance of Fund, July 1, 2011	\$276,905.54	\$276,905.54
Receipts:		
Loan Application Fees	\$0.00	
Interest Income	\$63.34	\$0.00
	\$63.34	\$0.00
Disbursements:		
Processing of Loan Applications	\$0.00	
Payments on Loan Losses	\$0.00	
Transfer to Unassigned Revenue Fund	\$0.00	\$276,905.54
	\$0.00	\$276,905.54
Balance of Fund, July 31, 2011	\$276,968.88	\$0.00
0614 - UST CAPITAL RESERVE FUNDS (Bonding)		
Combined UST Capital Reserve Fund Balances, July 31, 2011	\$0.00	\$0.00
TOTAL FUND BALANCES, July 31, 2011	\$19,006,819.70	\$23,586,648.36

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.

F. Year-to-Date Financials as of August 31, 2011

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING AUGUST 31, 2011**

0450 - UST REVENUE FUND (Bonding)

Balance of Fund, August 1, 2011		\$9,290,721.00
Receipts:		
Tank Management Fees (FY2010)	\$0.00	
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$0.00	
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$0.00	
Interest Income - Capital Reserve Fund	\$0.00	
	\$0.00	\$0.00
Disbursements:		
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	\$0.00	
Transfer to Innocent Landowner Fund	\$0.00	
Transfer to Remedial Non-Bonding Fund	\$0.00	
	\$0.00	\$0.00
Balance of Fund, August 31, 2011		\$9,290,721.00

0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)

Balance of Fund, August 1, 2011		\$2,803,704.38
Receipts:		
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$0.00	
Refund/Overpayment	\$0.00	
Transfer From UST Revenue Fund (208 Remedial)	\$67,639.46	
Intra State Fund Transfers Received (from ILO)	\$0.00	
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	\$0.00	
Buys/ Sells	\$0.00	
Interest Income	\$767.37	
	\$767.37	\$68,406.83
Disbursements:		
UST Administrator's Fees	\$378,198.10	
Attorney General's Fees	\$9,065.92	
Attorney's Fees: Cost-Recovery Administration	\$0.00	
Cost Recovery Expense (i.e. Lien Filing, Overpayment Refund)	\$0.00	
Actuarial Fees	\$0.00	
Auditor of the State Fees	\$5,017.03	
Bond Trustee Fees - Bankers Trust	\$0.00	
Claim Settlement	\$0.00	
Custodial Fees - BONY	\$0.00	
Department of Revenue EPC Collection Fees	\$2,302.08	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING AUGUST 31, 2011**

Environmental Protection Charge Refunds	\$0.00	
Innovative Technology	\$0.00	
Inspection & Appeals Service Fees	\$0.00	
Iowa Finance Authority Expenses	\$0.00	
Legal and Professional Fees	\$0.00	
Postage / Printing / Miscellaneous	\$0.00	
Professional Administrative Services (Investments, etc.)	\$3,750.00	
Rebate	\$0.00	
Special Project Claims and Operator Training Expenses	\$15,700.00	
Travel Expenses-UST Board Members	\$51.09	
Warrant Float Expense	\$0.00	
28E Agreement - DNR Plume Study	\$0.00	
28E Agreement - NFA Claims	\$0.00	
28E Agreement - RBCA (DNR Staff Training & Development)	\$0.00	
28E Agreement - DNR UST Section Funding - FY09	\$0.00	
28E Agreement - DNR UST Section Funding - FY10	\$0.00	
Statutory Transfer to DNR - FY11	\$0.00	
Statutory Transfers - Miscellaneous - FY11	\$330,424.81	
Transfer to Remedial Fund	\$0.00	
	<hr/>	\$744,509.03
Balance of Fund, August 31, 2011		<hr/> \$2,127,602.18 <hr/>

3 - UST REMEDIAL NON-BONDING FUND

Balance of Fund, August 1, 2011		\$2,187,408.07
Receipts:		
Remedial Refunds	\$0.00	
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer Received from ILO	\$0.00	
		\$0.00
Disbursements:		
Retroactive Claims	\$26,656.09	
Remedial Claims	\$615,877.85	
Transfer to Unassigned Revenue Fund	\$67,639.46	
Balance of Outdated Warrants & Cancelled Warrants	\$0.00	
	<hr/>	\$710,173.40
Balance of Fund, August 31, 2011		<hr/> \$1,477,234.67 <hr/>

