

# 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, November 17, 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. Legislative Issue Discussion
  - B. PMMIC LPT Bidding Practicability
  - C. RFP – Iowa UST Operator Data Management System
  - D. 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 September 22, 2011 Board Meeting
10. Other Issues as Presented
11. Correspondence and Attachments



# 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**

**September 22, 2011**

**COMMISSIONER'S CONFERENCE ROOM  
IOWA INSURANCE DIVISION, 330 EAST MAPLE STREET  
DES MOINES, IOWA**

Douglas M. Beech called the Iowa UST Board meeting to order at 10:03 A.M. A quorum was present, with the following Board members present:

Douglas M. Beech  
Jake Friedrichsen (for Michael Fitzgerald)  
Karen Andeweg  
Eric Johnson (telephonically)  
Jeff Robinson  
Dawn Carlson

Also present were:

David Steward, Attorney General's Office  
Scott Scheidel, Administrator  
James Gastineau, Program Administrator's Office  
Elaine Douskey, Department of Natural Resources

### **PUBLIC COMMENT**

Prior to the start of the meeting, Mr. Beech noted that the Petroleum Marketer's and Convenience Store's of Iowa (PMC of Iowa) Governmental Affairs committee members were present to give comment on one of the Board agenda matters. Mr. Beech asked for a motion to amend the agenda of the meeting to move the public comment period to the start of the meeting; Ms. Andeweg made the motion to approve the change and Ms. Carlson seconded the motion. The measure passed on a vote of 5-0.

Mr. Beech invited the members of the public to provide comment on the matters of the Board. Several PMC of Iowa members including Mr. Dan Toale, Mr. Randy Meyer, Ms. Jennifer Likes, and Mr. Dave Wright, requested that any decisions regarding the proposed LPT matter presented in this month's Board packet be delayed until further discussion and analysis could be completed on the matter. Ms. Likes and Ms. Carlson also requested that all discussions, analyses, and

decisions be given full transparency so that members of the petroleum industry and the public can fully understand the ramifications of what decisions are being made.

Several individuals including Mr. Jeff Hove, Mr. Toale, and Mr. Meyer also noted concerns regarding availability of funding for the Board programs, how an LPT might affect the available funding, and how funding for work at those sites classified no action required might be affected. Comments were also presented as to how a possible LPT might be engineered; for example would owners of selected sites be required to participate or would the owners have the ability to 'opt-out' of a LPT and also how a LPT proposal could be transacted.

Mr. Beech at one point asked the public to clarify the intent of their comments and to note what was requested. Mr. Ron Burmeister, representing the Petroleum Marketers' Management Insurance Company, noted the request today is not to act on a LPT but instead to ask the Board if they were open to receive a proposal for a LPT and if a proposal was submitted, would they agree to keep the matter confidential during ongoing discussions, with any action the parties tentatively might agree to pursue then presented for public discussion and input for execution.

Ms. Carlson asked that the Board delay any decision of the LPT matter. She also inquired as to the ability of the Board to consider a sole bid for such a transfer and a question from the public was presented as to why the Board or State would ever consider a non-competitive proposal for such a transfer, without seeking competing bids. Mr. Scheidel noted that the term non-competitive proposal may not be correct in that the Board is open to consider any and all bids. For the group of 150 sites currently contemplated, both the Board and PMMIC have actual shared liability or the potential to have shared liabilities from petroleum releases at the sites thus giving the specified group unique characteristics that may make the specified grouping unique to the two parties—a relationship that did not exist with any other party for this specified group. Mr. Scheidel also noted that the Board has the ability to consider any LPT proposals such as a LPT for all PMMIC insured sites, a group of select sites, PMC of Iowa member sites, or any other grouping of sites. Mr. Scheidel was clear to note that the concerns on ultimate funding actions would certainly be transparent, and that the public should understand and participate in the discussion during open session or sessions during a Board meeting(s).

In regard to the question of an 'opt-in' provision, Mr. Scheidel noted that the Board had this same concern in the past and this would likely be a concern that would need to be discussed in any potential future transfer proposal. Mr. Scheidel also noted that terms for any possible LPT, if the parties even got that far, would also be subject to scrutiny and determination in a public forum as all benefits provided by the Board would be subject to consideration.

Ms. Carlson asked if there is precedence on not seeking competitive bids. Mr. Scheidel noted that State Law allows the Board to consider a sole-source or single LPT bid if the Board can show that there is an impracticality to bid. Mr. Scheidel also noted, if the Board desires, a RFP could be issued to see if others are interested in the select group of sites, and if no other bids are obtained, the answer to the question is it impractical to bid could be determined. The question before the Board for discussion is whether the unique relationship created on this specified group of sites warrants consideration of negotiation in lieu of seeking bids from additional parties that do not have a current financial interest in the sites.

Regarding a precedence, Mr. Steward noted that such as precedence does exist for the Board as a prior LPT was completed on a small group of sites that had shared liabilities. Mr. Steward also noted that the Board does have the authority to consider proposals for a LPT, as State Law does permit the action. Mr. Steward referenced the following sections:

*Iowa Code 455G.6(17) states "The board may adopt rules pursuant to chapter 17A providing for the transfer of all or a portion of the liabilities of the board under this chapter. Notwithstanding other provisions to the contrary, the board, upon such transfer, shall not maintain any duty to reimburse claimants under this chapter for those liabilities transferred.*

*and*

*Iowa Code 455G.4(4) Public bid states "All contracts entered into by the board, including contracts relating to community remediation, shall be awarded on a competitive basis to the maximum extent practical. In those situations where it is determined that public bidding is not practical, the basis for the determination of impracticability shall be documented by the board or its designee. This subsection applies only to contracts entered into on or after July 1, 1992."*

Mr. Steward also noted that the Board had adopted administrative rules in Iowa Administrative Code 591-Chapter 9 (see attached) for this purpose. Mr. Steward noted that the rules generally follow the code for public bidding and also sets forth the terms under which impracticality of bidding must be shown and the conditions under which materials would be considered confidential. Mr. Steward noted he has spoken to Mr. Rounds of PMMIC concerning what is or is not confidential. Mr. Steward noted in the public bidding process, Iowa Code and administrative rules define what is considered public. Mr. Steward noted if there is no public bidding, Iowa Code Chapter 22 rules would apply. Under this provision, everything is public unless the material provider can document why the item should be confidential. If a request is made for the material, then the provider will be notified and can seek an injunction to prevent the release. The injunction could be followed up with action by the courts. Mr. Beech asked Mr. Steward to send the Code sections noted to the Board members for reference.

Ms. Carlson inquired as to one of Mr. Steward's statements regarding 455G.6(17) and their duties of the Board once a transfer occurs. If the State has no obligation after the transfer, could the Board set up a NFA fund to address issues on sites that have been transferred out. Mr. Steward noted if the transfer is done, then the State would have no duty for the liabilities transferred, so the issue would be to determine which liabilities are transferred. Mr. Steward also noted if the Board chose they could ask or require PMMIC to take the NFA liability with a LPT although the transfer of additional liabilities would likely carry a price.

Mr. Scheidel noted recent changes in the NFA process that had affected owners' liabilities as it relates to NFA sites. Mr. Scheidel noted that due to the legislative changes, the Department no longer has the ability to pursue a site owner after a NFA certificate is issued, unless certain

conditions such as material misrepresentation or fraud are shown to have occurred. The intent was generally to remove the owner, who complied with the Department's requirements to address a release to the satisfaction of statutory and regulatory requirements, from further requirements with that release, unless the compliance was based on material fraud or misrepresentation. The change was intended to provide a site owner with some finality for the release and instead give the Board the authority to provide funding for potential regulatory shortcomings through an agreement with the Department. Mr. Scheidel noted that the Department must still confirm if a new condition at a site is related to the original release or if the source is unknown, and if so, then funding is provided through the agreement in place; if a new condition is related to a release for ongoing petroleum operations, then the owner and or the owner's financial responsibility mechanism would have the duty to respond.

Ms. Carlson inquired if the Board could establish a fund for future NFA concerns, and Mr. Steward agreed that the Board does have that option. Mr. Beech noted, from a fiduciary standpoint, that as a Board member he believes if ultimately a LPT is executed, then the State should be removed from any and all liability of a site. Mr. Beech noted that the State should not have the burden of possible future liabilities. Ms. Andeweg concurred with Mr. Beech's comments and noted that if the State opts for a LPT all liabilities should be included.

Ms. Carlson asked about the prior LPT which had been mentioned. Mr. Steward noted that the LPT was completed in 2007 for a group of sites where shared liability existed. Mr. Steward noted that a group of sites existed that had shared liabilities and PMMIC made a proposal to transfer those liabilities with those unique characteristics. Mr. Scheidel noted that the group included fourteen (14) sites that were known at the time and the owners of ten (10) sites opted to be part of LPT. Mr. Norris of PMMIC noted that of the 10 sites, 4 are indicated to be closed. Ms. Carlson inquired if any of those have been re-opened. Mr. Scheidel noted none of the LPT sites have been re-opened however also noted that if any of the closed sites were are required to be re-opened, that they would qualify for the current NFA funding provision under the terms of the previous LPT.

