



# 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

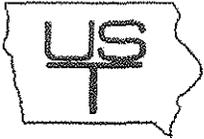
A public meeting of the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board has been scheduled for 10:00 A.M., Friday, January 27, 2012. **The meeting will be held at the Iowa Insurance Division located at 330 E Maple St, Des Moines, Iowa.**

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. UST Operator Training & Data Management System
  - C. DNR Update
5. Approval of Program Billings
6. Monthly Activity Report and Financials Reviewed
7. Attorney General's Report
8. Claim Payment Approval
9. Contracts Entered Into Since November 17, 2011 Board Meeting
10. Other Issues as Presented
11. Correspondence and Attachments

## Approval of Prior Board Minutes



# IOWA UNDERGROUND STORAGE TANK FUND

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## MINUTES

### IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM

November 17, 2011

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

Joseph Barry called the Iowa UST Board meeting to order at 10:01 A.M. A quorum was present, with the following Board members present:

Jake Friedrichsen (for Michael Fitzgerald)  
Karen Andeweg  
Eric Johnson  
Jeff Robinson  
Dawn Carlson  
Chuck Gipp

Also present were:

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

#### APPROVAL OF PRIOR BOARD MINUTES

The minutes from the September 22, 2011 Board meeting were reviewed. Mr. Gipp moved to approve the minutes, and Mr. Friedrichsen seconded the motion, and by a vote of 5-0, the minutes were approved. Following the vote, Ms. Carlson asked that spelling of Mr. Dave Wright, noted as an attendee in the minutes be corrected to reflect the correct spelling as Mr. Dave Reif. Mr. Barry noted the motion is amended and approved with the modification.

#### CLOSED SESSION

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

#### PUBLIC COMMENT

Mr. Randy Meyer, Vice President of Fuels with Kum & Go stores, thanked the Board for

allowing him to speak. Mr. Meyer noted that his firm is a member of PMC of Iowa and PMMIC and noted his firm does support the Board looking at a LPT as long there is opportunity for public input and comment into the process.

Jeff Hove, Petroleum Marketers and Convenience Stores of Iowa, asked the Board to weigh in their opinion of the vendors who have responded to the RFP for Class C Operator training noting that of those who have provided bids two who have had a long term history of assisting owners and providing compliance assistance while the other vendors are new to the program.

## **BOARD ISSUES**

### **A. Legislative Issue Discussion**

Mr. Scheidel noted the 2012 legislative session would begin prior to the next meeting and also noted that the Governor had recently made comments about the Iowa Road Use Tax Fund (RUTF). Mr. Scheidel noted the penny EPC collection is deposited into and that the Board also derives its funds from RUTF. Mr. Scheidel stated that the comments were made just to highlight that all possible ideas were on the table for State revenue generation.

Mr. Scheidel noted that in the Board's 2011 annual meeting a he had mentioned that the Board may wish to consider a change to statute regarding the bankruptcy exclusion as it applies to retroactive and innocent landowner claims. Mr. Scheidel noted the exclusion currently only affects a few sites but may also affect a number of sites in the future. Mr. Scheidel noted that the ILO exclusion is in the administrative rule thus the Board has the option to change that without legislative input however to affect the retroactive claims would require legislative change. Mr. Barry asked if action was needed on this item and Mr. Scheidel stated no action was needed although if a change is desired, action would be needed in the upcoming or a future session.

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

Mr. Scheidel noted this item was deferred from last month to allow Board members further consideration on a request from PMMIC that the Board make a determination as to the practicality of bidding a specific group of sites on which PMMIC has a financial responsibility policy and the Board has an open claim. Mr. Scheidel noted that group under consideration includes approximately 150 to 180 possible sites insured by PMMIC. Mr. Scheidel noted the Board did find it impractical to bid an earlier set of sites in which Board had an open claim and PMMIC had an actual claim as well but noted that this group would include both the 30 sites presently known to have both a Fund and PMMIC claim, and those site in which PMMIC only has a duty to pay if a qualifying event was to occur. Mr. Scheidel noted that PMMIC is asking the Board to consider the question that is a proposal is made, would the Board keep the bid confidential if it was later decided to pursue an open bid.

Mr. Johnson noted in his analysis of the matter two issues need to be resolved, that is would an LPT be a good idea for the Board and if so, should it be handled in a closed or open bid process. Ms. Andreweg also noted a concern that the projected reserve amount of the roughly 150 claims represent a significant percentage of the current fund balance and if a transfer was completed

would it affect the viability of the fund for other operations. In discussing the matter, Mr. Gipp noted the Board was set up to help in the clean up of LUST sites so as to promote future use of the properties and noted that as the Board has experience with an LPT that an examination should be made of the sites that were involved to determine if that goal had been met.

Mr. Scheidel provided an update on the status of the original LPT noting that of the 14 potential sites, 10 had actually consented to a transfer and 2 of the 10 have been closed. From the group of 4 that did not transfer, Mr. Scheidel noted one site had attained closure. Mr. Robinson remarked his recollection that the LPT was to have provided better performance as the receiving company had a greater incentive to move the sites to closure due to their 3<sup>rd</sup> party exposure. Mr. Scheidel also noted that since the 2007 LPT, the Board has had an outstanding proposal to allow a transfer of those sites with shared liability as they arise such as the 30 currently known sites however none have been transferred.

Ms. Carlson reminded the Board that the agenda item is not the issue of practicability but instead is Board open to considering a LPT proposal from PMMIC. In further discussing the matter, Mr. Johnson noted he was open to the idea of a LPT however before considering such the details would need to be clearly established. Mr. Scheidel agreed that the terms of a LPT would be developed with public input.

Mr. Norris provided comment as to PMMIC's motivation for a LPT noting their intent is to ensure that their claimant's responsibilities are provided for as the program nears the end date. Mr. Norris noted that the group of sites under consideration is unique in that PMMIC provides the financial responsibility to the sites and that they may have the duty to pay in the event of a release. Mr. Norris also noted that group of sites also represents their shareholders and each shareholder has a desire to keep their rates down but also to protect the value of their stock and the company as a whole.

Mr. Scheidel noted that Board needs to vote on the practicality of considering a bid from PMMIC on the specific group of sites identified. Mr. Scheidel noted that in considering a bid, the Board would not be required to accept a proposal but should not decide to bid the exact same group of sites out. Mr. Scheidel noted that the Board could at any time decide not to move forward.

Upon further discussion, Mr. Johnson motioned to have the Board consider negotiation on those 30 to 35 sites where PMMIC has an open liability claim and the Board has an open liability claim. Mr. Friedrichsen seconded the motion.

Mr. Robinson asked if the motion would keep anything confidential. Mr. Steward noted that PMMIC may request certain information be held confidential however if a request for that information was made, the material would be judged in accordance with the provisions of Iowa Code Chapter 22. Mr. Scheidel noted that what PMMIC is requesting as confidential is their intellectual capital which is a culmination of their time and effort in reviewing the claim files. Mr. Scheidel noted the review completed by the Administrator's staff is similar but would not be subject to confidential treatment. Mr. Scheidel also noted that the terms of any agreement to be developed would be subject to review and approval by the Board prior to use. Mr. Randy Meyer

(Kum & Go) asked if the LPT were to move forward, would claimants have the option of opting out. Mr. Scheidel noted that in all prior discussions the Board had noted, unless the program is shutting down, such an option would be required. Both Mr. Meyer and Mr. Norris noted they would be in favor of that option.

Ms. Carlson asked if the motion is a test of impracticability as requested in the letter from PMMIC's attorneys and Mr. Scheidel confirmed that the vote is the confirmation of the impracticability of the earlier LPT and of a transfer of the sites with shared claims. Mr. Johnson amended his motion to note that the original motion was made on the belief that there is an impracticability to bid that specific group of site with shared liability. Ms. Andeweg seconded the motion. The motion passed on a vote of 5-0.