0478 - UST MARKETABILITY FUND

Balance of Fund, August 1, 2011		\$718,179.66
Receipts:		
Interest	\$813.65	
Use Tax	\$813.65	
		\$813.65
Disbursements:		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
	<hr/>	\$0.00
Balance of Fund, August 31, 2011		<hr/> \$718,993.31 <hr/>

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING AUGUST 31, 2011**

0485 - UST INNOCENT LANDOWNERS FUND

Balance of Fund, August 1, 2011		\$3,729,837.71
Receipts:		
Cost Recovery (i.e. lien settlements)	\$0.00	
ILO Refunds	\$0.00	
Transfer Received from Revenue Fund	\$0.00	
Transfer from Marketability Fund	\$0.00	
Miscellaneous Income	\$0.00	
Disbursements:		
Cost Recovery Reimbursement	\$0.00	\$0.00
Cost Recovery Global Settlement	\$0.00	
Intra Fund Transfers out - to Unassigned Revenue	\$0.00	
Other Contractual Services	\$0.00	
Global Settlement Claims	\$3,718.40	
Innocent Landowner Claims	\$71,512.20	
Transfer to Remedial Fund 208	\$0.00	
Balance of Outdated Warrants	\$0.00	
		\$75,230.60
Balance of Fund, August 31, 2011		\$3,654,607.11

0613 - UST LOAN GUARANTEE FUND (Non-Bonding)

Balance of Fund, August 1, 2011		\$276,968.88
Receipts:		
Loan Application Fees	\$0.00	
Interest Income	\$44.13	
		\$44.13
Disbursements:		
Processing of Loan Applications	\$0.00	
Intra State Fund Transfer	\$0.00	
Payments on Loan Losses	\$0.00	
		\$0.00
Balance of Fund, August 31, 2011		\$277,013.01

0614 - UST CAPITAL RESERVE FUNDS (Bonding)

Balance of Fund, August 31, 2011		\$0.00
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Combined UST Capital Reserve Fund Balances, August 31, 2011		\$0.00
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TOTAL FUND BALANCES, August 31, 2011		\$17,546,171.28
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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.

Funds labeled "Non-Bonding" are funds not restricted as to use by the Revenue Bond indenture.

Attorney General's Report

Claim Payment Approval

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 SECOND BOARD REPORT
 JULY 29, 2011
 CALCO INC.
 HWY 71 & LAKE STREET
 ARNOLDS PARK
 SITE REGISTRATION NUMBER: 8609894
 LUST NUMBER: 9LTD94**

RISK CLASSIFICATION:

HIGH LOW NO ACTION REQUIRED.

PRESENT CLAIM RESERVE: \$ 129,000.00

PREVIOUS BOARD APPROVAL: \$ 110,000.00
 Number and Date of each previous Board Report: 1st: March 16, 2005

PREVIOUS COSTS INCURRED: \$ 87,630.29

COSTS INCURRED SINCE LAST BOARD APPROVAL:

- 1. Free product recovery 22,685.10
- 2. Site monitoring reports 9,225.87

TOTAL COSTS INCURRED TO DATE: \$ 119,541.26

PROJECTED COSTS:

- | | | | |
|-------------------------------------|--|-------------------------------------|--------------------------------|
| <input type="checkbox"/> | Risked Based Corrective
Action Tier II Report | <input type="checkbox"/> | Tank Pull/Upgrade |
| <input checked="" type="checkbox"/> | Site Monitoring Reports
(SMR) | <input type="checkbox"/> | Free Product Recovery
(FPR) |
| <input type="checkbox"/> | Corrective Action Design Report
(CADR) | <input checked="" type="checkbox"/> | Monitoring Well Abandonment |

TOTAL PROJECTED COSTS: \$ 10,000.00 to 25,000.00+

ADDITIONAL AUTHORITY RECOMMENDED:

TOTAL AUTHORITY:* \$ 135,000.00

COMMENTS: Free product activities were recently terminated following attainment of DNR target levels. A site monitoring report (SMR) recommending site reclassification to no further action was submitted on July 7, 2011 and accepted July 21, 2011. Remaining tasks is monitoring well abandonment. We have received an invoice for \$6,221 for the final free product activities and the reclassification SMR; the additional authority requested includes these costs and costs to close the monitoring wells.