Mr. Beech noted that the comments were getting off the agenda item, and asked for any further public comments. Mr. Burmeister, noted that PMMIC has no interest in having anyone to have a gap or unfunded liability on a site and that PMMIC could consider that matter and include it as part of a possible LPT or could assist the DNR or Board in established a fund to address the concerns of NFA liabilities.

A member of the public asked how the Board would determine if a bid process would be impractical. Mr. Beech noted that will be the heart of the issue to be addressed before any LPT that was to be considered could be completed with a market based solicitation of bids. Noting the Board does not have any obligation to pursue an LPT.

The Board resumed the remainder of the agenda at 10:44 am.

#### **APPROVAL OF PRIOR BOARD MINUTES**

The minutes from the July 14, 2011 Board meeting were reviewed. Ms. Andeweg moved to approve the minutes, and Mr. Johnson seconded the motion, and by a vote of 5-0, the minutes

were approved.

Mr. Robinson asked that he be added to the list of attendees, regardless of when arriving at the meeting.

### **CLOSED SESSION**

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

### **BOARD ISSUES**

#### **A. RFP - Operator Training Data Management System.**

Mr. Scheidel noted a RFP had been issued to obtain bids from interested vendors to provide a data management system to allow owners to track Class C Operators and to provide an optional training package. Mr. Scheidel noted responses to the RFP were due on November 2, 2011.

#### **B. PMMIC LPT Bidding Practicability**

Mr. Beech noted that a letter was presented by the Nyemaster Law Firm that was the basis of the public comments received earlier. Mr. Beech asked Mr. Scheidel to explain the letter and noted that Mr. Norris would be given time to provide his thoughts as well.

Mr. Scheidel noted that PMMIC has made it known in the past that they are interested in perfecting a LPT for the sites on which they have an insurance policy in effect. Their desire to pursue terms without bidding is due to the unique nature of the relationship with their clients and their client's relationship to the Board. Mr. Scheidel noted that as sites moves forward both the Fund and PMMIC share a similar concern about the status of the sites. The Board is dealing with actual incurred releases however he noted that any one of these existing sites could have an additional release, whether existing and unknown or occurring in the future. These releases, termed IBNR (incurred but not reported) releases are a significant concern and may result in shared liability. Mr. Scheidel noted that on a number of existing sites PMMIC and the Board already have a shared liability. Mr. Scheidel noted that if a LPT was completed, the Board's liability for its known liabilities would be transferred to the third party. Mr. Scheidel noted that the Board has no immediate need to answer the question if a LPT is needed, but does note that PMMIC has presented the letter thus the question should be addressed whether now or at a near term future meeting.

Mr. Norris thanked the Board for the opportunity to speak and noted that both Mr. Scheidel and Mr. Burmeister had outlined the issue accurately as presented today. The issue noted in the letter was to ask the Board to consider a LPT on a unique set of 150 sites that have an open insurance policy with PMMIC. Mr. Norris noted that the intent is to protect his members from future liabilities, including the NFA liabilities. Mr. Norris noted that the 3<sup>rd</sup> party review process the Board agreed to previously has worked well so far to help the allocate liabilities associated with new and old releases, and as of today, PMMIC is aware of about 35 sites which have shared

liabilities. Mr. Norris noted that the 35 sites represent about 25% of the 150 sites contemplated in the proposal. Mr. Norris also noted that the possibility of that number going higher is quite likely. Mr. Norris noted the PMMIC wants to assure that funding is available for these and all their insured sites for the time needed to complete the required regulatory activities since as it stands in the law today, this program will not be funded after 2016. Mr. Norris also noted there have been discussions with the Administrator's office over the past several years and acknowledged Mr. Beech's comment about the NFA funding and that the Board liabilities should be finalized if such a LPT were to occur, and indicated that PMMIC would be open to look at those potential NFA liabilities in any proposal to be considered. Mr. Norris stressed that for the claims they hold, they will continue to fund the claims as needed whether now or in the future something that the Board cannot currently guarantee in 2017 or later.

Mr. Norris also noted that there was no intent to surprise intended by this letter as they have made it known that they are interested in a transfer and they would also open to a public bidding process on any group of sites.

Mr. Beech asked if the Board had any questions for Mr. Norris or Mr. Scheidel. Mr. Robinson asked if Mr. Steward could create a legal opinion of the advantages and disadvantages of the LPT and the public bidding process. Mr. Robinson noted that a concern that the grouping of sites was pre-selected by PMMIC and therefore could taint a public bid, however if there was no pre-selection an open bid may be possible. Mr. Robinson also inquired as to the prior LPT and noted information on the status of the sites in that group are uncertain as is the question, did the LPT save or cost more than would have been expended if handled by the Board. Mr. Scheidel noted that information on the LPT was last updated for the Board in the July meeting and also that there is no way to tell if costs were higher or lower had a transfer not taken place since only one outcome is known with certainty. Mr. Robinson noted that a LPT of the 35 sites may be warranted, but before anything else is considered, the legal issues and thus the opinion of Mr. Steward is needed before the matter should be considered.

Mr. Beech noted that the core question might be to ask if the Board is interested in an LPT. If it is the will of the Board that they are not interested in a LPT, then that needs to be known. If the Board is interested in a mini-LPT of the 35 sites, then that too should be made clear. Mr. Beech noted that the Board needs to be clear instead of sending mixed signals as to its desire to consider a proposal and if agreeable to a proposal, on what subset of sites and what process is desired.

Ms. Carlson noted that at this time she is not ready to make a decision on the proposal but would like to get an understanding of the pro's and con's of the issue and would like the opportunity for interested stakeholders to weigh in on a possible decision. Mr. Beech noted his concern of the LPT is the funding balances, specifically, if the LPT is completed would the Board maintain sufficient funds to complete its mission on the remaining claims. Ms. Andeweg inquired as to who makes the determination of how much funds would be included in a transfer such as that proposed. Mr. Norris noted his staff has completed a review of the 150 sites regarding values. It was noted the Board's reserve on the same group of sites is approximately \$7.2M and his determination were very close to the same values.

Mr. Scheidel noted that his understanding is that there is some concern on the practicability to bid and on the grouping of sites. It was asked if the proposal were to be accompanied with a list of those signing on to 'opt-in' to a proposed LPT if that might benefit the Board in their decision making. Mr. Norris noted that would be an option that could be considered, as PMMIC would encourage anyone that wanted to opt out to do so. Mr. Norris noted his understanding that if the Board chose to do so they could require a transfer despite an objection by any claimants. Mr. Scheidel noted to Ms. Andeweg and others who were not present at the time of the prior LPT, that the Board could do so and may consider such an option to end the program, but in the interest of a smaller group, Mr. Scheidel noted the Board has previously pushed for voluntary participation. Mr. Steward noted something else to consider is that the proposal by PMMIC is their plan; if an RFP were issued, the Board would develop the plan and proposal. Mr. Scheidel noted that the LPT proposal is an idea for consideration, however, if the Board opts not to consider the proposal, they should not give the PMMIC material to others for review.

Mr. Beech asked if the Board for a decision on their will. Ms. Carlson made a motion that item 4B of the current Board Agenda be delayed until the next meeting. The motion was seconded by Ms. Andeweg. Mr. Friedrichsen asked that the legal opinion be issued prior to any discussion. Ms. Carlson also asked that the opinion include a definition of impracticability however Mr. Steward noted a black and white definition did not necessarily exist. Mr. Beech asked for a vote of the Board; the measure passed 5-0.

Ms. Carlson left the meeting at 11:15 am.

### **C. DNR Update**

Ms. Douskey, Supervisor of the DNR Underground Storage Tank Section, provided an update on the status of the sites currently being worked on. Ms. Douskey noted that over the lifetime of the program, 6,360 LUST sites have been identified and of these 5,196 or about 83% of the sites have been closed. Ms. Douskey noted in the past fiscal year, 149 sites have been closed. Currently DNR has just over 1,000 open claims.

Ms. Douskey noted for the stimulus funding provided to the Department, 41 sites have been worked on. Ms. Douskey noted that these sites are not eligible for IUST funding or any funding whatsoever, thus the ARRA funding was used. Of the 41 sites, 15 have been closed so far, and it is hoped more will be closed in the next few months. Ms. Douskey noted that the EPA has offered \$75,000 in additional funding to complete work on these sites and other sites as needed.

For the UST side, Ms. Douskey noted a few training events are upcoming for UST professionals. She also noted that the Department recently held a Kiazen event to understand and streamline some aspects pertaining to UST issues, such as the issuance of UST tags. Ms. Douskey noted changes to the process would be forthcoming and will hopefully be welcomed by the tank owners.