Mr. Johnson inquired as to whether a decision needs to be made on the balance of the sites originally considered. Mr. Steward noted options exist and noted that the Board had previously considered a Request for Information to determine practicability of bidding however noted that process was terminated due to funding issues.

Ms. Carlson noted that the original issue had not been voted and recommended a motion be brought forth for that issue. Mr. Norris acknowledged and agreed but noted that based on the discussion he had gathered the will of the Board and agreed not to pursue a decision on the matter. Mr. Norris re-iterated that PMMIC would certainly continue to be interested in any LPT for any group of sites that the Board chose to consider.

Following the discussion questions were presented on the NFA re-opener process and the number of NFA claims that have been made. Mr. Scheidel noted that most of the sites that have re-opened are from stations that have operated after the NFA classification was determined, resulting in a question about the timing of the contamination and/or risk associated, is it from a new release, the old release or a combination of the two. Mr. Scheidel also noted that determination of who pays is often handled following a 3<sup>rd</sup> party review process, however that at times results in non-funded areas if a claimant for example failed to have continuous FR on the tanks at a site. Ms. Carlson noted that the NFA re-opener process is very complex and requested that a panel be created with representative from PMMIC, the Administrator, legal counsel and DNR so that interested parties could ask questions as to how the LPT or NFA process is to work. Mr. Scheidel and Ms. Douskey agreed and will schedule an informational session for interested parties in early 2012.

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

Mr. Scheidel reported on the RFP that had been issued to obtain bids from interested vendors to provide an online data management system for UST owners for tracking of their Class C Operators and to provide UST owners with a venue to obtain future Class C Operator training for their employees. Mr. Scheidel noted proposals were received on November 2, 2011 from five entities, four of which submitted a proposal that included the activities for both the data management system and the optional training package.

Mr. Scheidel noted from a technical standpoint each of the four firms had indicated compliance with the RFP thus from a technical standpoint all were given high marks. Mr. Scheidel noted that costs however ranged significantly from \$40,460 to \$448,270 for the anticipated two-year program and given the range noted costs were a significant factor in the evaluation.

Mr. Scheidel noted that the proposal from ISU- EHS had the lowest cost while the costs with the next two firms (Seneca Environmental and Barker Lemar Engineering) were similar in range although significantly higher. Mr. Scheidel noted that both Seneca Environmental and Barker Lemar Engineering had existing programs and were already providing the data management service to clients and were likely also providing the compliance services mentioned in the public comment period. Mr. Scheidel noted however that as the ISU- EHS proposal appeared compliant with the RFP and given the significant cost differential the recommendation was made to retain the services of ISU- EHS for the project.

In discussing the matter, Board members remarked about the cost differences and inquired as to who will use the system. Mr. Scheidel noted the system would be available for any Iowa UST owner or operator but also noted that many of the larger owners would probably not utilize the system as they had their own internal processes. Mr. Binning of Seneca noted that his firm had already trained approximately 1,500 Class C Operators in the State and felt that it was unlikely that his clients would voluntarily transfer their data to any other system. Ms. Carlson noted that her membership might also be reluctant to utilize such a system since many have existing relationships with the other vendors.

In the discussion, questions were presented as to how the funding is provided. Mr. Scheidel noted the Board was authorized by legislation to spend up to \$250,000 annually to offer training to assist owners and operators in complying with State training requirements. It was noted that the Board initially authorized expenditures for the one-time training of Class A & B Operators who have the major responsibilities for a site while noting that funding had not be provided for the training of Class C Operators who are generally considered to be the front-line clerk at a retail station. Mr. Scheidel noted that given the expected turnover of the front-line staff it's anticipated that training and tracking of Class C operators will be a longer term concern for owners and operators. Mr. Gastineau noted that the Department had indicated they would begin the tracking of Class A & B operators so that function was no longer needed for the database however, the Department had indicated that they did not wish to track Class C operators due to expected turnover in employees thus the need for the database. Mr. Gastineau noted DNR regulations require training certificates for UST operators must be readily available for inspection, either on site or at an alternate location, and noted that the database was intended to serve as the alternate location.

Mr. Gipp inquired from Mr. Steward if the State is required to utilize the lowest cost responsible bidder, and noting if the lowest cost had been from a private entity rather than a state entity, would choosing a higher cost bidder put the Board into a situation that a lawsuit could be issued. Mr. Steward noted that he had not reviewed the Iowa Code for the specific requirements however his recollection would be consistent that the lowest cost responsible bidder should be selected. Mr. Scheidel noted the RFP outlined the scoring process noting that certain points are given to technical merit and cost. He noted that in the past the Board had selected higher cost

vendors however in those cases the overall points had driven selection. In this case, as Mr. Scheidel noted all vendors had nearly equal technical presentations, however the costs were significantly different.

Ms. Carlson inquired as to whether the RFP required one vendor be awarded the contract noting if the Board determined the cost was \$40,000 could that be divided into multiple contracts. Mr. Scheidel questioned if that would meet the need of a single database, and Mr. Steward noted the Board determined that a certain cost was the maximum to be paid, the Board could terminate the bid process and re-issue a RFP with an expected maximum cost and then seeking qualified bids.

In further discussion, Mr. Scheidel noted that the planned timeframe of the project is two years, and in that time, the process would be continually evaluated to discern system usage. If it is determined that the system is not being used, the questions to be asked would be is there a need for the system or is the reason for lack of use related to the selected vendor. Ms. Carlson indicated her belief that such a system is needed.

Mr. Friedrichsen motioned to accept the recommendation to retain the services of ISU-EHS and allow the Administrator to negotiate terms for an agreement for implementation, Ms. Andeweg seconded the motion. The motion was approved on a vote of 4-1, with Ms. Carlson voting nay.

#### **D. 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, noting that over the lifetime of the program, 6,373 LUST sites have been identified and of these 5,288 of the sites have been closed. Ms. Douskey noted in the past year 60 new releases have been reported although this number may include actual new releases, suspected releases and discovery of previously unknown releases. Ms. Douskey was happy to report that the number of open LUST sites in the program has dropped to 985 sites. Of these, 575 are classified high risk, 323 low risk, 73 are identified as no action required, with free product, and 87 are listed as not classified. Ms. Douskey noted that the 'not classified' group involves problem sites which take significant time to handle and may not be funded by an outside entity. Mr. Scheidel noted that with 786 open claims there are approximately 200 sites which do not appear to be funded by the Board and noted that that number has remained consistent for some time. Ms. Douskey also noted that 161 sites were closed in the last Federal fiscal year which is higher than in prior years, but also noted that in this fiscal year so far only 12 sites have been closed.

Ms. Douskey reviewed the corrective action process to provide the new Board members with an understanding of the process and noted that the process had been developed following a Kiazen event which was intended to streamline the overall management of the program. Ms. Douskey noted the process is intended to bring together the various stakeholders, including the responsible party, funding agency, consultants and the department with the hope of developing a plan for moving the site toward closure. Ms. Douskey noted 1052 corrective action meetings have been held and actual plans had been developed for 472 sites.

Ms. Douskey reported that the Department had recently issued a RFP, following their receipt of additional Federal funds, to seek two environmental firms to address work on non-funded sites. She noted that the planned work would be continuation of the activities that had been started using the recently depleted ARRA funding.

Ms. Douskey also noted that only two days earlier she had made a presentation, along with Mr. Gastineau and Mr. Norris, at the annual Environmental Professionals of Iowa meeting. Ms. Douskey noted in her presentation she highlighted some of the recent legislative changes including making note of the copayment waiver for those who qualify under the Board rules, funding for the possible cleanup at low risk sites and the changes in the monitoring that can help sites attain closure in new ways. She also noted that the Department attorney, Ms. Tamara Mullen, had provided an update to consultants on how environmental covenants could be utilized in the process of moving sites to closure.