*Previous approval + additional recommended

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 SECOND BOARD REPORT
 AUGUST 5, 2011
 KRAUSE GENTLE CORP.
 HWY 34
 MIDDLETON
 SITE REGISTRATION NUMBER: 8609477
 LUST NUMBER: 7LTX53**

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 160,000.00

PREVIOUS BOARD APPROVAL:

\$ 260,000.00

Number and Date of each previous Board Report: 1st: November 24, 2003

PREVIOUS COSTS INCURRED:

\$ 52,597.08

COSTS INCURRED SINCE LAST BOARD APPROVAL:

- | | |
|----------------------------|------------------|
| 1. Site monitoring reports | 15,781.59 |
| 2. Over-excavation | <u>75,958.56</u> |

TOTAL COSTS INCURRED TO DATE:

\$ 144,337.23

ROJECTED COSTS:

Risked Based Corrective
Action Tier II Report

Tank Pull/Upgrade

Site Monitoring Reports
(SMR)

Free Product Recovery
(FPR)

Corrective Action Design Report
(CADR)

Implementation of
over-excavation

TOTAL PROJECTED COSTS:

\$ 35,000.00 to 50,000.00

ADDITIONAL AUTHORITY RECOMMENDED:

\$ 0.00

TOTAL AUTHORITY:*

\$ 260,000.00

COMMENTS: We are seeking authority for low risk corrective action. The consultant has proposed a small over-excavation to remove contamination at the location of a failing soil gas well which is preventing this site from reclassifying to no action required. The building, tanks, canopy, and related structures have all been removed. Because the property is now vacant and the contamination is shallow an excavation should be successful in removing the contamination which is causing the soil vapor samples to exceed target levels.

*Previous approval + additional recommended

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 SECOND BOARD REPORT
 AUGUST 11, 2011
 AMANA SOCIETY, INC.
 511 F STREET
 WEST AMANA
 SITE REGISTRATION NUMBER: 7910583
 LUST NUMBER: 9LTN21**

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 400,000.00

PREVIOUS BOARD APPROVAL:

\$ 200,000.00

Number and Date of each previous Board Report: 1st: February 2, 2009

PREVIOUS COSTS INCURRED:

\$ 36,363.77

COSTS INCURRED SINCE LAST BOARD APPROVAL:

1. Free product recovery	12,618.43
2. CADR	34,395.14
3. Site Monitoring reports	4,004.14
4. Post-RBCA Evaluations	640.00
5. Plastic Water Line Replacement	2,396.76
Over-excavation	57,801.85
+ Remediation implementation	52,671.92
5. Operation and maintenance	4,389.94
5. Utilities	<u>4,190.88</u>

TOTAL COSTS INCURRED TO DATE:

\$ 209,472.83

PROJECTED COSTS:

<input checked="" type="checkbox"/>	Site Monitoring Reports (SMR)	<input checked="" type="checkbox"/>	Free Product Recovery (FPR)
<input type="checkbox"/>	Corrective Action Design Report (CADR)	<input checked="" type="checkbox"/>	Operation of MPE system

TOTAL PROJECTED COSTS:

\$ 160,000 to 300,000.00 +

ADDITIONAL AUTHORITY RECOMMENDED:

\$ 250,000.00

TOTAL AUTHORITY:*

\$ 450,000.00

COMMENTS: The site is high risk for one drinking water well and several residential basements and sewers. An excavation was completed to remove some of the shallow contamination and an MPE system was installed to address the deeper free product plume located in sand. Significant contamination remains in two monitoring wells. Continued operation of the remediation system is recommended.

*Previous approval + additional recommended

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 FIRST BOARD REPORT
 AUGUST 11, 2011
 FIRST COOP ASSOCIATION
 JCT. ATTICA STREET & CO. M-54
 MARATHON
 SITE REGISTRATION NUMBER: 8600667
 LUST NUMBER: 7LTX48**

RISK CLASSIFICATION:

HIGH

LOW

NFA

PRESENT CLAIM RESERVE:

\$ 180,000.00

ELIGIBILITY: The contamination was discovered during the installation of a sewer in the fall of 1985. The contamination was reported to the IDNR on January 10, 1986. A timely claim was filed. This is an eligible retro claim.