Ms. Douskey noted for UST Operator training, her staff worked with the Administrator's office to identify which sites have had individuals trained as Class A & B Operators. In doing so, DNR

staff have sent out reminder notices to those sites, estimated to be about 1,000 locations, where operators may still be needed.

**PROGRAM BILLINGS**

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

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
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

In a motion by Mr. Friedrichsen and a second by Ms. Andeweg, all billings were approved by a vote of 5-0.

**MONTHLY ACTIVITY REPORT**

Mr. Scheidel noted that July and August data reports are provided, and a continuing downward trend is being seen in the number of open claims to the current number of 803, which is down from 840 in June.

Mr. Gastineau noted on the August Activity Report the number of UST operators trained in FY 2011 shows \$1,900 has been paid, however a recent invoice has been submitted pushing that to \$2,900 which indicates 29 individuals have been trained this fiscal year. Mr. Gastineau noted if there is a large number yet to be trained, as Ms. Douskey noted earlier, it wasn't being reflected in the invoices being submitted. Ms. Carlson asked if the training was limited, and Mr. Scheidel noted that the invoices currently being submitted are for training of Class A & B operators. Mr. Scheidel noted that the RFP previously discussed would provide a tracking system to identify Class C UST operators and may provide for the training of those operators as well. Mr. Scheidel noted as expenditures for Class A & B Operators decrease, the expenditures associated with the RFP and Class C Operators will likely be substantial.

Mr. Scheidel noted the in the financials that an additional \$1.7 million may still be taken out due to year-end transfers associated with last fiscal year's legislative changes. Mr. Scheidel also noted that the \$3 million revenue diversion approved in this year's session would be seen in the quarterly allocation to the fund, which will decrease from \$4.25M per quarter to \$3.5M per quarter. Ms. Andeweg asked about the funds listed in the UST Loan Guarantee Fund, and Mr. Scheidel noted that since there are no longer any outstanding loans that the funds could be transferred to another program area.

**ATTORNEY GENERAL'S REPORT**

Mr. Steward noted he had no issues for Board matters at this time.

**CLAIM AUTHORITY**

Mr. Gastineau presented the following claim authority requests:

**1. Site Registration 8609894 – Calco, Inc., Arnolds Park (2<sup>nd</sup> Board report)**

Mr. Gastineau provided information noting that the facility's groundwater professional had recently submitted a report requesting a no action required status and with DNR's approval, site closure activities were all that remain. Mr. Gastineau noted that the request for additional funds were to cover the cost of the final report of \$6,221 and for closure of the monitoring wells.

Mr. Gastineau noted prior Board approval was granted in March 2005 for authority up to \$119,000 with costs incurred at the site to date at \$119,541.26, and the present claim reserve is \$129,000. Projected costs for final site activities are \$10,000 to \$25,000. Additional authority to \$135,000 was requested for the site.

Mr. Beech motioned to approve the claim authority, and Mr. Friedrichsen seconded the motion. The measure passed on a vote of 4-0

**2. Site Registration 8609477 – Krause Gentle Corp., Middleton (2<sup>nd</sup> Board report)**

Mr. Gastineau provided information noting that the facility is classified low risk for the vapor pathways. The consultant has proposed an excavation to remove the contamination. Since the buildings, tanks, canopy, and related structures have been removed and the contamination is believed to be shallow, the excavation is believed to be a good option for addressing the risks at the site. Mr. Gastineau noted that following the excavation further sampling would likely be required.

Mr. Gastineau noted prior Board approval was granted in November 2003 for authority up to \$260,000; the costs incurred at the site to date are \$144,337.23 and the present claim reserve is \$160,000. Projected costs for the excavation and future monitoring are \$35,000 to \$50,000. Mr. Gastineau noted no additional authority was requested; the request was to use the available funding to address the risks at the low risk site.

Ms. Andeweg motioned to approve the authority, and Mr. Friedrichsen seconded the motion. The measure passed on a vote of 4-0.

**3. Site Registration 7910583 – Amana Society, Inc., West Amana (2<sup>nd</sup> Board report)**

Mr. Gastineau provided information noting that the facility was classified high risk due to the vapor pathways. Mr. Gastineau noted an excavation had been complete and a multi-phase extraction (MPE) system had been installed to address the deeper contaminants. Significant contamination is believed to remain and further remediation efforts using the MPE system is recommended.

Mr. Gastineau noted prior Board approval was granted in February 2009 for authority up to \$200,000 with costs incurred to date at \$209,472.83 and the present claim reserve at \$400,000. Projected costs for the continued use of the remediation system are \$160,000 to \$300,000 +. Authority to \$450,000.00 was requested for this site.

Mr. Johnson motioned to approve the claim authority, and Ms. Andeweg seconded the motion. The measure passed on a vote of 4-0.

**4. Site Registration 8600667 – First Coop Association, Marathon**

Mr. Gastineau provided information noting that the facility was classified high risk due to the vapor pathways and attempts to clear the pathway with soil gas sampling had failed multiple times. Mr. Gastineau noted an excavation had been proposed to remove the accessible contamination which may require removal and rebuilding of the adjacent street. Following the

excavation, additional sampling would be required and further remediation efforts could not be ruled out.

Mr. Gastineau noted that costs for work to date have totaled \$69,228.38 and the present claim reserve is \$180,000. Projected costs for excavation and future monitoring are \$95,000 to \$145,000 +. Authority to \$200,000.00 was requested for this site.

Mr. Friedrichsen motioned to approve the claim authority, and Ms. Andeweg seconded the motion. The measure passed on a vote of 4-0.

**5, Site Registration 8607474 – Jensen Distributing Corp., Clinton**

Mr. Gastineau provided information noting that the facility was classified high risk due to the proximity of the city water wells within one mile of the facility. Mr. Gastineau noted that as this site sits in an area of non-granular bedrock; attainment of the most restrictive target levels would be required to achieve closure unless an alternative approach could be agreed upon. Mr. Gastineau noted a recommendation has been made to ask the Department to reconsider a Tier 3 approach to address the risks. If approved and if DNR agrees to utilize the Clinton well ordinance, the site may go to closure.

Mr. Gastineau noted that costs for work to date have totaled \$76,480.74 and the present claim reserve is \$100,000. Projected costs for the Tier 3 activities and future monitoring are \$15,000 to \$30,000. Authority to \$100,000.00 was requested for this site.

Ms. Andeweg motioned to approve the claim authority, and Mr. Friedrichsen seconded the motion. The measure passed on a vote of 4-0.

**6, Site Registration 8916377 – Anamosa Livestock Auction, Anamosa**

Mr. Gastineau provided information noting that the facility was classified high risk due to the presence of a protected groundwater source and one drinking water well in proximity of the facility. Mr. Gastineau noted a small soil vapor extraction (SVE) system has been operating but has been shut down during periods of high water. Mr. Gastineau noted that some modifications were made to the system in 2011 and it is hoped that these changes will allow continued operation of the system with more operating time.

Mr. Gastineau noted that costs for work to date have totaled \$72,332.28 and the present claim reserve is \$135,000. Projected costs for the continued operation of the system and future monitoring are \$25,000 to \$75,000 +. Authority to \$130,000.00 was requested for this site.

Ms. Andeweg motioned to approve the claim authority, and Mr. Beech seconded the motion. The measure passed on a vote of 4-0.

**7, Site Registration 8914728 – Keystone Petroleum Products, LLC. Breda (2<sup>nd</sup> Board report)**

Mr. Gastineau provided information noting that the facility was classified high risk due to the proximity of the facility to two city water wells, vapor receptors, and a water line. Mr. Gastineau noted that it was hoped a re-evaluation of the site using the recently modified RBCA software program may allow several pathways to be reclassified to a no action required status. Additional monitoring and vapor sampling may then be considered to re-assess the remaining risks. It was noted if the re-evaluation is not successful, further remediation may be required.

Mr. Gastineau noted prior Board approval was granted in September 1996 for authority up to \$93,891.87 with costs incurred at the site to date at \$104,848.05 and the present claim reserve is \$130,000. Projected costs for future activities are \$25,000 to \$75,000 +. Additional authority to \$150,000 was requested for the site.

Mr. Friedrichsen motioned to approve the claim authority, and Ms. Andeweg seconded the motion. The measure passed on a vote of 4-0.

#### **8, Site Registration 8603352 – Kwik Trip, Jesup (4th Board report)**

Mr. Gastineau provided information noting that the facility is an active station currently classified high risk due to the proximity of the facility to city water wells within 1,000 feet of the site. It was also noted the site is considered a bedrock site thus requiring remediation to the lowest Tier 1 target levels, The consultant had recommended and with the consent of the site owner had already completed an excavation in conjunction with the site owner's plan to upgrade the existing product piping. The excavation was limited in scope as the tank owner did not allow removal of the existing USTs. Other obstructions, such as the canopy, site building, and road, also limited the size of the excavation. Future activities are likely to include long-term monitoring to evaluate the effects of the excavation and to assess risks.