**PROGRAM BILLINGS**

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

- 1. Aon Risk Services .....\$94,333.33  
 Consulting Services for November 2011 -- \$55,333.33  
 Claims Processing Services for September 2011-- \$39,000.00
- 2. Aon Risk Services .....\$94,333.33  
 Consulting Services for December 2011 -- \$55,333.33  
 Claims Processing Services for October 2011-- \$39,000.00
- 3. Iowa Attorney General’s Office .....\$5,682.38  
 Legal Services provided for Underground Storage Tank Program  
 September FY2012 Billing
- 4. Iowa Attorney General’s Office .....\$5,875.12  
 Legal Services provided for Underground Storage Tank Program  
 October FY2012 Billing
- 5. Iowa Department of Revenue .....\$1,412.25  
 Environmental Protection Charge collection April – June 2011

In a motion by Mr. Johnson and a second by Mr. Gipp all billings were approved by a vote of 5-0.

**MONTHLY ACTIVITY REPORT**

Mr. Scheidel noted that the data reports for September and October are provided, and a continuing downward trend is being seen in the number of open claims to the current number of 786, which is down from 803 at the end of August 2011. Mr. Scheidel noted that based on the numbers reported by Elaine Douskey (DNR) that there approximately 200 sites that are not funded through a Board program. Mr. Scheidel also noted that the October report shows that

fiscal year expenditures are now over \$2.4M, which is slightly ahead of last year's numbers at the same time.

For the financials, Mr. Scheidel noted the current balance for all accounts stands at \$19,791,967. Mr. Scheidel also noted that it will be necessary to move fund soon, as approved in the annual budget, from the UST Revenue Fund to the Remedial Non-Bonding Fund to pay for ongoing remedial claim expenses.

## 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 8605860 – Bill's Quik Shop, Strawberry Point**

Mr. Gastineau provided information noting that the facility is currently classified high risk for the soil and groundwater vapor pathways and for the soil leaching to a protected groundwater source pathway. Mr. Gastineau noted that the area of contamination was limited such that an excavation could be completed to remove contamination with the intent of achieving a reclassification of the site to a low risk or no action required status.

Mr. Gastineau noted that the present claim reserve was \$120,000 and that \$64,876.99 had been paid on the site to date. Projected costs for an excavation and additional monitoring and reporting are \$100,000 to \$150,000. Mr. Gastineau requested additional authority to \$150,000 for the site.

Ms. Carlson motioned to approve the claim authority, and Ms. Andeweg seconded the motion. The measure passed on a vote of 5-0

### **2. Site Registration 8606771 – Spencer Municipal Utilities, Spencer (2<sup>nd</sup> Board report)**

Mr. Gastineau provided information noting that the facility is classified low risk for the protected groundwater source pathway only and with the completion of an onsite institutional control, the applicable site target levels would be raised. Mr. Gastineau noted further monitoring would still be required to verify attainment of the applicable targets.

Mr. Gastineau noted prior Board approval was granted in February 2005 for authority up to \$100,000; the costs incurred at the site to date are \$113,840.47 and the present claim reserve is \$118,000. Projected costs for the future monitoring and well abandonment are \$10,000 to \$35,000. Mr. Gastineau requested additional authority of \$30,000 for a total authority of up to \$130,000 to address the risks at the low risk site.

Mr. Johnson motioned to approve the authority, and Mr. Friedrichsen seconded the motion. The measure passed on a vote of 5-0.

**3. CRPCA 0309-33(A): Bentley Corrective Action Project - - Change Order Request**

Mr. Gastineau provided the background information on this state lead project. The project was awarded to Barker, Lemar Engineering Consultants in december 2009 as a continuation of a prior State Lead project. Mr. Gastineau noted the project involves one LUST site located in an unincorporated community without access to a public water system. The LUST site is classified high risk due to proximity of contaminants to multiple private water wells. Mr. Gastineau stated a remediation system was in operation to reduce contaminant levels however recent sampling suggested unknown sources may exist in the site area. Mr. Gastineau noted the request was presented to seek funds to complete an electromagnetic survey and a survey using ground-penetrating radar to determine if unknown tanks are present and/or if petroleum products are present in the suspected tanks. Mr. Gastineau also noted that funding was requested to complete additional sampling activities in an effort to determine if the local wells are isolated from the contaminant plume.

Mr. Gastineau noted that the original contract authority was \$140,137.64. Additional authority of \$30,000 was requested to complete the surveys and additional testing, which would provide a total authority up to \$170,137.64 if approved.

Ms. Carlson motioned to approve the claim authority, and Ms. Andeweg seconded the motion. The measure passed on a vote of 5-0.

**CONTRACTS ENTERED INTO SINCE THE SEPTEMBER 22, 2011 BOARD MEETING**

Mr. Scheidel noted that the Board had not signed any contracts since the last Board meeting on September 22, 2011.

**OTHER ISSUES**

Mr. Scheidel noted that the next meeting of the Board was planned for Friday, January 27, 2012.

**CORRESPONDENCE AND ATTACHMENTS**

Mr. Barry asked if there was any further business, and there being none, Mr. Johnson moved to adjourn, and Ms. Andeweg seconded the motion. By a vote of 5-0, the Board adjourned at 12:12 p.m.

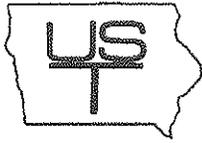
Respectfully Submitted,



Scott M. Scheidel  
Administrator

## Board Issues

## A. Legislative Issue Discussion



# IOWA UNDERGROUND STORAGE TANK

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### ◆◆◆ MEMO ◆◆◆

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**TO:** Iowa UST Board

**FROM:** Scott Scheidel

**DATE:** January 19, 2012

**RE:** 2012 Legislative Session

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The 2012 Legislative Session began January 9<sup>th</sup>. Thus far signs point to the Session lasting under 100 days, however it is very early. The Governor released his budget last week and while it did not include any reference or change to the UST Fund or the Environmental Protection Charge revenue stream it is still early. Not included in that initial budget were the Governor's plans for the Road Use Tax Fund this year. When those are released, hopefully next week, we will monitor for any suggested impact on the UST Fund and the Board's ability to meet its mission as it moves toward sunset.

We will provide communication on any bills that may materially affect the Board throughout the Session.

## **B. UST Operator Training & Data Management System**



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TO: UST Fund Board

FROM: Scott Scheidel

DATE: January 16, 2012

SUBJECT: Iowa UST Operator Training and Operator Training Data Management System

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In 2010 Iowa legislation, the Board was tasked to administer a program to provide underground storage tank operator training to owners and operators to assist them in complying with recent Iowa Department of Natural Resources (DNR) rules which require trained operators at each UST facility. The Board initially provided assistance through the direct reimbursement of training contractors who provided Class A & B training to owners and operators. Since September 2010, 2,364 have been trained. The reimbursement agreements were written to expire on December 31, 2011 which corresponded to the date in DNR rule by which the training must be complete. However, based on data acquired from the Department and from the training contractors, it was determined further training services were necessary. Contract extensions have been offered to the vendors, to allow continuation of the Class A & B training reimbursements at the same rate as in the past.

In November 2011, the Board authorized the Administrator to negotiate an agreement with Iowa State University's Department of Environmental Health & Safety for the development and administration of the Iowa UST Operator Data Management System which is intended to provide owners and operators with an online system to track and document Class C training provided to their employees. The system would also allow owners and operators to obtain Class C Operator training for their employees at no cost. Following the meeting, it was determined an interagency agreement was appropriate as both the Board and ISU-EHS are State entities; an agreement was jointly developed and the language approved by legal counsel; the agreement is attached for reference and consideration.

## **Recommendation**

It is requested that the Board authorize extension of the reimbursement agreements and the Class C Operator Training agreement.

