

IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Scott M. Scheidel, *Administrator*

Board Members:

Michael L. Fitzgerald

Joseph D. Barry

Jeff. W. Robinson

Karen E. Andeweg

Chuck Gipp

Timothy L. Gartin

Dawn M. Carlson

Patricia J. Beck

N. Kurt Mumm

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, October 25, 2012. **The meeting will be held at the Iowa Insurance Division located at 330 E Maple St, Des Moines, Iowa.**

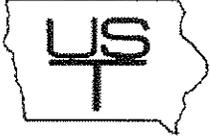
The tentative agenda for the meeting is as follows:

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. Cost Recovery Discussion
 - B. 1st Quarter FY 2013 Review
 - 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 August 23, 2012 Board Meeting
10. Other Issues as Presented
11. Correspondence and Attachments

Approval of Prior Board Minutes

August 23, 2012 Board Minutes



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MINUTES

IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM

August 23, 2012

ANNUAL STRATEGIC PLANNING SESSION IOWA ARBORETUM MADRID, IOWA

Doug Beech, Chairperson called the Iowa UST Board meeting to order at 9:37 A.M. A quorum was present. Roll call was taken with the following Board members present:

Doug Beech
Jake Friedrichsen (for Michael Fitzgerald)
Joseph Barry
Jeff Robinson
Karen Andeweg
Dawn Carlson
Patricia Beck
Kurt Mumm

Also present were:

David Steward, Attorney General's Office

Scott Scheidel, Administrator
James Gastineau, Program Administrator's Office
Charla Garnes, Program Administrator's Office
Elaine Douskey, Iowa Department of Natural Resources
Brian Tormey, Iowa Department of Natural Resources

STRATEGIC PLANNING SESSION

Mr. Beech welcomed two new Board members, Mr. Kurt Mumm and Ms. Patricia Beck. He then reviewed the agenda for the day, which included a morning session of Strategic Planning for the current fiscal year (2013) and a regular Board meeting following a break for lunch.

I. Evaluation of Past Program Goals and Program Status

A. Current Program Status

Mr. Scheidel reviewed with the Board the updated annual narrative that outlines the current status of the Program as well as gives a historical perspective on the origin of the Program and changes that have occurred over the life of the Program.

Mr. Scheidel explained the legislative intent of House File 447, which was codified under Iowa Code 455G in 1989. He noted the following topics:

- “Adequate and reliable financial assurance for the costs of cleanup on pre-existing releases” has been addressed by the Remedial and Innocent Landowner Programs to clean up releases that occurred prior to October 26, 1990.
- The Insurance Program was designed to “create financial responsibility assurance mechanism (insurance) to pay for future releases.” This program was transferred to the private sector in 2000.
- The “Fund was designed to be an interim measure” as suggested by the sunset date scheduled for June 30, 2016.
- The Board has cooperated with the Department of Natural Resources to address leaking underground storage tank (LUST) sites to “minimize societal costs and environmental damage.”
- Board assistance has helped to “maintain Iowa’s rural petroleum distribution network” by providing cleanup for pre-existing conditions of petroleum contamination, as well as, enabling an ongoing financial responsibility mechanism for UST sites.

In reviewing this narrative, funding and operational issues were covered. Mr. Scheidel stated that the review was to provide the members a broad perspective of the Program and to help understand the focus of the Program over its lifetime as a framework before discussing the more immediate goals.

Mr. Scheidel discussed the Remedial Program and summarized the cost of all claims paid under different claim types. To date, the UST Fund had paid \$198,679,469.10 in remedial claims, \$16,473,908.21 in retroactive claims, and \$26,233,334.50 in innocent landowner claims since the inception of the program. He also noted that the Loan Guarantee Program, was paid out in fiscal year 2011. Mr. Scheidel then made note of the Insurance Program, which was originally set up by the State and after operating the program for 10 years, a private mutual insurance program was created and funds accrued were transferred to that insurance company in 2000.

Regarding Iowa UST Program funding, Mr. Scheidel explained that the Program initially received funding through monies generated by the Environmental Protection Charge (EPC) then was transitioned to an allocation of the Motor Vehicle Use Tax. Also, Mr. Scheidel made reference to the bonds which were issued in the 1990’s to fund the Program, and he noted that recent legislation required the Board to payoff the 1997 bonds

and defease the 2004 bonds by 6/30/08; therefore the Board no longer had debt service payments.

Next, Mr. Scheidel noted that the current allocation to the Program is \$14 million, which was reduced from \$17 million in the last legislative session. The \$3 million difference now goes to the Renewable Fuels Infrastructure Board for funding to make sites compliant with new standards for renewable fuels.

Mr. Scheidel summarized the various Funds used by the Iowa UST Program to achieve the Board's goals. He stated the Revenue Fund received the standing allocation monies on a quarterly basis. Bond debt service payments were previously transferred from this account and excess funds were then transferred to the Unassigned Revenue Fund. Going forward though there will be no debt services payments to make. The Comprehensive Fund had previously received EPC monies in 1989 and 1990, however this fund was dissolved and the balance was transferred to the Unassigned Revenue Fund in August of 1996. The Unassigned Revenue Fund received the excess funds from the Revenue Fund semi-annually, and most of the Board's administrative expenses were paid from this fund.

Mr. Scheidel went on to explain that the Remedial Non-Bonding Fund paid remedial and retroactive claim payments. The Marketability Fund currently received the interest collected on the Innocent Landowner Fund. The Innocent Landowner Fund paid innocent landowner and global settlement claim payments, and was primarily funded by the large settlements from several major oil companies. Currently, any cost recovery monies received are deposited into this account. The No Further Action Fund had also become defunct, when the legislature eliminated the fund in 2000 transferring the balance in excess of \$11M to the pooled technology account for the State of Iowa however the liability for NFA sites remains. He stated the Loan Guarantee Fund was used for the guarantee of loans, as previously discussed. The Insurance Fund was defunct after the payment of its balance to a private insurer, which took over the Board's Insurance Program in 2000. The Aboveground Storage Tank Fund was defunct after that program ended, and the UST Bond Fund and the UST Capital Reserve Funds now carried a zero balance after the payoff of 1997 bonds and the defeasance of 2004 bonds.

Regarding operational issues, Mr. Scheidel discussed the basic tools used by the Board to follow its mission. He stated that the prior contract approval requirement was used to control costs. The use of 28E agreements were used to implement a cooperative effort between the Board and various State agencies, like the DNR. He explained that the community remediation program allowed for multiple or co-mingled sites within the same community to be addressed in concert by hiring one groundwater professional to address the entire area. The provisions of the cost recovery were then discussed and it was noted cost recovery efforts were used to recover expenses from responsible parties who caused the contamination. The Attorney General's office recovered \$40,824,419 from several major oil companies and through these settlements the opt-in program was established. He noted that as of today, 1294 claimants had received some funding. Ms. Carlson inquired as to how many others may be eligible, and it was noted the number was unknown. Mr. Scheidel noted that the burden for obtaining a claim was reduced however a claim must be made and must be from a settling oil company. Mr. Scheidel indicated a

search could be done to determine which of the open claims does not have an open or closed opt-in claim however that alone would not guarantee eligibility.

For the Innovative Technology section, it was noted five specific innovative technology projects were implemented with cooperation with the U.S. Environmental Protection Agency (EPA) to demonstrate the cost effectiveness of certain technologies at sites in Shenandoah and Council Bluffs. Those projects had mixed results, but Mr. Scheidel noted that the Board continues to encourage innovative technologies as an option to be compared against known technologies on some sites.

He explained the evolution of the risk based corrective action (RBCA) program was the hallmark of the Iowa program. The original program required all contamination be removed but the RBCA program requires a look of the contamination in relation to risks presented by that contamination in context with risk to public health, safety and the environment. Corrective action is needed only on those sites where an unreasonable risk is present. Mr. Scheidel also noted that as time has passed, the model used in the RBCA process has been recalibrated to look at what actual data has shown and in the upcoming year, further recalibration will need to be looked at as new information is issued by the USEPA on Vapor Intrusion issues.

Mr. Scheidel referenced the rural distribution network, stating that the recent natural disasters in Iowa have left some communities without nearby petroleum distributors. He noted the previous upgrade benefit from the UST Fund assisted distributors and helped to maintain the rural distribution network, as well as, the UST removal provisions of the UST Fund have. He also noted that the Board offers 100% funding to claimants who claimed financial hardship and met the standards of it however noted that since the opt-in program and the recent copay waiver for innocent landowners, very few have applied for the program. He also discussed the EPA Brownfield redevelopment or petroleum UST field redevelopment programs stating that through these programs sites are identified and if acquired through eminent domain or through delinquent taxes, governmental entities are given the benefit of 100% funding and would also be provided third party liability should it be needed. It was noted that difficulty exists in persuading governmental entities to take and then to retain the properties so as to be provided the benefits. It was noted that there have not been any third party liability claims to date.

Mr. Scheidel explained that the Innocent Landowners Program was utilized for claims received after the remedial program deadlines, or for claims on pre-regulation sites. Funding for these sites is provided and may include a copay waiver if the claimant is an innocent landowner with regard to the tanks from which the release occurred. Other tools used by the Board included privatization of the Insurance Program, technical training for certified groundwater professionals, UST installers and UST inspectors, and owner/operator outreach. He noted that Iowa's program which created a private insurance company is looked at as a model for other states, especially as costs for releases expands. The insurance company, now known as Petroleum Marketers Management Insurance Co. (PMMIC) still insures about 85% of the operating tanks. Technical training assistance is still provided however it was noted that the oversight of the UST installers and inspectors program was transitioned to the Department in 2007 as the

Board no longer had a hand in the operational matters of USTs. Lastly, it was noted that certified groundwater professionals are also certified through the Department and that the number of professional continues to decrease, now at 132 individuals down from 224 in June 2004.

For owner /operator outreach, Mr. Scheidel noted public meetings had been held for earlier rules reviews to bring information to the public. He also noted that in February 2012, the Administrator's office, a representative from PMMIC, and representatives from Petroleum Marketers and Convenience Stores of Iowa held a forum aimed at providing information to owners and operators on who is involved in decisions affecting their properties and how they can become an integral part in the decision process. The forum was attended by more than 50 people, including owners, operators, groundwater professionals, and Board members. Ms. Carlson noted her appreciation of the event and noted that more events of this nature should be considered; Mr. Scheidel concurred.

Mr. Scheidel noted a Rule review was exercised by the Board in 2002, when the entirety of the Administrative Rules were reviewed and streamlined to be made current; however the changes in rule did not change the substantive operation of the Program. He added that the Aboveground Storage Tank Program had ended during FY07, as that was a temporary program to assist with the upgrade or removal of aboveground storage tanks.

Next, he mentioned the loss portfolio transfer (LPT) option available to the Board to end its liabilities associated with LUST sites. A small LPT was completed between the Board and Petroleum Marketers Management Insurance Company (PMMIC) for 10 sites in March 2007.

Out of the 10 transferred, 3 have closed and 2 sites have such requests pending. Mr. Scheidel noted that there are now a group of 17 sites with shared liabilities which will be discussed later in the meeting. The total liability on those sites is approximately \$490,000.

Lastly in Operation Issues, Mr. Scheidel noted that since 2010 legislation was enacted, the Board is authorized to expend up to \$250,000 annually for the training of UST Operators as required by Federal and State regulations. The three classes of operators were explained, and it was noted the funding agreements provide DNR approved vendors with \$100 per individual trained as a Class A / B Operator, or \$80 for a Class A or Class B Operator separately. Since the program inception, 2,490 individuals have been trained as Class A and/or B Operators. In addition, the Board entered into an agreement with Iowa State University to develop and administer a database to assist owners in tracking those who have been trained and to obtain Class C training free of charge for their own employees. The cost of the management system over a two-year period would be \$40,600.

Activities Reporting

Mr. Scheidel presented the June 2012 monthly activities report as a summary of the program activities for FY 2012, noting that 773 open remedial, retro, and innocent

landowner claims. He explained that the report is provided monthly as a status report of activities being completed and noted what information is provided in each section of the report. Mr. Scheidel noted that since 2004, more than 500 corrective action meetings have been held. In discussion, it was noted that while owners and operators are invited to attend these meetings, few do so.

Mr. Mumm inquired as to what liabilities exist for a purchaser of a LUST site, noting the example if a buyer acquires a site after a NFA certificate is issued, what liabilities exist. Mr. Scheidel explained the NFA re-opener process, noting that since 2010 the Board and Department have a 28E agreement to provide funding for activities to determine if contamination discovered at NFA sites is related to the original release, and if so, does that contamination present an unreasonable risk. Mr. Scheidel noted in the event a risk is confirmed, corrective action will be completed. Regarding liability, it was noted two avenues exist: regulatory liability are those requirements presented by the Department which can be addressed using the stated processes however potential third-party liability always exist, such as might be alleged from a neighbor whose property has been affected. The Board provides no coverage for this although it was noted such funding would be available in the event a governmental entity acquired the site through one of the programs previously discussed.

Mr. Scheidel also noted that the Board has authorized settlement agreements whereby funding is provided yet properties are sold for redevelopment by private entities, thereby allowing corrective action to continue during the redevelopment. In further discussion, the issue of why the properties are not being acquired was noted as being in part reluctance on the part of the County as it may create additional management tasks and it was noted that if more information can be provided, it may help alleviate this concern.

Mr. Scheidel noted that to address these abandoned sites and any other such site, the Board should consider the creation of a legacy trust fund for the Department's use in providing funding for corrective action on the sites where no responsible party exists or where a NFA certificate may exist after the program has ceased to exist.

Mr. Dan Toale, a petroleum marketer, thanked the Board for their involvement in the program and asked what will happen when the program ends. Mr. Scheidel stated the sites moving are not the problem but the sites where no work is being done or don't fall into a reimbursement program are the concern for the State.

Mr. Scheidel continued in the presentation of the Board packet, noting from the activities report where the monies have been spent to date on site activities. It was noted that more funding is now being spent on corrective action rather than assessment and would likely continue as the program matures.

Mr. Scheidel turned the program discussion over to Mr. Gastineau to discuss the status of the innovative technology (REMIT) and community remediation projects (CRP). Before starting Mr. Beech inquired as to what can be done to reduce the number of projects listed with an 'indefinite' time frame for completion. Mr. Gastineau noted of those with that designation, the concern is usually related to public and/or private water supplies and may also be related to Department regulations which require certain actions to finalize

work. This was particularly difficult in bedrock cases, such as the Delaware community project which was noted to be a small community with a mix of private and public water supply wells in proximity (less than 100 ft) to the contaminant source area. The regulatory requirements demand the monitoring continue until target levels are met and while natural attenuation is occurring, it is a slow process. Mr. Scheidel noted that monitoring is currently the cost effective approach and an option may be to establish a safety net such as the trust fund, settlement agreement or create an insurance policy as a risk transfer mechanism should an impact occur after the program ceases.