Mr. Gastineau noted prior Board approval was granted in October 1993, May 1994, and in May 2005 for authority up to \$300,000 with costs incurred at the site to date at \$149,186.31. Projected costs for the excavation and future monitoring are \$175,000 to \$250,000 +. Additional authority to \$365,000 was requested for the site.

Mr. Johnson motioned to approve the claim authority, and Ms. Andeweg seconded the motion. The measure passed on a vote of 4-0.

#### **9. Site Registration 8609040 – Spratt Oil Sales, Inc., Letts (3rd Board report)**

Mr. Gastineau provided information noting that the facility is classified high risk due to proximity to multiple private water wells. A public water supply system is not in the area of the sites thus use and protection of the private wells is mandatory. Mr. Gastineau noted that a remediation system has been in operation since November 2005 and appears to have had some success in reducing contaminant levels. It's believed a few more years of operation will likely be required to address the risks in the site area.

Mr. Gastineau noted prior Board approval was granted in May 2002 and October 2007, for authority up to \$450,000 with costs incurred at the site to date at \$454,268.55. Projected costs for continued operation of the remediation system and future monitoring are \$75,000 to \$175,000 +. Additional authority to \$580,000 was requested for the site.

Mr. Friedrichsen motioned to approve the claim authority, and Mr. Beech seconded the motion. The measure passed on a vote of 4-0.

#### **10. CRPCA 005-22: Dubuque - - Change Order Request**

Mr. Gastineau provided the background information on this state lead project. The project was originally contracted to Barker, Lemar Engineering Consultants in October 2000 to address petroleum contamination at four (4) former service stations along Highway 20 in Dubuque, Iowa. Following the RBCA evaluation, the 4 sites were 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.

Mr. Gastineau noted that all four sites have been razed and the former locations are under the revised alignment of the highway. Mr. Gastineau also noted that when the request was drafted, long-term monitoring was believed necessary however the staff from Barker Lemar Engineering have been working with the City of Dubuque to develop an acceptable ordinance to clear the protected groundwater source pathway. If successful, the applicable target levels would be altered as the sites would then be low risk only for the potential vapor pathways. Mr. Gastineau indicated he would attempt to verify with the Iowa DOT that basements and sewers would not be permitted as they have control of the properties through the easements on the sites.

Mr. Gastineau noted that the original contract authority was \$48,790 and current authority was \$93,930.00. Additional authority of \$30,000 for a total authority up to \$123,930 was requested.

Mr. Johnson inquired as to what effect a delay in funding would create. Mr. Gastineau noted the monitoring for 2011 would continue however future monitoring would be in jeopardy. Mr. Gastineau noted that for these low risk sites annual monitoring is approximately \$3,000 per year, which would be less than the anticipated costs for individual reports. Mr. Scheidel noted if funding is not approved, staff could continue to investigate the alternatives and Mr. Gastineau noted that the prior DNR attorney has indicated a willingness to evaluate the site conditions to determine if an acceptable alternate approach could be developed. Mr. Johnson recommended the request be tabled until further review could be completed.

#### **CONTRACTS ENTERED INTO SINCE THE JULY 14, 2011 BOARD MEETING**

Mr. Scheidel noted contracts had been signed with Barker Lemar Engineering Consultants and Seneca Environmental Services for the State of Iowa Closure Contracts.

#### **OTHER ISSUES**

Mr. Scheidel noted that the next meeting of the Board was planned for Thursday, November 17, 2011. Mr. Scheidel noted that the responses to the RFP previously discussed were due on November 2, 2011 and efforts would be made to have the responses fully reviewed before the

meeting. If necessary, the matter would be described in a short memo for the Board packet and then a final recommendation, depending on the response, might be carried into the meeting.

**CORRESPONDENCE AND ATTACHMENTS**

Mr. Beech asked if there was any further business, and there being none, Mr. Beech moved to adjourn, and Mr. Friedrichsen seconded the motion. By a vote of 4-0, the Board adjourned at 11:59 a.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Scott M. Scheidel". The signature is written in a cursive, flowing style.

Scott M. Scheidel  
Administrator

CHAPTER 9  
UST FUND BOARD AUTHORITY TO TRANSFER LIABILITIES TO A THIRD PARTY  
(LOSS PORTFOLIO TRANSFERS)

**591—9.1(455G) Board authority for loss portfolio transfers.** The board may enter into a transaction with a third party to transfer a portion or all of the board's liabilities. The board maintains the sole discretion to pursue such a transaction and may elect to pursue or not to pursue such a transaction based on whether or not the board deems such a transaction to be in the best interest of the program.

**591—9.2(455G) Board liability subsequent to a loss portfolio transfer.** Once a claim is transferred as part of a loss portfolio transfer transaction, the board, pursuant to Iowa Code Supplement section 455G.6(17), shall not reimburse any further costs associated with that claim.

**591—9.3(455G) Minimum criteria to be evaluated.** In order to determine whether or not a transfer of a portion or all of its liabilities is in the best interest of the program, the board will evaluate, at a minimum, the following criteria:

- 9.3(1) Effect on overall cost to reach closure on sites.
- 9.3(2) Effect on speed with which site closure will be accomplished.
- 9.3(3) Qualifications of the potential acquiring entity, including but not limited to:
  - a. Financial viability.
  - b. Experience with environmental claims.
  - c. Knowledge of corrective action guidelines.
- 9.3(4) Impact on claims not included in the proposed transfer, including but not limited to:
  - a. Ability to timely pay ongoing claims.
  - b. Delays in completing corrective action.
  - c. Board's ability to end liability for all claims in the future.
- 9.3(5) Impact the transfer will have on the statutory rights of the claimants.

**591—9.4(455G) Proposal confidentiality.** Any proposal submitted to the board will be handled in accordance with applicable Iowa law with regard to confidentiality.

**591—9.5(455G) Requirement to seek bids.** Any agreement to transfer liabilities shall be awarded on a competitive basis to the maximum extent practical. In those situations where it is determined that public bidding is not practical, the basis for the determination of impracticability shall be documented by the board or its designee.

**591—9.6(455G) Proposal review.** The board will review and respond within a reasonable time frame to any proposal submitted seeking a transfer of liabilities. Any board decision to enter into an agreement to transfer liabilities shall be completed consistent with public meeting laws in effect at that time. Work required by the department of natural resources at the site may not be delayed pending review of a proposal. Claims will continue to be handled in accordance with board policy during any pending proposal.

These rules are intended to implement Iowa Code Supplement section 455G.6(17).

[Filed 6/4/04, Notice 4/28/04—published 6/23/04, effective 7/28/04]

## **Board Issues**

## **A. Legislative Issue Discussion**

## **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. Harty  
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. Hulet

Mark A. Schultheis  
John T. Clendenin  
Neal K. Westin  
Stephanie L. Maret  
Cory R. Harris  
Stephanie G. Techau  
Patrick B. White  
Brad C. Epperly  
Scott A. Sundstrom  
Angela C. Brick  
Benjamin P. Roach  
Victoria A. Feilmeyer  
Jason L. Giles  
K. Dwayne Vande Krol  
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  
Sarah J. Gayer

OF COUNSEL  
L. R. Voigts  
Gerald J. Newbrough  
Drew R. Tillotson  
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

Direct Number: (515) 283-3159 • Facsimile: (515) 283-3108 • E-Mail: hsc@nyemaster.com  
700 Walnut, Suite 1600 • Des Moines, IA 50309-3899 • (515) 283-3100

With offices in Des Moines, Ames and Cedar Rapids

www.nyemaster.com

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.

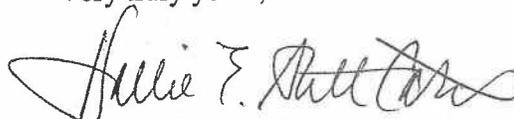
Other reasons that it is impractical to use a competitive bidding process include:

- 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. RFP Update – Iowa UST Operator Data Management System**



# IOWA UNDERGROUND STORAGE TANK FUND

Board Members:

Douglas M. Beech, *Chairperson*

Scott M. Scheidel, *Administrator*

Michael L. Fitzgerald

Joseph D. Barry

Eric W. Johnson

Karen E. Andeweg

Roger L. Lande

Dawn A. Carlson

Jeff W. Robinson

## MEMORANDUM

TO: UST Fund Board

FROM: James Gastineau

DATE: July 6, 2011

SUBJECT: Request for Proposals - - Administration of the Iowa UST Operator Training Data Management System

In 2010 legislation, the Board was tasked with the mission to administer a program to provide underground storage tank (UST) operator training in the State of Iowa. The purpose of the training is to assist owners and operators of UST facilities comply with the Department of Natural Resources (DNR) rules which require trained operators be designated for each facility so as to improve UST operations and ultimately improve regulatory compliance.

In August 2010, the Board approved a reimbursement program for vendors who provide training to individuals trained as Class A or Class B UST Operators. In the past 16 months, more than 2,000 have been training. In the same period, an unknown number of individuals have been trained as Class C Operators. For each person trained, a record of the training event must be maintained by the owner and that owner must be able to provide the documentation upon request.