**28E AGREEMENT**  
**BETWEEN the IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE**  
**TANK FUND BOARD AND IOWA STATE UNIVERSITY, DEPARTMENT OF**  
**ENVIRONMENTAL HEALTH and SAFETY for THE ADMINISTRATION OF THE**  
**IOWA UNDERGROUND STORAGE TANK OPERATOR TRAINING DATA**  
**MANAGEMENT SYSTEM**

This Agreement is entered into by and between the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board (hereinafter "Board"), with its Administrator's office located at 2700 Westown Parkway, Suite 320, West Des Moines, Iowa 50266, and Iowa State University, Department of Environmental Health and Safety (hereinafter "ISU-EHS"), located at 2809 Daley Drive, Ames, IA 50011-3660. This Agreement is entered into pursuant to Iowa Code chapter 28E and Iowa Code sections 455G.5 and 455G.6(15), and is effective as of the date it is fully executed by all parties.

**I. PURPOSE**

In 2010, State legislation granted the Board the authority to administer a program to provide safety training, hazardous material training, environmental training, and underground storage tank operator training in the state by an entity approved by the Iowa Department of Natural Resources (DNR). Funding is limited to no more than \$250,000 annually. *See* Iowa Code § 455G.3(9). In implementing the new program, the Board established a reimbursement program to assist owners and operators of underground storage tank (UST) sites comply with the Iowa DNR regulations requiring all UST operators be trained for their designated tasks either as a Class A, Class B, or Class C UST Operator. DNR regulations also require an owner have on file a copy of the certificates of training for a site's designated UST which must be readily available for inspection or readily available at an alternative location.

To further assist UST owners and operators, the Board issued a Request for Proposals on September 21, 2011, requesting proposals from vendors to establish and administer the Iowa UST Operator Training Data Management System (IUOTDMS). ISU-EHS was the selected vendor. The purpose of this Agreement, therefore, is to provide UST owners and operators with a readily available and secure alternative location to access the necessary records to document the training of their designated operators and to provide a venue to owners and operators for the training of future Class C Operators.

**II. DURATION**

This Agreement shall be in effect for two years, unless terminated pursuant to the provisions of Article VI. The parties to this Agreement may mutually agree to extend this Agreement for up to four additional years.

### **III. ADMINISTRATION**

This Agreement shall be administered by the Board and shall be undertaken pursuant to the terms outlined herein.

### **IV. PROPERTY**

At all times during the term of this Agreement, the Board will control and own the data within the IUOTDMS. ISU-EHS may acquire and hold real, personal, and intellectual property necessary or desirable for the performance of this Agreement and such property shall be held by or on behalf of the Board. Upon termination or expiration of this Agreement, all database content held by ISU-EHS by or on behalf of the Board or in connection with the performance of this Agreement shall be delivered to or at the direction of the Board for disposition as determined by the Board.

### **V. RESPONSIBILITIES**

The Board and ISU-EHS shall retain all powers and duties conferred by their respective enabling acts, but shall assist each other in the exercise of these powers and the performance of these duties in the following manner:

#### **A. ISU-EHS RESPONSIBILITIES**

1. Provide the services described in the Board's Request for Proposal (RFP) dated September 21, 2011, and as offered in the ISU-EHS proposal dated November 1, 2011, which shall include the activities necessary to:
  - (a) Develop, implement and operate the IUOTDMS,
  - (b) Provide customer support for users of the system,
  - (c) Coordinate technical support for system users,
  - (d) Control access to the system,
  - (e) Allow users to consolidate data into the system,
  - (f) Track and manage training documentation,
  - (g) Generate reports requested by the Board and Administrator,
  - (h) Provide for continuous data storage at a secure location,
  - (i) Make recommendations regarding system use and administration,
  - (j) Develop application forms and supporting documentation.
2. Provide the services necessary to allow the system users, Board, and Administrator access to an Iowa DNR approved online Class C UST Operator Training System and allow the tracking of those who have completed the training.
3. Provide that the system will be controlled to ensure no confidential data, collected, maintained, or used in the course of performance of the Agreement shall be disseminated except as authorized by law and with the

written consent of the Board, either during the period of the Agreement or thereafter.

## **B. BOARD RESPONSIBILITIES**

1. Provide funds up to a maximum of forty thousand four hundred sixty dollars (\$40,460.00) to be used exclusively for the development, implementation and administration of a data management system to be known as the Iowa UST Operator Data Management System, and for the training of Class C Operators through ISU-EHS's Iowa approved online training program.
2. Advertise with Iowa owners and operators to attract their participation in the use of the Iowa UST Operator Data Management System.

## **VI. FINANCING**

The Board shall pay all costs associated with the administration of this Agreement in accordance with the terms of this Agreement.

## **VII. AMENDMENT**

This Agreement may be amended from time to time by written agreement of the Parties. All amendments shall be in writing, signed by both Parties, and filed with the Secretary of State.

## **VIII. TERMINATION**

**A. Termination Upon Mutual Consent.** This Agreement may be terminated upon the mutual written consent of the parties.

**B. Termination By One Party.** Notwithstanding anything in this Agreement to the contrary, and subject to the limitations, conditions, and procedures set forth below, either party to this Agreement shall have the right to terminate this Agreement without penalty by giving sixty (60) days' written notice to the other party to the Agreement as a result of any of the following:

1. There are insufficient funds available to allow a party to fulfill its obligations under this Agreement;
2. A change in the law prevents or substantially impairs a party's ability to participate in this Agreement; or
3. Failure to perform responsibilities described in this Section V of this Agreement at a quality or quantity that can be reasonably expected by the other party.

**IX. NOTICES**

Whenever notices and correspondence are to be given under this Agreement, the notices shall be given by personal delivery to the other party, or sent by mail, postage prepaid, to the other party as follows:

To the Board

Iowa UST Fund Board  
2700 Westown Parkway, Suite 320,  
W. Des Moines, Iowa 50266

To ISU-EHS

Iowa State University  
Dept of Environmental Health and Safety  
2809 Daley Drive  
Ames, IA 50011-3660

**X. APPLICABLE LAW**

This Agreement is to be governed by the laws of the State of Iowa.

**XI. FILING AND RECORDING**

It is agreed the Board will electronically file this Agreement with the Secretary of State, and electronically file any amendment, modification, or notice of termination of this Agreement within thirty days as provided in Iowa Code section 28E.8.

**IN WITNESS WHEREOF**, and in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt, adequacy, and legal sufficiency of which are hereby acknowledged, the parties have entered into this 28E Agreement and have caused their duly authorized representatives to execute this 28E Agreement.

**IOWA COMPREHENSIVE PETROLEUM  
UNDERGROUND STORAGE TANK  
FUND BOARD**

**IOWA STATE UNIVERSITY, DEPT OF  
ENVIRONMENTAL HEALTH AND  
SAFETY**

BY: \_\_\_\_\_  
Douglas M. Beech, Chair

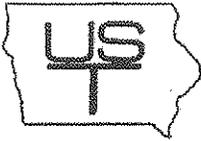
BY: \_\_\_\_\_  
A. David Inyang, Executive Director

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

## C. DNR Update

## Approval of Program Billings



# IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Scott M. Scheidel, *Administrator*

*Board Members:*

Michael L. Fitzgerald

Joseph D. Barry  
Dawn Carlson

Jeff W. Robinson  
Eric W. Johnson

Roger Lande  
Karen Andeweg

## MEMORANDUM

TO: UST Board Members  
FROM: Scott Scheidel  
DATE: January 19, 2012  
SUBJECT: Summary of Bills for Payment

### \*NOTICE\*

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

1. Aon Risk Services .....\$97,608.00  
Consulting Services for –January 2012- \$58,608.00  
Claims Processing Services for –January 2012- \$39,000.00
2. Aon Risk Services .....\$97,608.00  
Consulting Services for –February 2012- \$58,608.00  
Claims Processing Services for –February 2012- \$39,000.00
3. Iowa Attorney General's Office .....\$8,831.31  
Legal Services for the UST Fund November FY2012
4. Iowa Attorney General's Office .....\$5,008.97  
Legal Services for the UST Fund December FY2012