Following the discussion, Mr. Gastineau continued in the review of the projects noting that progress is being made albeit slowly. He also noted one project is in jeopardy of reaching the statutory \$1 million cap and if such occurs, the responsible party for the release would be responsible for the remainder of the work. Lastly, it was noted that additional State lead projects are in the planning stage as both the Department and Administration staff were actively attempting to identify sites that have stalled and where additional work is needed.

Mr. Scheidel continued with the review of the program, beginning with a review of the open & closed claims summary table. He noted that there are 401 high risk sites, 202 low risk sites, 34 No Action Required with free product (NAR-FP) sites, and 32 unclassified sites with open claims, while at the same time there are a number of high risk, low risk, NAR-FP, and unclassified sites with closed claims and or no claims. It was also point out that the majority of open sites do have an open benefit claim.

Mr. Scheidel next directed the Board's attention to a spreadsheet and series of graphs containing fiscal year end data from 1990 to 2012. Data included in the spreadsheet and in the graphs included total numbers of open claims by year and total amount of outstanding reserves by year, as well as, totals for individual claim types (remedial and ILO). Additionally, the graphs provided a comparison between the outstanding reserves of each claim type and its corresponding fund balance. Mr. Scheidel noted that the graphs illustrated the trend as claims were closed throughout the program as the number of open claims and the reserves decrease year after year. On the chart of ILO reserves to ILO Fund balances, Mr. Scheidel noted that the ILO fund balance dipped below the reserves due to a transfer of funds from the program in FY 2011 for other programs in the State and noted that future transfers to the ILO fund would be needed to replenish that transfer. Another graph incorporated DNR LUST information, and Mr. Scheidel noted that the number LUST sites had always been higher than open UST Fund claims, as some sites were not eligible or new releases, etc. He stated the trend across that chart showed the numbers of LUST sites as well as open UST Fund claims were decreasing at a steady rate which will need to continue to end the program as planned.

The Board took a break for lunch at 11:45 AM.

The Board reconvened at 12:25 PM, with Mr. Doug Beech as chair.

Following the break, Mr. Scheidel continued with the overall program review presenting the chart of the EPC collections as compared to gas prices noting that EPC collections

continue to remain above the statutory limit of \$17 million annually. He then presented the table of projections which are used to develop the annual budgets, indicating that as the program moves toward closure expenditures will decrease and the overall fund balance will increase to an estimated \$34 million in 2016. Lastly, the ending FY 2012 financials were reviewed and it was noted that projections for expenditures were less than anticipated for claim payments. Mr. Scheidel noted a transfer of funds would still be needed and would be included in the budget for the current fiscal year.

B. Status of 28E Agreements

Mr. Scheidel reviewed with the Board the 28E Agreements the Board has entered into since the inception of the program, noting that 5 of the 21 agreements had expenditures in FY12. Mr. Gastineau noted that for the funds being expended on the NFA re-opener agreement, approximately 20 sites have been addressed with a few new sites being added each year.

C. Attorney General's Report

Dave Steward provided the Board with a brief history of the Attorney General's office role, noting the changes in staff since the early 1990's to the present. The most recent changes have included the retirement of Mr. Timothy Benton, who served as the litigation attorney, in April 2012 and Mr. Steward becoming the general counsel. Mr. Steward noted that Mr. Rich Heathcote is the technical reviewer and Ms. Cynthia Jacobi serves as the secretary for the Board counsel. Mr. Steward noted a 28E agreement is included in the Board Packet for later review, and as just noted in the list of existing agreements provides for expenses of the Attorney General's staff for the services to the Board. He noted in FY 2012, the costs were \$87,384. Mr. Scheidel noted annual costs are currently \$60,000, noting the FY 2012 costs included billings from the prior fiscal year but also noted that in the 1990's, costs for services at times were over \$300,000 per year.

D. Prior Year's Goals

"Getting Sites to Closure"

Mr. Scheidel reviewed with the Board the goals set in August 2011 to continue to close UST sites. A goal of 165 claims closed and 100 corrective action meetings was set to measure the Boards' progress for closing sites, however the number attained was 132 claims closed and 57 corrective action meetings completed. He noted that the goals were set with optimism noting that the goal would be difficult to attain as the number of sites needing review is dwindling. He also noted that a goal was to continue the evaluation of potential sites for State Lead contracts and that both the Administrator and DNR staff were continually reviewing potential sites however attaining access was difficult as the issue of cost recovery, which is required by law, seemed to be creating an obstacle. Lastly, Mr. Scheidel noted that a continuing issue was to consider changes to the RBCA model regarding vapor intrusion, and that the topic would be an issue for FY 2013 as the USEPA planned to release new guidance in late 2012.

II. DNR Report on UST Issues

Elaine Douskey from the DNR presented the Board with a report on the UST Section. For staffing, she noted that one person recently retired and that for the recent ARRA funding, 40 sites had been addressed staffing resulting in 19 closures. She also noted that funding for the RBCA reviewer's was being utilized and that has helped staff review work on 132 sites. Ms. Douskey also mentioned the LUST Forum that had been discussed earlier, noting that the meeting was a success and encouraged more meetings with the same intent but targeting owners and operators as to what is expected from them.

For statistics, Ms. Douskey noted that the Department handles all LUST sites not just those funded by the Board programs, noting that there are currently 6,406 known LUST sites, of which 5,289 have been classified NAR, 573 are high risk, 286 low risk and 185 have not yet been classified. She also noted that there are 1,117 open LUST sites.

For operational issues, Ms. Douskey noted that some changes were made within the past year for tank tag renewal, tank tag disbursements, and identification of tank operators. She also noted that inspection database has been modified and improved to incorporate more data and to provide a better portal for users to enter data and for the public to access the system. Ms. Douskey noted that for Operator Training, Iowa is often looked to as a leader in getting people trained. She also noted that despite the State and Federal deadlines for getting trained, staff still encounters sites where trained operators are not present.

For future endeavors, Ms. Douskey noted goals to improve the Iowa UST Professional certification and licensure programs, continue providing information to owners and operators through LUST forums, and in collaboration with the Fund, look at future opportunities for more State Lead projects.

Mr. Beech asked if there were any questions for Ms. Douskey, and Mr. Scheidel inquired about vapor intrusion. In response, she noted a staff member was on a national taskforce that was looking at the issue but that everyone was essentially waiting for the pending EPA publication.

III. Program Goals—Fiscal Year 2013

Mr. Scheidel provided the Board with an outline of topics to discuss regarding goals for fiscal year 2013.

- A. Getting Sites to Closure**
- B. Corrective Action Meetings**
- C. Process Improvements**
- D. Maintain Short and Long Term Solvency**
- E. Legislative Initiatives**

He noted that numerical goals, activity goals, and process improvement goals had been set in previous years and that using a goal of 165 claims, if achieved in the coming years, would allow the program to close by 2016. He discussed process improvements to include new rules, use of State Lead projects, and consideration of tools such as loss portfolio transfers or other risk transfer mechanisms to provide for extended funding safety for sites which did not attain closure. He also noted that as the program winds down, a trust fund to serve as a long term safety net for claimants and to serve the Department in addressing unresolved sites and the NFA re-opener needs should be considered.

Mr. Beech noted for the closure goals that the number should be realistic noting 137 had been closed in FY 2012. Mr. Scheidel agreed and noted as the number of sites decrease new processes may need to be considered to help push sites toward closure. Ms. Andeweg inquired as to why sites may not move, and noted hearing of a 'gate' that was difficult to breach. Ms. Carlson concurred and inquired on the low risk remediation sites. Mr. Gastineau noted the number of low risk remediation proposals has not materialized as expected, and noted that with the recent water line rules, a number of sites have moved from low risk to high risk thus when requests for funding are brought for consideration the site would be marked as high risk. Ms. Beck noted that as a tank owner she does not routinely review her LUST sites until a consultant calls and reminds her work is needed. Mr. Gastineau noted that from his experience work generally proceeds faster with more involvement of the responsible party and that the corrective action process was created with the intent of bringing all parties to the table, however in many cases, the responsible party gives decision making authority to his or her groundwater professional.

In discussing the opportunities of the State Lead projects, the matter of cost recovery was noted as a hindrance to obtaining access. It was noted that for the State Lead projects, in many cases, the current landowner may not be the responsible party and subjecting them to a lien is often considered unfair. Mr. Scheidel explained that cost recovery is per statute and is a tool that needs to be considered carefully so as not to give benefit to those who are responsible parties but recalcitrant in performing necessary work on their sites. For those sites which are not owned by a responsible party, cost recovery it was agreed does create a stumbling block. Ms. Douskey gave the example that when the Department first sought access to sites using the ARRA monies, cost-recovery was included in their requests however when the provision was removed, access was more easily obtained. Mr. Scheidel noted that for the State Lead projects to date, the provision discussing cost recovery has been included in the letters, but noted that at some point the Board may opt not to perfect its lien in order to have work proceed. Upon further discussion, it was agreed that matter of cost recovery should be considered further in an effort must be made to balance the need for continued environmental work at sites and to provide funding to those who are not responsible for the releases at a site.

In an effort to finalize goals for FY 2013, Mr. Beech suggested the Board set a goal of 165 claims to be closed but noted that the goals should be reviewed quarterly as the year progresses. Mr. Beech also requested a memo to be presented at the next meeting to look at cost recovery options. For corrective action meetings, the goal was set to either have

100 corrective action meetings or to provide a combination of that number of meeting with the number of sites added to the closure contracts. The Board concurred.

Mr. Beech noted that there is a need for more work but suggested a goal to be set at 165 claims. Mr. Scheidel concurred noting that the quarterly review.

Mr. Beech inquired if the Board members had ideas for the upcoming legislative session and in response, Ms. Carlson inquired if clarification is needed on the NFA re-opener process as many are still wondering what is or should be covered. Mr. Scheidel noted the process is difficult to understand in that a NFA certificate does not apply to a 'site' but to a 'release' and that the number of releases on a site where operating tank systems were in use after the initial release was discovered is often difficult to ascertain. In discussing the matter, Mr. Scheidel provided the example of a virgin site with a release; the release is investigated and closed, but if a subsequent release occurs, a determination would need to be made as to what portion of the risk is related to the original release and that which is related to the subsequent release. The issues can be further complicated by changes in tank owners or operators, changes in FR mechanisms and retro dates, and even by changes in Department regulations. It was noted that those sites which closed prior to 2010 were not evaluated for water lines and if re-opened, the Department usually has the added concern of how or who is to address the concern of the new receptor types. Mr. Steward also noted that the Board's obligation to provide funding on re-opened sites is also a factor in understanding how the process works, as the funding obligations are governed by an agreement, not by statute or rule.

Mr. Beech inquired if there were any further matters for consideration on legislative issues and Ms. Douskey asked the Board to consider modification to the bankruptcy provision regarding fund claims. Mr. Scheidel explained the provision included in statute applies to retroactive claims but noted that the innocent landowner rules were written to include the same provision. Ms. Douskey noted the provision has caused claimants to lose eligibility and that in doing so, work stalls. Mr. Beech expressed his concern that when creditors are being denied payment it would seem disingenuous for the claimant to continue to receive benefits to improve his or her property. Mr. Scheidel noted that the provision has been used however the number of claims affected is not known.

Ms. Douskey also inquired on a possible rule modification relating to the payment of back fees for financial responsibility and it was explained that Federal regulations require continuous financial responsibility on operating USTs and in those cases where a new tank owner acquires a site where a FR lapse has occurred, that owner would have the duty to either provide proof of continuous FR or could pay a reinstatement fee for the period when no FR was in place in order to claim eligibility for future benefits. It was also noted that if a subsequent lapse were to occur, the claimant would be denied funding however that decision is subject to appeal. Mr. Scheidel noted an appeal of a denial concerning such action was brought to the Board in the past for consideration.

Mr. Beech hearing no other matters for discussion proceeded into the regular Board session.

The Strategic Planning Session ended at 1:55 PM.

APPROVAL OF PRIOR BOARD MINUTES

The minutes from the May 24, 2012 meeting were reviewed and Mr. Beech made a motion to approve the minutes, Ms. Carlson seconded, and by a vote of 6-0 the minutes were approved.

CLOSED SESSION

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

PUBLIC COMMENT

There was no public comment from anyone present.

BOARD ISSUES

A. Aon Contract Extension

Mr. Steward presented the Board with information regarding the Aon Contract, noting that the Board entered into a two year agreement with the option for four (4) one-year extensions and that the extensions are at the sole discretion of the Board. He stated that he had sent out a questionnaire for the members to assess Aon's performance, and that the assessment is only required with the initial contract extension and noted that based on the positive comments received from the members and with his own experience with Aon, he would recommend that the contract be extended for a one-year period. Mr. Steward noted he had brought a contract extension for the Board's consideration and Mr. Beech's signature if they so choose. Mr. Barry motioned to approve the contract extension and Ms. Andeweg seconded the motion. Mr. Friedrichsen inquired if further extensions would be on an annual basis, and Mr. Steward concurred. Mr. Steward noted future extensions could carry the contract through the end of 2016, and should the Board require the services of Aon beyond that time frame, a new RFP may be needed. Mr. Beech asked if there were further questions and hearing none, asked for a vote on the motion to extend the contract. The motion passed on a vote of 6-0.

B. 12 Month Meeting Schedule

Mr. Scheidel presented a memo to the Board listing the tentative dates of the next year's Board meetings, noting that it follows the schedule for the past year of every other month during the fall and monthly during the legislative session. Mr. Scheidel asked the Board members to review the dates and if possible provide advance notice if they cannot make a date so as to assure a quorum is present. Mr. Steward noted a quorum would require six voting members to attend each meeting.

C. Fiscal 2013 Budget

Mr. Scheidel presented the Board with the proposed budget for the current fiscal year, noting that the budget included projections for expenditures based largely on expenses incurred for the past year and known contracting requirements. Mr. Scheidel noted that the budget must be approved and Mr. Friedrichsen motioned to approve. Ms. Beck seconded the motion, and the motion was approved on a vote of 5-0.