COST INCURRED TO DATE:

1. Site check & Site clean-up report	\$ 35,625.46
2. Pre-RBCA CADR	1,989.23
3. Tank upgrade	6,326.60
4. RBCA Tier II report	6,913.32
5. Site Monitoring Reports	<u>18,373.77</u>
TOTAL COST TODATE	\$ 69,228.38

PROJECTED COSTS:

<input type="checkbox"/>	Risk Based Corrective Action Tier I & II Report	<input type="checkbox"/>	Tank Pull/Up-Grade.
<input checked="" type="checkbox"/>	Site Monitoring Report	<input type="checkbox"/>	Free Product Recovery (by hand bailing)
<input type="checkbox"/>	Corrective Action Design Report (CADR)	<input checked="" type="checkbox"/>	Implementation of over-excavation

TOTAL PROJECTED COSTS:

\$95,000.00 to \$145,000.00+

TOTAL AUTHORITY RECOMMENDED:

\$ 200,000.00

COMMENTS: The site is high risk for the soil vapor to enclosed space pathway for a residential sewer. Soil gas sampling has failed multiple times. An excavation, which may need to extend into a city street, is recommended. Following the excavation, soil gas sampling will need to be conducted to confirm that the vapor issues have been addressed; if soil gas fails, further remediation may be required. .

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 FIRST BOARD REPORT
 AUGUST 16, 2011
 JENSEN DISTRIBUTING CORP.
 218 MAIN AVENUE
 CLINTON
 SITE REGISTRATION NUMBER: 8607474
 LUST NUMBER: 7LTU93**

RISK CLASSIFICATION:

HIGH

LOW

NFA

PRESENT CLAIM RESERVE: \$ 100,000.00

ELIGIBILITY: Contamination was discovered during a site check and was reported to the IDNR on August 13, 1990, with a timely filed claim. This is an eligible remedial claim.

COST INCURRED TO DATE:

1. Tank pull	\$ 5,846.54
2. Site clean-up report	26,322.60
3. Site monitoring reports	35,885.00
4. RBCA Tier II report	4,549.60
. RBCA Tier III work plan & SM report	<u>3,877.00</u>
TOTAL COST TODATE	\$ 76,480.74

PROJECTED COSTS:

<input type="checkbox"/>	Risked Based Corrective Action Tier I & II Report	<input type="checkbox"/>	Tank Pull/Up-Grade.
<input checked="" type="checkbox"/>	Site Monitoring Report	<input type="checkbox"/>	Free Product Recovery (by hand bailing)
<input type="checkbox"/>	Corrective Action Design Report (CADR)	<input checked="" type="checkbox"/>	Complete a more thorough RBCA Tier III

TOTAL PROJECTED COSTS: \$ 15,000.00 to \$ 30,000.00

TOTAL AUTHORITY RECOMMENDED:

\$ 100,000.00

COMMENTS: The site is high risk for the groundwater ingestion pathway for city water wells within one mile of the site. The site is a non-granular bedrock site and the target levels are unlikely to be met through monitoring in the next few years. A follow up of the Tier 3 approach recommended previously could allow for the site to be reclassified if the Department concurs. The site is also low risk for the protected groundwater source pathway. Documentation of the Clinton well ordinance will clear this low risk pathway.

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 FIRST BOARD REPORT
 AUGUST 24, 2011
 ANAMOSA LIVESTOCK AUCTION
 OLD DUBUQUE ROAD
 ANAMOSA**

SITE REGISTRATION NUMBER: 8916377

LUST NUMBER: 8LTS62

RISK CLASSIFICATION:

HIGH

LOW

NFA

PRESENT CLAIM RESERVE:

\$ 135,000.00

ELIGIBILITY: Contamination was discovered during a site check and was reported to the IDNR on August 13, 1990, with a timely claim filed. This is an eligible remedial claim.