## Monthly Activity Report and Financials Reviewed

## A. November 2011 Activity Report

Iowa UST Fund  
Monthly Activities Report

Nov-11

	Open Claims	Open & Closed	Open Claims	Open & Closed
Claims	Oct Ending	Monthly Net Changes	Nov Ending	Totals since Inception
<b>RETROACTIVE</b>				
number	41	(1)	40	444
reserve	\$1,760,372.68	(\$33,336.85)	\$1,727,035.83	\$1,774,662.17
paid	\$6,674,627.32	(\$45,696.03)	\$6,628,931.29	\$16,213,002.93
	\$8,435,000.00	(\$79,032.88)	\$8,355,967.12	\$17,987,665.10
<b>REMEDIAL</b>				
number	569	(20)	549	4,444
reserve	\$28,106,696.68	(\$982,625.18)	\$27,124,071.50	\$28,152,632.68
paid	\$80,701,093.01	(\$2,381,374.82)	\$78,319,718.19	\$196,578,259.26
total	\$108,807,789.69	(\$3,364,000.00)	\$105,443,789.69	\$224,730,891.94
<b>INNOCENT LANDOWNER</b>				
number	176	(4)	172	1,418
reserve	\$7,510,966.94	(\$356,583.08)	\$7,154,383.86	\$7,510,966.94
paid	\$11,537,043.06	(\$59,666.92)	\$11,477,376.14	\$26,556,701.97
total	\$19,048,010.00	(\$416,250.00)	\$18,631,760.00	\$34,067,668.91
<b>GLOBAL OPT-IN</b>				
number	153	(3)	150	1,292
reserve	\$898,290.28	(\$17,767.89)	\$880,522.39	\$898,290.28
paid	\$1,190,247.53	(\$24,232.11)	\$1,166,015.42	\$9,358,372.26
total	\$2,088,537.81	(\$41,999.93)	\$2,046,537.88	\$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	(1)	14	27
reserve	\$530,292.10	(\$194,365.72)	\$335,926.38	\$530,292.10
paid	\$227,207.90	\$1,865.72	\$229,073.62	\$437,643.96
total	\$757,500.00	(\$192,500.00)	\$565,000.00	\$967,936.06
<b>TANK PULLS</b>				
number	33	5	38	92
reserve	\$369,504.00	\$77,498.00	\$447,002.00	\$379,504.00
paid	\$0.00	\$0.00	\$0.00	\$595,451.58
total	\$369,504.00	\$77,498.00	\$447,002.00	\$974,955.58

Corrective Action Meetings	
Scheduled:	15
Completed:	1,058
MOA's	472

Operator Training (Class A/B)	
Number trained (A/B)	2229
Paid (FY2011)	\$183,600.00
Paid (FY2012)	\$31,700.00

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

Invoice Type Totals	November	FYTD	Program to Date
2004 Tank Pull	0.00	0.00	\$ 1,761,013
2010 Tank Pull	38,990.00	388,243.41	\$ 640,162
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	7,607.37	15,927.34	\$ 51,008,048
Expenses (OT)	600.00	33,700.00	\$ 201,600
Free Prod Recover	54,883.45	209,076.54	\$ 8,999,733
Monitoring	124,659.90	548,916.62	\$ 24,665,458
Operations/Maint	19,155.22	168,959.38	\$ 8,724,238
Over-excavation	41,574.50	616,596.91	\$ 25,848,166
Plastic Water Lines	8,957.57	206,207.90	\$ 1,897,037
Post RBCA Evals	300.00	4,414.20	\$ 174,099
RBCA	3,750.00	80,803.57	\$ 25,428,441
Remed Imp/Const.	28,050.79	358,968.80	\$ 25,186,808
SCR Charges	0.00	0.00	\$ 54,185,400
Site Check	0.00	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	7,713.86	28,581.87	\$ 1,216,724
Utilities	8,315.24	71,930.13	\$ 1,539,565
Well Closure	6,713.15	104,053.97	\$ 3,055,198
<b>Total Invoice Types</b>	<b>351,271.05</b>	<b>2,839,898.40</b>	<b>\$ 262,875,297</b>

Budgets Approved to Date		
last month	2	\$31,929
Trailing 12 mos	35	\$1,505,665
Prev Trail 12 mos	24	\$969,656
<b>Total Since Jan 2003</b>	<b>1,015</b>	<b>\$38,774,985</b>

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

## **B. November 2011 Financial Report**

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

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

<b>Balance of Fund, November 1, 2011</b>		\$12,790,721.00
<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	\$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	\$0.00
<b>Balance of Fund, November 30, 2011</b>		\$12,790,721.00

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

<b>Balance of Fund, November 1, 2011</b>		\$2,112,281.71
<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	\$775.58	
	\$775.58	\$775.58
<b>Disbursements:</b>		
UST Administrator's Fees	\$188,666.66	
Attorney General's Fees	\$5,682.38	
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	\$1,412.25	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FOR THE MONTH ENDING NOVEMBER 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	\$9,100.00	
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	
		\$204,861.29
<b>Balance of Fund, November 30, 2011</b>		<b>\$1,908,196.00</b>

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

<b>Balance of Fund, November 1, 2011</b>		\$395,709.06
<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	\$21,493.75	
Remedial Claims	\$591,965.37	
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants & Cancelled Warrants	\$0.00	
		\$613,459.12
<b>Balance of Fund, November 30, 2011</b>		<b>(\$217,750.06)</b>

**0478 - UST MARKETABILITY FUND**

<b>Balance of Fund, November 1, 2011</b>		\$722,116.42
<b>Receipts:</b>		
Interest	\$1,250.49	
Use Tax	\$1,250.49	
		\$1,250.49
<b>Disbursements:</b>		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
<b>Balance of Fund, November 30, 2011</b>		<b>\$723,366.91</b>

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

**0485 - UST INNOCENT LANDOWNERS FUND**

<b>Balance of Fund, November 1, 2011</b>		\$3,493,947.37
<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	\$4,531.31	
Innocent Landowner Claims	\$42,497.80	
Transfer to Remedial Fund 208	\$0.00	
Balance of Outdated Warrants	\$0.00	
		\$47,029.11
<b>Balance of Fund, November 30, 2011</b>		<b>\$3,446,918.26</b>

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

<b>Balance of Fund, November 1, 2011</b>		\$277,191.66
<b>Receipts:</b>		
Loan Application Fees	\$0.00	
Interest Income	\$75.69	
		\$75.69
<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, November 30, 2011</b>		<b>\$277,267.35</b>

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

<b>Balance of Fund, November 30, 2011</b>		\$0.00
<b>Combined UST Capital Reserve Fund Balances, November 30, 2011</b>		<b>\$0.00</b>
<b>TOTAL FUND BALANCES, November 30, 2011</b>		<b>\$18,928,719.46</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 November 30, 2011**

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

		FISCAL 2012 BUDGET
<b>0471 - UST REVENUE FUND (Bonding)</b>		
<b>Balance of Fund, November 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, November 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, November 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	\$5,172.29	\$25,000.00
	\$72,811.75	\$9,311,905.54
<b>Disbursements:</b>		
UST Administrator's Fees	\$566,864.76	\$1,100,000.00
Attorney General's Fees	\$24,186.93	\$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	\$3,714.33	\$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 NOVEMBER 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	\$36,000.00	\$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	
	\$2,866,425.38	\$3,476,050.00
<b>Balance of Fund, November 30, 2011</b>	<b>\$1,908,196.00</b>	<b>\$10,537,665.17</b>
<b>0208 - UST REMEDIAL NON-BONDING FUND</b>		
<b>Balance of Fund, November 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	\$118,836.61	\$700,000.00
Remedial Claims	\$2,510,479.83	\$6,000,000.00
Transfer to Unassigned Revenue Fund	\$67,639.46	
Balance of Outdated Warrants	\$0.00	
	\$2,696,955.90	\$6,700,000.00
<b>Balance of Fund, November 30, 2011</b>	<b>(\$217,750.06)</b>	<b>\$2,776,236.34</b>
<b>0478 - UST MARKETABILITY FUND</b>		
<b>Balance of Fund, November 1, 2011</b>	<b>\$717,263.77</b>	<b>\$717,263.77</b>
<b>Receipts:</b>		
Interest	\$6,103.14	\$50,000.00
Use Tax	\$0.00	
	\$6,103.14	\$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, November 30, 2011</b>	<b>\$723,366.91</b>	<b>\$767,263.77</b>