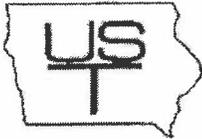
In May 2011, a RFI was issued to seek information on availability of vendors who could provide a mechanism which would assist owners and operators in maintaining the necessary training records and if possible provide for the training of Class C Operators. Responses were received from multiple entities indicating a willingness to provide these services.

On September 21, 2011, a Request for Proposal (RFP) was issued to seek bids for providing for the Administration of the Iowa UST Operator Training Data Management System. Proposals were received on November 2, 2011 from five (5) firms: Antea Group, Barker Lemar Engineering Consultants, Seneca Companies, Iowa State University – Department of Environmental Health and Safety, and Kyran Research Associates, Inc.

The proposals are currently under review. A preliminary analysis shows four (4) firms have submitted a proposal which would include both the activities necessary for the administration of the Iowa UST Operator Training Data Management System and for providing Class C Operator training program. Upon completion of the review, a memo will be provided to the Board for consideration; that memo will be provided as a carry-in item before the November 17, 2011 Board meeting.

## **D. DNR Update**

## **Approval of Program Billings**



# IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Scott M. Scheidel, *Administrator*

*Board Members:*

Michael L. Fitzgerald  
Dawn Carlson

Joseph D. Barry  
Eric W. Johnson

Jeff W. Robinson  
Karen Andeweg

Roger Lande

## MEMORANDUM

---

TO: UST Board Members  
FROM: Scott Scheidel  
DATE: November 8, 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 November 2011 -- \$55,333.33  
Claims Processing Services for November 2011-- \$39,000.00
2. Aon Risk Services.....\$94,333.33  
Consulting Services for December 2011 -- \$55,333.33  
Claims Processing Services for December 2011-- \$39,000.00
3. Iowa Attorney General's Office.....\$5,682.38  
Legal Services for the UST Fund September FY2012
4. Iowa Attorney General's Office.....\$5,875.12  
Legal Services for the UST Fund October FY2012
5. Iowa Department of Revenue .....\$1,412.25  
Environmental Protection Charge collection July – September FY 2012

## **Monthly Activity Report and Financials Reviewed**

## **A. September 2011 Activity Report**

Iowa UST Fund  
Monthly Activities Report

Sep-11

Claims	Open Claims Aug Ending	Open & Closed Monthly Net Changes	Open Claims Sept Ending	Open & Closed Totals since Inception
<b>RETROACTIVE</b>				
number	43	(1)	42	444
reserve	\$1,716,623.48	\$94,838.92	\$1,811,462.40	\$1,825,751.89
paid	\$6,882,876.52	(\$34,838.92)	\$6,848,037.60	\$16,185,893.56
	\$8,599,500.00	\$60,000.00	\$8,659,500.00	\$18,011,645.45
<b>REMEDIAL</b>				
number	582	(3)	579	4,444
reserve	\$29,112,082.39	(\$158,563.20)	\$28,953,519.19	\$28,949,455.19
paid	\$81,155,666.09	(\$246,906.92)	\$80,908,759.17	\$195,986,542.91
total	\$110,267,748.48	(\$405,470.12)	\$109,862,278.36	\$224,935,998.10
<b>INNOCENT LANDOWNER</b>				
number	178	2	180	1,418
reserve	\$7,755,963.67	(\$237,375.77)	\$7,518,587.90	\$7,518,587.90
paid	\$11,551,637.33	\$119,485.77	\$11,671,123.10	\$26,516,714.69
total	\$19,307,601.00	(\$117,890.00)	\$19,189,711.00	\$34,035,302.59
<b>GLOBAL OPT-IN</b>				
number	157	(2)	155	1,292
reserve	\$932,056.23	(\$20,408.33)	\$911,647.90	\$911,647.90
paid	\$1,212,481.58	(\$7,591.67)	\$1,204,889.91	\$9,356,174.57
total	\$2,144,537.81	(\$28,000.00)	\$2,116,537.81	\$10,267,822.47
<b>UNASSIGNED REVENUE FUND PROJECTS</b>				
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
<b>NFA RE-EVALUATIONS</b>				
number	14	1	15	27
reserve	\$449,983.10	\$92,850.00	\$542,833.10	\$542,833.10
paid	\$217,516.90	\$17,150.00	\$234,666.90	\$433,133.96
total	\$667,500.00	\$110,000.00	\$777,500.00	\$975,967.06
<b>TANK PULLS</b>				
number	31	2	33	88
reserve	\$337,702.00	\$60,390.54	\$398,092.54	\$398,092.54
paid	\$0.00	\$0.00	\$0.00	\$550,451.58
total	\$337,702.00	\$60,390.54	\$398,092.54	\$948,544.12

Corrective Action Meetings	
Scheduled:	15
Completed:	1,047
MOA's	471

Operator Training (FY2011)	
Number trained (A/B)	2004
Paid (FY2010)	\$183,600.00
Paid (FY2011)	\$7,800.00

RT Claims	#
New	2
Reopened	0
Closed	0
<b>RM Claims</b>	
New	0
Reopened	1
Closed	14
<b>ILO Claims</b>	
New	2
Reopened	1
Closed	19
<b>GS Claims</b>	
New	0
Reopened	0
Closed	1
<b>PROJ Clms</b>	
New	0
Reopened	1
Closed	1

Invoice Type Totals	September	FYTD	Program to Date
2004 Tank Pull	0.00	0.00	\$ 1,761,013
2010 Tank Pull	108,561.18	304,253.41	\$ 556,172
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	\$ 4,192,569
Corrective Action	2,408.33	6,122.28	\$ 50,998,243
Expenses (OT)	7,100.00	24,000.00	\$ 191,900
Free Prod Recover	36,195.28	113,082.65	\$ 8,903,739
Monitoring	117,255.11	296,396.38	\$ 24,412,938
Operations/Maint	41,586.22	102,688.85	\$ 8,657,968
Over-excavation	50,927.66	255,337.19	\$ 25,486,906
Plastic Water Lines	60,593.67	166,663.52	\$ 1,857,493
Post RBCA Evals	2,495.50	2,795.50	\$ 172,480
RBCA	22,825.87	72,529.27	\$ 25,420,167
Remed Imp/Const.	45,858.77	304,437.56	\$ 25,132,277
SCR Charges	0.00	0.00	\$ 54,185,400
Site Check	0.00	1,424.76	\$ 135,377
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	9,952.00	20,868.01	\$ 1,209,010
Utilities	18,154.55	43,682.54	\$ 1,511,318
Well Closure	21,685.28	58,902.26	\$ 3,010,046
<b>Total Invoice Types</b>	<b>545,599.42</b>	<b>1,773,184.18</b>	<b>\$ 262,758,879</b>

Budgets Approved to Date		
last month	3	\$176,451
Trailing 12 mos	37	\$1,785,948
Prev Trail 12 mos	24	\$1,139,658
<b>Total Since Jan 2003</b>	<b>1,010</b>	<b>\$38,743,056</b>

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

**B. September 2011 Financial Report**

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FOR THE MONTH ENDING SEPTEMBER 30, 2011**

**1 - UST REVENUE FUND (Bonding)**

**Balance of Fund, September 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	\$3,500,000.00	
Interest Income	\$0.00	
Interest Income - Capital Reserve Fund	\$0.00	
	\$3,500,000.00	\$3,500,000.00

**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	
Transfer to Innocent Landowner Fund	\$0.00	
Transfer to Remedial Non-Bonding Fund	\$0.00	
	\$0.00	\$0.00

**Balance of Fund, September 30, 2011** \$12,790,721.00

**150 - UST UNASSIGNED REVENUE FUND (Non-Bonding)**

**Balance of Fund, September 1, 2011** \$2,127,602.18

**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)	\$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	\$1,429.82	
	\$1,429.82	\$1,429.82

**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 SEPTEMBER 30, 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.)	\$0.00	
Rebate	\$0.00	
Special Project Claims and Operator Training Expenses	\$1,200.00	
Travel Expenses-UST Board Members	\$41.34	
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	\$0.00	
Transfer to Remedial Fund	\$0.00	
		\$1,241.34
<b>Balance of Fund, September 30, 2011</b>		<b>\$2,127,790.66</b>

**0478 - UST REMEDIAL NON-BONDING FUND**

<b>Balance of Fund, September 1, 2011</b>		\$1,477,234.67
<b>Receipts:</b>		
Remedial Refunds	\$0.00	
Misc. Income (i.e. eligibility settlements)	\$2,969.50	
Interest Income	\$0.00	
Transfer Received from ILO	\$0.00	
		\$2,969.50
<b>Disbursements:</b>		
Retroactive Claims	\$37,094.45	
Remedial Claims	\$435,436.64	
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants & Cancelled Warrants	\$0.00	
		\$472,531.09
<b>Balance of Fund, September 30, 2011</b>		<b>\$1,007,673.08</b>