COST INCURRED TO DATE:

1. Tank pull and site clean-up report	\$ 17,748.23
2. RBCA Tier II report	10,170.70
3. Site Monitoring Reports	13,942.10
4. Corrective action design report	\$8,667.00
5. Remediation implementation	\$12,519.00
6. Operation and maintenance	\$6,605.61
7. Utilities	<u>2,679.64</u>
TOTAL COST TODATE	\$ 72,332.28

PROJECTED COSTS:

<input type="checkbox"/>	Risk Based Corrective Action Tier I & II Report	<input type="checkbox"/>	Tank Pull/Up-Grade.
<input checked="" type="checkbox"/>	Site Monitoring Report	<input checked="" type="checkbox"/>	Utilities
<input type="checkbox"/>	Corrective Action Design Report (CADR)	<input checked="" type="checkbox"/>	Operation and Maintenance

TOTAL PROJECTED COSTS:

\$ 25,000.00 to \$ 75,000.00+

TOTAL AUTHORITY RECOMMENDED:

\$ 130,000.00

COMMENTS: The site is high risk for the groundwater and soil leaching to groundwater ingestion pathway for one drinking water well and the protected groundwater source pathway. A small SVE system is operating but has been shut down frequently in the past few years due to a high water table. Overall, the approach appears to be reducing the groundwater contaminant levels. Continued operation of the system, with some possible modifications, is recommended.

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 SECOND BOARD REPORT
 AUGUST 25, 2011
 KEYSTONE PETROLEUM PRODUCTS LLC
 HWY 217 EAST
 BREDA
 SITE REGISTRATION NUMBER: 8914728
 LUST NUMBER: 8LTW17**

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 130,000.00

PREVIOUS BOARD APPROVAL:

\$ 93,891.87

Number and Date of each previous Board Report: 1st: September 11, 1996

PREVIOUS COSTS INCURRED:

\$ 43,891.87

COSTS INCURRED SINCE LAST BOARD APPROVAL:

- | | |
|-------------------------------|---------------|
| 1. Site monitoring reports | 19,514.50 |
| 2. Remediation implementation | 23,547.78 |
| 3. Free product recovery | 9,738.90 |
| 4. RBCA Tier II report | 7,455.00 |
| 5. Tier III work plan | <u>700.00</u> |

TOTAL COSTS INCURRED TO DATE:

\$ 104,848.05

PROJECTED COSTS:

Site Monitoring Reports (SMR)

Free Product Recovery (FPR)

Corrective Action Design Report (CADR)

Implementation of Tier III or CADR

TOTAL PROJECTED COSTS:

\$ 25,000.00 to 75,000.00 +

ADDITIONAL AUTHORITY RECOMMENDED:

\$ 55,000.00

TOTAL AUTHORITY:*

\$ 150,000.00

COMMENTS: The site is high risk for the groundwater pathways for two city water wells, one residential sewer, and one plastic water line. The new RBCA software (version 3.0) and the new plastic water line rules may reduce the risk of the city wells and plastic water line receptors to no action required. Additional monitoring and vapor sampling would be required to address the sewer receptor. If these measures fail to reclassify the site corrective action may be required.

*Previous approval + additional recommended

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 FOURTH BOARD REPORT
 SEPTEMBER 7, 2011
 KWIK TRIP
 841 SOUTH STREET
 JESUP**

**SITE REGISTRATION NUMBER: 8603352
 LUST NUMBER: 7LTV37**

RISK CLASSIFICATION:

HIGH LOW UNDETERMINED

PRESENT CLAIM RESERVE: \$ 325,000.00

PREVIOUS BOARD APPROVAL: \$ 300,000.00

Number and Date of each previous Board Report: 1st: October 26, 1993; 2nd May 17, 1994; 3rd May 13, 2005

PREVIOUS COSTS INCURRED: \$ 124,063.47

COSTS INCURRED SINCE LAST BOARD APPROVAL:

- | | |
|----------------------------|-----------------|
| 1. Site monitoring reports | 20,474.79 |
| 2. Post RBCA evaluation | 1,000.00 |
| 3. Remedial implementation | <u>3,648.05</u> |

TOTAL COSTS INCURRED TO DATE: \$ 149,186.31

PROJECTED COSTS:

- | | |
|---|--|
| <input type="checkbox"/> Risked Based Corrective
Action Tier II Report | <input type="checkbox"/> Tank Pull/Upgrade |
| <input checked="" type="checkbox"/> Site Monitoring Reports
(SMR) | <input type="checkbox"/> Free Product Recovery
(FPR) |
| <input type="checkbox"/> Corrective Action Design Report
(CADR) | <input checked="" type="checkbox"/> Implementation of
over-excavation |

TOTAL PROJECTED COSTS: \$ 175,000.00 to 250,000.00 +

ADDITIONAL AUTHORITY RECOMMENDED:

TOTAL AUTHORITY:* \$ 365,000.00

COMMENTS: The site is an active station. The contaminant levels are moderate, but because this is a bedrock site and drinking water wells are within 1,000 feet, the lowest Tier 1 target levels must be met. An over-excavation will be completed to remove as much contamination as possible and will be coordinated with a planned product line upgrade. This will allow for the removal of contamination around the pump islands. The tanks will not be removed, so some contamination may remain in this area, near the canopy footings, and near/under the road. Long term monitoring following the over-excavation is expected.