D. Fiscal Year 2009 Reimbursement Agreement with Attorney General's Office

Mr. Scheidel presented to the Board the proposed reimbursement agreement for FY13 with the Attorney General's Office. Mr. Scheidel noted to the Board that the Department of Justice had drafted and submitted the agreement to the Board for reimbursement of approximately \$50,000 for FY13 which was the less than the agreed amount for FY12 due to the retirement of Mr. Timothy Benton.

Ms. Andeweg motion to approve the agreement and Ms. Carlson seconded the motion; the matter was approved by a vote of 6-0.

E. Loss Portfolio Transfer Proposal

Mr. Scheidel noted that matter of a loss portfolio transfer (LPT) has been discussed several times during the past year, and that Mr. Norris and Mr. Gastineau have worked to identify the list of 17 potential sites that would be candidates. Mr. Scheidel noted that the document presented is a draft agreement but two issues are yet resolved including whether the claimant must opt-in or opt-out and whether the Board would require the claimant give a release to the Board for any future claims provisions that they may otherwise be eligible to receive. Mr. Scheidel noted that currently as written the Board would retain the tank pull benefit and the NFA re-opener liability, which is an unknown and potential liability and thus difficult to value. Mr. Scheidel noted that the rough amount on the 17 claims is currently just under \$500,000 however discount points and interest rates would need to be included to determine a final figure. Mr. Scheidel also noted that the indemnification portion of the agreement may need to be strengthened, especially if relying.

Mr. Beech stated his opinion that as these sites share a common issue, it would be reasonable to consider a transfer of these claims however his opinion is that the benefit to the Board must be that their handling of the site is finished and that people must be given a choice as to their involvement such that claimants must fully understand that there rights to the Board claim would end if they choose to participate in the transfer.

Mr. Norris noted that for the NFA piece, PMMIC would be open to taking on that issue for a price and also noted that they don't want to work with someone who is not interested in taking a transfer. Mr. Norris noted PMMIC has done a transfer before and that as the claimants and their consultants now have to work with two entities, the option to deal with one often is a preferred approach.

In discussing the matter, the NFA piece and transfer of liabilities were specifically mentioned as a concern. For the NFA, both the Board and PMMIC indicated a willingness to look at options. For the transfer of liabilities, it was noted that claimants must be fully aware that any future benefits that are enacted that affect their claim for benefits would be lost however a future change to the law that is open to anyone, such as the existing tank pull benefit, would be still be possible. The matter of a formal release was also considered and Mr. Scheidel and Mr. Steward noted that the Administrator could be tasked to attain such a release from all claimants.

In considering the matter further, Mr. Scheidel asked for authority up to \$550,000 to negotiate an agreement with PMMIC for the transfer of the 17 sites pending final agreement on the language of the agreement and releases. Mr. Scheidel noted if an agreement could be reached, the documents would be brought to the Board for consideration at the next meeting. Mr. Beech motioned to approve an agreement and Ms. Carlson seconded the motion. The measure passed on a vote of 6-0.

F. Iowa Department of Transportation – Sioux City Garage Settlement

Mr. Scheidel presented information on the site noting that the claimant was determined to be eligible for fund benefits early in the program, however in 1994, the Board and claimant disagreed on the continued approach and funding was withheld until an agreement could be reached. The claimant continued to perform work at the site and has, as of May 2012, paid \$1,571,515.16 for those activities. It was noted that of this amount, the Board had already reimbursed \$452,889.91 and in a review of the work completed, determined that an additional \$160,478.00 would be considered eligible for reimbursement. The eligible costs included work completed on receptor elimination, free product removal, and monitoring costs.

Mr. Scheidel noted that the proposed settlement would provide the claimant with a payment of \$160,478.00 for the work completed and would allow the claimant to obtain future benefits, subject to Board approval, for work required by the Department as related to the petroleum release at the site. Mr. Scheidel noted that following the payment, approximately \$400,000 would remain available. Mr. Scheidel also noted that the site is located in and would be affected by the Sioux City Cook Park well agreement that had been previously discussed.

Mr. Friedrichsen motioned to approve the settlement agreement and Ms. Andeweg seconded the motion. The measure passed on a vote of 6-0.

F. DNR Update

No further update was provided.

PROGRAM BILLINGS

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

1. Aon Risk Services.....\$ 97,608.00
 Consulting Services August 2012 -- \$58,608.00
 Claims Processing Services August 2012 -- \$39,000.00
2. Aon Risk Services.....\$97,608.00
 Consulting Services September 2012 -- \$58,608.00
 Claims Processing Services September 2012 -- \$39,000.00
3. Attorney General's Office\$ 9,684.09
 Services provided for Underground Storage Tank Program
 Billing for May 2012
4. Attorney General's Office \$-2,337.72
 Services provided for Underground Storage Tank Program
 Billing for June 2012
5. Iowa Department of Revenue\$ 779.16
 Environmental Protection Charge Collection
6. Attorney General's Office\$2,581.14
 Services provided for Underground Storage Tank Program
 Billing for July 2012 (FY 2013)
7. Office of Auditor of State\$4,962.88
 Audit of UST Fund FY 2012

On a motion by Ms. Beck and a second by Mr. Barry, the billings were approved by a vote of 6-0.

MONTHLY ACTIVITY REPORT

Mr. Scheidel noted that the monthly activity reports had already been discussed earlier in the meeting and it was agreed that no further discussion was needed.

ATTORNEY GENERAL'S REPORT

Mr. Steward stated he had no additional information to report.

CLAIM PAYMENTS

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

1. Site Registration 201000021 – City of New Hartford

This site is classified high risk for water lines and the soil leaching to protected groundwater source pathway. Several water lines are present in the area of contamination and an ordinance does not exist to prohibit placement of wells in the area. Mr. Gastineau noted that the City would agree to place an environmental covenant on the site and with the excavation proposed the site would likely move toward closure.

Previous approval to \$75,000 had been granted, of which \$36,710.00 was incurred to date. Additional authority to \$100,000 was requested for the excavation and future monitoring.

Motion to approve claim authority was submitted by Ms. Andeweg and seconded by Mr. Friedrichsen. The motion was approved on a vote of 6-0.

2. Site Registration 8912094 – Myers Services, Ridgeway (3rd Board Report)

This site is classified high risk site for the vapor pathways and was noted to have had prior remediation attempts including an excavation and use of an ISOC system attempted, but were not successful. The consultant is now recommending an excavation into the street to remove the remaining contamination. When asked if the excavation would be successful, Mr. Gastineau noted his hope for that outcome but also noted that some concern would be prudent.

Previous Board approval, last in June 2009, allowed costs to \$565,000.00, of which \$431,398.52 had been incurred to date. An additional \$135,000.00 in authority was requested, for total authority to \$700,000.00 for the excavation and future monitoring. Motion to approve claim authority was submitted by Ms. Andeweg and seconded by Ms. Beck. The motion was approved on a vote of 6-0.

3. Site Registration 8605542 – Fattbutt Enterprises, Independence (2nd Report)

This site is considered a high risk site, situated in an area characterized by non-granular bedrock and is located in proximity to multiple city water supply wells. It was noted that a dual-phase extraction system operated at the site for 5 years and successfully reduced the volatile (BTEX) contaminant levels however residual contamination involving non-volatile contaminants (diesel, waste oil) remain, thus the site could not yet meet conditions to attain an NAR classification. A Tier 3 report recommending reclassification had been submitted but was not approved. Additional monitoring is needed, and additional corrective action is a possibility.

Previous Board approval, last granted in March 2005, allowed costs to \$285,000.00, of which \$298,938.01 had been incurred to date. An additional \$40,000.00 in authority was requested, for total authority to \$325,000.00 for future monitoring.

Mr. Scheidel inquired as to why the Tier 3 had not been accepted, and it was noted that the Department's position on bedrock sites requires strict application to the rules. Mr. Scheidel noted that a Tier 3 approach should be a valid option, and noted that prior DNR counsel had agreed that monitoring should be done with a purpose. Mr. Beech asked if further review of this site should be considered and Mr. Scheidel indicated that it may be possible to examine other non-bedrock sites to determine if a common alternate approach is possible. Mr. Beech noted his interest in such a move, as an effort to remove sites from being monitored in perpetuity.

Mr. Beech motioned to defer the request however Mr. Gastineau requested a reduced authority of \$10,000 to allow for future work at the site. A motion to approve the additional authority of \$10,000 was made by Mr. Beach and seconded by Mr. Barry. The motion was approved on a vote of 6-0.

4. Site Registration 8606235 – Laree Randall Property, Independence (2nd Report)

Mr. Gastineau noted that this site shared many of the same concerns as the prior report, as it is located around the corner from the Fattbutt Enterprises site. This site is also a high risk site in non-granular bedrock and is located in proximity to multiple city water supply wells. It was noted that a dual-phase extraction system is currently in operation designed to affect the contaminant plume from this site and an adjacent site, with costs being shared by the two claimants. Mr. Gastineau noted that the difference for this site is that volatile contaminants still remain present and can be addressed using the remediation system, thus continued remediation efforts are recommended.

Previous approval to \$215,000 had been granted, of which \$224,145.49 was incurred to date. Additional authority of \$135,000 for total authority of \$350,000 was requested for future remediation efforts. Mr. Barry motioned to approve the recommendation, and Ms. Carlson seconded the motion. The measure passed on a vote of 6-0.

5. Site Registration 7910409 – Davis County, Bloomfield (2nd Report)

This site is classified high risk due to the vapor pathways. Mr. Gastineau noted that prior remediation attempts have been tried however were not successful leaving some

contamination on the site. Soil gas testing has also failed to clear the site, thus a recommendation has been made to excavate as much of the contamination as physically possible due to space constraints such as an existing building. Post-excavation monitoring would be required as efforts are made to move the site toward closure.

Previous approval to \$200,000 had been granted, of which \$150,646.19 was incurred to date. Additional authority of \$75,000 for total authority of \$275,000 was requested for the excavation and future monitoring. Ms. Andeweg motioned to approve the recommendation, and Mr. Friedrichsen seconded the motion. The measure passed on a vote of 6-0.

6. Site Registration 8600284 – Lovilla trading Post, Lovilla (3rd Board Report)

This site is classified high risk due to the vapor pathways and the new water line pathway. Mr. Gastineau noted two prior remediation attempts however they were unsuccessful leaving some contamination below the site building, and adjacent streets. Due to risk to water line rule, a recommendation has been made to replace the water lines and to continue monitoring.

Previous approval to \$300,000 had been granted, of which \$263,366.54 was incurred to date. Additional authority of \$100,000 for total authority of \$400,000 was requested for the water line replacement and future monitoring. Ms. Carlson motioned to approve the recommendation, and Mr. Barry seconded the motion. The measure passed on a vote of 6-0.

7. Site Registration 8607647 – Country Corner, Pacific Junction

This site is classified high risk due to the vapor pathways. Mr. Gastineau noted prior remediation attempts however they were unsuccessful leaving contamination on the site. Soil gas testing has also failed to clear the pathway thus a recommendation has been made to excavate the contamination to get to closure. Post-excavation monitoring would be required as efforts are made to move the site toward closure.

Program costs to date have been \$84,148.88. Projected costs are in the range of \$260,000 to \$625,000. Additional authority to \$550,000 was requested for the excavation and future monitoring. Ms. Andeweg motioned to approve the recommendation, and Mr. Friedrichsen seconded the motion. The measure passed on a vote of 6-0.

8. Site Registration 8608038 – Meyer Oil Co., Fenton

This site is classified high risk for the vapor pathways and an excavation has been proposed to remove the contamination which may allow the site to attain an NAR classification. Mr. Gastineau noted additional soil borings are planned to verify the area of contamination and determine if removal is feasible. He also noted that depending on the outcome of the excavation, further remediation and/or monitoring may be required.

Program costs to date have been \$58,032.45. Projected costs are in the range of \$75,000 to \$100,000. Additional authority to \$150,000 was requested for the excavation and future monitoring. Mr. Beech motioned to approve the recommendation, and Ms. Carlson seconded the motion. The measure passed on a vote of 6-0.

9. Site Registration 8602554 – Lewis Drive-In, Lewis (2nd Board Report)

This site is classified high risk for the vapor pathways, water lines pathway, and soil leaching pathway. Prior remediation attempts have been completed, although not successful. Proposed future actions include use of a dual-phase system with a projected operational time frame of 2-4 years and may require further monitoring after that work.

Program costs to date have been \$339,663.48, and projected costs for future work are \$350,000 to \$500,000. Mr. Beech inquired if purchase of the property is feasible, and Mr. Gastineau noted that option has been explored but doesn't seem likely. He also noted if purchased, a large excavation would need to ensue. Mr. Draur of Barker Lemar noted an excavation of the size needed would be approximately the same cost of the remediation but due to the depth success could not be guaranteed. He also noted his belief that the proposed system would be effective in addressing the risk. Mr. Beech indicated his willingness to approve the recommendation but asked that the excavation be given more consideration. Mr. Friedrichsen seconded the motion. The measure passed on a vote of 6-0.

10. Site Registration 8602728 – Gold Buffet / Aldo Gas, Winterset

This site is classified high risk for the water line pathway and low risk for the vapor pathways. Mr. Gastineau noted the contamination at this site was commingled with an adjacent site that has been reclassified to an NAR status. He noted additional work is needed to determine if the soil plume is submerged or accessible, and if accessible an excavation can be completed to bring the site toward closure.

Previous authority to \$150,000 was granted in June 1993, and costs to date have been \$154,066.59. Projected costs are in the range of \$100,000 to \$200,000. Additional authority to \$300,000 was requested. Ms. Carlson motioned to approve the recommendation and Mr. Friedrichsen seconded the motion. The measure passed on a vote of 6-0.

11. CRPCA 0005-22: Dubuque – Change Order Request

This community remediation project was awarded to Barker Lemar Engineering in 2000 to address four sites in the City of Dubuque, Iowa. The original contract included site

evaluations and subsequent monitoring following the low risk classifications for the protected groundwater source pathway and for the potential vapor pathway.

Mr. Gastineau noted the City of Dubuque has a public water system however they do not have an ordinance which would prevent the installation of private wells and noted that both he and Barker Lemar staff have been working with the city to develop an ordinance and once in effect, the sites would be reclassified to an NAR status for the protected ground water source pathway. For the low risk pathway, he indicated soil gas sampling might clear the site however indicated future monitoring is needed for the protected groundwater source pathway. Mr. Gastineau noted authority to date was given to \$93,930, and requested an additional \$9,000 in authority to allow for 3 years of additional monitoring.