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

		FISCAL 2012 BUDGET
<b>0485 - UST INNOCENT LANDOWNERS FUND</b>		
<b>Balance of Fund, November 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	\$27,404.34	\$75,000.00
Innocent Landowner Claims	\$328,271.68	\$1,500,000.00
Intra State Fund Transfers Paid	\$0.00	
Balance of Outdated Warrants	(\$7,832.20)	
	\$347,843.82	\$1,575,000.00
<b>Balance of Fund, November 30, 2011</b>		\$3,446,918.26
<b>0238 - UST LOAN GUARANTEE FUND (Non-Bonding)</b>		
<b>Balance of Fund, November 1, 2011</b>		\$276,905.54
<b>Receipts:</b>		
Loan Application Fees	\$0.00	
Interest Income	\$361.81	\$0.00
	\$361.81	\$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, November 30, 2011</b>		\$277,267.35
<b>0614 - UST CAPITAL RESERVE FUNDS (Bonding)</b>		
<b>Combined UST Capital Reserve Fund Balances, November 30, 2011</b>		\$0.00
<b>TOTAL FUND BALANCES, November 30, 2011</b>		\$18,928,719.46

**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. December 2011 Activity Report**

Iowa UST Fund  
Monthly Activities Report

Dec-11

Claims	Open Claims	Open & Closed	Open Claims	Open & Closed
	Nov Ending	Monthly Net Changes	Dec Ending	Totals since Inception
<b>RETROACTIVE</b>				
number	40	1	41	444
reserve	\$1,727,035.83	\$9,471.82	\$1,736,507.65	\$1,750,797.14
paid	\$6,628,931.29	\$90,528.18	\$6,719,459.47	\$16,257,835.08
	\$8,355,967.12	\$100,000.00	\$8,455,967.12	\$18,008,632.22
<b>REMEDIAL</b>				
number	549	13	562	4,444
reserve	\$27,124,071.50	(\$1,459,048.93)	\$25,665,022.57	\$25,660,958.57
paid	\$78,319,718.19	\$2,108,195.93	\$80,427,914.12	\$197,288,680.93
total	\$105,443,789.69	\$649,147.00	\$106,092,936.69	\$222,949,639.50
<b>INNOCENT LANDOWNER</b>				
number	172	1	173	1,418
reserve	\$7,154,383.86	\$198,059.76	\$7,352,443.62	\$7,510,966.94
paid	\$11,477,376.14	\$100,190.24	\$11,577,566.38	\$26,556,701.97
total	\$18,631,760.00	\$298,250.00	\$18,930,010.00	\$34,067,668.91
<b>GLOBAL OPT-IN</b>				
number	150	(2)	148	1,293
reserve	\$880,522.39	(\$5,015.76)	\$875,506.63	\$875,506.63
paid	\$1,166,015.42	(\$22,984.24)	\$1,143,031.18	\$9,371,963.83
total	\$2,046,537.88	(\$28,000.07)	\$2,018,537.81	\$10,247,470.46
<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	0	14	27
reserve	\$335,926.38	\$10,779.32	\$346,705.70	\$346,705.70
paid	\$229,073.62	\$39,220.68	\$268,294.30	\$486,102.47
total	\$565,000.00	\$50,000.00	\$615,000.00	\$832,808.17
<b>TANK PULLS</b>				
number	38	(6)	32	103
reserve	\$447,002.00	(\$96,059.00)	\$350,943.00	\$350,943.00
paid	\$0.00	\$0.00	\$0.00	\$777,437.07
total	\$447,002.00	(\$96,059.00)	\$350,943.00	\$1,128,380.07

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

Invoice Type Totals	December	FYTD	Program to Date
2004 Tank Pull	0.00	0.00	\$ 1,761,013
2010 Tank Pull	68,548.66	456,792.07	\$ 708,710
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	7,420.20	23,347.54	\$ 51,015,468
Expenses (OT)	9,200.00	42,900.00	\$ 210,800
Free Prod Recover	18,109.21	227,185.75	\$ 9,017,842
Monitoring	73,268.34	622,184.96	\$ 24,738,727
Operations/Maint	15,729.36	184,688.74	\$ 8,739,968
Over-excavation	93,998.55	710,595.46	\$ 25,942,165
Plastic Water Lines	0.00	206,207.90	\$ 1,897,037
Post RBCA Evals	0.00	4,414.20	\$ 174,099
RBCA	0.00	80,803.57	\$ 25,428,441
Remed Imp/Const.	0.00	358,968.80	\$ 25,186,808
SCR Charges	0.00	0.00	\$ 54,185,400
Site Check	0.00	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	120.00	28,701.87	\$ 1,216,844
Utilities	8,723.35	80,653.48	\$ 1,548,289
Well Closure	9,798.54	113,852.51	\$ 3,064,996
<b>Total Invoice Types</b>	<b>304,916.21</b>	<b>3,144,814.61</b>	<b>\$ 263,180,213</b>

Remediation Budgets Approved to Date		
last month	0	\$0
Trailing 12 mos	36	\$1,564,411
Prev Trail 12 mos	25	\$1,216,605
<b>Total Since Jan 2003</b>	<b>1,015</b>	<b>\$38,774,985</b>

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

Corrective Action Meetings	
Scheduled:	12
Completed:	1,065
MOA's	473

Operator Training (Class A / B)	
Number trained (A/B)	2364
Paid (FY2011)	\$183,600.00
Paid (FY2012)	\$45,080.00

## **B. December 2011 Financial Report**

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

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

<b>Balance of Fund, December 1, 2011</b>		\$12,790,721.00
<b>Receipts:</b>		
Tank Management Fees (FY2010)	\$0.00	
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$3,500,000.00	
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$450.78	
Interest Income - Capital Reserve Fund	\$0.00	
	\$3,500,450.78	\$3,500,450.78
<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	\$7,000,000.00	
	\$7,000,000.00	\$7,000,000.00
<b>Balance of Fund, December 31, 2011</b>		<b>\$9,291,171.78</b>

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

<b>Balance of Fund, December 1, 2011</b>		\$1,908,196.00
<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	\$4,864.24	
	\$4,864.24	\$4,864.24
<b>Disbursements:</b>		
UST Administrator's Fees	\$0.00	
Attorney General's Fees	\$5,875.12	
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 DECEMBER 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	\$600.00	
Travel Expenses-UST Board Members	\$92.04	
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	
		\$6,567.16
<b>Balance of Fund, December 31, 2011</b>		<b>\$1,906,493.08</b>

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

<b>Balance of Fund, December 1, 2011</b>		(\$217,750.06)
<b>Receipts:</b>		
Remedial Refunds	\$0.00	
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer Received from 471 Rev Fund	\$7,000,000.00	
		\$7,000,000.00
<b>Disbursements:</b>		
Retroactive Claims	\$5,085.80	
Remedial Claims	\$129,635.13	
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants & Cancelled Warrants	\$0.00	
		\$134,720.93
<b>Balance of Fund, December 31, 2011</b>		<b>\$6,647,529.01</b>