**0478 - UST MARKETABILITY FUND**

<b>Balance of Fund, September 1, 2011</b>		\$718,993.31
<b>Receipts:</b>		
Interest	\$1,669.65	
Use Tax	\$1,669.65	
		\$1,669.65
<b>Disbursements:</b>		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
<b>Balance of Fund, September 30, 2011</b>		<b>\$720,662.96</b>

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FOR THE MONTH ENDING SEPTEMBER 30, 2011**

**0485 - UST INNOCENT LANDOWNERS FUND**

<b>Balance of Fund, September 1, 2011</b>		\$3,654,607.11
<b>Receipts:</b>		
Cost Recovery (i.e. lien settlements)	\$0.00	
ILO Refunds	\$5,000.00	
Transfer Received from Revenue Fund	\$0.00	
Transfer from Marketability Fund	\$0.00	
Miscellaneous Income	\$0.00	
	\$5,000.00	\$5,000.00
<b>Disbursements:</b>		
Cost Recovery Reimbursement	\$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	\$131.90	
Innocent Landowner Claims	\$35,475.84	
Transfer to Remedial Fund 208	\$0.00	
Balance of Outdated Warrants	(\$6,217.20)	
	\$29,390.54	
<b>Balance of Fund, September 30, 2011</b>		<b>\$3,630,216.57</b>

**3 - UST LOAN GUARANTEE FUND (Non-Bonding)**

<b>Balance of Fund, September 1, 2011</b>		\$277,013.01
<b>Receipts:</b>		
Loan Application Fees	\$0.00	
Interest Income	\$93.68	
	\$93.68	\$93.68
<b>Disbursements:</b>		
Processing of Loan Applications	\$0.00	
Intra State Fund Transfer	\$0.00	
Payments on Loan Losses	\$0.00	
	\$0.00	
<b>Balance of Fund, September 30, 2011</b>		<b>\$277,106.69</b>

**0614 - UST CAPITAL RESERVE FUNDS (Bonding)**

<b>Balance of Fund, September 30, 2011</b>		\$0.00
<b>Combined UST Capital Reserve Fund Balances, September 30, 2011</b>		<b>\$0.00</b>
<b>TOTAL FUND BALANCES, September 30, 2011</b>		<b>\$20,554,170.96</b>

**FOOTNOTES:**

Note 1: Funds labeled "Bonding" were created as a result of the issuance of UST Revenue Bonds. Disbursements from these funds are restricted by the Revenue Bond indenture.  
Funds labeled "Non-Bonding" are funds not restricted as to use by the Revenue Bond indenture.

**C. Year-to-Date Financials as of September 30, 2011**

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

		<b>FISCAL 2012 BUDGET</b>
<b>0471 - UST REVENUE FUND (Bonding)</b>		
<b>Balance of Fund, September 1, 2011</b>	\$9,290,721.00	\$9,290,721.00
<b>Receipts:</b>		
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	\$3,500,000.00	
Interest Income	\$0.00	
Interest Income - Capital Reserve Fund	\$0.00	
	\$3,500,000.00	\$14,000,000.00
<b>Disbursements:</b>		
Bond Interest Payment	\$0.00	
Bond Principal Payment	\$0.00	
EPC Charges	\$0.00	
Transfer to General Fund	\$0.00	
Transfer to Unassigned Revenue Fund	\$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
<b>Balance of Fund, September 30, 2011</b>	<b>\$12,790,721.00</b>	<b>\$290,721.00</b>
<b>0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)</b>		
<b>Balance of Fund, September 1, 2011</b>	\$4,701,809.63	\$4,701,809.63
<b>Receipts:</b>		
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	\$67,639.46	
Intra State Fund Transfers Received	\$0.00	\$276,905.54
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	\$0.00	
Buy/s/ Sells	\$0.00	
Interest Income	\$3,367.03	\$25,000.00
	\$71,006.49	\$9,311,905.54
<b>Disbursements:</b>		
UST Administrator's Fees	\$378,198.10	\$1,100,000.00
Attorney General's Fees	\$9,065.92	\$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	\$5,017.03	\$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	\$2,302.08	\$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 SEPTEMBER 30, 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)	\$3,750.00	
Professional Services - Owner/Operator Training	\$0.00	\$250,000.00
Rebate	\$0.00	
Special Project Claims and Operator Training Expenses	\$19,800.00	\$500,000.00
Travel Expenses-UST Board Members	\$131.43	\$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	\$2,226,693.30	
Transfer of Funds to Innocent Land Owners	\$0.00	
	\$2,645,025.46	\$3,476,050.00
<b>Balance of Fund, September 30, 2011</b>	<b>\$2,127,790.66</b>	<b>\$10,537,665.17</b>
<b>0208 - UST REMEDIAL NON-BONDING FUND</b>		
<b>Balance of Fund, September 1, 2011</b>	\$2,476,236.34	\$2,476,236.34
<b>Receipts:</b>		
Remedial Refunds	\$2,969.50	\$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	
	\$2,969.50	\$7,000,000.00
<b>Disbursements:</b>		
Retroactive Claims	\$76,919.90	\$700,000.00
Remedial Claims	\$1,326,973.40	\$6,000,000.00
Transfer to Unassigned Revenue Fund	\$67,639.46	
Balance of Outdated Warrants	\$0.00	
	\$1,471,532.76	\$6,700,000.00
<b>Balance of Fund, September 30, 2011</b>	<b>\$1,007,673.08</b>	<b>\$2,776,236.34</b>
<b>0478 - UST MARKETABILITY FUND</b>		
<b>Balance of Fund, September 1, 2011</b>	\$717,263.77	\$717,263.77
<b>Receipts:</b>		
Interest	\$3,399.19	\$50,000.00
Use Tax	\$0.00	
	\$3,399.19	\$50,000.00
<b>Disbursements:</b>		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
	\$0.00	\$0.00
<b>Balance of Fund, September 30, 2011</b>	<b>\$720,662.96</b>	<b>\$767,263.77</b>

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

		FISCAL 2012 BUDGET
<b>0485 - UST INNOCENT LANDOWNERS FUND</b>		
<b>Balance of Fund, September 1, 2011</b>		\$3,789,762.08
<b>Receipts:</b>		
Cost Recovery (i.e. lien settlements)	\$0.00	\$0.00
ILO Refunds	\$5,000.00	
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	
	\$5,000.00	\$7,000,000.00
<b>Disbursements:</b>		
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	\$19,475.09	\$75,000.00
Innocent Landowner Claims	\$151,287.62	\$1,500,000.00
Intra State Fund Transfers Paid	\$0.00	
Balance of Outdated Warrants	(\$6,217.20)	
	\$164,545.51	\$1,575,000.00
<b>Balance of Fund, September 30, 2011</b>		\$3,630,216.57
<b>0238 - UST LOAN GUARANTEE FUND (Non-Bonding)</b>		
<b>Balance of Fund, September 1, 2011</b>		\$276,905.54
<b>Receipts:</b>		
Loan Application Fees	\$0.00	
Interest Income	\$201.15	\$0.00
	\$201.15	\$0.00
<b>Disbursements:</b>		
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
<b>Balance of Fund, September 30, 2011</b>		\$277,106.69
<b>0614 - UST CAPITAL RESERVE FUNDS (Bonding)</b>		
<b>Combined UST Capital Reserve Fund Balances, September 30, 2011</b>		\$0.00
<b>TOTAL FUND BALANCES, September 30, 2011</b>		\$20,554,170.96
		\$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.

**A. October 2011 Activity Report**

Iowa UST Fund  
Monthly Activities Report

Oct-11

	Open Claims	Open & Closed	Open Claims	Open & Closed
Claims	Sept Ending	Monthly Net Changes	Oct Ending	Totals since Inception
<b>RETROACTIVE</b>				
number	42	(1)	41	444
reserve	\$1,811,462.40	(\$51,089.72)	\$1,760,372.68	\$1,774,662.17
paid	\$6,848,037.60	(\$173,410.28)	\$6,674,627.32	\$16,213,002.93
	\$8,659,500.00	(\$224,500.00)	\$8,435,000.00	\$17,987,665.10
<b>REMEDIAL</b>				
number	579	(10)	569	4,444
reserve	\$28,953,519.19	(\$846,822.51)	\$28,106,696.68	\$28,152,632.68
paid	\$80,908,759.17	(\$207,666.16)	\$80,701,093.01	\$196,578,259.26
total	\$109,862,278.36	(\$1,054,488.67)	\$108,807,789.69	\$224,730,891.94
<b>INNOCENT LANDOWNER</b>				
number	180	(4)	176	1,418
reserve	\$7,518,587.90	(\$7,620.96)	\$7,510,966.94	\$7,510,966.94
paid	\$11,671,123.10	(\$134,080.04)	\$11,537,043.06	\$26,556,701.97
total	\$19,189,711.00	(\$141,701.00)	\$19,048,010.00	\$34,067,668.91
<b>GLOBAL OPT-IN</b>				
number	155	(2)	153	1,292
reserve	\$911,647.90	(\$13,357.62)	\$898,290.28	\$898,290.28
paid	\$1,204,889.91	(\$14,642.38)	\$1,190,247.53	\$9,358,372.26
total	\$2,116,537.81	(\$28,000.00)	\$2,088,537.81	\$10,256,662.54
<b>UNASSIGNED REVENUE FUND PROJECTS</b>				
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
<b>NFA RE-EVALUATIONS</b>				
number	15	0	15	27
reserve	\$542,833.10	(\$12,541.00)	\$530,292.10	\$530,292.10
paid	\$234,666.90	(\$7,459.00)	\$227,207.90	\$437,643.96
total	\$777,500.00	(\$20,000.00)	\$757,500.00	\$967,936.06
<b>TANK PULLS</b>				
number	33	0	33	92
reserve	\$398,092.54	(\$28,588.54)	\$369,504.00	\$379,504.00
paid	\$0.00	\$0.00	\$0.00	\$595,451.58
total	\$398,092.54	(\$28,588.54)	\$369,504.00	\$974,955.58