In discussing the matter, it was noted that this same issue of monitoring in bedrock sites had been discussed earlier and in lieu of continued monitoring for an indefinite time period, it was asked that further effort be used to obtain an ordinance to clear the protected groundwater source pathway. Mr. Gastineau requested limited funding be provided as that effort proceeds to complete soil gas testing if an effort to clear the vapor pathway. Mr. Beech concurred and submitted a motion to approve \$6,000 in additional funding for the project. Ms. Carlson seconded the motion, and the measure passed on a vote of 6-0.

CONTRACTS ENTERED INTO SINCE MAY 24 2012 BOARD MEETING

Mr. Scheidel noted that since the May 24, 2012 Board meeting, the Board had not entered into any new agreements.

OTHER ISSUES

Mr. Scheidel noted the next meeting was presently scheduled for Thursday, October 25, 2012. A note would be sent out reminding members of the meeting and inquiring on their availability prior to that date.

CORRESPONDENCE AND ATTACHMENTS

Mr. Beech noted that there was no further business, and motioned to adjourn the meeting at 3:08 pm. Mr. Friedrichsen seconded the motion and the matter passed on a vote of 6-0.

Respectfully Submitted,



Scott M. Scheidel
Administrator

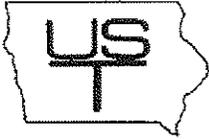
Closed Session

Discussion of Pending and Imminent Litigation

Public Comment

Board Issues

A. Cost Recovery Discussion



IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Scott M. Scheidel, *Administrator*

Board Members:

Michael L. Fitzgerald
Timothy L. Gartin

Joseph D. Barry
Dawn M. Carlson

Jeff. W. Robinson
Patricia J. Beck

Karen E. Andeweg
N. Kurt Mumm

Chuck Gipp

MEMORANDUM

TO: Iowa Underground Storage Tank Fund Board

FROM: Scott Scheidel

SUBJECT: UST Fund Cost Recovery

DATE: October 16, 2012

This memo is presented to facilitate discussion for adjusting the cost recovery policy now in effect with State Lead projects, as efforts are underway to promote the projects as a method to move more sites toward final closure.

The Iowa UST Fund, in coordination with the Department of Natural Resources (DNR), has retained environmental contractor's to perform corrective action at UST sites where it has been determined corrective action is needed and that there is no responsible party able to pay, the responsible party is recalcitrant, or the responsible party has not been identified in order to complete the required corrective action. Sites selected for the State Lead projects include those that are considered eligible for IUST benefits and those that are not. In either case, determination of the responsible party is left to the Department and in many cases, the responsible party and the current property owner may not be the same.

The selection of sites to be addressed under a State Lead project involves a joint effort of the Board and DNR. Once selected, an introduction letter with an access agreement is sent to the property owner. To date, all letters have included information on the Board's cost recovery requirements as stipulated by Iowa Code 455G.13.

Iowa Code 455G.13 (attached) requires the Board to seek full recovery from the owner, operator, or other potentially responsible party liable for the release for which corrective action is needed and states any amount for which an owner or operator is liable to the fund, if not paid when due, shall constitute a lien upon the real property where the tank, is or was situated. In those cases where the responsible party and the property owner are not the same, this issue often creates an obstacle to moving forward.

In an effort to move more sites into the State Lead projects and toward closure, a policy is needed on when cost recovery efforts are pursued. In doing so, the Board may wish to differentiate between those sites that are and are not eligible for benefits, whether the landowner is a responsible party, and if there is a potential for recovery based on property value. The Board

may also wish to take into consideration the State's position that under the Blue Chip decision, a landowner that did not cause contamination at a site is only liable for assessment costs.

Therefore, the following suggestions are made for sites requiring corrective action:

- a. If current landowner did not own or operate tanks on a site deemed eligible for IUST benefits as an 'innocent landowner' claim – no cost recovery.
- b. If the current landowner did not own or operate tanks on a site deemed eligible for IUST benefits as a remedial, retro, or late-filed remedial or retro claim – DNR should pursue enforcement on the RP if known; no cost recovery on innocent landowner if added to a State Lead project.

Example: Abe buys an old station with a prior remedial or retro claim and Abe never had dealing with the old tanks. If Abe takes a transfer of benefits, he has subject to the same requirements as the original claim, i.e., payment of co-pay, requirement for FR on existing tanks, and would be subject to loss of benefits if he declares bankruptcy (retro or late-filed claim). If Abe doesn't take a transfer, he is an innocent landowner. Thus, no cost recovery is recommended.

- c. If the current landowner is NOT eligible for IUST benefits **and is determined NOT to be a responsible party** for the release requiring action - cost recovery pursued only for assessment costs if pre-corrective action value of property exceeds \$25,000. If determined to be unable to pay, no cost recovery.
- d. If the current landowner is NOT eligible for IUST benefits **and is determined to be a responsible party** for the release requiring action - cost recovery pursued for all assessment and corrective action costs. If determined to be unable to pay, cost recovery could be limited to the gain on sale provision provided in Iowa Code 455G.9(5)(a):

Iowa Code 455.9(5)(a). Gain on Sale. *If an owner or operator ceases to own or operate a tank site for which remedial account benefits were received within ten years of the receipt of any account benefit and sells or transfers a property interest in the tank site for an amount which exceeds 120% of the precorrective action value, adjusted for equipment and capital improvements, the owner or operator shall refund to the remedial account an amount equal to 90% of the amount in excess of 120% of the precorrective action value up to a maximum of the expenses incurred by the remedial account associated with the tank site plus interest, equal to the interest for the most recent twelve-month period for the most recent bond issue for the fund, on the expenses incurred, compounded annually. An owner or operator under this subsection shall notify the board of the sale or transfer of the property interest in the tank site.*

Tank Closure Costs

Cost recovery should be pursued in those cases where UST closure costs exceed \$15,000, as required by Board rules, IAC 591 --11.3(11), except on sites where the current property owner is a governmental entity, school district or a financial entity that acquired the property by foreclosure or to protect a financial interest.

455G.13 Cost recovery enforcement.

1. *Full recovery sought from owner.* The board shall seek full recovery from the owner, operator, or other potentially responsible party liable for the released petroleum which is the subject of a corrective action, for which the fund expends moneys for corrective action or third-party liability, and for all other costs, including reasonable attorney fees and costs of litigation for which moneys are expended by the fund in connection with the release. When federal cleanup funds are recovered, the funds are to be deposited to the remedial account of the fund and used solely for the purpose of future cleanup activities.

2. *Limitation of liability of owner or operator.* Except as provided in subsection 3:

a. The board or the department of natural resources shall not seek recovery for expenses in connection with corrective action for a release from an owner or operator eligible for assistance under the remedial account except for any unpaid portion of the deductible or copayment. This section does not affect any authorization of the department of natural resources to impose or collect civil or administrative fines or penalties or fees. The remedial account shall not be held liable for any third-party liability.

b. An owner or operator's liability for a release for which coverage is admitted under the underground storage tank insurance fund established in section 455G.11, Code 2003, shall not exceed the amount of the deductible.

3. *Owner or operator not in compliance, subject to full and total cost recovery.* Notwithstanding subsection 2, the liability of an owner or operator shall be the full and total costs of corrective action and bodily injury or property damage to third parties, as specified in subsection 1, if the owner or operator has not complied with the financial responsibility or other underground storage tank rules of the department of natural resources or with this chapter and rules adopted under this chapter.

4. *Treble damages for certain violations.*

a. Notwithstanding subsections 2 and 3, the owner or operator, or both, of a tank are liable to the fund for punitive damages in an amount equal to three times the amount of any cost incurred or moneys expended by the fund as a result of a release of petroleum from the tank if the owner or operator did any of the following:

(1) Failed, without sufficient cause, to respond to a release of petroleum from the tank upon, or in accordance with, a notice issued by the director of the department of natural resources.

(2) After May 5, 1989, failed to perform any of the following:

(a) Failed to register the tank, which was known to exist or reasonably should have been known to exist.

(b) Intentionally failed to report a known release.

b. The punitive damages imposed under this subsection are in addition to any costs or expenditures recovered from the owner or operator pursuant to this chapter and in addition to any other penalty or relief provided by this chapter or any other law.

c. However, the state, a city, county, or other political subdivision shall not be liable for punitive damages.

5. *Lien on tank site.* Any amount for which an owner or operator is liable to the fund, if not paid when due, by statute, rule, or contract, or determination of liability by the board or department of natural resources after hearing, shall constitute a lien upon the real property where the tank, which was the subject of corrective action, is situated, and the liability shall be collected in the same manner as the environmental protection charge pursuant to section 424.11.

6. *Joinder of parties.* The department of natural resources has standing in any case or contested action related to the fund or a tank to assert any claim that the department may have regarding the tank at issue in the case or contested action, upon motion and sufficient showing by a party to a cost recovery or subrogation action provided for under this section, the court or the administrative law judge shall join to the action any potentially responsible party who may be liable for costs and expenditures of the type recoverable pursuant to this section.

7. *Strict liability.* The standard of liability for a release of petroleum or other regulated substance as defined in section 455B.471 is strict liability.

8. *Third-party contracts not binding on board, proceedings against responsible party.* An insurance, indemnification, hold harmless, conveyance, or similar risk-sharing or risk-shifting agreement shall not be effective to transfer any liability for costs recoverable under this section. The fund, board, or department of natural resources may proceed directly against the owner or operator or other allegedly responsible party. This section does not bar any agreement to insure, hold harmless, or indemnify a party to the agreement for any costs or expenditures under this chapter, and does not modify rights between the parties to an agreement, except to the extent the agreement shifts liability to an owner or operator eligible for assistance under the remedial account for any damages or other expenses in connection with a corrective action for which another potentially responsible party is or may be liable. Any such provision is null and void and of no force or effect.

9. *Later proceedings permitted against other parties.* The entry of judgment against a party to the action does not bar a future action by the board or the department of natural resources against another person who is later alleged to be or discovered to be liable for costs and expenditures paid by the fund. Notwithstanding section 668.5 no other potentially responsible party may seek contribution or any other recovery from an owner or operator eligible for assistance under the remedial account for damages or other expenses in connection with corrective action for a release for which the potentially responsible party is or may be liable. Subsequent successful proceedings against another party shall not modify or reduce the liability of a party against whom judgment has been previously entered.

10. *Claims against potentially responsible parties.*

a. Upon payment by the fund for corrective action or third-party liability pursuant to this chapter, the rights of the claimant to recover payment from any potentially responsible party, are assumed by the board to the extent paid by the fund. A claimant is precluded from receiving double compensation for the same injury.

b. In an action brought pursuant to this chapter seeking damages for corrective action or third-party liability, the court shall permit evidence and argument as to the replacement or indemnification of actual economic losses incurred or to be incurred in the future by the claimant by reason of insurance benefits, governmental benefits or programs, or from any other source.

c. A claimant may elect to permit the board to pursue the claimant's cause of action for any injury not compensated by the fund against any potentially responsible party, provided the attorney general determines such representation would not be a conflict of interest. If a claimant so elects, the board's litigation expenses shall be shared on a pro rata basis with the claimant, but the claimant's share of litigation expenses is payable exclusively from any share of the settlement or judgment payable to the claimant.

11. *Exclusion of punitive damages.* The fund shall not be liable in any case for punitive damages.

12. *Recovery or subrogation — installers and inspectors.* Notwithstanding any other provision contained in this chapter, the board or a person insured under the underground storage tank insurance fund established in section 455G.11, Code 2003, has no right of recovery or right of subrogation against an installer or an inspector who was insured by the underground storage tank insurance fund for the tank giving rise to the liability other than for recovery of any deductibles paid.

89 Acts, ch 131, §54; 91 Acts, ch 252, §33 – 36; 98 Acts, ch 1068, §12, 13; 99 Acts, ch 114, §36; 2005 Acts, ch 19, §66, 67; 2011 Acts, ch 25, §114

[1] Subsections 4 and 10 amended

B. 1st Quarter FY 2013 Review

Fiscal Year 2013 Goals - - 1st Quarter Results

Claims Closures

- Close 165 claims by the end of the fiscal year; first quarter results shown below
- Have 100 Corrective Action meetings by the end of the fiscal year; first quarter results show 17 meetings were held
- Jointly evaluate sites with DNR to identify potential sites for State Lead projects such as the Closure Contract project; encourage claimants who qualify as innocent landowners to move forward if eligible for 100% funding.

Short/Long Term Solvency

- Continue RBCA evaluation/calibration work with DNR. Evaluate pending USEPA Vapor Intrusion guidance, scheduled for release in November 2012, to determine applicability to RBCA processes for evaluating risk to vapor receptors.

	September 2012	December 2012	March 2013	June 2013
Closed Claims	12 closed 3 new/reopened	2 nd Q	3 rd Q	4 th Q
CA Meetings	17 Completed 4 New MOA			

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: October 25, 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 –October 2012- \$58,608.00
Claims Processing Services for –October 2012- \$39,000.00
2. Aon Risk Services.....\$97, 608.00
Consulting Services for –November 2012- \$58,608.00
Claims Processing Services for –November 2012- \$39,000.00
3. Iowa Attorney General’s Office\$4,082.75
Services provided for UST Fund August FY2012
4. Iowa Attorney General’s Office\$3,915.05
Services provided for UST Fund September FY2012
5. Karen Andeweg\$25.74
Reimbursement for mileage from Ankeny, IA to Madrid, Iowa for the
Annual Strategic Planning Session of the Board on 8/23/2012

Iowa Comprehensive Petroleum

Invoice No. 9500000100510

Iowa Comprehensive Petroleum
Underground Storage Tank Fund
2700 Westown Pkwy, #320
West Des Moines IA 50266 USA

Aon Risk Services Central, Inc.
fka Aon Risk Services, Inc. of Nebraska
Insurance Services CA License No OE16975
2700 Westown Parkway
Suite 320
West Des Moines IA 50266
(515) 267-9101 FAX (515) 267-9045

Client Account No.	Invoice Date	Currency	Account Executive
10756349	Aug-15-2012	US DOLLAR	Scott Scheidel

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2012 - Jan-01-2013	Oct-01-2012	Renewal - Service Fee	
Comments Installment 10 of 12			Service Fee	58,608.00
			Consulting Expense	39,000.00
TOTAL INVOICE AMOUNT DUE				97,608.00

TO AVOID POTENTIAL DISRUPTION IN COVERAGE, PLEASE PAY IMMEDIATELY.
For Wire instructions, contact your Account Executive.

Please see reverse side for statement regarding Aon compensation.