**0478 - UST MARKETABILITY FUND**

<b>Balance of Fund, December 1, 2011</b>		\$723,366.91
<b>Receipts:</b>		
Interest	\$1,110.42	
Use Tax	\$1,110.42	
		\$1,110.42
<b>Disbursements:</b>		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
<b>Balance of Fund, December 31, 2011</b>		<b>\$724,477.33</b>

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

**0485 - UST INNOCENT LANDOWNERS FUND**

<b>Balance of Fund, December 1, 2011</b>		\$3,446,918.26
<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	\$1,859.14	
Innocent Landowner Claims	\$47,057.27	
Transfer to Remedial Fund 208	\$0.00	
Balance of Outdated Warrants	\$0.00	
		\$48,916.41
<b>Balance of Fund, December 31, 2011</b>		<b>\$3,398,001.85</b>

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

<b>Balance of Fund, December 1, 2011</b>		\$277,267.35
<b>Receipts:</b>		
Loan Application Fees	\$0.00	
Interest Income	\$68.52	
		\$68.52
<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, December 31, 2011</b>		<b>\$277,335.87</b>

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

<b>Balance of Fund, December 31, 2011</b>		\$0.00
<b>Combined UST Capital Reserve Fund Balances, December 31, 2011</b>		<b>\$0.00</b>
<b>TOTAL FUND BALANCES, December 31, 2011</b>		<b>\$22,245,008.92</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 December 31, 2011**

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

		FISCAL 2012 BUDGET
<b>0471 - UST REVENUE FUND (Bonding)</b>		
<b>Balance of Fund, December 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)	\$7,000,000.00	\$14,000,000.00
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$450.78	
Interest Income - Capital Reserve Fund	\$0.00	
	\$7,000,450.78	\$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	\$7,000,000.00	\$7,000,000.00
	\$7,000,000.00	\$23,000,000.00
<b>Balance of Fund, December 31, 2011</b>	<b>\$9,291,171.78</b>	<b>\$290,721.00</b>
<b>0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)</b>		
<b>Balance of Fund, December 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	\$10,036.53	\$25,000.00
	\$77,675.99	\$9,311,905.54
<b>Disbursements:</b>		
UST Administrator's Fees	\$566,864.76	\$1,100,000.00
Attorney General's Fees	\$30,062.05	\$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	\$3,714.33	\$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 DECEMBER 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	\$36,600.00	\$500,000.00
Travel Expenses-UST Board Members	\$223.47	\$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	
	\$2,872,992.54	\$3,476,050.00
<b>Balance of Fund, December 31, 2011</b>	<b>\$1,906,493.08</b>	<b>\$10,537,665.17</b>
<b>020<sup>2</sup> - UST REMEDIAL NON-BONDING FUND</b>		
<b>Balance of Fund, December 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	\$7,000,000.00	\$7,000,000.00
Transfer Received from ILO	\$0.00	
	\$7,002,969.50	\$7,000,000.00
<b>Disbursements:</b>		
Retroactive Claims	\$123,922.41	\$700,000.00
Remedial Claims	\$2,640,114.96	\$6,000,000.00
Transfer to Unassigned Revenue Fund	\$67,639.46	
Balance of Outdated Warrants	\$0.00	
	\$2,831,676.83	\$6,700,000.00
<b>Balance of Fund, December 31, 2011</b>	<b>\$6,647,529.01</b>	<b>\$2,776,236.34</b>
<b>0478 - UST MARKETABILITY FUND</b>		
<b>Balance of Fund, December 1, 2011</b>	\$717,263.77	\$717,263.77
<b>Receipts:</b>		
Interest	\$7,213.56	\$50,000.00
Use Tax	\$0.00	
	\$7,213.56	\$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, December 31, 2011</b>	<b>\$724,477.33</b>	<b>\$767,263.77</b>

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

		FISCAL 2012 BUDGET
<b>0485 - UST INNOCENT LANDOWNERS FUND</b>		
<b>Balance of Fund, December 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	\$29,263.48	\$75,000.00
Innocent Landowner Claims	\$375,328.95	\$1,500,000.00
Intra State Fund Transfers Paid	\$0.00	
Balance of Outdated Warrants	(\$7,832.20)	
	\$396,760.23	\$1,575,000.00
<b>Balance of Fund, December 31, 2011</b>	\$3,398,001.85	\$9,214,762.08
<b>0238 - UST LOAN GUARANTEE FUND (Non-Bonding)</b>		
<b>Balance of Fund, December 1, 2011</b>	\$276,905.54	\$276,905.54
<b>Receipts:</b>		
Loan Application Fees	\$0.00	
Interest Income	\$430.33	\$0.00
	\$430.33	\$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, December 31, 2011</b>	\$277,335.87	\$0.00
<b>0614 - UST CAPITAL RESERVE FUNDS (Bonding)</b>		
<b>Combined UST Capital Reserve Fund Balances, December 31, 2011</b>	\$0.00	\$0.00
<b>TOTAL FUND BALANCES, December 31, 2011</b>	\$22,245,008.92	\$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.

## Claim Payment Approval

**IOWA UNDERGROUND STORAGE TANK PROGRAM**  
**SECOND BOARD REPORT**  
**NOVEMBER 28, 2011**  
**BRO OIL CO.**  
**100 SOUTH DOUGLAS STREET**  
**AFTON**  
**SITE REGISTRATION NUMBER: 8604865**  
**LUST NUMBER: 7LTI41**

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 223,000.00

PREVIOUS BOARD APPROVAL:

\$ 207,000.00

Number and Date of each previous Board Report: 1st: July 2, 2001

PREVIOUS COSTS INCURRED:

\$ 57,446.74

COSTS INCURRED SINCE LAST BOARD APPROVAL:

1. RBCA Tier II report	2,550.00
2. Free product recovery	6,740.00
3. Site monitoring reports	9,947.00
4. CADR	7,598.50
5. 2004 Tank Pull	13,856.51
Over-excavation	49,976.54
Remediation implementation	51,280.18
8. Operation and maintenance	17,165.66
9. Utilities	<u>3,290.98</u>

TOTAL COSTS INCURRED TO DATE:

\$ 219,852.11

PROJECTED COSTS:

Site Monitoring Reports  
(SMR)

Implementation of waterline replacement

TOTAL PROJECTED COSTS:

\$ 11,000.00 to 60,000.00

ADDITIONAL AUTHORITY RECOMMENDED:

\$ 35,000.00

TOTAL AUTHORITY:\*

\$ 242,000.00

COMMENTS: The site is high risk for PVC and gasketed waterlines and for vapor receptors. An SVE/AS system operated at this site from July of 2004 through February 2011. Groundwater contaminant levels are currently less than the target levels however soil contamination remains in proximity to a water line. Better soil plume definition may show that the waterline is not actually within the soil plume and if this cannot be shown, some waterline replacement will be necessary. The costs on this site are split 35% IUST Fund and 65% PMMIC.