*Previous approval + additional recommended

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 THIRD BOARD REPORT
 SEPTEMBER 7, 2011
 SPRATT OIL SALES, INC.
 MAIN AND LINN STREETS
 LETTS
 SITE REGISTRATION NUMBER: 8609040
 LUST NUMBER: 8LTP52**

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 525,000.00

PREVIOUS BOARD APPROVAL:

\$ 450,000.00

Number and Date of each previous Board Report: 1st: May 8, 2002; 2nd: October 23, 2007

PREVIOUS COSTS INCURRED:

\$ 366,747.06

COSTS INCURRED SINCE LAST BOARD APPROVAL:

1. Remediation implementation	5,350.00
2. Operation & maintenance & utilities	55,332.20
3. Site monitoring reports	26,396.54
4. Post-RBCA Evaluation	<u>442.75</u>

TOTAL COSTS INCURRED TO DATE:

\$ 454,268.55

PROJECTED COSTS:

<input type="checkbox"/>	Risk Based Corrective Action Tier II Report	<input type="checkbox"/>	Tank Pull/Upgrade
<input checked="" type="checkbox"/>	Site Monitoring Reports (SMR)	<input checked="" type="checkbox"/>	Operation and Maintenance (O&M)
<input type="checkbox"/>	Corrective Action Design Report (CADR)	<input checked="" type="checkbox"/>	Utilities

TOTAL PROJECTED COSTS:

\$ 75,000.00 to 175,000.00 +

ADDITIONAL AUTHORITY RECOMMENDED:

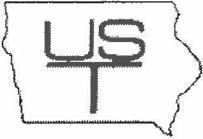
\$ 130,000.00

TOTAL AUTHORITY:*

\$ 580,000.00

COMMENTS: The site is high risk for several nearby shallow drinking water wells. A public water supply is not readily available. A remediation system has been in operation since November 2005. A few more years of system operation and monitoring is anticipated in order to achieve the target levels.

*Previous approval + additional recommended



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

TO: UST BOARD

FROM: SCOTT SCHEIDEL

**SUBJECT: DUBUQUE – CHANGE ORDER REQUEST
CONTRACT # CRPCA0005-22**

DATE: August 21, 2011

This state lead project was originally contracted to Barker, Lemar Engineering Consultants, Inc. in October 2000 to address petroleum contamination at four (4) former service stations along Highway 20 in Dubuque, Iowa. A Tier 2 SCR was completed and accepted. The sites are classified low risk with annual monitoring required until target levels are attained. Monitoring has been ongoing since 2002 and it is anticipated future monitoring will be required for an unknown time period.

The following change order is recommended to provide funding to complete the required monitoring for a period of 5 years:

Groundwater sampling and analyses	\$10,000.00
SMR Preparation and Reporting	\$10,000.00
Reserve	\$10,000.00
TOTAL	\$30,000.00

Original Contract (10/27/2000)	\$48,790.00
Current Contract	\$93,930.00

Current Change Order	\$30,000.00
Total Revised Contract	\$123,930.00

SMS: jrg

c: Sandi Porter

**Contracts Entered Into Since
July 14, 2011
Board Meeting**



IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Scott M. Scheidel, *Administrator*

Board Members:

Michael L. Fitzgerald

Joseph D. Barry

Jeff W. Robinson

Roger Lande

Dawn Carlson

Eric W. Johnson

Karen E. Andeweg

MEMO

TO: UST Board

FROM: Scott Scheidel

DATE: September 8, 2011, 2011

RE: Contracts Entered Into Since July 14, 2011

The Board has entered into contract agreements with the two firms selected for the State of Iowa Closure Contract Project (USTCA 1104-01). The contracts are with Barker Lemar Engineering Consultants and Seneca Environmental Services, Inc.