Page 1 of 1

Please detach here. Top portion is for your records, bottom portion to be returned with your payment.

Client Account No.	Invoice No.	Invoice Date	Currency	Amount Due
10756349	9500000100510	Aug-15-2012	US DOLLAR	97,608.00

Iowa Comprehensive Petroleum
Underground Storage Tank Fund
2700 Westown Pkwy, #320
West Des Moines IA 50266 USA

Send remittance to:

Aon Risk Services Central, Inc.
Aon Risk Services Companies, Inc.
75 Remittance Drive - Suite 1943
Chicago IL 60675-1943

Iowa Comprehensive Petroleum

Invoice No. 9500000101113

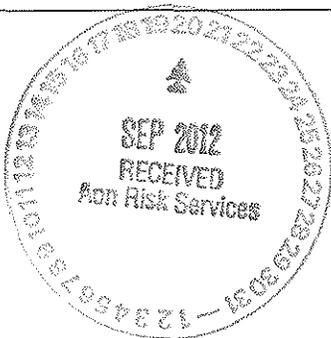
Iowa Comprehensive Petroleum
Underground Storage Tank Fund
2700 Westown Pkwy, #320
West Des Moines IA 50266 USA

Aon Risk Services Central, Inc.
West Des Moines IA Office
Aon Risk Insurance Services Central, Inc
CA License # 0D04043
2700 Westown Parkway, Suite 320
West Des Moines IA 50266
(515) 267-9101 FAX (515) 267-9045

Client Account No.	Invoice Date	Currency	Account Executive
10756349	Sep-17-2012	US DOLLAR	Scott Scheidel

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2012 - Jan-01-2013	Nov-01-2012	Renewal - Service Fee	
Comments			Service Fee	58,608.00
Installment 11 of 12			Consulting Expense	39,000.00
TOTAL INVOICE AMOUNT DUE				97,608.00

TO AVOID POTENTIAL DISRUPTION IN COVERAGE, PLEASE PAY IMMEDIATELY.
For Wire instructions, contact your Account Executive.



Please see reverse side for statement regarding Aon compensation.

Page 1 of 1

Please detach here. Top portion is for your records, bottom portion to be returned with your payment.

Client Account No.	Invoice No.	Invoice Date	Currency	Amount Due
10756349	9500000101113	Sep-17-2012	US DOLLAR	97,608.00

Iowa Comprehensive Petroleum
Underground Storage Tank Fund
2700 Westown Pkwy, #320
West Des Moines IA 50266 USA

Send remittance to:

Aon Risk Services Central, Inc.
Aon Risk Services Companies, Inc.
75 Remittance Drive - Suite 1943
Chicago IL 60675-1943

IOWA ATTORNEY GENERAL'S OFFICE
Hoover State Office Bldg - 2nd Floor
Des Moines, Iowa 50319-0141

Invoice Date: 09/06/12

Buyer: Aon Risk Services
2700 Westown Pkwy, Ste 320
West Des Moines, IA 50266
Attn: Scott Scheidel

Seller: Iowa Attorney General's Office
Hoover State Office Bldg - 2nd Floor
Des Moines, IA 50319-0141

Services For: Assistant Attorneys General
Period of Service: August FY2013

Please use the following accounting information for (IET) transfer/payment:

Document Number	Account Coding				Description	Amount
	Fund	Agency	Org	Sub Org		
112AG090612042	0001	112	2301		0302	\$ 4,082.75

Please direct billing questions to Karen Redmond at (515)281-6362.

Iowa Attorney General's Office

Invoiced Services

Billing Period:	August 2012
Billing Total:	\$4,082.75
DSS @ 22%	\$1,372.82
RCH @10%	\$428.03
CLJ @12%	\$420.32
Payroll: 8/02/12	\$2,221.17
DSS @ 22%	\$1,117.29
RCH @10%	\$303.18
CLJ @12%	\$273.44
Payroll: 8/16/12	\$1,693.91
Imputed Income Reimbursement	(\$1.32)
Workers Comp FY2013	\$168.99
	\$4,082.75

DSS = David Steward **22%**

Dave is our Asst Attorney General who provides the Board with legal counsel, drafts agreements and settlements with other State agencies and claimants.

RCH = Richard Heathcote **10%**

Rich is a PhD hydrogeologist who consults for the Board by reviewing claim files and DNR records to assist in the determination of technologies used at sites. Rich reviews site files for the usage of RBCA Tier 3 reports; he also reviews proposals for CRP's or special projects.

CLJ = Cindy Jacobs **12%**

Cindy is a legal secretary for the Environmental/UST Division of the Attorney General's Office located in the Lucas Building. Cindy completes status reports and maintains appeal files for UST claimants with regard to their UST Fund benefits' eligibility.

IOWA ATTORNEY GENERAL'S OFFICE

Hoover State Office Bldg - 2nd Floor
Des Moines, Iowa 50319-0141

Invoice Date: 10/02/12

Buyer: Aon Risk Services
2700 Westown Pkwy, Ste 320
West Des Moines, IA 50266
Attn: Scott Scheidel

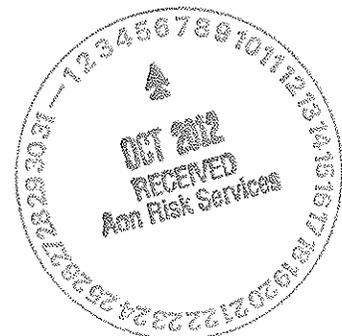
Seller: Iowa Attorney General's Office
Hoover State Office Bldg - 2nd Floor
Des Moines, IA 50319-0141

Services For: Assistant Attorneys General
Period of Service: September FY2013

Please use the following accounting information for (IET) transfer/payment:

Document Number	Account Coding				Description	Amount
	Fund	Agency	Org	Sub Org		
112AG100212042	0001	112	2301		0302	\$ 3,915.05

Please direct billing questions to Karen Redmond at (515)281-6362.



Iowa Attorney General's Office

Invoiced Services

Billing Period:	September 2012
Billing Total:	\$3,915.05
DSS @ 22%	\$1,368.42
RCH @10%	\$424.83
CLJ @12%	\$418.26
Payroll: 8/30/12	\$2,211.51
DSS @ 22%	\$1,121.69
RCH @10%	\$306.38
CLJ @12%	\$275.47
Payroll: 9/13/12	\$1,703.54
Imputed Income Reimbursement	\$0.00
	\$3,915.05

DSS = David Steward **22%**

Dave is our Asst Attorney General who provides the Board with legal counsel, drafts agreements and settlements with other State agencies and claimants.

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STATE OF IOWA

TP

OFFICIAL DOMICILE	TRAVEL PAYMENT	DOCUMENT NUMBER
PURPOSE OF TRAVEL: <input type="checkbox"/> NORMAL JOB DUTIES <input type="checkbox"/> CONFERENCE / SEMINAR <input checked="" type="checkbox"/> OTHER (SPECIFY) UST Fund meeting <input checked="" type="checkbox"/> MEETING <input type="checkbox"/> STAFF DEVELOPMENT <input type="checkbox"/> TRAINING <input type="checkbox"/> REQUIRED BY FED GOVERNMENT		

NAME AND HOME ADDRESS Karen Andeweg 4719 93 rd Street Urbandale, IA 50322	ALTERNATE ADDRESS (Send warrant to)	ACCOUNTING USE ONLY—REFERENCE ALL OTHER RELATED DOCUMENTS			
		DOC #	DATE PAID	DOC #	DATE PAID

YEAR	TIME		TRAVEL		<input type="checkbox"/> STATE VEHICLE <input type="checkbox"/> PERSONAL VEHICLE		MEALS					LODGING		TRANSPORTATION AND OTHER EXPENSES			
	MM/DD	LEFT	RETURNED	FROM	TO	MILES	Rate In Cents	CHARGE	Breakfast	Lunch	Dinner	TOTAL	REIMB TOTAL	ACTUAL	REIMB TOTAL	C O D E	AMOUNT
08/12				FROM: Ankeny, IA	TO: Iowa Arboretum	066											
TOTALS																	

TRANSPORTATION & OTHER EXPENSES: A - AIR F - LOCAL PHONE R - REGISTRATION O - OTHER Specify Here B - BUS/CAB L - LAUNDRY S - SUPPLIES D - LD PHONE P - PARKING T - TOLLS	DOCUMENT TOTAL LESS TRAVEL ADVANCES LESS TRAVEL PCARD PYMTS REIMBURSEMENT REQUESTED
--	--

ROUTINE USES OF THIS FORM ARE TO FULFILL IRS REQUIREMENTS, IDENTIFY INDIVIDUAL CLAIMS FOR PUBLIC INSPECTION, PROVIDE THE STATE VEHICLE DISPATCHER INFORMATION, AND TO PREPARE THE ANNUAL SALARY BOOK

CLAIMANT'S CERTIFICATION I CERTIFY THAT THE ITEMS FOR WHICH PAYMENT / REIMBURSEMENT IS CLAIMED WERE FURNISHED FOR STATE BUSINESS UNDER THE AUTHORITY OF THE LAW AND THAT THE CHARGES ARE REASONABLE, PROPER, AND CORRECT, AND NO PART OF THIS CLAIM HAS BEEN REIMBURSED OR PAID BY THE STATE, EXCEPT ADVANCES SHOWN, AND I UNDERSTAND THE ROUTINE USES OF THIS FORM.

DEPARTMENT CERTIFICATION I CERTIFY THAT THE ABOVE EXPENSES WERE INCURRED AND THE AMOUNTS ARE CORRECT AND SHOULD BE PAID FROM THE FUNDS APPROPRIATED BY:
CODE OR CHAPTER SECTION(S)

COMMUTING MILES EXCL? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	INCLDS VICINITY MILES? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	DIRECT DEPOSIT? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	WARRANT TO ALT ADDR? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	TRAVEL DEPARTMENT AUTHORIZATION NUMBER:
TITLE				TRAVEL APPROVAL
VENDOR CUSTOMER NO:				Supervisor's Signature
CLAIMANT'S SIGNATURE: <i>Karen Andeweg</i>				DATE: <i>9-21-12</i>

TP	DOC NUMBER	DOC DATE	ACCTG PRD	BUD FY	ADDR OVERRIDE Y/N	VENDOR CUSTOMER NUMBER	DOC TOTAL
LINE	FUND	DEPT	UNIT	SUB UNIT	OBJT	SUB OBJT	AMOUNT
01							
02							
03							
04							
05							
06							
07							
08							
09							
10							

DOCUMENT TOTAL	WARRANT #	AUDITED BY	PAID DATE
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Monthly Activity Report and Financials Reviewed

A. August 2012 Activity Report

Iowa UST Fund
Monthly Activities Report

Aug-12

Claims	Open Claims July Ending	Monthly Net Changes	Open Claims August Ending	Open & Closed Totals since Inception
RETROACTIVE				
number	39	0	39	444
reserve	\$1,573,751.00	(\$22,292.39)	\$1,551,458.61	\$1,551,458.61
paid	\$6,796,249.00	\$15,292.39	\$6,811,541.39	\$16,517,178.74
	\$8,370,000.00	(\$7,000.00)	\$8,363,000.00	\$18,068,637.35
REMEDIAL				
number	531	(2)	529	4,448
reserve	\$25,222,553.13	\$95,076.88	\$25,317,630.01	\$25,318,566.01
paid	\$78,323,019.68	\$367,691.49	\$78,690,711.17	\$199,777,302.17
total	\$103,545,572.81	\$462,768.37	\$104,008,341.18	\$225,095,868.18
INNOCENT LANDOWNER				
number	163	(2)	161	1,106
reserve	\$6,889,904.85	(\$45,334.00)	\$6,844,570.85	\$6,859,570.85
paid	\$11,346,985.20	\$350,303.95	\$11,697,289.15	\$26,490,508.78
total	\$18,236,890.05	\$304,969.95	\$18,541,860.00	\$33,350,079.63
GLOBAL OPT-IN				
number	138	(1)	137	1,294
reserve	\$794,858.95	(\$8,141.38)	\$786,717.57	\$786,717.57
paid	\$1,081,178.86	(\$5,858.82)	\$1,075,320.24	\$9,421,426.10
total	\$1,876,037.81	(\$14,000.00)	\$1,862,037.81	\$10,208,143.67
UNASSIGNED REVENUE FUND PROJECTS				
number	2	1	3	191
reserve	\$20,000.00	\$8,168.00	\$28,168.00	\$15,000.00
paid	\$0.00	\$0.00	\$0.00	\$2,455,839.75
total	\$20,000.00	\$8,168.00	\$28,168.00	\$2,470,839.75
NFA RE-EVALUATIONS				
number	19	0	19	34
reserve	\$412,676.87	(\$13,521.00)	\$399,155.87	\$399,155.87
paid	\$325,033.13	\$13,521.00	\$338,554.13	\$567,820.30
total	\$737,710.00	\$0.00	\$737,710.00	\$966,976.17
TANK PULLS				
number	34	(6)	28	162
reserve	\$388,051.00	(\$85,363.39)	\$322,687.61	\$322,687.61
paid	\$0.00	\$3,149.39	\$3,149.39	\$1,498,482.96
total	\$388,051.00	(\$82,214.00)	\$325,837.00	\$1,821,170.57

Corrective Action Meetings	
Scheduled:	7
Completed:	1,108
MOA's	480

UST Operators (A / B)	2537
UST Operators (C)	47
Paid (FY2011-12)	\$271,490.00
Paid (FY2013)	\$3,000.00

RT Claims	#
New	0
Reopened	0
Closed	0
RM Claims	#
New	0
Reopened	0
Closed	2
ILO Claims	#
New	0
Reopened	0
Closed	2
GS Claims	#
New	0
Reopened	0
Closed	1
Tank Pull	#
New	4
Reopened	0
Closed	10