\*Previous approval + additional recommended

IOWA UNDERGROUND STORAGE TANK PROGRAM  
 SECOND BOARD REPORT  
 JANUARY 4, 2012  
 WOOD STANDARD  
 DONNELLSON  
 SITE REGISTRATION NUMBER: 8913711  
 LUST NUMBER: 7LTW39

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 675,000.00

PREVIOUS BOARD APPROVAL:

\$ 500,000.00

Number and Date of each previous Board Report: 1st: March 21, 2005

PREVIOUS COSTS INCURRED:

\$ 56,657.38

COSTS INCURRED SINCE LAST BOARD APPROVAL:

- |   |                  |
|---|------------------|
| 1. Post-RBCA Evaluation                     | 1,000.00         |
| 2. Remediation implementation               | 278,427.44       |
| 3. Plastic waterline replacement            | 2,447.58         |
| 4. Operation and Maintenance                | 85,710.57        |
| 5. Site monitoring & remediation monitoring | 40,510.20        |
| 6. Utilities                                | <u>39,897.72</u> |

TOTAL COSTS INCURRED TO DATE:

\$ 504,650.89

PROJECTED COSTS:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Site Monitoring Reports (SMR) | <input type="checkbox"/> Operation and Maintenance of Current MPE System |
| <input type="checkbox"/> Corrective Action Design Report (CADR)   | <input checked="" type="checkbox"/> Additional Remediation               |

TOTAL PROJECTED COSTS:

\$ 100,000.00 to 250,000.00+

ADDITIONAL AUTHORITY RECOMMENDED:

\$ 250,000.00

TOTAL AUTHORITY:\*

\$ 750,000.00

COMMENTS: The site is high risk for more than 30 private drinking and non-drinking water wells, several vapor receptors and water lines. A multiphase extraction (MPE) system has been in operation since 2005 which has lowered the contaminant concentrations however the target levels for the drinking and non-drinking water wells are still exceeded. To promote further remediation, a surfactant was injected into the plume to enhance mobility of the contaminants so that greater removal can be achieved using the existing system. Results of the surfactant injection are not yet available. Continued use of the remediation system is necessary to control the plume and remove contaminants.

\*Previous approval + additional recommended

**IOWA UNDERGROUND STORAGE TANK PROGRAM  
 THIRD BOARD REPORT  
 JANUARY 6, 2012  
 HANCOCK COUNTY COOP OIL, KLEMME  
 SITE REGISTRATION NUMBER: 8604952  
 LUST NUMBER: 7LTB95**

RISK CLASSIFICATION:

HIGH                       LOW                       UNDETERMINED

PRESENT CLAIM RESERVE:                      \$ 700,000.00

PREVIOUS BOARD APPROVAL:                      \$ 575,000.00  
 Number and Date of each previous Board Report: 1st: August 6, 1998 2<sup>nd</sup>: June 25, 2003

PREVIOUS COSTS INCURRED:                      \$ 174,038.25

COSTS INCURRED SINCE LAST BOARD APPROVAL:

- |                                    |                  |
|------------------------------------|------------------|
| 1. Site monitoring reports         | 51,783.03        |
| 2. Free Product Recovery           | 5,429.10         |
| 3. Corrective action design report | 15,644.88        |
| 4. Remediation                     | 167,977.34       |
| 5. Operation and Maintenance       | 125,649.76       |
| 6. Utilities                       | <u>49,327.71</u> |

TOTAL COSTS INCURRED TO DATE:                      \$ 589,850.07

PROJECTED COSTS:

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Site Monitoring Reports (SMR) | <input checked="" type="checkbox"/> Free Product Recovery (FPR)           |
| <input type="checkbox"/> Corrective Action Design Report          | <input checked="" type="checkbox"/> Continued Operation of the DPE system |

TOTAL PROJECTED COSTS:                      \$ 75,000.00 to 200,000.00+

ADDITIONAL AUTHORITY RECOMMENDED:                      \$ 150,000.00

TOTAL AUTHORITY:\*                      \$ 725,000.00

COMMENTS: The site is high risk for two city water wells, a non-residential basement, a residential sewer, and the protected groundwater source pathway. A dual-phase extraction (DPE) system has been operating at this site since March of 2005. The system has significantly reduced the contaminant concentrations at this site, but appears to no longer be effective. A second modification of the system or additional corrective action measures may be necessary to reach the target levels. A third party review has just been completed which has resulted in a 75%/25% split between the IUST Fund and PMMIC as a result of a new release.

Previous approval + additional recommended

**IOWA UNDERGROUND STORAGE TANK PROGRAM  
 SECOND BOARD REPORT  
 JANUARY 16, 2012  
 PORTS PETROLEUM CO.  
 SITE REGISTRATION NUMBER: 8601150  
 LUST NUMBER: 8LTI42**

RISK CLASSIFICATION:

HIGH                       LOW                       UNDETERMINED

PRESENT CLAIM RESERVE:                      \$ 400,000.00

PREVIOUS BOARD APPROVAL:                      \$ 175,000.00  
 Number and Date of each previous Board Report: 1st: September 13, 2004

PREVIOUS COSTS INCURRED:                      \$ 55,562.72

COSTS INCURRED SINCE LAST BOARD APPROVAL:

- |                                     |                 |
|-------------------------------------|-----------------|
| 1. Site monitoring reports          | 35,298.80       |
| 2. Remediation implementation       | 37,363.38       |
| 3. Operation and maintenance        | 6,893.64        |
| 4. Corrective action teleconference | <u>2,000.00</u> |

TOTAL COSTS INCURRED TO DATE:                      \$ 137,118.54

PROJECTED COSTS:

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

TOTAL PROJECTED COSTS:                      \$ 250,000.00 to 350,000.00+

ADDITIONAL AUTHORITY RECOMMENDED:                     

TOTAL AUTHORITY:\*                      \$ 450,000.00

COMMENTS: The site is high risk for city water well located on an adjacent property. The city well is shallow and has detections of waste oil in it. Following several joint meetings, the best course of action seems to be installation of a new city well approximately 400 feet from the site and plugging of the old well. Once completed, the site should be reclassified to no action required status.

\*Previous approval + additional recommended

**IOWA UNDERGROUND STORAGE TANK PROGRAM  
 SECOND BOARD REPORT  
 JANUARY 18, 2012  
 MESSER OIL COMPANY, LONE TREE  
 SITE REGISTRATION NUMBER: 8607406  
 LUST NUMBER: 7LTT32**

RISK CLASSIFICATION:

HIGH       LOW       UNDETERMINED

PRESENT CLAIM RESERVE:      \$ 135,000.00

PREVIOUS BOARD APPROVAL:      \$ 130,000.00  
 Number and Date of each previous Board Report: 1st: August 10, 2007

PREVIOUS COSTS INCURRED:      \$ 82,762.63

COSTS INCURRED SINCE LAST BOARD APPROVAL:

- |                            |                  |
|----------------------------|------------------|
| 1. Free product recovery   | 12,544.10        |
| 2. Site monitoring reports | <u>15,846.00</u> |

TOTAL COSTS INCURRED TO DATE:      \$ 111,152.73

PROJECTED COSTS:

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

TOTAL PROJECTED COSTS:      \$ 90,000.00 to 150,000.00 +

ADDITIONAL AUTHORITY RECOMMENDED:      \$ 120,000.00

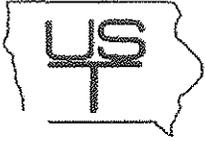
TOTAL AUTHORITY:\*      \$ 250,000.00

COMMENTS: This site is an active petroleum UST facility currently classified low risk for potential vapor receptors and for the protected groundwater source pathway. Annual monitoring costs are \$1,785.00 per year and our present claim reserve is based upon continued low risk monitoring.

The consultant is proposing corrective action to reduce contaminant levels using an SVE system that would be moved from another LUST site. Presently contaminant levels are quite high and there is a history of free product, although none is currently present. The consultant intends to work with the City to see if they will establish an acceptable ordinance for the protected ground source pathway and indicates contaminant target levels for the vapor receptors may be achievable two years after the system is in operation.

\*Previous approval + additional recommended

**Contracts Entered Into Since  
November 17, 2011  
Board Meeting**



# 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

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## MEMO

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**TO:** UST Board

**FROM:** Scott Scheidel

**DATE:** January 19, 2012

**RE:** Contracts Entered Into Since November 17, 2011

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No contracts have been entered into since the November 17, 2011 Board meeting.

## Correspondence and Attachments

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# EPA Study On The Effectiveness Of UST Insurance As A Financial Responsibility (FR) Mechanism

U.S. Environmental Protection Agency  
Office of Underground Storage Tanks  
Washington, D.C.  
[www.epa.gov/oust](http://www.epa.gov/oust)  
EPA-510-R-11-005

December 2011