Corrective Action Meetings	
Scheduled:	15
Completed:	1,047
MOA's	471

Operator Training (FY2011)	
Number trained (A/B)	2095
Paid (FY2010)	\$183,600.00
Paid (FY2011)	\$16,900.00

<b>RT Claims</b>	<b>#</b>
New	0
Reopened	0
Closed	1
<b>RM Claims</b>	<b>#</b>
New	0
Reopened	0
Closed	8
<b>ILO Claims</b>	<b>#</b>
New	0
Reopened	0
Closed	5
<b>GS Claims</b>	<b>#</b>
New	0
Reopened	0
Closed	2
<b>PROJ Clms</b>	<b>#</b>
New	0
Reopened	0
Closed	3

Invoice Type Totals	October	FYTD	Program to Date
2004 Tank Pull	0.00	0.00	\$ 1,761,013
2010 Tank Pull	45,000.00	349,253.41	\$ 601,172
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	\$ 4,192,569
Corrective Action	2,197.69	8,319.97	\$ 51,000,440
Expenses (OT)	9,100.00	33,100.00	\$ 201,000
Free Prod Recover	41,110.44	154,193.09	\$ 8,944,850
Monitoring	127,860.34	424,256.72	\$ 24,540,798
Operations/Maint	47,115.31	149,804.16	\$ 8,705,083
Over-excavation	319,685.22	575,022.41	\$ 25,806,592
Plastic Water Lines	30,586.81	197,250.33	\$ 1,888,080
Post RBCA Evals	1,318.70	4,114.20	\$ 173,799
RBCA	4,524.30	77,053.57	\$ 25,424,691
Remed Imp/Const.	26,480.45	330,918.01	\$ 25,158,757
SCR Charges	0.00	0.00	\$ 54,185,400
Site Check	2,093.00	3,517.76	\$ 137,470
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	20,868.01	\$ 1,209,010
Utilities	19,932.35	63,614.89	\$ 1,531,250
Well Closure	38,438.56	97,340.82	\$ 3,048,485
<b>Total Invoice Types</b>	<b>715,443.17</b>	<b>2,488,627.35</b>	<b>\$ 263,474,322</b>

Budgets Approved to Date		
last month	2	\$136,113
Trailing 12 mos	36	\$1,689,934
Prev Trail 12 mos	22	\$1,084,698
<b>Total Since Jan 2003</b>	<b>1,012</b>	<b>\$38,753,086</b>

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

**B. October 2011 Financial Report**

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

<b>45 - UST REVENUE FUND (Bonding)</b>		<b>\$12,790,721.00</b>
<b>Balance of Fund, October 1, 2011</b>		
<b>Receipts:</b>		
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
<b>Disbursements:</b>		
Bond Interest Payment	\$0.00	
Bond Principal Payment	\$0.00	
EPC Charges	\$0.00	
Transfer to General Fund	\$0.00	
Transfer to Unassigned Revenue Fund	\$0.00	
Transfer to Innocent Landowner Fund	\$0.00	
Transfer to Remedial Non-Bonding Fund	\$0.00	\$0.00
<b>Balance of Fund, October 31, 2011</b>		<b>\$12,790,721.00</b>
<b>50 - UST UNASSIGNED REVENUE FUND (Non-Bonding)</b>		<b>\$2,127,790.66</b>
<b>Balance of Fund, October 1, 2011</b>		
<b>Receipts:</b>		
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)	\$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	\$1,029.68	\$1,029.68
<b>Disbursements:</b>		
UST Administrator's Fees	\$0.00	
Attorney General's Fees	\$9,438.63	
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 OCTOBER 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.)	\$0.00	
Rebate	\$0.00	
Special Project Claims and Operator Training Expenses	\$7,100.00	
Travel Expenses-UST Board Members	\$0.00	
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	\$0.00	
Transfer to Remedial Fund	\$0.00	
		\$16,538.63
<b>Balance of Fund, October 31, 2011</b>		<b>\$2,112,281.71</b>

**8 - UST REMEDIAL NON-BONDING FUND**

<b>Balance of Fund, October 1, 2011</b>		\$1,007,673.08
<b>Receipts:</b>		
Remedial Refunds	\$0.00	
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer Received from ILO	\$0.00	
		\$0.00
<b>Disbursements:</b>		
Retroactive Claims	\$20,422.96	
Remedial Claims	\$591,541.06	
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants & Cancelled Warrants	\$0.00	
		\$611,964.02
<b>Balance of Fund, October 31, 2011</b>		<b>\$395,709.06</b>

**0478 - UST MARKETABILITY FUND**

<b>Balance of Fund, October 1, 2011</b>		\$720,662.96
<b>Receipts:</b>		
Interest	\$1,453.46	
Use Tax	\$1,453.46	
		\$1,453.46
<b>Disbursements:</b>		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
<b>Balance of Fund, October 31, 2011</b>		<b>\$722,116.42</b>

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

**0485 - UST INNOCENT LANDOWNERS FUND**

<b>Balance of Fund, October 1, 2011</b>		\$3,630,216.57
<b>Receipts:</b>		
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	
		\$0.00
<b>Disbursements:</b>		
Cost Recovery Reimbursement	\$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	\$3,397.94	
Innocent Landowner Claims	\$132,871.26	
Transfer to Remedial Fund 208	\$0.00	
Balance of Outdated Warrants	\$0.00	
		\$136,269.20
<b>Balance of Fund, October 31, 2011</b>		<b>\$3,493,947.37</b>

**8 - UST LOAN GUARANTEE FUND (Non-Bonding)**

<b>Balance of Fund, October 1, 2011</b>		\$277,106.69
<b>Receipts:</b>		
Loan Application Fees	\$0.00	
Interest Income	\$84.97	
		\$84.97
<b>Disbursements:</b>		
Processing of Loan Applications	\$0.00	
Intra State Fund Transfer	\$0.00	
Payments on Loan Losses	\$0.00	
		\$0.00
<b>Balance of Fund, October 31, 2011</b>		<b>\$277,191.66</b>