Invoice Type Totals	AUGUST	FYTD	Program to Date
2004 Tank Pull	0.00	0.00	\$ 1,761,013
2010 Tank Pull	95,505.61	115,856.52	\$ 1,504,203
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	1,200.00	\$ 4,258,643
Corrective Action	168,619.38	175,691.32	\$ 51,212,354
Expenses (OT)	1,700.00	1,700.00	\$ 241,720
Free Prod Recover	26,624.87	64,642.61	\$ 9,318,466
Monitoring	169,820.87	265,156.78	\$ 25,985,038
Operations/Maint	55,068.43	93,395.37	\$ 9,084,702
Over-excavation	24,601.48	142,317.17	\$ 26,541,995
Plastic Water Lines	0.00	71,883.85	\$ 1,968,921
Post RBCA Evals	1,681.00	3,421.00	\$ 187,029
RBCA	32,906.50	50,938.50	\$ 25,650,896
Remed Imp/Const.	77,355.58	184,191.00	\$ 25,662,107
SCR Charges	0.00	0.00	\$ 54,192,575
Site Check	0.00	2,582.50	\$ 140,053
Soil Disposal	0.00	0.00	\$ 670,827
Tank (UST) Pull	0.00	0.00	\$ 5,146,330
Tank (UST) Upgrade	0.00	0.00	\$ 5,891,868
Tier III	2,063.08	2,563.08	\$ 1,256,720
Utilities	15,680.93	25,905.24	\$ 1,673,723
Well Closure	7,255.38	18,518.20	\$ 3,180,707
Total Invoice Types	678,883.11	1,219,963.14	\$ 267,840,136

Remediation Budgets Approved to Date		
last month (Aug'12)	6	\$544,610
Trailing 12 mos	34	\$2,009,206
Prev Trail 12 mos	40	\$1,743,724
Total Since Jan 2003	1,042	\$40,439,801

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

B. August 2012 Financial Report

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING AUGUST 31, 2012**

0471 - UST REVENUE FUND (Bonding)

<hr/>		\$16,329,295.39
Balance of Fund, August 1, 2012		
 Receipts:		
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$0.00	
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$1,825.47	
Interest Income - Capital Reserve Fund	\$0.00	
	<u>\$0.00</u>	\$1,825.47
 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 (0450)	\$9,000,000.00	
Transfer to Innocent Landowner Fund (0485)	\$0.00	
Transfer to Remedial Non-Bonding Fund (0208)	\$0.00	
	<u>\$0.00</u>	\$9,000,000.00
 Balance of Fund, August 31, 2012		\$7,331,120.86

0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)

<hr/>		\$519,414.19
Balance of Fund, August 1, 2012		
 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 (0471)	\$9,000,000.00	
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	\$0.00	
Buys/ Sells	\$0.00	
Interest Income	\$1,199.77	
	<u>\$1,199.77</u>	\$9,001,199.77
 Disbursements:		
UST Administrator's Fees	\$97,608.00	
Attorney General's Fees	\$2,581.14	
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	\$4,962.88	
Bond Trustee's Fees - Bankers Trust	\$0.00	
Claim Settlement	\$0.00	
Custodial Fees - BONY	\$0.00	
Department of Revenue EPC Collection Fees	\$779.16	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING AUGUST 31, 2012**

Innovative Technology	\$0.00	
Inspection & Appeals Service Fees	\$0.00	
Legal and Professional Fees	\$0.00	
Postage / Printing / Miscellaneous	\$0.00	
Professional Admin Services (Investments)	\$0.00	
Professional Services - Owner/Operator Training	\$0.00	
Rebate	\$0.00	
Special Project Claims - Closure Contract Project	\$1,700.00	
Travel Expenses-UST Board Members	\$0.00	
Warrant Float Expense	\$0.00	
28E Agreement - DNR Plume Study	\$0.00	
Statutory Transfer to DNR (technical review - recurring)	\$0.00	
Statutory Transfer to IDAL (fuel quality inspections - recurring)	\$0.00	
Appropriation 2013	\$44,837.48	
Transfer of Funds to Innocent Land Owners	\$0.00	
		\$152,468.66
Balance of Fund, August 31, 2012		\$9,368,145.30

0208 - UST REMEDIAL NON-BONDING FUND

Balance of Fund, August 1, 2012		\$3,394,649.03
Receipts:		
Remedial Refunds	\$0.00	
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
		\$0.00
Disbursements:		
Retroactive Claims	\$16,308.84	
Remedial Claims	\$712,102.74	
28E Agreement - NFA Claims	\$9,741.00	
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants & Cancelled Warrants	(\$25,589.36)	
		\$712,563.22
Balance of Fund, August 31, 2012		\$2,682,085.81

0478 - UST MARKETABILITY FUND

Balance of Fund, August 1, 2012		\$731,398.65
Receipts:		
Interest	\$673.63	
Use Tax	\$0.00	
		\$673.63
Disbursements:		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
Balance of Fund, August 31, 2012		\$732,072.28

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING AUGUST 31, 2012**

0485 - UST INNOCENT LANDOWNERS FUND

Balance of Fund, August 1, 2012		\$2,932,906.61
Receipts:		
Cost Recovery (i.e. lien settlements)	\$0.00	
ILO Refunds	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
Transfer From Loan Gaurantee Fund (0238)	\$0.00	
Outdated Warrants	\$0.00	
Miscellaneous Income	\$0.00	
	\$0.00	\$0.00
Disbursements:		
Cost Recovery Reimbursement	\$0.00	
Cost Recovery Global Settlement	\$0.00	
Intra State Fund Transfers Paid (to Unassigned Revenue)	\$0.00	
Other Contractual Services	\$0.00	
Global Settlement Claims	\$10,575.97	
Innocent Landowner Claims	\$147,418.65	
Transfer to Remedial Fund (0208)	\$0.00	
Balance of Outdated Warrants	\$0.00	
	\$157,994.62	
Balance of Fund, August 31, 2012		\$2,774,911.99

0238 - UST LOAN GUARANTEE FUND (Non-Bonding)

Balance of Fund, August 1, 2012		\$277,788.24
Receipts:		
Loan Application Fees	\$0.00	
Interest Income	\$45.82	
	\$45.82	\$45.82
Disbursements:		
Transfer to Innocent Landowners Fund	\$0.00	
	\$0.00	
Balance of Fund, August 31, 2012		\$277,834.06

0614 - UST CAPITAL RESERVE FUNDS (Bonding)

Balance of Fund, August 31, 2012		\$0.00
Combined UST Capital Reserve Fund Balances, August 31, 2012		\$0.00
TOTAL FUND BALANCES, August 31, 2012		\$23,166,170.30

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 August 31, 2012

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING AUGUST 31, 2012**

0471 - UST REVENUE FUND (Bonding)

<hr/>		\$16,326,234.65
Balance of Fund, July 1, 2012		
 Receipts:		
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$0.00	
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$4,886.21	
Interest Income - Capital Reserve Fund	\$0.00	
	<hr/>	\$4,886.21
 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 (0450)	\$9,000,000.00	
Transfer to Innocent Landowner Fund (0485)	\$0.00	
Transfer to Remedial Non-Bonding Fund (0208)	\$0.00	
	<hr/>	\$9,000,000.00
 Balance of Fund, August 31, 2012		<hr/> \$7,331,120.86 <hr/>

0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)

<hr/>		\$745,122.80
Balance of Fund, July 1, 2012		
 Receipts:		
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$0.00	
Refund/Overpayment	\$2,837.72	
Transfer From UST Revenue Fund (0471)	\$9,000,000.00	
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	\$0.00	
Buys/ Sells	\$0.00	
Interest Income	\$3,555.54	
	<hr/>	\$9,006,393.26
 Disbursements:		
UST Administrator's Fees	\$195,216.00	
Attorney General's Fees	\$12,265.23	
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	\$4,962.88	
Bond Trustee's Fees - Bankers Trust	\$0.00	
Claim Settlement	\$0.00	
Custodial Fees - BONY	\$0.00	
Department of Revenue EPC Collection Fees	\$24,676.51	
Innovative Technology	\$0.00	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING AUGUST 31, 2012**

Inspection & Appeals Service Fees	\$0.00	
Legal and Professional Fees	\$0.00	
Postage / Printing / Miscellaneous	\$0.00	
Professional Admin Services (Investments)	\$0.00	
Professional Services - Owner/Operator Training	\$29,770.00	
Rebate	\$0.00	
Special Project Claims - Closure Contract Project	\$1,700.00	
Travel Expenses-UST Board Members	\$0.00	
Warrant Float Expense	\$0.00	
28E Agreement - DNR Plume Study	\$0.00	
Statutory Transfer to DNR (technical review - recurring)	\$0.00	
Statutory Transfer to IDAL (fuel quality inspections - recurring)	\$0.00	
Appropriation 2012	\$114,780.14	
Transfer of Funds to Innocent Land Owners	\$0.00	
		\$383,370.76

Balance of Fund, August 31, 2012	\$9,368,145.30
---	-----------------------

0208 - UST REMEDIAL NON-BONDING FUND

Balance of Fund, July 1, 2012	\$3,510,808.48
--------------------------------------	-----------------------

Receipts:

Remedial Refunds	\$0.00	
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
		\$0.00

Disbursements:

Retroactive Claims	\$18,635.00	
Remedial Claims	\$823,953.53	
28E Agreement - NFA Claims	\$11,723.50	
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants	(\$25,589.36)	
		\$828,722.67

Balance of Fund, August 31, 2012	\$2,682,085.81
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0478 - UST MARKETABILITY FUND

Balance of Fund, July 1, 2012	\$730,433.06
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Receipts:

Interest	\$1,639.22	
Use Tax	\$0.00	
		\$1,639.22

Disbursements:

Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00

Balance of Fund, August 31, 2012	\$732,072.28
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**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING AUGUST 31, 2012**

0485 - UST INNOCENT LANDOWNERS FUND

Balance of Fund, July 1, 2012		\$2,963,372.43
Receipts:		
Cost Recovery (i.e. lien settlements)	\$0.00	
ILO Refunds	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
Transfer From Loan Gaurantee Fund (0238)	\$0.00	
Outdated Warrants	\$2,300.00	
Miscellaneous Income	\$0.00	
		\$2,300.00
Disbursements:		
Cost Recovery Reimbursement	\$0.00	
Cost Recovery Global Settlement	\$0.00	
Intra State Fund Transfers Paid (to Unassigned Revenue)	\$0.00	
Other Contractual Services	\$0.00	
Global Settlement Claims	\$12,024.32	
Innocent Landowner Claims	\$178,736.12	
Transfer to Remedial Fund (0208)	\$0.00	
Balance of Outdated Warrants	\$0.00	
		\$190,760.44
Balance of Fund, August 31, 2012		\$2,774,911.99

0238 - UST LOAN GUARANTEE FUND (Non-Bonding)

Balance of Fund, July 1, 2012		\$277,723.01
Receipts:		
Loan Application Fees	\$0.00	
Interest Income	\$111.05	
		\$111.05
Disbursements:		
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
Balance of Fund, August 31, 2012		\$277,834.06

0614 - UST CAPITAL RESERVE FUNDS (Bonding)

Combined UST Capital Reserve Fund Balances, August 31, 2012		\$0.00
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TOTAL FUND BALANCES, August 31, 2012		\$23,166,170.30
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FOOTNOTES:

Note 1: Funds labeled "Bonding" were created as a result of the issuance of UST Revenue Bonds. Disbursements from these funds are restricted by the Revenue Bond indenture. 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.

D. September 2012 Activity Report

Iowa UST Fund
Monthly Activities Report

Sep-12

Claims	Open Claims August Ending	Monthly Net Changes	Open Claims September Ending	Open & Closed Totals since Inception
RETROACTIVE				
number	39	0	39	444
reserve	\$1,551,458.61	(\$51,097.88)	\$1,500,360.73	\$1,500,360.73
paid	\$6,811,541.39	\$19,097.88	\$6,830,639.27	\$16,536,276.62
	\$8,363,000.00	(\$32,000.00)	\$8,331,000.00	\$18,036,637.35
REMEDIAL				
number	529	(5)	524	4,448
reserve	\$25,317,630.01	(\$26,017.55)	\$25,291,612.46	\$25,292,548.46
paid	\$78,690,711.17	(\$85,318.30)	\$78,605,392.87	\$200,188,383.00
total	\$104,008,341.18	(\$111,335.85)	\$103,897,006.61	\$225,480,931.46
INNOCENT LANDOWNER				
number	161	0	161	1,107
reserve	\$6,844,570.85	\$39,845.45	\$6,884,416.30	\$6,899,416.30
paid	\$11,697,289.15	(\$130,745.45)	\$11,566,543.70	\$26,562,816.58
total	\$18,541,860.00	(\$90,900.00)	\$18,450,960.00	\$33,462,232.88
GLOBAL OPT-IN				
number	137	(2)	135	1,294
reserve	\$786,717.57	(\$7,979.92)	\$778,737.65	\$785,111.42
paid	\$1,075,320.24	(\$6,520.08)	\$1,068,800.16	\$9,423,032.25
total	\$1,862,037.81	(\$15,500.00)	\$1,846,937.49	\$10,208,143.67
UNASSIGNED REVENUE FUND PROJECTS				
number	3	1	4	192
reserve	\$28,168.00	\$20,000.00	\$48,168.00	\$48,168.00
paid	\$0.00	\$0.00	\$0.00	\$2,377,742.00
total	\$28,168.00	\$20,000.00	\$48,168.00	\$2,425,910.00
NFA RE-EVALUATIONS				
number	19	0	19	35
reserve	\$399,155.87	\$37,336.03	\$436,491.90	\$436,491.90
paid	\$338,554.13	\$6,953.97	\$345,508.10	\$582,484.27
total	\$737,710.00	\$44,290.00	\$782,000.00	\$1,018,976.17
TANK PULLS				
number	28	(5)	23	165
reserve	\$322,687.61	(\$21,851.61)	\$300,836.00	\$300,836.00
paid	\$3,149.39	(\$3,149.39)	\$0.00	\$1,577,678.31
total	\$325,837.00	(\$25,001.00)	\$300,836.00	\$1,878,514.31

Corrective Action Meetings	
Scheduled:	9
Completed:	115
MOA's	481

UST Operators (A / B)	
UST Operators (A / B)	2548
UST Operators (C)	49
Paid (FY2011-12)	\$271,490.00
Paid (FY2013)	\$4,100.00

RT Claims	#
New	0
Reopened	0
Closed	0
RM Claims	
New	0
Reopened	0
Closed	4
ILO Claims	
New	1
Reopened	0
Closed	1
GS Claims	
New	0
Reopened	0
Closed	2
Tank Pull	
New	3
Reopened	0
Closed	8

Invoice Type Totals	SEPTEMBER	FYTD	Program to Date
2004 Tank Pull	0.00	0.00	\$ 1,761,013
2010 Tank Pull	79,195.35	195,051.87	\$ 1,583,398
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	1,200.00	\$ 4,258,643
Corrective Action	1,606.15	177,297.47	\$ 51,213,960
Expenses (OT)	3,000.00	4,700.00	\$ 244,720
Free Prod Recover	24,094.69	88,737.30	\$ 9,342,561
Monitoring	124,591.82	389,748.60	\$ 26,109,630
Operations/Maint	38,420.07	131,815.44	\$ 9,123,122
Over-excavation	54,814.45	197,131.62	\$ 26,596,810
Plastic Water Lines	0.00	71,883.85	\$ 1,968,921
Post RBCA Evals	765.00	4,186.00	\$ 187,794
RBCA	19,240.69	70,179.19	\$ 25,670,137
Remed Imp/Const.	125,907.22	310,098.22	\$ 25,788,015
SCR Charges	0.00	0.00	\$ 54,192,575
Site Check	0.00	2,582.50	\$ 140,053
Soil Disposal	0.00	0.00	\$ 670,827
Tank (UST) Pull	0.00	0.00	\$ 5,146,330
Tank (UST) Upgrade	0.00	0.00	\$ 5,891,868
Tier III	0.00	2,563.08	\$ 1,256,720
Utilities	9,949.31	35,854.55	\$ 1,683,673
Well Closure	17,282.48	35,800.68	\$ 3,197,989
Total Invoice Types	498,867.23	1,718,830.37	\$ 268,339,003

Remediation Budgets Approved to Date		
last month (Sept'12)	1	\$138,028
Trailing 12 mos	32	\$1,970,888
Prev Trail 12 mos	38	\$1,785,948
Total Since Jan 2003	1,043	\$40,577,830

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

E. September 2012 Financial Report

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING SEPTEMBER 30, 2012**

0471 - UST REVENUE FUND (Bonding)

Balance of Fund, September 1, 2012		\$7,331,120.86
Receipts:		
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$0.00	
Intra State Fund Transfers Received	\$3,500,000.00	
Interest Income	\$4,438.13	
Interest Income - Capital Reserve Fund	\$0.00	
		\$3,504,438.13
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 (0450)	\$0.00	
Transfer to Innocent Landowner Fund (0485)	\$0.00	
Transfer to Remedial Non-Bonding Fund (0208)	\$0.00	
		\$0.00
Balance of Fund, September 30, 2012		\$10,835,558.99

0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)

Balance of Fund, September 1, 2012		\$9,368,145.30
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 (0471)	\$0.00	
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	\$0.00	
Buys/ Sells	\$0.00	
Interest Income	\$5,068.99	
		\$5,068.99
Disbursements:		
UST Administrator's Fees	\$97,608.00	
Attorney General's Fees	\$4,082.75	
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's 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, 2012**

Innovative Technology	\$0.00	
Inspection & Appeals Service Fees	\$0.00	
Legal and Professional Fees	\$0.00	
Postage / Printing / Miscellaneous	\$0.00	
Professional Admin Services (Investments)	\$0.00	
Professional Services - Owner/Operator Training	\$0.00	
Rebate	\$0.00	
Special Project Claims - Closure Contract Project	\$0.00	
Travel Expenses-UST Board Members	\$0.00	
Warrant Float Expense	\$0.00	
28E Agreement - DNR Plume Study	\$0.00	
Statutory Transfer to DNR (technical review - recurring)	\$0.00	
Statutory Transfer to IDAL (fuel quality inspections - recurring)	\$0.00	
Appropriation 2013	\$535.46	
Transfer of Funds to Innocent Land Owners	\$0.00	
		\$102,226.21
Balance of Fund, September 30, 2012		\$9,270,988.08

0208 - UST REMEDIAL NON-BONDING FUND

Balance of Fund, September 1, 2012		\$2,682,085.81
Receipts:		
Remedial Refunds	\$0.00	
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
		\$0.00
Disbursements:		
Retroactive Claims	\$2,623.55	
Remedial Claims	\$258,833.74	
28E Agreement - NFA Claims	\$3,780.00	
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants & Cancelled Warrants	(\$25,589.36)	
		\$239,647.93
Balance of Fund, September 30, 2012		\$2,442,437.88

0478 - UST MARKETABILITY FUND

Balance of Fund, September 1, 2012		\$732,072.28
Receipts:		
Interest	\$836.43	
Use Tax	\$0.00	
		\$836.43
Disbursements:		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
Balance of Fund, September 30, 2012		\$732,908.71

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING SEPTEMBER 30, 2012**

0485 - UST INNOCENT LANDOWNERS FUND

Balance of Fund, September 1, 2012		\$2,774,911.99
Receipts:		
Cost Recovery (i.e. lien settlements)	\$20,015.49	
ILO Refunds	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
Transfer From Loan Gaurantee Fund (0238)	\$0.00	
Outdated Warrants	\$0.00	
Miscellaneous Income	\$0.00	
	\$20,015.49	
Disbursements:		
Cost Recovery Reimbursement	\$0.00	
Cost Recovery Global Settlement	\$0.00	
Intra State Fund Transfers Paid (to Unassigned Revenue)	\$0.00	
Other Contractual Services	\$0.00	
Global Settlement Claims	\$4,637.35	
Innocent Landowner Claims	\$50,913.04	
Transfer to Remedial Fund (0208)	\$0.00	
Balance of Outdated Warrants	\$0.00	
	\$55,550.39	
Balance of Fund, September 30, 2012		\$2,739,377.09

0238 - UST LOAN GUARANTEE FUND (Non-Bonding)

Balance of Fund, September 1, 2012		\$277,834.06
Receipts:		
Loan Application Fees	\$0.00	
Interest Income	\$57.75	
	\$57.75	\$57.75
Disbursements:		
Transfer to Innocent Landowners Fund	\$0.00	
	\$0.00	
Balance of Fund, September 30, 2012		\$277,891.81

0614 - UST CAPITAL RESERVE FUNDS (Bonding)

Balance of Fund, September 30, 2012		\$0.00
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Combined UST Capital Reserve Fund Balances, September 30, 2012		\$0.00
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TOTAL FUND BALANCES, September 30, 2012		\$26,299,162.56
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FOOTNOTES:

Note 1: Funds labeled "Bonding" were created as a result of the issuance of UST Revenue Bonds. Disbursements from these funds are restricted by the Revenue Bond indenture.

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

F. Year-to-Date Financials as of September 30, 2012

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING SEPTEMBER 30, 2012**

0471 - UST REVENUE FUND (Bonding)

<hr/>		\$16,326,234.65
Balance of Fund, July 1, 2012		
 Receipts:		
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$0.00	
Intra State Fund Transfers Received	\$3,500,000.00	
Interest Income	\$9,324.34	
Interest Income - Capital Reserve Fund	\$0.00	
	<hr/>	\$3,509,324.34
 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 (0450)	\$9,000,000.00	
Transfer to Innocent Landowner Fund (0485)	\$0.00	
Transfer to Remedial Non-Bonding Fund (0208)	\$0.00	
	<hr/>	\$9,000,000.00
 Balance of Fund, September 30, 2012		<hr/> \$10,835,558.99 <hr/>

0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)

<hr/>		\$745,122.80
Balance of Fund, July 1, 2012		
 Receipts:		
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$0.00	
Refund/Overpayment	\$2,837.72	
Transfer From UST Revenue Fund (0471)	\$9,000,000.00	
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	\$0.00	
Buys/ Sells	\$0.00	
Interest Income	\$8,624.53	
	<hr/>	\$9,011,462.25
 Disbursements:		
UST Administrator's Fees	\$292,824.00	
Attorney General's Fees	\$16,347.98	
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	\$4,962.88	
Bond Trustee's Fees - Bankers Trust	\$0.00	
Claim Settlement	\$0.00	
Custodial Fees - BONY	\$0.00	
Department of Revenue EPC Collection Fees	\$24,676.51	
Innovative Technology	\$0.00	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING SEPTEMBER 30, 2012**

Inspection & Appeals Service Fees	\$0.00	
Legal and Professional Fees	\$0.00	
Postage / Printing / Miscellaneous	\$0.00	
Professional Admin Services (Investments)	\$0.00	
Professional Services - Owner/Operator Training	\$29,770.00	
Rebate	\$0.00	
Special Project Claims - Closure Contract Project	\$1,700.00	
Travel Expenses-UST Board Members	\$0.00	
Warrant Float Expense	\$0.00	
28E Agreement - DNR Plume Study	\$0.00	
Statutory Transfer to DNR (technical review - recurring)	\$0.00	
Statutory Transfer to IDAL (fuel quality inspections - recurring)	\$0.00	
Appropriation 2013	\$115,315.60	
Transfer of Funds to Innocent Land Owners	\$0.00	
		\$485,596.97

Balance of Fund, September 30, 2012	\$9,270,988.08
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0208 - UST REMEDIAL NON-BONDING FUND

Balance of Fund, July 1, 2012	\$3,510,808.48
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Receipts:

Remedial Refunds	\$0.00	
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
		\$0.00

Disbursements:

Retroactive Claims	\$21,258.55	
Remedial Claims	\$1,057,197.91	
28E Agreement - NFA Claims	\$15,503.50	
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants	(\$25,589.36)	
		\$1,068,370.60

Balance of Fund, September 30, 2012	\$2,442,437.88
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0478 - UST MARKETABILITY FUND

Balance of Fund, July 1, 2012	\$730,433.06
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Receipts:

Interest	\$2,475.65	
Use Tax	\$0.00	
		\$2,475.65

Disbursements:

Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00

Balance of Fund, September 30, 2012	\$732,908.71
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**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING SEPTEMBER 30, 2012**

0485 - UST INNOCENT LANDOWNERS FUND

Balance of Fund, July 1, 2012		\$2,963,372.43
Receipts:		
Cost Recovery (i.e. lien settlements)	\$20,015.49	
ILO Refunds	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
Transfer From Loan Gaurantee Fund (0238)	\$0.00	
Outdated Warrants	\$2,300.00	
Miscellaneous Income	\$0.00	
		\$22,315.49
Disbursements:		
Cost Recovery Reimbursement	\$0.00	
Cost Recovery Global Settlement	\$0.00	
Intra State Fund Transfers Paid (to Unassigned Revenue)	\$0.00	
Other Contractual Services	\$0.00	
Global Settlement Claims	\$16,661.67	
Innocent Landowner Claims	\$229,649.16	
Transfer to Remedial Fund (0208)	\$0.00	
Balance of Outdated Warrants	\$0.00	
		\$246,310.83
Balance of Fund, September 30, 2012		\$2,739,377.09

0238 - UST LOAN GUARANTEE FUND (Non-Bonding)

Balance of Fund, July 1, 2012		\$277,723.01
Receipts:		
Loan Application Fees	\$0.00	
Interest Income	\$168.80	
		\$168.80
Disbursements:		
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
Balance of Fund, September 30, 2012		\$277,891.81

0614 - UST CAPITAL RESERVE FUNDS (Bonding)

Combined UST Capital Reserve Fund Balances, September 30, 2012		\$0.00
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TOTAL FUND BALANCES, September 30, 2012		\$26,299,162.56
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FOOTNOTES:

Note 1: Funds labeled "Bonding" were created as a result of the issuance of UST Revenue Bonds. Disbursements from these funds are restricted by the Revenue Bond indenture. 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.

Attorney General's Report

Claim Payment Approval

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 THIRD BOARD REPORT
 SEPTEMBER 10, 2012
 CITY OF COUNCIL BLUFFS
 2800 A AVENUE
 COUNCIL BLUFFS
 SITE REGISTRATION NUMBER: 8916239
 LUST NUMBER: 7LTH09**

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 1,000,000.00

PREVIOUS BOARD APPROVAL:

\$ 800,000.00

Number and Date of each previous Board Report: 1st: September 13, 2004; 2nd: September 9, 2005

PREVIOUS COSTS INCURRED:

\$ 95,705.14

COSTS INCURRED SINCE LAST BOARD APPROVAL:

- | | |
|----------------------------|-------------------|
| 1. Site monitoring reports | 36,830.00 |
| 2. Free product recovery | 42,550.00 |
| 3. Over-excavation | <u>626,081.17</u> |

TOTAL COSTS INCURRED TO DATE:

\$ 801,166.31

PROJECTED COSTS:

Risked Based Corrective
Action Tier II Report

Tank Pull/Upgrade

Site Monitoring Reports
(SMR)

Free Product Recovery
(FPR)

Corrective Action Design Report
(CADR)

Implementation of water line replacement
or additional clean-up

TOTAL PROJECTED COSTS:

\$ 70,000.00 to cap on benefits

ADDITIONAL AUTHORITY RECOMMENDED:

\$ 200,000.00

TOTAL AUTHORITY:*

\$1,000,000.00

COMMENTS: A very large excavation was completed in 2006. Free product is still present in several monitoring wells along with high dissolved phase groundwater contamination. The site is high risk for residential sewers and basements as well as for water lines. Continued monitoring and free product recovery is recommended at this time and into the foreseeable future. Additional corrective action is possible, though options are somewhat limited with the amount of funding that is left.

*Previous approval + additional recommended

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 THIRD BOARD REPORT
 SEPTEMBER 10, 2012
 IN LLC
 1625 W 4TH ST.
 WATERLOO
 SITE REGISTRATION NUMBER: 8608386
 LUST NUMBER: 8LTQ20**

RISK CLASSIFICATION:

HIGH LOW UNDETERMINED

PRESENT CLAIM RESERVE: \$ 435,000.00

PREVIOUS BOARD APPROVAL: \$ 400,000.00
 Number and Date of each previous Board Report: 1st: March 13, 2002; 2nd: April 5, 2011

PREVIOUS COSTS INCURRED: \$ 97,325.75

COSTS INCURRED SINCE LAST BOARD APPROVAL:

- 1. Site monitoring reports 8,772.77
- 2. Over-excavation 169,818.39
- TOTAL COSTS INCURRED TO DATE: \$ 275,916.91

PROJECTED COSTS:

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

TOTAL PROJECTED COSTS: \$ 150,000. - \$200,000.00

ADDITIONAL AUTHORITY RECOMMENDED:

TOTAL AUTHORITY:* \$ 475,000.00

COMMENTS: This site is high risk for the vapor pathway. A prior excavation was attempted leaving some contamination beneath a city street. At conference it was decided by all parties that an over-excavation of street and right of way would be the most effective method to remediate the site. Post-remediation monitoring may be necessary to ensure contaminant levels do not rebound.