**0614 - UST CAPITAL RESERVE FUNDS (Bonding)**

<b>Balance of Fund, October 31, 2011</b>		\$0.00
--	--	--------

**Combined UST Capital Reserve Fund Balances, October 31, 2011**

\$0.00

**TOTAL FUND BALANCES, October 31, 2011**

**\$19,791,967.22**

**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.

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

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

		FISCAL 2012 BUDGET
<b>0471 - UST REVENUE FUND (Bonding)</b>		
<b>Balance of Fund, October 1, 2011</b>		\$9,290,721.00
<b>Receipts:</b>		
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	\$3,500,000.00	
Interest Income	\$0.00	
Interest Income - Capital Reserve Fund	\$0.00	
	\$3,500,000.00	\$14,000,000.00
<b>Disbursements:</b>		
Bond Interest Payment	\$0.00	
Bond Principal Payment	\$0.00	
EPC Charges	\$0.00	
Transfer to General Fund	\$0.00	
Transfer to Unassigned Revenue Fund	\$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
<b>Balance of Fund, October 31, 2011</b>		\$12,790,721.00
		\$290,721.00
<b>0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)</b>		
<b>Balance of Fund, October 1, 2011</b>		\$4,701,809.63
<b>Receipts:</b>		
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	\$67,639.46	
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	\$4,396.71	\$25,000.00
	\$72,036.17	\$9,311,905.54
<b>Disbursements:</b>		
UST Administrator's Fees	\$378,198.10	\$1,100,000.00
Attorney General's Fees	\$18,504.55	\$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	\$5,017.03	\$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	\$2,302.08	\$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 OCTOBER 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)	\$3,750.00	
Professional Services - Owner/Operator Training	\$0.00	\$250,000.00
Rebate	\$0.00	
Special Project Claims and Operator Training Expenses	\$26,900.00	\$500,000.00
Travel Expenses-UST Board Members	\$131.43	\$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	\$2,226,693.30	
Transfer of Funds to Innocent Land Owners	\$0.00	
	\$2,661,564.09	
		\$3,476,050.00
<b>Balance of Fund, October 31, 2011</b>	<b>\$2,112,281.71</b>	<b>\$10,537,665.17</b>
<b>0208 - UST REMEDIAL NON-BONDING FUND</b>		
<b>Balance of Fund, October 1, 2011</b>	<b>\$2,476,236.34</b>	<b>\$2,476,236.34</b>
<b>Receipts:</b>		
Remedial Refunds	\$2,969.50	\$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	
	\$2,969.50	\$7,000,000.00
<b>Disbursements:</b>		
Retroactive Claims	\$97,342.86	\$700,000.00
Remedial Claims	\$1,918,514.46	\$6,000,000.00
Transfer to Unassigned Revenue Fund	\$67,639.46	
Balance of Outdated Warrants	\$0.00	
	\$2,083,496.78	\$6,700,000.00
<b>Balance of Fund, October 31, 2011</b>	<b>\$395,709.06</b>	<b>\$2,776,236.34</b>
<b>0478 - UST MARKETABILITY FUND</b>		
<b>Balance of Fund, October 1, 2011</b>	<b>\$717,263.77</b>	<b>\$717,263.77</b>
<b>Receipts:</b>		
Interest	\$4,852.65	\$50,000.00
Use Tax	\$0.00	
	\$4,852.65	\$50,000.00
<b>Disbursements:</b>		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
	\$0.00	\$0.00
<b>Balance of Fund, October 31, 2011</b>	<b>\$722,116.42</b>	<b>\$767,263.77</b>

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

		<b>FISCAL 2012 BUDGET</b>
<b>0485 - UST INNOCENT LANDOWNERS FUND</b>		
<b>Balance of Fund, October 1, 2011</b>	\$3,789,762.08	\$3,789,762.08
<b>Receipts:</b>		
Cost Recovery (i.e. lien settlements)	\$0.00	\$0.00
ILO Refunds	\$5,000.00	
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	
	\$5,000.00	\$7,000,000.00
<b>Disbursements:</b>		
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	\$22,873.03	\$75,000.00
Innocent Landowner Claims	\$285,773.88	\$1,500,000.00
Intra State Fund Transfers Paid	\$0.00	
Balance of Outdated Warrants	(\$7,832.20)	
	\$300,814.71	\$1,575,000.00
<b>Balance of Fund, October 31, 2011</b>	<b>\$3,493,947.37</b>	<b>\$9,214,762.08</b>
<b>0238 - UST LOAN GUARANTEE FUND (Non-Bonding)</b>		
<b>Balance of Fund, October 1, 2011</b>	\$276,905.54	\$276,905.54
<b>Receipts:</b>		
Loan Application Fees	\$0.00	
Interest Income	\$286.12	\$0.00
	\$286.12	\$0.00
<b>Disbursements:</b>		
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
<b>Balance of Fund, October 31, 2011</b>	<b>\$277,191.66</b>	<b>\$0.00</b>
<b>0614 - UST CAPITAL RESERVE FUNDS (Bonding)</b>		
<b>Combined UST Capital Reserve Fund Balances, October 31, 2011</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>TOTAL FUND BALANCES, October 31, 2011</b>	<b>\$19,791,967.22</b>	<b>\$23,586,648.36</b>

**FOOTNOTES:**

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

## **Claim Payment Approval**

**IOWA UNDERGROUND STORAGE TANK PROGRAM**  
**FIRST BOARD REPORT**  
**OCTOBER 13, 2011**  
**BILL'S QUIK SHOP**  
**601 SOUTH COMMERCIAL**  
**STRAWBERRY POINT**  
**SITE REGISTRATION NUMBER: 8605860**  
**LUST NUMBER: 8LTT36**

**RISK CLASSIFICATION:**

HIGH                       LOW                       NFA

**PRESENT CLAIM RESERVE:**                      \$ 120,000.00

**ELIGIBILITY:** Initial site check tested clean and found dirty at tank pull in 1992 and reported to the IDNR and claim filed. The claim was determined to be an eligible remedial claim by the Program Administrator.

**COST INCURRED TO DATE:**

1. Tank Pull (1992)	\$ 4,196.89
2. Tank Upgrade	5,288.40
3. Site clean-up report	19,309.70
4. Site monitoring reports	15,674.90
RBCA Tier II report	6,338.80
o. Tank Pull (2004)	13,068.30
3. Post RBCA evaluation teleconference	<u>1,000.00</u>
TOTAL COST TODATE	\$ 64,876.99

**PROJECTED COSTS:**

<input checked="" type="checkbox"/> Site Monitoring Report	<input type="checkbox"/> Free Product Recovery
<input type="checkbox"/> Corrective Action Design Report (CADR)	<input checked="" type="checkbox"/> Implementation of over-excavation

**TOTAL PROJECTED COSTS:**                      \$ 100,000.00 to \$ 150,000.00

**TOTAL AUTHORITY RECOMMENDED:**

**\$ 150,000.00**

**COMMENTS:** The site is high risk for the soil and groundwater vapor pathways for a residential basement and sewers and for the soil leaching to protected groundwater source pathway. The area of contamination is centered near the former pump island location. A small to medium sized excavation should address the contamination and reduce the site risk to low or no action required following post-excavation monitoring.

**IOWA UNDERGROUND STORAGE TANK PROGRAM  
 SECOND BOARD REPORT  
 OCTOBER 6, 2011  
 SPENCER MUNICIPAL UTILITIES  
 SITE REGISTRATION NUMBER: 8606771  
 LUST NUMBER: 8LTOO56**

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 118,000.00

PREVIOUS BOARD APPROVAL:

\$ 100,000.00

Number and Date of each previous Board Report: 1st: February 15, 2005

PREVIOUS COSTS INCURRED:

\$ 80,910.21

COSTS INCURRED SINCE LAST BOARD APPROVAL:

- |                            |                  |
|----------------------------|------------------|
| 1. Site monitoring reports | 9,884.60         |
| 2. Tank pull 2004          | <u>23,045.66</u> |

TOTAL COSTS INCURRED TO DATE:

\$ 113,840.47

PROJECTED COSTS:

Risk Based Corrective  
Action Tier II Report

Tank Pull/Upgrade

Site Monitoring Reports  
(SMR)

Free Product Recovery  
(FPR)

Corrective Action Design Report  
(CADR)

Implementation of  
well abandonment

TOTAL PROJECTED COSTS:

\$ 10,000.00 to 25,000.00

ADDITIONAL AUTHORITY RECOMMENDED:

\$ 30,000.00

TOTAL AUTHORITY:\*

\$ 130,000.00

COMMENTS: The site is low risk for the protected groundwater source pathway only. An onsite institutional control has been placed on the property that raises the SSTL.

\*Previous approval + additional recommended



# IOWA UNDERGROUND STORAGE TANK FUND

Board Members:

Douglas M. Beech, *Chairperson*

Scott M. Scheidel, *Administrator*

Michael L. Fitzgerald

Joseph D. Barry

Eric W. Johnson

Karen E. Andeweg

Roger L. Lande

Dawn A. Carlson

Jeff W. Robinson

TO: UST BOARD

FROM: SCOTT M. SCHEIDEL

SUBJECT: CRPCA 0309-33(A): BENTLEY CORRECTIVE ACTION PROJECT  
CHANGE ORDER REQUEST

DATE: NOVEMBER 8, 2011

---

This project was awarded to Barker Lemar Engineering Consultants in December 2009 as a continuation of a prior State Lead project. The project involves one LUST site located in an unincorporated community without a public water system. The site is classified high risk due to contamination in proximity to multiple drinking water wells. Due to site conditions including depth to water, few alternatives exist to address the risks. A remediation system, utilizing an innovative technology, has been in operation since 2005 and while some effects have been noted, recent sampling suggests the source may not be fully known. Further investigation is necessary.

In an effort to discern whether other contaminant sources exist, an electromagnetic (EM) survey and ground penetrating radar (GPR) survey have been proposed. The intent of these surveys is to determine if unknown USTs are located at the site. In addition to the surveys, additional sampling will be completed to determine if the drinking water wells are utilizing the uppermost aquifer or a deeper aquifer for the water supply. If the latter, the Department may consider a Tier 3 approach in lieu of further corrective action.

In an effort to complete the surveys, sampling, and to provide for repair and maintenance of the remedial system, if further operation is necessary, the following change order is presented for consideration:

EM and GPR surveys	\$6,000.00
Tier 3 sampling & project management	\$10,000.00
Repair and Maintenance (estimated)	\$14,000.00
<b>Total Authority Requested:</b>	<b>\$30,000.00</b>
Current Contract (2009)	\$140,137.64
Proposed Contract Authority:	\$170,137.64
Total expended to date (2003-2011):	\$413,759.43

c: Sandi Porter, GAB

**Contracts Entered Into Since  
September 22, 2011  
Board Meeting**

**Other Issues as Presented**