*Previous approval + additional recommended

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 SECOND BOARD REPORT
 SEPTEMBER 11, 2012
 STAN'S SERVICE
 121-3rd ST. NE
 HARTLEY
 SITE REGISTRATION NUMBER: 8605562
 LUST NUMBER: 8LTE31**

RISK CLASSIFICATION:

HIGH LOW UNDETERMINED

PRESENT CLAIM RESERVE: \$ 152,000.00

PREVIOUS BOARD APPROVAL: \$ 150,000.00
 Number and Date of each previous Board Report: 1st: August 16, 2010

PREVIOUS COSTS INCURRED: \$ 69,122.95

COSTS INCURRED SINCE LAST BOARD APPROVAL:
 1. Site monitoring reports 12,585.46
 2. Over-excavation 76,230.81

TOTAL COSTS INCURRED TO DATE: \$ 157,939.22

PROJECTED COSTS:

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

TOTAL PROJECTED COSTS: \$ 15,000.00 to 85,000.00

ADDITIONAL AUTHORITY RECOMMENDED:

TOTAL AUTHORITY:* \$ 200,000.00

COMMENTS: The site is high risk for the groundwater vapor pathway for residential sewers and groundwater concentrations are currently below the target levels. If the concentrations remain steady or declining, the site may be reclassified to no further action after two more monitoring events. If the concentration rebound, additional corrective action may be necessary.

*Previous approval + additional recommended

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 SECOND BOARD REPORT
 SEPTEMBER 12, 2012
 BUCKNER U-SAVE
 501 SE KENT
 GREENFIELD
 SITE REGISTRATION NUMBER: 8601879
 LUST NUMBER: 8LTQ23**

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE: \$ 525,000.00

PREVIOUS BOARD APPROVAL: \$ 350,000.00

Number and Date of each previous Board Report: 1st: June 15, 2006

PREVIOUS COSTS INCURRED: \$ 60,241.51

COSTS INCURRED SINCE LAST BOARD APPROVAL:

- | | |
|--|------------------|
| 1. Site monitoring reports | 33,003.08 |
| 2. Over-excavation | 21,888.19 |
| 3. Corrective action design report | 10,107.98 |
| 4. Remediation implementation | 142,332.48 |
| 5. Operation and maintenance and utilities | <u>84,389.23</u> |

TOTAL COSTS INCURRED TO DATE: \$ 351,962.47

PROJECTED COSTS:

Site Monitoring Reports
(SMR)

Free Product Recovery
(FPR)

Corrective Action Design Report
(CADR)

Continue O&M of existing
dual phase system

TOTAL PROJECTED COSTS: \$ 100,000.00 – 200,000.00 +

ADDITIONAL AUTHORITY RECOMMENDED:

\$ 200,000.00

TOTAL AUTHORITY:*

\$ 550,000.00

COMMENTS: After the last board report it was determined an over-excavation only would not achieve a reclassification and a dual phase system was installed with a small over-excavation. The groundwater levels are now below SSTLs for the high risk groundwater vapor pathways. Continued operation is needed to assure rebound does not occur above the target levels for the residential sewers and basements. The soil pathways are classified as no action required, but continued operation will help to ensure that pockets of soil contamination do not remain.

*Previous approval + additional recommended

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 FIRST BOARD REPORT
 SEPTEMBER 19, 2012
 BUTLER & CURTIS OIL, INC.
 1206 S. HAMPSHIRE
 MASON CITY
 SITE REGISTRATION NUMBER: 7910112
 LUST NUMBER: 8LTW44**

RISK CLASSIFICATION:

HIGH LOW NFA

PRESENT CLAIM RESERVE: \$ 195,000.00

ELIGIBILITY: The contamination was discovered during work on a storm sewer in the right-of-way on the edge of the property in 1993 and the IDNR was notified by the City. The underground storage tanks had been removed in 1983. A timely claim was not filed, but this site became eligible under the innocent landowner fund in 1997.

COST INCURRED TO DATE:

1. Site check	\$ 4,316.50
2. RBCA Tier II report	28,412.50
3. Site monitoring reports	22,920.00
4. Post RBCA evaluation	1,000.00
5. Over-excavation	<u>21,234.97</u>
TOTAL COST TODATE	<u>\$ 77,883.97</u>

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 to \$175,000+

TOTAL AUTHORITY RECOMMENDED:

\$ 250,000.00

COMMENTS: The site is considered to be a non-granular bedrock site. It is high risk for the groundwater and soil leaching to groundwater ingestion pathways for the City's water supply wells. The site is also high risk for the groundwater vapor and soil vapor pathways for residential sewers and basements. A previous excavation was completed on-site and extended to the edge of the street. The consultant is now proposing to excavate into the street and utility envelopes to remove the remaining contamination. The contamination is shallow and is above the bedrock, so it is accessible to excavation. Post-remediation monitoring will likely be required.

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 FIRST BOARD REPORT
 OCTOBER 3, 2012
 SIGOURNEY OIL CO., INC.
 329 N MAIN STREET
 SIGOURNEY
 SITE REGISTRATION NUMBER: 9016848
 LUST NUMBER: 8LTD52**

RISK CLASSIFICATION:

HIGH LOW NFA

PRESENT CLAIM RESERVE: \$ 110,000.00

ELIGIBILITY: The contamination was discovered during a site check on September 27, 1990, and reported to the IDNR on September 28, 1990. A timely claim was filed. This is an eligible remedial claim.

COST INCURRED TO DATE:

1. Site clean-up report & site check	\$ 20,946.75
2. Site monitoring reports	23,248.63
3. RBCA Tier II report	5,215.38
4. Post-RBCA evaluation	<u>500.00</u>
TOTAL COST TODATE	<u>\$ 49,910.76</u>

PROJECTED COSTS:

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

TOTAL PROJECTED COSTS: \$ 60,000.00 to \$ 175,000.00+

TOTAL AUTHORITY RECOMMENDED:

\$ 175,000.00

COMMENTS: The site is high risk for the soil vapor to enclosed space pathway for residential basements and sewers. The consultant is recommending an excavation of soils that are on-site. The excavation will need to extend into Hwy 92, or chemical oxidation could be used as an alternative, to remediate soils so as to reach the site specific target levels if the DOT grants access.

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 FIRST BOARD REPORT
 OCTOBER 3, 2012
 CLASEN'S AUTO SERVICE LLC
 905 PARK AVENUE
 LA MOTTE
 SITE REGISTRATION NUMBER: 8601313
 LUST NUMBER: 8LTH70**

RISK CLASSIFICATION:

HIGH LOW NFA

PRESENT CLAIM RESERVE: \$ 105,000.00

ELIGIBILITY: The contamination was discovered during a tank pull completed in August of 1990. The DNR was notified and a timely claim was filed. This is an eligible remedial claim.

COST INCURRED TO DATE:

1. Tank Pull	\$ 2,102.95
2. Site clean-up report	15,264.35
3. Site monitoring reports	24,594.86
4. RBCA Tier II report	<u>4,961.62</u>
TOTAL COST TO DATE	\$ 46,923.78

PROJECTED COSTS:

<input type="checkbox"/> Risked Based Corrective Action Tier I & II Report	<input type="checkbox"/> Tank Pull/Up-Grade.
<input checked="" type="checkbox"/> Site Monitoring Report	<input type="checkbox"/> Free Product Recovery
<input type="checkbox"/> Corrective Action Design Report	<input checked="" type="checkbox"/> Implementation of excavation and water line replacement

TOTAL PROJECTED COSTS: \$ 55,000.00 to \$ 125,000.00+

TOTAL AUTHORITY RECOMMENDED:

\$ 150,000.00

COMMENTS: The site is an active station. It is high risk for the soil vapor to enclosed space pathway for residential sewers and a residential basement. The site is also high risk for the soil to water line pathway. An excavation is proposed which may require digging into the city street and removing and replacing a water main in order to remove all soil contamination exceeding target levels. It may also be necessary to remove and replace the product piping. The site owner is our claimant and is in agreement with shutting down the station to allow for the completion of the excavation.

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 FIRST BOARD REPORT
 OCTOBER 3, 2012
 FOGARTY GROCERY
 2409 S BROADWAY
 EMMETSBURG**

**SITE REGISTRATION NUMBER: 8601810
 LUST NUMBER: 8LTL85**

RISK CLASSIFICATION:

HIGH

LOW

NFA

PRESENT CLAIM RESERVE: \$ 79,000.00

ELIGIBILITY: This is a timely filed eligible remedial claim.

COST INCURRED TO DATE:

1. Site check and site clean-up report	\$ 19,369.65
2. Site monitoring reports	17,649.50
3. RBCA Tier II report	9,722.32
4. Post RBCA evaluation/conference	1,000.00
5. Remediation implementation	21,128.46
6. Over-excavation and tank pull	<u>14,049.65</u>
TOTAL COST TODATE	\$ 82,919.58

PROJECTED COSTS:

<input type="checkbox"/>	Risk Based Corrective Action Tier I & II Report	<input type="checkbox"/>	Tank Pull/Up-Grade.
<input checked="" type="checkbox"/>	Site Monitoring Report	<input type="checkbox"/>	Free Product Recovery
<input type="checkbox"/>	Corrective Action Design Report (CADR)	<input checked="" type="checkbox"/>	Implementation of system for free product recovery

TOTAL PROJECTED COSTS: \$ 3,500.00 - \$25,000.00

TOTAL AUTHORITY RECOMMENDED:

\$ 100,000.00

COMMENTS: September 2012 site monitoring report submitted for reclassification to no further action.

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 FIRST BOARD REPORT
 OCTOBER 5, 2012
 KRAUSE GENTLE CORP.
 101 NORTH MAIN STREET
 LAUREL**

**SITE REGISTRATION NUMBER: 8609475
 LUST NUMBER: 7LTA13**

RISK CLASSIFICATION:

HIGH

LOW

NFA

PRESENT CLAIM RESERVE: \$ 100,000.00

ELIGIBILITY: This is a timely filed eligible retro claim.

COST INCURRED TO DATE:

1. Site check and site clean-up report	\$ 31,430.42
2. Tank pull	4,336.50
3. Site monitoring reports	24,485.31
4. RBCA Tier II report	<u>9,984.25</u>
TOTAL COST TODATE	\$ 70,236.48

PROJECTED COSTS:

Risked Based Corrective
Action Tier I & II Report

Tank Pull/Up-Grade.

Site Monitoring Report

Free Product Recovery

Corrective Action Design Report

Implementation of over-excavation
or water line replacement

TOTAL PROJECTED COSTS:

\$ 60,000.00 - \$140,000.00+

TOTAL AUTHORITY RECOMMENDED:

\$ 175,000.00

COMMENTS: The site is high risk for transite (asbestos concrete) water mains within 200 feet of the source location. The current contaminant concentration is 265 ppb benzene (within 60 feet of the main) while the site specific target level is 200 ppb benzene. Rather than monitoring, the consultant is recommending excavation of the source area. The property is now a vacant lot however abuts UST Highway 14. Prior to an over-excavation, the soil plume will be defined in the right-of-way and street to determine if excavation is feasible to allow complete removal of the contaminants.

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 THIRD BOARD REPORT
 OCTOBER 16, 2012
 FAST TRAK/DTM INC.
 HWY 3
 EDGEWOOD
 SITE REGISTRATION NUMBER: 8606219
 LUST NUMBER: 8LTF97**

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 400,000.00

PREVIOUS BOARD APPROVAL:

\$ 350,000.00

Number and Date of each previous Board Report: 1st: March 24, 2004; 2nd: October 18, 2005

PREVIOUS COSTS INCURRED:

\$ 54,871.77

COSTS INCURRED SINCE LAST BOARD APPROVAL:

1. Site monitoring reports	47,371.21
2. Over-excavation	195,740.18
3. Post-RBCA Evaluation	995.05
TOTAL COSTS INCURRED TO DATE:	\$ <u>298,978.21</u>

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 3rd OE or
HVE + chemical oxidation

TOTAL PROJECTED COSTS:

\$ 200,000.00 to 250,000.00 +

ADDITIONAL AUTHORITY RECOMMENDED:

\$ 175,000.00

TOTAL AUTHORITY:*

\$ 525,000.00

COMMENTS: The site is high risk for the vapor pathways for residential sewers and for the water line pathway. The consultant will compare costs between doing a 3rd excavation to remove contaminated soils which were left in the street in proximity to the water and sewer mains versus a combination of HVE (high vacuum extraction) events using a vac-truck and chemical oxidation. The over-excavation would include replacing a section of the high risk water main. The excavation option is projected to be the more expensive but also a more reliable option for achieving a no action required classification.

*Previous approval + additional recommended

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 FIRST BOARD REPORT
 OCTOBER 19, 2012
 BAKER'S PRIDE, INC
 3340/3360 MT. PLEASANT STREET
 BURLINGTON
 SITE REGISTRATION NUMBER: 7910646
 LUST NUMBER: 9LTP79**

RISK CLASSIFICATION:

HIGH LOW NFA

PRESENT CLAIM RESERVE: \$ 140,000.00

ELIGIBILITY: Contamination was discovered on October 19, 2011, during a Phase II assessment of the property. It was determined that a gas station once existed on the property. The gas station last operated tanks well before 1974. This was determined to be an eligible innocent landowner claim.

COST INCURRED TO DATE:

1. RBCA Tier II report	\$ 12,563.56
2. Site monitoring reports	5,145.00
3. Post RBCA evaluation/conference	<u>1,000.00</u>
TOTAL COST TODATE	\$ 18,708.56

PROJECTED COSTS:

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

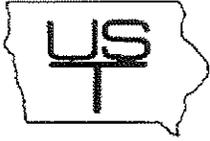
TOTAL PROJECTED COSTS: \$ 120,000.00 - \$200,000.00+

TOTAL AUTHORITY RECOMMENDED:

\$ 180,000.00

COMMENTS: The site is high risk for the water line pathways for PVC and gasketed water mains and for the vapor pathways for sewers. . The contamination is within a large parking lot of a bakery facility where a gas station once existed. The contamination is accessible to excavation. A large excavation is proposed which may result in the reclassification of the site to no further action following post over-excavation monitoring.

**Contracts Entered Into Since
August 23, 2012
Board Meeting**



IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Scott M. Scheidel, *Administrator*

Board Members:

Michael L. Fitzgerald

Timothy L. Gartin

Joseph D. Barry

Dawn M. Carlson

Jeff. W. Robinson

Patricia J. Beck

Karen E. Andeweg

N. Kurt Mumm

Chuck Gipp

Φ Φ Φ *MEMO* Φ Φ Φ

TO: UST Board

FROM: Scott Scheidel

DATE: October 17, 2012

RE: Contracts Entered Into Since August 23, 2012

The Board has not entered into any new contracts since the August 23, 2012 meeting.

Other Issues as Presented

Correspondence and Attachments